

CONSTITUTION

PERSATUAN PERNIAGAAN PERKHIDMATAN WANG MALAYSIA (MALAYSIAN ASSOCIATION OF MONEY SERVICES BUSINESS)

CLAUSE 1 NAME

1. The Association shall be known as

PERSATUAN PERNIAGAAN PERKHIDMATAN WANG MALAYSIA (MALAYSIAN ASSOCIATION OF MONEY SERVICES BUSINESS)

Hereinafter referred to as "the Association".

2. Meaning of name :

3. Level : Kebangsaan

CLAUSE 2 ADDRESS

1. The registered address is

SUITE 1632,16TH FLOOR, BLOCK A, DAMANSARA INTAN, NO. 1, JALAN  
SS20/27  
47400 PETALING JAYA  
SELANGOR

or at such other place as may from time to time be decided by the Committee; and  
the postal address is

SUITE 1632,16TH FLOOR, BLOCK A, DAMANSARA INTAN, NO. 1, JALAN  
SS20/27  
47400 PETALING JAYA  
SELANGOR

2. The registered and postal addresses shall not be changed without the prior approval of the Registrar of Societies.

CLAUSE 3 OBJECTIVE

The objects and powers for which the Association is established are:

- 3.1 Promote the modernisation and professionalism of the money services business

industry in cooperation and consultation with the Bank to elevate the image, reputation and public confidence of the industry;

3.2 Represent the interests of members through constructive engagements with the Bank on regulatory developments as well as providing a mechanism for the members to address industry issues, with a view of ensuring effective and consistent implementation of the regulatory requirements and safeguarding the integrity of the industry from being used as a conduit for illegal activities;

3.3 Facilitate education, training and sharing of knowledge amongst members to support effective compliance with applicable laws and regulatory requirements, and to that end promote professional business conduct particularly on best practices for enhanced business controls and risk management, anti-money laundering /combating financing of terrorism and consumer protection;

3.4 Establish code of conduct and formulate rules to promote self-regulation in ensuring good business practice and elevate the standards of professionalism of money service business licensees and agents;

3.5 Foster greater understanding and address issues concerning the welfare of members by providing a common platform to assist members in becoming more resilient and competitive;

3.6 Promote consumer awareness and knowledge of authorised money services business; and

3.7 Collaborate and cooperate with similar organisations elsewhere or other relevant agencies locally and internationally for the benefit of members and the industry.

CLAUSE 4 MEMBERSHIP

4.1 The Association shall have two types of memberships: members and associates.

4.2 Every licensee under the Act shall be eligible to become a member of the Association.

4.3 Every approved money services business agent under the Act shall be eligible to become an associate of the Association.

4.4 A licensee or an approved money services business agent applying for membership must submit the form as prescribed by the Council and accompanied with the payment of entrance fee and annual subscription fee for eligibility to membership of the Association.

4.5 Membership is to be renewed on an annual basis.

4.6 Notwithstanding anything to the contrary, a member is only entitled to vote at

general meetings provided --

(a) it is of good standing for nine (9) months in the financial year, and for that purpose any non-compliance by members under Clause 29 shall be taken into account; and

(b) it has paid the entrance and the annual subscription fees due to the Association.

4.7 A member for the purpose of Clause 4.6 includes a member representative of the member appointed to represent member for the general meeting.

4.8 An associate shall be entitled to attend any general meeting of the Association. An associate shall not have any voting right.

4.9 An associate who appears in the Register of Associates may enjoy such benefits as shall be determined by the Council from time to time.

#### CLAUSE 5 RESIGNATION AND TERMINATION

5.1 Upon the revocation/non renewal of licence by the Bank, voluntary surrender of licence by licensee or termination of money services business agent by the principal licensee, as the case may be, the Council has the right to terminate membership.

#### CLAUSE 6 SOURCE OF INCOME

6.1 The sources of income for the Association are from:

(a) entrance fee;

(b) annual subscription fee;

(c) donations from members and associates; and

(d) fees for services provided by the Association.

6.2 The applicable entrance fee shall be based on the minimum capital funds approved by the Bank for the member's licence, as follows:

Small (minimum capital of RM300,000.00) : RM1,000.00

Medium (minimum capital of RM500,000.00) : RM2,000.00

Big (minimum capital of more than RM500,000.00) : RM5,000.00

6.3 Annual subscription fee for members shall be RM500.00, which shall be payable on an annual basis within the first month of the year.

6.4 Entrance fee and annual subscription fee for an associate shall be RM100.00 respectively.

6.5 The entrance fee and annual subscription fee shall not be prorated and are not refundable.

6.6 The Treasurer shall notify a member or an associate in writing upon default of payment of annual subscription fee.

6.7 In the event a member or an associate is in default of arrears in annual subscription fee after one (1) month from receipt of notice of default from the Association, the member or the associate (as the case may be) shall be suspended of whatsoever privileges.

6.8 Notwithstanding a notice is served by the Treasurer under Clause 6.6, a member who is in default of arrears in annual subscription fee for more than three (3) months shall be suspended, and the Association shall submit the name of that member to the Bank as obliged by the Association for the consideration of renewal of licence.

6.9 The Council shall have the power to fix re-entrance fees with regard to membership that has lapsed through arrears.

#### CLAUSE 7 GENERAL MEETING

The supreme authority of the Association is vested in a general meeting of the members.

7.1 The annual general meeting ("AGM") of the Association shall be held once in a year annually within four (4) months after the financial year end of the Association at a place designated by the Council.

7.2 Notice of the AGM together with the agenda, minutes of previous AGM, reports on the working of the Association for the previous two (2) years and audited accounts for the previous two (2) years shall be given by the Secretary by post not less than twenty one (21) days prior to the AGM to members and associates entitled to receive notice of the meeting.

7.3 The AGM shall be held for the following matters:

(a) To receive, discuss and approve the minutes of the previous AGM;

(b) To receive, discuss and approve the Council's report for the previous year;

(c) To receive, discuss and approve the Treasurer's report and the audited accounts of the Association for the previous financial year;

(d) To elect the Council members for next term of office (when applicable);

- (e) To appoint one (1) internal auditor for the next term of office (when applicable);
  - (f) To appoint an external auditor, evaluated and proposed by the Council, for the next financial year; and
  - (g) To discuss critical issues that can materially impact the industry.
- 7.4 An individual who seeks to be the internal auditor must obtain at least one (1) nomination, accompanied by a seconder at the AGM. The individual must be a member representative with relevant experience.
- 7.5 The Chairman of the AGM shall have the right on the order of the proceedings on the above matter in the AGM.
- 7.6 At least one third of members in the Register of Members with voting rights must be present at the AGM for its proceedings to be valid and to constitute a quorum.
- 7.7 A resolution is deemed passed if it has been passed by a two-third majority at the AGM by such members at that meeting entitled to vote in person.
- 7.8 The Secretary must send the minutes of the AGM to the members and associates within three (3) months after the AGM.
- 7.9 A member may propose a motion or a resolution to be passed at the AGM provided always that the proposed motion or resolution be served at the registered address not less than twenty eight (28) days before the meeting at which it is proposed to be moved.
- 7.10 Any proposed motion or resolution not relating to the ordinary business of the AGM as set out under Clause 7.3 above must be requisitioned by not less than one tenth of the total voting rights of all members having at that date of requisition a right to vote at general meetings.
- 7.11 An extraordinary general meeting ("EGM") of the Association shall be convened whenever the Council deems it desirable or when requisitioned by members.
- 7.12 Notice and agenda for an EGM shall be issued and given to members and associates by the Secretary at least fourteen (14) days before the EGM is to be held.
- 7.13 At least one third of members in the Register of Members with voting rights<sup>6</sup> must be present at the EGM for its proceedings to be valid and to constitute a quorum.
- 7.14 A resolution is deemed passed if it has been passed by a two-third majority at the EGM by such members at that meeting entitled to vote in person.

- 7.15 Members representing not less than one tenth of the total voting rights of all members having at that date of the requisition a right to vote at general meetings can requisition an EGM.
- 7.16 The requisition notice shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered address of the Association, and may consist of several documents in like form each signed by one or more of requisitionists.
- 7.17 The Council shall acknowledge and respond by taking the necessary actions to notify members and convene an EGM for any proposals or motions requisitioned by the members, subject to Clauses 7.15 and 7.16.

**CLAUSE 8 COMMITTEE**

- 8.1 The administration of the Association shall be entrusted to the Council.
- 8.2 The Council shall comprise not less than thirteen (13) members all of whom shall be elected in accordance with the rules of the Association.
- 8.3 The office bearers of the Council shall be –
- President.....[1]
  - Vice President.....[1]
  - Secretary.....[1]
  - Treasurer.....[1]

Member Class Council Members [respectively drawn from and representing each Member Class A, B, C and D in the Territory].....[4]

Regional Council Members [respectively drawn from and representing all member classes in the respective region].....[5]

- 8.4 The Council shall appoint a person to be Assistant Secretary to assist the Secretary in carrying out his duties and responsibilities.

**CLAUSE 9 DUTIES OF OFFICE BEARERS**

- 9.1 The roles and responsibilities of the Council, President, Vice President, Secretary and Treasurer shall be as follows:

(a) The Council

- Set strategic direction and make decisions to the best interests of the Association.
  - Deliberate issues as well as regulatory and supervisory matters concerning the industry.
  - Oversee the overall operations and conduct of affairs of the Association.
  - Appoint committee chairman and members for purposes arising from the Association's duties, functions and aims, as it deems necessary.
  - Suspend and dismiss employees or such other appointed officers, committee chairmen or committee members who are not office bearers for neglect of duty, dishonesty, incompetence, refusal to carry out work or any other reasons it deems fit.
- (b) President
- Head the planning of the strategic directions and decision making of the Association.
  - Lead, support and delegate tasks to Council members and oversee the overall operation of the Association.
  - Sign minutes of the meetings and cheques on behalf of the Association.
  - Represent the Association in its dealings with the relevant authorities.

(c) Vice President

- Deputise the President in his absence.

(d) Secretary

- Head and oversee the permanent secretarial office.
- Provide administrative support.
- Oversee day-to-day running of the Association, manage administrative matters and implement duties as approved by the Council.
- Support the Council meetings by ensuring that appropriate notices, documentations and agendas are prepared and delivered as well as taking minutes of the meetings.
- Sign cheques on behalf of the Association.

- Keep records on membership details.

• Where any urgent matter requiring the approval of the Council arises and it is not possible to convene a Council meeting, the Secretary may obtain such approval by means of a circular letter.

• Clearly set out the issues concerned in a circular and to be forwarded to all Council members.

• Ensure that resolutions of the Council at the Council meeting are in accordance with the rules of the Association.

• Filing of all statutory documents with the Registrar of Societies.

• Collating queries and concerns from the members and public to be deliberated by the Council and/or relevant committees (as the case may be).

• Prepare and distribute documents in a timely manner for the AGM and EGM.

(e) Treasurer

• Manage accounting functions of the Association.

• Ensure maintenance of proper accounting, which includes the preparation of monthly management and annual accounts.

• Sign cheques on behalf of the Association.

• Oversee the collection of membership fees and the disbursement of the Association's funds.

• Present a proposed operating budget and reserve allocations to the Council annually.

• Monitor the budget and to report to the Council on this matter throughout the year.

• Notify a member or an associate in writing upon default of payment of annual subscription fee.

CLAUSE 10 FINANCIAL PROVISION

10.1 The Treasurer shall ensure that proper accounts are made up to 31st December each year.

10.2 The Treasurer or in the absence of the Treasurer, a Council member as approved by the Council, is authorised to expend all approved expenditures in relation to the Association.

10.3 No expenditure exceeding five thousand ringgit (RM5,000.00) at any one time shall be incurred without the prior sanction of the Council. Expenditure less than five thousand ringgit (RM5,000.00) at any one time may be incurred by the President together with the Secretary or the Treasurer.

10.4 There shall not be more than two thousand ringgit (RM2,000.00) in the form of petty cash, or such sums as the Council may prescribe from time to time.

10.5 The bank account shall be in the name of the Association.

10.6 All cheques or other instructions on the Association account shall be signed jointly by any two (2) of the following persons:

- (a) President
- (b) Secretary
- (c) Treasurer

10.7 All receipts regardless of cash, bank drafts and cheques as funds for and to the Association shall be banked into the bank account of the Association within three (3) banking days from the dates of receipt.

#### CLAUSE 11 AUDITORS

11.1 The accounts of the Association shall be audited annually by an external auditor.

11.2 An auditor or auditors who shall be public accountants under the laws of Malaysia and who shall not be a member or members of the Council and any committee of the Association.

11.3 The auditor or auditors shall hold office for one (1) financial year and be eligible for re-appointment.

#### CLAUSE 12 PROPERTY ADMINISTRATOR

12.1 Immovable property shall be registered in the name of the Association. All instruments relating to that property shall be executed by the President, Secretary and Treasurer for the time being of the Association. Their appointments as property officers shall be authenticated by a certificate of the Registrar of Societies and sealed with the seal of the Association.

12.2 Notwithstanding Clause 12.1, in the event that the Council recommends that the vesting of the immovable property be registered in the names of trustees, two (2) or more trustees shall be appointed at the AGM and shall hold office until such

time as they are removed. Individuals appointed as trustees shall be chief executive officers of members with voting right. All immovable properties belonging to the Association shall be vested in the Trustees and the Trustees shall deal with them upon execution of a Deed of Trust.

12.3 A Trustee may be removed from office by members representing not less than two-third of the members having the right to vote and present in the general meeting on the ground that owing to ill-health, unsound mind, absence from the Territory or for any other reasons he is unable to perform his duties satisfactorily. In the event of death, resignation or removal of a Trustee the vacancy shall be filled by a new Trustee appointed by members.

12.4 The immovable property of the Association shall not be sold, leased, charged, transferred or dealt with in such manner so as to divest any interest in the property without the prior consent and authority of a general meeting of members.

#### CLAUSE 13 INTERPRETATION

13.1 Between general meetings, the Council shall interpret the Clauses and rules of the Association and when necessary, determine any point on which the Clauses and rules are silent.

13.2 Except where they are contrary to or inconsistent with the policy previously laid down by the general meeting, the decisions of the Council shall be binding on all members of the Association unless and until countermanded by a resolution of a general meeting.

13.3 In this Constitution, unless the context otherwise requires, the following terms shall have the meanings respectively stated:

"Act" means Money Services Business Act 2011 [Act 731] and any subsidiary legislations made under the Act;

"associate" means an agent of a member appointed by the member in accordance with Section 43 of the Act to carry on money services business on behalf of the member; is registered by the Bank as a money services business agent under Section 44 of the Act; and whose name is in the record of the Register of Associates of the Association;

"Association" means Persatuan Perniagaan Perkhidmatan Wang Malaysia/ Malaysian Association of Money Services Business;

"Bank" means the Central Bank of Malaysia;

"chief executive officer" in relation to a licensee, means a person, by whatever name called, who, either individually or jointly with one or more other persons, is responsible, subject to the authority of the board of directors of the licensee, for the conduct of the business and the management of the licensee;

"Class A, B, C and D licences" means the classes and description of licences as described under Regulation 2, First Schedule of Money Services Business (Licensing) Regulations 2012; Class A being licence to carry on money-changing business and remittance business only, Class B being licence to carry on remittance business only, Class C being licence to carry on money-changing business only and Class D being licence to carry on wholesale currency business only;

"Class A member" means a member with only Class A licence;

"Class B member" means a member with only Class B licence;

"Class C member" means a member with only Class C licence;

"Class D member" means a member with only Class D licence, Class D and C licences or Class D and A licences;

"Committee" referred in Clause 2 and Clause 8 means the Council.

"Council" means the Council for the time being of the Association consisting of the elected office bearers of the Association under the Societies Act 1966 [Act 335]; and an individual in the Council who is an office bearer shall be referred to as a Council member;

"day" means computation of which excludes public holidays, the day of service of notice, the day of receipt of notice or the day of the act prescribed or allowed to be done and the day the act is done and is completed;

"director" has the same meaning as defined in the Act;

"financial year" means the period in respect of which any profit and loss account of the Association is laid before it in annual general meeting, whether that period is a year or not;

"foreign currency" means currency notes or coins which are legal tender in any country, territory or place outside Malaysia, and includes any right to receive foreign currency in such form as the Bank may prescribe, but exclude such currency as the Bank may prescribe;

"Group" means either Group A or Group B;

"Group A" means Class C members collectively;

"Group B" means Class A, B and D members collectively;

"licence" means the licence issued by the Bank under the Act to a member;

"licensee" means a person licensed under the Act;

"member" means a licensee whose name is in the record of the Register of Members of the Association;

"member class" means a group of members belonging to a particular class of members;

"member class meeting" means a general meeting of a particular class of members that must be convened by the Council for purposes to seek consultation from that particular class of members before the Council decides and implements proposed motion as a resolution of the Association;

"member representative" means the chief executive officer or a director duly appointed by the board of directors to represent a member in the Association. The Association must be notified in writing accordingly;

"minimum capital fund" has the same meaning assigned to it under Regulation 3, Money Services Business (Minimum Capital Fund) Regulation 2011, and includes addition, amendments, modification, alteration made from time to time to the said Regulation by the Bank;

"money-changing business" means any or all of the following businesses:

- (a) the business of entering into an exchange transaction at a rate of exchange;
- (b) the business of buying or selling travellers' cheques, on behalf of an issuer of travellers' cheques, at a rate of exchange;
- (c) such other business as the Bank may prescribe;

"money services business" means any or all of the following businesses:

- (a) money-changing business;
- (b) remittance business;
- (c) wholesale currency business;

"principal licensee" means a licensee which has obtained the written approval of the Bank to appoint a money services business agent under section 43 of the Act (as defined in the Guidelines on Agent Oversight Framework for the Money Services Business Industry).

"public holiday" means a public holiday established by law in Malaysia or any part of Malaysia;

"remittance business" means the business of transferring funds or facilitating the transfer of funds, whether in any form or by any means or whether there is any movement of funds or not, on behalf of an originator person in or outside Malaysia,

with a view to making the funds available to a beneficiary person in or outside Malaysia and the originator person and the beneficiary person may be the same person, but excludes such other businesses, activities, systems or arrangements as the Bank may prescribe;

"ringgit" means currency notes and coins which are legal tender in Malaysia and includes any right to receive ringgit in such form as the Bank may prescribe;

"rotation cycle" means the rotation of the President and Vice President positions between the two respective Groups, i.e. Group A and Group B, after completion of a full two-term office by the existing incumbent of the respective Groups.

"term" means a term in office as office bearers of the Association whereupon at the expiry of two (2) consecutive annual general meetings of the Association it shall be deemed as one (1) term;

"Territory" means Malaysia to which the objects of the Association shall apply.

The region (s) within the Territory shall be as follows:-

Central Region : Kuala Lumpur, Putrajaya, Selangor, Negeri Sembilan and Pahang

Northern Region : Penang, Perak, Kedah and Perlis

Southern Region : Johor and Melaka

East Coast Region : Kelantan and Terengganu

East Malaysia : Sabah, Sarawak and Labuan

"under", in relation to a written law or any provision thereof, includes "in accordance with", "pursuant to" and "by virtue of";

"wholesale currency business" means the business of -

(a) Buying or selling foreign currency with an authorised dealer, a licensee or any person outside Malaysia, as the case may be;

(b) Importing foreign currency notes from, or exporting foreign currency notes to, any person outside Malaysia; and

(c) Such other business as the Bank may prescribe;

"year" means a year reckoned according to the Gregorian calendar;

Words and expressions in the singular include the plural, and words and expressions in the plural include the singular;

Words importing the masculine gender include the feminine;

Where any word or expression is defined in a written law, the definition shall extend to all grammatical variations and cognate expressions of the word or expression so defined; and

The titles and headings of clauses of this Constitution are solely for convenience of reference and will not be used in interpreting or construing the Constitution.

#### CLAUSE 14 ADVISOR / PATRON

Not applicable

#### CLAUSE 15 PROHIBITION

15.1 The Association premises or any part thereof shall not be used to keep or store any materials which may contravene any local ordinance statute regulations or by laws, without limitation, arms ammunition or unlawful goods, gunpowder, saltpetre, kerosene or any explosive combustible inflammable dangerous or unlawful substance.

15.2 The Association premises or any part thereof shall not be used to carrying out any political activities, gambling (whether for stakes or not) or other activities which are illegal, unlawful or immoral.

15.3 The Association shall not indulge in any political activity or allow its funds to be used for political purposes of a political party.

15.4 The Association and its members shall not engage in any trade union activities as defined in the Trade Union Act 1959.

15.5 The Association shall not hold any lottery in the name of the Association, the Council or any members without approval from relevant authorities.

15.6 The funds of the Association shall not be used to pay the fines of members who have been convicted in Court.

15.7 The Association shall not utilise its funds for any purpose other than those relating to the objects and powers of the Association.

15.8 The Association shall solely utilise its funds for the benefits and interests of its members and associates.

#### CLAUSE 16 AMENDMENT OF CONSTITUTION

16.1 The Council shall seek consultation with the Bank on any amendment of objects and powers as well as alterations on the processes of the selection of office

bearers of the Association prior to recommendation to the general meetings for approval and any such amendments or alterations thereto by the general meetings shall not be effective until the approval of the Registrar of Societies shall have been obtained.

16.2 Any amendments to the Constitution of the Association shall not come into force without the prior approval of the Registrar of Societies.

16.3 Any amendments to the Constitution of the Association agreed upon at any general meeting shall be sent to the Registrar of Societies within sixty (60) days of the general meeting.

#### CLAUSE 17 DISSOLUTION

17.1 If at any general meeting a resolution for the dissolution of the Association shall be passed by a majority of three-fifth of the members of the Association who for the time being resident in Malaysia expressed in person at a general meeting convened for the purpose, the Council shall thereupon, or at such future date as shall be specified in such resolution, proceed to wind up the Association.

17.2 The assets of the Association after all liabilities been paid shall be distributed to members equally, or be donated to a legally approved charitable organisation in Malaysia.

17.3 Notice of dissolution shall be given within fourteen (14) days of the dissolution to the Registrar of Societies.

#### CLAUSE 18 FLAG, LOGO AND BADGE

1. Flag  
Description
2. Logo  
Description
3. Badge  
Description

#### CLAUSE 19 GUIDING PRINCIPLES FOR SELECTION OF OFFICE BEARERS

19.1 The Association adopts the following guiding principles in the selection of office bearers of the Association:

- (a) To ensure a balanced representation of money services businesses in the Council; and
- (b) To ensure that the Association is led by qualified and competent individuals representing the members.

#### CLAUSE 20 NOMINATION OF CANDIDATES

20.1 No individual shall be eligible for election as a Council member unless the individual is elected in accordance with the process under the rules of the Association.

20.2 An individual from Group A shall only be eligible to be nominated as a candidate for the office of President, Vice President, Secretary and/or Treasurer upon obtaining nominations from not less than ten per cent (10%) of members in Group A, or twenty (20) members from Group A, whichever is lower, to represent Group A.

20.3 An individual from Group B shall only be eligible to be nominated as a candidate for the office of President, Vice President, Secretary and/or Treasurer upon obtaining nominations from not less than ten per cent (10%) of members in Group B, or five (5) members from Group B, whichever is lower, to represent Group B.

20.4 An individual from respective member class, shall only be eligible to be nominated as a candidate for Member Class Council member representing that respective member class upon obtaining nominations from not less than ten per cent (10%) of members from that member class, whichever is lower.

20.5 An individual from respective region shall only be eligible to be nominated as a candidate for Regional Council member representing that respective region upon obtaining nominations from not less than ten per cent (10%) of members from that region or ten (10) members from that region, whichever is lower.

20.6 Any members from any line of money services business, regardless in Group A or Group B may nominate an individual as a candidate for Member Class Council member representing each member class or Regional Council Member representing each region in the Territory, subject to Clauses 20.4 and 20.5 respectively.

20.7 An individual nominated as a candidate shall have to meet the following minimum criteria:



(a) A chief executive officer;

(b) Not in breach of Money Services Business (Minimum Criteria of a "Fit and Proper Person") Regulations 2012;

(c) Must demonstrate a high level of professionalism and integrity as well as the required leadership and capability to lead the Association, including two (2) years of working experience and exposure in the money services business industry or other financial services industry; and

(d) Must possess relevant knowledge and experience of the money services business and familiar with requirements under the Act and Anti-Money Laundering and Anti-Terrorism Financing Act 2001 [Act 613], and successfully complete the assessment programme as developed by the Council to evaluate the understanding of regulatory and business of the money services business industry.

20.8 All nominations must be made in prescribed nomination form issued by the Association.

20.9 The Secretary shall not later than ninety (90) days from the AGM shall cause a notice to inform members to collect the nomination form from the registered address of the Association or to obtain the same from the Association website or any electronic means deem appropriate by the Association.

20.10 A member shall only be entitled to nominate one (1) candidate for each position in the Council.

20.11 An individual who seeks to be elected to be a Council member is not allowed to nominate himself as a candidate for any position.

20.12 A nomination shall only be valid if submitted to the Secretary of the Association at the registered address of the Association not later than sixty (60) days before the general meeting .

20.13 Upon receipt of a valid nomination form, the Secretary shall forward the valid nomination form to the nomination committee, and the evaluation process shall commence therefrom.

20.14 Upon the formation of the Association, an EGM shall be held within nine (9) months for purposes of commencement of the first election process of Council members. The interim committee shall retire from office as the Council.

#### CLAUSE 21 EVALUATION

21.1 Nominated candidates as set out in valid nomination forms and fulfil the minimum criteria as set out in Clause 20.7 shall be assessed by a nomination committee.

21.2 The nomination committee shall comprise four (4) members from the Council, representing each member Class A, B, C and D to ensure that only qualified and competent candidates are nominated to stand for election as a Council member.

21.3 A Council member who seeks to be re-elected into the Council shall not participate or vote in the evaluation process of the nomination committee for the particular position he is seeking for re-election.

21.4 For the first election of the Council, members in the nomination committee shall be all the interim committee members.

21.5 The Council shall establish an assessment programme to evaluate regulatory and business understanding of the candidates.

21.6 The nomination committee shall solicit input from the Bank to assess whether there are major supervisory concerns on the respective candidates, which forms part of the selection criteria to ensure the candidates are individuals of integrity and with professionalism.

21.7 All information on nomination shall be subject to strict confidentiality.

21.8 The Association shall only notify candidates who are qualified to be eligible for election at the general meeting.

#### CLAUSE 22 ELECTION

22.1 The election of the Council shall be by secret ballot.

22.2 Only successful candidates from the evaluation process will be allowed to contest in AGM.

22.3 An individual nominated to fill a casual vacancy shall also require to be assessed by the nomination committee before being eligible to contest in the EGM. The valid nomination form of the candidate is to be lodged at the registered address not later than forty five (45) days before the EGM to be held to fill the vacated office.

22.4 The nomination form for nomination of a candidate eligible to fill a casual vacancy shall be available for collection from the Secretary at the registered address or obtained from the Association website or any electronic means deemed appropriate by the Association with effect from the date the notice of EGM is uploaded at website of the Association.

22.5 A candidate who obtains the highest number of votes in the election for the office of respective position in the Council shall be the person elected to represent members as the Council member of the Association.

22.6 In event of equality of votes, whether by voting on a show of hands or by ballot, there shall be a re-voting. For avoidance of doubt, where a vote is by show of hands, there shall be a re-voting by ballot.

22.6.1 Where there is still equality of votes by a ballot, another re-voting by ballot shall be made.

22.6.2 In the event a result of the re-voting is still equal, the result shall be determined by a toss of coin.

#### CLAUSE 23 TERM OF OFFICE

23.1 The term of office of a Council member shall be a term comprising not more than two consecutive annual general meetings. Therefore, election of the Council shall be held once every two years.

23.2 The term of office of President and Vice President shall be in accordance with the rotation procedure under Clause 24, whereupon rotation will take effect upon completion of two (2) terms.

23.3 Notwithstanding the rotation procedure, the term of the individual who is a chief executive officer of a member that occupy the office of President or Vice President shall be for a maximum of two (2) terms regardless of the individual person subsequently holding a position as a chief executive officer in a different Group.

23.3.1 In the event the Group status of the President or Vice President changes from Group A to Group B and vice-versa one hundred and eighty (180) days or more after being elected, the President or Vice President shall be allowed to complete the term and shall vacate the office at the end of the term.

23.4 The office of a Council member shall be vacated in any of the following events:

- (a) If the Council member resigns from his office;
- (b) If the Council member is sanctioned by the Bank while in the office under the Money Services Business (Minimum Criteria of a "Fit and Proper" Person) Regulations 2012;
- (c) If the Council member becomes of unsound mind under the law relating to mental disorder;
- (d) If the Council member absents himself from two (2) Council meetings successively and that a resolution is passed by the Council that he has by reason of such absence vacated office;

(e) If the Association receives a notice from the Council member himself or any member that the Council member ceases to be a chief executive officer of a member; or

(f) If the Group status of the President or Vice President changes from Group A to Group B and vice-versa within one hundred and eighty (180) days being elected.

23.5 A new Council member shall be elected to fill the vacancy upon occurrence of a casual vacancy. The candidate shall have to undergo the nomination and evaluation processes of the Association under Clauses 20 and 21 before being eligible for election at an EGM convened for that purpose.

#### CLAUSE 24 ROTATION OF PRESIDENT AND VICE PRESIDENT

24.1 The President and Vice President must respectively be a member representative from different Groups, Group A or Group B.

24.2 The office of President and Vice President must be rotated between member representatives from Group A and Group B after every two (2) terms.

24.3 The rotation between Group A and Group B shall commence upon completion of the maximum two (2) terms.

24.4 The practical guide for the rotation cycles is as follows:

(a) Scenario 1  
=====

2014-2015 (1st term)  
President Group A

2016-2017 (2nd term)  
President Group A

2018-2019 (3rd term)  
President Group B

2020-2021 (4th term)  
President Group B

-----  
2014-2015 (1st term)  
Vice President Group B

2016-2017 (2nd term)  
Vice President Group B

2018-2019 (3rd term)  
Vice President Group A  
2020-2021 (4th term)  
Vice President Group A

OR

(b) Scenario 2  
=====

2014-2015 (1st term)  
President Group B

2016-2017 (2nd term)  
President Group B

2018-2019 (3rd term)  
President Group A

2020-2021 (4th term)  
President Group A

-----  
2014-2015 (1st term)  
Vice President Group A

2016-2017 (2nd term)  
Vice President Group A

2018-2019 (3rd term)  
Vice President Group B

2020-2021 (4th term)  
Vice President Group B

24.4.1 For the first term, subject to the minimum nomination requirements and evaluation by the nomination committee under the rules of the Association, a final candidate with the highest number of nominations from each Group A and Group B will compete for the election to determine the person who shall be the President or Vice President. The candidate obtaining the highest number of votes from the members will be the President while the other candidate will be the Vice President.

24.4.2 Eligible candidates, however, for both positions from the second (2nd) term (2016-2017) and subsequent rotation cycles onwards will no longer be limited to candidates with the highest nominations from Group A and Group B respectively.

24.4.3 If the President for the first term is from Group A, and the Vice President is from Group B, the nominations for President position for the second term shall be

from Group A while the nominations for Vice President position shall be from Group B. All nominations are subject to Clauses 20 and 21.

24.4.4 The existing incumbents may seek for re-election to remain in the respective positions subject to Clauses 20 and 21.

24.4.5 Eligible candidate from Group A who obtains the highest number of votes in the election for the President position shall be the new President.

24.4.6 Eligible candidate from Group B who obtains the highest number of votes in the election for the Vice President position shall be the new Vice President.

24.4.7 Upon completion of the two (2) terms and commencement of the second rotation cycle, the next President shall be from Group B and the Vice President shall be from Group A.

24.4.8 Subsequent rotation cycles will commence upon completion of the second term of office by one Group.

#### C.LAUSE 25 COMMITTEE OF COUNCIL

25.1 There shall be a committee respectively relating to the aspects of legal, professional conduct, education, membership and finance to be chaired by a Council member respectively or a member representative deemed suitable and appointed by the Council.

25.2 There shall also be a committee for each line of money services businesses as follows:

(a) Committee on Money-Changing Business to be chaired by the Member Class Council Member representing Member Class C;

(b) Committee on Remittance Business to be chaired by Member Class Council Member representing Member Class A or B; and

(c) Committee on Wholesale Currency Business to be chaired by Member Class Council Member representing Member Class D.

25.3 The roles and responsibilities of the committees set up under Clauses 25.1 and 25.2 are as follows:

- (a) Legal
  - Technical and regulatory affairs
- To collaborate with the Bank on technical and regulatory issues from time to time.
- Money Services Business, policies, rules, regulations and interpretations.
- To facilitate a better understanding of the money services business legislations.

policies, rules, regulations and interpretations and any other regulatory policies through constructive engagement with the Bank and dissemination to members for effective implementation.

(b) Professional conduct

• Code of conduct and rules

To facilitate self-regulation and promote professionalism. It would also oversee the enforcement and disciplinary issues; and

To promote professional conduct, competence and best practices through sharing of knowledge, technology and system amongst members.

(c) Education

• Consumer awareness and education

To promote education, training and sharing of knowledge among members as well as promoting consumer education.

(d) Membership

To decide on admission and termination of members.

(e) Finance

To assist the Treasurer in financial resources planning and management.

(f) Committee on Money-Changing Business

To discuss, review and formulate appropriate measures and proposals to ensure specific and peculiar issues relating to money-changing business are addressed.

(g) Committee on Remittance Business

To discuss, review and formulate appropriate measures and proposals to ensure specific and peculiar issues relating to remittance business are addressed.

(h) Committee on Wholesale Currency Business

To discuss, review and formulate appropriate measures and proposals to ensure specific and peculiar issues relating to wholesale currency business are addressed.

25.4 The Council may in its absolute discretion from time to time set up any new committee.

25.5 Members of committees set up under Clauses 25.1, 25.2 and 25.4 shall be directors, chief executive officers or management personnel of members as appointed by the Council and they need not be elected during general meeting.

#### CLAUSE 26 COUNCIL MEETINGS

26.1 The Council shall meet, adjourn or otherwise regulate its meeting as it deems fit, provided that it shall meet at least once in every quarter.

26.2 Meetings of the Council shall be convened as directed by the President and the Secretary shall issue notice of a meeting to all Council members at least seven (7) days before the meeting.

26.3 In the event a Council member is not physically present in the same place of meeting, and fifty per cent (50%) of the Council members agree that the Council meeting may be conducted by means of any technological device where they are able to simultaneously hear and see each other to participate in discussion, the meeting shall be considered as convened and the Council member is deemed to be present and entitled to vote at the meeting.

26.4 A Council member shall not be absent from Council meeting for more than twice in a year or at such frequency as regulated by the Council.

26.5 Where there is any proposed motion for resolution specifically affecting a particular member class, the Council shall convene a member class meeting to consult members of that particular member class before deciding and implementing the proposed motion as resolution of the Association.

26.6 A member class meeting shall not be deemed as a Council meeting.

26.7 Where a member class meeting is convened the Council shall also forward the notice of the meeting to other classes of members for notation only but with a right to submit a memorandum for consideration to the Council to be discussed at the member class meeting if the other class of members are of the view that the proposed motion shall also, if passed as a resolution, affect their interest. The said memorandum on systemic affected interest that shall be submitted shall have to be delivered to the registered address of the Association thirty (30) days before the member class meeting is to be held.

#### CLAUSE 27 QUORUM AT COUNCIL MEETINGS

27.1 The quorum for the Council meeting shall not be less than ten (10) Council members.

27.2 The President or in his absence, the Vice President shall preside at the meetings of the Council.

#### CLAUSE 28 VOTING AT COUNCIL MEETINGS

28.1 Voting at meetings of the Council may be by show of hands or by ballot, as to be determined by the Council.

28.2 Each Council member shall have one vote.

28.3 Decisions at meetings of the Council shall be by two-third majority.

28.4 A resolution in writing shall be signed by all the Council members entitled to vote on the resolution at a Council meeting, and record their decision for or against the proposed resolution. The final decision to pass the proposed resolution shall be by two-third majority and shall be as valid and effectual as if it had been passed at a meeting of the Council duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more Council members.

28.5 Without prejudice to Clauses 28.1, 28.2 and 28.3 in any manner whatsoever, no resolution in writing under Clause 28.4 is allowed to be passed in regard to:

- (a) matters or motions affecting the interest and benefits of the money services business industry as a whole; and
- (b) amendments to the Constitution (including objects and powers of the Association and alterations on processes of selection of office bearers) as well as acquisition or disposal of immovable property.

#### CLAUSE 29 NON COMPLIANCE

29.1 The Council shall have the power to:

- (a) censure a member for acts or behaviour which contravene the Code of conduct and rules set by the Association; and
- (b) report to the Bank on any material non-compliances by members, particularly on breaches of regulatory requirements by members that come to the knowledge of the Council, and significant non-compliances with major rules and procedures set by the Association for the consideration of renewal of a licence by the Bank.

#### CLAUSE 30 FINANCIAL YEAR

30.1 The financial year of the Association shall be from 1st January to 31st December.

30.2 The Council shall have power to propose any change in the financial year if it deems appropriate subject to approval from the members in a general meeting.

#### CLAUSE 31 REGISTER OF MEMBERS AND REGISTER OF ASSOCIATES

31.1 A Register of Members and a Register of Associates shall be maintained by the Association at its registered address containing details as may be required by the Association and no names shall be entered thereon or removed therefrom save upon the authority of the Council.

#### CLAUSE 32 PROCEEDINGS AT GENERAL MEETINGS

32.1 No general meeting shall proceed with the business of the Association unless a quorum is present.

32.2 If half an hour after the time appointed for AGM a quorum is not present, the Chairman shall postpone the meeting to a date not exceeding thirty (30) days from the date of the inquorate AGM.

32.3 If a quorum is not present half an hour after the time appointed for the postponed meeting, the members present shall have power to proceed with the business of the day but they shall not have power to alter the rules of the Association or to make decisions affecting the whole membership.

32.4 Rules on the quorum and the postponement of an AGM shall apply also to an EGM, but with the proviso that if no quorum is present after half an hour from the time appointed for an EGM that is convened arisen from the earlier inquorate EGM, the said meeting shall be dissolved and no further EGM shall be allowed to be convened and/or requisitioned (as the case may be) for the same purpose until after the lapse of at least six (6) months from the date thereof.

32.5 The President or in his absence, the Vice President shall preside as Chairman of a general meeting.

32.6 All motions shall be decided in the first instance by way of voting on a show of hands where each member shall be entitled to one (1) vote.

32.7 A ballot may be decided by the Chairman of the meeting.

32.8 In the event of equality of votes, whether by way of voting on a show of hands or by ballot, the motion shall be treated as lost.

32.9 On a show of hands every member present shall have one (1) vote and in the case of a ballot exercise every member present by its own member representative shall have one (1) vote.

32.10 The Chairman of the meeting may adjourn a general meeting at which a quorum is present if ---

(a) the meeting consents to an adjournment; or

(b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any individuals attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

32.11 When adjourning a general meeting, the Chairman of the meeting must either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Council.

32.12 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place. For avoidance of doubt, the adjournment is a continuation of the business of the agenda in the original earlier meeting.

#### CLAUSE 33 DECISIONS OF MEMBERS

33.1 Subject to a quorum being present at any meeting every motion shall be decided by the members present with the exception of the following motions which shall be decided by not less than three-fourths of members in Group A and Group B respectively representing the total voting rights of all members in each Group entitled to vote as set out in the Register of Members:

- (a) Amendment of the Constitution; and
- (b) Acquisition or disposal of immovable property.

#### CLAUSE 34 MINUTES

34.1 The Council shall cause minutes to be regularly entered in books provided for the purpose of the proceedings of its meetings or of meetings of its committees and of the names of all those present thereat and of all general meetings of the Association.

34.2 The minutes of any meetings signed by the Chairman of that meeting or of the next meeting (as the case may be) shall be conclusive evidence of the proceedings recorded at such meetings.

34.3 Names of members present at all meetings of the Association and their member representatives shall be recorded in the minutes thereof.

#### CLAUSE 35 NOTICES

35.1 All notices to a member shall be in writing and shall be deemed to have been duly served if made in any of the following manner:

- (a) if personally delivered to that member; or
- (b) if sent by prepaid post to the postal address of the member last known to the Association; or
- (c) if published in the website of the Association.

35.2 An accidental omission to give notice to or non-receipt of such notice by any member shall not invalidate the proceedings at any general meeting.

#### CLAUSE 36 INDEMNITY

36.1 The respective persons holding positions in the following capacities shall be indemnified by the Association against all losses and expenses which they incur in carrying out their duties, unless the losses and expenses are caused by their own deliberate fault or negligence:

- (a) Members of the Council and its committees
- (b) Members of the Disciplinary groups and tribunals
- (c) Trustees appointed by members at general meeting
- (d) Executive staff of the Association