

Red flags — investment funds

Indicators to watch on both sides of a fund: the investors who come in, and the assets and counterparties the fund deals with. One red flag is a question, not a conclusion.

INVESTOR / ENTITY	PREPARED BY	DATE	REVIEWED BY
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INVESTOR SIDE

DONE	RED FLAGS	COMMENT
☐	Reluctance or delay in providing identification or ownership information.	
☐	Complex or multi-layered structures without a clear economic rationale.	
☐	Nominee or bearer arrangements that hide the person behind.	
☐	Subscriptions paid by, or redemptions requested to, third parties.	
☐	Early redemption shortly after subscription, regardless of costs or penalties.	
☐	Frequent transfers of units between unrelated parties.	
☐	Links to high-risk or sanctioned jurisdictions.	
☐	Wealth or investment size inconsistent with the investor's known profile.	
☐	Frequent changes of bank account or of contact details.	
☐	Adverse media on the investor or its beneficial owners.	

ASSET AND COUNTERPARTY SIDE

DONE	RED FLAGS	COMMENT
☐	Target company or seller with opaque ownership.	
☐	Price significantly above or below market value, without explanation.	
☐	Payments to intermediaries, consultants or third parties with no clear role.	
☐	Counterparties located in high-risk jurisdictions or exposed to sanctions.	
☐	Politically exposed persons involved in the deal or the target.	
☐	Pressure to close quickly, or to skip standard due diligence.	
☐	Use of cash, or of payment routes that do not match the transaction.	

Disclaimer. General guidance for practitioners, not legal advice. Adapt to your institution, its risk assessment and the rules

that apply to it (EU AMLR, national law, supervisory requirements).

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