

BNM AML/CFT NEWSLETTER

A Periodical Newsletter for DNFBPs and NBFIs Reporting Institutions



1. [FOR ACTION] Preparation for Malaysia's Mutual Evaluation (ME) 2024-2025

What is it?

- ME exercise assesses a country's level of compliance and effectiveness of international standards, i.e. FATF Recommendations, relating to anti-money laundering, countering financing of terrorism, and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF).
- Malaysia was previously assessed in 2014-2015, where the findings and recommendations are published in Malaysia's Mutual Evaluation Report 2015

 [MER 2015](#)

- The upcoming ME on Malaysia will take place between April 2024 and December 2025.

What does it mean for the DNFBP
RIs?

2. [FOR ACTION] Targeted Financial Sanctions (TFS) on terrorism financing, proliferation financing and other UN-Sanctions regimes

Do you screen **ALL** your
potential, new and existing
customers against the Sanction
Lists?

- RIs are required to conduct sanction screening as part of their customer due diligence and on-going due diligence process.
- You may refer to sample of TFS template here:

 [APPENDIX 4 - TFS](#)

Do you have the updated
Sanction Lists?

- RIs are required to ensure screening on their customer is conducted based the **updated** Sanction Lists.
- The links are available here:

- The DNFBP sectors will undergo a holistic and comprehensive assessment under the new Immediate Outcome 4.
- Malaysia needs to demonstrate an effective AML/CFT/CPF regime, including effective preventive measures applied by RIs in managing their ML/TF/PF risks.

What can DNFBP RIs start doing?

- Implement AML/CFT controls using the AML/CFT Guide as reference.
- Appoint and notify Compliance Officer to BNM through the link:

 [Notification of CO's appointment](#)

(only for those who have not nominated)

- Report suspicious activities to BNM.
- Screen all customers against the Sanction Lists.

 [Sanctions Lists](#)

Do you know what to do in the event of matching a customers' name against the Sanction Lists (positive match)?

- In the event of a positive name match:
 - a. **Reject** transactions for **new/potential** customers;
 - b. **Freeze** funds/ properties for **existing** customers;
 - c. **Block** transactions (where applicable);
 - d. **Report STRs** and Determination Form in the Appendix 5 and [6A](#), [6B](#), [7A](#) or [7B](#) of the Policy Document.

Reminder:
BNM can take enforcement actions on non-compliances with the TFS requirements.

For more information on TFS, please refer to:

 [Infographic on TFS guide](#)

 [AML/CFT guide](#)

3. [FOR ACTION] Updated Suspicious Transaction Report (STR) Form

When in doubt, Submit STR

Suspicious Transaction Report (STR) Guide

What is an STR?

STRs are documents that reporting institutions are required to submit when having suspicion that a customer is involved in **money laundering (ML)**, **terrorism financing (TF)** or **other serious crimes**



Why submit STRs?

STRs provide law enforcement agencies valuable information/ intelligence of potential crime activities

When to submit STRs?

Regardless of the amount being transacted, you are required to promptly submit an STR, whenever you suspect or have reasons to suspect that the transaction (including attempted transactions):

- appears unusual
- has no clear economic purpose
- appears illegal
- involves proceeds from an unlawful activity or instrumentalities of an offence
- indicates that the customer is involved in ML/TF



BNM has improved the STR forms to better capture information on suspicious activities. Please use the new STR forms and identify the subject of the suspicious activity, i.e., individual customer, corporate customer or legal person customer.

How do you submit STR?

You can either submit using STR forms or via Financial Intelligence System (FINS).

1. STR forms

- Complete the new STR form for your sector and e-mail it to str@bnm.gov.my.
- STR forms for the respective sectors can be found here: <https://amlcft.bnm.gov.my/aml/cft-policies#>.

2. FINS System

- Submit the STR through FINS, if your firm has been granted access.
- If you wish to request for FINS access or your firm has prior access to FINS but has not activated access to the new FINS, please contact FINS admin at fins@bnm.gov.my.
- Note: *All reporting institutions are encouraged to request FINS access for future STR submissions.*

Please refer to Appendix 15 of the AML/CFT and TFS for DNFBPs and NBFIs Policy Document for examples of red flags to detect suspicious activities:



APPENDIX 15 - Examples of Red Flags


4. [FOR INFO] Enforcement Actions by BNM: Breaches under the AMLA

All reporting institutions to take note that BNM has been **taking enforcement actions** on non-compliance with **AML requirements**, including non-submission of STR and failure to screen against TFS. BNM has also been **publishing** these enforcement actions as part of the transparency framework.

BNM has imposed Administrative Monetary Penalty (AMP) and compound on several reporting institutions in 2022 and 2023 for the following non-compliances with AMLA requirements:

- a. **CDD**: Failure to conduct CDD on its customers
- b. **CDD**: Failure to identify and verify the beneficial owners (BOs)
- c. **TFS**: Failure to conduct sanctions screening on the names of its customers; ascertain and make further enquiries on name match
- d. **CRP**: Failure to conduct risk profiling on its customer

Please refer to the following link for more information on the respective publication notices and the enforcement action taken:

 [Enforcement Actions taken by BNM against Regulatees / Licensees - Bank Negara Malaysia](#)

5. [FOR ATTENTION] AML/CFT Data & Compliance Report



BNM will not be issuing the DCR for year 2023 to DNFBP and NBFI reporting institutions (RIs).

Nevertheless, RIs including those who have received their respective report cards, are expected to fully comply with the requirements of the AMLA and AML/CFT and TFS for DNFBPs and NBFIs Policy Document.

BNM will resume to issue DCR in 2024 to DNFBP and NBFI RIs.

6. Other Updates

Outcomes of the FATF Plenary, 21-23 June 2023

Below are some of the topics that have been discussed during the FATF Plenary;

International Cooperative Review Group (ICRG)

- **North Korea, Iran and Myanmar** remain in the list of **high-risk jurisdictions subject to a call of action (blacklist)** where reporting institutions are required to apply "enhanced due diligence" on customers from these jurisdictions.
- Inclusion of **Croatia, Cameroon and Vietnam** in the list of **jurisdictions under increased monitoring (grey list)**. Reporting institutions are required to conduct risk assessment on the customers from these jurisdictions and apply risk mitigating measures according to the risk level.



[Please click for more details of the Outcomes FATF Plenary, 21-23 June 2023](#)

DNFBPs and NBFIs AML/CFT Awareness

Notification on Appointment of Compliance Officer

For RIs that have yet to notify BNM on the appointment of, or changes to, the appointed Compliance Officer (CO), please click on the link below for the notification. The e-form is preferred as the process could be fully automated in dispensing the CO reference number.

[Click to request for CO's Notification Form](#)

Or copy paste the URL address below to your internet browser:

<https://amlcft.bnm.gov.my/co/>

Access to BNM's AML/CFT E-Platform

The private E-Platform hosts a repository of awareness video materials including all the AML/CFT Webinar series for the DNBP and NBFi sectors.

For RIs that have yet to register for access to the E-Platform, do so by clicking on the button below:

Click to register for E-Platform access

Or copy paste the URL address below to your internet browser:

<https://amlcft.bnm.gov.my/ep/>

Note:

- CO who is requesting access to the webinar videos must be a registered YouTube account user.
- **Only CO who has notified their appointment to BNM will be able to view the videos.**
- Notification with the videos link will be automatically sent to the registered YouTube account.

The webinar videos are for **internal training** and **not for onward sharing** and/or **downloading for third parties.**

Useful Resources

-  [AML/CFT and TFS for DNFBPs and NBFIs Policy Document](#)
-  [Dokumen Dasar AML/CFT and TFS untuk DNFBP dan NBFi](#)
-  [AML/CFT Guide for DNFBPs and NBFIs](#)
-  [AML/CFT Circulars/ Guidance](#)
-  [Other AML/CFT Policies Bahasa and English Materials](#)
-  [BNM's AML/CFT Newsletter Archive](#)

For more information, contact us at:



<https://amlcft.bnm.gov.my>



<mailto:fied@bnm.gov.my>

Or call us at: 1-300-88-5465

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