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PART A OVERVIEW

1 INTRODUCTION

1.1 The Financial Sector Blueprint 2011-2020 emphasise greater efforts towards achieving the vision of an inclusive financial system that best serves all members of society, including the underserved, to have access and usage of quality and affordable essential financial services. Agent banking is an additional delivery channel that can enhance the convenience and outreach of quality and affordable financial services particularly to the underserved in a more cost-efficient manner.

Agent banking is the use of non-bank retail outlets by financial institutions (FIs) to deliver financial services on its behalf. Such arrangements should provide a cheaper alternative for FIs to reach out to the underserved populations. However, delivery via this channel, if not appropriately managed, can also potentially increase the risk profile of FI as a result of dependence on third parties, and may be harmful to consumers if not properly conducted. FIs therefore, need to effectively manage the risks associated with agent banking through the adoption of sound and prudent risk management practices.

2 OBJECTIVE

2.1 The Guidelines on Agent Banking (Guidelines) outlines the minimum expectations to be observed by FIs that intend to undertake agent banking. Broadly, the Guidelines aims to facilitate the implementation of agent banking in unserved areas, in a reliable, safe and sustainable manner whilst safeguarding consumer interest and confidentiality.

2.2 The Guidelines operates on the premise that FIs retain the ultimate responsibility and accountability of all agent banking activities.

2.3 The Guidelines supersedes the circular on Shared Banking Services (SBS) issued on 28 November 2007.

3 APPLICABILITY

3.1 The Guidelines is applicable to the following FIs:

- i. Banking institutions licensed under the Banking and Financial Institutions Act 1989 (BAFIA);
- ii. Islamic banking institutions licensed under the Islamic Banking Act 1983 (IBA); and
- iii. Development financial institutions prescribed under the Development Financial Institutions Act 2002.

4 EFFECTIVE DATE

4.1 The Guidelines will be effective for a period of 5 years from 15 August 2012.

5 LEGAL PROVISION

5.1 The Guidelines is issued pursuant to:

- i. Section 30 of the BAFIA;
- ii. Section 7 of the IBA;
- iii. Section 99(1)(f) of the BAFIA;
- iv. Section 120(1)(h) of the DFIA;
- v. Section 34(3) of the IBA;
- vi. Section 126 of the BAFIA;
- vii. Section 53A of the IBA; and
- viii. Section 126 of the DFIA.

PART B POLICY REQUIREMENTS

6 AGENT BANKING SERVICES

- 6.1 Agent banking shall be conducted in unserved areas in Malaysia only. Unserved areas are defined as mukims with population of at least 2,000 without any access point (i.e. bank branches, FI's mobile units or Pos Malaysia agents) to deposit and withdrawal services, as listed in Appendix I. Any current agency arrangement established under the SBS circular which is not in unserved areas may continue to be in existence, but are subject to other requirements stipulated in the Guidelines.
- 6.2 Banking services that agents may provide on behalf of FIs under the Guidelines are as follows:
- i. Accepting deposits;
 - ii. Facilitating withdrawal of funds by customers;
 - iii. Facilitating fund transfers;
 - iv. Receiving loan/financing payments; and
 - v. Facilitating bill payments by customers.

The agents must at a minimum provide the services of accepting deposits and conducting withdrawals.

- 6.3 Agents are not allowed to undertake the following services on behalf of FIs:
- i. Opening of bank accounts and issuance of bankcards;
 - ii. Conducting money changing activities; and
 - iii. Conducting loan/financing appraisal.
- 6.4 FIs must ensure that all transactions by agents are conducted on a real-time basis and within the business premise of the agent only. FIs shall also ensure robustness, reliability and security of systems to support agent banking subject to minimum requirements stipulated in Section 10 of the Guidelines.

6.5 FIs are required to establish an appropriate daily cash withdrawal limit for customers to enable more customers to benefit from agent banking and reduce risk exposures. The limits may be established based on assessment of the liquidity position of the agent and shall not exceed the following:

- i. Aggregate of RM500 per customer account per day at independent sole proprietary agents¹; and
- ii. Aggregate of RM5,000 per customer account per day at other agents.

6.6 FIs are encouraged to use infrastructure that allows open access which can cater or be opened to systems operated by other FIs, as one agent may represent multiple FIs. FIs must address any risks that may arise from this arrangement, and establish an agreement specifying clearly the roles, responsibilities and accountabilities of each FI.

6.7 FIs may pass fees and charges to customers, which must comply with the following:

- i. For Basic Bank Account (BBA) holders, fees must conform to the Guidelines on Basic Banking Services (BBS); and
- ii. For non-BBA and non-account holders of the FI, fees must conform to the Guidelines on Imposition of Fees and Charges on Financial Products and Services and consistent with current electronic terminal charges (ATM/CDM/Interbank GIRO).

FIs are encouraged to promote cashless transactions of which the fees for these transactions shall be deducted directly from the customer's account.

¹ Independent sole proprietary agents are small, independent businesses registered as a sole proprietary at the Companies Commission of Malaysia, typically owned and run by family members, operated with few employees and relatively low sales volume. They are not franchised and are not part of a chained network. Examples are stand-alone convenience and grocery stores, bookstores, telco agents, restaurants, and stationary shops.

7 AGENT BANKING OVERSIGHT & GOVERNANCE

- 7.1 FIs will be held responsible and accountable for the effective and continuous management of risks arising from the agent banking arrangements including financial, legal, reputational, operational, technological, compliance and money laundering/terrorism financing (ML/TF) risk, to ensure agent banking is conducted in a reliable, safe and efficient manner. A sound control environment for agent banking must be developed with the appropriate governance processes firmly established, namely the operational management or business line, the risk management and control functions, and internal audit, each with clearly specified roles for this purpose, that complements and mutually reinforce each other.
- 7.2 The Board of Directors (BOD) is responsible to approve an FI's agent banking strategy, internal controls and risk management policies including:
- i. Policies related to agent selection, management, monitoring, operations, compliance, conduct and service quality;
 - ii. Customer protection measures, including awareness and education strategies;
 - iii. Infrastructure to support agent banking including system and technology requirements;
 - iv. Controls and monitoring to ensure compliance with relevant legislation and regulatory requirements; and
 - v. Business Continuity Plan (BCP) and contingency arrangements to ensure continuity of agent banking services in the event of disruption.
- 7.3 The senior management must establish clear guidance regarding agent banking and risk strategy, including risk limits for agent banking and implement appropriate systems for agent banking to manage financial and non-financial risks to which consumers and the FI are exposed.

Senior management must also establish adequate management oversight mechanism to continuously assess, monitor and manage risks and issues associated with agent banking arrangements.

- 7.4 The internal audit function must conduct independent reviews on agent banking arrangements to ensure compliance with the agent banking risk policies and procedures, and to ensure the integrity of management information reports and system on agent banking activities. The independent reviews shall evaluate the adequacy of the FI's internal control environment and risk management practices adopted in ensuring effective control over agent banking activities, and provide recommendations to improve the effectiveness of the risk management framework.

8 AGENT MANAGEMENT

8.1 Agent Selection

- 8.1.1 FIs must select capable and reliable agents by establishing an internal selection criteria to ensure that the agents are able to discharge duties responsibly. The minimum selection process and criteria to be considered are:

- i. Selecting agents that have a business licence, permanent business premise and established core business. FIs are prohibited from appointing businesses whose sole activity is agent banking; and
- ii. Conducting assessment and due diligence (Know-Your-Agent) on the business owner and business operations, which include:
 - Probity, personal qualities and reputation of the business owner;
 - Financial position and credit profile of the business and the owner;

- Knowledge, capability and competency to conduct agent banking services at an acceptable quality; and
- Ability of the agent to control operational risks related to agent banking, particularly for agents representing multiple FIs.

8.2 Agent Conduct

8.2.1 FIs must conduct training to enhance the competency of agents before any agent banking activity is conducted, which encompasses at the minimum:

- i. Products and services of the FIs;
- ii. Protection of customer information;
- iii. Fraud detection mechanisms including identification of counterfeit money and anti-money laundering and combating of financing terrorism (AML/CFT) procedures;
- iv. Equipment operation & troubleshooting; and
- v. Complaints handling.

8.2.2 FIs must establish a contractual agreement for effective oversight over the affairs and conduct of appointed agents.

8.2.3 The contract must clearly specify the rights, responsibilities and expectations of all parties and signed by the relevant parties prior to the commencement of services. At the minimum, the contract shall incorporate provisions that address:

- i. The appointment of a business entity as the FI's agent to provide any of the banking services stipulated in Section 6.2;
- ii. A clear scope of agent responsibilities to customers including appropriate clause on professional and ethical behaviour, among others:
 - Exercising customer due diligence when conducting transactions for customers, which include conducting

- 3 levels of verification for withdrawals via Point-Of-Sales (POS) terminal;
- Exercising customer protection measures by providing proof of transactions to customers, facilitating channeling of complaints by the public to FIs and disclosing information as per Section 9.1(vii) of the Guidelines;
 - Exercising high professional ethics including not conducting any prohibited activities as per Section 8.2.3 (iii);
- iii. Description of prohibited activities of agents on behalf of FIs, which include among others:
- Banking services as stipulated in Section 6.3 of the Guidelines;
 - Conducting transactions outside the business premise;
 - Facilitate banking transactions on an offline mode or on manual basis;
 - Solicit personal information from customers including account details and PIN number of customers;
 - Providing cash advances;
 - Appointing another party/sub-agents² to provide banking services on their behalf; and
 - Charging customers on its services, in addition to the charges fixed by the FI as per Section 6.7 of the Guidelines;
- iv. Agreed responsibilities of the agents which include:
- Providing a written undertaking to comply with all applicable legislative, regulatory requirements and internal policies of the FI that should include compliance with the secrecy provision pursuant to Section 97 of BAFIA, Section 119 of DFIA and Section 34 of the IBA, and policies relating to the risk-based approach in implementing ML/TF requirements;

² Sub-agents are defined as entities which are appointed and managed by agents and does not have a direct contractual relationship with the FI

- Exercising due care of the agent banking systems and devices including physical security and security access to the systems and devices;
 - Maintenance of appropriate records and documentations and proof of transactions to facilitate supervision and verification by the FIs; and
 - Reporting requirements necessary to enable FIs to effectively monitor the performance of the agent in a timely manner and reporting of events that may materially affect the efficiency of service delivery.
- v. Agreed commission for services to be provided by agents;
- vi. Audit and inspection terms and rights that allows the Bank to conduct examination or on-site inspection, investigation and obtain information from the agents, if required; and the FIs to evaluate, or appoint independent auditor to evaluate on its behalf, the service provided by the agent;
- vii. Mechanisms for resolving disputes which include recourse of the respective parties, procedures and period for resolution, indemnities, obligations of the respective parties in the event of a dispute and applicable laws and jurisdictions under which disputes will be settled;
- viii. Terms and events of termination of the agent under appropriate circumstances which may include failure to meet the conditions imposed in the contract including agents that remain dormant or inactive after a certain period, or in the event of changes in the corporate form or ownership of the agents; and
- ix. Time frame for the provision of the services which may include an option for the FI to renew the terms of service if desired. FIs are also expected to regularly review the contract to reflect market standards and regulatory changes.

8.2.4 The Bank may direct an FI to modify or terminate an agent banking arrangement in the interest of the FI or its customers and creditors based on its supervisory review of the risks related to agent banking.

As such, the contract must not contain any clause that would prevent an FI from modifying or terminating an agent banking arrangement pursuant to a directive of the Bank.

8.3 Monitoring of Agent

8.3.1 FIs must develop and implement adequate procedures to monitor and control agent banking arrangements to ensure that the services delivered are in the manner as expected and in accordance with the terms of the contract, and that associated risks are being effectively managed. For this purpose, FIs must establish an efficient and effective system and ensure the availability of adequate expertise, resources and tools to support the monitoring function of performance and operation of the agent banking arrangements.

8.3.2. The monitoring function shall include at the minimum the following:

- i. The maintenance of an up-to-date central record of all agent banking arrangements that is readily accessible for review by the Board and senior management of the FI and to be shared with the Bank;
- ii. The monitoring and handling of complaints against agents received by the public; and
- iii. Periodic assessment and regular reporting of agent banking arrangements to FI's senior management and Board, which shall include review of the services conducted by agents, the effectiveness of the risk management framework including ML/TF risk and the cost benefit analysis in continuing the arrangements. Any adverse developments related to agent banking activity should be brought to the attention of the Board and senior management in a timely manner.

9 CUSTOMER PROTECTION, AWARENESS & EDUCATION

9.1 FIs shall be fully responsible and accountable to the customers for activities and conduct of appointed agents, including any complaints against the agents. FIs also cannot disclaim responsibility for the agents' misconduct. FIs are therefore required to implement appropriate measures to ensure that adequate safeguards for customer protection and preservation of customer confidentiality are in place, which include among others:

- i. Display of the national agent banking logo and the logo of FIs at the agent's business premise to signify that it is an authorised agent of a particular FI;
- ii. Measures to ensure the authorised agents are known to the public and establishment of appropriate mechanisms for customers to verify whether an agent is duly authorised. At the minimum,
 - FIs must prominently display the contact details of the FI's customer service centre (preferably a toll-free line) at the business premise of the agents for the purpose of lodging complaints or to verify the authenticity of the agent; and
 - FIs must publish and update the details of authorised agents (e.g. name, address, the period of the appointment) on the FI's website;
- iii. Establishment of a dispute resolution/redressal mechanism and a contact centre that operates within the same business hours as agents, to facilitate communication between customers and the FI and to ensure complaints lodged against agents are effectively addressed in line with the requirement under the Guidelines on Complaints Handling;
- iv. Measures to ensure customers' information is protected. FIs and agents are not allowed to share customers' information with third parties without prior consent of the customers;
- v. Establishment of a client charter of agent banking services which include FI's and agent's commitment to security, privacy

policy and confidentiality of data, reliability and quality of services, transparency of products and services, and prompt response for enquiries and complaints;

- vi. Efforts to educate customers on agent banking, which may include education on the rights of customers and precautionary measures when transacting with agents; and
- vii. Disclosure of other information by agents at its business premise:
 - Its appointment as an agent of an FI and the duration of the appointment; and
 - The list of services, client charter, fees & charges, daily transaction limits of customers and mechanism of transaction.

PART C OPERATIONAL REQUIREMENTS

10 INFRASTRUCTURE & SYSTEMS REQUIREMENT

10.1 FIs need to establish internal policies, procedures, systems and controls to support agent banking at all stages, consistent with the Guidelines on Management of IT Environment. In establishing systems and infrastructure to support agent banking, FIs have to ensure the systems comply with the following minimum requirements:

i. IT infrastructure

- Able to support real-time processing;
- Able to provide a secured network including end-to-end encryption; and
- Robust in managing infrastructure capacity to support agent banking services.

ii. Payment Acceptance Devices (PAD)

- Able to support minimum 2-factor authentication for agent and customer registration;
- Able to support the requirement of end-to-end encryption based on industry standards algorithm (from end-point devices i.e. PAD to host system); and
- No storage of the sensitive customer info at the end-point devices (PAD) e.g. PIN/Password.

iii. Agent Banking Application

- Able to support host validation for PIN/Password authentication;
- Able to provide device authentication during session activation and transaction processing at host level;
- Availability of limit management feature for agents, customer, transaction and other limit requirements;
- Have transaction and system audit trail;

- Able to provide auto-reversal features for incomplete transactions, transaction acknowledgement and receipting;
- Support for good password management;
- Able to support time-out feature; and
- Able to display sufficient error message to customer and able to handle error processing.

11 APPLICATION PROCEDURES

11.1 Before implementing agent banking, FIs are required to submit an application to the Bank which must include the information listed in **Appendix II** together with a written proposal to undertake agent banking to the following departments:

- i. For domestic commercial banks:

Jabatan Penyeliaan Konglomerat Kewangan
Tingkat 9, Blok A
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

- ii. For Islamic banks and locally incorporated foreign banks:

Jabatan Penyeliaan Perbankan
Tingkat 5, Blok A
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

- iii. For development financial institutions:

Jabatan Kewangan Pembangunan dan Enterpris
Tingkat 9, Blok C
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

12 REPORTING REQUIREMENTS

12.1 FIs are required to provide the following information to the Bank:

- i. Monthly reports on the number and amount of transaction for each of the services provided through agent banking arrangements as per Appendix III to Jabatan Kewangan Pembangunan dan Enterpris (JKPE);
- ii. Details of the agents, name, type of agent, postal address and Global Positioning System (GPS) co-ordinates of the agent, telephone number as per Appendix IV, updated at an as and when basis to JKPE; and
- iii. Independent reviews of agent banking arrangements by the internal audit function as and when needed by the Bank.

13 COMPLIANCE

13.1 FIs are required to comply with other current requirements imposed by the Bank. This includes, but not limited to, the following:

- i. Guidelines on Risk Governance;
- ii. Guidelines of Management of IT Environment;
- iii. Guidelines on Business Continuity Management;
- iv. Guidelines on Credit Card;
- v. Circular on Debit Card Cash Out Facility;
- vi. Guidelines on the Provision of Electronic Banking (e-banking) Services by Financial Institutions;
- vii. Guidelines on Electronic Money (E-Money);
- viii. Guidelines on Basic Banking Services;
- ix. Guidelines on Basic Banking Services for Development Financial Institutions;
- x. Guidelines on Basic Banking Services for Islamic Banking Institutions;
- xi. Guidelines on the Imposition of Fees and Charges on Financial Products & Services;
- xii. Guidelines on Product Transparency and Disclosure;

- xiii. Guidelines on Complaints Handling;
- xiv. Disclosure of Customer Information;
- xv. Standard Guidelines on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT);
- xvi. Guidelines on Outsourcing of Banking Operations, Outsourcing for Development Financial Institutions, Outsourcing of Islamic Banking Operations; and
- xvii. Guidelines on Fraud Reporting Requirements.

13.2 The Bank may specify or impose additional requirements in addition to the Guidelines depending on future circumstances and needs.

13.3 The Bank will closely monitor the implementation of agent banking by FIs. In the event the agent banking implementation is found to deviate from the objective of financial inclusion (e.g. agents appointed in served areas) and there are genuine complaints made against FIs or its agent and such complaints are left unrectified, appropriate supervisory action will be taken, including prohibiting FIs from conducting agent banking business.

PART D APPENDICES**APPENDIX I – LIST OF UNSERVED MUKIMS**

For the purpose of undertaking agent banking, the list of unserved mukims for the FIs to consider will remain unchanged for **3 years** effectively from the date of the Guidelines.

FIs may appoint more than one agent in any of these mukims:

State	District	No	Mukim
JOHOR	BATU PAHAT	1	Bagan
		2	Chaah Bahru
		3	Kampong Bahru
		4	Linau
		5	Peserai
	JOHOR BAHRU	6	Sungai Tiram
	KLUANG	7	Kahang
		8	Layang-Layang
		9	Machap
		10	Niyor
	KOTA TINGGI	11	Johor Lama
		12	Kambau
		13	Penggerang
		14	Sedili Besar
		15	Sedili Kechil
		16	Ulu Sungei Sedili Besar
	MERSING	17	Tenggaroh
		18	Tenglu
		19	Triang
	MUAR	20	Ayer Hitam
		21	Bukit Kepong
		22	Bukit Serampang
		23	Kundang
		24	Lenga
		25	Parit Bakar
		26	Sri Menanti
		27	Sungai Balang

State	District	No	Mukim	
JOHOR	PONTIAN	28	Air Masin	
		29	Api-Api	
		30	Ayer Baloi	
		31	Serkat	
		32	Sungei Pinggan	
		33	Bekok	
	SEGAMAT	34	Buloh Kasap	
		35	Gemas	
		36	Gemereh	
		37	Jabi	
		38	Sungai Segamat	
		KEDAH	BALING	39
	40			Bongor
	41			Pulai
	42			Siong
	43			Telui Kanan
	BANDAR BAHARU		44	Kuala Selama
			45	Relau
46			Sungai Batu	
47			Sungai Kechil	
KOTA SETAR	48		Alor Malai	
	49		Alor Merah	
	50		Anak Bukit	
	51		Bukit Lada	
	52		Bukit Pinang	
	53		Derang	
	54		Gunong	
	55		Hutan Kampong	
	56		Kangkong	
	57		Kubang Rotan	
	58	Lepai		
	59	Lesong		
	60	Padang Hang		
	61	Pumpong		
62	Tajar			
63	Tebengau			
64	Telaga Mas			
65	Telok Chengai			
66	Telok Kechai			
67	Tualang			

State	District	No	Mukim
KEDAH	KUALA MUDA	68	Bujang
		69	Bukit Meriam
		70	Kota
		71	Kuala
		72	Pekula
		73	Pinang Tunggal
		74	Rantau Panjang
		75	Sidam Kiri
		76	Telui Kiri
	KUBANG PASU	77	Ah
		78	Binjal
		79	Bukit Tinggi
		80	Gelong
		81	Husba
		82	Jeram
		83	Kubang Pasu
		84	Malau
		85	Naga
		86	Padang Perahu
		87	Pelubang
		88	Pering
		89	Putat
		90	Sanglang
		91	Sungai Laka
		92	Tunjang
	KULIM	93	Bagan Sena
94		Junjong	
95		Karangan	
96		Mahang	
97		Padang Meha	
98		Sedim	
99		Sidam Kanan	
100		Sungai Seluang	
101		Sungai Ular	
102		Terap	
LANGKAWI	103	Ayer Hangat	
	104	Bohor	
	105	Kedawang	
	106	Ulu Melaka	

State	District	No	Mukim
KEDAH	PADANG TERAP	107	Belimbing Kiri
		108	Kurong Hitam
		109	Padang Temak
		110	Padang Terap Kiri
		111	Pedu
		112	Tekai
		113	Tolak
	SIK	114	Jeneri
		115	Sok
	YAN	116	Dulang
		117	Singkir
		118	Sungai Daun
	PENDANG	119	Bukit Raya
		120	Guar Kepayang
		121	Padang Kerbau
		122	Padang Peliang
123		Rambai	
124		Tobiar	
KELANTAN	BACHOK	125	Beklam
		126	Melawi (Repek)
		127	Tawang (Mentuan)
		128	Telong
	KOTA BHARU	129	Badang
		130	Banggu
		131	Beta
		132	Kadok
		133	Peringat
		134	Salor
		135	Sering
	MACHANG	136	Labok
		137	Panyit
		138	Pulai Chondong
		139	Pangkal Meleret
		140	Temangan
PASIR MAS	141	Alor Pasir	
	142	Bunut Susu	
	143	Chetok	
	144	Gual Periok	
	145	Kangkong	
	146	Kuala Lemal	

State	District	No	Mukim
KELANTAN	PASIR MAS	147	Kubang Gadong
		148	Kubang Sepat
	PASIR PUTEH	149	Padang Pak Amat
		150	Bukit Abal
		151	Bukit Awang
		152	Gong Datok
		153	Jeram
		154	Semerak
	TANAH MERAH	155	Jedok
		156	Ulu Kusial
	TUMPAT	157	Jal Besar
		158	Kebakat
		159	Sungai Pinang
		160	Terbok
	GUA MUSANG	161	Bertam
		162	Chiku
	KUALA KRAI	163	Olak Jeram
		164	Dabong
	JELI	165	Batu Melintang (Belimbing)
		166	Kuala Balah
MELAKA	ALOR GAJAH	167	Ayer Pa'Abas
		168	Gadek
		169	Kuala Linggi
		170	Lendu
		171	Machap
		172	Melaka Pindah
		173	Padang Sebang
		174	Pegoh
		175	Ramuan China Besar
		176	Ramuan China Kechil
		177	Rembia
		178	Sungei Baru Tengah
		179	Sungei Petai
		180	Sungei Siput
	181	Tebong	
	JASIN	182	Batang Malaka
		183	Chabau
		184	Chin Chin
		185	Kesang
186		Nyalas	

State	District	No	Mukim
MELAKA	JASIN	187	Sebatu
		188	Sempang
		189	Serkam
		190	Sungei Rambai
		191	Tedong
		192	Umbai
	MELAKA TENGAH	193	Alai
		194	Bukit Lintang
		195	Bukit Rambai
		196	Kandang
		197	Klebang Besar
		198	Klebang Kechil
		199	Krubong
		200	Paya Rumput
		201	Pernu
		202	Semabok
		203	Sungai Udang
		204	Tanjong Minyak
		205	Telok Mas
		NEGERI SEMBILAN	JELEBU
207	Teriang Hilir		
KUALA PILAH	208		Johol
	209		Juasseh
	210		Kepis
	211		Sri Menanti
	212		Terachi
	213		Ulu Jempol
PORT DICKSON	214		Linggi
	215		Pasir Panjang
REMBAU	216		Batu Hampar
	217		Gadong
	218		Pedas
	219		Selemak
	220		Titian Bintangor
SEREMBAN	221		Lenggeng
	222	Pantai	
	223	Seremban	
TAMPIN	224	Ayer Kuning	
	225	Repah	
JEMPOL	226	Kuala Jempol	

State	District	No	Mukim
PAHANG	BENTONG	227	Pelangai
	CAMERON HIGHLANDS	228	Ulu Telom
	JERANTUT	229	Burau
		230	Kuala Tembeling
		231	Pulau Tawar
		232	Tebing Tinggi
		233	Teh
		234	Tembeling
		235	Ulu Cheka
		236	Ulu Tembeling
	KUANTAN	237	Beserah
		238	Penor
		239	Ulu Kuantan
		240	Ulu Lepar
	LIPIS	241	Batu Yon
		242	Cheka
		243	Gua
		244	Kechau
		245	Penjom
		246	Tanjong Besar
		247	Telang
		248	Ulu Jelai
	PEKAN	249	Bebar
		250	Kuala Pahang
		251	Langgar
		252	Lepar
253		Pahang Tua	
254		Penyor	
RAUB	255	Batu Talam	
	256	Dong	
	257	Sega	
	258	Semantan Ulu	
TEMERLOH	259	Bangau	
	260	Jenderak	
	261	Kerdau	
	262	Sanggung	
	263	Semantan	
	264	Songsang	
ROMPIN	265	Endau	
	266	Pontian	

State	District	No	Mukim	
PAHANG	MARAN	267	Bukit Segumpal	
		268	Kertau	
	BERA	269	Bera	
PERAK	BATANG PADANG	270	Chenderiang	
	MANJUNG (DINDING)	271	Lekir	
	KINTA	272	Tanjong Tualang	
		KERIAN	273	Bagan Tiang
			274	Beriah
			275	Gunong Semanggol
			276	Selinsing
	KUALA KANGSAR	277	Chegar Galah	
		278	Kampung Buaya	
		279	Kota Lama Kanan	
		280	Lubok Merbau	
		281	Pulau Kamiri	
	LARUT DAN MATANG	282	Kamunting	
		283	Simpang	
		284	Sungai Limau	
		285	Sungai Tinggi	
		286	Terong	
		287	Tupai	
		288	Ulu Ijok	
		289	Ulu Selama	
	HILIR PERAK	290	Labu Kubong	
		291	Rungkup	
		292	Sungai Durian	
		293	Sungai Manik	
		294	Telok Baharu	
	ULU PERAK	295	Durian Pipit	
		296	Kenering	
		297	Kerunai	
		298	Temelong	
		299	Temengor	
PERAKTENGAH	300	Bandar		
	301	Kota Setia		
	302	Lambor Kanan		
	303	Layang-Layang		
	304	Pasir Panjang Ulu		
	305	Pulau Tiga		

State	District	No	Mukim
PERLIS	PERLIS	306	Abi
		307	Beseri
		308	Chuping
		309	Jejawi
		310	Kurong Batang
		311	Ngolang
		312	Padang Pauh
		313	Padang Siding
		314	Paya
		315	Sanglang
PULAU PINANG	SEBERANG PERAI TENGAH	316	Mukim 4
		317	Mukim 5
		318	Mukim 7
		319	Mukim 9
		320	Mukim 12
		321	Mukim 13
		322	Mukim 16
		323	Mukim 18
		324	Mukim 20
		325	Mukim 21
	SEBERANG PERAI UTARA	326	Mukim 1
		327	Mukim 2
		328	Mukim 3
		329	Mukim 5
		330	Mukim 7
		331	Mukim 9
		332	Mukim 10
		333	Mukim 11
	SEBERANG PERAI SELATAN	334	Mukim 13
		335	Mukim 1
		336	Mukim 2
		337	Mukim 3
		338	Mukim 4
		339	Mukim 5
		340	Mukim 7
341		Mukim 8	
342		Mukim 9	
343		Mukim 10	
344	Mukim 13		
345	Mukim 15		

State	District	No	Mukim
PULAU PINANG	BARAT DAYA	346	Mukim A (Sg. Pinang)
		347	Mukim D (Bagan Ayer Itam)
		348	Mukim E (Titi Teras)
		349	Mukim G (Kampong Paya)
		350	Mukim 1 (Pantai Aceh)
		351	Mukim 2 (Telok Bahang)
		352	Mukim 3 (Sg. Rusa & Bkt. Sg. Pinang)
		353	Mukim 9 (Bkt. Gemuroh)
		354	Mukim 10 (Bkt. Relau)
SARAWAK	KUCHING	355	Padawan
	LUNDU	356	Sematan
	SERIAN	357	Tebedu
	SIMUNJAN	358	Sebuyau
	SRI AMAN	359	Lingga
		360	Maludam
		361	Pantu
	LUBOK ANTU	362	Engkilili
	BETONG	363	Debak
		364	Pusa
		365	Spaoh
	SARATOK	366	Budu
		367	Kabong
		368	Roban
	SARIKEI	369	Belawai
	DARO	370	Daro
	DALAT	371	Oya
	MUKAH	372	Balingian
	BINTULU	373	Sebauh
	KAPIT	374	Nanga Merit
BELAGA	375	Sungai Asap	
MIRI	376	Niah-Suai	
MARUDI	377	Beluru	
	378	Marudi	
LAWAS	379	Sundar	
	380	Trusan	
MATU	381	Igan	
SELANGOR	KUALA LANGAT	382	Bandar
		383	Jugra
		384	Kelanang
		385	Morib

State	District	No	Mukim
SELANGOR	KUALA SELANGOR	386	Api-Api
		387	Pasangan
		388	Ujong Permatang
	SABAK BERNAM	389	Bagan Nakhoda Omar
		390	Sungai Panjang
	ULU LANGAT	391	Ulu Semenyih
	ULU SELANGOR	392	Kalumpang
		393	Kerling
		394	Kuala Kalumpang
		395	Rasa
		396	Sungai Tinggi
		397	Ulu Bernam
	TERENGGANU	BESUT	398
399			Bukit Peteri
400			Hulu Besut
401			Jabi
402			Keluang
403			Kerandang
404			Kuala Besut
405			Kubang Bemban
406			Pasir Akar
407			Pengkalan Nangka
408			Tembila
409		Tenang	
DUNGUN		410	Besul
		411	Jerangau
		412	Kuala Abang
		413	Kumpal
		414	Rasau
KEMAMAN		415	Sura
		416	Banggul
		417	Binjai
		418	Hulu Cukai
		419	Hulu Jabur
		420	Kemasik
		421	Kijal
422		Teluk Kalung	
KUALA TERENGGANU	423	Atas Tol	
	424	Batu Buruk	
	425	Belara	

State	District	No	Mukim
TERENGGANU	KUALA TERENGGANU	426	Gelugur Kedai
		427	Kepung
		428	Kuala Ibai
		429	Manir
		430	Paluh
		431	Pengadang Buluh
		432	Pulau-Pulau
		433	Rengas
		434	Serada
		435	Tok Jamal
	MARANG	436	Jerung
		437	Mercang
		438	Pulau Kerengga
	HULU TERENGGANU	439	Hulu Telemung
		440	Jenagur
		441	Kuala Telemung
		442	Penghulu Diman
		443	Tersat
	SETIU	444	Caluk
445		Guntung	
446		Hulu Nerus	
447		Merang	
448		Pantai	
449		Tasik	
SABAH	ALL DISTRICTS ON A CASE-TO-CASE BASIS ³		

³ The smallest administrative unit in Sabah is a district i.e no mukims in Sabah.

APPENDIX II – CHECKLIST OF AGENT BANKING APPLICATION

1. Board Endorsement on:
 - i. Overall implementation plan and business strategy of agent banking;
 - ii. Risk Management framework related to agent banking;
 - iii. Policies related to agent selection, management, monitoring, operations, compliance, conduct and service quality including Standard Operating Procedures (SOP) or User Manual of agent banking and the draft contract between FI and agent, where relevant;
 - iv. Infrastructure to support agent banking implementation and monitoring including systems, resources, expertise, tools and technology;
 - v. Customer protection measures, including awareness and education strategies;
 - vi. Business Continuity Plan (BCP) and contingency arrangements to ensure the continuation of the agent banking services in any uncontrolled event that would cause disruption to the agent banking services provided; and
 - vii. Controls and monitoring mechanism/ system to ensure compliance with relevant legislation and regulatory requirements.

Note: All documents shall be made available as and when requested by the Bank.

2. Internal Audit's assessment report and sign-off declaring that FI has complied with all requirements.
3. Risk Committee sign-off on risk management framework, including identification of all risks associated to agent banking (including technology risk), its impact and mitigating measures to ensure confidentiality, integrity and availability of the system, product or services; detailed explanation on

the definition of risk categories and profile; and rationale and justifications for probability of occurrence.

4. Compliance Unit sign-off on specific controls and monitoring mechanism to ensure compliance with relevant legislation and regulatory requirements, including secrecy provision and ML/TF control measures which include measures tailored to the nature and peculiarities of agent banking transactions.
5. Appendix V – List and details of potential agents.
6. Checklist of documents for technology requirement:
 - i. End-to-end product and process flow depicting the following features:
 - Detailed description on application security and application architecture diagram; and
 - System security features including encryption standard and protocol used, user and transaction authentication method and PIN control processes (If applicable);
 - ii. Detailed IT and network security infrastructure arrangements depicting external linkages and control checkpoint;
 - iii. List of type, model and version (compare against the market releases) of servers, operating system, application system and PAD devices;
 - iv. Application vendor background information including technical support and experiences in e-payment services;
 - v. Capacity planning for system supporting the services or product.
 - vi. Pre-implementation audit assessment;
 - vii. Summary report of the UAT and penetration test (include findings and mitigation actions);
 - viii. IT outsourcing arrangement (if applicable); and
 - ix. Disaster recovery arrangement.

Note: FIs can outsource hosting of IT infrastructure, however it should be subject to the Guidelines on Outsourcing of Banking Operations.

7. Application on the proposed fees & charges that will be passed to customers, which must comply to Section 6.7 of the Guidelines (as per Appendix II of Guidelines on the Imposition of Fees and Charges on Financial Products & Services);

8. Term sheet on Agent Banking for consumers:
 - i. Proposed daily cash withdrawal limit per customer which should comply to the amount stipulated in Section 6.5 of the Guidelines;
 - ii. Contact details and operating hours of the complaint management center of agent banking;
 - iii. Proposed fees & charges that will be passed to customers;
 - iv. Flow chart of complaint and dispute resolution mechanism of customers, including for different FI's customer who transacts via own system and own customers who transacts via different FI's system, if applicable;
 - v. Proposed awareness and education plan and campaign for the public;
 - vi. Client charter of agent banking which should comply to Section 9.1; and
 - vii. Communication strategy to address public and media concerns.

APPENDIX III – REPORTING REQUIREMENT (MONTHLY STATISTICS)

All participating FIs are required to submit the following report on a **monthly** basis to Bank Negara Malaysia.

REPORT OF MONTH: _____

Type of Services	Total amount of transactions (RM)	Number of transactions	Minimum transaction (RM)	Maximum transaction (RM)	Average amount of transaction* (RM)
E.g. Deposits					
E.g. Withdrawals					

* Total amount of transactions / Number of transactions

Reports must be submitted to:

Jabatan Kewangan Pembangunan dan Enterpris,
 Level 9, Block C,
 Bank Negara Malaysia
 Jalan Dato' Onn
 50480 Kuala Lumpur.

APPENDIX IV – REPORTING REQUIREMENT (AGENT DETAILS)

All participating FIs are required to update the following report on an **as and when basis** to Bank Negara Malaysia.

DETAILS OF AGENTS

Company name	Company Reg. no.	Owner name	Address (Line 1)	Address (Line 2)	Post-code	City/Town	Sub-district (Mukim)	District	State	Coordinate	Date of Operation	Contact number	Type of Agent

Reports must be submitted to:

Jabatan Kewangan Pembangunan dan Enterpris,
 Level 9, Block C,
 Bank Negara Malaysia
 Jalan Dato' Onn
 50480 Kuala Lumpur