

Governance

Bank Negara Malaysia (BNM) is responsible for promoting monetary and financial stability conducive to the sustainable growth of the Malaysian economy. Our governance arrangements ensure that we continue to discharge our mandates effectively as a credible and independent institution. These arrangements are set out by statute – in the Central Bank of Malaysia Act 2009 and other laws that BNM administers – as well as internal policies developed over the years. Our governance framework continues to be aligned with global best practices and promotes accountability and high standards of integrity in discharging our duties and conducting our operations.

Board of Directors

As set out in the Central Bank of Malaysia Act 2009, the Board is responsible for overseeing the management and operations of BNM. This is to ensure that we deliver our mandates and remain financially and operationally sound, and that our resources are utilised effectively and efficiently.

The Board comprises the Governor who is the Chairperson, three Deputy Governors, the Secretary General of the Treasury, as well as Independent Non-Executive Members who form the majority of the Board. His Majesty the Yang di-Pertuan Agong appoints all members of the Board, except the Deputy Governors, who are appointed by the Minister of Finance. The Governor serves a five-year renewable term whilst the Deputy Governors and Independent Non-Executive Members each serve a three-year renewable term. The Secretary General of the Treasury remains a member of the Board for as long as he/she holds office.

In 2023, the Board continued to provide oversight and advice on our operations and the delivery of our mandates, sharing invaluable perspectives amid challenging global and domestic economic developments. The Board oversaw the transition in our leadership with the appointment of Datuk Shaik Abdul

Rasheed Abdul Ghaffour as the tenth Governor of BNM on 1 July 2023 following the end of term of Governor Tan Sri Nor Shamsiah Mohd Yunus. Subsequently, Encik Adnan Zaylani Mohamad Zahid was appointed as Deputy Governor on 1 September 2023.















In discharging its responsibilities, the Board engaged extensively with our senior management on key economic and financial developments during the year. The Board took active interest in the progress of the developmental priorities under the Financial Sector Blueprint, and in advancing climate agenda, as well as issues of public interest such as inflation, monetary policy, the ringgit exchange rate and scam-related awareness.

The Board reviewed the overall performance of BNM and discussed our financial performance indicators for 2023. The Board provided invaluable perspectives on our Business Plan's priorities and was highly supportive towards strengthening our organisational development. This included initiatives to accelerate our culture transformation journey from awareness into action, enhance our efforts to provide a secured IT and digital ecosystem, and adopt a competitive remuneration structure.

Board Committees

The Board is supported by three committees – the Board Governance Committee, the Board Audit Committee and the Board Risk Committee. These committees consist solely of Independent Non-Executive Members. Each committee is governed by its own Terms of Reference that is intended to support the Board and to provide internal checks and balances on the management and operations of BNM.

In 2023, the Board Committees discussed matters of importance including board succession and our governance arrangements, the effectiveness of our enterprise risk management and business continuity plans, our audit culture transformation and enhanced internal controls.

	Board Governance Committee (BGC)	Board Audit Committee (BAC)	Board Risk Committee (BRC)
Chairperson	 Tan Sri Mohamed Azman Yahya	 Chin Suit Fang	 Dato' Dr. Nirmala Menon a/p Y.B. Menon
Members	 <ul style="list-style-type: none"> • Chin Suit Fang • Dato' Dr. Nirmala Menon a/p Y.B. Menon 	 <ul style="list-style-type: none"> • Kamarulazman Muhamed • Dr. Nungsari Ahmad Radhi 	 <ul style="list-style-type: none"> • Tan Sri Mohamed Azman Yahya • Kamarulazman Muhamed • Dr. Nungsari Ahmad Radhi
Roles and Responsibilities	 Oversees the Bank's governance framework and practices.	 Oversees the integrity of the Bank's accounts and financial statements.	 Oversees the implementation of the Bank's enterprise risk management framework.
	 Reviews and recommends to the Board on the Bank's budget, business plan and remuneration policies.	 Oversees the adequacy of the Bank's internal controls and compliance with legal requirements and internal policies.	 Oversees the Bank's management of financial, operational, reputational and IT and cybersecurity risks, including risk governance, structure and accountabilities in these areas.
	 Recommends the appointment and reappointment of members of the Board and other legislated committees of the Bank such as: <ul style="list-style-type: none"> • Monetary Policy Committee • Financial Stability Executive Committee • Shariah Advisory Council • Monetary Penalty Review Committee 	 Reviews and approves the Bank's audit framework, audit charter, internal audit plan and reports, and oversees management actions to address material findings.	

The Board is statutorily required to meet at least once a month. In 2023, the Board recorded an attendance rate of 96.8% for Board meetings and 100% for Board Committee meetings, as illustrated in the following table:

Designation	Members	Board *	BGC	BAC	BRC
Chairperson	Tan Sri Nor Shamsiah Mohd Yunus ¹	7/7			
	Datuk Shaik Abdul Rasheed Abdul Ghaffour ²	13/13			
Ex officio	Datuk Jessica Chew Cheng Lian	12/13**			
	Dato' Marzunisham Omar	13/13			
	Adnan Zaylani Mohamad Zahid ³	4/4			
	Datuk Johan Mahmood Merican ⁴ (Secretary General of the Treasury)	8/11**			
Independent Non-Executive	Chin Suit Fang ⁵	12/12			
	Dato' Dr. Nirmala Menon a/p Y.B. Menon	13/13	12/12	2/2#	4/4
	Tan Sri Mohamed Azman Yahya	13/13	12/12	1/1#	4/4
	Kamarulazman Muhamed	13/13	4/4^#	6/6	4/4
	Dr. Nungsari Ahmad Radhi ⁶	12/12	2/2^	5/5	4/4

Note:

- ¹ Retired on 30 June 2023.
- ² Appointed as Governor on 1 July 2023.
- ³ Appointed as Deputy Governor on 1 September 2023.
- ⁴ Appointed as Secretary General of the Treasury on 27 February 2023.
- ⁵ Tenure as member of the Board, BGC and Chairperson of BAC renewed on 15 February 2023.
- ⁶ Appointed as member of the Board, BAC and BRC on 15 February 2023.
- * 13 Board meetings were held in 2023.
- ** Absent due to unavoidable prior commitments.
- ^ Non-members attending by invitation, to inform and educate the non-members on specific matters under consideration by the Committees.
- # Attended as interim Chairperson and/or members, pending appointment and reappointment process.

Note of Appreciation:

The Board of Directors wishes to extend its appreciation and gratitude to Tan Sri Nor Shamsiah Mohd Yunus for her invaluable contributions to BNM and the Board since 1 July 2018. Throughout her tenure as Governor, Tan Sri Nor Shamsiah Mohd Yunus successfully led and transformed BNM's culture of trust and openness which enabled constructive discourse amongst the Board members. Her unwavering commitment to achieve organisational excellence and development objectives will always be valued.

Board Induction and Development

The Independent Non-Executive Members comprise senior and experienced individuals from diverse professional backgrounds. These include economics, accounting and finance, banking and insurance, information technology and cybersecurity, risk management and audit. BNM benefits from the collective wisdom and insights of the Board members as well as their in-depth understanding of issues in the financial, business and public sectors.

Newly-appointed Independent Non-Executive Members undergo comprehensive on-boarding programmes. These encompass our mandates, policy priorities, governing frameworks and operations, to enable the members to perform their oversight role effectively.

Throughout the members' tenure, they also participated in education development programmes on contemporary themes and engaged in policy discourse with BNM's management and staff on core issues affecting central banks. These include macroeconomic developments, reserve management, regulatory policy and supervision, cybersecurity, digital technology and climate-related risks. During the year, the members also benefited from engagements with external organisations to exchange views on the application of artificial intelligence and data analytics in facilitating audit assessments and insights.

Board of Directors



**Datuk Shaik Abdul Rasheed
Abdul Ghaffour**

Chairperson

Appointed to the Board: 16 July 2016

Qualifications

- Master of Business Administration, University of Oxford, United Kingdom
- Bachelor of Economics, University of Malaya, Malaysia
- Asian Institute of Chartered Bankers

Key Appointments and Directorships

- Chairperson, Board of Directors of The SEACEN Centre
- Member, Board of Governors of The SEACEN Centre
- Council Member, Islamic Financial Services Board
- Member, Board of Directors of Malaysia Deposit Insurance Corporation
- Member, Governing Board of International Islamic Liquidity Management Corporation

Past Experience

- Deputy Governor and member of Board of Directors, Bank Negara Malaysia
- Assistant Governor, Bank Negara Malaysia
- Alternate Executive Director, South East Asia Voting Group of the International Monetary Fund



**Datuk Jessica Chew
Cheng Lian**

Ex Officio Member

Appointed to the Board: 1 January 2018

Qualifications

- Bachelor of Commerce (Accounting and Finance), University of Melbourne, Australia
- Chartered Banker Institute (Scotland)
- Asian Institute of Chartered Bankers
- CPA Australia

Key Appointments and Directorships

- Chairperson, Board of Directors of Danamodal Nasional Berhad
- Alternate Member, Board of Directors of Malaysia Deposit Insurance Corporation

Past Experience

- Assistant Governor, Bank Negara Malaysia
- Advisor, Board of Directors of Malaysia Accounting Standard Board

Board of Directors



Dato' Marzunisham Omar

Ex Officio Member

Appointed to the Board: 15 June 2020

Qualifications

- Master of Arts (Economics), University of Cambridge, United Kingdom
- Bachelor of Arts (Economics), University of Cambridge, United Kingdom

Key Appointments and Directorships

- Member, Board of Directors of ASB Management Sdn Bhd
- Member, Board of Governors of Asia School of Business
- Member, Board of Directors of Malaysian Investment Development Authority and Chairperson of Board Audit Committee
- Member, Board of Directors of The SEACEN Centre
- Chairperson, National Coordination Committee to Counter Money Laundering
- Member, Advisory Board of National Anti-Financial Crime Centre

Past Experience

- Assistant Governor, Bank Negara Malaysia
- Executive Director, South East Asia Voting Group of the International Monetary Fund



Adnan Zaylani Mohamad Zahid

Ex Officio Member

Appointed to the Board: 1 September 2023

Qualifications

- Master of Public Policy, Blavatnik School of Government, University of Oxford, United Kingdom
- Master of Science in Global Market Economics, London School of Economics and Political Science, United Kingdom
- Bachelor of Science in Economics, London School of Economics and Political Science, United Kingdom

Key Appointments and Directorships

- Member, Executive Committee of Islamic Financial Services Board
- Member, Board Executive Committee of International Islamic Liquidity Management Corporation
- Member, Board of Directors of Retirement Fund (Incorporated)
- Member, Board of Directors of International Centre for Education in Islamic Finance (INCEIF) University
- Adjunct Professor, Universiti Malaysia Terengganu

Past Experience

- Assistant Governor, Bank Negara Malaysia
- Member, Investment Panel of Employees Provident Fund
- Member, Board of Directors of Credit Guarantee Corporation
- Authority Member, Labuan Financial Services Authority
- Member, Board of Directors of Maybank Venture Capital Company Sdn Bhd

Board of Directors



Datuk Johan Mahmood Merican

Ex Officio Member

Appointed to the Board: 27 February 2023

*Secretary General of the Treasury,
Ministry of Finance*

Qualifications

- Bachelor of Arts (Economics), University of Cambridge, United Kingdom
- Associate Chartered Accountant, Institute of Chartered Accountants in England and Wales

Key Appointments and Directorships

- Chairperson, Board of Directors of Inland Revenue Board of Malaysia
- Chairperson, Board of Directors of Retirement Fund (Incorporated)
- Chairperson, Board of Directors of Public Sector Home Financing Board
- Chairperson, MySalam
- Member, Board of Directors of Petroliaam Nasional Berhad (PETRONAS)
- Member, Board of Directors of Permodalan Nasional Berhad
- Member, Board of Directors of Malaysia Deposit Insurance Corporation

Past Experience

- Deputy Secretary General of Treasury (Policy), Ministry of Finance
- Director of National Budget Office, Ministry of Finance
- Chief Executive Officer, Talent Corporation Malaysia Berhad (TalentCorp)
- Principal Private Secretary to the Minister in the Ministry of Finance and Economic Planning Unit
- Deputy Director General (Human Capital), Economic Planning Unit
- Head, Civil Service Delivery Unit



Chin Suit Fang

Independent Non-Executive Member

Appointed to the Board: 1 November 2019

Qualifications

- Malaysian Institute of Accountants
- Malaysian Institute of Certified Public Accountants

Key Appointments and Directorships

- Member, Monetary Penalty Review Committee

Past Experience

- Partner, PwC Malaysia
- Markets Leader for PwC Malaysia and PwCMYVN (Malaysia & Vietnam)
- Corporate Responsibility and Diversity & Inclusion Leader, PwC Malaysia
- Member, PwC Global Gender Advisory Council
- Mentor for Women in Leadership Malaysia by ICAEW & TalentCorp Malaysia

Board of Directors



**Dato' Dr. Nirmala Menon a/p
Y.B. Menon**

Independent Non-Executive Member

Appointed to the Board: 16 March 2020

Qualifications

- Postgraduate qualifications in Insurance Medicine
- Bachelor in Medicine, University of Mysore, India

Key Appointments and Directorships

- Member, Board of Directors of Sime Darby Berhad
- Member, Board of Directors of Aviva Singlife Holdings Private Limited (Singapore)
- Member, Board of Directors of Amanat Lebuhraya Rakyat Berhad
- Member, Board of Directors of Sistem Penyuraian Trafik KL Barat Sdn Bhd
- Member, Board of Directors of Lingkaran Trans Kota Sdn Bhd

Past Experience

- Member, Board of Directors of AXA Affin General Insurance Berhad
- Member, Board of Directors of Khazanah Nasional Berhad
- Member, Board of Directors of Avicennia Capital Sdn Bhd
- President and Chief Executive Officer, ING Malaysia Berhad
- Executive Vice President, Head of Designated Markets & Health Asia, Metlife Asia Pacific Limited
- Head of South Asia, ING Asia Pacific Limited
- Medical Officer, Hospital Kuala Lumpur



Tan Sri Mohamed Azman Yahya

Independent Non-Executive Member

Appointed to the Board: 1 June 2020

Qualifications

- Bachelor of Science (Economics), London School of Economics and Political Science, United Kingdom
- Institute of Bankers Malaysia
- Institute of Chartered Accountants in England and Wales
- Malaysian Institute of Accountants

Key Appointments and Directorships

- Chairperson, Board of Directors of Symphony House Sdn Bhd
- Chairperson, Board of Directors of Sepang International Circuit Berhad
- Member, Board of Directors of Beringin Land Sdn Bhd
- Member, Board of Directors of Azman and Sons Sdn Bhd

Past Experience

- Chairperson, Board of Directors of Ranhill Utilities Berhad
- Chairperson, Corporate Debt Restructuring Committee
- Chairperson, Board of Directors of Pengurusan Danaharta Nasional Berhad¹
- Member, Board of Directors of Khazanah Nasional Berhad
- Member, Board of Directors of Sime Darby Berhad
- Member, Board of Directors of AIA Group Limited
- Member, Board of Directors of PLUS Expressways Berhad
- Member to PEMUDAH, Financial Reporting Foundation, Capital Market Advisory Group, Malaysia Special Economic Committee

¹ Also served as the Managing Director of Pengurusan Danaharta Nasional Berhad prior to his appointment as Chairperson.

Board of Directors



Kamarulazman Muhamed

Independent Non-Executive Member

Appointed to the Board: 1 January 2022

Qualifications

- Master of Science in Information System Management, Salford University, United Kingdom
- Association of Chartered Certified Accountants, Nottingham Trent University, United Kingdom

Key Appointments and Directorships

- Founder and Chief Executive Officer, Aerodyne Group
- Member, Board of Directors of Malaysia Aerospace Industry Association
- Member, Research Advisory Council, Universiti Teknologi PETRONAS
- Adjunct Professor, Universiti Islam Selangor, Universiti Malaysia Pahang and Edinburgh Business School of Heriot-Watt University Malaysia
- Professor of Practice, Putra Business School of Universiti Putra Malaysia

Past Experience

- Member, Economic Action Council
- Member, Majlis Ekonomi Digital dan 4IR
- Member, National Robotics Direction Plans Steering Committee
- Member, Malaysia National Aerospace Council
- President, New Entrepreneur Foundation
- Exco Member, Economic Planning Unit, Prime Minister's Department
- Business Exco, Majlis Amanah Rakyat
- Director and Country Manager, Computer Associates International



Dr. Nungsari Ahmad Radhi

Independent Non-Executive Member

Appointed to the Board: 15 February 2023

Qualifications

- Doctor of Philosophy (Economics), Purdue University, United States of America
- Master of Science (Mathematics), Southern Illinois University, United States of America
- Bachelor of Arts (Economics and Mathematics), Southern Illinois University, United States of America

Key Appointments and Directorships

- Member, Advisory Committee to Finance Minister
- Director, Ratulin Sdn Bhd
- Director, Koperasi Tunas Muda Sungai Ara Berhad
- Member, Board of Trustees of Khazanah Research Institute
- Member, Board of Trustees of Yayasan Rahimah binti Yusof

Past Experience

- Executive Chairperson, Malaysia Aviation Commission
- Executive Director, Khazanah Research Institute
- Managing Director, Prokhas Sdn Bhd
- Principal Officer, Board of Directors of DanaInfra Nasional Berhad
- Principal Officer and Member, Board of Directors of Pengurusan Danaharta Nasional Berhad
- Principal Officer and Member, Board of Directors of Syarikat Jaminan Kredit Perumahan Berhad
- Member, Board of Directors of Commerce Tijari Bank/CIMB Islamic Bank Berhad
- Member, Board of Directors of Bank Pertanian Malaysia

Senior Management

As provided by the Central Bank of Malaysia Act 2009, the Governor is responsible for the management of BNM in discharging its mandates. In performing these duties, the Governor is assisted by a senior management team consisting of Deputy and Assistant Governors. BNM's organisation structure is designed to promote clear lines of reporting and accountability across its wide-ranging functions.

Various management committees are established to enable the senior management team and other senior officers to deliberate on BNM's business, and in particular those involving the organisation's strategy and top-most priorities. These management committees include policy committees such as the Financial Stability Committee and the Joint Policy Committee, a committee tasked to deliberate cross-cutting issues and coordinate policies that may have impact on the financial system and the broader economy. The management committees enable BNM to draw on diverse functional backgrounds and insights across the organisation to arrive at well-informed decisions through open and candid deliberations.

Supported by these structures, senior management sets internal policies and leads the operations of BNM to ensure that it gives effect to its objects, carries out its functions and uses its resources in a manner that is effective, prudent and consistent with the interests of BNM, for the benefit of the nation.

Management Committee



Front row (seated from left to right)

Abdul Rasheed Ghaffour
Governor

Jessica Chew Cheng Lian
Deputy Governor

Adnan Zaylani Mohamad Zahid
Deputy Governor

Back row (from left to right)

Marzunisham Omar
Deputy Governor

Fraziali Ismail
Assistant Governor

Abd. Rahman Abu Bakar
Assistant Governor

Suhaimi Ali
Assistant Governor

Dr. Norhana Endut
Assistant Governor

Aznan Abdul Aziz
Assistant Governor

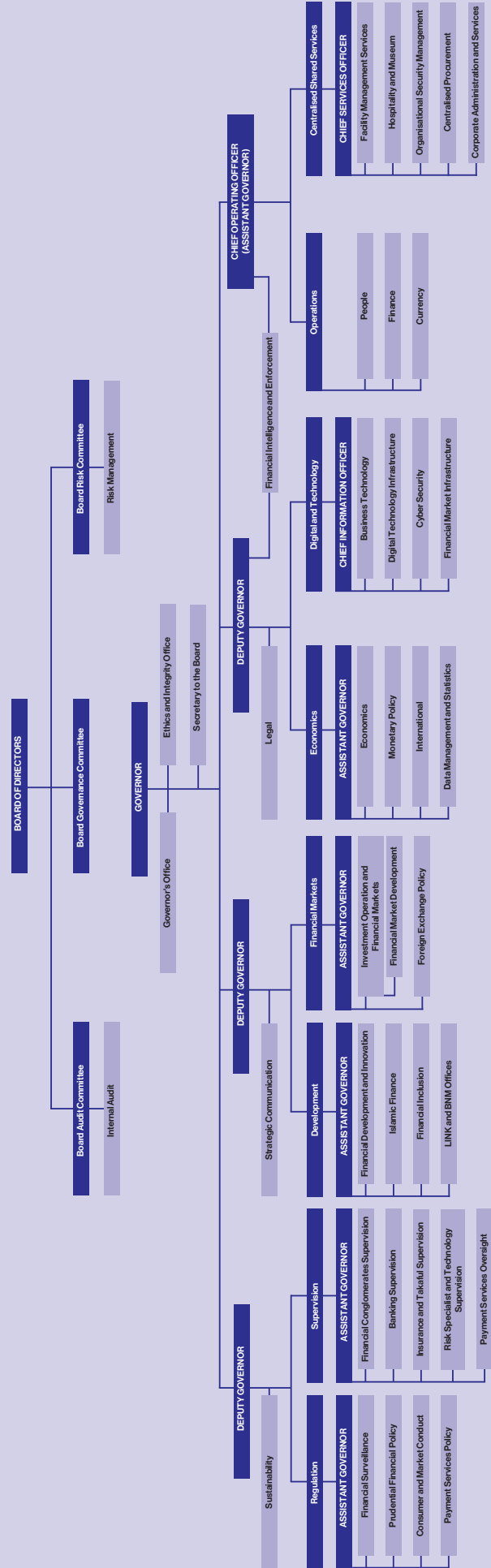
Senior Officers

Governor	Abdul Rasheed Ghaffour
Deputy Governor	Jessica Chew Cheng Lian
Deputy Governor	Marzunisham Omar
Deputy Governor	Adnan Zaylani Mohamad Zahid
Assistant Governor	Aznan Abdul Aziz
Assistant Governor	Fraziali Ismail
Assistant Governor	Dr. Norhana Endut
Assistant Governor	Abd. Rahman Abu Bakar
Assistant Governor	Suhaimi Ali
Assistant Governor	Abu Hassan Alshari Yahaya <i>(appointed as Head of the Consumer Credit Oversight Board Task Force)</i>
Secretary to the Board	Suhanna Omar
Governor's Office	Nurashiqin Asri
Internal Audit	Marina Abdul Kahar
Risk Management	Beh Cheng Hoon
Ethics and Integrity Office	Santamarie Shamni Arulanandam
Legal	—
Sustainability	Madelena Mohamed
Strategic Communications	Shasha Kartini Ridzam
Financial Intelligence and Enforcement	Mohd Fuad Arshad
Financial Surveillance	Daniel Chin Shen Li
Prudential Financial Policy	Cindy Siah Hooi Hoon
Consumer and Market Conduct	Lim Hsin Ying
Payment Services Policy	Qaiser Iskandar Anwarudin
Financial Conglomerates Supervision	Hong Chin Pheng
Banking Supervision	Mohd Zabidi Md Nor
Insurance and Takaful Supervision	Hoo Hon Shiong
Risk Specialist and Technology Supervision	Hew Ee-Lu
Payment Services Oversight	Zarifa Izan Zainol Abidin
Financial Development and Innovation	Lau Chin Ching
Islamic Finance	Nurul Izza Idris
Financial Inclusion	Nor Rafidz Nazri
LINK and BNM Offices	Thomas Tan Koon Peng

Investment Operations and Financial Markets	Mohamad Ali Iqbal Abdul Khalid
Foreign Exchange Policy	Albert See Choon Kwang
Economics	Idwan Suhardi Hakim
Monetary Policy	Dr. Mohamad Hasni Sha'ari
International	Ida Harniza Johar
Data Management and Statistics	Ong Li Ming
Chief Information Officer	Tay Gim Soon
Business Technology	Victor Khor Eng Swee
Digital Technology Infrastructure	Ahmad Affzan Mokhtar Anuar
Cyber Security	Aizuddin Mohd Ghazali
Financial Market Infrastructure	Noor Hazama Fadhilah Abdullah
People	Nurashikhin Md. Sharif
Currency	Mohamad Zaini Ab Jabbar
Finance	Toh Ying Ying
Chief Services Officer	Affendi Rashdi
Facility Management Services	Razman Samsudin
Hospitality and Museum	Noreen Zulkepli
Organisational Security Management	Ahmad Azaharudin Mohd Anuar
Centralised Procurement	—
Corporate Administration and Services	Hairi Adam
Beijing Representative Office	Soo Woan Chin
London Representative Office	Shahredza Minhat
New York Representative Office	Ahmad Abrar Shamsuddin
BNM Office Johor Bahru	Rosnani Mahamad Zain
BNM Office Pulau Pinang	Panimoli Kalidass
BNM Office Kuching	Mohd Irman Haji Mohd Din
BNM Office Kota Kinabalu	Adlis Khairil Sazli Mohd Zaini
BNM Office Kuala Terengganu	Zambre Ismail

BANK NEGARA MALAYSIA

Organisation Structure



Statutory Committees

In certain areas, the responsibility for decision-making is placed beyond the direct remit of the Board or Management. These matters are reserved for specific organs created by statute.

Monetary Policy Committee

The primary objective of monetary policy in Malaysia is to maintain price stability while giving due regard to developments in the economy. Under the Central Bank of Malaysia Act 2009 (CBA 2009), the Monetary Policy Committee (MPC) of BNM is responsible for formulating monetary policy and the policies for the conduct of monetary policy operations.¹ The MPC decides on the policy interest rate, the Overnight Policy Rate (OPR), to influence other interest rates in the economy.

In carrying out this mandate, the MPC determines monetary policy based on its assessment of the balance of risks to the outlook for both domestic inflation and growth. The MPC also monitors risks of destabilising financial imbalances given their implications on economic prospects. The MPC meets at least six times a year to decide on the OPR and publishes the Monetary Policy Statement (MPS) after each meeting to explain its decisions.

The MPC comprises the Governor, the Deputy Governors, and not less than three but not more than seven other members. These include external members who are appointed by the Minister of Finance, as recommended by BNM's Board Governance Committee. The MPC currently has eight members, two of whom are external members. The membership of the MPC seeks to bring together a diversity of expertise and experience that is critical for sound monetary policy decision-making.

Members*

Abdul Rasheed Ghaffour (Chairperson)

Jessica Chew Cheng Lian

Marzunisham Omar

Adnan Zaylani Mohamad Zahid

Dr. Norhana Endut

Fraziali Ismail

Nor Zahidi Alias (External Member)

Lim Chee Sing (External Member)

¹ More information on the MPC and its decision-making processes can be found in the feature article titled 'Behind the Scenes of Bank Negara Malaysia's Monetary Policymaking' in this report.

* As at 20 March 2024.

Financial Stability Executive Committee

The Financial Stability Executive Committee (FSEC) was established in 2010 pursuant to Section 37 of the Central Bank of Malaysia Act 2009 (CBA 2009). The FSEC supports BNM's statutory mandate of preserving financial stability through its powers to decide on specific policy measures that may be taken by BNM to avert or reduce risks to financial stability.

In carrying out this mandate, the FSEC reviews, assesses and decides on proposals tabled by BNM to:

- Issue orders to a person or financial institution that is not regulated nor supervised by BNM to undertake specific measures in the interest of financial stability;
- Extend liquidity assistance to a financial institution that is not regulated nor supervised by BNM, or to the overseas operations of a licensed financial institution in Malaysia.
- Provide capital support to a licensed financial institution in Malaysia that has ceased to be viable or is likely to become non-viable.

This serves to ensure continuous and effective financial intermediation, including the orderly functioning of the money market and foreign exchange market, and preserve public confidence in the financial system.

The FSEC consists of seven members, a majority of whom are non-executive members who are independent of BNM's Management. Members are subject to the FSEC's Code of Ethics and Conflict of Interest, which serves to preserve the integrity of the FSEC's decisions. In 2023, the FSEC met twice to discuss developments and assessments on financial stability risks amid a global environment of tightening financial conditions and heightened inflationary pressures.

Members*

Datuk Abdul Rasheed Ghaffour (Chairperson)

Dato' Marzunisham Omar

Datuk Johan Mahmood Merican (*Independent non-executive member*)

Dato' Seri Dr. Awang Adek Hussin (*Independent non-executive member*)

Rafiz Azuan Abdullah (*Independent non-executive member*)

Dato' Abdul Rauf Rashid (*Independent non-executive member*)

Wong Chee Lin (*Independent non-executive member*)

* As at 20 March 2024.

Shariah Advisory Council

The Shariah Advisory Council (SAC) of Bank Negara Malaysia was established in May 1997 as the highest Shariah authority for Islamic financial institutions in Malaysia. The Central Bank of Malaysia Act 2009 (CBA 2009) reinforces the roles and functions of the SAC as the authority for the ascertainment of Islamic law for the purposes of Islamic financial business which are supervised and regulated by BNM.

The SAC performs an instrumental role in promoting Shariah certainty and sustaining public confidence in the Islamic financial system. The Shariah rulings by the SAC serve as a main reference for Islamic financial institutions to ensure end-to-end Shariah compliance in their implementation of Islamic financial products, business and activities. In addition, the CBA 2009 provides that Shariah matters brought to the court or raised in any arbitration proceeding must be referred to the SAC for clarity and certainty.

The SAC provides the Shariah basis for the development of a comprehensive Shariah contract-based regulatory framework for Islamic financial institutions in Malaysia. In this regard, the SAC specifies the essential features of the contracts taking into consideration the various Shariah views, research findings, as well as custom and market practices.

The SAC members are appointed by the Yang di-Pertuan Agong, based on the advice of the Minister of Finance after consultation with BNM. Currently, the SAC has nine members comprising Shariah scholars and practitioners with vast experience, domestically and abroad in the areas of Shariah, law, Islamic economics, and finance.

In 2023, the SAC met eight times to decide and issue rulings concerning Shariah issues that shape the development and regulation of Islamic financial system in Malaysia.

Members*

Prof. Dr. Ashraf Md Hashim (Chairperson)

Dr. Engku Rabiah Adawiah Engku Ali (Deputy Chairperson)

Sahibus Samahah Dato' Setia Prof. Madya Dr. Haji Anhar Haji Opir

Tan Sri Mohd Zawawi Salleh

Datuk Prof. Dr. Mohamad Akram Laldin

Dr. Marjan Muhammad

Dr. Ahmad Basri Ibrahim

Burhanuddin Lukman

Zainal Abidin Jamal

* As at 20 March 2024.

Monetary Penalty Review Committee

The Monetary Penalty Review Committee (MPRC) is an independent committee legislated under section 238 of the Financial Services Act 2013 (FSA) and section 249 of the Islamic Financial Services Act 2013 (IFSA). The MPRC considers appeals from persons (individuals or institutions) against the administrative monetary penalties (AMPs) or pecuniary remedies imposed by BNM in exercising its administrative enforcement powers under the FSA, the IFSA the Development Financial Institutions Act 2002 and the Currency Act 2020 (CA).¹

The MPRC provides an independent avenue for aggrieved parties to appeal against BNM's decisions. The MPRC may decide to either confirm BNM's decision or require BNM to reconsider and reach a decision in accordance with the findings of the MPRC. The members of MPRC are appointed by the Minister of Finance from among the Independent Non Executive Board Members of BNM or other external persons upon recommendation by BNM.

Members*

Tan Sri Hasan Lah (Chairperson)

Chin Suit Fang

Lillian Leong Bee Lian

¹ For the CA, the appeals would only be against the AMPs imposed by BNM.

* As at 20 March 2024