

EXECUTIVE SUMMARY ON BANK MUAMALAT MALAYSIA BERHAD (BMMB)'S ANTI-MONEY LAUNDERING & COUNTERING FINANCING OF TERRORISM AND TARGETED FINANCIAL SANCTIONS POLICY

The Policy establish framework to deter the use of Bank's products and services for money laundering/terrorist financing purposes and to ensure compliance to Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), Bank Negara Malaysia (BNM) requirements as stated in BNM Policy Document on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions (AML/CFT and TFS for FIs), and other relevant regulatory requirements.

The main contents of the Policy are as follows:

1. AML/CFT Policy Structure

- Illustrate the structures of AML/CFT Policy framework and AML/CFT Compliance Risk Governance.

2. Roles and Responsibilities of Internal Stakeholders

- Explain the roles and responsibilities of Board of Directors, Senior Management, Compliance and Internal Audit in operationalizing the AML/CFT Policies.

3. Roles and Responsibilities to External Stakeholders

- Explain the roles and responsibilities of the Bank to Competent Authority and Law Enforcement Agencies.

4. AML/CFT Framework

- Describe the application of risk-based approach and the holistic management of ML/TF risk via "The Three Lines of Defence".

5. Customer Acceptance and Due Diligence

- Describe the risk-based approach for customer acceptance with differentiated due diligence process depending on whether the customer is classified as prohibited, restricted and higher risk customer. Set out the requirements for management of sanction risk, on-going monitoring, update of customer records, product due diligence, management information system and record keeping.

6. Managing Targeted Financial Sanction

- Set out the requirements for managing targeted financial sanction involving customer and/ or related parties that include freezing, blocking and rejecting and reporting of a positive match.

7. AML/CFT Reporting Requirements

- Set out the reporting requirements to competent authority, law enforcement agencies and internal stakeholders.

8. Incidents of Non-Compliance to AML/CFT

- Describe the enforcement actions that can be taken against the staff for any non-compliance with AML/CFT requirements.