

Bank Negara not in pension fund investment panel, says Ahmad Maslan
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The removal of Bank Negara Malaysia's (BNM) representative from the Retirement Fund Incorporated (KWAP) investment panel, as proposed in the amendment to the KWAP Act 2007, is a request from the central bank, the Dewan Negara was told.

Deputy Finance Minister Datuk Ahmad Maslan said this was because BNM was the regulatory body for finance and investment in the country and the participation of its representative in the panel resulted in a conflict of interest.

"KWAP has made investments under institutions governed by BNM, and BNM will focus on its mandate as a central bank.

"However, BNM's representative will still be on KWAP board of directors, just not in the investment panel," he said when winding up the debate on the KWAP (Amendment) Bill 2015 today.

The issue on the removal of the BNM's representative in the KWAP investment panel was raised by Senator Dr Syed Husin Ali during his debate on the bill.

Ahmad also clarified that the a provision on obligation of confidentiality, which required the management of pension fund, investment and information of retirees to be kept confidential, had also been included in the amendment.

He said information related to KWAP investment were very sensitive and, if revealed, could cause them to be used by certain quarters for profit and personal interest.

"KWAP officers also deal with the information of hundreds of thousands of retirees and the provision for confidentiality is necessary to ensure the information is not exposed to the public," he said.

He said KWAP managed pension funds for 711,000 of government retirees and the federal statutory body, which is governed by the Finance Ministry, had assets worth RM115 billion.

Senator Datuk Lucas Umbul, who also took part in the debate on the bill, said KWAP must scrutinise all scopes of its investment and carefully safeguard its secrets.

He said this was to avoid any accusations being hurled at the fund management company again, just like when it was accused of trying to bailout the 1Malaysia Development Bhd (1MDB) through the purchase of land at the Tun Razak Exchange (TRX).

Ahmad, when tabling the bill, said the amendment to the act was aimed at enabling KWAP to function as a government agent to make pension payments and other

benefits to government pensioners and to clarify and expand the scope of KWAP investment.

The bill was then passed without any amendment.

In addition, Dewan Negara today approved four other bills, namely the Civil Aviation (Amendment) Bill 2015, Armed Forces (Amendment) Bill 2015, Capital Market and Services (Amendment) Bill 2015 and the Development Financial Institution (Amendment) Bill 2015.

The sitting continues tomorrow. – Bernama, July 1, 2015.

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