



**Circular No 196/2022
Dated 5 July 2022**

To Members of the Malaysian Bar

Submission of STRs — Gifts and Kickbacks

Bank Negara Malaysia (“BNM”) issued a circular on 1 June 2022 to inform lawyers and compliance officers (“COs”) on the issuance of the Red Flags and Typologies Report (“RFT Report”) for the legal sector. The issuance of the RFT Report is with the objective of assisting reporting institutions (“RIs”) in identifying suspicious transactions, putting in place the necessary measures, and reporting suspicious transactions.

The RFT Report was issued pursuant to section 83 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLA”). The Bar Council was informed by BNM that the RFT Report was issued as a confidential document with limited circulation and cannot be published to the public. The RFT Report has been emailed directly to all COs of the legal sector.

One of the recommended practices listed under the mitigating measures for conduct of client account is as follows:

- ***assess and flag out possible illegal activities / anomalies on transactions with counterparties, including implicit requests for assisting illegal activities such as for gifts or kickbacks.***

Members are advised to submit a suspicious transaction report (“STR”) using [this form](#).

Suspicious transactions refer to any transaction (including attempted or proposed), regardless of the amount, that:

- (1) appears unusual;
- (2) has no clear economic purpose;
- (3) appears illegal;
- (4) involves proceeds from an unlawful activity or instrumentalities of an offence; or
- (5) indicates that the customer is involved in money laundering or terrorism financing.

Firms are reminded to appoint a CO. BNM has made enhancement to the Anti-Money Laundering, Countering Financing of Terrorism (“AML/CFT”) Compliance Officer Appointment Notification Method and Targeted Financial Sanctions Reporting Forms to facilitate RIs when complying with the requirement on AML/CFT CO appointment. The notification of a CO appointment or a change in an appointed CO can now be made by completing the online form available at this [link](#).

For details and/or guidance on the appointment of a CO for your law firm, please contact BNM at 1-300-88-5465 or send an email to fied@bnm.gov.my.

Thank you.

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Co-Chairpersons
Committee on AMLA