

Risk Assessment Template

As required under:

- Section 19 of the AMLA; and
- Paragraphs 10.2 and 10.3 of the AML/CFT and TFS for DNFBPs and NBFIs.

Please also refer to Guidance on Application of Risk-Based Approach Application.

Disclaimer:

- *This document is intended for guidance on the implementation of institutional risk assessment to assist the reporting institution to comply with the requirements of the AMLA only. Reporting institutions may develop their own template in consideration of the size, nature and complexity of the business operations.*
- *This document does not contain exhaustive advice or information relating to the subject matter nor should it be used as substitute for legal advice.*
- *In the event that the information on Bank Negara Malaysia's official printed documents or any Acts differ from the information contained within this document, the information on such Act and official documents shall prevail and take precedence.*

In conducting risk assessment i.e. to identify, assess and understand their ML/TF risks at the institutional level, the reporting institution may consider the following examples of risk factors:

a) Overall Business Risk

Identifying higher risk business activities:

No	Main Business Activities	ML Risk	TF Risk	% Contribution to Total Business
1	<i>E.g. Selling of gold jewelleries including precious stones e.g. diamonds</i>	<i>E.g. High</i>	<i>E.g High</i>	<i>E.g. 90%</i>

Firm's structure:

No of Branches	
No of Agents	
No of Employees	

Mapping of AMLA requirements to respective division/department/job-scope:

No	AMLA Requirements	Responsible/Related Division/Department/Job Scope	Policies and Procedures?	Awareness Level & Training
1	<i>E.g. Customer Due Diligence</i>	<i>E.g. Front Counter Staff</i>	<i>E.g. Yes</i>	<i>E.g. Weak/Inadequate</i>

a) Product and Services Risk

i. Product

For each product, reporting institutions may consider the following risk factors:

No	Risk Factor	
1	Product can be easily transferable to another party	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
2	Product's ownership not easily traceable to customer	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
3	Product can be easily converted to cash or exchange to another form	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
4	Customer can place deposit for a period of time for product purchase	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
5	Product can easily be transported or concealed	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
6	Product can be used as an alternative form of currency	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
7	Product is high value in nature	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
8	Customer can purchase product through non-face-to-face channel	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
9	Allow use of virtual asset and other anonymous means of payment.	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
10	Allow use of unusual mean of payment e.g. high value items such as real estate, precious metals and stones.	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
11	Others (Please specify):	

Product risk assessment:	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
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ii. Services

For each service, reporting institutions may consider the following risk factors:

No	Risk Factor	
1	Services that allow deposit/payment from third-party/unknown parties	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
2	Services that allow transfer of fund to third-party/unknown parties	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
3	Services that allow cross-border fund transfer	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
4	Services allow customer to deposit/transfer fund through the firm's client account	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
5	Services include creation/setting up of complex legal arrangements	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
6	Services that are capable of concealing beneficial ownership from competent authorities	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
7	Services that provide nominee director/shareholders	<input type="checkbox"/> Yes

		<input type="checkbox"/> No
8	Services that provide anonymity in relation to the client's identity	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
9	Services are offered through use of agent or intermediary	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
10	Services that allow the use of shell companies or companies with ownership through nominee shares or bearer shares or control through nominee and corporate directors	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
11	Customer can acquire services through non face-to-face channel	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
12	Services allow use of virtual asset and other anonymous means of payment	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
13	Services allow use of unusual mean of payment e.g. high value items such as real estate, precious metals and stones	<input type="checkbox"/> Yes
		<input type="checkbox"/> No
14	Others (please specify):	

Services risk assessment:	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
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Overall product and services risk assessment:	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
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b) Customer Risk

No	Risk Factors		Total	Percentage (%)	
1	Type of customers	Individual customers			
		Legal persons			
		Legal arrangements			
		Clubs, Societies and Charities			
		Others (Please specify):			
2	Type of occupation for individual customers	Salaried			
		Self-employed	Trading		
			Services		
			Others		
3	Nature and type of business of legal persons	Trading			
		Services			
		Cash intensive business (e.g. retail)			
		Others			
4	Risk Level (based on RI's own customer risk profiling)	Low risk			
		Medium risk			
		High risk			

5	Characteristics of customers	High net worth			
		Domestic PEPs			
		Foreign PEPs			
6	Structure/nature of customer	Legal persons which has complex structure or multiple layer of ownership			
		Legal persons which has nominee relationship			
		Customers that are cash intensive businesses			
		Others (please specify):			
7	Geographical location of customer	Domestic	All local customers		
			From within business area		
			Outstation customers		
		Foreign	All foreign customers		
			Customer from higher risk countries*		
8	Other factors (please specify):				

Overall customer risk assessment:	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
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c) Geographical Location Risk

		Total	Percentage (%)
Local Headquarters and Branch Location	No of branches including headquarters located at/near tourist hotspots		
	No of branches including headquarters located at/near crime hotspots		
	No of branches including headquarters located at/near country's border		
	No of branches including headquarters located at/near country's entry points		
Foreign Branch Location	No of branches located in higher risk countries		

Geographical location risk assessment:	<input type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High
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d) Transactions and Delivery Channel Risk

No	Risk Factors		Total	Percentage (%)
1	Mode of delivery		Volume of non-face-to-face transactions e.g. online, agents	
			Value of non-face-to-face transactions (RM) e.g. online, agents	
2	Mode of payment	Cash	Volume of cash transaction (no. of cash transaction/total no. of all transaction)	
			Value of cash transaction (total value of cash transaction/total value of all transaction)	
			Average cash transaction (Total value of cash transaction/total no. of cash transaction)	
		Electronic payment	Volume of e-payment (no. of e-payment transaction/total no. of all transaction)	
			Value of e-payment transaction (total value of e-payment transaction/total value of all transaction)	
			Average e-payment transaction (Total value of e-payment transaction/total no. of e-payment transaction)	
3	Transaction location	Local	Fund received from outside your business area	
			Fund transferred to outside your business area	
		Foreign	Fund received from outside Malaysia	
			Fund transferred to outside Malaysia	
			Volume of transactions from/to higher risk countries	
			Value of transactions from/to higher risk countries	

Transaction and delivery channel risk assessment:

Low

Medium

High

e) Total Institutional ML/TF Risk Level

Total Institutional ML/TF Risk Level

Low

Medium

High

f) Risk Control and Mitigation

No.	Identified High Risk ML/TF Areas: Product/Services/Locations/Work- Process/Division/Customer or Group of Customers/Transaction Type/Delivery Channel	Proposed Control Measures – Policies, procedures and controls to manage and mitigate ML/TF risks that have been identified
1	<i>E.g. High exposure to higher risk customers</i>	<i>E.g. monitor higher risk customer's transactions with greater sensitivity</i>
2	<i>E.g. High exposure to politically exposed persons</i>	<i>E.g. employ technology-based screening for effective enhanced due diligence</i>
3	<i>E.g. Identified higher risk transactions</i>	<i>E.g. introduce limit for identified higher risk transactions</i>