

## Financial Services

### BNM issues Discussion Paper on Financial Inclusion Framework 2023-2026

BNM has on 3 February 2023 issued a [discussion paper on its proposed Financial Inclusion Framework 2023-2026](#) (“Framework”) and inviting feedback by 31 March 2023.

The Framework is intended to serve as a four-year strategic roadmap to advance financial inclusion and meet the goals envisioned in the Financial Sector Blueprint 2022-2026. At the national level, advancing the financial inclusion agenda remains a key priority under the Twelfth Malaysia Plan 2021-2025 (Rancangan Malaysia Kedua Belas, RMK12). The vision of the Framework is to provide a more expansive and holistic approach to achieve broader development outcomes and improve the financial well-being as well as the standard of living in Malaysia.

### Bank Negara Malaysia issues Policy Document on Liquidity Facility to Licensed Insurers and *Takaful* Operators

Bank Negara Malaysia (“BNM”) has on 10 February 2023 issued a [policy document on Liquidity Facility to Licensed Insurers and \*Takaful\* Operators](#). This policy document comes into effect on 10 February 2023 and is applicable to all licensed persons.

Licensed person refers to:

- a licensed insurer including a professional reinsurer; and
- a licensed *takaful* operator including a professional *retakaful* operator.

# Legal Update

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Shearn Delamore & Co  
7<sup>th</sup> Floor

Wisma Hamzah Kwong-Hing,  
No 1, Leboh Ampang  
50100, Kuala Lumpur, Malaysia

T: 603 2027 2727

F: 603 2078 5625

[info@shearndelamore.com](mailto:info@shearndelamore.com)

[www.shearndelamore.com](http://www.shearndelamore.com)

[www.linkedin.com/company/shearn-delamore-&-co](http://www.linkedin.com/company/shearn-delamore-&-co)

## BNM issues Policy Document on Investment-linked Business

BNM has on 13 February 2023 issued a [policy document on Investment-linked Business](#). This policy document is applicable to:

- licensed insurers carrying on life business, which offer, market or sell investment-linked policies; and
- licensed takaful operators carrying on family takaful business, which offer, market or sell investment-linked takaful certificates,

(“investment-linked business”).

This policy document stipulates key changes in the following areas:

- implementation of Minimum Allocation Rates as per the LIFE Framework to protect the account value of policy owners/*takaful* participants;
- introduction of standards for sustainability tests to ensure proper management of long-term persistency of investment-linked policy/*takaful* certificates; and
- enhancements to the product illustration format.

## BNM issues Policy Document on Universal Life Business

BNM has on 13 February 2023 issued a [policy document on Universal Life Business](#). This policy document is applicable to licensed insurers carrying on life business, which offer, market or sell universal life policies (“universal life business”).

This policy documents sets out the following:

- the roles and responsibilities of the board and senior management in the licensed insurer’s management of universal life business;
- overall governance in the management of universal life business, including product design, imposition and revision of fees and charges, and management of expenses;
- investment, valuation and capital treatment of the universal life fund; and
- disclosure requirements to promote transparency to universal life policy owners.

**CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.**

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