

PPP drive to boost fight against financial crimes

By LOH FOON FONG
and ASHLEY TANG
newsdesk@thestar.com.my

KUALA LUMPUR: A public-private partnership (PPP) initiative between Bank Negara, the Securities Commission, law enforcement agencies and financial institutions has been launched to better combat financial crimes.

Prime Minister Tun Dr Mahathir Mohamad said the collaboration was to promote synergy in anti-money laundering or countering financing of terrorism measures.

"This is achieved through effective, timely and seamless sharing of financial intelligence from financial institutions for the purpose of crime prevention and law enforcement.

"Its more effective detection of suspicious transactions by financial institutions and other reporting institutions would go a long way to eradicate financial crimes," he said at the two-day 11th International Conference on Financial Crime and Terrorism, which began yesterday.

The theme of the conference is

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"Building Trust and Transparency: Collaborate, Accelerate, Strengthen".

Dr Mahathir said the country's Shared Prosperity Vision 2030 calls for better governance and integrity in the country's system.

PPP models worldwide emphasised personal data protection and confidentiality, benchmarked against the European Union General Data Protection Regulation, he said.

"For Malaysia's PPP, law enforcement and financial institutions would continue to adhere to Malaysia's data protection legal framework in combating financial crimes," he added.

Dr Mahathir also said efforts need to be strengthened and expanded to allow more parties, especially the public at large, to exercise their responsibility in fighting corruption and financial crimes.

He said continuous work in building these elements of trust and transparency through open dialogues and collaboration among the relevant players will accelerate reforms and strengthen institutions, policies and legal frameworks.

"This will ultimately enable Malaysia to effectively play its role in the global fight against financial crime and terror financing," he said.

Bank Negara governor Datuk Nor Shamsiah Mohd Yunus said the National Coordination Committee to Counter Money Laundering (NCC) will be consulting the public later this month on a proposal to introduce a Cash Transaction Limit (CTL) to combat financial crimes to complement existing financial integrity measures.

"NCC wants to make an informed decision," she said in her speech.

Nor Shamsiah said the measure would further address the abuse of high-value cash transactions.

Despite the rise of electronic payments, criminals still preferred cash because it was "widely accepted, anonymous and untraceable".

Nor Shamsiah added that the measure was new to Malaysia but other countries such as France, Italy and India had implemented it.

She also noted that up to September, over five million Cash Thresh-

old Report (CTR) reports of RM483bil in cash transactions had been received by Bank Negara.

CTR refers to reports that financial institutions send to the central bank when the transaction exceeds RM25,000.

From Bank Negara's observation since it lowered the CTR from RM50,000 to RM25,000 in January, Nor Shamsiah said the total value of cash transactions reported has increased marginally, while the number of CTR reports received have nearly doubled.

"The significant increase in CTR received since January provides us important data points that enable more rigorous monitoring of peculiarities in cash transactions and identification of money laundering and terrorism financing (ML/TF) risk on newly identified entities that have not been captured previously.

"These additional insights also lead to better quality of disclosures to law enforcement agencies especially in relation to fraud, tax evasion and corruption crimes," she said.