



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Staff Training Expenditure

Applicable to:

1. Licensed money services businesses

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PART A: OVERVIEW

1. Introduction

- 1.1. This policy document aims to ensure that money services business licensees accord high priority to training and continuous development of their staff for them to be more competent and effective in carrying out their roles and responsibilities. This is particularly important to support money services business licensees in complying with strengthened Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) requirements and to maintain high standards of professional service to the public.

2. Applicability

- 2.1. This policy document is applicable to all licensees which carry on money services business activities under the Money Services Business Act 2011 (MSBA).

3. Legal Provisions

- 3.1. This policy document is issued pursuant to section 74 of the MSBA.

4. Effective Date

- 4.1. This policy document comes into effect from financial years beginning on or after 1 January 2017.

5. Interpretation

- 5.1. The terms and expressions in this policy document shall have the same meaning assigned to them in the MSBA, as the case may be, unless otherwise defined in this policy document.

5.2 For the purpose of this policy document–

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action.

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted.

“**The Bank**” means Bank Negara Malaysia.

“**Gross salary**” includes Employees Provident Fund (EPF) and Social Security Organisation (SOCSO) contributions, bonuses, allowances and other taxable incentives for all staff, including executive directors. Remuneration payable to other directors shall not be included.

PART B: POLICY REQUIREMENTS

6. Staff Training Expenditure Requirement

- S** 6.1. A money services business licensee is expected to set aside a specific budget as staff training expenditure (STE) for staff training purposes. In this respect, the amount of STE to be allocated by a licensee shall be at two (2) percent of the licensee's previous year gross salary.
- S** 6.2. The following expenditures, where applicable, shall qualify as expenses for STE:
- a) Seminar and course fees, scholarships as well as other incidental costs and expenditures such as transportation costs, accommodation (including meals) and allowances for staff on training
 - b) Costs and expenditures incurred for in-house training, including:
 - i. Rental of training premises. For a licensee with own training premises, the equivalent rental costs of the training premises.
 - ii. Rental of equipment as well as the cost of producing the related course materials.
 - iii. Depreciation cost of assets purchased and used for training, excluding expenses incurred to purchase the assets.
 - iv. Expenditures incurred for engaging external trainers or resource persons. For a licensee using own in-house trainers, the salaries, allowances and the employer's EPF contribution for staff exclusively employed as in-house trainers of the licensee; and/or whose functions include conducting structured training as a significant part of their overall responsibilities¹.
- S** 6.3. A licensee is also expected to ensure the following:
- a) All levels of staff to be provided with the opportunity for training; and
 - b) Training programmes shall comprise a combination of the necessary critical skills relevant to the staff including leadership, technical and soft skills.

¹ For example, the salary of a Compliance Officer whose responsibilities require him to spend a significant amount of time providing regular training to staff on regulatory requirements will qualify as expense for STE.

7. Report Submission

- S** 7.1. A licensee is required to submit a report on the STE performance to the Bank annually, using a report as provided in the Attachment.
- S** 7.2 In preparing the STE report as required in paragraph 7.1, only the costs or expenditures incurred on training or courses conducted for the year can be included as the expenses for STE. The licensee must maintain relevant supporting documents for amounts reported in the STE report.
- S** 7.3 The STE report shall be submitted to the Bank via the e-Survey platform at the following link (<https://esurvey.bnm.gov.my>) not later than one (1) month after the financial year end of a licensee.