



# US authorities have provided a list of 22 potential red flag indicators of export control evasion

In consideration of these indicators, in conjunction with conducting appropriate risk-based customer and transactional due diligence, will assist in determining whether an identified activity may be connected to export control evasion. As no single financial red flag is necessarily indicative of illicit or suspicious activity, all the surrounding facts and circumstances should be considered before determining whether a specific transaction is suspicious or associated with potential export control evasion.



The red flags in the field of international trade are the following:

1. A customer in the maritime industry transports commodities of concern and uses trade corridors known to serve as possible transshipment points for exports to Russia and Belarus.
2. The nature of a customer's underlying business (specifically military or government-related work), type of service(s) or product(s) offered, and geographical presence pose additional risks of unintentional involvement in the evasion of export controls for Russia and Belarus.
3. Transactions involving entities with little to no web presence.
4. Transactions involving a change in shipments or payments that were previously scheduled to go to Russia or Belarus, or a company located in Russia or Belarus, but that are now going to a different country/company.
5. Transactions involving payments being made from entities located in third-party countries not otherwise involved with the transactions and known to be a potential transshipment point for exports to Russia and Belarus.

6. Last-minute changes to transactions associated with an originator or beneficiary located in Russia or Belarus.
7. Parties to transactions with addresses that do not appear consistent with the business or are otherwise problematic (e.g., either the physical address does not exist, or it is residential).
8. Transactions involving consolidated shipments of luxury goods that previously would have been destined for Russia or Belarus, but are now destined for a transshipment country or a country without restrictions on exports/re-exports to Russia or Belarus.
9. Rapid shifts to new purchasers of transactions involving restricted luxury goods.
10. Transactions involving freight-forwarding firms that are also listed as the product's final end customer, especially items going to traditional Russian transshipment hubs.
11. Transactions associated with atypical shipping routes for a product and destination.
12. Transactions involving entities whose website or business registration states the entities work on "special purpose projects."
13. Transactions involving companies that display a certificate from the Federal Security Service of the Russian Federation (FSB RF), which allows these companies to work on projects classified as a state secret.
14. Transactions involving companies that are physically co-located with or have shared ownership with an entity on the BIS Entity List or the Department of the Treasury's Specially Designated Nationals and Blocked Persons List.
15. New or existing accounts and transactions by individuals with previous convictions for violating U.S. export control laws, particularly if appearing to involve export and import activities or services.
16. When combined with other derogatory information, large dollar or volume purchases, including through the use of business credit cards, of items designated as EAR99 (or large volume or dollar purchases at wholesale electrical/industrial merchants, electrical parts and equipment providers, or electronic parts providers), in the United States or abroad, especially if paired with purchases at shipping companies.
17. Companies or individuals with links to Russian state-owned corporations (including shared ownership, as well as branches of, subsidiaries of, or shareholders in such state-owned corporations) involved in export-related transactions or the provision of export-related services.
18. Export transactions identified through correspondent banking activities involving nonU.S. parties that have shared owners or addresses with Russian state-owned entities or designated companies.

Even if these red flags have been published by EU authorities, they provide a valuable reference also for European exporters.

Source: [FinCEN & BIS Alert 28 June 2022](#)