Anti–Money Laundering Awareness among Accounting Undergraduate Students: A Concept Paper

Rozaiha Ab Majid[1,3], *Siti Aisyah Basri[1,3], Ahmad Daud Marsam[1,3], Mohd Ab Malek Md Shah[2,3]

[1]Faculty of Accountancy, Universiti Teknologi MARA Melaka, Malaysia

[2]Department of Law, Universiti Teknologi MARA Melaka, Malaysia

[3]Money Laundering Research Group, Universiti Teknologi MARA Melaka, Malaysia

***Corresponding Author**

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ABSTRACT

This is a concept paper that aims to explore money laundering awareness among accounting undergraduates. Given the critical role that financial professionals play in detecting and preventing financial crimes, understanding how higher education shapes students' knowledge of money laundering is essential. The study aims to assess the level of awareness of money laundering among accounting undergraduate students, focusing on how formal coursework, specialised programmes, and general financial education contribute to their understanding. Through a combination of surveys and questionnaires administered to accounting undergraduates, this research evaluates students' perceptions, knowledge gaps, and the effectiveness of higher education in addressing the issue of money laundering. Findings from this study are expected to clarify the current state of money laundering awareness in higher education, identify potential areas for curriculum improvement, and contribute to enhancing the preparedness of future financial professionals in combating financial crimes. This research also seeks to highlight areas where students may lack adequate knowledge, informing recommendations for policy changes in educational programmes to better equip students with the skills necessary to identify and prevent money laundering in professional settings.

Keyword: Money laundering, Higher education, Awareness, Financial crimes

INTRODUCTION

Money laundering has significant global impact, as viewed by 1Malaysia Development Berhad (1MDB) in Malaysia. Embezzlement and bribery in the 1MDB scandal led to another corrupt practice, namely, money laundering (Jones, 2020). Rahat et al. (2026) concluded that foreign capital, lower tax revenues, a higher level of corruption, and a reduction in public faith in the financial system are just a few of the negative consequences money laundering has had on Pakistan's economy.

According to the findings of Eaw et al. (2025), students at higher education institutions will be far less likely to become victims of financial scams if they receive more anti-fraud education, which is linked to greater financial fraud knowledge. To increase public knowledge of money laundering and terrorism financing, money laundering education programmes should be identified (Ilyas, 2024).

This study will assess the level of awareness of money laundering among accounting undergraduates and the gaps in students' knowledge and perceptions about money laundering. The findings of this study will help the faculty, university and minister of higher education to set education policy and curriculum development that contribute to enhancing the preparedness of future financial professionals in combating and preventing financial crimes.

This study aims to assess the level of awareness of money laundering among accounting undergraduates, to determine the impact of higher education (i.e., formal coursework, specialised programmes, or general financial education) on students' understanding of money laundering, and to explore any gaps in students' knowledge and perceptions about money laundering.

The results of this study are anticipated to shed light on the existing level of money laundering knowledge in higher education, point out possible areas for curriculum development, and help future financial professionals become more equipped to fight financial crimes. In order to provide recommendations for policy changes in educational programmes that would better equip students with the skills required to detect and prevent money laundering in professional contexts, this research also aims to identify areas where students may lack sufficient knowledge.

LITERATURE REVIEW

Definition and concept

Laundering money means changing cash, funds, or property that came from illegal actions to make it look like it came from a legal source. It is a procedure to purify "dirty" money to conceal its illicit source (Bank Negara Malaysia, n.d.). Drug trafficking, corruption, and tax evasion are among the sources of "dirty money".

Bank Negara Malaysia (n.d.) states that commonly, there are three stages of the money laundering process: placement, layering and integration. The first stage is placement, which involves moving the funds away from their source. An instance of placement is the purchase of foreign money using illegal funds via money changers. The second stage is layering. This stage involves disguising the trail or "layering" the illegal nature. One example of layering is multiple fund transfers to different bank accounts, both onshore and offshore. The third stage is integration, which involves making the fund available for enjoyment and appearing "legal". One of the examples of integration is the use of cash injections to do lawful business.

Consequences of money laundering

Money laundering has significant global impact, as viewed by 1Malaysia Development Berhad (1MDB) in Malaysia. The main malpractice in the 1MDB scandal was embezzlement on an epic scale and bribery. Embezzlement and bribery in the 1MDB scandal led to another corrupt practice, namely, money laundering. It included accepting or holding onto funds from these sources, hiding them, or failing to investigate their source and intent (Jones, 2020). The erosion of public trust in both politicians and institutions of government was 1MDB scandal's second significant effect. Support for Najib's government was probably weakened by the growing evidence of the 1MDB crisis. Its failure in the 2018 general election was undoubtedly influenced by the 1MDB crisis, which was a major campaign issue.

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Awareness of financial crimes including money laundering

A study by Kythreotis et al. (2026) shows that Cypriots have a relatively low awareness of money mules, indicating a basic understanding but also substantial room for improvement. Digital financial literacy, financial fraud awareness, and cybersecurity and financial crime awareness are important determinants of awareness. Policymakers, law enforcement, financial institutions, educators, and public awareness campaigns can all benefit from these findings since they help create focused interventions and bolster efforts to combat financial crimes.

According to the findings of Eaw et al. (2025), students at higher education institutions will be far less likely to become victims of financial scams if they receive more anti-fraud education, which is linked to greater financial fraud knowledge.

Development and implementation of courses on financial crime including money laundering

Achek et al. (2026) suggested professional auditing organisations may implement compliance programmes that focus on three crucial aspects dealing with the knowledge of the company, the systems established in it to detect suspicious transactions and its management's integrity and ethics. This may suggest that the concept of money laundering could be introduced in the audit course code. Accounting academic programmes at the diploma and bachelor's degree level contain 'audit' as one of the course codes listed in the study plan. A study in Oman by Rehman et al. found out that there are no stand-alone courses for forensic accounting; instead, it is covered indirectly in already-existing modules like corporate finance and auditing. Significant curricular shortcomings were noted by academicians, including a lack of emphasis on forensic-specific skills like fraud detection and investigative methods.

De Souza Gonçalves et al. (2025) have conducted a teaching case that enables students to gain a deeper understanding of how to recognise money laundering, misappropriation, and tax evasion offences. Additionally, the teaching case promotes discussion of the accountant's ethical problem and obligation in the classroom.

Complex and unusual business transactions require extra care, particularly if there appears to be an illegal motive. To increase public knowledge of money laundering and terrorism financing, money laundering education programmes should be identified (Ilyas, 2024).

Having adequate budgeting skills can significantly affect awareness of investment scams among students. This suggests that to keep students from falling for investment scams, early financial management education should emphasise a disciplined budgeting habit (Mohd Padil, 2022).

Ciantar (2024) investigated the perceptions of anti-money laundering (AML) and combating the financing of terrorism (CFT) (AML/CFT) in Malta and explored pedagogical approaches for educating young people on this topic. The study recommends that AML/CFT education can be integrated into various areas of the business education curriculum and taught as an interdisciplinary approach with other subjects.

METHODOLOGY

This research will assess the level of awareness of money laundering among accounting undergraduates to examine influences of higher education exposure on students' comprehension of money laundering mechanisms and the gaps in students' knowledge and perception regarding anti-money laundering regulatory frameworks.

This study uses a quantitative, survey-based approach with a descriptive research design. The study develops a structured questionnaire to measure students' awareness, knowledge, and perceptions of money laundering, focusing on their general awareness, the influence of formal coursework, and gaps in their understanding.

The targeted respondents are the accounting students at diploma and bachelor's degree levels at Universiti Teknologi MARA (UiTM).

The questionnaire includes both closed-ended and Likert-scale questions. The questionnaire will be distributed online to the targeted respondents. This study employs stratified random sampling to ensure adequate representation of accounting undergraduates from UiTM. The population is divided into strata based on year of study, gender and internship experience.

Data analysis involved descriptive statistics (frequencies, percentages, means). Besides that, inferential statistics will also be conducted, including independent samples T-tests and one-way ANOVA, to analyse significant differences in money laundering awareness according to year of study.

CONCLUSION

This study will assess the level of awareness of money laundering among accounting undergraduate students and the gaps in students' knowledge and perceptions about money laundering.

The findings of this study will help the faculty, university and Minister of Higher Education to set education policy and curriculum development that contribute to enhancing the preparedness of future financial professionals in combating and preventing financial crimes.

CORRESPONDING AUTHOR

Siti Aisyah Basri

Faculty of Accountancy, University Teknologi MARA Melaka Branch, Alor Gajah Campus, KM26, Jalan Lendu, 78000, Alor Gajah, Melaka, Malaysia

Email: aisyah936@uitm.edu.my, +6065582000.

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