MALAYSIA recognises that the fight against terrorist financing and money laundering go beyond the sovereign state and is prepared to work with the international community to curb the abuses of the global financial system and eradicate all forms of money laundering and terrorism financing.

The measures that have been taken at national level to combat the menace include the formation of the National Co-ordination Committee to Counter Money Laundering (NCCCML), Inter-Agency Working Group (IWG), Financial Intelligence Unit (FIU) and the setting up of a legal framework.

Bank Negara has so far issued seven circulars under the Exchange Control Act, 1953 urging financial institutions to comply with three UN Security Council resolutions relating to the freezing of funds belonging to entities owned by wanted terrorist Osama bin Laden and the former Taliban government of Afghanistan.

Various provisions, including the Anti-Money Laundering Act 2001 (AMLA) and the Penal Code have enabled the country to use money-laundering mechanisms to follow the financial trail of terrorists and their sponsors.

Prior to AMLA, there were provisions under various Acts which dealt with public order and safety, including the Articles in the Federal Constitution, Internal Security Act 1960, Police Act 1967 and the Firearms (Increased penalties) Act 1971.

The NCCCML, set up in April 2000 under Bank Negara, comprised other law enforcement bodies.

The IWG, headed by the Foreign Ministry, was formed to review the UN Convention for the Suppression of the Financing of Terrorism before Malaysia accedes to it.

Within the legal framework, the AMLA, which was enforced on Jan 15, covered money-laundering offences, including the investigation, freezing, seizing and forfeiture of the proceeds of serious crimes, suspicious transactions, report and record-keeping requirements.

The establishment of the FIU under Bank Negara was specifically for the enforcement of AMLA and to co-operate with other countries to prevent the abuse of the global financial system.

Established in Aug 8 last year, it would co-ordinate the implementation and enforcement of the AMLA and to co-operate with other countries in the fight against the abuse of the global financial system.

At the international level, the Mutual Assistance in Criminal Matters Act 2002 and Extradition Act 1992 gave powers to the authorities to co-operate and deny asylum or to extradite fugitive criminals.

Malaysia has signed or ratified four UN Conventions and Protocol on offences relating to aircraft seizures, offences onboard aircraft and unlawful acts in airports.

Within Asean, Malaysia, Indonesia, Cambodia and the Philippines signed agreements this year to cooperate against terrorism.

Malaysia has also agreed to cooperate with the US and Australia to jointly combat the menace.