

## MSBA to prevent money laundering

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**KUALA LUMPUR (July 8, 2013):** The relicensing exercise under the Money Services Business Act (MSBA) 2011 aims to strengthen the money services industry and prevent it from becoming a conduit for money laundering, the Dewan Rakyat was told today.

Deputy Finance Minister Datuk Ahmad Maslan said the relicensing exercise in December last year showed that the number of participants in the industry that had been relicensed in December 2012 had dropped from 839 in 2011 to 514 currently.

"MSBA 2011 was created as a regulatory framework to ensure a more modern and structured money services business industry (money changers and money remitters) and to strengthen the industry and prevent it from becoming a conduit for money laundering, financing violent and other illegal activities," he said when replying to Fong Kui Lun (DAP-Bukit Bintang) during question time.

Kui Lun wanted to know the situation concerning money laundering in the country following the role played by money changers in carrying out transits in the country and the measures taken to control it.

Ahmad said the relicensing exercise also aimed to ensure that only entities that were controlled and managed by those with integrity, capability and commitment to fulfil the requirements of the regulations were eligible to carry out the money services business activity.

"Regulations and guidelines have also been issued especially to enhance the level of compliance and to strengthen governance, control system and risk management for industry participants.

"This is to ensure the implementation of a more professional money services business and protect the integrity of the industry from financial crime risks and illegal activities," he said.

Ahmad said that through the act, proper flexibility was also given to industry participants qualified to offer more money remittance services of quality for access by individuals and business entities.

In this context, he said eligible money changers were allowed to offer money remittance services or become agents in giving money services and to open temporary premises in specific areas such as at the factory and plantation areas to provide services to the foreign workers.

Effective Dec 1, 2011, the new Money Services Business Act 2011, under the purview of Bank Negara Malaysia, came into force to support the development of a more dynamic and competitive money services business industry. It comprised money changing, remittances and wholesale currency businesses.

The relicensing exercise of all money services businesses was completed in 2012, resulting in the number of money changers being reduced from 839 to 511.

The Money Services Business Act 2011 further complements the measures that have been put in place and actions taken under the Anti-Money Laundering & Anti-Terrorism Financing Act 2001 (AMLATFA 2001).

The AMLATFA 2001, which came into force on Jan 15, 2002 criminalises money laundering of proceeds from serious crimes. – *Bernama*

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