



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Requirements for the Money Services Business Compliance Officer

Applicable to:

1. Licensed money services businesses

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PART A OVERVIEW

1 Introduction

- 1.1 A licensee is required to appoint a competent and capable Compliance Officer to ensure its compliance with Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) requirements, in line with the AML/CFT – Money Services Business (Sector 3). This policy document specifies the requirements to further strengthen the capability and effectiveness of the Compliance Officer in carrying out the roles and responsibilities as outlined in the AML/CFT - Sector 3.

2 Applicability

- 2.1 This policy document is applicable to all licensees which carry on money services business activities under the Money Services Business Act 2011 (MSBA).

3 Legal provisions

- 3.1 This policy document is issued pursuant to section 74 of the MSBA.

4 Effective date

- 4.1 This policy document comes into effect on 4 March 2016.

5 Interpretation

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the MSBA, as the case may be, unless otherwise defined in this policy document.

- 5.2 For the purpose of this policy document–

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action.

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted.

“**The Bank**” means Bank Negara Malaysia.

PART B POLICY REQUIREMENTS

6 Requirements for the Compliance Officer

- G** 6.1 The appointment of a competent and capable Compliance Officer by a licensee is critical in ensuring proper compliance with the AML/CFT requirements in carrying out the money services business activities. The Bank expects the appointed Compliance Officer of a licensee to be able to demonstrate the following in the course of discharging his/her duties:
- (a) Possess relevant knowledge on requirements under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) and AML/CFT - Sector 3;
 - (b) Able to apply the AML/CFT requirements and effectively implement appropriate AML/CFT policies and procedures for the licensee's money services business operations, particularly in respect to customer due diligence measures, suspicious transaction reporting as well as risk-based assessment and management of money laundering and terrorism financing (ML/TF) risks; and
 - (c) Have current knowledge on developments in ML/TF techniques and typologies associated with the money services business industry as well as the AML/CFT measures undertaken by the industry.
- S** 6.2 To ensure that the appointed Compliance Officer is able to effectively carry out his roles and responsibilities, a licensee is required to ensure that the Compliance Officer:
- (a) Is registered with the money services business Group of Compliance Officers (GOCO) established by the Malaysian Association of Money Services Business, not later than 31 March 2016. Any Compliance Officer appointed from 1 April 2016 onwards shall be registered with GOCO within a month from his/her appointment;
 - (b) Successfully completes the accredited AML/CFT training modules, including the post-training assessments, developed by the GOCO on areas relating to the AML/CFT framework, customer due diligence process, handling of suspicious transactions as well as risk-based ML/TF risk management; and

- (c) Be duly certified/accredited by relevant recognised certification/accreditation bodies as having acquired the knowledge required to effectively perform AML/CFT compliance function in a money services business company.
- S 6.3** For the purpose of meeting the requirement in paragraph 6.2 (b), the following timelines are provided for a Compliance Officer to complete the AML/CFT training:

| | Timeline |
|------------------------------------|--|
| For Compliance Officers appointed: | |
| a) Before 30 June 2016 | By 31 December 2016. |
| b) From July 2016 onwards | Before appointment OR within a period of one (1) year from the Compliance Officer's appointment. |

- G 6.4** Other relevant staff of a licensee who assists and supports the functions of the Compliance Officer are also encouraged to participate in the AML/CFT training programme and if necessary, be certified/accredited.
- S 6.5** A licensee is required to notify, in writing, the Money Services Business Regulation Department, Bank Negara Malaysia, within ten (10) working days, of the appointment or change in the appointment of the Compliance Officer, including details of the name, contact information (office telephone number, e-mail address) and relevant experience and/or qualifications of the Compliance Officer.

**Implementation Guidance on Money Services Business
Frequently Asked Questions and Answers (FAQs)**

Introduction

The FAQs are intended to provide clarifications to licensees on the compliance with the policy document on “Requirements for the Money Services Business Compliance Officer”.

| No. | Questions | Answers |
|-----|---|--|
| 1. | Should a licensee sends its new Compliance Officer who is under probation to the AML/CFT training as specified in paragraph 6.2(b) of the policy document? | <p>Yes, a licensee is encouraged to send its new Compliance Officer who is under probation for the AML/CFT training specified in paragraph 6.2(b) to support the officer in performing his/her roles effectively. This will also contribute to the smooth confirmation of the Compliance Officer.</p> <p>At a minimum, a licensee is expected to send the probational Compliance Officer for training on AML/CFT Module 1: ‘Understanding the AML/CFT Framework’.</p> |
| 2. | Can a Compliance Officer who has already obtained relevant certification/accreditation from other certification/accreditation bodies be exempted from the requirement in paragraph 6.2(c) of the policy document? | <p>Yes, a Compliance Officer who has already obtained relevant certification/accreditation from other certification/accreditation bodies can be exempted from the requirement in paragraph 6.2 (c) of the policy document. This is provided that:</p> <p>a) The certification/accreditation bodies are recognised by the Malaysian Association of Money Services Business (MAMSB), in consultation with the Bank. In this respect, the certification/accreditation bodies should be credible and have a strong reputation in financial service certification/accreditation, including in the field of AML/CFT; and</p> <p>b) The Compliance Officer concerned completes all accredited AML/CFT training modules. This is to ensure that the Compliance Officer develops adequate understanding of AML/CFT compliance specific to the money services business industry.</p> |

Any updates to the FAQs will be notified to the licensees from time to time.

Should you have additional related queries, please submit your queries via any of the following means:

- a) Mail : Director
Money Services Business Regulation Department
Bank Negara Malaysia
Jalan Dato’ Onn
50480 Kuala Lumpur
- b) Email : msbr@bnm.gov.my