

NOTIFICATION

Labuan Financial Services Authority (Labuan FSA) has taken enforcement actions on the following Labuan Licensed Entities for AML/CFT related non-compliances from July 2018 to August 2022.

Date of Action Taken	Name of Entity/ License	Provision Contravened	Nature of non-compliances (among others)	Actions Taken
15 Aug 2022	Alfa Asset Group Limited / Money Broker	Para 8.1 & 11.0 of Guidelines on Money Broking Business in Labuan IBFC Section 28B of the Labuan Financial Services Authority Act 1996	Failure to: i. comply with minimum capital requirement. ii. submit information and Statistical Management System (SMS) report including AML/CFT Form	Revocation of Licence
14 July 2022	Select Investment Company Limited / Money broker	Para 11.0 of Guidelines on Money Broking Business in Labuan IBFC	Failure to submit SMS report including AML/CFT Form and Audited Financial Statements.	Revocation of licence
14 July 2022	SG Advisory Limited / Money Broker	Breach of Section 19 (4) of Anti Money Laundering, Anti- Terrorism Financing and Proceeds of Unlawful Activities Act 2001 Circular on Information on Designated of Compliance Officer Para 27.4.9 of Guidelines on Anti-Money Laundering and Counter Financing of Terrorism – Banking Sector Para 8.1 & 11.1 of Guidelines on Money Broking Business in Labuan IBFC	Failure to: i. appoint compliance officer (CO) or designated compliance officer (DCO). ii. comply with minimum capital requirement and submit Audited Financial Statements.	Suspension of Business
27 May 2022	Archipelago Life Insurance Limited / Life Insurance	Section 16(4) of Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 Para 12.2 13.8, 25 & 12.4 of the Guidelines on Anti-money Laundering and Counter	Failure to: i. make available evidence on on-going due diligence on existing clients.	Administrative Penalty of RM610,000.00

Date of Action Taken	Name of Entity/ License	Provision Contravened	Nature of non-compliances (among others)	Actions Taken
		<p>Financing Terrorism for Insurance and Takaful Sectors</p> <p>Para 5,6,7 & 8 of the Guidelines on Risk-Based Approach (RBA) for The Purpose of AML/CFT</p>	<p>ii. maintain listing on screening against United Nations Security Council resolution (UNSCR) and Ministry of Home Affairs (MOHA).</p> <p>iii. make available Risk Matrix criteria for client's rating.</p> <p>iv. make available the evidence on overall risk assessment on AML/CFT risk based on customers, countries or geographical areas and products, services, transaction or delivery channels.</p>	
27 May 2022	Archipelago Insurance Limited / General Insurance	<p>Breach of Section 16 of Anti-Money Laundering, Anti- Terrorism Financing and Proceeds of Unlawful Activities Act 2001</p> <p>Para 13, 12.2, 12.4 & 25 of the Guidelines on Anti-money Laundering and Counter Financing Terrorism for Insurance and Takaful Sectors</p> <p>Para 5, 6, 7, 8 & 9 of Guidelines On Risk-Based Approach (RBA) for The Purpose of AML/CFT</p>	<p>Failure to:</p> <p>i. carry out complete client due diligence (CDD), including failure to obtain complete information and/or supporting documents from clients for CDD purposes.</p> <p>ii. conduct Enhanced CDD (ECDD) on Politically Exposed Person (PEP).</p> <p>iii. make available evidence on on-going due diligence on existing clients.</p> <p>iv. maintain listing on screening against UNSCR and MOHA.</p> <p>v. make available Risk Matrix criteria for client's rating.</p> <p>vi. make available the evidence on overall risk assessment on AML/CFT risk based on customers, countries or geographical areas and products, services, transaction or delivery channels.</p>	Administrative Penalty of RM250,000
17 Dec 2021	Caps Solution Ltd / Money Broker	Para 13.4 & 27.4.2 of Guidelines on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) – Banking Sector	<p>Failure to undertake adequate customer due diligence screening and process.</p> <p>The DCO did not have sufficient stature, authority and seniority within the reporting institution to participate and</p>	Suspension of Business

Date of Action Taken	Name of Entity/ License	Provision Contravened	Nature of non-compliances (among others)	Actions Taken
		<p>Para 9.1 (v) of Guidelines on Money Broking Business in Labuan IBFC</p> <p>Para 13.1 of Reporting Guidelines on Statistical Data Submission for Labuan Entities</p>	<p>be able to effectively influence decisions relating to AML/CFT.</p> <p>Failure to have in place a proper dispute mechanism and complaint handling procedure.</p> <p>Inaccurate SMS submission.</p>	
25 Sept 2018	MGK Global Limited / Money Broker	<p>Breach of Section 19 (4) of Anti Money Laundering, Anti- Terrorism Financing and Proceeds of Unlawful Activities Act 2001</p> <p>Circular on Information on Designated of Compliance Officer</p> <p>Para 27.4.9 of Guidelines on Anti-Money Laundering and Counter Financing of Terrorism – Banking Sector</p> <p>Para 8.1 & 11.1 of Guidelines on Money Broking Business in Labuan IBFC</p>	<p>Failure to:</p> <ul style="list-style-type: none"> i. appoint CO or DCO. ii. comply with minimum capital requirement and submit Audited Financial Statements. 	Suspension of Business
27 July 2018	Golden Sunrise Finance Broking Company Limited / Insurance Broker	<p>Section 4 of Labuan Financial Services & Securities Act 2010</p> <p>Para 6.2 of Guidelines on Fit and Proper Persons Requirement</p>	The person in control did not comply with fit and proper requirement.	Revocation of Licence