

TARGETED FINANCIAL SANCTIONS ON TERRORISM FINANCING

MAINTENANCE OF SANCTIONS LIST: UNSCR List

- Reporting institutions ("RIs") are required to maintain a sanctions database on the United Nations Security Council Resolutions ("UNSCR") List.
- RIs may refer to the Consolidated UNSCR List published in the UN website: <https://www.un.org>.
- The UNSCR List shall remain in the sanctions database until the delisting of the specified entities by the relevant Sanctions Committee is published in the UN website.

MAINTENANCE OF SANCTIONS LIST: Domestic List

- RIs are required to keep updated with the Domestic List as and when published in the *Gazette*.
- RIs may refer to the Domestic List published in: <http://www.federalgazette.agc.gov.my>.
- The Domestic List shall remain in the sanctions database until the delisting of the specified entities is published in the *Gazette*.

Sanctions Screening - Customers

- RIs are required to conduct sanctions screening on existing, potential or new customers against the Domestic List and UNSCR List.
- RIs are required to screen its entire customer database (including dormant accounts), without delay, for any positive name match against the:
 - (a) Domestic List, upon publication in the *Gazette*; and
 - (b) UNSCR List, upon publication of the United Nations Security Council ("UNSC") or its relevant Sanctions Committee's designation in the UN website.

Dealing with False Positives

- RIs are required to ascertain potential matches with the UNSCR List or the Domestic List are true matches to eliminate false positives.
- RIs may direct any query to the Financial Intelligence and Enforcement Department ("FIED"), Bank Negara Malaysia to ascertain whether or not the customer is a specified entity, in the case of similar or common names.

Freezing, Blocking and Rejecting - Customers and Related Parties

- RIs are required to conduct the following, immediately and without delay, upon determination and confirmation of a customer's identity as a specified entity and/or related parties:
 - (a) freeze the customer's funds and properties; or
 - (b) block transactions (where applicable).
- RIs are required to reject a potential customer, where there is a positive name match.

Related Parties

- RIs shall undertake due diligence on related parties.

Allowable Transactions

- Any dealings with frozen funds or properties, whether by the specified entity, related party or any interested party, requires prior written authorisation from the Minister of Home Affairs.

Exemption for Basic and Extraordinary Expenditures

- RIs shall only proceed with payments for basic and extraordinary expenditures upon receiving written authorisation from the Minister of Home Affairs.

REPORTING ON POSITIVE NAME MATCH - Reporting upon Determination of a Positive Name Match

- RIs are required to immediately report upon determination that they are in possession or in control of funds or properties, of any specified entity and/or related party.

Reporting of Suspicious Transaction

- RIs are required to submit a suspicious transaction report ("STR") upon determination of any positive match or has reason to suspect that the account or transaction is related or linked to, or is used or intended to be used for or by any specified entity or related party.

Periodic Reporting on Positive Name Match

- RIs that have reported positive name matches and are in possession or in control of frozen or blocked funds or properties of any specified entity and/or related party are required to report any changes to those funds, other financial assets and economic resources.



Issued by:

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