

GOVERNMENT NOTICE No. 34

FINANCIAL CRIMES ACT

(CAP 7:07)

FINANCIAL CRIMES (MONEY LAUNDERING) (AMENDMENT)
REGULATIONS, 2020

IN EXERCISE of the powers conferred by section 144 of the Financial Crimes Act, I, JOSEPH MATHYOLA MWANAMVEKHA, Minister of Finance, Economic Planning and Development, make the following Regulations—

1. These Regulations may be cited as the Financial Crimes (Money Laundering) (Amendment) Regulations, 2020. Citation

2. The Fifth Schedule to the Financial Crimes (Money Laundering) Regulations, 2020 (hereinafter referred to as the "principal Regulations") is revoked and replaced by the following new Schedule

Replacement
of the Fifth
Schedule to
G.N. No. 10
of 2020

"FIFTH SCHEDULE

(reg. 39)

PART H—MONETARY PENALTIES FOR OTHER FINANCIAL INSTITUTIONS

The following penalties shall apply to other financial institutions excluding banks and insurers —

Categorization of Penalties

Penalties for financial institutions have been divided into four categories (A, B, C, and D) as follows

CATEGORY	LEVEL 1 PENALTY (MK'000)	LEVEL 2 PENALTY (MK'000)	LEVEL 3 PENALTY (MK'000)	LEVEL 4 PENALTY (MK'000)	LEVEL 5 PENALTY (MK'000)	LEVEL 6 PENALTY (MK'000)	LEVEL 7 PENALTY (MK'000)	LEVEL 8 PENALTY (MK'000)
A	---	1,000	5,000	10,000	20,000	30,000	50,000	100,000
B	500	1,000	3,000	8,000	15,000	25,000	40,000	100,000
C	250	500	2,000	5,000	15,000	20,000	30,000	100,000
D	100	200	500	1,000	2,500	5,000	7,500	10,000

The following guidelines have been used to determine the seriousness of offences and therefore the category of penalties—

Category A: Violations by the Board;

Category B: Violations by Executive Officers or Senior Management Officials;

Category C: Violations by the financial institution at any a level other than the Board or Senior Management; and

Category D: Violations by natural persons who are members of the Board or Senior Management and will be charged in individual capacity.

For categories A, B and C, the penalties will be imposed on the institution. Notwithstanding that the Act and the Regulations place all compliance obligations on the reporting institution itself, in deciding which category a violation falls under, the Authority or supervisory authority shall determine the responsible person/authority for compliance with the provision of the Act or Regulation.

GENERAL NOTES

1. Repeat violations will bear penalties at the next level. A violation will be considered a repeat offence when it meets the following conditions, among others—
 - (a) if it remains unresolved until next review, submission or after deadline as directed by the Authority or supervisory authority; or
 - (b) if it is resolved and recurs within a period of 12 months.
2. Multiple offences of the same provision within the Act or Regulation shall only be penalised once.
3. The imposition of penalties shall not preclude the Authority or supervisory authority from taking or imposing any other supervisory action as mandated by the law.
4. Repeat violation after maximum penalty in each category, shall attract other enforcement actions as stipulated in the law.

PENALTIES PER PROVISION AND REGULATION

The table below shows penalties per provision and regulation.

<i>Description of violation</i>	<i>Provision</i>	<i>Category/Level</i>	<i>Penalty K t</i>
Failure by a financial institution to comply with the requirements for identification of a Malawian citizen	Regulation 5	C1	250,000.00
Failure by a financial institution to comply with the requirements for identification of a foreign national	Regulation 6	C2	500,000.00
Failure by a financial institution to comply with the requirements for identification of a Politically Exposed Person	Regulation 7	B3	3,000,000.00
Failure by a financial institution to comply with the requirements for identification of a local legal entity or a legal arrangement	Regulation 8	C1	250,000.00
Failure by a financial institution to comply with the requirements for identification of a local legal entity or a legal arrangement other than a trust	Regulation 11	C2	500,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty K t</i>
Failure by a financial institution to comply with the requirements for identification of a foreign company	Regulation 9	C2	500,000.00
Failure by a financial institution to verify a designated person when a list of designated persons is circulated or when opening an account or conducting a transaction	Regulation 10 (4)	C4	5,000,000.00
Failure by a financial institution to comply with the requirements of verification of the identity of a Malawian citizen	Regulation 11	C2	500,000.00
Failure by a financial institution to comply with the requirements of verification of the identity of a foreign national	Regulation 12	C3	2,000,000.00
Failure by a financial institution to comply with the requirements of verification of the identity of a Trust	Regulation 13	C3	2,000,000.00
Failure by a financial institution to verify the identity of a beneficial owner	Regulation 10(1)(2)	C3	2,000,000.00
Failure by insurance companies to identify and verify beneficiaries	Section 18(1) (2) (3)	C2	500,000.00
Failure by insurance companies to apply enhanced measures to identify and verify identity of the beneficial owner of higher risk legal entities	Section 18(4)	C3	2,000,000.00
Failure by a financial institution to comply with the requirement of verification of the identity of a foreign company	Regulation 15	C3	2,000,000.00
Failure by a financial institution to comply with the requirement of identification and verification of a person's authority to act on behalf of another	Regulation 16	C2	500,000.00
Failure by a financial institution to operate or maintain an account in true name of account holder	Section 20(1), (2)	C4	5,000,000.00

OTHER DUE DILLIGENCE OBLIGATIONS

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty K t</i>
Failure by a Financial institution to maintain records for the minimum period of 7 years	Regulation 19	B3	3,000,000.00
Failure by a financial institution to comply with the requirement to maintain records in a manner that enables Authority, law enforcement agency, Supervisory Authorities or Competent Authority to reconstruct the transaction	Section 22(1)(b)	B3	3,000,000.00
Failure by a financial institution to provide a record of a transaction or any other information requested by the Authority, law enforcement agency, Supervisory Authorities or Competent Authority within the time specified by the Authority or the Competent Authority	Section 22(5)	B2	1,000,000.00
Failure by financial institution to comply with the requirements relating to correspondent banking	Regulation 22	B3	3,000,000.00
Failure by a financial institution to comply with any of the requirements relating to intermediaries or third parties	Regulation 23	C2	500,000.00
Failure by a financial institution to comply with the requirements relating to shell banks	Section 30 (2)	B5	15,000,000.00
Failure by a financial institution to comply with new technology requirements	Regulation 25	B2	1,000,000.00
Failure by a financial institution to comply with the requirement of appointing a Compliance Officer	Regulation 28, Section 27 (1)(a)	A2	1,000,000.00
Failure by the financial institution to train and make its employees aware of policies, procedures, audit systems relating to money laundering	Section 27 (1)(b)(vii), Section 27 (1)(c)	B1	500,000.00
Failure by the financial institution to screen persons before hiring them	Section 27 (1)(b)(viii)	B1	1,000,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty K t</i>
Failure by the financial institution to establish an audit function to test Anti Money Laundering procedures and systems	Section 27 (1)(d)	A2	1,000,000.00
Failure by the financial institution to establish a customer acceptance policy	Regulation 18	A3	5,000,000.00
Failure by the financial institution to conduct risk assessment and develop risk based systems and procedures	Section 27 (1)(b)(i) Section 21	B2	1,000,000.00
Failure by the financial institution to ascertain the purpose of a transaction and source of funds and their ultimate destination	Regulation 24	B1	500,000.00
Failure by the financial institution to provide for disciplinary steps against members of staff for noncompliance with the Act, these regulations and own internal rules	Regulation 36	B1	500,000.00
Failure by the financial institution to ensure that the Compliance Officer has access to all information that may be of assistance in the execution of his duties	Regulation 35	B2	1,000,000.00
Failure by the financial institution to establish procedure for conducting enhanced due diligence on specified and high risk customers	Regulation 32	B3	3,000,000.00
Failure by the financial institutions to establish programme to identify persons on relevant sanctions list	Section 27(1) (b)(ix)	B3	3,000,000.00
Failure by the financial institution to ensure that foreign branches or subsidiaries observe minimum requirements of money laundering measures of Malawi	Regulation 26	B2	1,000,000.00
Failure by a financial institution to identify or report a suspicious transaction	Regulation 29 Section 23	B3	3,000,000.00
Failure by a financial institution to report large currency transactions, domestic and international electronic funds transfers	Section 33	C1	250,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty K t</i>
Failure by a financial institution to retain particulars of originator and beneficiary of the electronic funds transfer transaction	Regulation 20(2), Section 28	C2	500,000.00
Failure by a financial institution to freeze an account of a designated person	Section 28 (5)	B5	15,000,000.00
Failure by a financial institution to submit a Compliance Report within the required period	Regulation 27; Section 36(4)(c)	C1	250,000.00
Failure by a person to comply with confidentiality requirements of suspicious transaction reports and other information	Section 24	D4	1,000,000.00
Failure by a financial institution to comply with confidentiality requirements of suspicious transaction reports and other information	Section 24	C3	2,000,000.00
Failure by a financial institution to monitor transactions and conduct on going due diligence on business relationships and transactions	Regulation 24, Section 29	C3	2,000,000.00
Failure by a financial institution to implement group wide programmes of foreign branches, subsidiaries or head office against money laundering and terrorist financing and handling of proceeds of crime	Section 31	A2	1,000,000.00

MONETARY PENALTIES FOR DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPs)

(Regulation 35)

Categorization of Penalties

The penalties have been divided into four categories (A, B, C, and D). The penalties are therefore defined as per table below:

<i>CATEGORY</i>	<i>LEVEL 1 PENALTY (MK'000)</i>	<i>LEVEL 2 PENALTY (MK'000)</i>	<i>LEVEL 3 PENALTY (MK'000)</i>	<i>LEVEL 4 PENALTY (MK'000)</i>	<i>LEVEL 5 PENALTY (MK'000)</i>	<i>LEVEL 6 PENALTY (MK'000)</i>	<i>LEVEL 7 PENALTY (MK'000)</i>	<i>LEVEL 8 PENALTY (MK'000)</i>	<i>LEVEL 9 PENALTY (MK'000)</i>	<i>LEVEL 10 PENALTY (MK'000)</i>
A	-	300	550	1,000	5,000	10,000	20,000	30,000	50,000	100,000
B	200	250	400	850	3,000	8,000	15,000	25,000	40,000	100,000
C	100	150	200	500	2,000	5,000	15,000	20,000	30,000	100,000
D	50	75	100	200	500	1,000	2,500	5,000	7,500	10,000

The following guidelines have been used to determine the seriousness of offences and therefore the category of penalties—

1. Category A: Violations by the Board;
2. Category B: Violations by Executive Officers or Senior Management Officials;
3. Category C: Violations by the Reporting Institutions at any a level other than the Board or Senior Management; and
4. Category D: Violations by natural persons who are members of the Board or Senior Management and will be charged in individual capacity.

For categories A, B and C, the penalties will be imposed on the institution. Notwithstanding that the Act and the Regulations place all compliance obligations on the reporting institution itself, in deciding which category a violation falls under, the Authority or supervisory authority shall determine the responsible person/authority for compliance with the provision of the Act or Regulation.

General notes

1. Repeat violations will bear penalties at the next level. A violation will be considered a repeat offence when it meets the following conditions, among others—
 - (a) if it remains unresolved until next review, submission or after deadline as directed by the Authority or supervisory authority; or
 - (b) if it is resolved and recurs within a period of 12 months.
2. Multiple offences of the same provision within the Act or Regulation shall only be penalised once.
3. The imposition of penalties shall not preclude the Authority or supervisory authority from taking or imposing any other supervisory action as mandated by the law.
4. Repeat violation after maximum penalty in each category, shall attract other enforcement actions as stipulated in the law.

PENALTIES PER BREACH AND REGULATION

The table below shows penalties per provision and regulation.

<i>Description of violation</i>	<i>Provision in the law</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a reporting institution to comply with the requirements for identification of a Malawian citizen	Regulation 5	C1	100,000.00
Failure by a reporting institution to comply with the requirement of identification of a foreign national	Regulation 6	C2	150,000.00
Failure by a reporting institution to comply with the requirement of identification of a Politically Exposed Person	Regulation 7	B3	200,000.00

<i>Description of violation</i>	<i>Provision in the law</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a reporting institution to comply with the requirement of identification of a local legal entity or a legal arrangement	Regulation 8	C1	100,000.00
Failure by a reporting institution to comply with the requirement of verification of a local legal entity or a legal arrangement other than a trust	Regulation 11	C2	150,000.00
Failure by a reporting institution to comply with the requirement of identification of a foreign company	Regulation 9	C2	150,000.00
Failure by a reporting institution to verify a designated person when a list of designated persons is circulated or when opening an account or conducting a transaction	Regulation 10 (4)	C4	500,000.00
Failure by a reporting institution to comply with the requirement of identification of the identity of a Malawian citizen	Regulation 5	C1	100,000.00
Failure by a reporting institution to comply with the requirement of verification of the identity of a Malawian citizen	Regulation 11	C2	150,000.00
Failure by a reporting institution to comply with the requirement of verification of the identity of a foreign national	Regulation 12	C3	200,000.00
Failure by a reporting institution to comply with the requirement of verification of the identity of a Trust	Regulation 13	C3	200,000.00
Failure by a financial institution to verify the identity of a beneficial owner	Regulation 10(1), (2)	C3	200,000.00
Failure by a reporting institution to comply with the requirement of verification of the identity of a foreign company	Regulation 15	C3	200,000.00
Failure by a reporting institution to comply with the requirement of identification and verification of a person's authority to act on behalf of another	Regulation 16	C2	150,000.00

<i>Description of violation</i>	<i>Provision in the law</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a reporting institution to operate or maintain an account in true name of account holder	Section 20(1), (2)	C4	500,000.00
OTHER DUE DILLIGENCE OBLIGATIONS			
Failure by a reporting institution to maintain records for the minimum period of 7 years	Regulation 19	B3	400,000.00
Failure by a reporting institution to comply with the requirement to maintain records in a manner that enables Authority, law enforcement agency, Supervisory Authorities or Competent Authority to reconstruct the transaction	Section 22(1)(b)	B3	400,000.00
Failure by a reporting institution to provide a record of a transaction or any other information requested by the Authority, law enforcement agency, Supervisory Authorities or Competent Authority within the time specified by the Authority or the Competent Authority	Section 22(5)	B2	250,000.00
Failure by a reporting institution to comply with any of the requirements relating to intermediaries or third parties	Regulation 23	C2	150,000.00
Failure by a reporting institution to comply with new technology requirements	Regulation 25	B2	250,000.00
Failure by a reporting institution to comply with the requirement of appointing a Compliance Officer	Regulation 28, Section 27 (1)(a)	A2 / B1	300,000.00 200,000.00
Failure by a reporting institution to train and make its employees aware of policies, procedures, audit systems relating to money laundering	Section 27 (1)(b)(vii), Section 27(1)(c)	B1	200,000.00
Failure by a reporting institution to screen persons before hiring them	Section 27 (1)(b)(viii)	B1	200,000.00
Failure by a reporting institution to establish an audit function to test Anti Money Laundering procedures and systems	Section 27(1)(d)	A2 / B2	300,000.00 250,000.00
Failure by a reporting institution to establish a customer acceptance policy	Regulation 18	A3 / B2	550,000.00 250,000.00

<i>Description of violation</i>	<i>Provision in the law</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a reporting institution to conduct risk assessment and develop risk based systems and procedures	Section (27)(1)(b)(i), Section 21	B2	250,000.00
Failure by a reporting institution to ascertain the purpose of a transaction and source of funds and their ultimate destination	Regulation 24	B1	200,000.00
Failure by a reporting institution to provide for disciplinary steps against members of staff for noncompliance with the Act, these regulations and own internal rules	Regulation 36	B1	200,000.00
Failure by a reporting institution to ensure that the Compliance Officer has access to all information that may be of assistance in the execution of his duties	Regulation 35	B2	250,000.00
Failure by a reporting institution to establish procedure for conducting enhanced due diligence on specified and high risk customers	Regulation 32	B3	400,000.00
Failure by a reporting institutions to establish programme to identify persons on relevant sanctions list	Section 27(1)(b)(ix)	B3	400,000.00
Failure by a reporting institution to ensure that foreign branches or subsidiaries observe minimum requirements of money laundering measures of Malawi	Regulation 26	B2	250,000.00
Failure by a reporting institution to identify or report a suspicious transaction	Regulation 29, Section 23	B3	400,000.00
Failure by a reporting institution to report large currency transactions, domestic and international electronic funds transfers	Section 33	C1	100,000.00
Failure by a reporting institution to submit a Compliance Report within the required period	Regulation 27, Section 36(4)(c)	C1	100,000.00
Failure by a person to comply with confidentiality requirements of suspicious transaction reports and other information	Section 24	D4	200,000.00

<i>Description of violation</i>	<i>Provision in the law</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a reporting institution to monitor transactions and conduct on going due diligence on business relationships and transactions	Regulation 24; Section 29	C3	200,000.00
Failure by a reporting institution to implement group wide programmes of foreign branches, subsidiaries or head office against money laundering and terrorist financing and handling of proceeds of crime	Section 31	A2 / B2	300,000.00 250,000.00

PART C—MONETARY PENALTIES FOR BANKS AND INSURERS

(Insurers for underwriting all classes of Insurance business)

Categorization of Penalties

Penalties for banks and insurers have been divided into four categories (A, B, C, and D) as follows—

<i>CATEGORY</i>	<i>LEVEL 1 PENALTY (MK'000)</i>	<i>LEVEL 2 PENALTY (MK'000)</i>	<i>LEVEL 3 PENALTY (MK'000)</i>	<i>LEVEL 4 PENALTY (MK'000)</i>	<i>LEVEL 5 PENALTY (MK'000)</i>	<i>LEVEL 6 PENALTY (MK'000)</i>
A	—	30,000	40,000	50,000	60,000	100,000
B	10,000	20,000	30,000	45,000	60,000	100,000
C	10,000	20,000	30,000	45,000	60,000	100,000
D	1,000	2,000	3,000	4,000	5,000	10,000

The following guidelines have been used to determine the seriousness of offences and therefore the category of penalties—

Category A: Violations by the Board;

Category B: Violations by Executive Officers or Senior Management Officials;

Category C: Violations by the financial institution at any a level other than the Board or Senior Management; and

Category D: Violations by natural persons who are members of the Board or Senior Management and will be charged in individual capacity.

For categories A, B and C, the penalties will be imposed on the institution. Notwithstanding that the Act and the Regulations place all compliance obligations on the reporting institution itself, in deciding which category a violation falls under, the Authority or supervisory authority shall determine the responsible person/authority for compliance with the provision of the Act or Regulation.

GENERAL NOTES

1. Repeat violations will bear penalties at the next level. A violation will be considered a repeat offence when it meets the following conditions, among others—
 - (a) if it remains unresolved until next review, submission or after deadline as directed by the Authority or supervisory authority; or
 - (b) if it is resolved and recurs within a period of 12 months.
2. Multiple offences of the same provision within the Act or Regulation shall only be penalised once.
3. The imposition of penalties shall not preclude the Authority or supervisory authority from taking or imposing any other supervisory action as mandated by the law.
4. Repeat violation after maximum penalty in each category, shall attract other enforcement actions as stipulated in the law.

PENALTIES PER PROVISION AND REGULATION

The table below shows penalties per provision and regulation.

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a financial institution to comply with the requirements for identification of a Malawian citizen	Regulation 5	C1	10,000,000.00
Failure by a financial institution to comply with the requirements for identification of a foreign national	Regulation 6	C2	20,000,000.00
Failure by a financial institution to comply with the requirements for identification of a Politically Exposed Person	Regulation 7	C3	30,000,000.00
Failure by a financial institution to comply with the requirements for identification of a local legal entity or a legal arrangement	Regulation 8	C1	10,000,000.00
Failure by a financial institution to comply with the requirements for identification of a local legal entity or a legal arrangement other than a trust	Regulation 11	C2	20,000,000.00
Failure by a financial institution to comply with the requirements for identification of a foreign company	Regulation 9	C2	20,000,000.00
Failure by a financial institution to verify a designated person when a list of designated persons is circulated or when opening an account or conducting a transaction	Regulation 10 (4)	C4	45,000,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a financial institution to comply with the requirements of verification of the identity of a Malawian citizen	Regulation 11	C2	20,000,000.00
Failure by a financial institution to comply with the requirements of verification of the identity of a foreign national	Regulation 12	C3	30,000,000.00
Failure by a financial institution to comply with the requirements of verification of the identity of a Trust	Regulation 13	C3	30,000,000.00
Failure by a financial institution to verify the identity of a beneficial owner	Regulation 10(1),(2)	C3	30,000,000.00
Failure by insurance companies to identify and verify beneficiaries	Section 18(1) (2) (3)	C2	20,000,000.00
Failure by insurance companies to apply enhanced measures to identify and verify identity of the beneficial owner of higher risk legal entities	Section 18(4)	C3	30,000,000.00
Failure by a financial institution to comply with the requirement of verification of the identity of a foreign company	Regulation 15	C3	30,000,000.00
Failure by a financial institution to comply with the requirement of identification and verification of a person's authority to act on behalf of another	Regulation 16	C2	20,000,000.00
Failure by a Financial institution to operate or maintain an account in true name of account holder	Section 20(1), (2)	C4	45,000,000.00

OTHER DUE DILLIGENCE OBLIGATIONS

Failure by a financial institution to maintain records for the minimum period of 7 years	Regulation 19	B3	30,000,000.00
Failure by a financial institution to comply with the requirement to maintain records in a manner that enables Authority, law enforcement agency, Supervisory Authorities or Competent Authority to reconstruct the transaction	Section 22(1)(b)	B3	30,000,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a financial institution to provide a record of a transaction or any other information requested by the Authority, law enforcement agency, Supervisory Authorities or Competent Authority within the time specified by the Authority or the Competent Authority	Section 22(5)	B2	20,000,000.00
Failure by financial institution to comply with the requirements relating to correspondent banking	Regulation 22	B3	30,000,000.00
Failure by a financial institution to comply with any of the requirements relating to intermediaries or third parties	Regulation 23	C2	30,000,000.00
Failure by a financial institution to comply with the requirements of the FCA relating to shell banks	Section 30 (2)	B5	60,000,000.00
Failure by a financial with new technology requirements institution to comply	Regulation 25	B2	20,000,000.00
Failure by a financial institution to comply with the requirement of appointing a Compliance Officer	Section 27(1)(a)	A3	40,000,000.00
Failure by the financial institution to train and make its employees aware of policies, procedures, audit systems relating to money laundering	Section 27 (1)(b)(vii), Section 27 (1)(c)	B2	20,000,000.00
Failure by the financial institution to screen persons before hiring them	Section 27 (1)(b)(viii)	B1	10,000,000.00
Failure by the financial institution to establish an audit function to test Anti Money Laundering procedures and systems	Section 27 (1)(d)	A2	30,000,000.00
Failure by the financial institution to establish a customer acceptance policy.	Regulation 18	A3	40,000,000.00
Failure by the financial institution to conduct risk assessment and develop risk based systems and procedures	Section 27 (1)(b)(i) Section 21 Regulation 3	B3	30,000,000.00
Failure by the financial institution to ascertain the purpose of a transaction and source of funds and their ultimate destination	Regulation 24	B3	30,000,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by the financial institution to provide for disciplinary steps against members of staff for noncompliance with the Act, these regulations and own internal rules	Regulation 36	Bi	10,000,000.00
Failure by the financial institution to ensure that the Compliance Officer has access to all information that may be of assistance in the execution of his duties	Regulation 35	B2	20,000,000.00
Failure by the financial institution to establish procedure for conducting enhanced due diligence on specified and high risk customers	Regulation 32	B3	30,000,000.00
Failure by the financial institutions to establish programme to identify persons on relevant sanctions list	Section 271 (b)(ix)	B4	45,000,000.00
Failure by the financial institution to ensure that foreign branches or subsidiaries observe minimum requirements of money laundering measures of Malawi	Regulation 26	B2	20,000,000.00
Failure by a financial institution to identify or report a suspicious transaction	Regulation 29 Section 23	C3	30,000,000.00
Failure by a financial institution to report large currency transactions, domestic and international electronic funds transfers	Section 33	C1	10,000,000.00
Failure by financial institution to retain particulars of originator and beneficiary of the electronic funds transfer transaction	Regulation 20, Section 28	C2	20,000,000.00
Failure by financial institution to freeze an account of a designated person	Section 28 (5)	B5	60,000,000.00
Failure by financial institution to submit a Compliance Report within the required period	Regulation 27; Section 36 (4)(c)	C1	10,000,000.00
Failure by a person to comply with confidentiality requirements of suspicious transaction reports and other information	Section 24	D5	5,000,000.00

<i>Description of violation</i>	<i>Provision</i>	<i>Category /Level</i>	<i>Penalty (MK)</i>
Failure by a financial institution to comply with confidentiality requirements of suspicious transaction reports and other information	Section 24	C3	30,000,000.00
Failure by a financial institution to monitor transactions and conduct on going due diligence on business relationships and transactions	Regulation 24, Section 29	C3	30,000,000.00
Failure by a financial institution to implement group wide programmes of foreign branches, subsidiaries or head office against money laundering and terrorist financing and handling of proceeds of crime	Section 31	A2	30,000,000.00

Made this 10th day of June, 2020.

(FILE NO. FIA/DG02/07/208)

J. M. MWANAMVEKHA
 Minister of Finance, Economic
 Planning and Development