

regulatory and supervisory framework to ensure safe and sound financial management of the DFIs.

Amendment
as per
July 2007

There are five prescribed institutions under DFIA which come under the preview of Bank Negara Malaysia. They are:

- Bank Pembangunan Malaysia Berhad (previously known as Bank Pembangunan dan Infrastruktur Malaysia Berhad);
- SME Bank (Bank Perusahaan Kecil & Sederhana Malaysia Berhad);
- Export-Import Bank of Malaysia Berhad;
- Bank Kerjasama Rakyat Malaysia Berhad; and
- Bank Simpanan Nasional.

One of the main aspects of the DFIA is to ensure that DFIs roles, objectives and activities of the DFIs are consistent with the Government's national objectives and these mandated roles are effectively and efficiently implemented. For this purpose, the DFIA requires DFIs to submit their proposed business and development activities and projected sources of funding to Bank Negara Malaysia on an annual basis. Further, the DFIA also provides a mechanism to monitor the management of Government allocated funds to ensure that the funds are utilised as specified.

Amendment
as per
July 2007

It is to be noted that under section 125, in the event of any conflict or inconsistencies between the provisions of DFIA and the application of other laws, such as:

- The Banking and Financial Institutions Act 1989 (BAFIA);
 - The Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978;
 - The Companies Act 1965; or
 - The Co-Operative Societies Act 1993,
- the provisions of DFIA shall prevail.

Now, let's take a look at the various types of development finance institutions.

3.3.1 Malaysian Industrial Development Finance Berhad

The **Malaysian Industrial Development Finance Berhad (MIDF)** was incorporated as a public company in March 1960 and to provide term financing to promote industrialisation in the country.

The **MIDF's** main activity is to provide medium- and long-term loans for financing new industrial ventures and expansion, modernisation, diversification or relocation programmes of existing enterprises.

It is common for **MIDF** to provide term loan financing for their fixed assets while commercial banks provide working capital financing. Following this, securities are commonly shared by MIDF taking the first charge and the commercial bank taking the second charge.

Its wholly owned subsidiary, the **Malaysian Industrial Estates Sdn Bhd (MIEL)**, assists small and medium scale industries by designing and constructing factory buildings in the various industrial estates for sale and rental.

The **MIDF Consultancy and Corporate Services Sdn Bhd (MIDFCCS)** provides services relating to share registration, share issue, underwriting and consultancy services.

The **MIDF Investment Holdings Sdn Bhd (MIDFIH)** is the Group's investment holding company, responsible for medium and long-term investment of the group's cash resources in the local stock market.

Amendment
as per
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3.3.2 Bank Pembangunan Malaysia Berhad

This bank, (previously known as Bank Pembangunan dan Infrastruktur Malaysia Berhad) also called the Development and Infrastructure Bank of Malaysia, was established in 1973 with the objective to increase Bumiputera participation in business and industry through financing and equity participation.

In 1998, this bank was entrusted with another important role, that of providing financing for infrastructure projects, particularly Government projects.

In 2002, this bank received an "exempt dealer status" from the Ministry of Finance, allowing it to offer corporate advisory, corporate financing and underwriting services to companies which are engaged in developing infrastructure projects.

Amendment
as per
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3.3.3 SME Bank

SME Bank (Bank Perusahaan Kecil & Sederhana Malaysia Berhad), previously known as Bank Industri dan Teknologi Malaysia Berhad, was established to undertake development banking activities, with the objective, to provide financial support and advisory services to the transportation, manufacturing, export and import, and selected services sectors.

To achieve its objective of providing long-term financing to capital intensive and high technology industries, this bank focused its lending activities on companies engaged in the shipping, shipyard, marine-related and manufacturing industries

This bank has three subsidiaries, namely:

- i. Malaysia Export Credit Insurance Berhad (MECIB);
- ii. Export-Import Bank of Malaysia (EXIM); and
- iii. Global Maritime Ventures (GMV).

(i) Malaysia Export Credit Insurance Berhad (MECIB)

MECIB was established with the main objective to support and strengthen export diversification and expansion by providing credit insurance and guarantee facilities. It also provides overseas investment insurance to facilitate overseas investment. As an export credit agency, MECIB provides protection to and indemnifies the policyholders from non-payment losses arising from either **buyer risk** or **country risk**.

For **buyer risk**, MECIB provides cover for losses arising from insolvency, default and repudiation of contracts by the importers. For **country risk** the cover is for losses arising from blockages and delays in transfer of foreign exchange, war and civil disturbance, import bans, cancellation of import licenses and government buyer default.

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It is to be noted that MECIB has now been absorbed into Export-Import Bank of Malaysia Berhad (EXIM Bank).

(ii) Export-Import Bank of Malaysia Berhad

This bank was established to promote international trade by facilitating the export of goods and services through export credit, financing of capital investment and providing business information and services. The bank provides medium to long-term credit to promote exports with emphasis on non-traditional markets.

In addition, the bank provides financing to promote “project exports” such as construction and infrastructure projects and services.

EXIM bank is the designated agency to manage the Export Credit Refinancing (ECR) scheme funded by the

Government and Bank Negara Malaysia. The scheme's primary objective is to promote exports by offering competitive rates on lending to exporters to banks participating in the ECR scheme. It must be made clear while funding comes from EXIM bank, the credit risks are underwritten by the lending bank. Facilities are extended in the form of pre- and post-shipment financing to eligible direct and indirect exporters, either on an order based or certificate of performance method.

(iii) Global Maritime Ventures

This company was established to promote the shipping industry.

3.3.4 Bank Pertanian Malaysia

This bank also called the Agriculture Bank of Malaysia was established in 1969, to promote sound agricultural development in the country, through the provision of loans and advances. The main function of the bank is to co-ordinate and supervise the granting of credit facilities for agricultural purposes/ventures and mobilises savings, particularly from the agriculture sector and community.

Funding is sourced through deposits, like commercial banks, except for current account deposits, through its branch network.

3.3.5 Credit Guarantee Corporation Malaysia Berhad

Credit Guarantee Corporation (CGC) was established in 1972 by Bank Negara Malaysia and the commercial banks to assist Small and Medium Scale Enterprises (SMEs) gain access to credit facilities from financial institutions. Besides providing guarantees for loans to SMEs, CGC also acts as administrator of special funds set up by the Government to assist SMEs.

3.3.6 Sabah Development Bank

This bank was established in 1977 by the Sabah State Government to undertake development banking functions and to act as the Sabah State Government's financial intermediary. The bank provides advisory services to the Sabah State Government, raises funds for State Government projects as well as manages the State's surplus funds.

The primary role of Sabah Development Bank is to act as the mobiliser of financial resources in the state of Sabah and to facilitate economic development and investment in the state.

3.3.7 Sabah Credit Corporation

Sabah Credit Corporation (SCC), wholly owned by the Sabah State Government was incorporated in 1955 as the North Borneo Credit Corporation but was renamed as Sabah Credit Corporation in 1972. The SCC's main objective is to provide financing facilities for investment in agriculture, industry, rural and urban housing, building and public utilities and amenities with a view to promote Sabah's economic development.

3.3.8 Borneo Development Corporation

Borneo Development Corporation (Sabah) Sdn Bhd was established in 1992, as a state enterprise, wholly owned by the Sabah State Government. The main objective is to provide financial assistance in the form of mortgage loans to the public to enable home ownership. The principal activities of the company are property development and provision of loans to buyers of properties developed by the corporation. A total of four subsidiary companies were actively involved in property development, construction, hotel management and educational training.

The main source of funding is borrowings from financial institutions. Others are shareholder funds, sale of housing loans to Cagamas and borrowings from the State Government.

3.3.9 Borneo Development Corporation (Sarawak) Sdn Bhd

Borneo Development Corporation (Sarawak) Sdn Bhd was incorporated as a wholly owned business enterprise of the Sarawak State Government. The objective is to undertake property development and construction activities and to provide end financing facilities.

Funding is sourced from shareholder funds and through borrowings from financial institutions.

3.4 Savings institutions

Savings institutions exist in the country to complement the commercial banks and finance companies as the major deposit taking institutions. The main savings institutions are the National Savings Bank and the co-operative societies.

These savings institutions promote savings among middle and lower income groups in the rural areas that are not adequately served by the commercial banks and finance companies.

3.4.1 Bank Simpanan Nasional

The National Savings Bank (NSB) was established through the National Savings Bank Act 1974, through a reorganisation of the former Post Office Savings Bank system.

The National Savings Bank's principal activity is to carry out the functions of a national savings bank, namely to accept deposits and to provide retail loans to small borrowers. **The Government guarantees all deposits.** Funds raised through the premiums savings certificates are unique to this bank. Attractive prizes for lucky draw winners and payment of dividends contributed to the growth of these deposits.

Other deposit products are savings deposits, fixed deposits and Giro deposits and save-as-you-earn deposits. The Giro savings scheme is attractive due to its features, which enables depositors to remit funds and make payments while earning an interest.

Lending is channeled to housing, credit cards, hire-purchase and corporate loans.

3.4.2 Co-operatives Societies

The co-operative movement was first introduced in the country in 1922. In the same year, the Department of Co-operative Development was also established. Co-operatives are organisations of consumers or producers who voluntarily pool their resources together to meet common objectives. The Co-operative Societies Ordinance 1948 defines a co-operative society as "society which has its objective of promotion of economic interest of its members in accordance with co-operative principles". Therefore, the aim is to provide opportunities for its members to save, invest and participate in economic interests. Collectively, members can be a force to be reckoned with as they have a better bargaining power. Co-operatives can be classified as single purpose or multi-purpose.

Comprehensive guidelines under the National Co-operative Policy are a framework and guide to eradicate poverty, create jobs and business and to improve quality of life. Todate, there are 4,330 co-operatives with a membership of 5 million members.

3.4.3 Bank Kerjasama Rakyat Malaysia Berhad

Bank Kerjasama Rakyat Malaysia Berhad was established in 1954, under the Co-operative Ordinance 1948. On 6 January 1973, its name was changed to Bank Kerjasama Rakyat Malaysia Berhad following a broadening of its scope of activity. As a co-operative, the main objectives of Bank Kerjasama Rakyat Malaysia Berhad are to improve the standard of living through the provision of financing and financial and advisory services in the commercial, industrial, agricultural and other sectors, and to encourage savings among its members.

The principal activities of Bank Kerjasama Rakyat Malaysia Berhad are providing personal, property, education and other financing, including pawn broking to members of the public and co-operatives. Since 1997, all banking facilities offered by Bank Kerjasama Rakyat Malaysia Berhad are based on the Syariah principles.

3.5 Unit trusts

Unit trusts serve as a medium through which small individual investors can acquire a share in a diversified portfolio of corporate securities. It is a trust established by a trust deed. There are three parties to a trust deed namely, the managers, investors and trustees.

(a) The managers

They are the promoters of the fund, in the form of a management company. It must be a subsidiary of a financial institution under the jurisdiction of the Central Bank or any other institution, which the authorities may permit. Full details can be obtained from the prospectus they issue. The management company charges the investors an annual fee based on a small percentage of the value of units held by the investor as well as a commission on purchase and sale of units.

(b) The investors

These are the beneficiaries, who invest their funds with the managers, after scrutinising the prospectus. In return, the investors expect dividends and capital appreciation of the price of their units. Investors hold unit trust certificates as evidence of their investment, just as how shareholders are given share certificates. They can be individuals, companies or institutions.

(c) The trustees

Assets invested by the fund managers are registered in the name of the trustee. As there would be many investors in the fund, the trustee act as the neutral person to hold the assets on behalf of all the investors.

The trustee charges a custodian fee on the unit trust for services rendered.

Generally, unit trust funds are ‘open-ended’ funds, whereby the manager of the unit trust can sell as many units as there are purchasers. At the same time, the fund manager is obliged to repurchase the units from those unit holders who wish to withdraw from the trust fund at the prevailing buying price.

Unit trusts come under the purview of the Securities Commission. The size of a unit trust shall not exceed 500 million units. To exceed this limit, an application must be made to the Securities Commission who will be mindful of the fund manager’s experience and resources.

Financial intermediaries’ unit trusts play an important role in the development of the private capital market as funds are mobilised from small savings for active participation in the corporate securities market.

Returns will depend on the risk assumed by the investor. The higher the risk, the greater the potential return.

The following are types of unit trusts according to ascending order of risk profile:

- (i) **Money market funds**
Investing in money market instruments.
- (ii) **Bonds funds**
Investing in Government stocks and bills.
- (iii) **Balanced Funds**
Investing in a mixture of bonds and stocks.
- (iv) **Income funds**
Investing in high yielding dividend stocks.
- (v) **Growth and income funds**
Investing in index-linked stocks.
- (vi) **Growth funds**

Investing in stocks of companies with better than average growth prospects.

(vii) Aggressive growth funds

Investing in companies or industries that are risky but with great potential to yield good returns.

Advantages of unit trusts are as follows:

- The trust is able to get a better spread of risk than the unit holders would be able to get by themselves individually.
- Professionals who are knowledgeable in investment matters manage the unit trusts.
- The investor makes only one investment and saves much administrative work and time to monitor the investments.
- The cost of the manager's fee is chargeable and tax exemption allowed within the fund.
- The unit holders individually may not be able to afford the services of professionals to look after their investments.
- There is a market for the units. The investor is able to sell the units at any time to the fund manager.
- Units can be offered as security for loans.

Improving awareness and understanding of the value of professionally managed funds and the long-term investment benefits of unit trusts as savings instruments have led to their growth. In line with this growth are the Islamic unit trust funds.

3.5.1 Property trusts

It is a form of unit trust in which capital pooled from various investors is used to acquire real properties or estates. The regulatory guidelines are as laid down by the Securities Commission.

The pre-requisite requirements to set up management companies for property trust funds are basically the same as those for unit trust funds. The minimum paid-up capital of the company should be at least RM500,000.

3.6 Housing credit institutions

The objective of the Government's housing policy is to ensure sufficient home ownership for the country's population to satisfy their basic needs in terms of shelter. The demand for housing credit in the private sector is met by commercial banks, finance companies and two housing credit

institutions namely, Malaysia Building Society Berhad (MBSB) and Borneo Housing Mortgage Finance Berhad (BHMF).

The two housing credit institutions, MBSB and BHMF, were the pioneer institutions to provide housing loans.

MBSB is funded mainly by loans from the Employees Provident Fund, shareholders funds and deposits by the public, including institutions.

The operations of BHMF are parallel to those of MBSB, although its activities are confined to Sabah and Sarawak.

3.7 Cagamas Berhad

The national mortgage corporation, Cagamas Berhad, was established in December 1986, to ensure a steady flow of funds to the housing industry as well as to develop a secondary mortgage market.

Cagamas issues notes and bonds to raise funds. Notes are short term, with maturity dates being less than one year. Bonds are long term, having maturity dates of more than one year. Financial institutions invest in these notes and bonds. Having raised these funds, they are mainly used in two areas.

Firstly, Cagamas, together with other institutions, provides funding to the Housing Loans Division of the Treasury, which in turn provides housing loans to civil servants in the public sector. Secondly, to provide a secondary market, Cagamas purchases housing loans from the primary lenders of housing loan, thus acting as an intermediary for long-term investors. It can be observed, since the inception of Cagamas, financial institutions are able to provide longer repayment tenors for housing loans. Prior to 1986, housing loans were not extended for more than ten years. Now, tenors are extended to 25 years. This is largely made possible by Cagamas, as financial institutions liquidity positions can be adjusted by sale of housing loans to Cagamas. Also, it must be made clear that banks sell their housing loans and not the houses to Cagamas. The legal owners of the houses are the chargors. The banks merely sell their interest in the property by way of a sub-charge.

3.8 Leasing companies

Leasing companies constitute a relatively small but growing sub-sector of the Malaysian financial sector. Under the third schedule of the BAFIA 1989, leasing business is a scheduled business, whereby the Central Bank has the power to regulate and supervise the businesses.

Leasing companies source their funds from shareholder funds, borrowings from financial institutions and inter company borrowing. Leasing companies, from which 70% of their business is in leasing, can be called “PURE-LEASING” companies.

Leasing finance of the pure leasing companies is channelled mainly to the manufacturing, transport and storage, finance, insurance and business services, general commerce and agriculture sectors.

3.9 Credit token companies

With effect from January 1, 2004, the regulation of credit token business (including credit cards and charge cards business) will come under the purview of the **Payments Systems Act 2003** which came into force on November 1, 2003. As such all provisions in the BAFIA which relate to this business have been deleted.

4. Other Institutions / Bodies

4.1 Issuing houses

There are two issuing houses in Malaysia. MIDF Consultancy and Corporate Services Sdn Bhd (MIDFCCS) was the first to be incorporated while Malaysian Issuing House Sdn Bhd (MIH) was the second to be incorporated in 1993. Both issuing houses undertake and provide share issuance facilities for Initial Public Offerings (IPOs) and consultancy services.

4.2 Stockbroking houses

These are licensed stockbrokers who are members of the Kuala Lumpur Stock Exchange (KLSE). They provide stock trading services on the KLSE. These stockbrokers engage the services of remisiers to act as agents to buy and sell shares on behalf of investors, for a commission.

4.3 Bursa Malaysia (formerly Kuala Lumpur Stock Exchange)

In Malaysia, the buying and selling of shares and stocks started in 1870. A stockbrokers' association, called the Malayan Stockbrokers Association, was formed in 1937. Public trading of stocks and shares was undertaken in 1960 on the initiative of the Central Bank. In the same year, the Association was reorganised and became the Malayan Stock Exchange. In 1963, the Exchange was reorganised and renamed as the Stock Exchange of Malaysia. It was later renamed as the Stock Exchange of Malaysia and Singapore in 1965 and finally, the Kuala Lumpur Stock Exchange (KLSE) in 1973. Throughout this period, only the Main Board was in place for bigger companies to raise equity on the stock market. On

November 11, 1988 the Second Board was launched to facilitate viable smaller companies to raise funds on the stock market.

In November 1992, the KLSE introduced the Central Depository System (CDS). This is a scripless trading system to improve the efficiency of the trading and settlement system as well as to enable the KLSE to handle a much larger volume of trading. The CDS aims to help reduce the incidence of theft, forgery, tampering and misplacement of scripts. Therefore, individuals are allowed to open securities accounts with appointed Authorised Depository Agents (ADA). Only stockbroking companies have been appointed as ADAs.

4.3.1 Demutualisation of the KLSE

On January 5, 2004, the KLSE became a public company limited by shares as opposed to a company limited by guarantee previously. Arising from this, the KLSE vested and transferred its stock exchange business to its wholly-owned subsidiary, Malaysia Securities Exchange Berhad (MSEB). The demutualised KLSE became the exchange holding company, known as Kuala Lumpur Stock Exchange Berhad (KLSE Bhd).

Demutualisation refers to the conversion of the KLSE from a non-profit 'mutual' entity limited by the guarantee of its members into a public company limited by shares.

Further, the demutualisation benefits the KLSE in the following ways:

- (a) enable the KLSE to enhance its corporate, organisational and governance structures to respond to the challenges of globalising and an increasingly competitive capital market.
- (b) place the KLSE in a better position to respond to the collective interests of its broader stakeholders and as a result, be more customer-driven and market-oriented.
- (c) help in improving liquidity resulting in a more attractive market place for the trading of securities, thereby benefiting all market participants.
- (d) broaden market access to encourage direct participation from domestic and international investors and intermediaries who can direct new or more trading volume to the market.

The principal beneficiaries are the Government, the economy and the capital market comprising issuers and investors' intermediaries (stockbrokers and remisiers and the Exchange).

Listing of the Exchange will depend on the timing and prevailing market conditions.

KLSE Bhd has an authorised share capital of RM500 million comprising one billion ordinary shares of 50 sen each. Its paid up capital is RM250 million, made up of 500 million shares of 50 sen each. The Capital Market Development Fund, Minister of Finance, Inc and licensed stockbroking companies will each hold a 30% stake or 150 million shares. The remaining 10% or 50 million shares will be held by eligible remisiers.

On April 20, 2004 KLSE Bhd was renamed as Bursa Malaysia Berhad, while MSEB was changed to Bursa Malaysia Securities Berhad. The companies under the Bursa Malaysia Group are:

- Bursa Malaysia Derivatives Berhad.
- KLSE Information Services Sdn Bhd.
- KLSE Technology Sdn Bhd.
- KLSE Training Sdn Bhd.
- Labuan International Financial Exchange Inc.
- Malaysian Central Depository Sdn Bhd (MCD).
- Malaysian Derivatives Clearing House Bhd (MDCH).
- Securities Clearing Automated Network Services Sdn Bhd (SCANS).
- Yayasan BSKL.

Note: In 1998, the Australian Stock Exchange Ltd was demutualised to become one of the first exchanges in the world to be listed on its own market. This was followed by the exchanges of Singapore in 1999, Hong Kong in 2000 and Tokyo in 2002.

4.4 Malaysian Exchange of Securities Dealings and Automated Quotations (MESDAQ)

MESDAQ specialises in bringing growth and knowledge-based companies to the public. Such companies have difficulty obtaining bank loans due to absence of a track record. MESDAQ was approved as a stock exchange under section 8(2) of the Securities Industry Act 1983 on October 6, 1997.

MESDAQ's Business Rules provide for the establishment of various committees to perform functions the Board assigns. They are the listing

committee, business rules committee, disciplinary committee, emergency committee and compensation fund committee.

The Securities Commission (SC) performs an oversight function in relation to MESDAQ to ensure that the exchange operates in a fair and orderly manner and properly enforces both its rules and the Malaysian securities laws.

MESDAQ's self regulatory framework gives market intermediaries direct participation in the formulation and enforcement of rules, regulations practices and procedures that govern the operations of the market. This will not only ensure that the market develops in accordance with commercial needs but is the best guarantee for compliance. Rules regulating the conduct of members and other market intermediaries are contained in the Business Rules and Listing Rules of the exchange.

Companies listed on MESDAQ have three modes of allocating shares, namely through a public ballot, private placement or a combination of both.

MESDAQ's trading is based on a system of competitive market-making. Each company has to appoint a minimum of two designated market makers, who have a positive obligation to quote continuously and make a market by agreeing to buy and sell a minimum number of units of securities at their quotes. The market making system's transparency and integrity are upheld through the implementation of a set of quote display rules.

Companies may be admitted as market makers if they fulfil the admission criteria, which include:

- A minimum paid up capital of RM5 million;
- Holding a dealer's license under the Securities Industry Act 1983;
- A minimum 51% Malaysian (inclusive of 30% Bumiputra) shareholding;
- At least two registered dealer's representatives who are registered with MESDAQ;
- Passing the MESDAQ market maker readiness audit; and
- Having a compliance officer.

4.5 Securities Commission (SC)

The Securities Commission was set up on March 1, 1993, following the promulgation of the Securities Commission Act, 1992. It is regarded as

the “market watch dog” as the capital market is growing in complexity and sophistication. Its establishment was also opportune as the rapid pace of economic growth required greater avenues for financing investments. New innovative instruments were emerging in the market, all of which required monitoring and supervision to protect savers and investors’ interests. The SC is responsible for the regulation and development of the securities industry, financial futures and option markets, unit trust and property trust schemes, and company takeovers and mergers.

The function of the SC relating to futures contracts under the Securities Commission Act 1992, does not include commodity futures contracts, which will remain under the purview of the Ministry of Primary Industries and governed under the Commodities Trading Act 1985.

The SC has powers to administer the following legislations:

- Securities Industry Act 1983;
- Securities Industry (Central Depositories) Act 1991;
- Futures Industry Act 1993 and Securities Commission Act 1993.

With the SC supervising the broad capital market, the Central Bank supervises the broad banking system and money market.

5. Summary and Conclusion

Regulation of the financial services industry is of paramount importance to ensure orderliness and discipline in this sector. This will in turn maintain the public’s trust. Therefore, the role of the regulators such as Bank Negara Malaysia and the Securities Commission is clearly spelt out.

The role of the various players in this sector is also explained. Islamic banking has been elaborately written on to clearly show how it evolved from a scheme to a full-fledged system.

As the world’s financial markets are moving towards liberalisation, regulations in the banking sector are set to move in tandem with these changes. Once again, readers are advised to keep abreast of changes highlighted in the financial news update.

Practice Questions

1. Explain the process of financial intermediation.
2. What is the main purpose of the Banking and Financial Institutions Act 1989 (BAFIA)?
3. Does the Banking and Financial Institutions Act 1989 (BAFIA) apply to all financial institutions in Malaysia?
4. Discuss briefly, the functions and responsibilities of Bank Negara Malaysia.
5. Discuss briefly, the types of businesses conducted by the following:
 - (a) Commercial banks;
 - (b) Merchant banks;
 - (c) Finance companies; and
 - (d) Discount houses.
6. Briefly explain how Islamic banking evolved from a scheme to a full-fledged banking system.
7. Explain the difference between a life insurance company and general insurance company.
8. Briefly explain the role of Syarikat Takaful Malaysia Sdn Bhd.
9. How do development financial institutions differ from commercial banks?
10. What do you understand by demutualisation of the Stock Exchange?
11. Define the role of the Securities Commission.