CALENDAR OF EVENTS
July – September 2013

1 July 2013

The Bank announced the new Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA), which came into force on 30 June 2013. The laws provide the Bank with the necessary regulatory and supervision oversight powers to fulfill its broad mandate with the more complex and interconnected environment, given the regional and international nature of financial developments. The FSA and IFSA amalgamated several separate laws to govern the financial sector under a single legislative framework for the conventional and Islamic financial sector respectively. The separate laws comprising Banking and Financial Institutions Act 1989, Islamic Banking Act 1983, Insurance Act 1996, Takaful Act 1984, Payment Systems Act 2003 and Exchange Control Act 1953 were repealed on the same date. The FSA and IFSA will place Malaysia's financial sector on a platform to advance forward as a sound, responsible and progressive financial system.

2 July 2013

To support the national agenda of "Going Green", the Bank promoted the usage of recycled fit banknotes of RM1 and RM5 denominations for the Hari Raya Aidilfitri celebrations. This initiative was a collaborative effort with Kementerian Tenaga, Teknologi Hijau dan Air, the Association of Banks in Malaysia, the Association of Islamic Banking Institutions Malaysia, Malaysian Environmental NGOs and Yayasan Anak Warisan Alam to promote sustainability of our resources and conservation of the environment.

5 July 2013

The Bank announced a set of measures aimed at avoiding excessive household indebtedness and to reinforce responsible lending practices by key credit providers. The measures, which took immediate effect, are a maximum tenure of 10 years for financing extended for personal use; maximum tenure of 35 years for financing granted for the purchase of residential and non-residential properties; and prohibition on the offering of pre-approved personal financing products. The key credit providers also need to observe prudent debt service ratios in their credit assessment.

To enhance responsible debt management by households, the Bank will intensify its efforts in financial education to all segments of society. Further, the framework for consumer protection will continue to be further strengthened under the Financial Services Act and Islamic Financial Services Act.

11 July 2013

The Bank decided to maintain the Overnight Policy Rate (OPR) at 3% at its fourth Monetary Policy Committee (MPC) meeting for the year. The MPC's assessment was that the global economy continues to experience slow growth and that domestic demand continues to support the Malaysian economy.

At its subsequent meeting on 5 September, the MPC kept the OPR at the same level. The MPC's assessment was that the global economy continues to experience modest growth as the strength of the recovery in the major advanced economies has yet to gain momentum. For the Malaysian economy, domestic demand continues to support growth. It also highlighted that there are increased uncertainties to the balance of risks surrounding the outlook for domestic growth and inflation and that it will continue to carefully assess the global and domestic economic and financial developments and their implications on the overall outlook for inflation and growth of the Malaysian economy.

30 July 2013

The Bank signed a MoU with the Malaysia Co-operative Societies Commission (Commission) to cooperate and share information in areas of common interests for the effective discharge their respective mandates, including formulation of legislation and policies, financial inclusion initiatives, capacity building and technical cooperation as well as the cooperative arrangements for financial stability. The MoU also sets out the operational and assessment framework that will be applied by the Bank and the Commission when considering an application by a co-operative society to undertake deposit taking activity from the public, other than its own members.

1 August 2013

The Malaysian Prime Minister introduced Malaysia's Islamic finance marketplace to the world and the MIFC's new iconic brand identity - "Malaysia: World's Islamic Finance Marketplace", marking a significant milestone in the development of the Islamic finance industry in Malaysia. The Prime Minister also took the opportunity to extend an open invitation to the global financial community to collaborate with and mutually benefit from Malaysia's Islamic finance marketplace that offers a comprehensive regulatory, supervisory, Shariah and legal framework.

21 August 2013

At the Second Quarter 2013 GDP press conference, the Bank announced that the Malaysian economy grew by 4.3% on an annual basis. While domestic demand remained firm, exports registered a larger decline, amid weakness across most export products. On the supply side, the major economic sectors expanded further in the second quarter, supported by the continued strength in domestic demand. The Bank also reported data on a quarter-on-quarter seasonally adjusted basis, with the economy recording a growth of 1.4% (1Q 2013: -0.4%). Meanwhile, the headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI), was higher at 1.8% for the quarter, attributable mainly to price increases in the categories of food and non-alcoholic beverages and housing, water, electricity, gas, and other fuels.

28 August 2013

In her speech at the Asian Institute of Finance International Symposium 2013, titled "Changing Face of Talent", Governor Dr. Zeti highlighted that talent development and its management needs to be given high priority in preparing for the future that is going to be fundamentally different from the current environment. Two significant shifts in the environment are the significant transformation of the economic, financial and business landscape as well as changes in the character and nature of talent.

These shifts are reshaping the demand for talent that is the most important asset of any organization, including the financial sector. New strategies and approaches for effective human capital management are important. She also said that addressing the shortage of critical talent particularly in risk assessment and management in the new operating environment and in Islamic finance be given urgent priority.

On the same day, the Bank and the Hong Kong Monetary Authority (HKMA) held a bilateral meeting to discuss economic and financial issues and to consider initiatives that would help promote financial market development in Malaysia and Hong Kong. Following these discussions, the Bank and the HKMA have agreed to continue to further strengthen co-operation through collaborative arrangements to deepen trade and investment linkages. The joint efforts will cover, among others, offshore renminbi business development and the internationalisation of Islamic finance.

30 August 2013

The Bank and the Alliance for Financial Inclusion (AFI) signed a Letter of Cooperation to establish a collaborative framework for capacity building targeted at policymakers and regulators around the world. Under this initiative, both the Bank and AFI will jointly design and implement structured capacity building programmes in relevant policy areas to strengthen financial inclusion efforts throughout the AFI network of 108 member institutions.

31 August 2013

The Bank issued Commemorative Coins in conjunction with the 50th Anniversary of Muzium Negara (the National Museum). The coins were issued as Gold Proof, Silver Proof and Nordic Gold Brilliant Uncirculated with a face value of RM100, RM10 and RM1 respectively.

6 September 2013

The Bank and the Securities Commission Malaysia announced the establishment of the Finance Accreditation Agency (FAA), an international and independent quality assurance and accreditation body for the financial services industry. The FAA, which commenced its operations in August 2012, provides learning programme evaluation, accreditation, and institutional audits that will contribute towards the development of quality assurance and promotion of learning initiatives within the financial services industry. In addition, the FAA will seek to develop collaborations and affiliations for mutual and global recognition with local and international professional bodies and associations, accreditation bodies, and institutions of higher learning.

12 September 2013

The Bank with the Alliance for Financial Inclusion (AFI) jointly organised the 5th Annual Global Policy Forum (GPF) themed “Driving Policies for Optimal Impact”. The GPF was attended by more than 400 participants from 80 countries to discuss and deliberate on the optimal policy strategies in various contexts by synergizing financial inclusion, financial stability and consumer protection objectives.

In her welcoming remarks at the GPF, Governor Dr. Zeti expressed her deepest gratitude to Her Majesty, Queen Máxima of the Netherlands’ role in bringing the important agenda of financial inclusion to the attention of the international community.

Governor Dr Zeti also highlighted that among others, global reforms in the financial system are re-shaping the regulatory landscape. A key concern in this environment is thus strengthening the protection of various segments of society, in particular, small businesses and households, from being marginalized by market forces, and from the disproportionate impact of instability, crises and reforms. She also stressed on the roles of non-bank financial institutions and effective financial education to contribute in a sustainable way to financial inclusion.

The GPF concluded with the declaration of the Sasana Accord which further strengthens the AFI Network’s commitment to the Maya Declaration, taking it to the next level through the adoption of systematic assessment of impact to ensure quantifiable and measurable targets for financial inclusion.

16 September 2013

The Bank issued commemorative coins in conjunction with the 50th Anniversary of the Formation of Malaysia. Malaysia Day is celebrated on 16 September every year to commemorate the establishment of the Malaysian federation which comprises 11 states in Malaya and two states in Borneo, namely Sabah and Sarawak. The coins were issued as Gold Proof, Coloured Silver Proof and Nordic Gold Brilliant Uncirculated with a face value of RM100, RM10 and RM1 respectively.