



# Practices in comply with AML/CFT

## Risk management & compliance



# Our Goal of Training

1. To understand AML and CFT
2. To find out about our measurement for preventive action for AML/CFT

# What is MT and FT ?

**Money Laundering** is the processing of proceeds of crime to disguise their illegal origin and use them in legal economy.



Against **Anti Money Laundering**

**Financing of Terrorism** is the use of funds from legal or illicit sources to finance future terrorist activities.



Against **Combating Finance Terrorism**



# History of regulation

The Anti-Money Laundering Law was enacted on 14th March 2014 which repealed The Control on Money Laundering Law (No. 6/2002) but rules and directives issued under the old law still apply if those do not contradict the new law.

(i)	Anti-Money Laundering Law, enacted on 14th March 2014;
(ii)	AML/CFT directive, issued by Ministry of Planning and Finance (MOPF) on 13th Nov 2019
(iii)	AML/CFT order, published by Office of President on 14th Nov 2019;
(iv)	Beneficial Ownership directive, issued by DICA on 15th Nov 2019;
(v)	The meeting of AML/CFT, hold by FRD and CBM respectively.

# Money Laundering Cycle

## Money Laundering Cycle



### Placement

- Structuring Deposit into smaller amounts
- Currency Smuggling
- Currency Exchange
- Blending Funds
- False Invoicing

### Layering

- Multiple wire transfer
- Purchase of Assets
- Converting cash into monetary instruments
- Loan back arrangements

### Integration

- Real estate investment
- Investment in securities markets
- Purchase of Luxury Assets



**Collection of Dirty Money**

# KYC Policy



Constancy to “Know your customer” is fundamental for the safety and ethical standards of the financial services operation. The Company is committed to avoid providing financial services to, take financial support from, communicate and transact with the clients, partners, donors and members of the microfinance institution with unidentifiable, undistinguishable, fictitious or false names or symbols.



## Overview



### **Customer**

NRC  
Residence Proof  
and so on..

### **Business partner**

Business License  
Certificate of  
Incorporation  
and so on..



**Measure of the Risk  
& Quantify Risk by  
developing and  
mechanisms**



- **Build a framework for controlling**
- **Organization for Risk management**



Approve to build  
Relationship

**On-going risk  
management process**

Terminate  
The Relationship

- (i) Ongoing monitoring of customer transactions, including ensuring that documents and information collected;
- (ii) Reviewing the effectiveness of staff awareness and training;
- (iii) Monitoring compliance arrangements through internal audit and external review;
- (iv) Capturing appropriate management information;
- (v) Regular communication between compliance officer and senior management; and
- (vi) Liaising with law enforcement agencies.



# Transaction Record & Report

Approve to build  
Relationship

**On-going risk  
management process**

Terminate  
The Relationship

The Company shall report cash transaction, doubtful transaction and report information of any person who is or was the Company's customer as per the criteria and method required by the Law.

- (i) The Company shall report to MFIU (Myanmar Financial Intelligence Unit) for all the transactions of transfer the cash (or) products/ goods that are equivalent Myanmar Kyat of equal or **over 15,000 USD** in any one day.
- (ii) Over the threshold amount shall be submitted to MFIU **within 3 working days** of the date of the transaction and be submitted on the MFIU Online Reporting System or other approved formats, if any.



# Customer's Document Maintenance

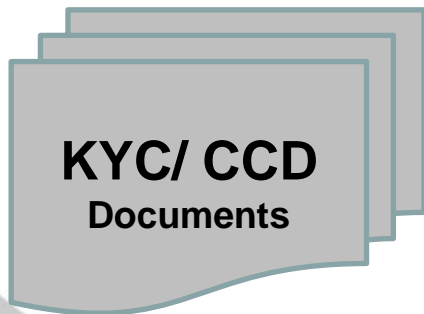
Approve to build  
Relationship

Terminate  
The Relationship

**5 years**

**Maintain  
Customers' information**

**Keep  
Customers' Information**



Maintain and  
update  
the customer  
information



## Personal recruitment Process check



## AML/CFT Training





# Code of Conduct of Employees

1. The Company shall make a strong policy to maintain following code of conduct for employees. The Company's employees;
2. Must not inform/warn the customer about the Anti-Money Laundering suspicion;
3. Must not talk/disclose with other employees and family/friends;
4. Must comply with the instructions of the competent authority and the Department Head whom had reported;
5. Must assist and cooperate with the competent authorities in investigation.

# Thank You