



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Agent Banking

BNM/RH/STD 028-10	Development Finance and Enterprise Department	Agent Banking
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PART A OVERVIEW

1. Introduction

- 1.1** The Financial Sector Blueprint 2011-2020 emphasised the vision of an inclusive financial system that best serves all members of society, including the underserved, to have access and usage of quality and affordable essential financial services.
- 1.2** Agent banking is an additional delivery channel that can enhance the convenience and outreach of quality and affordable financial services particularly to the underserved in a more cost-efficient manner. Agent banking (as defined in paragraph 6.2) provides a cheaper alternative for financial institutions to reach out to the underserved populations. However, delivery via this channel, if not appropriately managed, can also potentially increase the risk profile of financial institution as a result of dependence on third parties, and may be disadvantaged to customers. Financial institutions, therefore, are required to effectively manage the risks associated with agent banking through the adoption of sound and prudent risk management practices.

Policy objective

- 1.3** This policy aims to facilitate the implementation of agent banking in underserved areas, in a reliable, safe and sustainable manner whilst safeguarding the interest of customers.

Scope of policy document

- 1.4** This policy document outlines the minimum expectations on financial institutions in implementing agent banking services. Financial institutions shall retain the ultimate responsibility and accountability for all agent banking activities.

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2. Applicability

2.1 This policy document is applicable to all financial institutions as defined in paragraph 6.2.

3. Legal provisions

3.1 The requirements in this policy document are specified pursuant to:

- (i) Sections 25, 47, 123, 134 and 143 of the Financial Services Act 2013 (FSA);
- (ii) Sections 22, 57, 135, 146 and 155 of the Islamic Financial Services Act 2013 (IFSA); and
- (iii) Section 41, 116, 120(1)(h) and 126 of the Development Financial Institutions Act 2002 (DFIA).

4. Effective date

4.1 This policy document will be effective for a period of five years from 30 April 2015.

5. Related Policy Documents

5.1 This policy document must be read together with other relevant policy documents, guidelines or circulars that have been issued by Bank Negara Malaysia (the Bank).

6. Interpretation

6.1 The terms and expressions used in this policy document shall have the same meanings assigned to it in the FSA, IFSA and DFIA, unless otherwise defined in this policy document.

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6.2 For the purpose of this policy document-

“**S**” denotes a standard, requirement or specification that must be complied with. Failure to comply may result in one or more enforcement actions;

“**G**” denotes guidance which may consist of such information, advice or recommendation intended to promote common understanding and sound industry practices which are encouraged to be adopted;

“**Agent banking**” refers to the provision of financial services through agents or third party intermediaries on behalf of the financial institutions;

“**Financial institutions**” refer to the following:

- (i) licensed banks under the FSA;
- (ii) licensed Islamic banks under the IFSA; and
- (iii) prescribed institutions under the DFIA;

“**Independent sole proprietor agent**” refer to agent appointed by financial institutions for the agent banking business which is small and independent business registered as a sole proprietor with the Companies Commission of Malaysia. It is not franchised nor part of a chained network;

“**Sub-agent**” refers to an entity which is appointed and managed by an agent and which does not have a direct contractual relationship with the financial institution; and

“**Underserved areas**” refer to mukims or Dewan Undangan Negeri (DUNs) as listed in Appendix 1.

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7. Policy document superseded

- 7.1** This policy document supersedes the Guidelines on Agent Banking issued on 15 August 2012.

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PART B POLICY REQUIREMENTS

8. Agent Banking Services

- S 8.1** Agent banking shall be conducted in unserved and underserved areas in Malaysia only. Underserved areas are identified based on mukims with population of more than 2,000 or in the case of Sabah, Dewan Undangan Negeri (DUNs), which have no more than five access points. An access point is a place of banking business that provides minimum services of accepting deposit and facilitating withdrawal of funds by customers. Access points include bank branches, mobile units of the financial institution, electronic terminals and bank agents.
- S 8.2** Financial institutions shall not appoint or relocate agents to places outside of the underserved areas as listed in Appendix I.
- G 8.3** Financial institutions may appoint more than one agent in any of the underserved areas.
- G 8.4** Banking services that agents may provide on behalf of financial institutions under this policy document are as follows:
- (i) Accepting deposits;
 - (ii) Facilitating withdrawal of funds by customers;
 - (iii) Facilitating fund transfers;
 - (iv) Facilitating opening of savings accounts for Malaysian citizens;
 - (v) Receiving loan/financing repayments; and
 - (vi) Facilitating bill payments.
- S 8.5** Financial institutions shall ensure that their agents at a minimum, provide the services of accepting deposits and facilitating withdrawal of funds by customers.

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- S 8.6** Financial institutions shall ensure that their agents do not undertake the following services on behalf of financial institutions:
- (i) Issuance of Automated Teller Machine(ATM)/debit cards;
 - (ii) Conducting money services business; and
 - (iii) Conducting loan/financing appraisal.
- S 8.7** Financial institutions shall ensure that all transactions by their agents are conducted via an on-line real-time basis and within the business premise of the agent. Financial institutions shall also ensure robustness, reliability and security of systems to support agent banking activities subject to operational requirements as stipulated in paragraph 12.
- S 8.8** Financial institutions are required to establish an appropriate daily cash withdrawal limit for customers to enable more customers to benefit from agent banking and reduce risk exposures. The limits must be established based on assessment of the liquidity position of the agent and shall not exceed the following thresholds:
- (i) Aggregate of RM1,000 per customer account per day at independent sole proprietor agents¹; and
 - (ii) Aggregate of RM5,000 per customer account per day at agents other than sole proprietor agents².
- S 8.9** Financial institutions that engage agents to facilitate the opening of savings accounts must ensure that the requirements stipulated in paragraph 12.2 are complied with. The decision to approve the customers' application for the opening of savings accounts and issuance of ATM/debit cards must be carried out by financial institutions.
- S 8.10.1** The key features of the savings accounts opened through agents must include the following:

¹ Examples are stand-alone convenience and grocery stores, bookstores, telecommunication agents, restaurants and stationery shops

² Examples are Pos Malaysia outlets, petrol stations and co-operatives

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- (i) Minimum initial deposit for opening of savings accounts shall not exceed RM20;
- (ii) Savings accounts opened through agents other than Pos Malaysia shall:
 - Have limited services until the 'Know Your Customer' verification is completed, as outlined in paragraph 12.2 (iv); and
 - Be valid for no longer than two months, during which the financial institution must conduct 'Know Your Customer' verification on the customer. If 'Know Your Customer' is not completed within two months, access to the savings accounts by the respective account holders shall be blocked automatically by the financial institution.

G 8.10.2 Financial institutions may rely on Pos Malaysia to conduct full 'Know Your Customer' verification. The savings accounts opened at Pos Malaysia may have similar opening of account services as provided by a branch of a financial institution, but subjected to withdrawal limits as stipulated in paragraph 8.8.

G **8.10** Financial institutions are encouraged to use infrastructure that allows open access which can cater or be opened to systems operated by other financial institutions, as one agent may represent multiple financial institutions.

S **8.11** The financial institutions must collectively address any risks that may arise when sharing an agent, and establish an agreement specifying clearly the roles, responsibilities and accountabilities of each financial institution.

S **8.12** Financial institutions shall ensure that any fees and charges imposed on their customers must comply with the relevant policy documents, guidelines or circulars and consistent with current electronic terminal charges (ATM/Cash Deposit Machine/Interbank GIRO) of the respective financial institutions.

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- G 8.13** Financial institutions are encouraged to promote cashless transactions where the fees for these transactions are deducted directly from the customer's account.

9. Agent Banking Oversight & Governance

- S 9.1** Financial institutions will be held responsible and accountable for the effective and continuous management of risks arising from the agent banking arrangements including financial, legal, reputational, operational, technological, compliance and money laundering/terrorism financing (ML/TF) risk, to ensure agent banking is conducted in a reliable, safe and efficient manner. A sound control environment for agent banking must be developed with the appropriate governance processes firmly established, namely the operational management or business line, the risk management and control functions, and internal audit, each with clearly specified roles for this purpose that complements and mutually reinforce each other.
- S 9.2** The Board of Directors (BOD) is responsible to approve a financial institution's agent banking strategy, internal controls and risk management policies including:
- (i) Policies related to agent selection, management, monitoring, operations, compliance, conduct and service quality;
 - (ii) Customer protection measures, including awareness and education strategies;
 - (iii) Infrastructure to support agent banking including system and technology requirements;
 - (iv) Controls and monitoring to ensure compliance with relevant legislation and regulatory requirements; and
 - (v) Business Continuity Plan (BCP) and contingency arrangements to ensure continuity of agent banking services in the event of disruption.

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- S 9.3** The senior management must establish clear guidance regarding agent banking and risk strategy, including risk limits for agent banking and implement appropriate systems for agent banking to manage financial and non-financial risks to which customers and the financial institution are exposed. Senior management must also establish adequate management oversight mechanism to continuously assess, monitor and manage risks and issues associated with agent banking arrangements.
- S 9.4** The internal audit function must conduct independent reviews on agent banking arrangements to ensure compliance with the agent banking risk policies and procedures, and to ensure the integrity of management information reports and system on agent banking activities. These independent reviews shall evaluate the adequacy of the financial institution's internal control environment and risk management practices adopted in ensuring effective control over agent banking activities, and provide recommendations to improve the effectiveness of the risk management framework.
- G 9.5** In the event the agent banking implementation is found to deviate from the objective of financial inclusion (e.g. agents appointed in served areas) or there are genuine complaints made against financial institutions or its agent and such complaints are left unrectified, appropriate actions will be taken, including prohibiting financial institutions from conducting agent banking business.

10. Agent Management

10.1 Agent Selection

- S 10.1.1** Financial institutions must establish an internal selection criteria to ensure that the agents appointed are responsible and capable of discharging their duties responsibly.

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- S** 10.1.2 The minimum selection process and criteria that must be considered are:
- (i) Selecting agents that have a business licence, permanent business premise and established core business. Financial institutions are prohibited from appointing businesses whose sole business activity is agent banking; and
 - (ii) Conducting assessment and due diligence (Know-Your-Agent) on the business owner and business operations, which include:
 - Probity, personal qualities and reputation of the business owner;
 - Financial position and credit profile of the business and the owner;
 - Knowledge, capability and competency to conduct agent banking services at an acceptable quality; and
 - Ability of the agent to control operational risks related to agent banking, particularly for agents representing multiple financial institutions.

10.2 Agent Conduct

- S** 10.2.1 Financial institutions must conduct training to enhance the competency of agents before any agent banking activity is conducted, which encompasses at the minimum:
- (i) Products and services offered by the financial institutions;
 - (ii) Protection of customer information;
 - (iii) Fraud detection mechanisms including identification of counterfeit money;
 - (iv) Anti-money laundering and combating of financing terrorism (AML/CFT) procedures;
 - (v) Equipment operation and troubleshooting; and
 - (vi) Complaints handling.

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- S** 10.2.2 For financial institutions that authorise agents to facilitate opening of savings accounts, the financial institutions must provide adequate training for that particular scope of service including but not limited to issues relating to AML/CFT, mule accounts, data privacy and secrecy rules in addition to paragraph 10.2.1.
- S** 10.2.3 Financial institutions must establish a contractual agreement for effective oversight over the affairs and conduct of appointed agents.
- S** 10.2.4 The contract must clearly specify the rights, responsibilities and expectations of all parties and signed by the relevant parties prior to the formalisation of the agency agreement. At minimum, the contract shall incorporate provisions that address:
- (i) The appointment of a business entity as the financial institution’s agent to provide a clearly defined scope of banking services;
 - (ii) Responsibilities of agents which include:
 - (a) An appropriate clause requiring professional and ethical behaviour to customers, among others:
 - Exercising customer due diligence when conducting transactions for customers, which include conducting three levels of verification³ for withdrawals via Point-Of-Sales (POS) terminal;
 - Exercising high professional ethics including not conducting any prohibited activities as specified under paragraph 10.2.4 (iii); and
 - Exercising customer protection measures by providing proof of transactions to customers, facilitating channeling of complaints by public to financial institutions and disclosing mandatory information as specified under paragraph 11.1(vii);

³ This may include verification via MyKad, Personal Identification Number (PIN) of ATM/debit card and biometric

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- (b) Compliance with all applicable legislations, regulatory requirements and internal policies of the financial institution that shall include compliance with the secrecy provision pursuant to section 133 of the FSA, section 145 of the IFSA and section 119 of the DFIA and obligations under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001;
 - (c) Exercising due care of the agent banking systems and devices including physical security and security access to the systems and devices;
 - (d) Maintenance of appropriate records and documentations and proof of transactions to facilitate supervision and verification by the financial institutions;
 - (e) Reporting requirements necessary to enable financial institutions to effectively monitor the performance of the agent in a timely manner and reporting of events that may materially affect the efficiency of service delivery; and
 - (f) Allow access upon receiving notification from the financial institution for the Bank to carry out examination or on-site inspection, investigation on the agent's premises and to co-operate when the Bank requires information from the agent;
- (iii) Description of prohibited activities of agents on behalf of financial institutions, which include among others:
- Banking services as stipulated in paragraph 8.6;
 - Conducting transactions outside the business premise;
 - Facilitating banking transactions on an offline mode or on manual basis;
 - Soliciting personal information from customers including account details and Personal Identification Number (PIN) of customers;
 - Providing cash advances;

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- Appointing another party/sub-agents to provide banking services on their behalf; and
 - Charging customers for its agent banking services, in addition to the charges fixed by financial institution;
- (iv) Consent by the agent to share its personal information to the relevant authorities, including the Bank, and any subsequent disclosure by such authorities for any non-compliance of the Personal Data Protection Act 2010, laws administered by the Bank, as well as any applicable legislations, regulations and the agency agreement;
- (v) Agreed commission to be received by agents for conducting services on behalf of financial institutions;
- (vi) Mechanisms for resolving disputes which include recourse of the respective parties, procedures and period for resolution, indemnities, obligations of the respective parties in the event of a dispute and applicable laws and jurisdictions under which disputes will be settled;
- (vii) Terms and events of termination of the agent under appropriate circumstances which may include failure to meet the conditions imposed in the contract including agents that remain dormant or inactive after a certain period, or in the event of changes in the corporate form or ownership of the agents; and
- (viii) Time frame for the provision of the services which may include an option for the financial institution to renew the terms of service if desired. Financial institutions are also required to regularly review the contract to reflect market standards and regulatory changes.

G 10.2.5 The Bank may direct a financial institution to modify or terminate an agent banking arrangement in the interest of the financial institution or its customers and creditors based on its supervisory review of the risks related to agent banking. As such, the contract must not contain any clause that would prevent a financial institution from modifying or

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terminating an agent banking arrangement pursuant to a directive of the Bank.

10.3 Monitoring of Agent

- S** 10.3.1 Financial institutions must develop and implement adequate procedures to monitor and control agent banking arrangements to ensure that the services delivered are in the manner as expected and in accordance with the terms of the contract, and that associated risks are being effectively managed. For this purpose, financial institutions must establish an efficient and effective system and ensure the availability of adequate expertise, resources and tools to support the monitoring function of performance and operation of the agent banking arrangements.
- S** 10.3.2 The monitoring function shall include at minimum the following areas:
- (i) The maintenance of an up-to-date central record of all agent banking arrangements that is readily accessible for review by the Board and senior management of the financial institution and to be shared with the Bank;
 - (ii) The monitoring and handling of complaints against agents received from the public; and
 - (iii) Periodic assessment and regular reporting of agent banking arrangements to the financial institution's senior management and Board, which shall include review of the services conducted by agents, the effectiveness of the risk management framework including ML/TF risk and the cost benefit analysis in continuing the arrangements. Any adverse developments relating to agent banking activities including the facilitation of opening of savings accounts at the agents shall be brought to the attention of the Board and senior management in a timely manner.

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11. Customer Protection, Awareness & Education

- S 11.1** Financial institutions shall be fully responsible and accountable for the activities and conduct of their appointed agents, including any complaints against the agents. Financial institutions shall not disclaim responsibility for the agents' misconduct. Financial institutions are therefore required to implement appropriate measures to ensure that adequate safeguards for customer protection and preservation of customer's confidentiality are in place, which include among others, the following areas:
- (i) Display of the national agent banking logo and the logo of financial institutions at the agent's business premise to signify that it is an appointed agent of a particular financial institution;
 - (ii) Establish measures to ensure the appointed agents are known to the public and establishment of appropriate mechanisms for customers to verify whether an agent is duly authorised. At the minimum:
 - Financial institutions must prominently display the contact details of their customer service centre (preferably a toll-free line) at the business premise of the agents for the purpose of lodging complaints or to verify the authenticity of the agent; and
 - Financial institutions must publish and update the details of authorised agents (e.g. name, address, the period of the appointment) on their website;
 - (iii) Establish a dispute resolution/redressal mechanism and a contact centre that operates within the same business hours as the agents, facilitate communication between customers and the financial institution and ensure complaints lodged against agents are effectively addressed in line with the requirement of relevant policy documents, guidelines or circulars that have been issued by the Bank;
 - (iv) Establish measures to ensure customers' information is protected. Financial institutions and agents are not allowed to share customers' information with third parties without the prior consent of customers;

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- (v) Establish a client charter of agent banking services which includes the commitment of the financial institution and the agent to security, privacy policy and confidentiality of data, reliability and quality of services, transparency of products and services, and prompt response for enquiries and complaints;
- (vi) Put in place education program for customers on agent banking, which may include education on the rights and responsibilities of customers as well as precautionary measures to be taken when opening savings accounts and transacting with agents; and
- (vii) Ensure adequate disclosure of other information by agents at its business premise, which include but not limited to:
 - Its appointment as an agent of a financial institution and the duration of the appointment; and
 - The list of services, client charter, fees and charges and daily transaction limits of customers.

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PART C OPERATIONAL REQUIREMENTS

12. Infrastructure & Systems Requirement

S 12.1 Financial institutions are required to establish internal policies, procedures, systems and controls to support agent banking at all stages, consistent with the Guidelines on Management of IT Environment. In establishing systems and infrastructure to support agent banking, financial institutions shall ensure the systems comply with the following minimum requirements:

(i) IT infrastructure

- Able to support on-line real-time processing;
- Able to provide a secured network including end-to-end encryption; and
- Robust in managing infrastructure capacity to support agent banking services.

(ii) Payment Acceptance Devices (PAD)

- Able to support minimum two-factor authentication⁴ for agent and customer registration;
- Able to support the requirement of end-to-end encryption based on industry standards algorithm (from end-point devices i.e. PAD to host system); and
- No storage of the sensitive customer info at the end-point devices (PAD) e.g. PIN/Password.

(iii) Agent Banking Application

- Able to support host validation for PIN/Password authentication;
- Able to provide device authentication during session activation and transaction processing at host level;

⁴ The two-factor authentication may include verification via MyKad and Personal Identification Number (PIN) of ATM/debit card

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- Availability of limit management feature for agents, customer, transaction and other limit requirements;
- Have transaction and system audit trail;
- Able to provide auto-reversal features for incomplete transactions, transaction acknowledgement and receipting;
- Support for good password management;
- Able to support time-out feature; and
- Able to display sufficient error message to customer and able to handle error processing.

S 12.2 Financial institutions that engage agents to facilitate the opening of savings accounts are also required to comply with the following:

- (i) Ensure the agents facilitated the verification of customer's identity using MyKad and biometric authentication through on-line real time system. The customers' information must be screened against relevant databases, including but not limited to United Nation (UN) Sanctions List and Ministry of Home Affairs (MOHA) Sanctions List;
- (ii) Conduct due diligence on its customers immediately upon the opening of accounts;
- (iii) Ensure an effective monitoring of transactions supported by a robust AML/CFT surveillance system that is able to trigger suspicious transactions based on the profile of customers transacting through the agent banking channel. Financial institutions shall continuously review the capability of AML/CFT surveillance system to ensure the effectiveness of parameters set based on transactional and behavioral patterns of the agent banking customers;
- (iv) Pending completion of 'Know Your Customer', the accounts opened at agents must comply with the following conditions:
 - Access to the accounts through agent banking channel shall only valid up to two months and shall be blocked automatically if 'Know Your Customer' verification is not completed within the stipulated period;

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- Inter-bank fund transfers are not allowed, except for Government to Person (G2P) payments, including Bantuan Rakyat 1 Malaysia (BR1M);
- An individual is only allowed to open one new savings account with a financial institution through an agent;
- The deposit limit may be established by financial institutions based on the risk profile of their customers served through the agent banking channel; and
- Notwithstanding paragraph 8.8, the daily and monthly withdrawal limits shall not exceed RM500 and RM3,000 respectively.

13. Application Procedures

S 13.1 Before implementing agent banking financial institutions are required to submit an application to the Bank which must include the information listed in **Appendix 2** together with a written proposal to undertake agent banking to the following departments:

(i) For **domestic commercial banks**:

Jabatan Penyeliaan Konglomerat Kewangan
Tingkat 9, Blok A
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

(ii) For **islamic banks and locally incorporated foreign banks**:

Jabatan Penyeliaan Perbankan
Tingkat 5, Blok A
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

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(iii) For **development financial institutions:**

Jabatan Kewangan Pembangunan dan Enterpris

Tingkat 9, Blok C

Bank Negara Malaysia

Jalan Dato' Onn

50480 Kuala Lumpur

14. Reporting Requirements

- S 14.1** Financial institutions are required to provide the following information to the Bank:
- (i) Monthly report on the number and amount of transaction for each of the services provided through agent banking arrangements as per Appendix 3 to Jabatan Kewangan Pembangunan dan Enterpris (JKPE);
 - (ii) Monthly report on details of the agents, name, type of agent, postal address and Global Positioning System (GPS) co-ordinates of the agent, telephone number as per Appendix 4 to JKPE;
 - (iii) Monthly report on details of agents whom police reports have been lodged by the financial institutions as per Appendix 5 to JKPE; and
 - (iv) Independent review of agent banking services by the internal audit function as and when needed by the Bank.
- G 14.2** The Bank may require the financial institutions to provide other information on agent banking arrangement from time to time on need basis.

APPENDICES

Appendix 1 List of Underserved Areas

1. List of Underserved Mukims

State	District	No	Mukim
JOHOR	BATU PAHAT	1	BAGAN
		2	CHAAH BAHRU
		3	KAMPUNG BAHRU
		4	LUBOK
		5	PESERAI
		6	SIMPANG KIRI
		7	SUNGAI PUNGGOR
	JOHOR BAHRU	8	JELUTONG
		9	SUNGAI TIRAM
		10	TANJUNG KUPANG
	KLUANG	11	KAHANG
		12	MACHAP
		13	NIYOR
		14	PALOH
	KOTA TINGGI	15	JOHOR LAMA
		16	KAMBAU
		17	PENGERANG
		18	SEDILI KECHIL
		19	ULU SUNGEI SEDILI BESAR
	LEDANG	20	BUKIT SERAMPANG
		21	KUNDANG
	MERSING	22	JEMALUANG
		23	TENGGAROH
		24	TENGLU
		25	TRIANG
	MUAR	26	AYER HITAM
		27	LENGA

State	District	No	Mukim
		28	PARIT BAKAR
		29	PARIT JAWA
		30	SUNGAI RAYA & KAMPUNG BUKIT PASIR
		31	SUNGAI TERAP
	PONTIAN	32	AIR MASIN
		33	SERKAT
		34	SUNGEI PINGGAN
	SEGAMAT	35	BEKOK
		36	BULOH KASAP
		37	GEMAS
		38	GEMEREH
		39	JABI
	KEDAH	BALING	40
41			BONGOR
BANDAR BAHARU		42	KUALA SELAMA
		43	RELAU
		44	SERDANG
		45	SUNGAI BATU
		46	SUNGAI KECHIL
KOTA SETAR		47	ALOR MERAH
		48	ANAK BUKIT
		49	BUKIT PINANG
		50	DERGA
		51	GUNONG
		52	HUTAN KAMPONG
		53	KANGKONG
		54	KUBANG ROTAN
		55	LANGGAR
		56	LEPAI
		57	PADANG HANG
58	PADANG LALANG		

State	District	No	Mukim
		59	PUMPONG
		60	SALA KECHIL
		61	SUNGAI BAHARU
		62	TAJAR
		63	TEBENGAU
		64	TELAGA MAS
		65	TELOK CENGAI
		66	TELOK KECHAI
		67	TITI GAJAH
	KUALA MUDA	68	BUJANG
		69	BUKIT MERIAM
		70	KOTA
		71	KUALA
		72	MERBOK
		73	PEKULA
		74	PINANG TUNGGAL
		75	RANTAU PANJANG
		76	SIDAM KIRI
		77	SIMPOR
		78	TELUI KIRI
	KUBANG PASU	79	AH
		80	BINJAL
		81	BUKIT TINGGI
		82	GELONG
		83	HUSBA
		84	JERAM
		85	KUBANG PASU
		86	MALAU
		87	PADANG PERAHU
88		PELUBANG	
89		PERING	

State	District	No	Mukim
		90	PUTAT
		91	SANGLANG
		92	SUNGAI LAKA
		93	TUNJANG
	KULIM	94	BAGAN SENA
		95	JUNJONG
		96	KARANGAN
		97	MAHANG
		98	PADANG MEHA
		99	SEDIM
		100	SIDAM KANAN
		101	SUNGAI SELUANG
		102	SUNGAI ULAR
		103	TERAP
	LANGKAWI	104	AYER HANGAT
		105	BOHOR
		106	KEDAWANG
		107	ULU MELAKA
	PADANG TERAP	108	BELIMBING KIRI
		109	KURONG HITAM
110		PADANG TEMAK	
111		PADANG TERAP KIRI	
112		PEDU	
113		TOLAK	
PENDANG	114	BUKIT RAYA	
	115	GUAR KEPAYANG	
	116	PADANG KERBAU	
	117	PADANG PELIANG	
	118	PADANG PUSING	
	119	RAMBAI	
	120	TOBIAR	

State	District	No	Mukim
	POKOK SENA	121	BUKIT LADA
		122	DERANG
		123	GAJAH MATI
		124	LESONG
		125	TUALANG
	SIK	126	SOK
	YAN	127	DULANG
		128	SINGKIR
		129	SUNGAI DAUN
KELANTAN	BACHOK	130	BEKLAM
		131	MAHLIGAI
		132	PERUPOK
		133	TELONG
	GUA MUSANG	134	BERTAM
	KOTA BHARU	135	BANGGU
		136	BETA
		137	KADOK
		138	LIMBAT
		139	SALOR
		140	SERING
	MACHANG	141	LABOK
		142	PANGKAL MELERET
		143	PANYIT
		144	PULAI CHONDONG
145		TEMANGAN	
PASIR MAS	146	ALOR PASIR	
	147	BUNUT SUSU	
	148	KUALA LEMAL	
	149	KUBANG SEPAT	
PASIR PUTEH	150	BUKIT ABAL	
	151	BUKIT AWANG	

State	District	No	Mukim
MELAKA	TUMPAT	152	GONG DATOK
		153	PADANG PAK AMAT
		154	JAL BESAR
		155	KEBAKAT
		156	SUNGAI PINANG
		157	AYER PA' ABAS
	ALOR GAJAH	158	GADEK
		159	KEMUNING
		160	KUALA LINGGI
		161	KUALA SUNGEI BARU
		162	LENDU
		163	MACHAP
		164	MELAKA PINDAH
		165	MELEKEK
		166	PADANG SEBANG
		167	PEGOH
		168	PULAU SEBANG
		169	RAMUAN CHINA BESAR
JASIN	170	RAMUAN CHINA KECHIL	
	171	REMBIA	
	172	SUNGEI PETAI	
	173	TEBONG	
	174	BATANG MALAKA	
	175	CHABAU	
	176	CHIN CHIN	
	177	KESANG	
	178	NYALAS	
179	RIM		
	180	SEBATU	
	181	SELANDAR	
	182	SEMPANG	

State	District	No	Mukim
		183	SERKAM
		184	TEDONG
		185	UMBAI
	MELAKA TENGAH	186	ALAI
		187	AYER MOLEK
		188	BERTAM
		189	BUKIT LINTANG
		190	BUKIT PIATU
		191	BUKIT RAMBAI
		192	DUYONG
		193	KANDANG
		194	KLEBANG BESAR
		195	KLEBANG KECHIL
		196	KRUBONG
		197	PADANG TEMU
		198	PERNU
		199	SEMABOK
		200	TANGGA BATU
		201	TANJONG KELING
		202	TELOK MAS
203	UJONG PASIR		
NEGERI SEMBILAN	JELEBU	204	GELAMI LEMI
		205	HULU KELAWANG
		206	HULU TERIANG
		207	TERIANG HILIR
	KUALA PILAH	208	JOHOL
		209	JUASSEH
		210	KEPIS
		211	SRI MENANTI
		212	TERACHI
		213	ULU JEMPOL

State	District	No	Mukim
	PORT DICKSON	214	ULU MUAR
		215	LINGGI
		216	PASIR PANJANG
	REMBAU	217	BATU HAMPAR
		218	GADONG
		219	PEDAS
		220	SELEMAK
		221	TANJONG KELING
		222	TITIAN BINTANGOR
	SEREMBAN	223	LENGGENG
		224	PANTAI
		225	SEREMBAN
	TAMPIN	226	AYER KUNING
		227	REPAH
PAHANG	CAMERON HIGHLAND	228	ULU TELOM
	JERANTUT	229	BURAU
		230	KUALA TEMBELING
		231	TEBING TINGGI
		232	TEH
		233	TEMBELING
		234	ULU CHEKA
		235	ULU TEMBELING
	KUANTAN	236	BESERAH
		237	PENOR
		238	ULU KUANTAN
		239	ULU LEPAR
	LIPIS	240	BATU YON
		241	BUDU
242		CHEKA	
243		GUA	

State	District	No	Mukim	
		244	KECHAU	
		245	PENJOM	
		246	TANJONG BESAR	
		247	TELANG	
		248	ULU JELAI	
		MARAN	249	KERTAU
		PEKAN	250	KUALA PAHANG
			251	LANGGAR
			252	LEPAR
			253	PAHANG TUA
			254	PULAU MANIS
		RAUB	255	BATU TALAM
			256	DONG
			257	SEGA
			258	SEMANTAN ULU
			259	TERAS
		ROMPIN	260	ENDAU
			261	PONTIAN
		TEMERLOH	262	BANGAU
			263	KERDAU
			264	SANGGANG
			265	SONGSANG
	PERAK	HILIR PERAK	266	BAGAN DATOH
			267	LABU KUBONG
			268	RUNGKUP
269			SUNGAI DURIAN	
270			SUNGAI MANIK	
271			TELOK BAHARU	
		KERIAN	272	BAGAN TIANG
			273	BERIAH
			274	GUNONG SEMANGGOL

State	District	No	Mukim	
	KINTA	275	SELINSING	
		276	TANJONG TUALANG	
	KUALA KANGSAR	277	CHEGAR GALAH	
		278	KOTA LAMA KANAN	
		279	LUBOK MERBAU	
		280	PULAU KAMIRI	
	LARUT DAN MATANG	281	JEBONG	
		282	KAMUNTING	
		283	SIMPANG	
		284	SUNGAI LIMAU	
		285	SUNGAI TINGGI	
		286	TERONG	
		287	ULU SELAMA	
	MANJUNG (DINDING)	288	LEKIR	
	PERAK TENGAH	289	BANDAR	
		290	KAMPONG GAJAH	
		291	KOTA SETIA	
		292	LAMBOR KANAN	
		293	LAMBOR KIRI	
		294	LAYANG-LAYANG	
		295	PASIR PANJANG ULU	
		296	PULAU TIGA	
	ULU PERAK	297	DURIAN PIPIT	
		298	KERUNAI	
		299	TEMELONG	
		300	TEMENGOR	
	PERLIS	PERLIS	301	ABI
			302	BESERI
			303	CHUPING
304			JEJAWI	

State	District	No	Mukim		
		305	KURONG BATANG		
		306	NGOLANG		
		307	ORAN		
		308	PADANG PAUH		
		309	PADANG SIDING		
		310	PAYA		
		311	SANGLANG		
		312	SENA		
		313	SERIAP		
		314	WANG BINTONG		
		PULAU PINANG	BARAT DAYA	315	BATU ITAM
				316	BKT. GEMUROH
				317	BKT. RELAU
				318	KAMPONG PAYA
319	PANTAI ACHEH				
320	PERMATANG PASIR				
321	PONDOK UPEH				
322	TELOK BAHANG				
SEBERANG PERAI SELATAN	323		SPS 1		
	324		SPS 10		
	325		SPS 13		
	326		SPS 2		
	327		SPS 3		
	328		SPS 4		
	329		SPS 5		
	330		SPS 6		
	331		SPS 7		
	332		SPS 8		
SEBERANG PERAI TENGAH	333		SPT 12		
	334		SPT 13		
	335	SPT 16			

State	District	No	Mukim
		336	SPT 17
		337	SPT 18
		338	SPT 19
		339	SPT 2
		340	SPT 20
		341	SPT 21
		342	SPT 3
		343	SPT 4
		344	SPT 5
		345	SPT 7
		346	SPT 8
		347	SPT 9
		SEBERANG PERAI UTARA	348
	349		SPU 10
	350		SPU 11
	351		SPU 13
	352		SPU 2
	353		SPU 3
	354		SPU 4
	355		SPU 5
TIMUR LAUT	356	SPU 7	
	357	SPU 9	
SARAWAK	BELAGA	358	BATU FERINGGI
		359	BELAGA
	BETONG	360	SUNGAI ASAP
		361	DEBAK
		362	MALUDAM
		363	PUSA
	BINTULU	364	SPA OH
		365	SEBAUH
	DALAT	366	DALAT

State	District	No	Mukim	
		367	OYA	
	DARO	368	BELAWAI	
	JULAU	369	JULAU	
	KAPIT	370	NANGA MERIT	
	KUCHING	371	PADAWAN	
	LAWAS		372	SUNDAR
			373	TRUSAN
	LIMBANG	374	NANGA MEDAMIT	
	LUBOK ANTU		375	ENKILI
			376	LUBOK ANTU
	LUNDU	377	SEMATAN	
	MARUDI		378	BELURU
			379	MARUDI
	MATU		380	IGAN
			381	MATU
	MUKAH	382	BALINGIAN	
	PAKAN	383	PAKAN	
	SARATOK		384	BUDU
			385	KABONG
			386	ROBAN
	SERIAN	387	TEBEDU	
	SIMUNJAN	388	SEBUYAU	
	SONG	389	SONG	
	SRI AMAN		390	LINGGA
			391	PANTU
	TATAU	392	TATAU	
	SELANGOR	KUALA LANGAT	393	BANDAR
			394	JUGRA
395			MORIB	
KUALA SELANGOR		396	PASANGAN	
		397	UJONG PERMATANG	

State	District	No	Mukim
	SABAK BERNAM	398	BAGAN NAKHODA OMAR
	ULU LANGAT	399	ULU SEMENYIH
	ULU SELANGOR	400	KALUMPANG
		401	KERLING
		402	KUALA KALUMPANG
		403	RASA
	404	ULU BERNAM	
TERENGGANU	BESUT	405	BUKIT KENAK
		406	BUKIT PETERI
		407	HULU BESUT
		408	KELUANG
		409	KUBANG BEMBAN
		410	PASIR AKAR
		411	PENKALAN NANGKA
		412	PULAU PERHENTIAN
		413	TENANG
	DUNGUN	414	BESUL
		415	HULU PAKA
		416	KUALA ABANG
		417	KUMPAL
		418	RASAU
	HULU TERENGGANU	419	HULU BERANG
		420	HULU TELEMUNG
		421	JENAGUR
		422	KUALA TELEMUNG
		423	TERSAT
	KEMAMAN	424	BANDI
		425	BANGGUL
		426	BINJAI
		427	HULU CUKAI
		428	HULU JABUR

State	District	No	Mukim
		429	KEMASIK
		430	KIJAL
		431	PASIR SEMUT
		432	TELUK KALUNG
	KUALA TERENGGANU	433	ATAS TOL
		434	CENERING
		435	GELUGUR KEDAI
		436	GELUGUR RAJA
		437	KEPUNG
		438	KUALA IBAI
		439	KUBANG PARIT
		440	LOSONG
		441	PALUH
		442	PULAU REDANG
		443	PULAU-PULAU
		444	RENGAS
		445	SERADA
		446	TOK JAMAL
	MARANG	447	JERUNG
		448	MERCANG
	SETIU	449	HULU NERUS
		450	MERANG
		451	PANTAI
		452	TASIK

2. List of Underserved DUNs in Sabah

State	Parliament	No	DUN
SABAH	BELURAN	1	SUGUT
	KALABAKAN	2	SEBATIK
		3	TANJONG BATU
	KENINGAU	4	LIAWAN
	KIMANIS	5	MEMBAKUT
	KINABATANGAN	6	SUKAU
	KUDAT	7	BANGGI
		8	PITAS
		9	TANJONG KAPOR
	PAPAR	10	KAWANG
		11	PANTAI MANIS
	PENSIANGAN	12	NABAWAN
	RANAU	13	KUNDASANG
		14	PAGINATAN
	SEMPORNA	15	BUGAYA
		16	SULABAYAN
	TAWAU	17	BALUNG
	TENOM	18	MELALAP

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Appendix 2 Checklist on Agent Banking Application

1. Board Endorsement on:
 - (i) Overall implementation plan and business strategy of agent banking;
 - (ii) Risk Management framework related to agent banking;
 - (iii) Policies related to agent selection, management, monitoring, operations, compliance, conduct and service quality including Standard Operating Procedures (SOP) or User Manual of agent banking and the draft contract between financial institution and agent, where relevant;
 - (iv) Infrastructure to support agent banking implementation and monitoring including systems, resources, expertise, tools and technology;
 - (v) Customer protection measures, including awareness and education strategies;
 - (vi) Business Continuity Plan (BCP) and contingency arrangements to ensure the continuation of the agent banking services in any uncontrolled event that would cause disruption to the agent banking services provided; and
 - (vii) Controls and monitoring mechanism/ system to ensure compliance with relevant legislation and regulatory requirements.

Note: All documents shall be made available as and when requested by the Bank.

2. Internal Audit's assessment report and sign-off declaring that financial institution has complied with all requirements.

3. Risk Committee sign-off on risk management framework, including identification of all risks associated to agent banking (including technology risk), it's impact and mitigating measures to ensure confidentiality, integrity and availability of the system, product or services; detailed explanation on the definition of risk categories and profile; and rationale and justifications for probability of occurrence.

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4. Compliance Unit sign-off on specific controls and monitoring mechanism to ensure compliance with relevant legislation and regulatory requirements, including secrecy provision and ML/TF control measures which include measures tailored to the nature and peculiarities of agent banking transactions.

5. Appendix 4 – List and details of potential agents.

6. Checklist of documents for technology requirement:
 - (i) End-to-end product and process flow depicting the following features:
 - Detailed description on application security and application architecture diagram; and
 - System security features including encryption standard and protocol used, user and transaction authentication method and PIN control processes (If applicable);
 - (ii) Detailed IT and network security infrastructure arrangements depicting external linkages and control checkpoint;
 - (iii) List of type, model and version (compare against the market releases) of servers, operating system, application system and PAD devices;
 - (iv) Application vendor background information including technical support and experiences in e-payment services;
 - (v) Capacity planning for system supporting the services or product.
 - (vi) Pre-implementation audit assessment;
 - (vii) Summary report of the UAT and penetration test (include findings and mitigation actions);
 - (viii) IT outsourcing arrangement (if applicable); and
 - (ix) Disaster recovery arrangement.

Note: Financial institutions can outsource hosting of IT infrastructure, however it shall be subject to the Guidelines on Outsourcing of Banking Operations.

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7. Application on the proposed fees and charges that will be passed to customers must comply with the relevant policy documents, guidelines or circulars.

8. Term sheet on Agent Banking for customers:
 - (i) Proposed daily cash withdrawal limit per customer which must comply to the amount stipulated in paragraph 8.9 and paragraph 12.2(iv);
 - (ii) Contact details and operating hours of the complaint management center of agent banking;
 - (iii) Proposed fees & charges that will be passed to customers;
 - (iv) Flow chart of complaint and dispute resolution mechanism of customers, including for different financial institution's customer who transacts via own system and own customers who transacts via different financial institution's system, if applicable;
 - (v) Proposed awareness and education plan and campaign for the public;
 - (vi) Client charter of agent banking which shall comply to paragraph 11.1(v);
and
 - (vii) Communication strategy to address public and media concerns.

Appendix 3 Transaction Statistics

All participating financial institutions are required to submit the following report on a **monthly** basis to Bank Negara Malaysia no later than one month from the reporting month.

REPORT OF MONTH: _____

(i) Opening of savings account transactions during the month

Type of bank accounts	Number of bank accounts opened	Total amount of transactions	Minimum transaction (RM)	Maximum transaction (RM)
E.g. Savings account opened at Pos Malaysia				
E.g. Savings account opened at other than Pos Malaysia				

(ii) Active accounts as at end of the month

Type of bank accounts	Number of active accounts ⁵
E.g. Savings account opened at Pos Malaysia	
E.g. Savings account opened at other than Pos Malaysia	

⁵ Total number of saving accounts opened at agent which remained active as at end of the month

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(iii) Other transactions during the month

Type of Services	Total amount of transactions (RM)	Number of transactions	Minimum transaction (RM)	Maximum transaction (RM)	Average amount of transaction* (RM)
E.g. Deposits					
E.g. Withdrawals					

Reports must be submitted to:

Jabatan Kewangan Pembangunan dan Enterpris,

Level 9, Block C,

Bank Negara Malaysia

Jalan Dato' Onn

50480 Kuala Lumpur.

Appendix 4 Agent Details

All participating financial institutions are required to update the following report on **monthly** basis to Bank Negara Malaysia no later than one month from the reporting month.

REPORT OF MONTH: _____

DETAILS OF AGENTS AS AT END OF THE MONTH

Business/ company name	Business/ company reg. no.	Owner name	Address (Line 1)	Address (Line 2)	Post- code	City/ Town	Sub- district (Mukim)	District	State	Coord inate	Start date of operation	Contact number	Type of agent	End date of operation

Reports must be submitted to:

Jabatan Kewangan Pembangunan dan Enterpris,
 Level 9, Block C,
 Bank Negara Malaysia
 Jalan Dato' Onn
 50480 Kuala Lumpur

Issued on: 30 April 2015

Appendix 5 Agents Against Whom Police Reports Have Been Lodged by Financial Institutions

All participating financial institutions are required to update the following report on a monthly basis no later than two weeks from the reporting month.

REPORT OF MONTH: _____

DETAILS OF AGENTS AS AT END OF THE MONTH

Business/company name	Business/company Reg. no.	Owner(s) name	Identity Card No	PDRM Report Number

Reports must be submitted to:

Jabatan Kewangan Pembangunan dan Enterpris,
 Level 9, Block C,
 Bank Negara Malaysia
 Jalan Dato' Onn
 50480 Kuala Lumpur