

**M'sia lost RM135.3 bil in illicit outflow, says PM**  
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Malaysia recorded RM135.3 billion in errors and omissions (E&O) in its outflow funds for the period 2000 to 2009.

Prime Minister Najib Abdul Razak said considering the huge amount of trade transactions with the rest of the world as well as the lack of data for specific goods due to statistical errors or unrecorded transfer of funds, there was bound to be E&O in the balance of payments.

"Malaysia's financial and economic trading with the world outside is seen in the balance of payments statistics, which is prepared according to a methodology set by the International Monetary Fund (IMF)," he said in his written reply to a question from Lim Kit Siang (DAP-Ipoh Timur) at the Dewan Rakyat sitting today.

Lim wanted to know the measures taken by the government in the light of a report by Global Financial Integrity (GFI) which stated that Malaysia saw illicit money outflows amounting to RM889 billion from 2000 to 2008 due to corruption and mismanagement.

**Outflows probably include illegal activities**

Najib, who is also the minister of finance said the RM135 billion E&O was less than two percent of Malaysia's total trade and about five percent from total trade if measured by the accepted standard.

"Besides the statistical errors that actually occurred, the E&O probably also reflect the unrecorded financial flows carried out through informal channels, which probably include funds arising from illegal activities," he said.

Bank Negara Malaysia, aware of the increase in the number of unrecorded outflow of funds, has carried out investigations on illegal transfer of funds made by money changers, he said.

To date, the licenses of 50 money changers have been cancelled and eight money changers and their directors have been charged and found guilty in the courts, he said.

"An action plan and new framework of laws for the money changing and remittances industry will be implemented this year to bring about solid growth and development for the industry with good administrative standard and professionalism that will protect the integrity of the industry," he said.

He said international cooperation and the sharing of information with foreign enforcement agencies including the sharing of investigation details and proof for cross border transactions have been also increased.

Among those who have accused of using money changers to send funds overseas include Najib's wife Rosmah Mansor and Negeri Sembilan Menteri Besar Mohamad Hassan.

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