COMPLIANCE OFFICER (CO) GUIDE

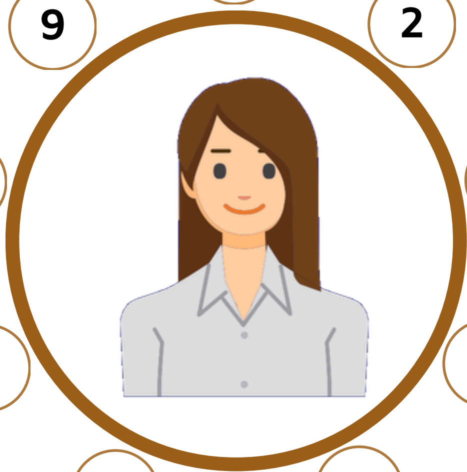
What is the role of CO?

- A CO is the **reference point** for anti-money laundering, countering financing of terrorism, countering proliferation financing and targeted financial sanctions (AML/CFT/CPF and TFS) matters within the reporting institution (RI).
- A CO is **legally required to submit suspicious transaction reports (STRs)** on behalf of the RI.

Criteria of a CO:

- Have **sufficient stature, authority and seniority** within the RI to participate and be able to effectively influence decisions relating to AML/CFT/CPF
- Be **fit and proper** to carry out AML/CFT/CPF responsibilities effectively
- Have **necessary knowledge and expertise** to effectively discharge roles and responsibilities

What are CO's duties



1. Ensure RI puts in place **adequate AML/CFT/CPF policies and procedures**
2. Ensure **RI's compliance** with the AML/CFT/CPF requirements and any other obligations that are imposed under the AMLA, subsidiary legislation and relevant instruments
3. Establish and maintain relevant internal criteria **(red flags)** to enable identification and detection of suspicious transactions
4. Ensure **secure** channel of communication from employees to the CO and information is kept **confidential**
5. Ensure all employees are **aware** of the RI's AML/CFT/CPF measures, including policies, control mechanism and reporting channels
6. **Evaluate internal STR appropriately** before promptly submitting to Financial Intelligence Department of Bank Negara Malaysia
7. Regularly **assess** the AML/CFT/CPF mechanism i.e control measures and procedures
8. Identify ML/TF risks associated with **new products/ services/ or arising from the RI's operational changes**
9. Ensure **effective implementation** of appropriate AML/CFT/CPF policies and procedures

Appointment of CO

- Reporting institutions are required to notify BNM on the appointment of CO through this link: amlcft.bnm.gov.my/co/.
- Notification to BNM should be within 10 working days on the appointment or change in the appointment of CO.

Note: Please refer to Section 19 of the Anti-Money Laundering, Anti-Terrorism Financing, Anti-Restricted Activity Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) and Paragraph 11 of the Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions (DNFBPs) and Non-Bank Financial Institutions (NBFIs) (AML/CFT/CPF and TFS for DNFBPs & NBFIs Policy Document)