



# Malaysia

## Compliance Risk Profile

Last Updated: 4/2020

### Summary

Malaysia is the 25<sup>th</sup> largest exporter and the 26<sup>th</sup> largest importer in the world<sup>1</sup>. It is strategically located in Southeast Asia along the Malacca Strait in a central location between the Indian Ocean and South China Sea. It is estimated that \$3.5-5 trillion USD worth of global trade passes through the South China Sea every year.

From a compliance risk perspective Malaysia has made strides in recent years with improving corporate governance, the perceptions of the rule of law and still needs to improve in the area of corruption. For instance, the World Economic Forum's (WEF) Global Competitiveness Report<sup>2</sup> ranks Malaysia at 27 out of 141 countries analyzed for overall economic competitiveness. Two of the top six problematic factors for doing business in Malaysia were listed as inefficient government bureaucracy (3<sup>rd</sup>) and corruption (6<sup>th</sup>).<sup>2</sup>

Multi-national companies operating in Malaysia should have strong local internal controls in-place as well as periodic monitoring and independent auditing to ensure compliance with Customs and anti-corruption laws.

### General Country Information

Malaysia has a total population of a little more than 32 million<sup>2</sup> with a demographic composition of 50.1% Malay, 22.6% Chinese, 20.6% indigenous Bumiputras groups and other groups, and 6.7% Indian<sup>1</sup>. Most of the population lives in urban areas near the coast. Malaysia has one city, Kuala Lumpur, with more than 1,000,000 inhabitants.<sup>1</sup> The official language is Malay, however roughly 60% of the population can speak English<sup>1</sup>. Malaysia has a nominal GDP of \$365.3 Billion USD (\$11,137 USD per capita)<sup>2</sup>, and it encompasses about 330,000 sq. km of land.<sup>1</sup>

### Governance and Regulatory

#### Legislation

The Companies Act 2016,<sup>3</sup> Financial Services Act 2013 and Capital Markets and Services Act 2007 are the primary statutes on corporate governance in Malaysia and the guidelines are found in Bank Negara Malaysia's Guidelines on Corporate Governance, Bursa Malaysia's Main Market, Ace Market and Leap Market Listing Requirements and Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. The Companies Commission Malaysia is the main body responsible for administration and enforcement against companies and corporations, with Bank Negara Malaysia<sup>3</sup> regulating financial institutions and Securities Commissions<sup>3</sup> and Bursa Malaysia<sup>3</sup> regulating listed companies. In April 2017 the Securities Commission Malaysia introduced a new Malaysian Code on Corporate Governance ("Code")<sup>3</sup>. Among other changes, the new Code does not allow the chairman of the board to be the chairman of the Audit Committee and companies are encouraged to establish a Risk Committee.

## Environment

The 2020 World Bank's Ease of Doing Business<sup>2</sup> Report (EDB Report) ranks Malaysia overall **12** out of 190 countries analyzed for regulations that are conducive in fostering business activities and those that constrain it.

The World Bank's 2018 Worldwide Governance Indicator (WGI)<sup>4</sup> for Regulatory Quality (RQ), with -2.5 being weak and +2.5 being strong governance performance, gave Malaysia a score of 0.68 which resulted in a ranking of 55 out of 209 countries analyzed. This represented a significant improvement from the 2009 score of 0.30 and a ranking of 81 out of 210 countries that were analyzed. The RQ indicator "*Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development*"<sup>4</sup>.

The 2018 WGI Rule of Law (RL) indicator gave Malaysia a score of 0.62 which resulted in a ranking of 54 out of 209 countries analyzed. This represented a significant improvement from the 2009 of 0.46 and ranking of 78 out of 212 countries. The RL indicator "*Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence*"<sup>4</sup>.

The 2018 WGI Government Effectiveness (GE) indicator gave Malaysia a score of 1.08 which resulted in a ranking of 40 (tied with Chile) out of 209 countries analyzed. This represents a slight improvement in performance from the 2009 score of 0.98 and ranking of 45 out of 210 countries. The GE indicator "*Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies*"<sup>4</sup>.

## Enforcement

In *Malim bin Mohamed Iwn Pendakwaraya* [2017] MLJU 71, the Companies Commission of Malaysia has convicted the director of Satang Holdings Berhad for the breach of Section 132(2)(c) of the Companies Act 1965 and Penal Code for diverting corporate opportunity to obtain personal benefit when he gave away the contract from the Government of Malaysia to GSE Engineering Sdn Bhd and Kobat Engineering Sdn Bhd. The punishment granted was a total of 6 months imprisonment and 4 strokes of whipping.

In August 2018, the then group executive director of APL Industries Berhad was fined 7 million and sentenced to 5 years imprisonment for insider trading offences for disclosing proposed audit adjustment of the company.<sup>16</sup>

GCSG's Compliance Risk Index (CRI) analyzed eight independent factors to score the **governance and regulatory area compliance risk**<sup>5</sup> level for Malaysia as **Low**.

## Bribery and Corruption

### Legislation

The major legislation regulating corruption within Malaysia is the "Malaysian Anti-Corruption Commission Act of 2009" (the "MACC Act") which was recently amended by the "Malaysian Anti-Corruption Commission (Amendment) Act 2018 (the "2018 Amendment")".<sup>6</sup> Police, prosecutors and Malaysian Anti-Corruption Commission<sup>7</sup> have the authority to investigate corruption. The 2018 Amendment has, among other changes, added Section 17A to the MACC Act which introduces corporate liability for corrupt acts, in that a commercial organization may be liable for prosecution if a person associated with it commits a corrupt act so as to enable the organization to acquire or retain a contract or interest. Section 17A will be in force on 1 June 2020. Prior to the 2018 Amendment, only individual liability existed for corrupt acts.

### Environment

Transparency International's 2019 Corruption Perceptions Index<sup>8</sup>, with zero being the most corrupt and 100 being the least corrupt, gave Malaysia a score of 53 which resulted in a ranking of 51 out of 180 countries surveyed. This represents an equivalent risk to that found in the 2014 CPI with a score of 52 and ranking of 51 out of 174 countries surveyed.

Trace International's 2019 Bribery Risk Matrix<sup>8</sup>, with 100 being the most corrupt and zero being the least corrupt, gave Malaysia a score of 43 which resulted in a ranking of 58 out of 200 countries surveyed. This represents a slight improvement over the 2014 score of 50 and ranking of 62 out of 197 countries surveyed.

The 2018 WGI Control of Corruption indicator<sup>4</sup>, with -2.5 being weak and +2.5 being strong governance performance, gave Malaysia a score of 0.31 which resulted in a ranking of 76 out of 209 countries. This represented a significant improvement from the 2009 score of -0.06 and a ranking of 91 out of 210 countries. The WGI Control of Corruption indicator "*Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests*"<sup>4</sup>.

The 2016 WEF Enabling Trade Report<sup>10</sup> (WEF Trade Report) listed corruption at the border as one of the most problematic factors for importing into Malaysia.

### **Enforcement**

The current government has taken steps to hold the former Malaysian Prime Minister Najib Razak accountable over allegations of a multi-billion-dollar fraud involving the state investment fund 1MDB. The 1MDB investment fund was established in 2009 when Mr. Razak was the prime minister. In addition, in 2018 the Deputy Prime Minister was arrested for abuse of power and money laundering as well as the former Federal Territories Minister on corruption charges.

GCSG's Compliance Risk Index (CRI) analyzed four independent factors to score the **bribery and corruption area compliance risk**<sup>5</sup> level for Malaysia as **Moderate**.

## **Trade**

### **Legislation**

The Ministry of International Trade and Industry ("MITI")<sup>9</sup> is responsible for facilitating trade and the Royal Malaysian Customs Department ("RMDC")<sup>9</sup> is responsible for import and export clearance. The Strategic Trade Act 2010<sup>9</sup> and Customs Act (1967)<sup>9</sup> regulate exports and imports, while the Countervailing and Anti-Dumping Duties Act 1993<sup>9</sup> and Safeguards Act 2006<sup>9</sup> provides for trade remedies. Malaysia is a member of the WTO (1995) and ASEAN.<sup>9</sup>

### **Environment**

**Facilitation.** The WEF Trade Report<sup>10</sup> gave Malaysia an overall score of 4.90, with 6.0 being the best and 2.9 being the worst scoring country in the index. This places Malaysia in the upper third (37<sup>th</sup> out of 136) with the better performing economies that were evaluated for trade facilitation performance. The top two most problematic factors for importing, noted in the WEF Trade Report, included tariffs and non-tariff barriers as well as burdensome import procedures. Identifying potential markets and buyers, access to imported inputs at competitive prices, and burdensome procedures at foreign borders were the top three most problematic factors for exporting from Malaysia. The EDB Report<sup>2</sup> ranks Malaysia 49 out of 190 countries for "trading across borders" which includes evaluating the time and cost to export and import.

In 2019, Malaysia exported \$238.1B and imported \$204.B.<sup>1</sup> Its top export destinations were China, Singapore, USA, Japan and Hong Kong and its top exports were integrated circuits, refined petroleum, office machine parts, petroleum gas, and palm oil.<sup>1</sup> Malaysia's seven (7) major maritime Federal ports are Port Klang, Johor Port, Port of Tanjung Pelepas, Kuantan Port, Penang Port, Bintulu Port and Kemaman Port.<sup>11</sup>

**Compliance.** While the United States and European Union have sanctions in place against individual persons and organizations throughout the world, neither has comprehensive country-level economic sanctions programs in place against Malaysia.<sup>12</sup> However, a U.S. GAO report<sup>13</sup> indicated Malaysia to be a country to watch as a transshipment hub<sup>14</sup> with a potential for higher risk of illicit transshipment. Malaysia is a party to the NPT, Biological Weapons Convention (BWC) and Chemical Weapons Convention (CWC) but is not a member of the multi-lateral export control regimes Nuclear Suppliers Group (NSG), Wassenaar Arrangement, Australia Group, or Missile Technology Control Regime (MTCR).<sup>15</sup>

### **Enforcement**

On 29 June 2015, MITI had published its findings that the importation of certain hot rolled plates products is harmful to the domestic industry. As such, MITI imposed definitive safeguards duties for the importation of such hot rolled plate products on 42 countries for a period of three years from 2 July 2015 to 1 July 2018.<sup>16</sup>

On 13 April 2017, MITI further imposed the safeguards duties for the importation of steel wire rods and deformed bar in coils products imported into Malaysia from 42 countries for a period of three years from 15 April 2017 to 14 April 2020.<sup>16</sup> While the Steel Wire Association of Malaysia has filed a judicial review application against MITI's decision, the application was dismissed by the High Court on 27 June 2018.<sup>16</sup>

On 13 April 2017, MITI also imposed safeguard duties for the importation of steel concrete reinforcing bar products from 40 countries for a period of three years from 14 April 2017 to 13 April 2020.<sup>16</sup>

The Customs Department have also recently conducted several high-profile seizures, including seizure of 21 luxury cars worth over RM12.2 million with forged import documents (Sep 2019),<sup>16</sup> and seizure of contraband worth of RM100 million (Mar 2019).<sup>16</sup>

GCSG's Compliance Risk Index (CRI) analyzed five independent factors to score the **trade compliance area risk**<sup>5</sup> level for Malaysia as **Low**.

# Financial

## Legislation

The major legislation regulating money-laundering in Malaysia is the “Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001” (the “AMLA”).<sup>17</sup> The AMLA establishes reporting requirements, investigation authority, and a forfeiture regime. Malaysia is a member of the Financial Action Task Force (FATF) and the Asia/Pacific Group on Money Laundering (the “APG”).<sup>17</sup> The main enforcement bodies that conduct investigations for AMLA offences include the police, Bank Negara Malaysia,<sup>17</sup> and Malaysian Anti-Corruption Commission.<sup>17</sup>

## Environment

**Access to Finance.** The WEF Trade Report<sup>10</sup> gave Malaysia a score of 5.0 (1-7 best) and a ranking of 20 out of 136 economies for access to finance.

**Financial Secrecy and Money-Laundering.** The latest Financial Secrecy Index (FSI)<sup>18</sup> gave Malaysia an overall score of 352.69, with 1,575 being the most secret and 12 being the least secret country in the index. This FSI score indicates a moderate concern for financial secrecy. The 2019 International Narcotics Control Strategy Report<sup>19</sup> (NCSR) lists Malaysia as a country of concern for money laundering activities. The NCSR report on Malaysia said “is a highly open, upper-middle income economy with exposure to a range of money laundering threats. The country’s porous land and sea borders, visa-free entry policy for nationals from 160 countries, strategic geographic position, and well-developed financial system increase its vulnerability to domestic and transnational criminal activity...”

## Enforcement

Malaysia pursued 488 non-drug related money laundering investigations in 2017 and a further 1,713 drug-related money laundering investigations resulting in 111 convictions.<sup>19</sup>

GCSG’s Compliance Risk Index (CRI) analyzed two independent factors to score the **financial area compliance risk**<sup>5</sup> level for Malaysia as **Moderate**.

# Data Privacy

## Legislation

Matters relating to personal data protection in Malaysia are governed under the Personal Data Protection Act 2010 (PDPA),<sup>20</sup> which came into force on 15 November 2013, along with various other subsidiary legislation, notably the Personal Data Protection Regulations 2013.<sup>20</sup> On 23 December 2015, the Personal Data Protection Commissioner issued the Personal Data Protection Standard 2015 which sets out the minimum requirements in relation to data security, data retention and data integrity.<sup>20</sup>

On 12 February 2020, a public consultation paper was issued by the Personal Data Protection Commissioner to seek public feedback on proposed amendments to the PDPA which aim to strengthen the protection of personal data in Malaysia, in line with technological developments, as well as the European Union’s General Data Protection Regulations.<sup>20</sup>

## Environment

The DLA Piper data protection laws comparison world graphic lists Malaysia as “Robust” for data protection laws and enforcement.<sup>21</sup> Comparitech’s assessment of privacy protection and the state of surveillance ranked Malaysia 43 out of 47 countries included in the assessment with a score of 2.6 and a rating of “Some Safeguards/Weakened Protection.”. Malaysia was in the bottom 5 of the non-EU countries listed in the assessment. .<sup>21</sup>

The Global Cybersecurity Index (GCI) 2018 lists Malaysia in Table 1 which indicates a high level of commitment to the five cybersecurity pillars rated in the index with a score of 0.893 and global rank of 8 out of 175 countries analyzed.<sup>21</sup> The National Cyber Security Index (NCSI) gives Malaysia a score of 72.73 and a global rank of 19 out of 152 countries. NCSI is “a global index, which measures the preparedness of countries to prevent cyber threats and manage cyber incidents.”<sup>21</sup>

## Enforcement

The enforcement activities in relation to data privacy and cyber security in Malaysia are carried out by the Personal Data Protection Department which is an agency within the Ministry of Communications and Multimedia. Based on publicly available information, the Personal Data Protection Commissioner has taken action against five data users across a number of sectors, namely the services, education, tourism and hospitalities sectors, primarily for failure to be registered as data users and for not having a valid certificate of registration.<sup>22</sup>

GCSG’s Compliance Risk Index (CRI) does not score the **data privacy and cyber security area compliance risk**<sup>5</sup> level.

## Country Risk Rating

GCSG's Compliance Risk Index (CRI) analyzed 20 independent factors to score the **overall compliance risk**<sup>5</sup> for Malaysia at **5.09** (1-10 Highest). This score assigns an overall **Moderate** compliance risk level for multi-national businesses operating within and/or conducting cross-border trade with entities operating within Malaysia.

**Note:** GCSG's third-party risk ranking tool, which assesses risk at the entity level, and due diligence reports also incorporate GCSG's country Compliance Risk Index (CRI) scoring and can be used to further drill down on potential risks posed by your supply channel and sales channel third parties. Click [here](#) to learn more.

## References

1. International Model United Nations Association | WorldAtlas.com | World Population Review | The Observatory of Economic Complexity | World Trade Statistical Review. **Source:** <https://imuna.org/resources/country-profiles/malaysia> | <https://www.worldatlas.com/articles/ethnic-groups-of-malaysia.html> | <https://www.worldatlas.com/articles/what-languages-are-spoken-in-malaysia.html> | <http://worldpopulationreview.com/countries/malaysia-population/cities/> | <https://oec.world/en/profile/country/mys/> | [https://www.wto.org/english/res\\_e/statis\\_e/wts2019\\_e/wts2019\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2019_e/wts2019_e.pdf)
2. WEF 2019 Global Competitiveness Report | The World Bank – EDB Report | Wordometer on Malaysian Population | International Monetary Fund | Malaysia's Top 10 Exports | Malaysia's Top 10 Imports. **Source:** [http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf) | <https://www.doingbusiness.org/en/data/exploreconomies/malaysia> | <https://www.worldometers.info/world-population/malaysia-population/> | <https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/weorept.aspx?pr.x=59&pr.y=4&sy=2017&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&c=548&s=NGDPD%2CPPPDP%2CNGDPDPC%2CPPPDP%2CPCPIPC&grp=0&a=> | <http://www.worldstopexports.com/malaysias-top-10-exports/> | <http://www.worldstopexports.com/malaysias-top-10-imports/>
3. Companies Act 2016 | Companies Commission Malaysia | Bank Negara Malaysia | Securities Commissions | Bursa Malaysia | MY Code on Corporate Governance. **Source:** [http://www.ssm.com.my/Pages/Legal\\_Framework/Companies-Act-2016.aspx](http://www.ssm.com.my/Pages/Legal_Framework/Companies-Act-2016.aspx) | [http://www.bnm.gov.my/index.php?ch=en\\_legislation&pg=en\\_legislation\\_act&ac=221&full=1&lang=en](http://www.bnm.gov.my/index.php?ch=en_legislation&pg=en_legislation_act&ac=221&full=1&lang=en) | <https://www.sc.com.my/regulation/acts/capital-markets-and-services-act-2007> | <http://www.ssm.com.my/Pages/Home.aspx> | <http://www.bnm.gov.my/index.php> | <https://www.sc.com.my/> | <https://www.bursamalaysia.com/market/> | <https://www.sc.com.my/regulation/corporate-governance>
4. The World Bank Group – Worldwide Governance Indicators. **Source:** <http://info.worldbank.org/governance/wgi/index.aspx#home>
5. GCSG's country risk ranking (as of the date of this report) assigned by our CRI. Overall scores are between 1-10 (10 Highest risk). Risk categories include (Lowest, Low, Moderate, High, Highest). Risk ranking intended for informational purposes only. Risk scores/categories are subject to change as the CRI is periodically updated. **Source:** <http://www.globalcompliancesg.com/compliance-risk-index>
6. Laws of Malaysia Act 694 – Malaysian Anti-Corruption Commission Act 2009 | An Act to amend the Malaysian Anti-Corruption Commission Act 2009. **Source:** [http://wgfacml.asa.gov.eg/en/Laws\\_of\\_Countries/Malaysia/SPRM\\_act\\_BI.pdf](http://wgfacml.asa.gov.eg/en/Laws_of_Countries/Malaysia/SPRM_act_BI.pdf) | [http://www.federalgazette.agc.gov.my/outputaktap/20180504\\_A1567\\_BI\\_Act%20A1567.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20180504_A1567_BI_Act%20A1567.pdf)
7. Malaysian Anti-Corruption Commission. **Source:** <https://www.sprm.gov.my/index.php/en/> | Effective date of Section 17A is on 1 June 2020. **Source:** <https://integriti.my/2018/12/10/seminar-on-anti-corruption-champions-sharing-session-with-winners-of-the-sheikh-tamim-bin-hamad-al-thani-international-anti-corruption-excellence-award-2018>
8. The Corruption Perceptions Index | The Trace Bribery Risk Matrix. **Source:** <https://www.transparency.org/cpi2019> | <https://www.transparency.org/cpi2014> | <https://www.traceinternational.org/trace-matrix> | <https://www.traceinternational.org/trace-matrix?year=2014>
9. Ministry of International Trade and Industry (MITI) | Royal Malaysian Customs Department (RMCD) | Strategic Trade Act 2010 | Customs Act (1967) | Countervailing and Anti-Dumping Duties Act 1993 | Safeguards Act 2006 | WTO | ASEAN. **Source:** <https://www.miti.gov.my/index.php/pages/view/604?mid=129> | <http://www.customs.gov.my/en> | <https://www.miti.gov.my/index.php/pages/view/2581?mid=287> | [http://www.customs.gov.my/en/pg/Pages/pg\\_act.aspx](http://www.customs.gov.my/en/pg/Pages/pg_act.aspx) | <https://www.miti.gov.my/index.php/pages/view/192> | <http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%20657.pdf> | [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm) | <https://asean.org/asean/asean-member-states/>
10. 2016 WEF Enabling Trade Report. **Source:** <http://reports.weforum.org/global-enabling-trade-report-2016/>
11. Official Portal Ministry of Transport Malaysia. **Source:** <http://www.mot.gov.my/en/maritime/ports-in-malaysia>
12. US and EU Sanctions Programs. **Source:** <https://sanctionsmap.eu/#/main> | <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>
13. U.S. Government Accountability Office (GAO) April 2012 report – “U.S. Agencies Need to Assess Control List Reform's Impact on Compliance Activities”. **Source:** <http://www.gao.gov/assets/600/590287.pdf>
14. **Transshipment hubs** are countries or areas that function as major hubs for the legitimate trading and shipment of cargo with weaker controls on imports, export, and reexports that represent a potential vulnerability in efforts to prevent illicit proliferation-related trade.

15. Non-Proliferation of Nuclear Weapons (NPT) | BWC | CWC | NSG | Wassenaar Arrangement | The Australia Group | MTCR. **Source:** <http://disarmament.un.org/treaties/t/npt> | [https://www.unog.ch/80256EE600585943/\(httpPages\)/04FBBDD6315AC720C1257180004B1B2F?OpenDocument](https://www.unog.ch/80256EE600585943/(httpPages)/04FBBDD6315AC720C1257180004B1B2F?OpenDocument) | <https://www.opcw.org/about-us/member-states> | <https://www.nuclearsuppliersgroup.org/en/about-nsg/participants1> | <https://www.wassenaar.org/participating-states/> | <https://australiagroup.net/en/participants.html> | <https://mtrc.info/partners/>
16. Enforcement action on APL Industries Berhad Group Executive Director. **Source:** <https://www.sc.com.my/regulation/enforcement/actions/criminal-prosecution/updates-on-criminal-prosecution-in-2018> | MITI enforcement on hot rolled plates products | **Source:** Malaysia Federal Government Gazette P.U.(B) 263 dated 29 June 2015 | MITI enforcement on Steel Wire Rods and Deformed Bar in Coils Products. **Source:** Malaysia Federal Government Gazette P.U.(B) 192 dated 13 April 2017 | MITI enforcement on Steel Concrete Reinforcing Bar Products. **Source:** Malaysia Federal Government Gazette P.U.(B) 191 dated 13 April 2017 | Seizures by Customs Department. **Source:** <https://www.thestar.com.my/news/nation/2019/03/01/contraband-worth-rm100mil-seized-325-cases-involve-alcohol-and-cigarettes> | <https://www.thestar.com.my/news/nation/2019/09/06/customs-seize-21-luxury-cars-worth-rm122-million-with-forged-import-documents>
17. Laws of Malaysia Act 613 – Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001. **Source:** [http://www.bnm.gov.my/documents/act/en\\_amlatfa\\_v3.pdf](http://www.bnm.gov.my/documents/act/en_amlatfa_v3.pdf)The FATF | APG. **Source:** <https://www.fatf-gafi.org/home/> | <http://www.apgml.org/members-and-observers/members/default.aspx> | Bank Negara Malaysia | Malaysian Anti-Corruption Commission. **Source:** <http://amlcft.bnm.gov.my/AMLCFT02bi.html> | <https://www.sprm.gov.my/en/corporate-info/divisions/bahagian-pencegahan-pengubahan-wang-haram>
18. The 2020 Financial Secrecy Index ranks jurisdictions according to their secrecy and the scale of their offshore financial activities. It is a tool for understanding global financial secrecy, tax havens or secrecy jurisdictions, and illicit financial flows or capital flight. **Source:** <https://financialsecrecyindex.com/en/>
19. U.S. Department of State: 2019 International Narcotics Control Strategy Report, Volume II covers money laundering and financial crimes. **Source:** <https://www.state.gov/2019-international-narcotics-control-strategy-report/>
20. Personal Data Protection Act 2010 (PDPA) | Personal Data Protection Regulation 2013 | Personal Data Protection Standards 2015 | Public Consultation Paper. **Source:** <https://www.pdp.gov.my/jpdpv2/laws-of-malaysia-pdpa/personal-data-protection-act-2010/?lang=en> | <https://www.pdp.gov.my/jpdpv2/laws-of-malaysia-pdpa/subsidiary-legislation/peraturan-peraturan-perindungan-data-peribadi/?lang=en> | <https://www.pdp.gov.my/jpdpv2/laws-of-malaysia-pdpa/standard-perindungan-data-peribadi/?lang=en> | <https://platform.dataguidance.com/news/malaysia-mcmm-releases-outline-proposed-pdpa%C2%A0amendments>
21. GCI 2018 | NCSI 2020 | DLA Piper – Data Protection Laws of the World 2020 | Comparitech – Surveillance States 2019. **Source:** [https://www.itu.int/dms\\_pub/itu-d/opb/str/D-STR-GCI.01-2018-PDF-E.pdf](https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2018-PDF-E.pdf) | <https://ncsi.ega.ee/ncsi-index/> | <https://www.dlapiperdataprotection.com/> | <https://www.comparitech.com/blog/vpn-privacy/surveillance-states/>
22. Department of Protection of Personal Data Bulletin 2018. **Source:** [https://www.pdp.gov.my/jpdpv2/berita\\_terkini/buletin-jpdp-2018/?lang=en](https://www.pdp.gov.my/jpdpv2/berita_terkini/buletin-jpdp-2018/?lang=en)

---

**DISCLAIMER.** This Malaysia – Compliance Risk Profile Report (the “Report”) is drafted by and is the result of cooperation between Global Compliance Solutions Group LLC (GCSG) and Rahmat Lim & Partners (RLP). The Report is provided for educational and informational purposes only. It is intended to alert recipients to general regulatory developments and risks and does not constitute the rendering of legal or other professional services. The information contained herein has been compiled from sources deemed reliable and it is accurate to the best of our knowledge and belief. However, GCSG and RLP cannot guarantee the accuracy, completeness and validity of the information contained herein and does not assume any legal liability for the accuracy, completeness or validity of the information contained within the Report. Both GCSG and RLP do not bear the legal liability for the content of hyperlinks or other websites to which the Report refers. By contributing to this Country Risk Profile Rahmat Lim & Partners is not officially endorsing and **is not** affiliated with GCSG’s Compliance Risk Index (CRI) or the risk scores within this document.

---

**GCSG** is based in the United States. We provide international Advisory, Audit, and Due Diligence services for our global clients in the areas of import, export, and customs compliance, anti-bribery and corruption, and fraud investigations. **Learn more:** [www.globalcompliancesg.com/about-us](http://www.globalcompliancesg.com/about-us)

**Rahmat Lim & Partners** is one of the largest corporate law firms in Malaysia. We handle a wide range of domestic and cross-border matters, including some of the most significant and complex transactions involving Malaysia. **Learn more:** [www.rahmatlim.com/about-us/](http://www.rahmatlim.com/about-us/)



[www.globalcompliancesg.com](http://www.globalcompliancesg.com)  
[info@globalcompliancesg.com](mailto:info@globalcompliancesg.com)  
 +1.225.229.2984

*Contact us to learn more!*



[www.rahmatlim.com](http://www.rahmatlim.com)  
[enquiries@rahmatlim.com](mailto:enquiries@rahmatlim.com)  
 +603.2299.3888