

## **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.

<b>Date of Action Taken</b>	<b>Name of Entity/ License</b>	<b>Provision Contravened</b>	<b>Nature of non-compliances (among others)</b>	<b>Actions Taken</b>
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

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		<p>Financing Terrorism for Insurance and Takaful Sectors</p> <p>Para 5,6,7 &amp; 8 of the Guidelines on Risk-Based Approach (RBA) for The Purpose of AML/CFT</p>	<ul style="list-style-type: none"> <li>ii. maintain listing on screening against United Nations Security Council resolution (UNSCR) and Ministry of Home Affairs (MOHA).</li> <li>iii. make available Risk Matrix criteria for client's rating.</li> <li>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.</li> </ul>	
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 &amp; 25 of the Guidelines on Anti-money Laundering and Counter Financing Terrorism for Insurance and Takaful Sectors</p> <p>Para 5, 6, 7, 8 &amp; 9 of Guidelines On Risk-Based Approach (RBA) for The Purpose of AML/CFT</p>	<p>Failure to:</p> <ul style="list-style-type: none"> <li>i. carry out complete client due diligence (CDD), including failure to obtain complete information and/or supporting documents from clients for CDD purposes.</li> <li>ii. conduct Enhanced CDD (ECDD) on Politically Exposed Person (PEP).</li> <li>iii. make available evidence on on-going due diligence on existing clients.</li> <li>iv. maintain listing on screening against UNSCR and MOHA.</li> <li>v. make available Risk Matrix criteria for client's rating.</li> <li>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.</li> </ul>	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

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		Para 9.1 (v) of Guidelines on Money Broking Business in Labuan IBFC Para 13.1 of Reporting Guidelines on Statistical Data Submission for Labuan Entities	be able to effectively influence decisions relating to AML/CFT. Failure to have in place a proper dispute mechanism and complaint handling procedure. Inaccurate SMS submission.	
25 Sept 2018	MGK Global 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 CO or DCO. ii. comply with minimum capital requirement and submit Audited Financial Statements.	Suspension of Business
27 July 2018	Golden Sunrise Finance Company Limited / Insurance Broker	Section 4 of Labuan Financial Services & Securities Act 2010 Para 6.2 of Guidelines on Fit and Proper Persons Requirement	The person in control did not comply with fit and proper requirement.	Revocation of Licence