



Checklist

The Bar Council has formulated a checklist to assist Members of the Bar to streamline and enhance the customer due diligence (“CDD”) procedures, thus ensuring that we remain at the forefront of compliance and professionalism.

Customer Due Diligence (“CDD”)

Prior to opening a client’s file, Members are advised to ask certain questions on the proposed transactions that their firms have been instructed to act upon. Members should go through the checklist carefully to ensure that they obtain all the required information.

Documentation and Compliance

Any checklist that is used to do CDD should be kept with every new client’s file and shown to officers from Bank Negara Malaysia during their on-site examination.

Customising the Checklist

This checklist serves as a general guideline, and Members may want to adapt it to the specific needs and regulations applicable to them as reporting institutions (“RI”).

List of Gazetted Activities

- Buying and selling of immovable property;
- Managing of client’s money, securities or other property
- Managing of accounts including savings and securities accounts;
- Organising of contributions for the creation, operation or management of companies; or
- Creating, operating or managing of legal entities or arrangements and buying and selling of business entities.

CUSTOMER DUE DILIGENCE (“CDD”) CHECKLIST

Step 1: Know Your Client (“KYC”) — Individual Clients		
ACTION — Details to collect (9 data points)	STATUS	VERIFICATION
Name		
NRIC / Passport No		
Residential and mailing address		
Date of birth		
Nationality		
Occupation type		
Name of employer or nature of self-employment / nature of business		
Contact number		
Purpose of transaction		
Beneficial owner (“BO”), if any		

Step 1: Know Your Client (“KYC”) — Legal Person (eg Companies / Businesses)		
ACTION — Details to collect (7 data points)	STATUS	VERIFICATION
Name, legal form, and proof of existence		
Company / Business registration number		
Powers that regulate and bind the client, as well as persons having senior management position		
Business address		
Registered address		
Nature of business		
Directors / shareholders / BOs details		

Step 1: Know Your Client (“KYC”) — Legal Arrangement (eg Trust)		
ACTION — Details to collect	STATUS	VERIFICATION
Name, legal form, and proof of existence		
Powers that regulate and bind the client, as well as persons having senior management position		
Business address and address of the trustee’s registered office		

Step 1: Know Your Client (“KYC”) — Club, Society, and Charity (eg Persatuan, Yayasan)		
ACTION — Details to collect	STATUS	VERIFICATION
Conduct CDD applicable for legal persons or legal arrangements, as the case may be		
Office bearer or any person authorised to represent the club, society, and charity.		

Notes:

Verify your client’s identity using reliable and independent source documents, information and data. You may refer to Bank Negara Malaysia (“BNM”)’s Guidance on Verification of Individual Customers for Customer Due Diligence at <https://rb.gy/1vavxx>.

Access <https://rb.gy/uvdkajy> for the CDD Guide.

If your client does not provide the required information/documents, **do not** commence business, and you are advised to file a **Suspicious Transaction Report (“STR”)**.

If your client provides all the information, you may continue to Step 2.

Step 2: Screening		
ACTION — Screen client's name against:	STATUS	
1) UN Security Council Resolutions ("UNSCR") (Terrorism): (a) 1267 Sanctions List		
1) UN Security Council Resolutions ("UNSCR") (Terrorism): (b) 1988 Sanctions List		
2) Ministry of Home Affairs, Malaysia List: MOHA list		
3) UNSCR (Proliferation of Weapons of Mass Destruction): (a) 1718 Sanctions List		
3) UNSCR (Proliferation of Weapons of Mass Destruction): (b) 2231 Sanctions List		

Step 2: Screening		
ACTION — Actions on Positive Match	STATUS	
Freeze client's funds		
Block all transactions		
Reject the client		
File a STR		

Notes:

Sanctions List can be found on BNM's website at <https://rb.gy/g5hx9a>.

Proceed to Step 3 if no match is found.

Step 3: Risk Profiling	
ACTION — Consider the following risk factors:	STATUS
1) Client risk: (a) Politically-Exposed Person (“PEP”) (b) High-net-worth client, eg client with assets worth RM3 million and above (c) Nationality (d) Client with large and complex business structure (e) Customer provides vague or incomplete information about its proposed trading activity (f) Involvement of nominee shareholder / director (g) Any adverse news on the customer, eg involvement in investigations or having criminal records	
2) Products / service risks: (a) Product / service provides anonymity (b) Value / volume / type of product / service not commensurate with the customer profile (c) Involves nominee services (d) Involves complex and unusual transactions	
3) Geographical location: (a) Customer connected to or originates from higher risk countries (called by the Financial Action Task Force (“FATF”) or Government of Malaysia) (b) Location of business	
4) Transactions or delivery channel risk: (a) Non-face-to-face (b) Cross-border transaction (c) Involves complex and unusual payment methods (d) Involvement of unknown third parties for payments	
5) Any other information suggesting that the customer is of higher risk	

Notes:

If your client is assessed as high risk, you are required to conduct Enhanced Due Diligence (“EDD”).

If your client is assessed as a normal risk, you may continue with the transaction. However, if throughout your business relationship you find the client suspicious, file a **STR**.

Read more at <https://rb.gy/1g2v6d>.

Step 4: Enhanced Due Diligence (“EDD”)		
ACTION	STATUS	VERIFICATION
1) Obtain the standard CDD information.		
2) Obtain additional information on the customer and BO.		
3) Ask for source of wealth / funds. In the case of PEP, both sources must be obtained.		
4) Obtain approval from the Senior Management prior to conducting business. (Requirements on Senior Management do not apply for small firms. However, the approval of overall Compliance Programme and enhanced due diligence is still within the accountability of the individual with control of the overall operations of the reporting institution)		

Notes:

Proceed with the transaction if everything is in order; file a **STR** if suspicions arise.

Read more at <https://t.ly/IxK-S>.

Step 5: Suspicious Transaction Report (“STR”)	
ACTION	STATUS
1) Should you encounter any suspicion of a client during the course of your business relationship, it is mandatory to submit a STR.	

Notes:

You can find BNM's STR template on BNM's website at <https://t.ly/UijOI>.

Fill up the STR and submit it to:

Email: str@bnm.gov.my or

Fax: +603-2693 3625

Step 6: Record-Keeping	
ACTION	STATUS
1) You are required to keep all the KYC information, copies of ID documents, transaction details, and any analysis of STRs filed / submitted for at least 6 years following the date of completion of the transaction or termination of the business relationship.	

Step 7: Repeat Process	
ACTION	STATUS
1) You are required to repeat the process from Step 1 to Step 6 if there are changes to the client's information.	

For more information and useful links, refer to:

(a) Bar Council's Circular No 069 / 2024 | Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 ("AMLA"): Checklist for Legal Firm.

(b) BNM's policy document – Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions & Non-Bank Financial Institutions (AML/CFT/CPF and TFS for DNFBPs and NBFIs).

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