

What is money laundering?

Anti-Money Laundering Act and Anti-Terrorism Financing Act, 2001 (AMLATFA) came into effect on 15 January 2002. The Central Bank of Malaysia, Bank Negara Malaysia (BNM) has been appointed for the purpose of combating money laundering activities under AMLATFA.

Money laundering means the act of a person who engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity.

As defined in Section 3 of AMLATFA, it is any act that “acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into Malaysia the proceeds of any unlawful activity”.

What are the consequences of breach?

Any person who engages in, or attempts to engage in; or abets the commission of, money laundering, commits an offence and shall on conviction be liable to fine not more than five times the aggregate sum or value of the transaction at the time the offence was committed or to imprisonment for a term not exceeding seven years or to both.

Rockwills position

Since 2006, Trust companies as defined in Trust Companies Act 1949 have been gazetted as a reporting institution under AMLATFA and therefore are required by law as a reporting institution to assist BNM in their task to prevent money laundering and terrorism financing offences, including reporting of any transactions they come across that are regarded as suspicious.