

**OVERSEAS ASSURANCE CORPORATION (MALAYSIA) BERHAD  
(A Member of Great Eastern Holdings Limited)**

**Updates On Anti-Money Laundering (AML) And Counter  
Financing Of Terrorism (CFT)**

On 16 February 2004, BNM had conducted a briefing session to update Compliance Officers from insurance companies and takaful operators on the latest development on AML and CFT.

During the briefing session, the following were highlighted:

**Latest Developments**

The latest developments in effort to combat money laundering and counter financing terrorism include the following:

1. Invocation of remaining Part IV provisions on money-changers w.e.f October 2003.
2. Amendment to the AMLA and Penal Code to cover terrorist financing.
3. Revised 40 recommendations by the Financial Action Task Force on Money Laundering (FATF).

**Reasons For Amendment Of AMLA**

The main reasons for amending the Act are:

1. To accede to the United Nation Convention for the Suppression of the Financing of Terrorism.
2. Currently there is no provision to address terrorist financing in the existing Act. The scope of the Act has been extended to include specific provisions on terrorist financing offences and terrorist properties.
3. Amendments to existing AMLA provisions to current provisions.

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The new Act has been passed by the Parliament on 20 November 2003 and gazetted as law on 25 December 2003. The Act is now known as Anti-Money Laundering and Anti-Terrorism Financing Act 2001.

**Legal Provisions To Address Terrorism Financing Offence**

1. Inserting new definitions and phrase of “terrorist property” and “terrorism financing offence” in the AMLA.
2. Extend the anti-money laundering mechanism to include:
  - a) Reporting of suspected terrorism financing activities.
  - b) Measures for the detection and prevention of terrorism financing.
  - c) Freeze, seize and forfeiture of terrorist property.
3. To include new predicate offences - Section 130N, 130O, 130P and 130Q of the Penal Code in the Second Schedule to the AMLA.
4. Inserting new Part VIA (section 66A to 66F) that enables a specified entity to be deemed as terrorist where their properties can be frozen, seized and forfeited according to the provisions under the AMLA.
5. Kementerian Dalam Negeri (KDN) is empowered to issue orders and publish in the Gazette for the following:
  - a) To declare an entity as a “specified entity” .
  - b) To implement measures required by the UNSC.
  - c) To obtain information on terrorist property.
  - d) To discharge Malaysia’s international obligations.