

Anti-Money
Laundering,
Anti-Terrorism
Financing,
And Proceeds
Of Unlawful
Activities
("AMLA")
Group Policy



DATE

16 July 2024

Ditrolic Energy

1. INTRODUCTION

- 1.1 This Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Policy ("**the Policy**") sets out the anti-money laundering, anti-terrorism financing and proceeds of unlawful activities policies of Ditrollic Energy Holdings Sdn Bhd ("**Company**") and its subsidiaries (collectively "**Ditrollic Group**"). Ditrollic Group strictly adheres to the ethical standards associated with our business practices and are committed to combat to participating in international efforts to combat money laundering and the financing of terrorist and criminal activities. The Ditrollic Group follows all applicable laws that prohibit money laundering or financing of illegal or illegitimate purpose.
- 1.2 The Policy also sets out the responsibilities of those working for the Ditrollic Group, in observing and upholding our position on Anti-money Laundering ("**AML**") and Counter-Terrorist Financing ("**CTF**") and provides information and guidance on how to deal with AML and CTF issues.
- 1.3 Employees and stakeholders of the Group shall observe and abide by the Policy and are encouraged to report immediately any suspected cases of fraud, misconduct, malpractice or irregularity as stipulated in Ditrollic Group's Whistleblowing Policy.

2. SCOPE AND APPLICATION OF THE POLICY

- 2.1 This policy applies to:
 - a. All directors, Board Members, Trustees, Officers, Committee members and employees (whether temporary, fixed-term, or permanent), interns, trainees, seconded staff, home workers, casual workers, or any of our subsidiaries or their employees at any level ("**Employees**").
 - b. Consultants, contractors, agency staff, volunteers, agents, sponsors or any other person or persons associated with us (including third parties) who perform services for or on behalf of Ditrollic Group ("**Third Parties**"). In the context of this Policy, Third Parties also refers to any individual or organization our company meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.
- 2.2 Any arrangements our company makes with a third party is subject to this policy and/or clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-money laundering, anti-terrorism financing and proceeds of unlawful activities under this policy.
- 2.3 Each such person agrees to be bound by the provisions of this policy upon notification of the most recent copy being given to them or upon notification that an updated version has been placed on the company's website for review, which may be found at <https://www.ditrollicenergy.com/my/about-us/corporate-governance>.

3. DEFINITIONS

3.1 The following terms used in this Policy shall have the meanings ascribed to them below:

3.1.1 **"Money Laundering"** ("ML") and **"Terrorism Financing"** ("TF") means the process of engaging/involving in transactions that are unlawful, or involve property derived from illegal conduct attempted to appear to come from a legitimate source or that support crime or terrorism.

- a. The broad definition of ML and TF means that anybody (including any employee of the Group) could be in violation of the law if he/she becomes aware of, or suspects, the existence of criminal property within the business and becomes involved in or continues to be involved in a matter which relates to that property being linked to the business without reporting his/her concerns.
- b. Property can be criminal property where it derives from any criminal conduct, whether the underlying criminal conduct has taken place in the country where you are situated or overseas.
- c. TF may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.

3.1.2 **"Foreign Compliance Laws"** refers to the applicable laws pertaining to Anti-Corruption Laws, Anti-Money Laundering and Anti-Terrorism Laws, Anti-Tax Evasion Laws and Sanctions as defined below, as applicable to the Ditrolic Group's business and operations in accordance with **Appendix B** of this Policy. Such Foreign Compliance Laws carry the following meaning and definitions:

- a. **"Anti-Corruption Laws"** means any Applicable Laws which prohibit the offering, promising, giving and receiving, or authorising others to give or receive anything of value, either directly or indirectly, to any person or any officer, employee, agent or adviser of such persons in order to influence official action, to improperly obtain or retain business, to otherwise gain an improper business, including, without limitation, the UK Bribery Act, the Foreign Corrupt Practices Act of 1977 ("**FCPA**"), the Prevention of Corruption Act 1960 of Singapore and Penal Code 1871 of Singapore, the Philippines Anti-Graft and Corrupt Practices Act and Ethical Standards for Public Officials and Employees and the anti-bribery and anti-corruption laws applicable to the Investor Shareholder or its Affiliates, any BlackRock Funds or any Group Company or its Affiliates, in each case, as amended, re-enacted, consolidated or replaced, or as their application is modified by other laws, whether before or after the effective date this Policy comes into force;
- b. **"Anti-Money Laundering and Anti-Terrorism Laws"** means, as applicable, the EU Fourth Anti-Money Laundering Directive and member states' implementing legislation, The Money Laundering

Regulations, The Criminal Finances Act 2017 and The Anti-Terrorism, Crime and Security Act (2001), the UK Proceeds of Crime Act 2002, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 of Singapore and Terrorism (Suppression of Financing) Act 2002 of Singapore, the U.S. Bank Secrecy Act, USA Patriot Act and other U.S. legislation relating to money laundering and proceeds of crime, and other laws and regulations as applicable including the Bank Secrecy Act, the Money Laundering Control Act of 1986, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the Anti-Money Laundering Act of 2001 together with its amendments, implementing rules and regulations, the Terrorism Financing Prevention and Suppression Act of 2012, its amendments and implementing rules and regulations of the Philippine Anti-Money Laundering Council, and any other anti-money laundering laws, anti-terrorism laws or regulations applicable to the Investor Shareholder or its Affiliates or any Group Company or its Affiliates, in each case, as amended, re-enacted, consolidated or replaced, or as their application is modified by other laws, whether before or after the Effective Date;

- c. **"Anti-Tax Evasion Laws"** means Part 3 of the UK Criminal Finances Act 2017 (Corporate Offences of Failure to Prevent Facilitation of Tax Evasion) and any guidance, rules and regulations thereunder and any similar laws or regulations in any other jurisdiction applicable to the Investor Shareholder or its Affiliates or any Group Company or its Affiliates, in each case, as amended, re-enacted, consolidated or replaced, or as their application is modified by other laws, whether before or after the Effective Date;

- d. **"Sanctions"** means all export control and economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures enacted, administered, implemented and/or enforced from time to time by the United Nations, the U.S., EU (and any member state thereof), UK, Singapore, Australia, Indonesia, Malaysia, the Philippines, Bangladesh, Vietnam, China and Thailand including but not limited to:
 - (i) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution.
 - (ii) U.S. sanctions and export controls administered by the Office of Foreign Assets Control of the U.S. Department of Treasury and the U.S. Commerce Department's Bureau of Industry and Security.
 - (iii) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU's Common Foreign and Security Policy.
 - (iv) UK sanctions enacted by Sanctions and Money Laundering Act and the regulations promulgated thereunder, the Export Control Order and the Anti-Terrorism, Crime and Security Act; and
 - (v) any export control and economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures implemented by Australia, Singapore, Indonesia, Malaysia, the Philippines and Thailand or any other export control and economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures applicable to BlackRock Inc. or its Affiliates, any BlackRock Funds or any

Group Company or its Affiliates.

- 3.1.3 **“Ditrolic Group”** refers to all affiliates which consist of any entity directly or indirectly controlled by or under the common control of Ditrolic, where control means (a) direct or indirect ownership, in an entity of fifty percent (50%) or more of the voting rights conferred by all the issued shares or equity interests in the capital of that entity; or (b) the power to determine directly or indirectly the composition of the majority of the board of directors, similar management body or direct the management of such entity.
- 3.1.4 **“Individual in the Public Body”** means any person who is a member, an officer, an employee or a servant of a Public Body, and includes but is not limited to a member of the administration, a member of Parliament, a member of a State Legislative Assembly, a judge of the High Court, Court of Appeal or Federal Court, and any person receiving any remuneration from public funds.
- 3.1.5 **“Public Body”** means:
- a. the Government of Malaysia;
 - b. the Government of a State;
 - c. any local authority and any other statutory authority;
 - d. any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority;
 - e. any society registered under subsection 7(1) of the Societies Act 1966;
 - f. any branch of a registered society established under section 12 of the Societies Act 1966;
 - g. any sports body registered under section 17 of the Sports Development Act 1997;
 - h. any co-operative society registered under section 7 of the Co-operative Societies Act 1993;
 - i. any trade union registered under section 12 of the Trade Unions Act 1959;
 - j. any youth society registered under section 9 of the Youth Societies and Youth Development Act 2007;
 - k. any company or subsidiary company over which or in which any public body as is referred to in paragraphs (a) to (j) has controlling power or interest; or
 - l. any society, union, organization or body as the Minister may prescribe from time to time by order published in the Gazette.
- 3.1.6 **“Third Party”** or **“Third Parties”** means any person, corporation or individual:

- a. who has dealings with Ditrolic Group;
- b. who provide services to Ditrolic Group;
- c. supplier, contractors or customer of Ditrolic Group; or
- d. who are authorized to negotiate for or on behalf of Ditrolic Group and who make contact with an Individual of a Public Body.

4. ROLES & RESPONSIBILITIES

- 4.1 If in doubt, you are encouraged to consult or refer to Ditrolic Group's appointed Compliance Officer or any such person acting in relief of the Compliance Officer, at compliance@ditrolicenergy.com.
- 4.2 The Compliance Officer has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness, including dealing with queries about it.
- 4.3 The Board of Directors ("Board") has overall responsibility for ensuring that the Policy complies with all legal and ethical obligations.
- 4.4 Legal and Compliance Department of the Ditrolic Group has the responsibility to update on regulatory development, conduct regular review and update of the Policy, and provide advice on matters under the Policy.

5. GENERAL POLICY

- 5.1 Key integrity and conduct requirements for Employees are included in Ditrolic Group's applicable Employment Handbook or such code of conduct as may be applicable from time to time, which has been distributed throughout the Group.
- 5.2 This Policy will be effectively communicated to all levels of Employees and stakeholders, and the procedures for reporting fraud allegations by Employees and stakeholders who deal with the Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) are also clearly communicated through Ditrolic Group's Whistleblowing Policy.
- 5.3 Control activities are designed and continuously enhanced to mitigate ML and TF risks, while risk-based audits to monitor the effectiveness of these controls are also performed regularly.
- 5.4 Training on Ditrolic Group's applicable policies and relevant AML and CTF laws is regularly conducted for employees.
- 5.5 All Employees are responsible for making proper documentation and records of all important transactions and decisions to enable tracing of events and irregularities, thereby helping deter or identify malpractice, including all documentation and records obtained or prepared during third party due diligence exercise.

6. MONEY LAUNDERING

- 6.1 The following types of activities are considered to be Money Laundering under Malaysian law and the Foreign Compliance Laws (as the case may be) and are prohibited under this Policy:
- a. the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his/her action;
 - b. the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such an activity;
 - c. the acquisition, possession, retention or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such an activity;
 - d. participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions referred to in points (a), (b) and (c).
 - e. Money laundering shall be regarded as such even where the activities which generated the property to be laundered were carried out in the territory of another country.
 - f. Entering into or becoming concerned in an arrangement which the person knows or suspects, facilitates (by whatever means), the acquisition, retention, use or control of criminal property by or on behalf of another person;
 - g. conducting/engaging or attempting to conduct/engage in a financial/monetary transaction which involves criminal property, knowingly;
 - h. engaging, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
- 6.2 Attempting to engage or abet or conspire to commit the commission of money laundering is an offence.

7. TERRORISM/TERRORIST FINANCING

7.1 Activities considered to be TF and are prohibited under this Policy include the provision or collection of funds, by any means, directly or indirectly, with the intention that they be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist offences. Intentional acts which given their nature or context may seriously damage a country or an international organisation where committed with the aim of seriously intimidating a population, or unduly compelling a Government or international organisation to perform or abstain from performing any act, or seriously destabilising or destroying the fundamental political, constitutional, economic or social structures of a country or an international organisation, shall be deemed to be terrorist offences.

7.2 A terrorism financing offence include:

- a. where a person directly or indirectly, wilfully and without lawful excuse,

provides or collects property with the intention that the property be used or knowing or having reasonable grounds to believe that the property will be used in whole or in part to commit any terrorist act, is guilty of an offence.

- b. where a person directly or indirectly, collects property, provides or invites a person to provide, or makes available property or financial or other related services intending that they be used, or knowing or having reasonable grounds to believe that they will be used, in whole or in part, for the purpose of facilitating or carrying out any terrorist act, or for benefiting any person who is facilitating or carrying out such an activity; or knowing or having reasonable grounds to believe that, in whole or in part, they will be used by or will benefit any terrorist or terrorist entity, shall be guilty of an offence.
 - (i) a reference to facilitating or carrying out any terrorist act includes a reference to financing the travel of an individual to any place other than the state of which the individual is a citizen or in which the individual resides, in order for the individual to provide or receive any training in facilitating or carrying out any terrorist act.
 - (ii) financial services include the services offered by lawyers and accountants acting as nominees or agents for their clients.
- c. where a person using property, directly or indirectly, in whole or in part, for the purpose of facilitating or carrying out any terrorist act; or possesses property intending that it be used or knowing or having reasonable grounds to believe that it will be used, directly or indirectly, in whole or in part, for the purpose of facilitating or carrying out a terrorist act, shall be guilty of an offence.
- d. where a person dealing directly or indirectly, in any property that the person knows or has reasonable grounds to believe is owned or controlled by or on behalf of any terrorist or terrorist entity, including funds derived or generated from property owned or controlled, directly or indirectly, by any terrorist or terrorist entity; enter or facilitate, directly or indirectly, any financial transaction related to a dealing in property mentioned; provide any financial services or any other related services in respect of any property mentioned to, or for the benefit of, or on the direction or order of, any terrorist or terrorist entity. This is an offence.
- e. Abetment, conspiracy or an attempt to commit the offences in (a), (b), (c) and (d) is an offence.
- f. knowingly enter an arrangement that facilitates the acquisition, retention or control by or on behalf of another person of terrorist property by concealment, by a removal out of jurisdiction, by transfer to a nominee or in any other way is punishable.
- g. knowingly deal, directly or indirectly, in any terrorist property is an offence. 'Deal in' includes:
 - (i) acquiring or possessing any terrorist property;
 - (ii) entering into or facilitating, directly or indirectly, any transaction in respect of terrorist property;
 - (iii) converting, concealing or disguising terrorist property; or
 - (iv) providing any financial or other services in respect of any terrorist

property to or for the benefit of, or at the direction or order of, any terrorist, terrorist entity or terrorist group.

7.3 "Terrorist act" include:

- a. attacks upon a person's life which may cause death;
- b. attacks upon the physical integrity of a person;
- c. kidnapping or hostage taking;
- d. causing extensive destruction to a Government or public facility, a transport system, an infrastructure facility, including an information system, a fixed platform located on the continental shelf, a public place or private property likely to endanger human life or result in major economic loss;
- e. seizure of aircraft, ships or other means of public or goods transport;
- f. manufacture, possession, acquisition, transport, supply or use of weapons, explosives or of nuclear, biological or chemical weapons, as well as research into, and development of, biological and chemical weapons;
- g. release of dangerous substances, or causing fires, floods or explosions the effect of which is to endanger human life;
- h. interfering with or disrupting the supply of water, power or any other fundamental natural resource the effect of which is to endanger human life;
- i. threatening to commit any of the acts listed in (a) to (h).
- j. directing a terrorist group
 - (i) '**terrorist group**' shall mean: a structured group of more than two persons, established over a period of time and acting in concert to commit terrorist offences.
 - (ii) '**Structured group**' shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.
- k. participating in the activities of a terrorist group, including by supplying information or material resources, or by funding its activities in any way, with knowledge of the fact that such participation will contribute to the criminal activities of the terrorist group.
- l. aggravated theft with a view to committing one of the acts listed in (a) to (h).
- m. extortion with a view to the perpetration of one of the acts listed in (a) to (h).
- n. drawing up false administrative documents with a view to committing one of the acts listed in (a) to (h) and (k).
- o. aiding and abetting the offences referred to above.

- p. attempting to commit an offence referred to in (a) to (h), and (l) to (n), with the exception of possession as provided for in (f) and (i), is punishable.
- 7.4 Every employee in Ditrollic Group who has possession, custody or control of any property belonging to any terrorist or terrorist entity or has information about any transaction or proposed transaction in respect of any property belonging to any terrorist or terrorist entity, must immediately inform the police of that fact or information.
- 7.5 Failure to prevent the commission of a terrorism financing offence or disclosing to a police officer is an offence.

8. TAX EVASION

8.1 In relation to "Anti-Tax Evasion Laws":

8.1.1 Tax Evasion is a crime, which includes tax evasion offence, tax evasion facilitation offence, foreign tax evasion offence and foreign tax evasion facilitation offence.

8.1.2 "Tax evasion offence" means:

- a. An offence of cheating the public revenue, or
- b. An offence under the law of Malaysia consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

8.1.3 "**Tax evasion facilitation offence**" means an offence under the law of Malaysia consisting of:

- a. being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax by another person,
- b. aiding, abetting, counselling or procuring the commission of a tax evasion offence, or
- c. being involved art and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

8.1.4 "Foreign tax evasion offence" means conduct which:

- a. amounts to an offence under the law of a foreign country,
- b. relates to a breach of a duty relating to a tax imposed under the law of that country, and
- c. would be regarded by the courts of Malaysia as amounting to being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of that tax.

8.1.5 "Foreign tax evasion facilitation offence" means conduct which:

- a. amounts to an offence under the law of a foreign country,

- b. relates to the commission by another person of a foreign tax evasion offence under that law, and
 - c. would, if the foreign tax evasion offence were a tax evasion offence, amount to a tax evasion facilitation offence (as above).
- 8.1.6 Ditrolic Group nor its Employees must not engage in any form of Tax Evasion listed above.
- 8.1.7 Ditrolic Group nor its Employees must not fail to prevent facilitation of Tax Evasion.

9. DUE DILIGENCE

- 9.1 To prevent and mitigate ML and TF risks, Ditrolic Group should undertake reasonable and proportionate due diligence on an entity or individual (that is, Third Party) before entering into any form of business relationships, such as supply and service contracts, mergers and acquisitions, joint venture, appointment of agents and intermediaries, etc.
- 9.2 To perform due diligence, Employees should follow the general principles listed in Appendix A – Guideline on Due Diligence in this Policy.
- 9.3 Employees should exercise due care by ensuring the authenticity of the information or documents obtained during the due diligence exercise. When in doubt, please contact the Legal and Compliance Department.

10. REPORTING

- 10.1 This Policy shall be effectively communicated to all levels of Employees, and other stakeholders and third parties, and the procedures for reporting ML and/or TF acts by Employees, stakeholders and third parties who deal with the Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) are also clearly communicated through the Ditrolic Group's Whistleblowing Policy.
- 10.2 Any concerns in relation to AML and CTF issues within the Ditrolic Group should be reported to the Compliance Officer.
- 10.3 Confidentiality, prompt handling, and non-retaliation will be assured for any received complaints / reports.
- 10.4 For further details regarding the reporting procedures, please refer to the Ditrolic Group's Whistleblowing Policy.

11. DOCUMENTATION

- 11.1 All Employees are responsible for making proper documentation and records of all important transactions and decisions to enable tracing of events and irregularities, thereby helping deter or identify malpractice.
- 11.2 All received reports regarding suspected irregularities, their handling procedures, investigations taken, and results shall be properly documented.

- 11.3 Where there becomes any concluded legal case regarding ML and TF brought against the Group or its Employees, the investigation records and outcomes of the cases are to be properly retained.

12. IMPLEMENTATION AND REVIEW

- 12.1 The Ditrolic Group, either through its nominated personnel, Compliance Officer, the Audit & Risk Management Committee, or any designated committees, shall ensure that the implementation of the AML and CTF programme is effective and up-to-date through regular audits, monitoring, reviews, and controls. Independence of the internal audit function and any other monitoring review functions from management shall be ensured. The frequency and scope of audits and reviews made shall be properly documented for disclosure purposes.
- 12.2 All business processes and operations are subject to audit periodically in respect of the risk of AML and CTF, and responsible for properly following up any irregularities or weaknesses identified.
- 12.3 The Legal and Compliance Department shall review and update this Policy periodically and as and when needed to ensure its effectiveness and complies with all applicable legal and regulatory requirements.

13. APPLICABLE LAWS AND REGULATIONS

- 13.1 This Policy has been designed and implemented based on applicable AML and CTF laws and regulations as per the Foreign Compliance Laws, as amended from time to time. This Policy thereby adopts widely accepted standards recognised in various jurisdictions ("widely accepted standards") as stipulated in Annex B.

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APPENDIX A

1. To perform due diligence on Third Party before entering into any form of business relationships, Employees should follow the general principles below:
 - (a) identify the Third Party and verify the Third Party's identity using documents, data or information provided by a reliable and independent source;
 - (b) where there is a beneficial owner¹ in relation to the Third Party, identify and take reasonable measures to verify the beneficial owner's identity so that Ditrolic Group is satisfied that it knows who the beneficial owner is, including, in the case of a legal person or trust, taking reasonable measures to enable the Group to understand the ownership and control structure of the legal person or trust;
 - (c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship (if any) established with Ditrolic Group;
 - (d) conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the obliged entity's knowledge of the customer, the business and risk profile, including where necessary the source of funds and ensuring that the documents, data or information held are kept up-to-date.
 - (e) if a third-party purports to act on behalf of the Third Party:
 - (i) identify the person and take reasonable measures to verify the person's identity using documents, data or information provided by a reliable and independent source; and
 - (ii) verify the person's authority to act on behalf of the Third Party; and
 - (f) consider conducting sanctions screening in respect of the Third Party against international and national sanctions lists such as the United Nations Security Council Consolidated List², the Domestic List issued by the Malaysian Ministry of Home Affairs³ and any other applicable Sanctions registry.

2. If there is an indication of higher potential ML and/or TF risk, the Employee should perform the following:
 - (a) obtain additional information on the Third Party (e.g. occupation, volume of assets, information available through public databases, internet, etc.), and update more regularly the identification data of the Third Party and beneficial owner;
 - (b) obtain additional information on the intended nature of the business relationship;

¹ Please refer to Article 3, for the definition of "*beneficial owner*" of EU Fourth Anti-Money Laundering Directive in Appendix B below.

² The consolidated list of persons as designated by the United Nations Security Council or its relevant Sanctions Committees (i.e. the UNSCR List) is available on the United Nation's website at (<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>).

³ The list of individuals, entities and other groups and undertakings declared as "specified entities" under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 is accessible on the Malaysian Ministry of Home Affairs' website at <http://www.moha.gov.my/index.php/en/senarai-kementerian-dalam-negeri>.

- (c) obtain information on the source of wealth of the Third Party;
- (d) obtain information on the source of funds of the Third Party; and
- (e) obtain information on the reasons for intended or performed transactions;

Examples of indications of higher potential ML and/or TF risk are:

- Third Party risk factors:
 - business relationship is conducted in unusual circumstances (e.g. significant unexplained geographic difference between the Group and the Third Party);
 - legal persons or legal arrangements that involve a shell vehicle without a clear and legitimate commercial purpose;
 - companies that have nominee shareholders, nominee directors, bearer shares or bearer share warrants;
 - cash intensive business;
 - the ownership structure of the legal person or legal arrangement appears unusual or excessively complex given the nature of the legal person's or legal arrangement's business;
 - the involvement of trust and company service providers or designated nonfinancial businesses and professions intermediaries that have failed to put in place effective AML/CFT practices, or come from unregulated, poorly regulated, or otherwise high-risk jurisdictions;
 - the involvement of persons who purport to be the beneficial owner(s) of the corporate vehicle customer and yet over the course of the business relationship appear to be acting on the instruction of additional, undeclared parties, excluding those who are merely providing advisory services in a professional capacity;
 - legal person which conducts financial activities and transactions inconsistent with its corporate profile.
 - the Third Party or the beneficial owner of the Third Party is Politically Exposed Persons ("PEPs"), for example:
 - senior government official, politician or judicial official
 - senior executive of a government-owned corporation;
 - important political party official;
 - senior management or members of the board of an international or regional organisation (examples are the United Nations, the Council of Europe, and their affiliated international organisations); and
 - a spouse, a partner, a child, a parent or a close business associate of an individual mentioned above.
- Product, service, transaction or delivery channel risk factors:
 - anonymous transactions (which may involve cash);
 - frequent payments received from unknown or unassociated third parties; or

- number of delivery channels located in high risk areas or jurisdictions;
 - volume and frequency of transactions of non-face-to-face business relationships or transactions;
 - use of a third party for delivery to avoid personal contact without logical explanation;
 - the Third Party does not consider the value, quality and type of products when making purchases
- Country risk factors:
 - countries or jurisdictions identified by credible sources, such as mutual evaluation or detailed assessment reports, as not having effective AML Systems;
 - countries or jurisdictions identified by credible sources as having a significant level of corruption or other criminal activity;
 - countries or jurisdictions subject to sanctions, embargoes or similar measures issued by, for example, the United Nations; or
 - countries, jurisdictions or geographical areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organisations operation

APPENDIX B

No.	Applicable Laws and Regulations	Description
1.	EU Fourth Anti-Money Laundering Directive and member states' implementing legislation	<p>Article 1.</p> <p>1. This Directive aims to prevent the use of the Union's financial system for the purposes of money laundering and terrorist financing.</p> <p>2. Member States shall ensure that money laundering and terrorist financing are prohibited.</p> <p>3. For the purposes of this Directive, the following conduct, when committed intentionally, shall be regarded as money laundering:</p> <p>(a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's action;</p> <p>(b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such an activity;</p> <p>(c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such an activity;</p> <p>(d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions referred to in points (a), (b) and (c).</p> <p>4. Money laundering shall be regarded as such even where the activities which generated the property to be laundered were carried out in the territory of another Member State or in that of a third country.</p>

5. For the purposes of this Directive, 'terrorist financing' means the provision or collection of funds, by any means, directly or indirectly, with the intention that they be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences within the meaning of Articles 1 to 4 of Council Framework Decision 2002/475/JHA (1).

6. Knowledge, intent or purpose required as an element of the activities referred to in paragraphs 3 and 5 may be inferred from objective factual circumstances.

...

Article 3.

(6) 'beneficial owner' means any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted and includes at least:

(a) in the case of corporate entities:

(i) the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership. This applies without prejudice to the right of Member States to decide that a lower percentage may be an indication of ownership or control. Control through other means may be determined, inter alia, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council (3);

(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s), the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under point (i) and this point;

(b) in the case of trusts:

(i) the settlor;

(ii) the trustee(s);

(iii) the protector, if any;

(iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of

persons in whose main interest the legal arrangement or entity is set up or operates;

(v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

...

Article 13

1. Customer due diligence measures shall comprise:

(a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source;

(b) identifying the beneficial owner and taking reasonable measures to verify that person's identity so that the obliged entity is satisfied that it knows who the beneficial owner is, including, as regards legal persons, trusts, companies, foundations and similar legal arrangements, taking reasonable measures to understand the ownership and control structure of the customer;

(c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship;

		<p>(d) conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the obliged entity's knowledge of the customer, the business and risk profile, including where necessary the source of funds and ensuring that the documents, data or information held are kept up-to-date. When performing the measures referred to in points (a) and (b) of the first subparagraph, obliged entities shall also verify that any person purporting to act on behalf of the customer is so authorised and identify and verify the identity of that person.</p>
2.	<p>Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism (OJ L 164, 22.6.2002</p>	<p>Article 1</p> <p>Terrorist offences and fundamental rights and principles</p> <p>1. Each Member State shall take the necessary measures to ensure that the intentional acts referred to below in points (a) to (i), as defined as offences under national law, which, given their nature or context, may seriously damage a country or an international organisation where committed with the aim of:</p> <ul style="list-style-type: none"> — seriously intimidating a population, or — unduly compelling a Government or international organisation to perform or abstain from performing any act, or — seriously destabilising or destroying the fundamental political, constitutional, economic or social structures of a coun- try or an international organisation, shall be deemed to be terrorist offences: <p>(a) attacks upon a person’s life which may cause death;</p> <p>(b) attacks upon the physical integrity of a person;</p> <p>(c) kidnapping or hostage taking;</p> <p>(d) causing extensive destruction to a Government or public facility, a transport system, an infrastructure facility, including an information system, a fixed platform located on the continental shelf, a public place or private property likely to endanger human life or result in major economic loss;</p> <p>(e) seizure of aircraft, ships or other means of public or goods transport;</p> <p>(f) manufacture, possession, acquisition, transport, supply or use of weapons, explosives or of nuclear, biological or chemical weapons, as well as research into, and development of, biological and chemical weapons;</p>

(g) release of dangerous substances, or causing fires, floods or explosions the effect of which is to endanger human life;

(h) interfering with or disrupting the supply of water, power or any other fundamental natural resource the effect of which is to endanger human life;

(i) threatening to commit any of the acts listed in (a) to (h).

2. This Framework Decision shall not have the effect of altering the obligation to respect fundamental rights and fundamental legal principles as enshrined in Article 6 of the Treaty on European Union.

Article 2

Offences relating to a terrorist group

1. For the purposes of this Framework Decision, 'terrorist group' shall mean: a structured group of more than two persons, established over a period of time and acting in concert to commit terrorist offences. 'Structured group' shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.

2. Each Member State shall take the necessary measures to ensure that the following intentional acts are punishable:

(a) directing a terrorist group;

(b) participating in the activities of a terrorist group, including by supplying information or material resources, or by funding its activities in any way, with knowledge of the fact that such participation will contribute to the criminal activities of the terrorist group.

Article 3

Offences linked to terrorist activities

Each Member State shall take the necessary measures to ensure that terrorist-linked offences include the following acts:

		<p>(a) aggravated theft with a view to committing one of the acts listed in Article 1(1);</p> <p>(b) extortion with a view to the perpetration of one of the acts listed in Article 1(1);</p> <p>(c) drawing up false administrative documents with a view to committing one of the acts listed in Article 1(1)(a) to (h) and Article 2(2)(b).</p> <p>Article 4</p> <p>Inciting, aiding or abetting, and attempting</p> <p>1. Each Member State shall take the necessary measures to ensure that inciting or aiding or abetting an offence referred to in Article 1(1), Articles 2 or 3 is made punishable.</p> <p>2. Each Member State shall take the necessary measures to ensure that attempting to commit an offence referred to in Article 1(1) and Article 3, with the exception of possession as provided for in Article 1(1)(f) and the offence referred to in Article 1(1)(i), is made punishable.</p>
3.	The Criminal Finances Act 2017	<p>45 Failure to prevent facilitation of UK tax evasion offences</p> <p>(1) A relevant body (B) is guilty of an offence if a person commits a UK tax evasion facilitation offence when acting in the capacity of a person associated with B.</p> <p>(2) It is a defence for B to prove that, when the UK tax evasion facilitation offence was committed—</p> <p>(a) B had in place such prevention procedures as it was reasonable in all the circumstances to expect B to have in place, or</p> <p>(b) it was not reasonable in all the circumstances to expect B to have any prevention procedures in place.</p>

(3) In subsection (2) "prevention procedures" means procedures designed to prevent persons acting in the capacity of a person associated with B from committing UK tax evasion facilitation offences.

(4) In this Part "UK tax evasion offence" means—

(a) an offence of cheating the public revenue, or

(b) an offence under the law of any part of the United Kingdom consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

(5) In this Part "UK tax evasion facilitation offence" means an offence under the law of any part of the United Kingdom consisting of—

(a) being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax by another person,

(b) aiding, abetting, counselling or procuring the commission of a UK tax evasion offence, or

(c) being involved in and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

(6) Conduct carried out with a view to the fraudulent evasion of tax by another person is not to be regarded as a UK tax evasion facilitation offence by virtue of subsection (5) (a) unless the other person has committed a UK tax evasion offence facilitated by that conduct.

(7) For the purposes of this section "tax" means a tax imposed under the law of any part of the United Kingdom, including national insurance contributions under—

(a) Part 1 of the Social Security Contributions and Benefits Act 1992, or

(b) Part 1 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

(8) A relevant body guilty of an offence under this section is liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction in England and Wales, to a fine;

(c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.

...

46 Failure to prevent facilitation of foreign tax evasion offences

(1) A relevant body (B) is guilty of an offence if at any time—

(a) a person commits a foreign tax evasion facilitation offence when acting in the capacity of a person associated with B, and

(b) any of the conditions in subsection (2) is satisfied.

(2) The conditions are—

(a) that B is a body incorporated, or a partnership formed, under the law of any part of the United Kingdom;

(b) that B carries on business or part of a business in the United Kingdom;

(c) that any conduct constituting part of the foreign tax evasion facilitation offence takes place in the United Kingdom; and in paragraph (b) "business" includes an undertaking.

(3) It is a defence for B to prove that, when the foreign tax evasion facilitation offence was committed—

(a) B had in place such prevention procedures as it was reasonable in all the circumstances to expect B to have in place, or

(b) it was not reasonable in all the circumstances to expect B to have any prevention procedures in place.

(4) In subsection (3) "prevention procedures" means procedures designed to prevent persons acting in the capacity of a person associated with B from committing foreign tax evasion facilitation offences under the law of the foreign country concerned.

(5) In this Part "foreign tax evasion offence" means conduct which—

(a) amounts to an offence under the law of a foreign country,

(b) relates to a breach of a duty relating to a tax imposed under the law of that country, and

(c) would be regarded by the courts of any part of the United Kingdom as amounting to being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of that tax.

(6) In this Part "foreign tax evasion facilitation offence" means conduct which—

(a) amounts to an offence under the law of a foreign country,

(b) relates to the commission by another person of a foreign tax evasion offence under that law, and

		<p>(c) would, if the foreign tax evasion offence were a UK tax evasion offence, amount to a UK tax evasion facilitation offence (see section 45(5) and (6)).</p> <p>(7) A relevant body guilty of an offence under this section is liable—</p> <p>(a) on conviction on indictment, to a fine;</p> <p>(b) on summary conviction in England and Wales, to a fine;</p> <p>(c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.</p>
4.	<p>The UK Proceeds of Crime Act 2002</p>	<p>PART 7 MONEY LAUNDERING Offences</p> <p><u>327 Concealing etc</u></p> <p>(1) A person commits an offence if he—</p> <p>(a) conceals criminal property;</p> <p>(b) disguises criminal property;</p> <p>(c) converts criminal property;</p> <p>(d) transfers criminal property</p> <p>(e) removes criminal property from England and Wales or from Scotland or from Northern Ireland.</p>

(2) But a person does not commit such an offence if—

(a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;

(b) he intended to make such a disclosure but had a reasonable excuse for not doing so;

(c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

(2A) Nor does a person commit an offence under subsection (1) if—

(a) he knows, or believes on reasonable grounds, that the relevant criminal conduct occurred in a particular country or territory outside the United Kingdom, and

(b) the relevant criminal conduct—

(i) was not, at the time it occurred, unlawful under the criminal law then applying in that country or territory, and

(ii) is not of a description prescribed by an order made by the Secretary of State.

(2B) In subsection (2A) “ the relevant criminal conduct ” is the criminal conduct by reference to which the property concerned is criminal property.]

(2C) A deposit-taking body [electronic money institution or payment institution] that does an act mentioned in paragraph (c) or (d) of subsection (1) does not commit an offence under that subsection if—

		<p>(a) it does the act in operating an account maintained with it, and</p> <p>(b) the value of the criminal property concerned is less than the threshold amount determined under section 339A for the act.]</p> <p>(2D) A person (“P”) who does an act mentioned in paragraph (c) or (d) of subsection (1) does not commit an offence under that subsection if—</p> <p>(a) P is carrying on business in the regulated sector that is not excluded business,</p> <p>(b) P does the act, in the course of that business— (i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and (ii) for the purposes of the termination of P’s business relationship with the customer or client,</p> <p>(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and</p> <p>(d) before the act is done, P has complied with the customer due diligence duties.</p> <p>(2E) For the purposes of subsection (2D)—</p> <p>(a) business is “excluded” if it is of a description specified in regulations made by the Secretary of State for the purposes of this paragraph;</p> <p>(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client</p>
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(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).]

(2F) A person ("P") who does an act mentioned in paragraph (c), (d) or (e) of subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(2G) Where subsection (2F) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property.]

(3) Concealing or disguising criminal property includes concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.

328 Arrangements

(1) A person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.

(2) But a person does not commit such an offence if— (a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent; (b) he intended to make such a disclosure but had a reasonable excuse for not doing so; (c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

(3) Nor does a person commit an offence under subsection (1) if—

(a) he knows, or believes on reasonable grounds, that the relevant criminal conduct occurred in a particular country or territory outside the United Kingdom, and

(b) the relevant criminal conduct— (i) was not, at the time it occurred, unlawful under the criminal law then applying in that country or territory, and (ii) is not of a description prescribed by an order made by the Secretary of State.

(4) In subsection (3) “ the relevant criminal conduct ” is the criminal conduct by reference to which the property concerned is criminal property.

(5) A deposit-taking body [electronic money institution or payment institution] that does an act mentioned in subsection (1) does not commit an offence under that subsection if— (a) it does the act in operating an account maintained with it, and (b) the arrangement facilitates the acquisition, retention, use or control of criminal property of a value that is less than the threshold amount determined under section 339A for the act.]

(6) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector that is not excluded business,

(b) P does the act, in the course of that business— (i) in transferring or handing over to a customer or client money or other property of, or owing to, the customer or client, and (ii) for the purposes of the termination of P's business relationship with the customer or client,

(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and

(d) before the act is done, P has complied with the customer due diligence duties.

(7) For the purposes of subsection (6)—

(a) business is "excluded" if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;

(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;

(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).]

(8) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(9) Where subsection (8) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property.]

329 Acquisition, use and possession

(1) A person commits an offence if he—

(a) acquires criminal property;

(b) uses criminal property;

(c) has possession of criminal property.

(2) But a person does not commit such an offence if—

(a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;

(b) he intended to make such a disclosure but had a reasonable excuse for not doing so;

(c) he acquired or used or had possession of the property for adequate consideration;

(d) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

[2A) Nor does a person commit an offence under subsection (1) if—

(a) he knows, or believes on reasonable grounds, that the relevant criminal conduct occurred in a particular country or territory outside the United Kingdom, and

(b) the relevant criminal conduct—

(i) was not, at the time it occurred, unlawful under the criminal law then applying in that country or territory, and

(ii) is not of a description prescribed by an order made by the Secretary of State.

(2B) In subsection (2A) “ the relevant criminal conduct ” is the criminal conduct by reference to which the property concerned is criminal property.

(2C) A deposit-taking body [electronic money institution or payment institution] that does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) it does the act in operating an account maintained with it, and

(b) the value of the criminal property concerned is less than the threshold amount determined under section 339A for the act.]

(2D) A person (“P”) who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector that is not excluded business,

(b) P does the act, in the course of that business—

(i) in transferring or handing over to the customer or client property of, or owing to, a customer or client, and

(ii) for the purposes of the termination of P’s business relationship with the customer or client,

(c) the total value of the criminal property so transferred or handed over to the customer or client by P for those purposes is less than the threshold amount determined under section 339A for the act, and

(d) before the act is done, P has complied with the customer due diligence duties.

(2E) For the purposes of subsection (2D)—

(a) business is “excluded” if it is of a description specified in regulations made by the Secretary of State for the purposes of this subsection;

(b) a reference to property being transferred or handed over to the customer or client includes a reference to property being transferred or handed over to another person at the direction of the customer or client;

(c) "customer due diligence duties" means all duties imposed on P in relation to the customer or client by regulation 28(2), (3), (3A), (4), (8) or (10) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (customer due diligence measures).]

(2F) A person ("P") who does an act mentioned in subsection (1) does not commit an offence under that subsection if—

(a) P is carrying on business in the regulated sector,

(b) P does the act in the course of that business, on behalf of a customer or client, in operating an account or accounts maintained with P or in connection with holding any property for the customer or client,

(c) at the time of the act, P knows or suspects that part but not all of the funds in the account or accounts, or of the property so held, is criminal property ("the relevant criminal property"),

(d) it is not possible, at the time the act takes place, to identify the part of the funds or property that is the relevant criminal property, and

(e) the value of the funds in the account or accounts, or of the property so held, is not, as a direct or indirect result of the act, less than the value of the relevant criminal property at the time of the act.

(2G) Where subsection (2F) applies—

(a) if P does the act in operating an account or accounts, the funds in the account or accounts immediately after the act are assumed to include the relevant criminal property, and

		<p>(b) if P does the act in connection with holding any property for the customer or client, such of that property as is held by P immediately after the act is assumed to include the relevant criminal property.</p> <p>(3) For the purposes of this section—</p> <p>(a) a person acquires property for inadequate consideration if the value of the consideration is significantly less than the value of the property;</p> <p>(b) a person uses or has possession of property for inadequate consideration if the value of the consideration is significantly less than the value of the use or possession;</p> <p>(c) the provision by a person of goods or services which he knows or suspects may help another to carry out criminal conduct is not consideration.</p>
5.	<p>The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 of Singapore</p>	<p>Assisting another to retain benefits from criminal conduct</p> <p>51.—(1) Subject to subsection (3), a person who enters into or is otherwise concerned in an arrangement, knowing or having reasonable grounds to believe that, by the arrangement —</p> <p>(a) the retention or control by or on behalf of another (called in this subsection that other person) of that other person’s benefits from criminal conduct is facilitated (whether by concealment, removal from jurisdiction, transfer to nominees or otherwise); or</p> <p>(b) that other person’s benefits from criminal conduct —</p> <p>(i) are used to secure funds that are placed at that other person’s disposal, directly or indirectly; or</p> <p>(ii) are used for that other person’s benefit to acquire property by way of investment or otherwise, and knowing or having reasonable grounds to believe that that other person is a person who engages in or has engaged in criminal conduct or has benefited from criminal conduct shall be guilty of an offence.</p>

Acquiring, possessing, using, concealing or transferring benefits from criminal conduct

54.—(1) Any person who —

(a) conceals or disguises any property which is, or in whole or in part, directly or indirectly, represents, the person's benefits from criminal conduct;

(b) converts or transfers that property or removes it from the jurisdiction; or

(c) acquires, possesses or uses that property, shall be guilty of an offence.

(2) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits from criminal conduct —

(a) conceals or disguises that property; or

(b) converts or transfers that property or removes it from the jurisdiction, shall be guilty of an offence.

(3) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits from criminal conduct, acquires that property, or has possession of or uses such property, shall be guilty of an offence.

(3A) Any person —

(a) who —

(i) conceals or disguises any property which is, or in whole or in part, directly or indirectly, represents, another person's benefits from criminal conduct;

		<p>(ii) converts or transfers that property or removes it from the jurisdiction; or</p> <p>(iii) acquires, possesses or uses that property; and</p> <p>(b) who —</p> <p>(i) does so rashly in respect of the circumstance that the property represents another person’s benefits from criminal conduct; or</p> <p>(ii) does so negligently, shall be guilty of an offence.</p> <p>(4) In subsections (1)(a), (2)(a) and (3A)(a)(i), references to concealing or disguising any property include references to concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.</p>
6.	<p>Terrorism (Suppression of Financing) Act 2002 of Singapore</p>	<p>Interpretation</p> <p>2.—(1) In this Act, unless the context otherwise requires —</p> <p>“terrorism financing offence” means —</p> <p>(a) any offence under section 3, 4, 5 or 6;</p> <p>(b) conspiracy to commit any of those offences;</p> <p>(c) inciting another to commit any of those offences;</p> <p>(d) attempting to commit any of those offences; or</p>

(e) aiding, abetting, counselling or procuring the commission of any of those offences;

“terrorist” means any person who —

(a) commits, or attempts to commit, any terrorist act; or

(b) participates in or facilitates the commission of any terrorist act, and includes any person set out in the First Schedule;

“terrorist entity” means any entity owned or controlled by any terrorist or group of terrorists and includes an association of such entities, and any entity set out in the First Schedule.

(2) Subject to subsection (3), for the purposes of this Act, “terrorist act” means the use or threat of action —

(a) where the action —

(i) involves serious violence against a person;

(ii) involves serious damage to property;

(iii) endangers a person’s life;

(iv) creates a serious risk to the health or the safety of the public or a section of the public;

(v) involves the use of firearms or explosives;

(vi) involves releasing into the environment or any part thereof, or distributing or otherwise exposing the public or any part thereof to —

(A) any dangerous, hazardous, radioactive or harmful substance;

(B) any toxic chemical; or

(C) any microbial or other biological agent, or toxin;

(vii) disrupts, or seriously interferes with, any public computer system or the provision of any service directly related to communications infrastructure, banking and financial services, public utilities, public transportation or public key infrastructure;

(viii) disrupts, or seriously interferes with, the provision of essential emergency services such as the police, civil defence and medical services; or

(ix) involves prejudice to public security or national defence; and

(b) where the use or threat is intended or reasonably regarded as intending to —

(i) influence or compel the Government, any other government, or any international organisation to do or refrain from doing any act;

or

(ii) intimidate the public or a section of the public,
and includes any action specified in the Second Schedule.

...

Prohibition against providing or collecting property for terrorist acts

3.—(1) Every person who directly or indirectly, wilfully and without lawful excuse, provides or collects property —

(a) with the intention that the property be used; or

(b) knowing or having reasonable grounds to believe that the property will be used, in whole or in part, in order to commit any terrorist act, shall be guilty of an offence.

Prohibition against provision of property and services for terrorist purposes

4.—(1) Every person who directly or indirectly, collects property, provides or invites a person to provide, or makes available property or financial or other related services —

(a) intending that they be used, or knowing or having reasonable grounds to believe that they will be used, in whole or in part, for the purpose of facilitating or carrying out any terrorist act, or for benefiting any person who is facilitating or carrying out such an activity; or

(b) knowing or having reasonable grounds to believe that, in whole or in part, they will be used by or will benefit any terrorist or terrorist entity, shall be guilty of an offence.

...

(3) In this section, a reference to facilitating or carrying out any terrorist act includes a reference to financing the travel of an individual to any place other than the state of which the individual is a citizen or in which the individual resides, in order for the individual to provide or receive any training in facilitating or carrying out any terrorist act.

Prohibition against use or possession of property for terrorist purposes

5.—(1) Every person who —

(a) uses property, directly or indirectly, in whole or in part, for the purpose of facilitating or carrying out any terrorist act; or

(b) possesses property intending that it be used or knowing or having reasonable grounds to believe that it will be used, directly or indirectly, in whole or in part, for the purpose of facilitating or carrying out a terrorist act, shall be guilty of an offence.

Prohibition against dealing with property of terrorists

6.—(1) No person in Singapore and no citizen of Singapore outside Singapore may —

(a) deal, directly or indirectly, in any property that the person knows or has reasonable grounds to believe is owned or controlled by or on behalf of any terrorist or terrorist entity, including funds derived or generated from property owned or controlled, directly or indirectly, by any terrorist or terrorist entity;

(b) enter into or facilitate, directly or indirectly, any financial transaction related to a dealing in property mentioned in paragraph (a); or

(c) provide any financial services or any other related services in respect of any property mentioned in paragraph (a) to, or for the benefit of, or on the direction or order of, any terrorist or terrorist entity.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

...

Abetment, etc., of offence under section 3, 4, 5 or 6

6B. A person who commits an act or omission that would constitute an abetment of, or a conspiracy or an attempt to commit, an offence under section 3, 4, 5 or 6 shall be guilty of an offence and shall be liable on conviction to the same punishment as for the offence under section 3, 4, 5 or 6, as the case may be.

...

Duty to disclose

8.—(1) Every person in Singapore and every citizen of Singapore outside Singapore who —

(a) has possession, custody or control of any property belonging to any terrorist or terrorist entity; or

		<p>(b) has information about any transaction or proposed transaction in respect of any property belonging to any terrorist or terrorist entity, must immediately inform the Commissioner of Police of that fact or information.</p> <p>...</p> <p>Information about acts of terrorism financing</p> <p>10.—(1) Every person in Singapore who has information which the person knows or believes may be of material assistance —</p> <p>(a) in preventing the commission by another person of a terrorism financing offence; or</p> <p>(b) in securing the apprehension, prosecution or conviction of another person, in Singapore, for an offence involving the commission, preparation or instigation of a terrorism financing offence, who fails to disclose the information immediately to a police officer shall be guilty of an offence.</p>
7.	<p>The Patriot Act 2001</p> <p>USA Act</p>	<p>SEC. 352. ANTI-MONEY LAUNDERING PROGRAMS.</p> <p>(a) IN GENERAL.—Section 5318(h) of title 31, United States Code, is amended to read as follows:</p> <p>“(h) ANTI-MONEY LAUNDERING PROGRAMS.—`</p> <p>“(1) IN GENERAL.—In order to guard against money laundering through financial institutions, each financial institution shall establish anti-money laundering programs, including, at a minimum—</p> <p>“(A) the development of internal policies, procedures, and controls;</p> <p>“(B) the designation of a compliance officer;</p> <p>“(C) an ongoing employee training program; and</p> <p>“(D) an independent audit function to test programs.</p> <p>...</p>

8.	The Money Laundering Control Act of 1986	<p>"§ 1956. Laundering of monetary instruments</p> <p>"(a)(1) Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—</p> <p>"(A) with the intent to promote the carrying on of specified unlawful activity; or</p> <p>"(B) knowing that the transaction is designed in whole or in part—</p> <p>"(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of V specified unlawful activity; or</p> <p>"(ii) to avoid a transaction reporting requirement under State or Federal law, shall be sentenced to a fine of not more than \$500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both.</p> <p>"(2) Whoever transports or attempts to transport a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States—</p> <p>"(A) with the intent to promote the carrying on of specified unlawful activity; or</p> <p>"(B) knowing that the monetary instrument or funds involved in the transportation represent the proceeds of some form of unlawful activity and knowing that such transportation is designed in whole or in part—</p> <p>"(i) to conceal or disguise the nature, the location, the • source, the ownership, or the control of the proceeds of specified unlawful activity; or</p> <p>"(ii) to avoid a transaction reporting requirement under State or Federal law, shall be sentenced to a fine of \$500,000 or twice the value of the monetary instrument or funds involved in the transportation, whichever is greater, or imprisonment for not more than twenty years, or both.</p>
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"(b) Whoever conducts or attempts to conduct a transaction described in subsection (a)(1), or a transportation described in subsection (a)(2), is liable to the United States for a civil penalty of not more than the greater of—

"(1) the value of the property, funds, or monetary instruments involved in the transaction; or

"(2) \$10,000.

"(c) As used in this section—

"(1) the term 'knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity' means that the person knew the property involved in the transaction represented proceeds from some form, though, not necessarily which form, of activity that constitutes a felony under State or Federal law, regardless of whether or not such activity is specified in paragraph (7);

"(2) the term 'conducts' includes initiating, concluding, or participating in initiating, or concluding a transaction;

"(3) the term 'transaction' includes a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition, and with respect to a financial institution includes a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected;

"(4) the term 'financial transaction' means a transaction involving the movement of funds by wire or other means or involving one or more monetary instruments, which in any way or degree affects interstate or foreign commerce, or a transaction involving the use of a financial institution which is engaged in, or the activities of which affect, interstate or foreign commerce in any way or degree;

"(5) the term 'monetary instruments' means coin or currency :-•. of the United States or of any other country, travelers' checks, personal checks, bank checks, money orders, investment securities in bearer form or otherwise in such form that title thereto passes upon delivery, and negotiable instruments in bearer form or otherwise in such form that title thereto passes upon delivery;

"(6) the term 'financial institution' has the definition given that term in section 5312(a)(2) of title 31, United States Code, and the regulations promulgated thereunder;

"(7) the term 'specified unlawful activity' means— '

"(A) any act or activity constituting an offense listed in section 1961(1) of this title except an act which is indictable 18 USC 1961.

under the Currency and Foreign Transactions Reporting Act; 84 Stat. 1118.

"(B) with respect to a financial transaction occurring in whole or in part in the United States, an offense against a foreign nation involving the manufacture, importation, sale, or distribution of a controlled substance (as such term is defined for the purposes of the Controlled Substances

(C) any act or acts constituting a continuing criminal enterprise, as that term is defined in section 408 of the G. Controlled Substances Act (21 U.S.C. 848); or

"(D) an offense under section 152 (relating to concealment of assets; false oaths and claims; bribery), section 215 (relating to commissions or gifts for procuring loans), any of sections 500 through 503 (relating to certain counterfeiting offenses), section 511 (relating to securities of States and private entities), section 543 (relating to smuggling goods into the United States), section 641 (relating to public money, property, or records), section 656 (relating to theft, embezzlement, or misapplication by bank officer or employee), section 666 (relating to theft or bribery concerning programs receiving Federal funds), section 793, 794, or 798 (relating to espionage), section 875 (relating to interstate communications), section 1201 (relating to kidnaping), section 1203 (relating to hostage taking), section 1344 (relating to bank fraud), or section 2113 or 2114 (relating to bank and postal robbery and theft) of this title, section 38 of the Arms Export Control Act (22 U.S.C. 2778), section 2 (relating to criminal penalties) of the Export Administration Act of 1979 (50 U.S.C. App. 2401), section 203 (relating to criminal sanctions) of the International Emergency Economic Powers Act (50 U.S.C. 1702), or section 3 (relating to criminal violations) of the Trading with the Enemy Act (50 U.S.C. App. 3).

§ 1957. Engaging in monetary transactions in property derived from specified unlawful activity

		<p>"(a) Whoever, in any of the circumstances set forth in subsection (d), knowingly engages or attempts to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 ' , and is derived from specified unlawful activity, shall be punished as provided in subsection (b).</p> <p>"(b)(1) Except as provided in paragraph (2), the punishment for an offense under this section is a fine under title 18, United States Code, or imprisonment for not more than ten years, or both.</p> <p>"(2) The court may impose an alternate fine to that imposable under paragraph (1) of not more than twice the amount of the criminally derived property involved in the transaction.</p> <p>"(c) In a prosecution for an offense under this section, the Government is not required to prove the defendant knew that the offense from which the criminally derived property was derived was specified unlawful activity.</p> <p>"(d) The circumstances referred to in subsection (a) are—</p> <p>"(1) that the offense under this section takes place in the United States or in the special maritime and territorial jurisdiction of the United States; or</p> <p>"(2) that the offense under this section takes place outside the ' United States and such special jurisdiction, but the defendant is a United States person (as defined in section 3077 of this title, but excluding the class described in paragraph (2)(D) of such section).</p> <p>"(e) Violations of this section may be investigated by such components of the Department of Justice as the Attorney General may direct, and by such components of the Department of the Treasury as the Secretary of the Treasury may direct, as appropriate. Such authority of the Secretary of the Treasury shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury and the Attorney General.</p> <p>"(f) As used in this section—</p>
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		<p>"(1) the term 'monetary transaction' means the deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or a monetary instrument (as defined for the purposes of subchapter II of chapter 53 of title 31) by, through, or to a financial institution (as defined in section 5312 of title 31);</p> <p>"(2) the term 'criminally derived property' means any property constituting, or derived from, proceeds obtained from a criminal offense; and</p> <p>"(3) the term 'specified unlawful activity' has the meaning given that term in section 1956 of this title.'.</p> <p>...</p>
9.	<p>The Anti-Money Laundering Act of 2001</p>	<p>Offence of money laundering 4.</p> <p>(1) Any person who—</p> <p>(a) engages in, or attempts to engage in; or</p> <p>(b) abets the commission of, money laundering, commits an offence and shall, on conviction, be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or to both.</p> <p>(2) A person may be convicted of an offence under subsection (1) irrespective of whether there is a conviction in respect of a serious offence or foreign serious offence or that a prosecution has been initiated for the commission of a serious offence or foreign serious offence.</p> <p>...</p> <p>Interpretation</p> <p>3. (1) In this Act, unless the context otherwise requires-</p> <p>...</p> <p>"money laundering" means the act of a person who—</p> <p>(a) engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;</p> <p>(b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into</p>

		<p>Malaysia proceeds of any unlawful activity; or</p> <p>(c) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity, where—</p> <p>(aa) as may be inferred from objective factual circumstance, the person knows or has reason to believe, that the property is proceeds from any unlawful activity; or</p> <p>(bb) in respect of the conduct of a natural person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activity;</p> <p>...</p> <p>“terrorism financing offence” means any offence under section 130N, 130O, 130P, or 130Q, of the Penal Code;</p> <p>...</p> <p>Compliance programme</p> <p>19. (1) A reporting institution shall adopt, develop and implement internal programmes, policies, procedures and controls to guard against and detect any offence under this Act.</p> <p>(2) The programmes in subsection (1) shall include—</p> <p>(a) the establishment of procedures to ensure high standards of integrity of its employees and a system to evaluate the personal, employment and financial history of these employees;</p> <p>(b) on-going employee training programmes, such as “know your-customer” programmes, and instructing employees with regard to the responsibilities specified in sections 13, 14, 15, 16 and 17; and</p>
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		<p>(c) an independent audit function to check compliance with such programmes.</p> <p>(3) A reporting institution shall implement compliance programmes under subsection (1) on its branches and subsidiaries in and outside Malaysia.</p> <p>(4) A reporting institution shall also designate compliance officers at management level in each branch and subsidiary who will be in charge of the application of the internal programmes and procedures, including proper maintenance of records and reporting of suspicious transactions.</p> <p>(5) A reporting institution shall develop audit functions to evaluate such policies, procedures and controls to test compliance with the measures taken by the reporting institution to comply with the provisions of this Act and the effectiveness of such measures.</p>
10.	Penal Code (Malaysia)	<p>Providing or collecting property for terrorist acts</p> <p>130n.</p> <p>Whoever, by any means, directly or indirectly, provides or collects or makes available any property intending, knowing or having reasonable grounds to believe that the property will be used, in whole or in part, to commit a terrorist act shall be punished—</p> <p>(a) if the act results in death, with death; and</p> <p>(b) in any other case, with imprisonment for a term of not less than seven years but not exceeding thirty years, and shall also be liable to fine, and shall also be liable to forfeiture of any property so provided or collected or made available.</p> <p>Providing services for terrorist purposes</p> <p>130o.</p> <p>(1) Whoever, directly or indirectly, provides or makes available financial services or facilities— (a) intending that the services or facilities be used, or knowing or having reasonable grounds to believe that the services or facilities will be used, in whole or in part, for the purpose of committing or facilitating the commission of a terrorist act, or for the purpose of benefiting any person who is committing or facilitating the commission of a terrorist act; or (b) knowing or having reasonable grounds to believe that, in whole or in part, the services or facilities will be used by or will benefit any terrorist, terrorist entity or terrorist group, shall be punished— (aa) if the act results in death, with death; and (bb) in any other case, with imprisonment for a term of not less than seven years but not exceeding thirty years, and shall also be liable to fine.</p>

(2) For the purposes of subsection (1), "financial services or facilities" includes the services and facilities offered by lawyers and accountants acting as nominees or agents for their clients.

Arranging for retention or control of terrorist property

130p.

Whoever knowingly enters into an arrangement that facilitates the acquisition, retention or control by or on behalf of another person of terrorist property by concealment, by a removal out of jurisdiction, by transfer to a nominee or in any other way shall be punished with imprisonment for a term which may extend to thirty years, and shall also be liable to fine and to forfeiture of any property so acquired, retained or controlled.

Dealing with terrorist property

130q.

(1) Whoever knowingly deals, directly or indirectly, in any terrorist property shall be punished with imprisonment for a term which may extend to twenty years, or with fine and shall also be liable to forfeiture of any property so dealt with.

(2) For the purposes of subsection (1), "deals in" includes—

(a) acquiring or possessing any terrorist property;

(b) entering into or facilitating, directly or indirectly, any transaction in respect of terrorist property;

(c) converting, concealing or disguising terrorist property; or

(d) providing any financial or other services in respect of any terrorist property to or for the benefit of, or at the direction or order of, any terrorist, terrorist entity or terrorist group.

11.	The Terrorism Financing Prevention and Suppression Act of 2012	<p>Section 4. Financing of Terrorism. – Any person who, directly or indirectly, willfully and without lawful excuse, possesses, provides, collects or uses property or funds or makes available property, funds or financial service or other related services, by any means, with the unlawful and willful intention that they should be used or with the knowledge that they are to be used, in full or in part: (a) to carry out or facilitate the commission of any terrorist act; (b) by a terrorist organization, association or group; or (c) by an individual terrorist, shall be guilty of the crime of financing of terrorism and shall suffer the penalty of reclusion temporal in its maximum period to reclusion perpetua and a fine of not less than Five hundred thousand pesos (Php500,000.00) nor more than One million pesos (Php1,000,000.00).</p> <p>Any person who organizes or directs others to commit financing of terrorism under the immediately preceding paragraph shall likewise be guilty of an offense and shall suffer the same penalty as herein prescribed.</p> <p>For purposes of this Act, knowledge or intent may be established by direct evidence or inferred from the attendant circumstances.</p> <p>For an act to constitute a crime under this Act, it shall not be necessary that the funds were actually used to carry out a crime referred to in Section 3(j).</p> <p>Section 5. Attempt or Conspiracy to Commit the Crimes of Financing of Terrorism and Dealing with Property or Funds of Designated Persons. – Any attempt to commit any crime under Section 4 or Section 8 under this Act shall be penalized by a penalty two degrees lower than that prescribed for the commission of the same as provided under this Act.</p> <p>Any conspiracy to commit any crime under Section 4 or Section 8 of this Act shall be penalized by the same penalty prescribed for the commission of such crime under the said sections.</p> <p>There is conspiracy to commit the offenses punishable under Sections 4 and 8 of this Act when two (2) or more persons come to an agreement concerning the commission of such offenses and decided to commit it.</p>
12.	Regulations of the Philippine Anti-Money Laundering Council	<p>RULE 9 – MONEY LAUNDERING AND TERRORISM FINANCING</p> <p>Section 1. Money Laundering.</p> <p>Money laundering is committed by:</p> <p>(a) Any person who, knowing that any monetary instrument or property represents, involves, or relates to the proceeds of any unlawful activity:</p> <p>(1) transacts said monetary instrument or property;</p> <p>(2) converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property;</p>

(3) conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary

instrument or property;

(4) attempts or conspires to commit ML offenses referred to in (1), (2), or (3) above;

(5) aids, abets, assists in, or counsels the commission of the ML offenses referred to in (1), (2), or (3) above; and

(6) performs or fails to perform any act as a result of which he facilitates the offense of ML referred to in items (1), (2), or (3) above.

(b) Any covered person who, knowing that a covered or suspicious transaction is required under the AMLA to be reported to the AMLC, fails to do so.

RULE 18 – CUSTOMER DUE DILIGENCE

Section 1. Purpose and Applicability of CDD.

1.1. Purpose of CDD.

Covered persons shall conduct CDD for the following purposes:

(a) To identify the customer, and its agents and beneficial owners;

(b) To determine the risk posed by each customer;

(c) To establish, maintain, close or terminate the account or business relationship; and

(d) To assess the level of monitoring to be applied.

1.2. When is CDD Required.

Covered persons shall undertake CDD measures when:

(a) establishing business or professional relationship

(b) carrying out occasional transactions above (Php 100,000.00) or any other threshold as may be determined by the relevant SAs, with notice to the Council, including situations where the transaction is carried out in a single operation or in several operations that appear to

be linked;

(c) carrying out occasional wire transfers in the circumstances under Rule 19, Section 6 hereof;

(d) there is a suspicion of ML/TF, regardless of any exemptions or thresholds that are referred to elsewhere under this IRR; or

(e) the covered person has doubts about the veracity or adequacy of previously obtained identification information and/or data.

1.3. Existing Customers.

Covered persons shall apply CDD requirements to existing customers on the basis of materiality and risk, and to conduct due diligence on existing relationships at appropriate times, taking into account whether and when CDD measures have previously been undertaken and the adequacy of information and document obtained.