



GUIDELINE NO. SM/G-2/2020/2

GUIDELINES ON MINIMUM REQUIREMENTS FOR MONEY-CHANGING AND REMITTANCE BUSINESSES COMPLIANCE OFFICER

1. INTRODUCTION

- 1.1 These Guidelines are issued pursuant to section 32 of the Autoriti Monetari Brunei Darussalam Order, 2010.
- 1.2 As part of the conditions for money-changer's licence and remittance licence specifically under condition C2 and Section 21 of Criminal Asset Recovery Order, 2012, money-changing businesses and remittance businesses licensed under the Money-Changing and Remittance Businesses Act, Cap 174 ("the MCRBA") [herein referred to as 'Money-Changing Licensees and Remittance Licensees'] are required to appoint at least one (1) qualified Compliance Officer to ensure their compliance with laws and regulations related to money-changing business and remittance business including Anti-Money Laundering And Combatting The Financing Of Terrorism (AML/CFT) requirements under the Criminal Asset Recovery Order, 2012.
- 1.3 In addition to the General Guidance Paper To Financial Institutions And Designated Non-Financial Businesses And Professions On Anti-Money Laundering And Combatting The Financing Of Terrorism issued by Autoriti Monetari Brunei Darussalam dated 11 July 2019, these Guidelines are intended to provide further guidance to Money-Changing Licensees and Remittance Licensees on the requirements for the appointment of a Compliance Officer in order to ensure compliance to licensing conditions as well as other relevant guidelines, rules and regulations.
- 1.4 Money-Changing Licensees and Remittance Licensees are expected to comply with these Guidelines and should demonstrate that the appointment of one or more Compliance Officer commensurate with the business model, size, complexity and risk exposure of the respective licensees.
- 1.5 These Guidelines should be read together with the following: -
 - 1.5.1 The MCRBA and its subsidiary legislation;
 - 1.5.2 Criminal Asset Recovery Order, 2012 and its subsidiary legislation;

- 1.5.3 Licensing Conditions for Money-Changing Business (*"Syarat-Syarat Lesen Bagi Perniagaan Menukar Wang"*);
 - 1.5.4 Licensing Conditions for Remittance Business (*"Syarat-Syarat Lesen Bagi Kiriman Wang"*);
 - 1.5.5 General Guidance Paper To Financial Institutions And Designated Non-Financial Businesses And Professions On Anti-Money Laundering And Combatting The Financing Of Terrorism;
 - 1.5.6 Guidance Paper To Financial Institutions For The Obligation To Submit A Suspicious Transaction Report (STR) Under Section 15 Of Criminal Asset Recovery Order And Section 47 Of Anti-Terrorism Order;
 - 1.5.7 Cash Transaction Reporting General Guidance Paper For Financial Institutions And Designated Non-Financial Businesses And Professions;
 - 1.5.8 Guidance Paper to Financial Institutions On Anti-Money Laundering And Combating The Financing Of Terrorism (AML/CFT) Transaction Monitoring Programme;
 - 1.5.9 Standard Technology Risk Management Guidelines (Guideline No. TRS/G-1/2019/1);
 - 1.5.10 Notice on Early Detection of Cyber Intrusion And Incident Reporting (Notice No. FTU/N-1/2017/1);
 - 1.5.11 Notice For The Establishment Of A Complaints Handling Function Within Financial Institutions (Notice No. FCIU/N1/2017/1); and
 - 1.5.12 Directions, Notices, Circulars and other Guidelines that Autoriti Monetari Brunei Darussalam (*"the Authority"*) may issue from time to time.
- 1.6 This Guideline is not exhaustive and subject to revision from time to time as deemed necessary by the Authority.
- 1.7 This Guideline take effect from 1 May 2020.

2. APPLICATION

These Guidelines are applicable to Money-Changing Licensees and Remittance Licensees who carry on money-changing business and remittance business respectively pursuant to the MCRBA.

3. DEFINITION OF TERMS

3.1 For the purpose of these Guidelines, the following terms have the following meanings, except where the context otherwise requires:-

Term	Definition
“Authority”	means Autoriti Monetari Brunei Darussalam;
“MCRBA”	means the Money-Changing and Remittance Businesses Act, Chapter 174 and any regulations or other subsidiary legislation made thereunder;
“CARO”	means the Criminal Asset Recovery Order, 2012 and any regulations or other subsidiary legislation made thereunder; and
“AML/CFT”	Anti-Money Laundering And Combating The Financing Of Terrorism.

3.2 Any expression used in these Guidelines, except where expressly defined in these Guidelines or where the context requires, have the same meaning as in the MCRBA and CARO.

4. APPOINTMENT OF COMPLIANCE OFFICER

4.1 The appointment of a qualified Compliance Officer is critical in ensuring proper and effective compliance with requirements in carrying out money-changing and remittance businesses as well as other relevant guidelines, rules and regulations issued by the Authority and other Government agencies.

4.2 It is a requirement under the Licensing Conditions that at least one (1) qualified Compliance Officer is appointed however, the size, complexity and risk profile should also influence the adequacy and effectiveness of Money-Changing Licensees’ and Remittance Licensees’ Compliance function. For example, for Money-changing Licensees it may be adequate to have one (1) Compliance Officer while Remittance Licensees may appoint more than one (1) Compliance Officer to ensure effectiveness of its compliance function.

4.3 Money-changing Licensees and Remittance Licensees should provide the appointed Compliance Officer with sufficient resources and authority to effectively carry out his/her responsibilities.

4.4 The Compliance Officer may hold other roles within the money-changing and remittance business such as complaints handling officer, provided that these roles do not hinder the effective performance of one another.

- 4.5 The appointed Compliance Officer should be competent and capable in discharging his/her roles and responsibilities. At minimum, the Compliance Officer should meet the requirements set in paragraph 5 (5.1 to 5.4) of these Guidelines.
- 4.6 The roles and responsibilities of the appointed Compliance Officer should be clearly stated/defined in their job description and should be consistent with paragraph 5.4 of these Guidelines.
- 4.7 Money-Changing Licensees and Remittance Licensees should ensure that they conduct thorough screening including business reference checks, background checks for any criminal activity or other regulatory sanctions whether in Brunei Darussalam or elsewhere before appointing a Compliance Officer.
- 4.8 Money-Changing Licensees and Remittance Licensees should notify, in writing, the Specialised Market, Regulatory and Supervision Department, Autoriti Monetari Brunei Darussalam of the appointment, termination and change in the appointment of the Compliance Officer, including the details of the name, contact information (office telephone number, e-mail address) and relevant experience and/or qualifications of the Compliance Officer.
- 4.9 For Compliance Officers who are also designated as AML/CFT Compliance officer, any appointment, termination and change should be submitted to the Financial Intelligence Unit, Autoriti Monetari Brunei Darussalam through the Integrated Financial Intelligence System (IFIS).

5. REQUIREMENTS FOR THE COMPLIANCE OFFICER

- 5.1 The appointed Compliance Officer should possess satisfactory knowledge and understanding of relevant guidelines, rules and regulations issued by the Authority and other Government agencies.
- 5.2 The appointed Compliance Officer should have current knowledge on developments in the money-changing and remittance business sector as well as money laundering and terrorism financing risks and trends.
- 5.3 The appointed Compliance Officer should continuously be trained and certified/accredited especially in AML/CFT by relevant recognized certification/accreditation bodies.
- 5.4 The appointed Compliance Officer should be able to perform the following roles but not limited to:-
 - 5.4.1 Able to coordinate and monitor day to day compliance with licensing conditions, internal policies, procedures, controls, related laws and regulations including AML/CFT;

- 5.4.2 Identify risk areas and recommend appropriate measures to mitigate identified risks;
- 5.4.3 Able to ensure compliance programme are implemented based on the risk profile of respective Money-Changing Licensees and Remittance Licensees;
- 5.4.4 Review implementation and effectiveness of compliance programme and escalate or update the owner/director or manager regularly (at least every quarter) on any risks, issues and the general effectiveness of the compliance programme for further actions;
- 5.4.5 Able to provide adequate training to employees of Money-Changing Licensees and Remittance Licensees on policies and procedures including AML/CFT;
- 5.4.6 Review and update internal policies, procedures and controls;
- 5.4.7 Responsible for the timely submission of regulatory returns to the Authority which includes: -
 - i. Daily, monthly, quarterly, half yearly and annual reports; and
 - ii. Suspicious Transaction Reports (STR) and Cash Transaction Reports (CTR).
- 5.4.8 Be the central point of contact for the Authority and other relevant Government agencies.

**MANAGING DIRECTOR
AUTORITI MONETARI BRUNEI DARUSSALAM**

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