No more extra charges

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Over the counter fees at banks abolished with immediate effect

KUALA LUMPUR: Bank charges for over the counter services will be abolished with immediate effect.

Finance Minister II Tan Sri Nor Mohamed Yakcop said banks had also been issued a stern warning to not impose undue charges on customers.

The charges abolished were the service charge to cash personal cheques at their account holder's own branch, RM10 charge for technical errors on cheques, monthly RM10 current account charge and the service charge for changing coins worth less than RM100 to notes.

The RM2 charge for over the counter cash withdrawal for amounts less than RM4,500 which was recently introduced by Maybank, has also been dropped.

Previously, a RM2 charge was imposed if a personal cheque was cashed at the account holder's bank branch while a service charge of between RM2 and RM8 was imposed if coins worth less than RM100 were changed, said Nor Mohamed.

"We have asked banks to drop their RM10 monthly service charge for current accounts. It's okay if they want to charge it every six months but not every month."

He said the decision was reached on Wednesday following a meeting between him, his deputies and the representatives from nine local banks.

Nor Mohamed reminded the banks that the Government had helped them when they faced financial difficulties during the 1997 regional economic crisis.

"The Government set up Danaharta and Danamodal to assist banks with their capital. They have to remember that."

He also said that the budget deficit is expected to drop to 3.4% by next year compared to the current 3.5%.

"Currently, the rate is 3.5%, while it was 5.8% three years ago. It is a sustainable deficit and we are confident that the economy will continue to grow," he added.

Nor Mohamed said the country's gross domestic product (GDP) growth rate was now at 5.8%. He hoped the rate would increase to 6% next year.

He added the rate was good compared to countries such as Indonesia, which had a GDP growth rate of 5.2%, Thailand (4.5%), United States (3.4%) and Japan (4.2%).

He said Malaysia's foreign direct investments (FDIs) was between RM15bil and RM17bil per year, which he described as reasonable.