



# Anti-Money Laundering & Sanctions Updates

## Issue 11 | September 2021

Here are the latest news and updates on Anti-Money Laundering, Counter Financing of Terrorism ("AML/CFT") and sanctions for your knowledge.



### Malaysia

#### **Bank Negara Malaysia ("BNM") issues revised circular on AML/CFT compliance officer appointment notification method and targeted financial sanctions reporting forms**

BNM has issued a revised circular on 3 May 2021 to inform Designated Non-Financial Businesses and Professions ("DNFBPs") & Non-Bank Financial Institutions ("NBFIs") that the Compliance Officer Nomination Notification Form has been further amended for clarity and the notification to BNM of new appointment of Compliance Officers may now be submitted via an online form. Additionally, a new email address was made available

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#### **TNG offers new premium tier upgraded e-Wallet**

Touch 'n Go Group ("TNG") has offered to introduce a new premium tier to its electronic wallet ("e-Wallet") users, which increased e-Wallet size of RM20,000 and an annual transaction limit of RM300 thousand. With TNG e-Wallet has 3 tiers namely Lite, Pro, and Premium. The Pro tier is applicable for a verified electronic Know-Your-Customer ("e-KYC") client.

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#### **CIMB launches first all-digital Islamic savings account**

CIMB Bank Berhad and CIMB Islamic Bank Berhad ("CIMB" or "the Bank") launched the Bank's first all-digital Islamic account called CIMB OctoSavers Savings Account-i. The account opening process is enabled based on Bank Negara Malaysia's ("BNM") e-KYC guidelines, where the Bank is able to fulfil its requirements to conduct customer due diligence through electronic means, including online and mobile channels.

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#### **BNM has issued Data and Compliance Report ("DCR") 2021 for DNFBPs & NBFIs**

BNM has issued a circular to inform reporting institutions ("RIs") that falls under the DNFBPs & NBFIs category on the issuance of DCR 2021. The DCR is a set of questionnaire that is designed to allow RIs to self-assess their risks and vulnerabilities towards Money Laundering/ Terrorism Financing ("ML/TF") as well as identifying areas and gaps for improvements needed to meet the AML/CFT requirement.

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#### **AmBank first to launch digital onboarding for Small and Medium Enterprises ("SMEs")**

AmBank Group ("AmBank") is levelling the digitalization of AML/CFT processes by announcing the nation's first fully end-to-end electronic business current account opening for SMEs. This new value added proposition is contactless digital on-boarding that provides an option for business sustainability which is essential during the movement control order ("MCO") period.

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#### **Former Tabung Haji chairman appealed to strike out ML charges**

Former Tabung Haji chairman, Datuk Seri Abdul Azeez Abdul Rahim's appeal on ML and corruption has been fixed on 6 September 2021. Abdul Azeez is facing 3 counts of bribery involving RM5.2 million linked to road projects in Perak and Kedah, and 10 counts of ML involving nearly RM 140 million.

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The DCR contains a reporting checklist that allow the RIs to self-assess their risks and vulnerabilities to ML/TF as well as helping them to understand and mitigate the risk of their business from being exploited by criminals. A detailed reporting paints a clear picture of the RIs' current performance, enabling them to identify gaps that need to be filled, and provide proof that their processes live up to regulatory expectations.

As such, it has increasingly set expectations on RIs to place appropriate risk-based approach ("RBA") that is proportionate with the nature, scale and complexity of the respective institutions. The underlying theme of RBA is to conduct risk assessment (e.g. Institutional Risk Assessment ("IRA")) to identify, assess and understand their exposure to ML/TF risks on a periodic, regular or pre-determined frequency. The IRA should cover at institutional level in relation to the following factors:

- Customers;
- Countries or Geographical Areas
- Products, Services, Transactions or Delivery Channels; and
- Other Relevant Risk Factors.



### Asia Pacific

#### **APG published 2021 yearly typologies report**

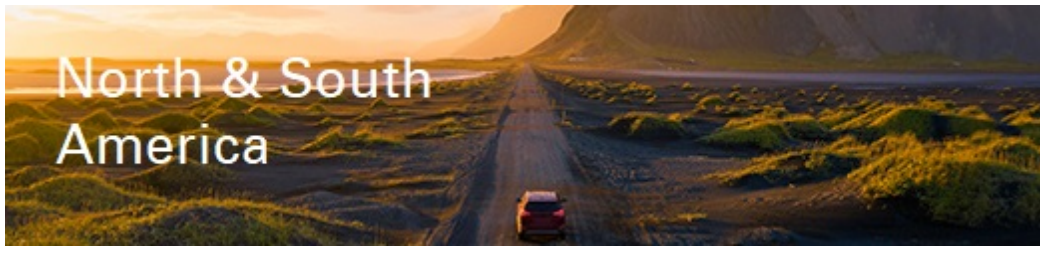
The Asia/Pacific Group ("APG") has published typologies reports for 2021 that touches on ML/TF techniques to assist governments and other stakeholders to improved their understanding of the nature of existing and emerging ML/TF threats. The report also pursue effective strategies to address those threats. It covers the region of Asia/Pacific to report the observations on ML/TF techniques and methods, case studies and the impact of legislative or regulatory developments in detecting and/or preventing particular methods

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#### **Dubai sets up court to combat ML**

Under the directives of His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates ("UAE") and Ruler of Dubai, Dubai Courts announced the establishment of a specialized court, focused on combating ML, within the Court of First Instance and Court of Appeal. The establishment of the court is aimed at further raising the UAE's and Dubai's global competitiveness by reinforcing the rule of law and upholding the values of justice and transparency. The new court will support Dubai's efforts to tackle financial crimes, including ML, as part of the UAE's wider endeavor to combat crime.

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### North & South America

#### **Ohio man pleads guilty to running RM1.2 billion bitcoin laundering conspiracy**

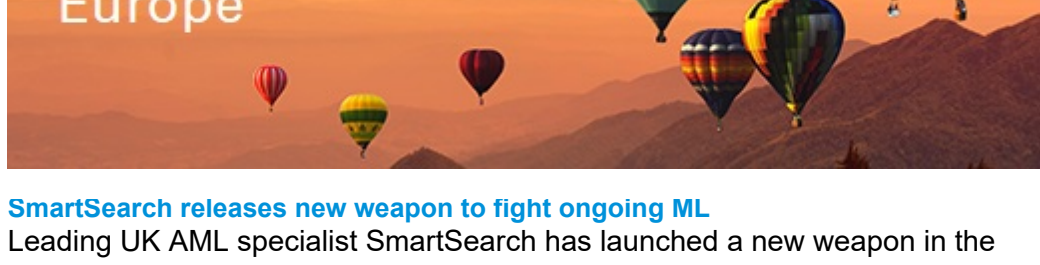
Larry Dean Harmon, 38, agreed as part of his plea in Washington, D.C., federal court to surrender more than 4,400 bitcoins currently valued at more than RM1.2 billion. Harmon admitted conspiring with Darknet vendors and marketplace administrators to launder such bitcoin generated through illegal drug trafficking offenses on those Darknet marketplaces, Harmon profited by facilitating the back-channel support of these marketplaces and helped criminals launder money they received via illicit activities.

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#### **Nigerian influencer pleads guilty to ML**

Nigerian influencer Ramon Abbas also known as Hushpuppi has pleaded guilty to ML in a US court. In a statement, acting United States Attorney Tracy Wilkinson said Hushpuppi and others faked the financing of the school "by playing the roles of bank officials and creating a bogus website". They also "bribed a foreign official to keep the elaborate pretense going after the victim was tipped off"

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### Europe

#### **SmartSearch releases new weapon to fight ongoing ML**

Leading UK AML specialist SmartSearch has launched a new weapon in the ongoing fight against dirty cash being cleaned around the world through activity such as buying property. Organized crime gangs and fraudsters are now thought to be responsible for up to RM8 trillion a year in ML, which is being enabled due to a lack of basic ID checks and document verification, according to SmartSearch.

In response the multi-award winning RegTech 100 firm has now launched SmartDoc, the most advanced document verification system on the market, using a combination of cutting-edge facial ID technology and a level of expert analysis at the same level as border security officials.

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Financial institutions ("FIs") would need to have adequate system checks to fight against dirty cash which is seen to be cleaned around the world by purchasing property. An institution having lack of basic ID checks and document verification makes it much easier for criminals to bypass the controls and systems in place.

More efficient AML systems, Know your Customer ("KYC") checks and having facial recognition to identify forged ID documents can help ensure regulated business to identify authenticate customer identities, preventing fraud and allowing the institutes to remain compliant with AML legislation. In brief, the ultimate aim of KYC is to confirm, with a high level of assurance, that customers are who they say they are and that they are not likely to be engaged in ML/TF criminal activity.

**For more information on our AML & Sanctions Services, please contact:**



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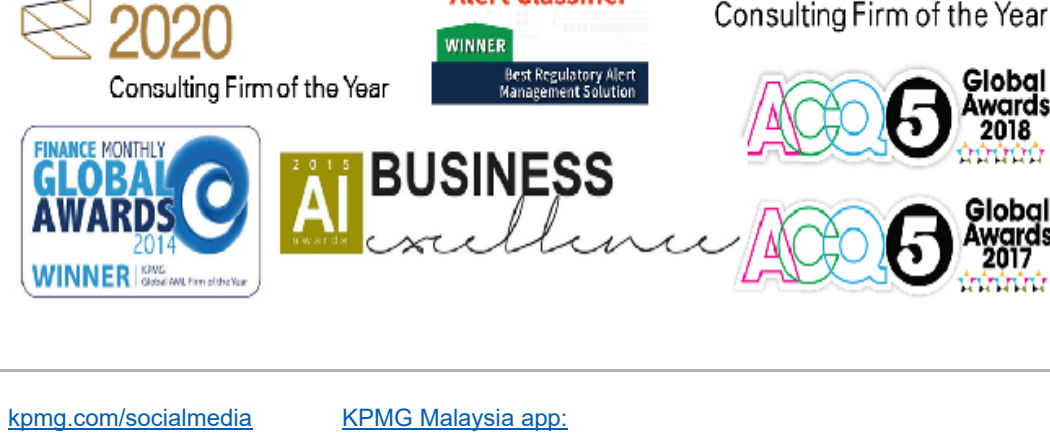


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### About KPMG Forensic AML & Sanctions Services

KPMG's award-winning AML & Sanctions team assists our clients in protecting themselves against criminals and the increasingly aggressive actions of regulators. Whether designing and implementing new operating models, remediating problems of the past, designing and testing controls or transforming the culture and capability of the organization, our team operates globally with the largest financial institutions.

For more information please visit [www.kpmg.com.my/Forensic/AML](http://www.kpmg.com.my/Forensic/AML)



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