

Governance

81 Board of Directors, Senior Management and Statutory Committees of the Bank



Governance





Governance

Bank Negara Malaysia is responsible for promoting monetary stability 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 the Bank administers – as well as internal policies developed within the institution over the years. In addition to clarifying roles and responsibilities, our governance structures are designed to promote accountability and high standards of integrity in our operations.

Board of Directors

The Board of Directors is responsible for overseeing the management and operations of the Bank. It also reviews the Bank's performance in delivering its mandates and directing its resources. This includes approving the Bank's budget and its operating plan.

The Board is chaired by the Governor and comprises the Deputy Governors, the Secretary General of the Treasury as well as independent non-executive members who form the majority within the Board.

During the year, the Board engaged extensively with the senior management team on a number of matters. These include the Bank's organisational and financial performance in 2019, and its business plan and budget for 2020. The Board also deliberated on organisational development priorities, particularly those relating to the management of the Bank's human capital, as well as strategies to build and sustain the Bank's digital and cyber risk management capabilities. The Board also dedicated its attention to reinforcing a strong culture of integrity, ethical conduct and professionalism among our employees. It further considered ways to strengthen project management within the organisation, in line with increasing demands on the Bank.



Board of Directors*



Standing from left to right

Abdul Rasheed Ghaffour

Chin Suit Fang

Dato Sri Lim Haw Kuang

Dato' Paduka Sulaiman Mustafa

Jessica Chew Cheng Lian

Seated from left to right

Tan Sri Ahmad Badri Mohd Zahir

Nor Shamsiah Yunus (Chairman)

Dato' N. Sadasivan a/l N.N Pillay

Secretary to the Board: Fazlina binti Pawan Teh

The Board of Directors wishes to extend its appreciation and gratitude to **Tan Sri Dato' Sri Dr. Sulaiman bin Mahbob**, **Tan Sri Dato' Seri Siti Norma binti Yaakob** and **Dato' Wee Hoe Soon @ Gooi Hoe Soon** who completed their service in year 2019.

* As at 29 February 2020.

Board Committees*

The Board is supported by three committees, namely the Board Governance Committee, Board Audit Committee and Board Risk Committee. These committees – consisting solely of independent non-executive members – assist the Board in providing oversight of the administration of the Bank.

	Board Governance Committee	Board Audit Committee	Board Risk Committee
Number of Meetings in 2019	6	6	4
Chair	Dato' Paduka Sulaiman bin Mustafa (effective 16 November 2019)	Dato' N. Sadasivan a/l N. N. Pillay	Dato Sri Lim Haw Kuang
Members	<ul style="list-style-type: none"> · Dato' N. Sadasivan a/l N. N. Pillay · Dato Sri Lim Haw Kuang · Chin Suit Fang 	<ul style="list-style-type: none"> · Dato' Paduka Sulaiman bin Mustafa · Chin Suit Fang 	<ul style="list-style-type: none"> · Dato' Paduka Sulaiman bin Mustafa · Chin Suit Fang
Roles	<ul style="list-style-type: none"> · Responsible for overseeing the Bank's governance framework and practices · Reviews and makes recommendations to the Board on the Bank's budget, operating plan and remuneration policies · Recommends to the Board on the appointment and reappointment of members of the Board and other committees of the Bank 	<ul style="list-style-type: none"> · Responsible for the integrity of the Bank's accounts and financial statements · Provides oversight over the adequacy of the Bank's internal controls and compliance with legal requirements · Reviews and approves the Bank's audit framework, audit charter, internal audit plan and audit reports, and oversees management actions to address material findings 	<ul style="list-style-type: none"> · Responsible for oversight of financial, operational and reputational risks · Oversees the implementation of the Bank's enterprise risk management framework · Makes recommendations to the Board on the risk appetite statement and key risk policies of the Bank

* As at 29 February 2020.

Senior Management*

As provided by the Central Bank of Malaysia Act 2009, the Governor is responsible for the management of the Bank in discharging its mandates. In performing these duties, the Governor is assisted by a senior management team consisting of Deputy and Assistant Governors. The Bank'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 of the Bank to deliberate on the Bank'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 (refer to Promoting Financial Stability for more information) 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

* As at 16 March 2020.



the broader economy. The management committees enable the Bank to draw on diverse functional backgrounds and insights across the Bank 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 the Bank 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 the Bank and the nation.

1. **Nor Shamsiah Yunus**
Governor

2. **Abdul Rasheed Ghaffour**
Deputy Governor

3. **Jessica Chew Cheng Lian**
Deputy Governor

4. **Norzila Abdul Aziz**
Assistant Governor

5. **Mohd. Adhari Belal Din**
Assistant Governor

6. **Abu Hassan Alshari Yahaya**
Assistant Governor

7. **Marzunisham Omar**
Assistant Governor

8. **Adnan Zaylani Mohamad Zahid**
Assistant Governor

9. **Aznan Abdul Aziz**
Assistant Governor

10. **Fraziali Ismail**
Assistant Governor



Other Senior Officers*

Economics
Monetary Policy
International
Data Management and Statistics

Dr. Norhana Endut
Dr. Mohamad Hasni Sha'ari
Raja Syamsul Anwar Raja Mohammed Affandi
Nor Rafidz Nazri

Investment Operations and Financial Markets
Representative Offices:
London Representative Office
New York Representative Office
Beijing Representative Office
Foreign Exchange Policy

Abdul Rahman Hussein

Muhamad Jamil Fathi Jamaludin
Azizul Sabri Abdullah
Edward Lu Kean
Norzila Abdul Aziz

Financial Development and Innovation
Islamic Banking and Takaful
Insurance Development
Development Finance and Inclusion

Suhaimi Ali
Madelena Mohamed
Lau Chin Ching
Thomas Tan Koon Peng

Financial Conglomerates Supervision
Banking Supervision
Insurance and Takaful Supervision
Risk Specialist and Technology Supervision
Payments Oversight

Vijayakumar MV Nair
Mohd Zabidi Md Nor
Hew Ee-Lu
Daniel Chin Shen Li
Shahariah Othman

Financial Intelligence and Enforcement

Mohd Fuad Arshad

Financial Surveillance
Prudential Financial Policy
Consumer and Market Conduct
Money Services Business Regulation

Qaiser Iskandar Anwarudin
Cindy Siah Hooi Hoon
Lim Hsin Ying
Nik Mohamed Din Nik Musa

Currency Management and Operations
Finance
LINK and BNM Offices
BNM Office Johor Bahru
BNM Office Pulau Pinang
BNM Office Kuching
BNM Office Kota Kinabalu
BNM Office Kuala Terengganu

Azman Mat Ali
Affendi Rashdi
Arlina Ariff
Rosnani Mahamad Zain
Hasjun Hashim
Mohd Irman Haji Mohd Din
Zambre Ismail
Adlis Khairil Sazli Mohd Zaini

* As at 16 March 2020.

Strategic Human Capital
 Human Capital Development Centre
 Central Banking Services
 Human Capital Services

Abd. Rahman Abu Bakar
 Kristina Rai
 Ruziana Mohd Mokhtar
 Faizal Muhammad Sudin

Chief Information Officer

Business Technology
 Digital Technology Infrastructure
 Cyber Security and Data Protection

Tay Gim Soon

Tay Gim Soon
 Leong Kwan Seng
 Aizuddin Mohd Ghazali

Chief Services Officer

Facility Management Services
 Hospitality Services
 Organisational Security Management
 Museum and Art Gallery

Shamsuddin Mohd Mahayidin

Razman Samsudin
 Hairi Adam
 Yusoff Sulong
 Lim Foo Thai

Governor's Office
 Internal Audit
 Risk Management
 Legal
 Strategic Communications

Abd. Rahman Abu Bakar
 Marina Abdul Kahar
 Ong Li Ming
 Noorul Azmi Mat Dahari
 Fraziali Ismail

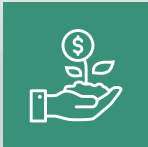
Business Plan 2020

The Bank’s mandate to promote monetary stability and financial stability is set out in the Central Bank of Malaysia Act 2009. To give effect to this, the Bank develops annual and medium-term business plans to lay out its priorities in any given planning period. The business plans clarify the Bank’s focus and promote alignment across its different policy areas and corporate functions.

The business planning process enables the Bank to respond to and prepare for changes in its operating environment, as well as the challenges and emerging risks that we face in delivering our mandate. The annual business plan drives the way we budget and allocate resources. It is also translated into job targets for teams and individual employees.

For 2020, our business plan focuses on preserving the Bank’s effectiveness in a more challenging economic and financial environment.

Ensuring that we can continue to discharge our core mandates effectively



Monetary stability

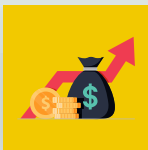
Adopt an appropriate monetary policy stance



Financial stability

Calibrate regulation and supervision to reduce procyclicality, and improve the financial system’s resilience to financial and operational disruptions

Positioning the Bank and the financial system to better respond to new operating realities



Financial development

Provide strategic and policy clarity on financial technology developments, inclusion and structural reforms in the financial sector



Stakeholder engagement and communications

Increase openness and meaningful engagement

Elevating our capacity and improving processes to deliver with professionalism, efficiency and integrity



People and culture

Bring out the best in the Bank’s employees



Technology

Position the Bank to fully embrace technology with confidence



Governance and risk

Internalise good governance and a sound risk culture



Finances and resources

Sharpen discipline and prudence

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 Bank Negara Malaysia is charged with the responsibility of formulating monetary policy and the policies for the conduct of monetary policy operations.¹ In this regard, 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 the direction of monetary policy based on its assessment of the balance of risks to the outlook for both domestic growth and inflation. The MPC also monitors risks of destabilising financial imbalances given their implications for the prospects of the economy. The Committee meets at least six times a year to decide on the OPR and publishes the Monetary Policy Statement (MPS) following 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, including external members who are appointed by the Minister of Finance upon the recommendation of the Bank's Board Governance Committee. At present, the MPC has seven 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 decision-making on monetary policy.

Members*

Nor Shamsiah Yunus (Chairman)

Abdul Rasheed Ghaffour

Jessica Chew Cheng Lian

Norzila Abdul Aziz

Marzunisham Omar

Prof. Dr. Yeah Kim Leng (External Member)

Dato' Dr. Gan Wee Beng (External Member)

* As at 16 March 2020.

¹ For a detailed account of the evolution of the MPC, and its governance and processes, refer to the 'Box Article: Evolution of the Monetary Policy Committee of Bank Negara Malaysia: Key Milestones over the Years' in the Bank's Annual Report 2015.

Financial Stability Executive Committee

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

The Executive Committee is a key component of the accountability framework that has been institutionalised to exercise the broad financial stability powers accorded to the Bank under the CBA 2009. It is responsible to ensure that the proposed measures within its purview are appropriate, having regard to the Bank's assessment of risks to financial stability. These measures are:

- the issuance of orders to a person or financial institution that is not supervised by the Bank to undertake specific measures;
- the extension of liquidity assistance to a financial institution that is not supervised by the Bank, or to the overseas operations of a licensed financial institution in Malaysia; and
- the provision of capital support to a licensed financial institution in Malaysia that has ceased to be viable or is likely to become non-viable.

The Executive Committee consists of seven members, a majority of whom are non-executive members who are independent of the Bank's Management. Members are subject to the Executive Committee's Code of Ethics and Conflict of Interest, which serve to preserve the integrity of the Executive Committee's decisions. The Executive Committee meets at least twice a year.

Members*

Nor Shamsiah Yunus (Chairman)

Abdul Rasheed Ghaffour

Tan Sri Ahmad Badri Mohd Zahir

Datuk Syed Zaid Albar

Rafiz Azuan Abdullah

Yoong Sin Min (External Expert)

Dato' Abdul Rauf Rashid (External Expert)

* As at 16 March 2020.

Shariah Advisory Council

The Shariah Advisory Council of Bank Negara Malaysia (SAC) was established in May 1997 as the highest Shariah authority in Islamic banking and takaful in Malaysia. In the Central Bank of Malaysia Act 2009 (CBA 2009), the SAC is elevated as a statutory committee and leading authority for the ascertainment of Islamic law in Islamic financial business.

Given its statutory position, the SAC plays a pivotal role in ensuring the certainty and consistency of Shariah rulings applied in the Malaysian Islamic banking and takaful industry. The Shariah rulings by the SAC serve as a main reference for Islamic financial institutions that are regulated by the Bank to ensure end-to-end Shariah compliance in the structure and implementation of their financial products and services. In addition, the CBA 2009 provides that matters pertaining to the application of Shariah in Islamic finance raised in a court or arbitration proceeding must be referred to the SAC, whose opinions shall be binding.

The SAC rulings provide the Shariah basis for the development of a comprehensive Shariah contract-based regulatory framework for Islamic banking and takaful in Malaysia.

The appointment of the SAC members is made upon approval by the Yang di-Pertuan Agong, on the advice of the Minister of Finance after consultation with the Bank. Currently, the SAC has nine highly qualified and prominent Shariah scholars and practitioners with vast experience, domestically and abroad, in the areas of Shariah, law, Islamic economics and finance.

Members*

Datuk Dr. Mohd Daud Bakar (Chairman)

Prof. Dr. Ashraf Md. Hashim (Deputy Chairman)

Sahibus Samahah Dato' Dr. Haji Anhar Haji Opir

Dato' A. Aziz. A. Rahim

Prof. Dr. Mohamad Akram Laldin

Prof. Dr. Engku Rabiah Adawiah Engku Ali

Dr. Marjan Muhammad

Burhanuddin Lukman

* As at 16 March 2020.

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 or pecuniary remedies imposed by the Bank in exercising its administrative enforcement powers under the FSA, the IFSA and the Development Financial Institutions Act 2002.

The MPRC provides an independent avenue for aggrieved parties to appeal against the Bank's decisions. The MPRC may decide to either confirm the Bank's decision or require the Bank 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 non-executive directors of the Bank or other persons external to the Bank.

Members*

Tan Sri Hasan Lah (Chairman)

Prof. Dr. Choong Yeow Choy

Chin Suit Fang

Lillian Leong Bee Lian

* As at 16 March 2020.




Museum •
Cultural Space
