

**Implementation guidance:
Non face-to-face onboarding verification of corporate customers
Frequently Asked Questions (FAQs)**

Introduction

The FAQs are intended to provide clarifications to reporting institutions (RI) on the compliance with the policy document on “Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions (AML/CFT and TFS for FIs) (Supplementary Document No. 1) – Money Services Business Sector”.

No.	Question	Answer
1.	What types of corporate customers can be onboarded via the non face-to-face (NFTF) verification process?	<p>Any entity other than a natural person that can establish a permanent customer relationship with a RI or otherwise own property as specified under paragraph 6.2 of AML/CFT and TFS for FIs policy document. Examples are companies, bodies corporate, government-linked companies, foundations, partnerships, or associations and other similar entities.</p> <p>For avoidance of doubt, sole proprietor is not deemed as corporate customer under this policy document. Accordingly, the onboarding of sole proprietor via NFTF method is subject to e-KYC process for individual.</p>
2.	Can the RI schedule the video call with the customers?	<p>No. The video call shall be made on an unannounced basis. However, to facilitate the mandatory verification process, RI may first initiate an unannounced introductory phone call to the customer, followed immediately by a video call for the customer to show proof of business existence.</p> <p>During the unannounced introductory phone call, RI may inform the customer the purpose of the call and highlight that it will be followed by a video call.</p> <p>In addition, RI may inform the customer in their website or mobile app, prior to the registration process that a video call is required to verify the customer’s identity.</p>
3.	Are RIs required to keep the video recording or sample images obtained from a corporate customer for audit trail purposes?	<p>RI should keep either the recorded video OR still images in a manner that meets the record keeping requirements as per paragraph 24 of the AML/CFT and TFS for FIs Policy Document.</p>
4.	What entails proof of business existence during the unannounced video call?	<p>The proof of business existence may include sighting of any of the business’ assets or items. This includes inventories or physical stocks, physical signboard, company official stamps, letterhead, digital or physical copy of invoices.</p>
5.	Does information from company’s registration certificate (e.g. information from Suruhanjaya Syarikat Malaysia) fall under verification against a database maintained by credible independent sources?	<p>No. The information from the company’s registration certificate is already a prerequisite information during the customer due diligence process.</p> <p>Verification against database by credible independent sources shall be additional information to further substantiate the existence of business other than the prerequisite information.</p>

No.	Questions	Answers
6.	What would be the appropriate additional verification methods to be undertaken based on the nature of the corporate customer's business?	Please refer to the Appendix for guidance on possible additional verification methods that can be undertaken for different types of corporate customers.
7.	If there are changes to the directors or authorised persons of the corporate customer, does the RI need to conduct a full onboarding process for the corporate customer again?	<p>No. The RI only needs to undertake e-KYC process on the new individual(s), including confirming that authorisation has been given by the corporate customer to the new authorised persons.</p> <p>Nonetheless, consistent with the on-going due diligence requirement, RI must ensure that documents, data or information collected on the corporate customer under the customer due diligence process is kept up-to-date and relevant.</p>
8.	If an authorised person is representing multiple corporate customers, does the RI need to conduct the NTF onboarding process for each corporate customer?	<p>Yes. The onboarding process is applicable to each corporate customer, even if it involves the same authorised person.</p> <p>In such cases, RI must ensure that the authorised person has the authority to act on behalf of these corporate customers by undertaking additional verification (e.g. to sight authorisation letter and to directly verify with the senior management of the corporate customers on such appointment). The RI must also establish that the authorised person has the authority to act on behalf of multiple corporate customers (e.g. legitimate executive directors for multiple companies) and is not suspicious in nature.</p> <p>RIs must also ensure that each transaction is conducted for the appropriate corporate customer (e.g. verify against supporting documents) and by issuing a unique login credential to each corporate customer despite having the same authorised person.</p>
9.	Does RI need to sight documentary proof for all business transactions, prior to facilitating the transactions?	<p>In general, all business transactions must be supported by documentary proof. RI may accept any form of documentary proof provided it is satisfied that it can be used to ascertain the underlying transaction.</p> <p>For recurring transactions below RM50,000, RI may adopt risk-based approach provided that the RI -</p> <ul style="list-style-type: none"> (a) has sighted the relevant documentary proof during the first transaction undertaken by the corporate customer; and (b) is satisfied that the recurring transactions are within the customer's normal course of business (e.g. same nature of transaction to the same beneficiary such as for loan repayment or import payment). <p>However, RI shall request for documentary proof if there is anomaly in the transaction pattern.</p>

Any updates to the FAQs will be notified to the licensees from time to time.

Should you have additional queries related to the policy document, please submit your queries via any of the following means:

- a) Mail : Director
Money Services Business Regulation Department
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
- b) Email : msbr@bnm.gov.my

Guidance on additional verification methods for corporate customers

(Please refer to Paragraph 7.9 of the policy document for the details of the verification methods)

NOTE: This additional verification methods is non-exhaustive and merely serves as a general guide. Reporting institutions (RI) shall assess the most appropriate combinations of verification methods based on the 'Know Your Customer' principle, taking into account the nature of business of each customer.

✔ **Mandatory verification:** Unannounced video call

Types of corporate customer	Possible additional verification methods	Recommended actions
E-commerce company with physical stocks and with fixed business premises (e.g. seller with business premises and online shop)	✔ Geolocation verification ✔ Alternative credible verification	✔ RIs may consider undertaking the following- <ul style="list-style-type: none"> • sight physical stocks at the premises; + • track and confirm the location of the business address; and/or • purchase products directly from the customer via the e-platform
E-commerce company with physical stocks but without fixed business premises (e.g. home-based seller)	✔ Verification against database by credible independent sources ✔ Alternative credible verification	✔ RIs may consider undertaking the following- <ul style="list-style-type: none"> • sight physical stocks at the premises; + • verify the entity against formal association; and/or • purchase products directly from the customer via the e-platform
Manufacturing company with fixed business premises and physical stocks (e.g. manufacturer of goods)	✔ Geolocation verification ✔ Verification against database by credible independent sources	✔ RIs may consider undertaking the following – <ul style="list-style-type: none"> • sight physical stocks at the premises; + • track and confirm the location of the business address; and/or • verify the entity against a formal association; • obtain latest bank statement or financial statement as proof of on-going business activities
Company within regulated sector (e.g. pharmaceutical company)	✔ Geolocation verification ✔ Verification against database by credible independent sources	✔ RIs may consider undertaking the following – <ul style="list-style-type: none"> • sight physical signage at the premises; + • track and confirm the location of the business address; and/or • verify the entity against government agency or a formal association
Service-based company with business premises and governed by regulatory bodies (e.g. private university)	✔ Geolocation verification ✔ Verification against database by credible independent sources	✔ RIs may consider undertaking the following – <ul style="list-style-type: none"> • sight physical signage at the premises; + • track and confirm the location of the business address; and/or • verify the entity against government agency