Global Financial Services Regulatory Guide - Malaysia

1. Who regulates banking and financial services in your jurisdiction?

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# Who regulates banking and financial services in your jurisdiction?

The banking and financial services sector falls within the purview of the Malaysian Minister of Finance (MOF). As the primary regulator, the MOF acts on the regulatory bodies' recommendations that supervise financial institutions and capital market intermediaries.

In Malaysia, the two regulatory bodies responsible for the licensing, approval or registration, regulation and supervision of banks, insurers, capital market intermediaries and other financial institutions are the Central Bank of Malaysia (CBM) (also known as Bank Negara Malaysia) and the Securities Commission Malaysia (SC).

The CBM regulates financial institutions, such as banks, insurers, payment system operators, insurance brokers, money brokers, financial advisers and adjusters. It also acts as a banker and an adviser to the government of Malaysia.

The SC regulates capital market activities and specifically, capital market intermediaries, such as fund managers, corporate finance advisors, investment advisors, financial planners and persons who deal in securities, derivatives and private retirement schemes.

Money laundering and terrorism financing in Malaysia is primarily governed by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFA). The CBM, as the appointed competent authority, has oversight of the general administration of the AMLATFA and has wide enforcement powers to, among others, investigate, freeze and seize properties. The CBM and the SC, as the respective supervising authorities of prescribed financial institutions and capital market intermediaries that are reporting institutions under the AMLATFA, also have oversight of the regulatees' compliance with their respective guidelines issued pursuant to the AMLATFA.

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