



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

**UPW/GP1[6]:
ANTI-MONEY LAUNDERING AND
COUNTER FINANCING OF TERRORISM
(AML/CFT)
SECTORAL GUIDELINES 6
FOR DESIGNATED NON-FINANCIAL
BUSINESSES AND PROFESSIONS
(DNFBPs)**

UNIT PERISIKAN KEWANGAN
BANK NEGARA MALAYSIA
FEBRUARY 2007

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1. INTRODUCTION

- 1.1. The Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Sectoral Guidelines 6 (Sectoral Guidelines 6) is issued pursuant to section 66E and section 83 of the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLA).
- 1.2. The Sectoral Guidelines 6 is established and formulated to supplement the requirements of the Standard Guidelines on AML/CFT. These guidelines address the requirements that must be complied with by the reporting institutions under the AMLA to effectively combat money laundering and financing of terrorism activities.
- 1.3. This Sectoral Guidelines 6 is incomplete on its own and must be read together with the Standard Guidelines on AML/CFT that the reporting institutions are subjected to, except for those areas stipulated in this Sectoral Guidelines 6.
- 1.4. The Standard Guidelines on AML/CFT and the Sectoral Guidelines 6 provide guidance and minimum standards on AML/CFT measures for the reporting institution to develop its own internal AML/CFT policies, procedures and controls.

2. APPLICABILITY

- 2.1. The Sectoral Guidelines 6 is applicable to each individual under the relevant professions who are deemed reporting institutions under the AMLA and the term 'reporting institution' in this document refers to the professions listed in **Appendix I**.
- 2.2. The AML/CFT guidance issued by the respective self-regulatory organisations such as the Malaysian Bar Council, the Malaysian Institute of Accountants and the Malaysian Institute of Chartered Secretaries and Administrators are additional industry guidance which may be applied by the reporting institution in complying with the AMLA and related guidelines issued by Bank Negara Malaysia.
- 2.3. This Sectoral Guidelines 6 is also applicable to the foreign branches and subsidiaries of the reporting institutions listed in Appendix I that carry out any of the businesses or activities listed in the First Schedule to the AMLA.
- 2.4. The reporting institution should observe the Sectoral Guidelines 6 in accordance with the requirement stipulated under paragraph 2.2 of the Standard Guidelines on AML/CFT. Where there are legal impediments in the host country which may result in the foreign branch or subsidiary of the reporting institution in the host country not being able to meet any provision in the Sectoral Guidelines 6, the reporting institution should be guided by paragraph 2.3 of the Standard Guidelines on AML/CFT.

3. CUSTOMER ACCEPTANCE POLICY

3.1. Risk Profiling

3.1.1. In addition to the risk profiling requirements set out in the Standard Guidelines on AML/CFT, the reporting institution should review and update its customers' profiles before accepting any business engagement.

4. CUSTOMER DUE DILIGENCE

4.1. General

4.1.1. The reporting institution may consider the risk of money laundering and financing of terrorism associated with the customer, based on the background of the person or the nature of the business whether the circumstances in which the transaction is conducted raises any suspicion (for example, where the reporting institution is satisfied that the customer is requesting for transaction to be conducted out of norm).

4.1.2. Where there is doubt on identification of the customer or a complete customer due diligence is not satisfied, the reporting institution should not accept the business engagement or proceed with the transaction and should consider lodging a suspicious transaction report with the Financial Intelligence Unit in Bank Negara Malaysia if the transaction appears suspicion.

4.1.3. The reporting institution should apply the customer due diligence measures as set out in the Standard Guidelines on AML/CFT. In addition to the customer information that is required in the Standard Guidelines on AML/CFT, the reporting institution should also obtain the following additional information when conducting customer due diligence for individual customers:

- occupation type/self employed;
- name of employer or nature of self-employment/nature of business; and
- contact number (home, office or mobile).

5. AML/CFT COMPLIANCE PROGRAMME

5.1. Policies, Procedures and Controls

5.1.1. Each reporting institution should establish clear lines of responsibility and accountability to ensure that the AML/CFT requirements, in particular, the reporting of suspicious transactions are set-out accordingly and appropriate to the size and structure of the reporting institution.

5.2. Compliance Officer

- 5.2.1. For the purpose of administrative efficiency, the responsibility of implementing the AML/CFT internal procedures and controls may be assigned to a designated individual with management responsibilities within the reporting institution. He would assume the role and responsibility of the compliance officer as specified in the Standard Guidelines on AML/CFT. However, each individual under the relevant professions is deemed a reporting institution and remains ultimately responsible for his reporting obligations under the AMLA.

5.3. Independent Audit

- 5.3.1. In relation to the independent audit function, the reporting institution may appoint any appropriate employee to carry out appropriate independent audit to check that the internal procedures on AML/CFT are implemented satisfactorily. The competent authority may issue a self-assessment questionnaire to the reporting institution for the purpose of assessing the reporting institution's compliance with the AMLA and the relevant guidelines. The reporting institution's completion to the self-assessment questionnaire is considered as a means of complying with the independent audit function.

Appendix I

The Sectoral Guidelines 6 is applicable to the following list of professions, which are reporting institutions under the Anti-Money Laundering Act 2001 (AMLA), carrying out the following business or activity, as gazetted in the AMLA orders dated 30 September 2004 and 31 March 2005.

1. Members who hold valid practising certificates issued pursuant to rule 9 of the Malaysian Institute of Accountants (Membership and Council) Rules 2001 [*P.U. (A) 343/2001*];
2. Advocates and solicitors as defined in the Legal Profession Act 1976 [*Act 166*];
3. Persons admitted as advocates pursuant to the Advocate Ordinance Sabah 1953 [*Sabah Cap. 2*]; and
4. Persons admitted as advocates pursuant to the Advocate Ordinance Sarawak 1953 [*Sarawak Cap. 110*],

when they prepare or carry out the following activities for their clients:

- a) buy and sell of immovable property;
 - b) manage client's money, securities or other property;
 - c) manage of accounts including savings and securities accounts;
 - d) organise of contributions for the creation, operation or management of companies; or
 - e) create, operate or manage legal entities or arrangements and buy and sell of business entities.
5. Notaries public as defined in the Notaries Public Act 1959 [*Act 115*] when they exercise their powers and functions under that Act in relation to the following activities for their clients:
 - a) buy and sell of immovable property;
 - b) manage client's money, securities or other property;
 - c) manage accounts including savings and securities accounts;
 - d) organise contributions for the creation, operation or management of companies; or
 - e) create, operate or manage of legal entities or arrangements and buy and sell of business entities.

6. Persons prescribed by the Minister or licensed by the Registrar of Companies to act as a company secretary of a company pursuant to section 139A of the Companies Act 1965 [Act 125], when they, whether in person or through a firm or company, prepare or carry out the following activities for their clients:
- a) act as a formation agent of legal entities;
 - b) act as (or arrange for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal entities;
 - c) provide a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal entities or arrangement;
 - d) act as (or arrange for another person to act as) a trustee of an expressed trust; or
 - e) act as (or arrange for another person to act as) a nominee shareholder for another person.

FIU/STR/07/04

Please send completed form to:



FINANCIAL INTELLIGENCE UNIT
BANK NEGARA MALAYSIA
JALAN DATO' ONN, 50480 KUALA LUMPUR
Tel: 03-26988044 EXT 8071 Fax: 03-26933625

REPORTING INSTITUTION'S REFERENCE NUMBER

SUSPICIOUS TRANSACTION REPORT

- a. This report is made pursuant to the requirement to report suspicious transactions under the Anti-Money Laundering Act 2001(AMLA).
- b. Under section 24 of the AMLA, no civil, criminal or disciplinary proceedings shall be brought against a person who makes a report unless it was made in bad faith.

PART A: INFORMATION OF PERSON / ENTITY BEING REPORTED ON

1. Name
(Include all aliases / commonly used names. If organisation, please provide registered business / organisation name.)

2. NRIC No. / Passport No. / Business Reg. No. NEW
 OLD
(NRIC number for Malaysian, passport number for foreigners, and business registration number for businesses.)

3. Gender Male Female

4. Country

5. Business/ Employment Type 6. Occupation
(Where appropriate, principal activity of the person conducting the transaction, if known to the person making the report.)

7. Occupation Description

8. Name of Employer

9. Address

10. Town 11. Postcode 12. State

PART B: TRANSACTION DETAILS

13. Services rendered [Please mark (X) where relevant]

- Buying and selling of immovable property
- Managing of client money, securities or other property
- Managing of accounts including savings and securities accounts
- Organising of contributions for the creation, operation or managements of companies
- Creating, operating or managing of legal entities or arrangements, and buying and selling of business entities
- Acting as a formation agent of legal entities
- Acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal entities;
- Providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal entities or arrangement;
- Acting as (or arranging for another person to act as) a nominee shareholder for another person.
- Acting as (or arranging for another person to act as) a trustee of an express trust;
- Others _____
(Please specify.)

14. Total amount M Y R 15. Amount of foreign currency
 involved
If foreign currency involved, please specify:

PART C: DESCRIPTION OF SUSPICIOUS TRANSACTION

16. Grounds for suspicion [Please mark (X) where relevant]

- Counterfeit / fraud / unauthorised transaction
- Large / frequent / unusual cash or currency transaction
- Unusual purchase / sale of immovable or other property
- Client identity is difficult to obtain
- Formation of entities with no apparent business purpose
- Large / unusual inward / outward remittance
- Activity inconsistent with client profile or business
- Others _____
(Please specify.)

17. Give details of the nature and the circumstances surrounding the suspicious transaction

(Please include attachments if space is insufficient.)

18. Date of transaction 19. Date of reporting
d d m m y y y y *d d m m y y y y*

PART D: FOR BANK NEGARA MALAYSIA USE ONLY

Receiving officer Date received
d d m m y y y y