



Kingdom of Cambodia

Nation Religion King

**COMMERCIAL GAMBLING MANAGEMENT
COMMISSION OF CAMBODIA
GENERAL SECRETARIAT**

Presentation

On

Law on Anti-Money Laundering and Combating the Financing of Terrorism

Prepared by: AML/CFT Working Group of General Secretariat of CGMC

2024

Promulgation



Article 47.- Promulgation

The present Law is promulgated as urgent.

Royal Palace, Phnom Penh, 27 June 2020

(Royal Signature)

PRL.2006.698

Having respectfully submitted to His Majesty the King for Royal Signature
Prime Minister

NORODOM SIHAMONI

(Signature)

**Samdech Akka Moha Sena Padei Techo HUN
SEN**

Having respectfully submitted to
Samdech Akka Moha Sena Padei Techo Prime
Minister

Deputy Prime Minister and Minister of Interior

(Signature)

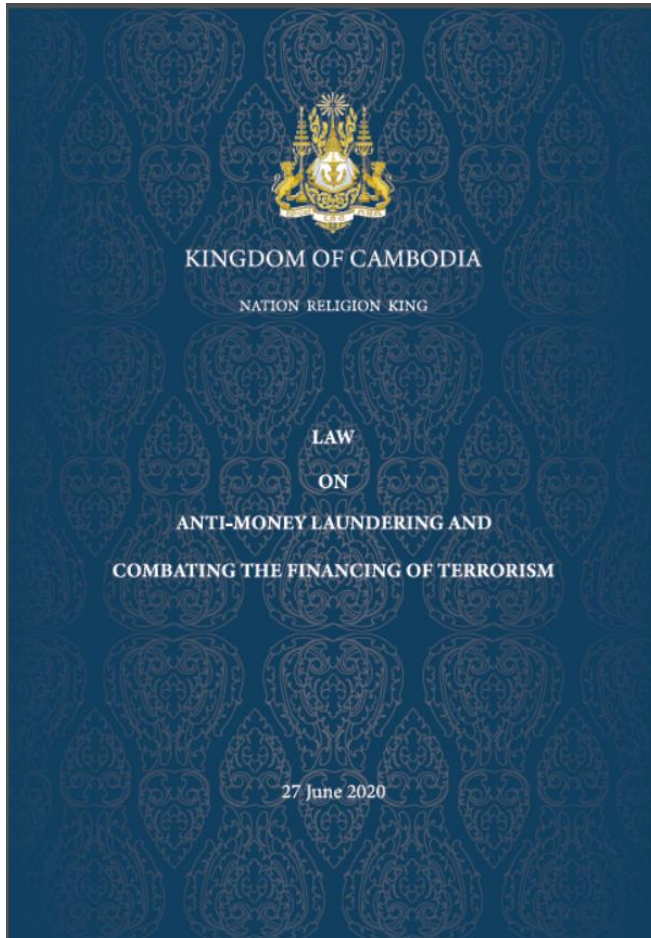
Samdech Krolahom SAR KHENG

Certified copy for dissemination
Standing Deputy Prime Minister, Minister in
charge of the Office of the Council of Ministers

(Signature and Seal)

H.E. Kittinitekorsalbandit BIN CHHIN

Law on Anti-Money Laundering
and Combating the Financing of
Terrorism is promulgated
by Royal Kram No.
NS/RKM/0620/021
dated 27 June 2020



Content



Chapter I : General Provisions

Chapter II : Reporting Entities

Chapter III : Measure To Be Taken By Reporting Entities

Chapter IV : Anti-Money Laundering and Combating The Financing of Terrorism Authority

Chapter V : Ancillary Provisions

Chapter VI : Freezing, Seizure, and Confiscation

Chapter VII : Sanction

Chapter VIII : Transitional Provision

Chapter I : General Provisions



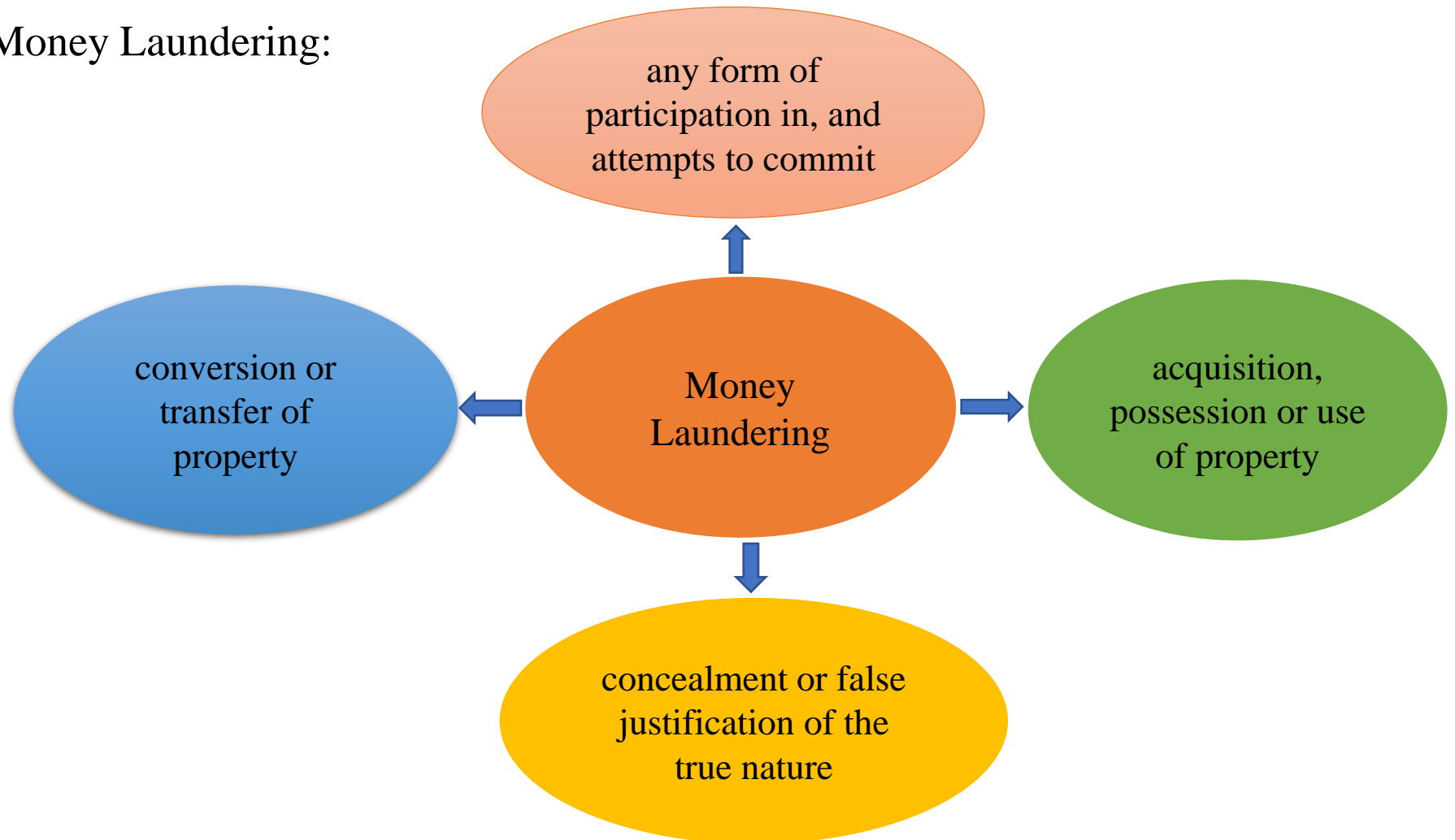
Article 1. The present Law aims to ensure the combat of money laundering and financing of terrorism by determining measures to supervise, deter, prevent, suppress and eliminate money laundering and financing of terrorism.

Article 2. The present Law covers all activities related to money laundering and financing of terrorism in the Kingdom of Cambodia.

Chapter I : General Provisions



Article 3. Definitions of Money Laundering:



Chapter I : General Provisions



Article 3. Definitions

- Financing of terrorism
- Proceeds of offence/Predicate offence
- Property
- Supervision authority
- Politically Exposed Persons (PEPs)

- Cambodia Financial Intelligence Unit (CAFIU)
- Suspicious transaction
- Cash transaction
- Targeted financial sanction
- Instrumentality



Chapter II : Reporting Entities

Article 4. The Types Of Reporting Entities Subject To The Present Law

1. Banks, including branches of foreign banks;
2. Non-bank financial institutions, including;
securities brokerage firms and insurance companies;
3. Micro finance institutions;
4. Credit cooperatives;
5. Leasing companies, investment and pension funds,
investment companies and companies for managing
investment funds;
6. Exchange offices;
7. Remittance services;
8. Trust;
9. Agents, companies and developers of immovable property, building and land;
10. Dealers in precious metals, stones and gems;
11. Post office operating payment transactions;
12. Lawyers, notaries, accountants, auditors, investment advisors and asset
managers when they prepare for or carry out transactions for their clients
concerning the activities listed in Article 5 of the present Law;
- 13. Casinos and other gambling institutions;**
14. Non-governmental organizations and foundations engaging in business
activities and fund raising;
15. Any other persons or professions that are designated by the Cambodia
Financial Intelligence Unit to be governed under the scope of the present
Law.

Article 5. Business Activities of Reporting Entity

Chapter III : Measure To Be Taken By Reporting Entities



Article 6. Professional Secrecy

Reporting entity shall not use banking and professional secrecy to obstruct the implementation of the present Law and use it as a pretext to deny information to the Cambodia Financial Intelligence Unit and supervision authority, whether for domestic or for international cooperation purposes, or as required in connection with an investigation which relates to money laundering or financing of terrorism ordered by or carried out under the supervision of a judicial authority.

Article 7. Prohibition of Anonymous Accounts or Similar Products

Reporting entities shall not:

1. Open or keep anonymous or numbered accounts, or accounts in obviously fictitious names;
2. Issue, keep or accept any other financial products unless the customer due diligence measures were taken in accordance with Article 8 of the present Law.

Chapter III : Measure To Be Taken By Reporting Entities



Article 8. Customer Due Diligence Measures

1. Adopt risk-based approach
2. Follow the threshold and risk level in accordance with the director of **CAFIU**
3. Apply simplified customer due diligence measures (low risk)
4. Identification of their customers and the verification of their customers' identity
5. Take action on customer due diligence measures
6. Establish internal control system to manage and reduce risk
7. Implement measures against foreign jurisdictions that has high risk in accordance with the requirement of the Financial Action Task Force or the Asia Pacific Group on Money Laundering
8. Implement the targeted financial sanction or apply enhanced customer due diligence measures (high risk)

Chapter III : Measure To Be Taken By Reporting Entities



Article 9. Identification of Customers Carrying Out Transactions below the Threshold

Applicable in case where separate transactions are made multiple times, with each transaction amounting to less than the amount specified by the **CAFIU**.

Article 10. Special Monitoring on Certain Transactions

Shall pay special attention to:

- Any complex, unusual or large amount transactions or no economic purpose;
- The customer did not meet directly with;
- Transactions with Politically Exposed Persons (PEPs);
- Business relations and transactions conducted by means of cross-border correspondent banking.

Chapter III : Measure To Be Taken By Reporting Entities



Article 11. Record-keeping by Reporting Entities

Shall maintain any records of customer identification and records of transactions conducted by customers at least for 5 years after the account has been closed or the business relations with the customers have ended.

Article 12. Reporting Cash or Suspicious Transactions to CAFIU

Shall report as following:

- Cash transaction in equal to or greater than the amount of the threshold
- When reporting entity suspect
- Report immediately to **CAFIU** within 24 hours
- By any expeditious means of communication

Chapter III : Measure To Be Taken By Reporting Entities



Article 13. Contents of Suspicious Transaction Reports

The suspicious transaction reports submitted to **CAFIU** shall at a minimum contain:

1. The identity and identifying particulars of the reporting entity;
2. The identity and identifying particulars of the customer and of the beneficiary;
3. The type and details of transaction;
4. A short description of the circumstances and reasons that justify the suspicion.

Article 14. Exemption from Liability for Reporting Cash or Suspicious Transactions in Good Faith

When individual, director, employees or reporting entity transmit any information or submit reports to **CAFIU** in good faith.

Chapter III : Measure To Be Taken By Reporting Entities



Article 15. Prohibition of Tipping Off

Person required to disclose the information or any other individuals having knowledge thereof, communicate such information or reports to any natural or legal persons, except where so authorized by the **CAFIU**.

Article 16. Internal Controls and Compliance of Reporting Entities

Shall develop programs for the prevention of **AML/CFT** include as following:

- Establishment of internal policies, procedures and controls;
- Ongoing training for employees;
- Internal audit function.
- Designation of compliance officer at senior management level;

Article 17. Compliance Officer

Shall be a senior officer with relevant qualifications and experience.

Article 18. Fit and Proper Requirements

The supervisory authorities shall ensure that the management and shareholders of reporting entities are fit and proper so as to prevent criminals and their associates from holding, or being the beneficial owners of, a significant or controlling interest or management function such entities.

Chapter IV : Anti-Money Laundering and Combating The Financing of Terrorism Authority



- ❑ The Board is responsible for providing guidance and recommendations on anti-money laundering and combating the financing of terrorism work.
- ❑ Cambodia Financial Intelligence Unit:
 - Independent decision-making
 - Issue directive to reporting entities
 - Off-site monitoring and on-site inspection to ensure compliance of reporting entities under the present Law
 - Propose to supervisory authorities implement supervisory measures including imposition of sanctions or revocation of license
 - Impose administrative sanctions
 - Sign agreements with foreign FIUs, etc.

Chapter V : Ancillary Provisions



- **National Coordination Committee:** shall be established for setting out policy, leading and coordinating the implementation of the present Law.
- **Internal Coordination at Technical Level:** The Cambodia Financial Intelligence Unit, law enforcement agencies, supervisory authorities, as well as other competent government agencies entrusted with the prevention or control of money laundering and financing of terrorism shall establish their own operational mechanisms.

Chapter VI : Freezing, Seizure, and Confiscation



❑ Freezing:

- Freeze by designated member of the National Coordination Committee or
- Freeze by LEA after aware of any property related or suspected to be involved with the offences or the proceeds of offence and sue to the court to freeze such property.

❑ Confiscation:

- In the event of a conviction for money laundering (ML), the court shall issue an order for confiscation
- If, in case where an offence involving ML or a predicate offence, or financing of terrorism, is established by the court and the perpetrator thereof cannot be convicted because he is unknown, he absconded or died
- Additional penalties stipulated in criminal code.

❑ **Mingled Property:** In this case, confiscation cannot exceed the value of the property related to the offence.

❑ **Onus on Person Opposing Order:** In this case, a person opposing must show the court that he has the rights to the confiscated property and that property is not related to the crime.

❑ **Freezing of Funds Associated with Financing of Terrorism:** In the case of the discovery of the funds of terrorists or terrorist organization as in UNSCR 1267 and UNSCR 1373 and successor Resolutions shall be frozen without delay.

Chapter VII : Sanction



1. Disciplinary and Criminal Sanctions

2. Disciplinary Sanctions include:

- (a). The warning;
- (b). The reprimand;
- (c). The prohibition or limitation to conduct any transactions for a period of time as indicated by the supervisory authorities;
- (d). The revocation of the business license;
- (e). The proposal to a demotion of relevant officials or directors of the reporting entities;
- (f). The fine.

3. Criminal sanctions include monetary fines and imprisonment.

Chapter VII : Sanction



	Fine	Imprisonment	Criminal
Article 38. Money Laundering	100-500 million riels or up to the value of fund or property which was the subject of money laundering	2 – 7 years	
	200-1,000 million riels include any one or more additional sanctions		Criminal Responsibility
Article 39: Denial of Providing Information	10-100 million riels and/or	6 days - 1 month	
	50-200 million riels include any one or more additional sanctions		Criminal Responsibility
Article 40: Negligence of reporting CTR and STR	50-200 million and/or	1 month - 1 year	
	200-500 million riels include any one or more additional sanctions		Criminal Responsibility
Article 41: Violation of Disclosure of Information and Tipping Off	50-200 million riels and/or	1 month - 1 year	
	200-500 million riels include any one or more additional sanctions		Criminal Responsibility
Article 42: Violation of the Obligations to Keep Professional Secrecy	50-200 million riels and/or	1 month - 1 year	
	200-500 million riels include any one or more additional sanctions		Criminal Responsibility
Article 44: Financing of Terrorism Offence		10 – 20 years	
	1,000-2,000 1 billion		Criminal Responsibility

CHAPTER VIII : TRANSITIONAL PROVISION



Continued Effects

- Law on Anti-Money Laundering and Combating the Financing of Terrorism in 2007 and Law on Amendment in 2013 shall be invalid and replaced by the present Law.
- Regulations issued to implement the Law on Anti-Money Laundering and Combating the Financing of Terrorism in 2007 and Law on Amendment in 2013 shall remain in effect until their replacement by the new regulations issued in accordance with the provisions of the present Law.



Thank You !

