

Engagement Session on FATF Mutual Evaluation 2024-2025

Institutional Risk Assessment & Self Assessment Questionnaires For Preparation of FATF Mutual Evaluation

11 July 2023
Supervision Department

AGENDA



Institutional Risk Assessment (IRA)

- Sharing of survey result on Labuan sectors



Self Assessment Questionnaires (SAQ) for Mutual Evaluation

- Frequently Asked Questions on the SAQ

IRA requirement

Paragraph 6.4 of AML/CFT Guidelines requires Labuan KRI to identify, assess and understand their ML/TF risk in relation to the following parameters:

- (i) customers;
- (ii) countries or geographical areas;
- (iii) products, services, transactions or delivery channels; and
- (iv) other relevant risk factors.

INSTITUTIONAL RISK ASSESSMENT (IRA)

Type of customers :

- PEPs
- Occupation
- Customers from locations known for their high rates of crime
- Legal arrangements that are complex e.g. trusts and nominees



Factors Influencing ML/TF risk



Accessibility

- Extensiveness of branch and network, and dependencies on intermediaries.
- Presence in and relationship with higher risk jurisdictions/location

• Operational structure, size, number of branches and employees

• National Risk Assessment

• STR

• Internal Audit



Features of products/services:

- Mode of payment e.g. e-wallet
- User anonymity e.g. nominees/proxy
- Private banking
- Non-Face to Face

Labuan KRI to formulate and implement appropriate risk control measures in order to manage and mitigate those risks.

SAQ for National Mutual Evaluation Exercise

Sectors:

- (i) Labuan Banks;
- (ii) Labuan Investment Banks;
- (iii) Labuan (Re)Insurers and (Re)Takaful Operators;
- (iv) Labuan Trust Companies and Managed Trust Companies;
- (v) Labuan Money Brokers;
- (vi) Labuan Fund Managers;
- (vii) Labuan Payment System Operators; and
- (viii) Labuan Charitable Foundations

SAQ	Sectors
1. General SAQ on control measures	All sectors above
2. SAQ for Labuan Foundations	Labuan Charitable Foundations

Areas :



Size of Asset /
Transactions



Rejection /
Termination of
Relationship



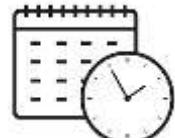
STR / Internal
Audit



Exposure to
HRJ



Internal
Training /
Circular



Deadline 21 July 2023

Frequently Asked Questions (FAQ) on SAQ

General:

Q1. Due to internal ICT security policy, we are unable to receive email containing Excel (Macro)

A1. Please let us know, we will provide a link to download the Excel files.

Q2. Can we request Excel without Macro?

A2. No, as it would affect the functions to key in multiple dropdown answer.

Q3. Dropdown has no N/A selection

A3. Please leave it blank.

Q4. We received SAQ from our TC. Does this SAQ applicable to other sector?

A4. Not applicable. Only applicable to Sector as stipulated in the letter/email.

Q5. Can we submit in PDF format and who should we email?

A5. No, please submit in excel format to sdsurvey@labuanfsa.gov.my

Size of Asset/Transactions:

Q6. Definition for total number and value of transactions

A6. Number: Total count of transactions; and Value : Total monetary value of transactions.

Frequently Asked Questions (FAQ) on SAQ

SELF ASSESSMENT QUESTIONNAIRES (SAQ)

Cont'd

Size of Asset/Transactions:

Q7. Definition for inward transactions and outward transactions

A7. Refers to total number inward/outward transactions for all RI's products. Examples of inward transactions include but not limited to; Banks: fixed deposit (fund received), loan (repayment) and remittance (fund received). Insurance: Premiums and commission. Money Broker/Fund Manager : Fund received from client.

Examples of outward transactions for include but not limited to, Banks: fixed deposit (fund withdraw), loan (disbursement) and remittance (fund transferred out). Insurance: Claim.

Q8. Does the total transactions include clients' transactions and RI's own transactions?

A8. Only clients' transaction should be included. RI's own proprietary transactions should not be included.

Insurance:

Q9. For the total value of transactions, shall we report in net basis or gross basis?

A9. Kindly report on gross basis

Foundations:

Q10. Is the survey applicable to private charitable foundation?

A10. Yes, the survey applies to both private and public charitable foundation

Q11. For charitable foundation, do we need to complete the two Excel files (General & Foundations)?

A11. Yes, please complete the two Excel files.

THANK YOU

DISCLAIMER

This presentation should not be regarded as offering a complete explanation on AML/CFT and is subject to changes. Labuan FSA does not accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this presentation.