

COMPLIANCE TODAY

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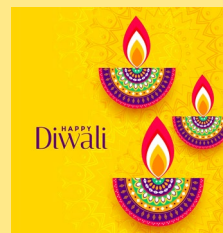
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Images: freepik.com

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Local & Global News



Malaysia

MALAYSIA: Pixelvest Fined RM3 Million for Unlicensed Capital Market Activities, Director Sentenced to Three Years Jail

The Kuala Lumpur Sessions Court recently convicted Pixelvest Sdn Bhd (Pixelvest) and its director Ang Jen Chuen (Dexter Ang) for offences relating to unlicensed capital market activities. Dexter Ang was previously convicted for money laundering on 28 July 2025.

Pixelvest, represented by Dexter Ang, pleaded guilty to one charge under section 58(1) of the Capital Markets and Services Act 2007 (CMSA) for carrying out a business in fund management without a licence. Pixelvest was fined RM3 million by Sessions Court Judge Puan Siti Shakirah binti Dato' Wira Mohtarudin.

Dexter Ang also pleaded guilty to one charge under section 58(1) of the CMSA in his capacity as director of Pixelvest. He was sentenced to three years' imprisonment, to run from the date of his arrest on 10 January 2024.

On 28 July 2025, Dexter Ang pleaded guilty to eight charges of receiving proceeds of unlawful activity under section 4(1)(b) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) before Sessions Court Judge Puan Norma binti Ismail. He was sentenced to three years imprisonment for each offence from the date of arrest on 10 January 2024. The court ordered for the jail terms for all eight charges to run concurrently.

The offences committed by Pixelvest and Dexter Ang took place in Kuala Lumpur and Selangor between December 2020 and January 2023.

Source: <https://www.sc.com>



Malaysia

MALAYSIA: Unlicensed Futures Trader Jailed 20 years, Fined RM9 Million for Defrauding Investors with Fictitious FCPO Investment Scheme

The Kuala Lumpur Sessions Court has sentenced Mohd Azhidi bin Laili (Azhidi) to a total of 20 years imprisonment and a fine of RM9 million for unlicensed activities and derivatives fraud. Azhidi, who had falsely represented himself as a futures trader, committed the offences between May 2013 and March 2014 in Kuala Lumpur.

Sessions Court judge Puan Hamidah binti Mohamed Deril passed the sentence after Azhidi pleaded guilty yesterday to nine charges under section 206(b) of the Capital Markets and Services Act 2007 (CMSA). According to the facts of the case as admitted by Azhidi, he had deceived nine victims of a total of RM1.45 million for a purported futures crude palm oil (FCPO) investment scheme under AmFutures Sdn Bhd, which did not exist.

He was sentenced to two years imprisonment and a fine of RM1 million in default three months imprisonment, for each charge, with the imprisonment terms to run concurrently. If Azhidi does not pay the fine, he will face a further imprisonment of 27 months after the completion of his imprisonment term.

Azhidi also pleaded guilty to one charge under section 59(1) of the CMSA for holding himself out as a representative of AmFutures Sdn Bhd without being licensed nor a registered person for dealing in derivatives, an activity regulated by the SC pursuant to Schedule 2 of the CMSA. The court sentenced him to two years imprisonment for this offence, to be served concurrently with the offences under section 206(b) of the CMSA.

Source: <https://www.sc.com.my>

Local & Global News



Malaysia

MALAYSIA: Glaring Gap in the System of Dealing with Financial Crime

The recent closure of another financial crime case raises critical questions about the capacity and willingness of the criminal justice system to prosecute white-collar crime in Malaysia.

At the heart of the controversy is a scheme that lured investors with promises of high, stable monthly returns. Many of the victims, including pensioners, civil servants, and small business owners, were drawn in by what appeared to be a legitimate passive income opportunity.

From a criminological perspective, this case exemplifies opportunistic financial victimisation, where individuals are preyed upon not only for their trust but for their socioeconomic vulnerabilities. Despite the nature of the complaints and the profile of the scheme, police informed victims that the matter is civil rather than criminal.

This distinction has effectively denied victims access to state-led prosecution and transferred the burden of justice to the private civil courts, an expensive and protracted route that many victims, especially low-income or elderly individuals, cannot afford.

Source: <https://www.msn.com>



Malaysia

MALAYSIA: US\$900 Million Seized as China Helps Malaysia Dismantle Tedy Teow's Scam Empire

MBI Group's Malaysian founder has been called 'Jho Lo 2' because of the sheer scale of his operation. Chinese and Malaysian police have seized over 3.8 billion ringgit (US\$900 million) of assets – including yachts and property – from a syndicate alleged to have duped millions of people throughout the Asia-Pacific with promises of high-return investments.

The Ponzi scheme, which operated mainly in Penang state, is believed to be linked to the MBI Group, started by Malaysian Tedy Teow Wooi Huat, who was extradited to China last year after hiding in Thailand.

Seventeen people were arrested last month under Ops Northern Star. One of them was a major property developer who allegedly helped launder money for MBI through a web of businesses.

Source: <https://www.scmp.com>



Malaysia

MALAYSIA: BNM Warns of Rising Online Financial Scams Driven by Psychological Manipulation

Bank Negara Malaysia (BNM) has highlighted a troubling trend in online financial fraud, where victims are manipulated into authorizing transactions through fear-based tactics and emotional deception. Criminals increasingly use methods such as impersonating law enforcement or romantic interests, and leverage technologies like spoofing and AI voice cloning to gain access to victims' devices and trust.

To counter this, BNM urges the public to adopt the 3S approach: Soal (Question) the authenticity of information, Sekat (Refrain) from acting on suspicious instructions, and Sebar (Share) accurate information with others. BNM is also working with agencies including the NFCC, PDRM, MCMC, and the banking and telecom sectors through the National Scam Response Centre (NSRC). Victims are advised to report scams immediately by calling 997 and lodging a police report to improve the chances of recovering stolen funds.

Source: <https://theedgemaalaysia.com>

Local & Global News



MALAYSIA: AOB - Audit Firms to Strengthen Capacity for Sustained Quality Improvements

The Securities Commission Malaysia's Audit Oversight Board (AOB) has released its Annual Inspection Report 2024, providing key insights into its supervisory role over audit firms and individual auditors registered with the Board.

The AOB's inspection in 2024 includes assessments of 40 partners and 40 audit engagements across 13 audit firms, which include the Major Audit Firms. These nine Major Audit Firms collectively audit 76% of Public-Listed Companies (PLCs), representing 95% of total market capitalisation in Malaysia. These firms also audit 1,319 Schedule Funds accounting for 99% of the total net asset value (NAV) of Schedule Funds nationwide.

The report highlights improvement in audit quality where the number of enforcement cases over the inspected engagements for the year had significantly reduced from 16% in 2023 to 8% in 2024. This positive outcome reflects the continuous efforts of audit firms and individual auditors to enhance audit quality. Additionally, the report features insights into Audit Quality Indicators (AQIs) of its registered audit firms, which include compiled statistics used by the AOB to assess audit firms' performances.

Source: <https://www.sc.com.my>



MALAYSIA: Bursa Malaysia Forms Industry Working Group to Strengthen Cybersecurity in Stockbroking

Bursa Malaysia has established a dedicated industry working group to enhance cybersecurity resilience within the Malaysian stockbroking sector. This coordinated effort follows recent incidents of unauthorized trades and aims to safeguard investor confidence, uphold market integrity, and ensure the robustness of trading systems. Chaired by Bursa's chief regulatory officer Julian Hashim, the group includes representatives from participating organizations, non-bank POs, and cybersecurity experts.

The group's mandate covers assessing current practices, recommending enhancements to regulatory and operational protocols, and developing industry-wide standards for ICT risk management. A preliminary recommendations paper will be released within four months, followed by implementation plans. Recognizing the operational differences among firms, Bursa will hold industry consultations to ensure practical and fit-for-purpose solutions.

Recent precautionary measures by stockbroking firms include mandatory password resets, IP blocking, enhanced login monitoring, and client alerts. Additionally, Bursa has mandated multi-factor authentication for all stockbroking firms by the end of 2025 to strengthen account security and mitigate unauthorized access risks.

Source: <https://www.thestar.com.my>

Local & Global News



WORLD: CFPB Revises Open Banking Rules in the U.S.

The U.S. Consumer Financial Protection Bureau (CFPB) has initiated a process to revise its open banking regulations, which govern how consumers can authorize third-party companies to access their financial data. Open banking, designed to promote competition and innovation in the financial sector, enables fintech companies to develop services such as payment solutions, personal finance apps, and alternative lending platforms by securely connecting with consumer accounts.

This move comes after heightened controversy around proposals from several large U.S. banks, including JPMorgan Chase, to charge fintech firms fees for accessing customer data. Critics argued that such fees would restrict smaller technology companies from competing with established financial institutions, undermining the purpose of open banking. Following significant industry and consumer pushback, the CFPB announced that it would revisit and redraft the rules.

The revision process is expected to involve broad consultation with stakeholders, including banks, fintech companies, and consumer rights groups. The goal is to establish a framework that balances consumer privacy, data security, and fair competition. The CFPB emphasized that consumer choice will remain central, ensuring that individuals retain control over who can access their data and for what purpose.

The outcome of this rulemaking process will be closely watched across the U.S. financial sector. A clearer and more robust framework for data sharing could redefine the competitive dynamics between traditional banks and fintechs, while also setting a precedent for how open banking regulations may evolve in other jurisdictions.

Source: <https://www.reuters.com>



WORLD: UK Chancellor Pushes Financial Reform to Cut Red Tape and Boost Growth

Chancellor Rachel Reeves has unveiled an ambitious new financial strategy—dubbed the “Leeds Reforms”—designed to cut red tape in the City (London’s financial centre) and kickstart economic growth across the UK. Announced at a summit in West Yorkshire with senior City figures, the reforms aim to remove regulatory barriers, simplify accountability for senior bankers, and position the UK as “number one” in global financial services by 2035.

Reeves emphasized that excessive rules have become a “boot on the neck of business” and argued that trimming them would unleash investment, drive more finance into public markets, and ultimately create a ripple effect benefiting households nationwide. She stated that placing the financial sector at the core of the government’s growth mission was essential to meeting national economic ambitions.

However, the proposed deregulation has been met with caution from various quarters. Some architects of post-2008 reforms warned that loosening safeguards like ring-fencing could increase systemic risk without providing tangible benefits to consumers. They urged the Chancellor to proceed carefully, recalling how weakening protections before the last crisis had serious consequences.

Source: <https://www.theguardian.com>

Anti-Money Laundering News



MALAYSIA: Ex-Sabah Water Department Director Claims RM20mil Found in Office 'belonged to others'

KOTA KINABALU: A former Sabah Water Department (JANS) director told the court that the large amount of money found in his office during a 2016 raid by the Malaysian Anti-Corruption Commission (MACC) belonged to other individuals. Ag Mohd Tahir Mohd Talib said the cash was already present when he began working in the office, adding that only a portion of it was his. "Most of the cash in the pantry was not mine. It was already there when I took over the office. However, from time to time, I kept some of my own money there because my brother, who is the Umno treasurer, would occasionally come to ask for political donations. I estimate that about RM20 million was already there, and roughly RM3 million belonged to me," he said. Ag Tahir was testifying before Judge Abu Bakar Manat as his defence trial resumed today.

Commenting on the "Go Away" sign found on the door beside the window behind his office desk, Ag Tahir said: "The sign was already there when I started working in the director's office." It was previously reported that piles of cash were discovered inside a room with a "Go Away" sign on the doorknob in Ag Tahir's office. During cross-examination by deputy public prosecutor Mahadi Abdul Jumaat, Ag Tahir said that the majority of the money belonged to others.

Prosecution: Were there any belongings in the pantry that belonged to other people?

Ag Tahir: Yes.

Prosecution: Could you specify what those belongings were? What exactly do you mean?

Ag Tahir: A large sum of money.

However, Ag Tahir said he could not recall whether the cash was removed and displayed at the front of his office during the raid. He also claimed he was unaware that the money could not be counted on-site due to its volume.

Prosecution: Were you in your office throughout the search, and did you witness the process?

Ag Tahir: I was seated there, but I did not witness the proceedings.

In response to another question, Ag Tahir testified that he did not know his wife, Fauziah Piut, held 19 bank accounts, nor was he aware that the total amount in those accounts came to RM2.2 million. Ag Tahir also denied that, in addition to millions in cash, the MACC had found 900 items of jewellery. He said he was unaware that the jewellery was valued at RM1.7 million in 2016 and that, in 2023, an expert witness had testified that its value had risen to RM4.1 million. Standing trial alongside Ag Tahir, 63, are his wife Fauziah, 60, and former deputy director Lim Lam Beng, 66.

The trio jointly face 37 charges of money laundering involving cash and bank savings totalling RM61.57 million, as well as unlawful possession of luxury goods between October and November 2016. Deputy public prosecutors Hareesh Prakash Somiah and Zander Lim are conducting the trial. Ag Tahir and Fauziah are represented by Datuk Ansari Abdullah and Erveana Ansari, while Lim is represented by Datuk Tan Hock Chuan, Baldev Singh, Karpaljit Singh, and Kelvin Wong.

The trial will resume on July 23.

Source: <https://www.nst.com>

Anti-Money Laundering News



Asia

ASIA: MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches

The Monetary Authority of Singapore (MAS) took regulatory action against nine financial institutions, imposing a total of S\$27.45 million in penalties for serious breaches of anti-money laundering ("AML") and countering the financing of terrorism ("CFT") rules. This was in response to a major money laundering case that came to light in August 2023.

The financial institutions and their respective penalties are as follows:

- Credit Suisse Singapore Branch ("CSSB") : S\$5.8 million
- United Overseas Bank ("UOB") : S\$5.6 million
- UBS Singapore Branch ("UBSSB") : S\$3 million
- Citi Singapore ("CITI") : S\$2.6 million
- Bank Julius Baer Singapore & Co. Ltd ("BJBS") : S\$2.4 million
- LGT Bank Singapore ("LGTS") : S\$1 million
- UOB Kay Hian Private Limited ("UOBKH") : S\$2.85 million
- Blue Ocean Invest Pte. Ltd. ("BOIPL") : S\$2.4 million
- Trident Trust Company (Singapore) Pte. Limited ("TTCSP") : S\$1.8 million

The breaches were identified during supervisory examinations conducted from early 2023 to early 2025. Overall, MAS observed that most of the FIs had established AML/CFT policies and controls. The breaches arose out of poor or inconsistent implementation of these policies and controls. The FIs have embarked on remediation of the deficiencies and MAS will monitor their progress closely. The breaches identified by MAS included:

a) **Customer risk assessment**

Five of the FIs (BJBS, BOIPL, Citi, CSSB, UOBKH) failed to implement adequate policies or processes for the rating of ML risks presented by some of their customers. This led to mis-rating of ML risks and affected their ability to apply appropriate controls to and address higher ML risks presented by several POIs.

b) **Establishing and corroborating source of wealth (SOW) of customers who posed a higher risk of ML**

All nine FIs did not detect or adequately follow up on significant discrepancies or red flags noted in information and documents that should have cast doubt on some customers' purported SOW and which indicated increased risk of ML. In some cases, there was no corroboration of significant aspects of SOW.

c) **Transaction monitoring**

Eight FIs (BJBS, Citi, CSSB, LGTS, UOB, UOBKH, TTCSP, UBSS) failed to adequately review relevant transactions flagged as suspicious by their own systems. The relevant transactions were unusually large, inconsistent with the customers' profiles, or showed unusual patterns.

d) **Post-Suspicious Transaction Report (STR) follow-up**

In relation to customers the FIs had filed STRs on, two FIs (UOB and UOBKH) failed to take adequate and timely risk mitigation measures, such as enhanced monitoring and reviewing their risk classification.

MAS has taken action against several individuals in addition to the financial institutions as below:

- **Prohibition Orders:** MAS issued prohibition orders (POs) ranging from three to six years to four individuals from Blue Ocean Invest Pte. Ltd. (BOIPL), Tsao Chung-Yi (CEO), Wong Xuan Ling (COO), Hsia Lun Wei (ED and RM), and Deng Xixi (former RM). These individuals failed to ensure that the company's anti-money laundering and countering the financing of terrorism (AML/CFT) policies and controls were adequate.
- **Reprimands:** MAS issued reprimands to individuals from Trident Trust Company (Singapore) Pte. Ltd. (TTCSP) and United Overseas Bank (UOB) for multiple lapses. This includes senior managers from TTCSP who failed to provide sufficient guidance on establishing customers' source of wealth, and two former team heads from UOB who failed to conduct proper due diligence.

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MAS emphasizes that relationship managers (RMs) and their supervisors are the first line of defense against these risks. They must be vigilant and alert to red flags when dealing with both new and existing customers, particularly during the Customer Due Diligence ("CDD") process. They are responsible for identifying and escalating concerns to ensure appropriate risk mitigation measures are taken. According to Ms. Ho Hern Shin, Deputy Managing Director of Financial Supervision at MAS, while Singapore is exposed to money laundering risks as a global financial center, the vigilance of FIs and their employees is crucial for mitigation. She stated that MAS will work closely with FIs to encourage consistent implementation of AML/CFT measures and will not hesitate to take firm action against serious failings by both institutions and their employees.

Source: <https://www.mas.gov.sg>



ASIA: Hong Kong Monetary Authority takes Disciplinary Actions Against Three Banks for Contraventions of Anti-Money Laundering and Counter-Terrorist Financing Ordinance

The Hong Kong Monetary Authority (HKMA) has disciplined three banks, Indian Overseas Bank Hong Kong Branch (IOBHK), Bank of Communications (Hong Kong) Limited (BCOM(HK)), and Bank of Communications Co. Ltd. Hong Kong Branch (BCOM Hong Kong Branch), for breaching the Anti Money Laundering and Counter Terrorist Financing Ordinance (AMLO).

HKMA investigations revealed weaknesses in the banks' transaction monitoring systems and AML/CFT controls. IOBHK was reprimanded, fined HK\$8.5 million, and ordered to review past transactions and implement a remedial plan due to major flaws in its monitoring and oversight. BCOM(HK) and BCOM Hong Kong Branch were fined HK\$4 million and HK\$3.7 million respectively for failing to include certain transactions in their shared monitoring system, reducing its effectiveness.

The HKMA considered the severity of the findings, the need for deterrence, the banks' remedial actions, their clean prior records, and their cooperation when deciding penalties. The actions highlight the critical need for effective transaction monitoring to combat money laundering and terrorist financing.

Source: <https://www.hkma.gov.hk>



WORLD: Siblings Sentenced to Jail for Insider Dealing and Money Laundering

Redinel Korfuzi was sentenced to six years imprisonment, and his sister, Oerta Korfuzi, was sentenced to five years imprisonment after being convicted of insider dealing and money laundering by the Financial Conduct Authority (FCA). The case centred on 13 stocks traded between 17 December 2019 and 25 March 2021 which generated a profit of more than £960,000.

Redinel had access to confidential information that was likely to have an impact on companies' share prices as a research analyst. He shared the information with his sister, Oerta to rig the system and make money. FCA investigators also uncovered an international money laundering operation where 173 deposits were made into accounts controlled or operated by the siblings from the UK to Albania while the source of the cash is unknown.

Source: <https://www.fca.org.uk>

Ethics & Governance News



MALAYSIA: Regulators Must Have Integrity, be Facilitative to Create Value and Grow Capital Market

Market regulators must have integrity and be facilitative to be able to create value, grow the capital markets and address future challenges, especially given the challenges that lie ahead, said Securities Commission Malaysia (SC) chairman Datuk Mohammad Faiz Azmi.

Mohammed Faiz said there must be trust that regulators treat everyone fairly for a fair and orderly market to exist. He said regulators should also be seen as helping to develop the market, and not be so conservative as to hinder development and innovation.

"Building trust requires strong institutional frameworks and processes. This is why, like other regulators in the region, we have a dual mandate. In addition to ensuring a fair and orderly market, we also have a mandate to develop the capital markets.

"One indication of this is that the SC inherited a market which was about RM600 billion in size in the 1990s, we have assisted in the capital market to end last year at RM4.1 trillion, almost seven times larger," he said in his keynote speech at the Malaysian Student Leaders' Summit here, on Sunday.

However, Mohammad Faiz said not everything the commission encouraged over the last 30 years has worked, and some areas, like digital assets and carbon credits, still have some way to go before they become mainstream.

Source: <https://theedgemaalaysia.com>



MALAYSIA: SC May Make Certain Corporate Governance Practices Mandatory in 2026, says Chairman

The Securities Commission Malaysia (SC) may introduce mandatory corporate governance practices in the upcoming revision of the Malaysian Code on Corporate Governance (MCCG). This will mark a shift from its traditionally voluntary approach, moving away from a purely principles-based regime to a more rules-based framework in selected areas.

SC chairman Datuk Mohammad Faiz Azmi said certain elements in MCCG 2026 could become compulsory if they are deemed effective in improving corporate behaviour and outcomes.

"This year, the SC is undertaking a review of the MCCG as part of our Capital Market Masterplan review. I am prepared to make some of what matters in the upcoming MCCG mandatory, if we believe it will help corporates to demonstrate better governance and better results," he said in his opening address at the Asean Corporate Governance Conference 2025 on Thursday.

The MCCG, which was last updated in 2021, has traditionally operated on an "apply or explain" basis, allowing listed companies flexibility in adopting best practices. Faiz said the next iteration of the code, due in 2026, will focus on improving board quality and effectiveness, as well as strengthening the board's role in long-term value creation.

Source: <https://theedgemaalaysia.com>



AML in 2025: Enforcement, Innovation, and Regional Convergence

Malaysia: Enforcement and E-Money Oversight

2025 has been a watershed year for AML/CFT enforcement in Malaysia. Bank Negara Malaysia (BNM) imposed over RM7 million in penalties on three banks—Bank Islam, Bank Rakyat, and Bank Simpanan Nasional—for system downtime breaches and sanctions screening failures.

- Bank Islam faced two separate penalties totalling RM3.4 million, one for prolonged service disruptions and another for sanctions screening lapses caused by weak processes and delayed reporting.
- Bank Rakyat was fined RM2.85 million for repeated outages that disrupted e-banking, ATMs, and card systems.
- Bank Simpanan Nasional was fined RM995,000 for similar technology resilience failures.

The message was clear: in today's digital-first landscape, technology resilience is inseparable from AML effectiveness. Weak IT systems compromise screening, monitoring, and reporting, exposing institutions to regulatory censure.

At the same time, BNM introduced a new AML/CFT policy for e-money issuers (effective 31 January 2025), setting higher expectations for continuous CDD, mandatory sanctions screening, real-time monitoring, and board-level accountability. For Malaysia's fast-growing FinTech sector, compliance frameworks must now be as scalable and innovative as the products themselves.

Singapore: Expanding Scope and Sharpening Controls

Singapore continues to refine its AML/CFT regime.

- In June 2025, the Monetary Authority of Singapore (MAS) revised its AML/CFT notices to bring proliferation financing (PF) into the risk framework. Suspicious transaction reports (STRs) must now be filed within five business days of suspicion, or within one day if sanctions are involved. Beneficial ownership rules were tightened, governance duties for boards strengthened, and technology expectations raised to include fuzzy matching and cross-unit monitoring.
- In another move, MAS imposed S\$960,000 in penalties on five major payment institutions for AML/CFT lapses spanning 2020–2023. Failures included poor CDD, inadequate verification of beneficial ownership, and lapses in sanctions screening. These systemic weaknesses in cross-border transfers highlight risks in high-volume, tech-driven payment flows. MAS has stressed that senior management must prioritise compliance enhancements, with remedial plans subject to close monitoring.

Together, these steps demonstrate Singapore's dual strategy: tighten governance accountability while modernising controls, ensuring financial institutions cannot treat AML as a box-ticking exercise.

Hong Kong: Personal Accountability in Focus

Hong Kong has taken a different but complementary tack—enforcing personal responsibility among senior management. In 2025, the Securities and Futures Commission (SFC) banned two former responsible officers (ROs) and senior managers of licensed firms for five and six months respectively. The SFC found that their firms' AML/CFT breaches were directly tied to their failure to discharge duties as senior management and managers-in-charge.

These sanctions show how regulators are holding not just firms, but also individual leaders, accountable for AML lapses. The trend is significant: when governance failures occur, it is no longer only the institution that faces consequences—personal reputations and careers are on the line.



Regional Momentum Across Asia-Pacific

Across the region, regulators are converging on a shared message: stronger enforcement, faster reporting, and sharper governance are essential to safeguard financial systems.

- FATF evaluations are pushing countries to demonstrate not just policies, but tangible effectiveness in combating financial crime.
- National scam centres in Malaysia, Singapore, and the Philippines are enhancing real-time information sharing on fraud and illicit flows.
- Australia's AUSTRAC is extending AML obligations to new sectors such as real estate, law, and accounting, underscoring how AML requirements are expanding beyond traditional finance.

What This Means for Compliance Practitioners

For compliance officers in Malaysian investment banks, three clear lessons emerge:

1. Technology is critical: manual processes can no longer cope with real-time risk. RegTech solutions—AI-powered screening, dynamic risk scoring, automated case management—are becoming indispensable.
2. Governance is personal: boards, senior management, and ROs are increasingly accountable. Weak oversight is now seen as an individual as well as institutional failing.
3. Culture and training matter: many enforcement cases were rooted in weak internal processes and staff awareness. Embedding AML vigilance throughout the organisation is a competitive advantage.

AML as a Business Imperative

AML in 2025 is no longer a back-office compliance exercise—it is a core business function tied to technology resilience, governance accountability, and client trust.

Firms that embrace this reality, investing in strong controls and scalable solutions, will not only avoid penalties but also position themselves as trusted leaders in a tightening regional landscape.

The regional picture is clear: whether in Malaysia, Singapore, or Hong Kong, good AML is good business.

Sources: <https://www.bnm.gov.my>
<https://fintech.global>
<https://fintech.global>
<https://www.austrac.gov.au>
<https://www.allenandqledhill.com>
<https://apps.sfc.hk>

REGULATORY ALERTS

Circulars/Guidelines				
	20.06.25	Directive on The List of Approved Securities	The list of 'Approved Securities' issued pursuant to Rule 8.22(5) of the Rules of Bursa Malaysia Securities Berhad vide R/R 5 of 2024 for purposes of Regulated Short Selling and Permitted Short Selling, has been amended with the inclusion of 22 new approved securities into the above list and the removal of 46 existing approved securities from the same list. The list of 'Approved Securities' for the purpose of Permitted Short Selling will be the same list for the purpose of Regulated Short Selling. The updated list of 'Approved Securities' is appended as 'Annexure 1'. With the updated list, there are altogether 445 approved securities for Permitted Short Selling and Regulated Short Selling. The details of the 22 new approved securities included into the list of 'Approved Securities' are set out in Annexure 1A while the 46 existing approved securities removed from the same list are set out in Annexure 1B. The updated list of 'Approved Securities' mentioned above will take effect from 4 July 2025. This circular is available at: https://www.bursamalaysia.com/trade/trading_resources/equities/regulated_short_selling	Effective: 04.07.25
	20.06.25	SECURITIES BORROWING AND LENDING (SBL) - List of SBL Eligible Securities, SBL Eligible Securities and Outstanding Issuance List (Oil) and SBL Approved Securities For Collateral	Pursuant to the definitions of "Eligible Securities" in the Rules of Bursa Malaysia Securities Clearing Sdn. Bhd. and "Collateral" in the Bursa SBL (Terms and Conditions for Borrower), please be advised that the lists of "SBL Eligible Securities" and "SBL Approved Securities for Collateral" are hereby amended as follows: - 1. SBL Eligible Securities The list of "SBL Eligible Securities" is hereby amended with the inclusion of 22 new SBL eligible securities and the removal of 46 existing SBL eligible securities from the said list. The updated list of "SBL Eligible Securities" is appended herewith as Annexure 1. With the updated list, there are altogether 445 SBL eligible securities for securities borrowing and lending. The details of the 22 new SBL eligible securities included into the list of "SBL Eligible Securities" are set out in Annexure 1A and the 46 existing SBL eligible securities removed from the same list are set out in Annexure 1B appended herewith.	Effective: 04.07.25

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			2. <u>SBL Approved Securities for Collateral</u> The list of "SBL Approved Securities for Collateral" is as set out in Annexure 2. 3. <u>SBL Eligible Securities and Outstanding Issuance List</u> The list of "SBL Eligible Securities and Outstanding Issuance List" will be the same list as "SBL Eligible Securities" as set out in Annexure 3. The updated lists of "SBL Eligible Securities", "SBL Approved Securities for Collateral" and "SBL Eligible Securities and Outstanding Issuance List" mentioned above shall take effect from 4 July 2025.	
	23.06.25	Imposition of Service Tax Pursuant to the Service Tax (Amendment) Regulations 2025	Pursuant to the Service Tax (Amendment) Regulations 2025, provision of financial services is subject to 8% service tax effective 1 July 2025. Bursa Malaysia will charge 8% service tax on the fees pursuant to various services. The schedule for market participant related fees has been updated accordingly as attached and is also available at Bursa Malaysia Berhad's website at http://www.bursamalaysia.com/ .	Effective: 01.07.25
	24.06.25	SC Issues Product Governance Guidelines to Promote Responsible Innovation and Strengthen Investor Protection	The Securities Commission Malaysia ("SC") introduced the Guidelines on Product Governance ("PGG"), aimed at strengthening investor protection as well as encouraging responsible product development and distribution in the capital market. This initiative is part of the SC's market and regulatory reforms towards enhancing industry conduct and market integrity. Among others, the PGG: a) requires product issuers and distributors (firms) to prioritise investors' interests when designing and distributing unlisted capital market products, reflecting this in its controls, policies and procedures (CPPs); b) requires firms to put in place CPPs that improve product suitability for the intended target market and proactively identify and prevent potential harm to investors; c) places greater emphasis on board and management's responsibilities by holding them accountable for product design and distribution; and d) requires collaborative relationship between the product issuers and distributors to share information in respect of the appropriateness of target market to ensure the product continues to serve its intended purpose.	Effective: 02.02.26

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			The PGG, which had taken into consideration benchmarked practices and industry feedback, will apply to unlisted capital market products except for ordinary shares, over-the-counter derivatives contracts, venture capital or private equity funds and products offered on platforms operated by a recognised market operator.					
	25.06.25	Stamp Duty Fee Waiver for Trading by Eligible Participants Under Vibrancy Initiative Programme ("VIP")	Bursa Malaysia Securities Berhad (the "Exchange" or "Bursa Securities") currently has two liquidity programmes under its Vibrancy Initiative Programme ("VIP"), namely the Pilot Market Making Programme ("PMMP") and Volume Based Incentive Programme ("VBIP"). Effective 1 July 2025, the MOF has granted stamp duty waiver for trades executed by Eligible Participants. The stamp duty waiver will be granted provided the Eligible Participant has fulfilled relevant criteria to participant in the programme and has been approved and registered by Bursa Securities as participant of VIP, namely the PMMP and/or VBIP. The waiver on stamp duty will be granted for a period of three (3) years with effect from 1 July 2025 to 30 June 2028.	Effective: 01.07.25				
	04.07.25	BNM Notification on Notice Pursuant to Section 83 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) on the Statements Issued by the FATF	Bank Negara Malaysia ("BNM") has recently issued a Notification on Notice Pursuant to Section 83 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) on the Statements Issued by the Financial Action Task Force ("FATF") on 26 June 2025, with immediate effect. <u>Key Highlights:</u> - This Notice is to inform the RIs of the recent statements issued by the FATF in June 2025, regarding the High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring: <table><tr><td>1.</td><td>The statement on the Democratic People's Republic of Korea continues to call upon FATF members and other jurisdictions to apply effective countermeasures and targeted financial sanctions, in accordance with applicable United Nations Security Council Resolutions.</td></tr><tr><td>2.</td><td>The FATF's Call for Action on Iran for the application of enhanced due diligence and effective countermeasures remains in effect.</td></tr></table>	1.	The statement on the Democratic People's Republic of Korea continues to call upon FATF members and other jurisdictions to apply effective countermeasures and targeted financial sanctions, in accordance with applicable United Nations Security Council Resolutions.	2.	The FATF's Call for Action on Iran for the application of enhanced due diligence and effective countermeasures remains in effect.	Effective: 26.06.25
1.	The statement on the Democratic People's Republic of Korea continues to call upon FATF members and other jurisdictions to apply effective countermeasures and targeted financial sanctions, in accordance with applicable United Nations Security Council Resolutions.							
2.	The FATF's Call for Action on Iran for the application of enhanced due diligence and effective countermeasures remains in effect.							

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			3. The FATF’s Call for Action on Myanmar remains in effect for the application of enhanced due diligence measures, proportionate to the risks arising from the jurisdiction. When applying enhanced due diligence measures, countries are required to ensure that flows of funds for humanitarian assistance, legitimate non-profit organisation activity and remittances are not disrupted. 4. The FATF has included Bolivia and the Virgin Islands (UK) into the Increased Monitoring process due to strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing, and has removed Croatia, Mali and United Republic of Tanzania from the Increased Monitoring process. RIs are also required to consider other jurisdictions under the Increased Monitoring for risk assessment purposes.										
 BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA	03.07.25	BNM Policy Document (PD) on STATsmart Reporting Financial, Compliance and Industry Specific Data	Bank Negara Malaysia (BNM) has recently issued a Policy Document (PD) on STATsmart Reporting Financial, Compliance and Industry Specific Data on 3 July 2025. The STATsmart Reporting – Financial, Compliance and Industry Specific Data (STATsmart PD) sets out the reporting requirements on financial, compliance and industry specific data which are imposed by the Bank on the Reporting Entities (REs). This revised PD supersedes the previous issuance dated 5 April 2024. Below are the highlights of this revised STATsmart PD which has incorporated the revisions as follows: - <table><tr><th>No.</th><th>Updates / Revisions</th><th>Details</th></tr><tr><td>1.</td><td>Incorporation of a newly introduced reports</td><td> • Report on Capital Adequacy Framework (Exposure to Central Counterparties); • Report on Capital Adequacy Framework (Operational Risk); • Report on Capital Adequacy Framework (Standardised Approach for Credit Risk); and • Report on Quarterly Foreign Currency Account Information (QCFAI). </td></tr><tr><td>2.</td><td colspan="2">Inclusion of licensed MSB as part of reporting entities in STATsmart PD to submit Electronic Know-Your-Customer (e-KYC).</td></tr></table>	No.	Updates / Revisions	Details	1.	Incorporation of a newly introduced reports	• Report on Capital Adequacy Framework (Exposure to Central Counterparties); • Report on Capital Adequacy Framework (Operational Risk); • Report on Capital Adequacy Framework (Standardised Approach for Credit Risk); and • Report on Quarterly Foreign Currency Account Information (QCFAI).	2.	Inclusion of licensed MSB as part of reporting entities in STATsmart PD to submit Electronic Know-Your-Customer (e-KYC).		Effective: 01.09.25
No.	Updates / Revisions	Details											
1.	Incorporation of a newly introduced reports	• Report on Capital Adequacy Framework (Exposure to Central Counterparties); • Report on Capital Adequacy Framework (Operational Risk); • Report on Capital Adequacy Framework (Standardised Approach for Credit Risk); and • Report on Quarterly Foreign Currency Account Information (QCFAI).											
2.	Inclusion of licensed MSB as part of reporting entities in STATsmart PD to submit Electronic Know-Your-Customer (e-KYC).												

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			3. Amended/ added definition in the appendices 4. Discontinuation of following reports 5. Inclusion of existing PDs to be included into STATsmart PD 6. Deletion of the following reports due to inapplicability for any Reporting institution to submit:	• Number of Active Mobile Banking Subscribers as At End Month; • Number of Inactive Mobile Banking Subscribers as At End Month; and • Data definition of QFCAI reporting. • Report on e-PCMCG initiatives-Quarterly; and • Report in Internet Banking, Mobile Banking and Debit Card Users. • Capital Adequacy Framework (Exposures to Central Counterparties); • Capital Adequacy Framework (Operational Risk); and • Capital Adequacy Framework (Standardised Approach for Credit Risk) • Report of Capital Adequacy Framework (BASEL 1); • Report Top 10 Borrowers with Newly Impaired Loan/Financing; • Report on Top 10 Borrowers By Group; • Report on Lending to Broad Property Sector and Purchase of Shares and Unit Trust Funds; • Basel II Observation Period Reporting (Net Stable Funding Ratio and Leverage Ratio); • Report on Lending/ Financing to Priority Sectors; • Observation Period Reporting (Capital Adequacy Ratios, Liquidity Coverage Ratio and Leverage Ratio); • Report on Staff Training Expenditure.
	11.07.25	Modifications to the Rules of Bursa Malaysia Depository Sdn Bhd to Facilitate Dematerialisation of Specified Securities	Pursuant to section 14 of the Securities Industry (Central Depositories) Act 1991 ("SICDA"), all securities listed or to be listed for quotation on the stock exchange must be deposited with the central depository. With all listed securities immobilised in the central depository, i.e. Bursa Malaysia Depository Sdn. Bhd., ("the Depository"), its Central Depository System ("CDS") operates a scripless system where securities are traded and held electronically without physical certificates.	Effective: 01.08.25

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			When securities are deposited with the Depository, a jumbo certificate is issued by the issuer. Presently, the Depository holds jumbo certificates bearing the name of Bursa Malaysia Depository Nominees Sdn Bhd for all securities deposited in it, which represent the collective holdings of securities holders who have deposited their securities with the Depository. In this regard, the Depository is deemed to be a bare trustee with no rights to such securities. As part of its process improvement to enhance operational efficiency, the Depository will dispense with the requirement of issuing a physical jumbo certificate when securities are deposited with the Depository. Instead, the Depository will transition into full dematerialisation in phases, where there will no longer be any physical certificate or scrip such as the jumbo certificate to be issued as evidence of title or ownership of deposited securities. In lieu of a jumbo certificate, an issuer will be required to provide relevant supporting documents as may be prescribed by the Depository, to represent the deposited securities ("Dematerialised Documents"). The Record of Depositors ("ROD") maintained by the Depository for each issuer will remain as the prima facie evidence of securities holding of depositors. The dematerialisation of deposited securities will be implemented in phases. The type of securities to be dematerialised in the first phase of dematerialisation are as follows (collectively "Specified Securities"): - securities of newly listed real estate investment trusts, exchange-traded funds, business trusts and structured warrants; and - provisional allotment letters of a rights issue and provisional letters of offer of a renounceable offer for sale. The dematerialisation for other securities including existing securities custodised by the Depository will be assessed and reviewed by the Depository at a later date, after the successful implementation of dematerialisation of the Specified Securities. <u>Effective Date</u> The modifications to the Rules as set out in section 2 in this Circular will take effect as follows: - in relation to paragraph 1(5)(a), initial listing applications submitted on or after 1 August 2025; and - in relation to paragraph 1(5)(b), corporate proposals involving rights issue or renounceable offer for sale announced by an issuer of Specified Securities, on or after 1 August 2025.	

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			<u>Directives Under the Listing Requirements</u> This Circular is to be read together with the directives issued by Bursa Malaysia Securities Bhd pursuant to the MAIN Market Listing Requirements and ACE Market Listing Requirements, and their respective Questions and Answers, available at: a) Main Market: https://www.bursamalaysia.com/regulation/listing_requirements/main_market/directives_clarifications b) ACE Market: https://www.bursamalaysia.com/regulation/listing_requirements/ace_market/directives_clarifications	
	11.07.25	Amendments to the Rules of Bursa Malaysia Depository Sdn Bhd ("Depository Rules"): 1) Facilitate the Move Towards Electronic Securities Account Statements ("eSTATEMENTS"); and 2) Enhance Obligations in Relation to Information Provided to Bursa Malaysia Depository Sdn Bhd ("Depository")	The Depository Rules have been reviewed to facilitate the implementation of the following initiatives by the Depository: a) issuance of eStatements; and b) updating changes and prescribing standard of information provided to the Depository. <u>1. Issuance of eStatements</u> Moving forward, apart from the existing approaches of making securities account statements available via the Bursa Anywhere mobile application, and sending securities account statements to the depositor's email address, the Depository will issue securities account statements in the following manner: a) by making eStatements available via the MyBURSA1 portal which among others, offers the web version of Central Depository System ("CDS") eServices; and b) by sending hardcopy securities account statements to the following depositors: I. depositors who require special arrangements ("specified depositors"), who will receive hardcopy securities account statements without any additional charges or fees; and II. any other depositor who has subscribed to receive hardcopy securities account statements via postal service with the payment of an annual subscription fee. At this stage, access to eStatements via the MyBURSA portal is only available to depositors who are individuals. Depositors who are not individuals (i.e. corporate depositors) will be able to access to their securities account statements via the MyBURSA portal at a later stage which will be communicated by the Depository.	Effective: 22.08.25

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			In the meantime, corporate depositors who presently receive hardcopy securities account statements via postal will continue to receive their securities account statements in this manner. Following the enhanced approach in issuing securities account statements, the Depository will cease sending hardcopy statements of accounts to depositors who are not specified depositors, unless they have subscribed to receive hardcopy securities account statements at a fee, effective from 25 August 2025. 2. <u>Amendments to CDS Procedures Manual For ADA and CDS Guide For Depositors</u> The Depository has made amendments to the CDS Procedures Manual for ADA and CDS Guide for Depositors in relation to the initiative to facilitate the move towards eStatements, as set out in Annexure 2 and Annexure 3 respectively. 3. <u>Effective Date and Fees</u> The amendments to the Depository Rules, CDS Procedures Manual for ADA and CDS Guide for Depositors, and the obligations in this Circular will take effect from 25 August 2025. To facilitate the smooth implementation of the eStatements initiative, depositors may submit their request for hardcopy securities account statements to their ADAs from 11 August 2025.	