

## Amendments to Certified Credit Professional Qualifications (CCP) Study Materials

### Financial System and Principles of Credit

No	Description/Existing Contents	Amended Contents
1	<p>Chapter 1, Page 1-20 Item 3.3. To replace the 6th paragraph and also add another paragraph after the 7th paragraph respectively.</p> <p>The <b>Development Finance Institutions Act 2002, (DFIA)</b> was enacted and made effective on 15th February 2002 to provide a comprehensive regulatory and supervisory framework to ensure safe and sound financial management of the DFIs.</p> <p><del>Six institutions now come under the purview of Bank Negara Malaysia. They are Bank Pembangunan dan Infrastruktur Malaysia Berhad, Bank Industri &amp; Teknologi Malaysia Berhad, Malaysia Export Credit Insurance Berhad, Export Import Bank of Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad and Bank Simpanan Nasional which have been gazetted as “prescribed institutions” under subsection 2(1) of the DFIA.</del></p> <p>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.</p> <p>Now, let’s take a look at the various types of development finance institutions.</p>	<p>The <b>Development Finance Institutions Act 2002, (DFIA)</b> was enacted and made effective on 15th February 2002 to provide a comprehensive regulatory and supervisory framework to ensure safe and sound financial management of the DFIs.</p> <p><b><u>There are five prescribed institutions under DFIA which come under the preview of Bank Negara Malaysia. They are:</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>Bank Pembangunan Malaysia Berhad (previously known as Bank Pembangunan dan Infrastruktur Malaysia Bhd);</u></b></li> <li>• <b><u>SME Bank (Bank Perusahaan Kecil &amp; Sederhana Malaysia Berhad);</u></b></li> <li>• <b><u>Export-Import Bank of Malaysia Berhad;</u></b></li> <li>• <b><u>Bank Kerjasama Rakyat Malaysia Berhad; and</u></b></li> <li>• <b><u>Bank Simpanan Nasional.</u></b></li> </ul> <p>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.</p> <p><b><u>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:</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>The Banking and Financial Institutions Act 1989 (BAFIA);</u></b></li> <li>• <b><u>The Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978;</u></b></li> <li>• <b><u>The Companies Act 1965; or</u></b></li> <li>• <b><u>The Co-Operative Societies Act 1993</u></b></li> </ul> <p><b><u>the provisions of DFIA shall prevail.</u></b></p> <p>Now, let’s take a look at the various types of development finance institutions.</p>

No	Description/Existing Contents	Amended Contents
2	<p>Chapter 1, Page 1-21 Item 3.3.2 To replace the header and first sentence of first paragraph.</p> <p><b>3.3.2 Bank Pembangunan dan Infrastruktur Malaysia Berhad</b></p> <p>This bank, 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.</p>	<p><b>3.3.2 Bank Pembangunan Malaysia Berhad</b></p> <p>This bank, (<u>previously known as Bank Pembangunan dan Infrastruktur Malaysia Berhad</u>) 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.</p>
3	<p>Chapter 1, Page 1-21 Item 3.3.3 To replace the header and first sentence of first paragraph.</p> <p><b>3.3.3 Bank Industri and Teknologi Malaysia Berhad</b></p> <p><del>This bank, also called the Industrial and Technology Bank of Malaysia,</del> 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.</p>	<p><b>3.3.3 SME Bank</b></p> <p><u>SME Bank (Bank Perusahaan Kecil &amp; Sederhana Malaysia Berhad), previously known as Bank Industri and Teknologi Malaysia Berhad,</u> was established 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.</p>
4	<p>Chapter 1, Page 1-22 Item 3.3.3 (i). To add a last paragraph.</p> <p>It is to be noted that MECIB has now been absorbed into Export-Import Bank of Malaysia Berhad (EXIM Bank).</p>	<p>(i) <b>Malaysia Export Credit Insurance Berhad (MECIB)</b></p> <p>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 <b>buyer risk</b> or <b>country risk</b>.</p> <p>For <b>buyer risk</b>, MECIB provides cover for losses arising from insolvency, default and repudiation of contracts by the importers. For <b>country risk</b> 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.</p> <p><u>It is to be noted that MECIB has now been absorbed into Export-Import Bank of Malaysia Berhad (EXIM Bank).</u></p>