



Laws and Regulations Announcement

Amendments Proposed to Regulations on Supervision of Corporate Governance of Financial Companies

Agency:	Financial Services Commission
Proposed amendment:	Regulations on Supervision of Corporate Governance of Financial Companies
FSC Notice number:	2017-247
Announcement date:	September 11, 2017
Summary:	<p>The Financial Services Commission proposed amendments to the Regulations on Supervision of Corporate Governance of Financial Companies that seek to further strengthen financial firms' internal controls for anti-money laundering and combating the financing of terrorism (AML/CFT) by making it compulsory to incorporate key AML provisions into their internal controls standards.</p>
Key provisions:	<ul style="list-style-type: none">• Financial firms are to institute an internal controls system that identifies, analyzes, and assesses money-laundering risks inherent in financial transactions by their degree of severity and manages them accordingly.• Financial firms are to set up an internal audit office independent of offices performing AML/CFT works and provide for an internal operational system for monitoring and evaluating the performance and effectiveness of the firm's AML/CFT and implementing improvement measures.• Financial firms are to be required to take prevention measures to ensure officers and employees who perform AML/CFT duties do not engage in any ML activity themselves and provide appropriate training on an on-going basis.
Public comment for the proposed amendments:	The public comment period for the proposed rule changes ends on October 25, 2017.
