

Bank Negara Malaysia imposes Administrative Monetary Penalty on Mandiri International Remittance Sdn. Bhd. for non-compliance with the Money Services Business Act 2011

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Bank Negara Malaysia (the Bank) had, on 12 April 2022, imposed an administrative monetary penalty (AMP)^[1] of RM134,400 on Mandiri International Remittance Sdn. Bhd. (MISB) for contravening the Money Services Business Act 2011 (MSBA) read together with the Anti-Money Laundering and Counter Financing of Terrorism – Money Services Business (Sector 3) policy document^[2] (AML/CFT Sector 3 PD).

During an on-site examination, the Bank discovered that a number of MISB's customers had conducted remittance transactions on behalf of third parties. Further examination on these customers revealed that MISB had failed to identify and verify the beneficial owners (BOs) for the remittance transactions conducted as follows -

- a) MISB failed to obtain identification information in the manner required under AML/CFT Sector 3 PD;
- b) MISB failed to obtain a copy of BO's identification document for transactions with value of RM3,000 and above; and
- c) MISB failed to obtain any form of authorisation from the BOs confirming that the remittance transactions were conducted on their behalf.

These failures are in breach of section 74(3) of the MSBA read together with AML/CFT Sector 3 PD.

The AMP amount was determined by taking into account relevant aggravating and mitigating factors, including MISB's past compliance record and the remedial actions taken to address the non-compliances.

MISB paid RM134,400 for the AMP imposed by the Bank on 7 April 2023^[3].

^[1] The Bank issued the AMP pursuant to section 75(2)(b) of the MSBA.

^[2] The AML/CFT PD Sector 3 PD was in effect from 15 September 2013 to 31 December 2019 and has, since 1 January 2020, been replaced with Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions policy document (AML/CFT and TFS for FIs PD).

^[3] The Bank had granted an extended payment deadline to MISB in consideration of the pandemic impact.

Bank Negara Malaysia
1 September 2023

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+603 2698 8044