

Focus on clean governance delivering results: Anwar

> When introducing financial instruments, issues of competitiveness and profits cannot be separated from values, justice and governance, says PM

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KUALA LUMPUR: The recovery of RM15.5 billion over the past two years proves Malaysia's focus on clean governance is delivering results, said Prime Minister Datuk Seri Anwar Ibrahim.

He said the government's crackdown on corruption, smuggling and cartel activities had led to the recovery of RM15.5 billion through confiscations and tighter enforcement.

"During the Budget on Friday, I shared a shocking figure. In the last two years, because of our focus on governance and zero tolerance for corruption, abuse of power, smuggling, and the presence of so many cartels and syndicates, we were able, through massive confiscations and enforcement, to generate RM15.5 billion in recovered funds," he said in his speech at Global Islamic Finance Forum 2025 (GIFF 2025) yesterday.

This is not the full picture, he said, as that means that for years Malaysia has been haemorrhaging billions.

"Assuming every year we lost around RM5 billion through these networks of corrupt actors and syndicates, imagine the cumulative loss over the last decade. It is difficult, even for me, to comprehend how a country like Malaysia, which is relatively well-governed and doing reasonably well, could have tolerated this for so long."

Anwar said that is why when discussing the Madani Economy, which includes Islamic finance, he will always relate it to the issue of governance.

"Because however effective the Islamic



Anwar visiting a booth in conjunction with the Global Islamic Finance Forum 2025 in Sasana Kijang yesterday. - **BERNAMAPIC**

instruments may be, if we operate in a system of poor governance, endemic corruption, and abuse of power, it will not meet the desired aim of *Maqasid Syariah*."

Anwar urged leaders, professionals, academia and civil servants to work together to ensure that the higher objective of *Maqasid Syariah* is upheld. "Even when introducing financial instruments, the issues of competitiveness and profits cannot be separated from values, justice and governance."

Anwar said while discussions today centre on green energy, sustainability culture and affordable housing, governance must remain the foundation of all such efforts.

"The governance of our house must first be in order. Once it is, initiatives such as Islamic finance can truly showcase their potential. Otherwise, these instruments, however sophisticated, will remain just that... instruments."

"In a system that condones or tolerates corruption, leakages will persist. We must take responsibility to correct these ills, flaws and limitations."

Anwar said he views Islamic finance, and the broader Islamic economic framework, as integral to the nation's wider vision. "It is instruments that support the objectives of *Maqasid Syariah* by delivering profit with

purpose and ensuring that no one is left behind."

Anwar highlighted Malaysia's growing leadership in sustainable finance, noting that the country issued RM20 billion in sustainable and responsible investment sukuk in 2024.

"This is a clear signal to the world that Malaysia's Islamic finance sector is not only thriving, but leading in mobilising capital for green, social, and ethical impact," he said.

Meanwhile, Bank Negara Malaysia (BNM) governor Datuk Seri Abdul Rasheed Ghaffour said the global Islamic finance industry is projected to surpass US\$9.7 trillion (RM46 trillion) by 2029. "But this journey cannot be defined by scale alone - it must be underpinned by robust substance. Growth must be anchored by leadership and innovation with purpose."

He shared that BNM plans to move forward with a new benchmark.

"Beginning 1 July 2027, Malaysian Islamic Overnight Rate, or we call it MYOR-i, will become the mandatory reference rate for Islamic financial products. This is not just a technical adjustment; it is a structural transformation. As the world's first transaction-based Islamic benchmark rate, MYOR-i brings transparency, consistency, and syariah alignment to the heart of Islamic finance," Abdul Rasheed said.