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Govt assures Malaysians, investors a well-regulated financial system

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KUALA LUMPUR, Jan 12 – All Malaysians and investors can rest assured that the country's administration is and will always be facilitated by a well-regulated financial system, including the capital and financial markets, said Finance Minister Tengku Datuk Seri Zafrul Aziz today.

This came after the Yang DiPertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah assented to proclaim a State of Emergency in the country, and Prime Minister Tan Sri Muhyiddin Yassin's announcement of the Movement Control Order (MCO) yesterday.

Tengku Zafrul said the government will continue to roll out measures under Budget 2021 to firmly place Malaysia on the path to recovery this year, noting that there was sufficient domestic liquidity to support any additional fiscal stimulus to support lives, livelihoods and businesses, if necessary.

He added that the Finance Ministry has begun considering various measures to support the rakyat and businesses during this period, and would not compromise on the rakyat and businesses' well-being.

Malaysia's sound economic fundamentals would continue to enable the government to respond effectively to the challenging environment, while maintaining economic growth and resilience, he said.

"I would like to re-emphasise that the government remains committed to build upon the current recovery momentum and ensure long-term sustainability for both our public finances and the economy," he said in a statement today.

Tengku Zafrul said the Malaysian capital markets would remain open to support and facilitate fundraising, trading and investment, with all regulatory functions in place throughout the various forms of movement control order and the State of Emergency period.

He noted that the continued operations of the capital market were important to support the resilience and recovery of the Malaysian economy, as well as in helping investors manage their risks and opportunities during the period.

"I would also like to highlight that Malaysia has a resilient capital market ecosystem, supported by ample liquidity. There are proper market management measures in place to manage volatility.

"Clearing funds, margins and deposits arrangements are also in place to manage clearing and settlement risks," said Tengku Zafrul.

He added that the Securities Commission together with Bursa Malaysia Bhd will continue to monitor the ongoing developments to proactively manage and mitigate risks in the marketplace, and will introduce additional precautionary measures, as appropriate.

The minister said in terms of financial intermediation and payment systems, the operations of financial institutions and financial markets will continue as usual, with services remaining available and accessible to borrowers.

He noted that Bank Negara Malaysia continues to actively monitor conditions in the financial markets to ensure that there is sufficient liquidity in the foreign exchange, bond and money markets; and that market conditions remain orderly.

"Malaysia's banking system buffers and sound risk management practices are able to mitigate the impact of any potential deterioration on credit quality and continue to support lending by banks to the economy during the duration of this State of Emergency and various forms of MCO implementation," he noted.

Bernama