

Malaysian Association of Money Services Business (MAMSB)

2018 Annual General Meeting

21 April 2018

President's Opening Remarks

Ladies and gentlemen,

Good morning!

Today's AGM marks another milestone of MAMSB as members will be electing 3rd term Council with President coming from Group A and Vice-President from Group B. A number of the current Council Members will pass on their batons to new Council Members upon completion of their term of service in MAMSB. I myself for sure will step down as the first President of MAMSB since 2014, in accordance with the Association's Constitution. This is the last AGM I will chair until the new President is elected later this afternoon.

MAMSB is a young national association of only four years and 8 months. We, however, must take pride of the many achievements we have accomplished together in such a short span of time. Details of the achievements thus far, are in the Council's Report. For this, I must say a big thank you to the 1st and 2nd term Council Members, the various Committees of the Council, Taskforces and the Secretariat for their valuable time, hard work and contributions to MAMSB for the benefits of our members and associates. Without the active participation and support of members and associates, MAMSB will take a much longer time to reach the present stage of achievements. Thank you for the support.

Ladies and gentlemen,

Allow me to share with members some thoughts on the challenges which members have to overcome in order to move forward; and expectations on the Council.

First of all, let me congratulate members who have taken initiatives and made great efforts to innovate, modernise and expanded their operations. A number of the members now have extensive branch network, including our Class C Money-Changing business members. The operations of some of the Class C members are even bigger than Class A and B members. Some have built their businesses successfully to the extent that they are able to cash out handsomely. And this is a very encouraging development for the industry. Indeed, the MSB industry landscape of Malaysia has changed from mainly family-owned business to corporatised business. The level of professionalism in MSB industry has improved significantly. Many of the members are now hiring trained professionals, including those from banking industry.

Nevertheless, may I quote the advice of Governor Tan Sri Muhammad Bin Ibrahim, FCB, that "... Success for money services businesses in today's challenging environment will hinge on the ability to adapt to new demands, while making the most of new growth opportunities that come with change". Members can expect more challenges in regulatory compliance and business environment. Our money services business is governed under similar regulations for financial sector and must maintain highest level of integrity, transparency and governance. We cannot ignore the digital disruption nor increasing cost of doing business. Hence, inaction is not a choice if members intend to continue as on-going concerns in this industry. Members must be prepared to learn new skills and embrace technology to innovate our way of doing business, invest in human capital and systems in order to remain as efficient on-going business concerns. Members have to be forward looking and not dwell in the past without learning any valuable lessons to help us to face challenges.

Ladies and gentlemen,

MAMSB is governed by its Constitution. The expectations on the Council and the various Committees of the Council, as well as their responsibilities are clearly stipulated

in Clause 9 and 25 of the Constitution, respectively. Each of the Council Members has a clear role to play. They are expected to carry out their roles effectively towards achieving the objectives of the Association as stated in Clause 3 of the Constitution. All Council Members have one vote and decisions at meetings of the Council are by two-third majority. Hence, no Council Member, not even the President can singly decide for the Council. Decisions are made collectively and are jointly responsible by all Council Members. Members are welcome to go through the minutes of the Council at the MAMSB office.

To achieve the objectives of MAMSB, the 1st term Council had, with the assistance of the Taskforce on MAMSB Strategic Blueprint and support from Bank Negara Malaysia, charted the road-map, i.e. MAMSB Strategic Blueprint (2015-2020) to focus on strategic outcomes that contribute positively to modernise, strengthen industry safeguards and enhance professionalism. We had developed and implemented 6-key principles professional code of conduct for MAMSB members and associates, supported by a disciplinary unit within MAMSB. A comprehensive Education Framework was developed to implement initiatives to address the human capital issues, enhance the competency and knowledge of MSB staff as well as to promote effective consumer awareness and education. The Council had also established the first ever MSB Group of Compliance Officers (GOCO) in the region to support and facilitate initiatives to elevate the competence and effectiveness of compliance officers.

Ladies and gentlemen,

As the saying go: it is difficult to build a successful business but it is even harder to maintain and ensure the business continues as an on-going concern and reaches greater heights. The 2nd Term Council, Committees of the Council, GOCO and the Secretariat have to work even harder to ensure success implementations of the many projects for the greater good of Members and Associates. On behalf of members and associates, I would like to express my heartiest appreciation to each of the 2nd Term Council Members for carrying out their responsibilities well:

- First, to En. Jajakhan Bin Kader Gani who had served as Vice President until 28 February 2017.
- Second, to En. Akbar Batcha Bin Mohamed Shamsuddin who has been our Secretary for two terms. It is not an easy task to be the Secretary of MAMSB as En. Akbar has to deal with matters relating Registry of Societies as well as overseeing administrative matters relating to the Council. En. Akbar also headed the Code of Conduct Committee and served as member in other Committees of the Council. I must say he was the one Council Member who had to frequent and spend most time at MAMSB.
- Third, to Tn Hj. Mohamed Burhan Bin Mohd Alahudin, the Treasurer of two terms. Tn. Hj. Burhan, with the assistance of the Secretariat, had the responsibility to table up-to-date accounts at Council meetings. All Council Members were fully aware of the financial status of MAMSB. Tn. Hj. Burhan, upon endorsement of the Council, also had to table the audited Annual Accounts for approval of the members at AGMs. Our Annual Accounts were audited by external auditors approved also by the members. Tn. Hj. Burhan also headed the Membership Committee.
- To our Member Class A Council Member, Mr. Espen Kristensen, for sharing experiences with the Council and for being a member of the Code of Conduct disciplinary unit. Mr. Espen Kristen also headed the Committee on Remittance Business.
- To Mr. Lee Eng Sia, the Member Class B Council Member until 25 April 2017.
- To En. Mohd Sani Bin Mohamed Ismail, the Member Class C Council Member. En. Sani also headed the Committee on Money-Changing Business.

- To Mr. Jam Imtiaz Rasool, the Member Class D Council Member until 31 March 2017. Mr. Jam Imtiaz was also the head of the Committee on Wholesale Currency Business.
- To Tn Hj Mohamed Sherafath Ali Bin Abdul Rahman, the Northern Regional Council Member
- To En Jahbar Sadheek Bin Syed Mohamed, the Central Regional Council Member
- To Tn. Hj. Harif Fadilah Bin Hashim, the East Coast Regional Council Member for two terms
- To Mr. Lim Kuan Yew, the Southern Regional Council Member. Mr Lim, a trained lawyer, also played an important role as the head of the Legal Committee.
- To Mr. Lim Ching Seng, the East Malaysia Regional Council Member for two terms. Mr. Lim and his team in Finance Committee establish standard operation procedures to ensure proper management of the funds of MAMSB.

We also thank Mr. Albert Lim who joined the Council as the Class B Council Member with effect from 22 August 2017 and En. Ahmad Hadzim, the Class D Council Member from 22 August 2017.

I also had the pleasure to work with the 1st term Council Members who are not in the 2nd term, namely Dr Hj Mohamed Suibu Bin Mohd Yusooof, Tn Hj Munower Sadiq, Ms Kee Hiau Leng, Ms Chew Mei Ling, Mr Selva Raj, Mr Amin Basheer Bin Jaffar Ali, En Abdul Wahab Bin Abdul Aziz and Mr Wong Sim Peng.

I also wish to thank many member companies which have enlisted their senior staff to be members in Committees of the Council as well as Taskforces. Your contributions have made successful stories in assisting MAMSB to achieve its objectives.

Not forgetting, my personal thanks to MAMSB's CEO, Ms Shalini and all staff of the Secretariat for a job well done.

Ladies and gentlemen,

Many of the projects undertaken by MAMSB will take some time to complete. One such project is on the proposed amendments to MAMSB Constitution. The Council had set up the Taskforce for the Amendment of the MAMSB Constitution as agreed at the 2016 AGM. This is in view of the rapid growth and substantial changes in the MSB industry practices since the inception of MAMSB. The Taskforce, comprising 8 members from Group A and Group B, had commenced their task since August 2016. Through bottom up approach, many members had provided their views and suggestions. The Taskforce is now finalising their recommendations, pending feedback from some key stakeholders.

The proposed amendment of the Constitution is a very important exercise and needs consensus from at least 75% of members with voting rights in Group A and B respectively as set out in the Register of Members. I am confident that the new 3rd Term Council to be led by President from the Group A will complete the exercise successfully.

Ladies and gentlemen,

It is never an easy task to be the chief in any organisation. I am sure all of you present at this AGM can understand and appreciate the difficulty. As a President of MAMSB, one has to ensure fairness for all members, irrespective of member classes, and associates. I may be the President from Group B, but it is imperative that the interest of

Group A members is also protected. My conscience is clear that I have done my best for the interest of all members and associates. I enjoy and appreciate the two-way consultative engagement approach of Bank Negara Malaysia in any policy or measure that would affect the MSB industry. I am indeed deeply honoured to be given the opportunity to lead MAMSB for two terms.

In parting as outgoing President, it is my wish to see the new Council Members continue working as a team towards achieving the vision of MAMSB, i.e. “To be a respectable organisation and driving force to modernise and enhance the professionalism of the money services business in Malaysia”. Council Members may agree to disagree but ultimately, the overall interest of members and associates must be the priority.

With this, let us commence the AGM proceedings for today. Thank you.