

Financial Services

Climate risk — progress of Joint Committee on Climate Change

In a joint statement, Bank Negara Malaysia (“BNM”) and Securities Commission Malaysia announced on 10 December 2021 the following:

- the Joint Committee on Climate Change (“JC3”) will issue a Reference Guide on Climate Risk Management and Scenario Analysis, which sets out expectations for financial institutions to integrate climate-related risks considerations in financial institutions’ business and risk strategies (“Reference Guide”), for public consultation this month.
- this will be followed by the issue of a Task Force on Climate-related Financial Disclosures (“TCFD”)-aligned Application Guide for disclosures on climate-related risks by financial institutions for public consultation in January 2022, which would be the mandatory basic requirements mandatory from 2024. Financial institutions regulated by BNM are expected to adopt additional stretch recommendations that are aligned with TCFD disclosures by end of 2024.
- disclosure guides for businesses, on the other hand, will be developed in 2022.

Exposure draft on Agent Oversight Framework for Money Services Business

BNM issued an exposure draft on agent oversight framework for money services business (“Exposure Draft”) on 18 November 2021 for public consultation by 18 January 2022.

According to BNM, this Exposure Draft is intended to update the Guidelines on Agent Oversight Framework for the Money Services Industry issued on 15 April 2013 (“Existing Guidelines”).

Legal Updates

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The Exposure Draft, when it comes to effect, will apply to all money services business licensees (a “MSB Licensee”) which are approved to appoint money services business agents under section 43 of the **Money Services Business Act 2011**.

The amendments introduced in this Exposure Draft include, without limitation:

- the expansion of the definitions of “*agent*” and “*money services business agent*”.
- introduction of a definition of “*substantial shareholder*” which is not in the Existing Guidelines, and a notification obligation on MSB Licensees of any change to the non-substantial shareholder(s) of its third-party agents.
- introduction of definitions of “*mobile channel*” and “*online channel*” and new regulation of the conduct of money services business through online and/or mobile channel by agents.

CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.

Tax & Revenue

Income tax

The [Income Tax \(Exchange of Information\) Rules 2021](#) have been gazetted on 1 December 2021. The Income Tax (Exchange of Information) Rules 2011 have been revoked.

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