



LABUAN FINANCIAL SERVICES AUTHORITY
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

Our Ref : 313/2024/ALL

Date : 2 August 2024

Labuan Banks Compliance Officers' Networking Group
LIIA Compliance Officers' Networking Group
ALTC Compliance Officers' Networking Group
Digital Financial Services Compliance Officers' Networking Group

Attention: All Designated Compliance Officers

Dear Sir/Madam,

Directive on Targeted Financial Sanctions Relating to Proliferation Financing (TFS-PF)

We refer to the above and wish to share relevant policy updates with Labuan Compliance Officers' Networking Groups (CONG) in relation to the above amended Directive issued by the Strategic Trade Controller, Ministry of Investment, Trade and Industry (MITI).

2. The Directive is previously known as "*Directive on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing (TFS-PF) under the Strategic Trade Act 2010, Strategic Trade (United Nations Security Council Resolutions) Regulations 2010 and Strategic Trade (Restricted End-Users and Prohibited End-Users) Order 2010*" is to be read together with the revised Guidelines on AML/CFT/CPF and TFS for Labuan Key Reporting Institutions (the Guidelines) issued on 21 May 2024.

3. The Directive is updated to reflect the change made to the United Nations Security Council Resolution 2231 (2015), as well as to include new requirements in relation to the implementation of countering proliferation financing (CPF) compliance programme, the conduct of proliferation financing (PF) risk assessment and putting in place mitigating measures, which include:

- (a) Identify, assess and understand PF risks, which is appropriate to the business's nature, size and complexity;

- (b) Establish and monitor implementation of policies, procedures and controls to manage and mitigate identified PF risks. Specifically, put in place enhanced controls to detect possible breaches, non-implementation or evasion of TFS-PF when higher PF risks are identified; and
- (c) Ensure full implementation of TFS-PF.

3. In this regard, Labuan Key Reporting Institutions shall ensure effective implementation of the CPF, PF risk assessment and TFS-PF requirements. Any further changes to the Directive will be communicated from time to time through CONG platforms.

4. Should you have any queries or require any clarification, please do not hesitate to contact our officers as follows:

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Yours sincerely,



Essah Abd Manaf

Head

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For Labuan Financial Services Authority