



The banner features the KPMG logo at the top left. The main title "Anti-Money Laundering & Sanctions Updates" is displayed in large blue serif font. To the right of the title is a stylized graphic composed of overlapping geometric shapes in shades of purple, pink, and blue.

Important Links **Latest News Coverage** **Other News** **Fines and Enforcement Actions** **Recent Events**

Issue #4

We are pleased to share with you some of the latest market insights, news and developments relating to anti-money laundering ("AML") and sanctions.

Latest News Coverage

 **Malaysia**
BNM Proposes Cash Transaction Cap of RM 25k starting 2020

Bank Negara Malaysia ("BNM") is looking at introducing a Cash Transaction Limit ("CTL") to complement the existing financial integrity measures. Currently, there is no limit on physical cash transactions and BNM is proposing RM 25k as the cap. Further, the deputy governor of BNM, who is also chairman of National Coordination Committee ("NCC"), said that NCC will invite feedback and questions on the matter and it is to be submitted by December 31st, 2019. [More here](#), [here](#), [here](#), [here](#) and [here](#)

 **Malaysia**
Exposure Draft and Expected Finalization of Guidelines by January 2020

BNM has issued exposure drafts ("ED") combining the six Anti-Money Laundering & Counter Financing of Terrorism ("AML/CFT") sectoral guidelines into two guidelines: one for Financial Institutions and one for Non-Financial Businesses and Professions ("DNFBPs") & Non-Bank Financial Institutions. BNM is looking to firm up the two guidelines by end of year 2019 and has invited feedback from industry players on the ED issued. [More here](#) and [here](#)

Malaysia

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New Public Private Partnership, MyFINet, Launched

Prime Minister launched the Malaysia Financial Intelligence Network ("MyFINet"), a new Public-Private Partnerships ("PPP") initiative that will allow intelligence unit, law enforcement agencies and reporting institutions to leverage on intelligence-led collaboration and information sharing to detect financial crime and terrorism financing. [More here](#), [here](#) and [here](#)



Dayana Rahman

Manager
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France

FATF Organised the First Forum on Improving the Effectiveness of AML/CFT Supervision

Current Financial Action Task Force ("FATF") President initiated the Supervisors' Forum with participation from approximately 100 senior financial and professional supervisors from over 40 countries. FATF President emphasised the importance of AML/CFT supervision as many jurisdictions face challenges in implementing effective risk-based supervisory regimes. The forum also discussed new technologies and how supervisors can best leverage opportunities brought by it as well as on international cooperation among supervisors. [More here](#)

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Other News

Malaysia

National Anti-Financial Crime Centre Bill Tabled



The government has tabled the first reading of the National Anti-Financial Crime Centre Bill 2019. The centre seeks to coordinate the efforts of existing enforcement agencies in preventing and combating both

Singapore

Singapore Steps Up Scrutiny of Shell Firms to Combat ML



The Monetary Authority of Singapore ("MAS") has stated that criminals have shifted to using onshore companies to evade detection, rather than the common trick of using offshore companies for ML and tax evasion activities.

Canada

AML Laws Amended to Include Foreign MSBs and Businesses Dealing with Virtual Currencies



Canadian federal AML legislation is amended to include foreign Money Service Business ("MSB") and businesses dealing in virtual currencies. The amended legislation is



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AML Consultancy of the Year - Asia-Pacific

domestic and international financial crimes including money laundering ("ML"). [More here](#) and [here](#)

MAS has also closed accounts of several onshore shell companies over the past year on this basis. [More here](#)

scheduled to come into force on June 1, 2020, with certain changes taking effect on June 1, 2021. [More here](#)

Germany

Germany Passes AML Laws



The German Parliament passed a draft of AML laws that imposes stricter regulation to real estate agents, notaries and precious metals dealers. The new rules will require precious metal dealers to report suspicious activity for transactions amounting EUR 2k (USD 2.2k) compared to EUR10k (USD 11k) previously and for houses auction to declare transactions, among others. [More here](#)

Belgium

EU to Consider Strategies in Fight on ML



The European Union ("EU") is working on strategies to fight ML including a new approach on flagging countries with weak AML laws, setting up a bloc-wide supervisor on ML, improving cooperation with countries outside the EU in tackling ML and the funding of terrorism, and tackling risks in crypto and digital currencies. [More here](#) and [here](#)

Australia

Afterpay Shares Leap After Audit Finds 'Low Risk' of ML



Australian buy-now-pay-later company Afterpay Touch Group Ltd. ("Afterpay") stated that an external auditor found its business to be low risk in respect to AML/CFT which led to surging in its share price by 7.4 per cent to AUD 32.73 by 2:10pm (AEST), 25 November. Afterpay was ordered by regulator, Australian Transaction Reports and Analysis Centre ("AUSTRAC"), to appoint external auditors over ML concerns and the audit report will determine if AUSTRAC will take further action. [More here](#), [here](#) and [here](#)



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Asia-Pacific Forensic and AML Advisory of the Year



[ACQ magazine](#)

Fines and Enforcement Actions

Malaysia

SC Reprimanded Two Local Banks and a Fund Management Company for AML/CFT Breach

Malaysia

Enforcement Action against Company Suspected to be Using the Word "Bank" Without Approval

Malaysia

Former Politician Claimed Trial to 30 CBT and 3 ML Charges



The Securities Commission ("SC") reprimanded two local investment banks for non-compliance with Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries ("AML Guidelines"). SC has also revoked the licence of a local fund management company for breaching the requirements relating to Paragraphs 6.3, 13.1(c), Paragraph 7 and Paragraph 8.2.1(a) of the AML Guidelines.

[More here](#)

BNM conducted a raid on RSI International Berhad in end October for using the word "bank" in their office premise signage without written approval by BNM, an offence committed under section 139(1)(a) of the Financial Services Act 2013 ("FSA"), if convicted will be liable to imprisonment not exceeding eight years or a fine not exceeding RM25 million or both.

[More here](#)

A former politician claimed trial to 30 counts of criminal breach of trust ("CBT") and three counts of ML. Among the alleged financial abuses, were the use of public money allocated by the government for charities and to combat extremism on himself and his family, including splurging money on luxury items. [More here](#) and [here](#)

United States

Professor Who Wrote Book on Drug Crime Is Accused of ML



United States

Finra fines BNP Paribas USD 15 million for AML violations



United States

Turkish Bank Charged in Manhattan Federal Court for Multibillion-Dollar Sanctions Evasion Scheme



A professor of international studies at the University of Miami, who is said to be an expert on ML and corruption in South America, was charged by the United States ("US") with laundering money from Venezuela. He has reportedly opened bank accounts to help corrupt foreign nationals to launder money and pocketed

The Financial Industry Regulatory Authority Inc. ("Finra") fined BNP Paribas SA USD 15 million relating to activities from BNP Paribas Securities Corp. and BNP Paribas Prime Brokerage Inc. for failure to develop and implement a written AML program for its penny stocks activity, as well as for supervisory failures involving penny

Türkiye Halk Bankasi A.S. was charged with six-counts indictment of fraud, ML, and sanctions offences related to the bank's participation in a multi-billion dollar scheme to evade US sanctions on Iran. The bank's senior officers had concealed the true nature of transactions from US officials. [More here](#)

10% of the money which amounted to USD 250k. [More here](#) and [here](#)

stock deposits, resales and wire transfers. [More here](#) and [here](#)

Singapore

Singaporean Company and Director Fined and Jailed for Sanctions Violations, ML and Cheating Offences



A Singaporean company director pleaded guilty to 10 counts each of cheating and illegally supplying luxury items to a retail chain in North Korea and two counts of ML charges, among others. The company supplied the goods to Dalian, China, and its final destination was deliberately concealed. The company was fined SGD 880k and the director was jailed for 34 months. [More here](#)

United Kingdom

HMRC Fined ToumaFX GBP 7.8 Million for Ignoring Requirements under ML Regulations



Her Majesty's Revenue & Customs ("HMRC") in the United Kingdom imposed a record fine of GBP 7.8 million (USD 9.63 million) on MSB, Touma Foreign Exchange Ltd ("ToumaFX"), for ignoring requirements under ML regulations including risk assessment and fundamental customer due diligence measures. The MSB's founder had reportedly been banned from management roles at businesses subject to the ML regulations. [More here](#)

Australia

Australian Bank Breached AML Laws 23 Million Times, CEO Resigned



Westpac has allegedly contravened the AML/CFT Act on over 23 million occasions which includes deficiencies in controls on correspondent banking relationships. Following the scandal, The bank's Chief Executive Officer ("CEO") has resigned. The bank's chairman has stated that any changes in management were in the best interest of the bank. [More here](#), [here](#) and [here](#)

Pakistan

SBP Slapped Rs 805 Million Penalty in Total on Ten Banks for AML Laws and Other Regulatory Non-Compliance



Nigeria

Nigerian Anti-Graft Office Charges Two Britons in Connection With Failed Gas Deal



Ukraine

Ukraine's Parliament Passes Law to Prevent ML



The State Bank of Pakistan ("SBP") imposed penalty on ten banks for deficiencies in complying with AML/CFT and other consumer related laws. Of all ten banks, Habib Bank Limited faced the highest fine of Rs 320.08 million (USD 11.35 million) for deficiencies in AML/CFT areas and erroneous service charges deduction from customers. SBP has recently taken significant AML enforcement actions against banks as part of implementing the country's action plan to address its strategic regulations deficiencies. [More here](#) and [here](#)

Nigeria's Anti-fraud office charged two Britons for alleged ML put forward by the Economic and Financial Crimes Commission ("EFCC"), in relation to a 2010 contract with British Virgin Islands-based firm Process and Industrial Developments ("P&ID") that involves a disputed bill of more than USD 9 billion. Further, EFCC has recently amended charges on the two Britons to 32 of money laundering, tax evasion and failure to disclose their activities to the Federal Ministry of Industry, Trade and Investment in line with the ML Act. [More here](#) and [here](#)

The Verkhovna Rada, Ukraine's parliament, has adopted the law on preventing and countering the legalization (laundering) of proceeds of crime, terrorist financing ("TF") and the financing of the proliferation of weapons of mass destruction ("WMD") at a parliament meeting in early December. The law aims to improve certain provisions of the legislation to ensure the provisions of new international standards in AML/CFT is implemented. [More here](#)

Recent Events

KPMG Malaysia's Executive Director of AML & Sanctions Services, Khurram Pirzada, participated as a speaker on Trade-Based Money Laundering ("TBML") as well as a panellist for Proliferation Financing ("PF") in the 11th International Conference on Financial Crime and Terrorism Financing ("IFCTF"), jointly organised by Asian Institute of Chartered Bankers ("AICB") and Compliance Officers' Networking Group Malaysia ("CONG"). He was joined by regulatory figures on PF and leading industry practitioners on TBML, sharing insights on emerging schemes and technology to detect and prevent such financial crime. The conference was held in Hotel Shangri-La, Kuala Lumpur on 5 & 6 November 2019. [More here](#)



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