CALENDAR OF EVENTS
October – December 2009

October 2009

Governor Dr. Zeti, in her keynote address at the Seminar on Islamic Finance in Istanbul, said that fundamental Shariah principles set out a resilient strategy for risk management that have the potential to safeguard Islamic finance from the worst of the financial crisis. She noted that two elements in particular had enabled Islamic finance to weather the storm. The first was the requirement that all financial transactions must be underpinned by productive activity that will generate legitimate income, thus establishing a close relationship between transaction and productive flows. The second was the connection between profit and risk sharing, which drives financial institutions to employ due diligence when undertaking businesses.

18-20 October 2009

The Bank, the European Commission and the Asian Development Bank jointly organised the Asia-Europe Meeting (ASEM) conference in Kuala Lumpur. The theme of the Conference was "Beyond the Global Crisis: A New Asian Growth Model?" Officials from the finance and economic ministries and central banks from 43 ASEM countries, as well as academicians, business leaders and media representatives from domestic and international communities participated in the Conference. The Conference provided opportunities for the participants to discuss key economic and financial issues affecting Asia and the EU, and assess Asia's growth strategies amidst the changing global economic and financial landscape.

28 October 2009

The Bank's Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 2 percent. The MPC stated that conditions in the domestic economy are improving and a recovery in economic activity is gaining some strength. These improvements are reflected in stronger labour market conditions, consumer and business sentiments, industrial production, financing activity and external trade. These positive developments are expected to continue into 2010, with growth in the domestic economy expected to continue, supported by existing policy measures and the growing confidence in the private sector. At its subsequent meeting on 24 November, the MPC kept the rate at the same level, citing that the current monetary policy stance is appropriate and will continue to provide support for economic activity.

11 November 2009

The Bank and the China Banking Regulatory Commission signed a Memorandum of Understanding (MoU) to forge deeper cooperation between the two regulatory authorities on banking supervision, including sharing of information and promoting regional financial integration. The MoU is a continuation of the Joint Acton Plan on Malaysia – China Strategic Cooperation between the Government of Malaysia and the Government of the People's Republic of China that was signed on 3 June 2009. The MoU signifies the strengthening collaborative partnership between the Government of the People's Republic of China and the Government of Malaysia and marks an important milestone in enhancing the regulatory cooperation and the economic and financial linkages between the People's Republic of China and Malaysia.

17-18 November 2009

The Bank organised the Financial Industry Conference 2009 for leaders of the banking, insurance and takaful industries. The Conference provided a platform for high level dialogue with the industry on global economic and financial developments, including international regulatory reforms and their implications for the domestic industry. The industry discussions centred on the need to further strengthen risk management capabilities in the light of the increasing complexity and interconnectedness of the financial system, the need to better align incentive structures, the more pronounced emphasis on product transparency, as well as on the need for a balanced response to risks confronting the financial system.

19 November 2009

The Bank announced the appointment of Puan Norzila Abdul Aziz as Assistant Governor effective 1 November 2009. Her portfolio includes the Investment Operations and Financial Market Department and the Foreign Exchange Administration Department.

20 November 2009

The Bank announced that the Malaysian economy registered a smaller contraction of 1.2% in the third quarter of 2009 (2Q 09: -3.9%) amidst positive growth in domestic demand and stabilisation of external demand. The better performance was mainly supported by domestic demand due to stronger private consumption and higher public sector spending. Improvements in the global economy, particularly the regional economies, helped to stabilise the external sector. On the supply side, all economic sectors, except agriculture, recorded improved performance. Going forward, the pace of economic recovery is expected to gain momentum, as business and consumer sentiment improve further in an environment of continued implementation of fiscal measures, accommodative monetary policy and continued access to financing. The gradual improvement in the global economy will also continue to contribute positively to the recovery of the domestic economy.

On the same day, the Minister of Finance approved the issuance of a commercial bank licence to Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the People's Republic of China. This licence follows a bilateral arrangement between the China Banking Regulatory Commission and the Bank, and between the Government of Malaysia and the People's Republic of China in the earlier part of the year.

25 November 2009

The Bank announced that the Central Bank of Malaysia Act 2009 (The Act) has come into force. With this, the Central Bank of Malaysia Act 1958 is repealed. The Act provides greater clarity on the Central Bank's mandate and vests it with the necessary powers and instruments to achieve the mandate of promoting monetary and financial stability. Incorporated in the Act is a more robust governance framework that provides for a high degree of accountability and transparency of the Central Bank's operations. The Act institutionalises the good practices that have been put in place over the recent decade and takes into consideration the needs for enhanced regulatory and supervisory mandates required as a result of the recent global financial crisis.

2-3 December 2009

The Bank, in collaboration with the Consultative Group to Assist the Poor (CGAP), a microfinance group based at the World Bank and the Alliance for Financial Inclusion (AFI), organised the Microfinance Policymakers Forum 2009. Themed 'Scaling Up Financial Inclusion through Branchless Banking', the Forum aimed to promote branchless banking, which is the delivery of financial services outside conventional bank branches using information and communications technologies and non-bank retail agents. Discussions of the workshop focused on key considerations and recent developments in institutional structures, as well as regulatory and supervisory requirements necessary for effective adoption and application of branchless banking.

23 December 2009

The Bank announced that effective 1 January 2010, travellers entering or leaving Malaysia with cash and/or negotiable bearer instruments (eg travellers cheques, bearer cheques) exceeding amount equivalent to USD10,000 must make a customs declaration at the entry or exit points. This requirement is in line with the international practice to combat money laundering and terrorism financing.

28 December 2009

The Bank and the Ministry of Finance Malaysia announced the signing of the Chiang Mai Initiative Multilateralisation (CMIM) Agreement by the ASEAN Members, China, Japan and Korea (ASEAN+3) and the Hong Kong Monetary Authority. The main objectives of the CMIM are to address balance-of-payments and short-term liquidity difficulties in the region and to supplement the existing international financial arrangements. Participating countries facing liquidity difficulties is entitled to receive financial support through currency swap transactions provided by the CMIM.

31 December 2009

The Bank announced that more than 9,000 SMEs have benefited from the RM2 billion SME Assistance Guarantee Scheme launched on 3 February 2009. The scheme was established to ensure that viable SMEs affected by the economic slowdown will continue to have access to financing and sustain their business operations.