

New AML Rules

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On 28 July 2023, the Governor of the State Bank of Vietnam issued Circular 09/2023/TT-NHNN (“**Circular 09**”), which provides comprehensive guidance for implementing the Law on Anti-Money Laundering (AML).

Circular 09 introduces critical provisions that require your immediate attention:

Assessment of Money Laundering Risks of Reporting Subjects

Circular 09 prescribes specific criteria and a score-based method to evaluate the probability of money laundering and the viability of internal AML policies and regulations within your organization. Compliance with these criteria is crucial to ensure proper risk assessment and management.

Risk Management Procedures and Client Classification

Circular 09 mandates developing and disseminating internal risk management procedures based on your money laundering risk assessment. These procedures must be tailored to your business operations' size, scope, and characteristics and effectively address money laundering risks. Additionally, businesses should have measures for classifying customers by risk levels.

Internal Regulations on Anti-Money Laundering

The Circular outlines the mandatory internal regulations on AML that your organization must adopt. These regulations encompass a wide range of aspects, including client identification procedures, money-laundering risk management, information storage, and security, adoption of temporary measures, reporting obligations to the State Bank of Vietnam, recruitment regulations emphasizing personnel selection and basic AML training upon recruitment, AML training, advanced training, and internal audits related to AML.

Electronic Funds Transfer

For financial organizations involved in electronic funds transfer, such as transmitting organizations, intermediary organizations, and destination organizations, Circular 09 sets forth specific obligations for each entity. Domestic financial organizations can send electronic funds only if the transaction orders contain adequate information in line with cashless payment and foreign exchange management regulations. Furthermore, these organizations must establish measures to identify electronic funds transfers lacking sufficient data and implement appropriate measures, including transaction rejection, suspension, or reporting of suspicious transactions in such cases.

Reporting of Electronic Funds Transfer

A noteworthy requirement under Circular 09 is the obligation for Reporting Subjects to report electronic funds transfers to the competent authorities. Reporting is mandatory in scenarios where (a) all participating financial organizations are located in Vietnam, and the minimum transfer value is VND500,000,000 or its equivalent in foreign currency; or (b) at least one participating financial organization is situated outside Vietnam, and the minimum transfer value is USD1,000 or its equivalent in foreign currency.

In conclusion, Circular 09 introduces significant changes to Vietnam's anti-money laundering framework and places specific responsibilities on reporting subjects, including your organization. We urge businesses to take immediate action to ensure compliance with the new anti-money laundering regulations to avoid potential legal and reputational risks.

For further clarification or assistance in implementing the requirements of Circular 09, please do not hesitate to contact Diep Hoang at diep.hoang@dilinh.com.