



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Letter to the Editor

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DOES BNM CONDONE ILLEGAL FOREX TRADING?

JJPTR, CYL, Richway Global Venture and BTC I-system all have one thing in common; they are major money game schemes that have been in the limelight recently BUT for the wrong reasons. The Consumers' Association of Penang (CAP) is appalled by the news that so many "investors" (consumers) have been cheated of their hard earned money by these companies.

But we do not believe that the situation would have gotten so bad if Bank Negara Malaysia (BNM) had taken pre-emptive measures to put a stop to these money game companies.

We should note that BNM is the body tasked with enforcing the Financial Services Act 2013 (Act 758) which states that:-

- Section 8. (1) (b) - no person shall carry on any authorized business unless it is - approved by the Bank under section 11 to carry on any of the businesses set out in Division 1 of Part 1 of Schedule 1
- Section 8. (3) - Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding ten years or to a fine not exceeding fifty million ringgit or to both

We find it startling that, also stated on BNM's "Consumer Alert & Updates" webpage is that the "Financial Consumer Alert" is there to alert the members of the public of companies and websites which are **neither authorised nor approved under the relevant laws and regulations administered by BNM.**

Based on the provisions of Act 758 and BNM's claim on their website, it is clear that the activities carried out by these money game operators are illegal and punishable under the law.

And yet, despite their "illegal" status BNM has allowed these companies to continue operating.

Another claim by BNM on the "Consumer Alert & Updates" webpage is that "Consumer protection under the laws administered by BNM IS NOT APPLICABLE should the members of the public choose to deal with the illegal financial service providers. Members of the public who participate in the illegal financial activities could also BE CHARGED under the law as abetting the operators of such illegal activities".

So we must ask, why are these companies being allowed to carry out their illegal operations and why are consumers being given a choice to deal in illegal financial activities by an authoritative body like BNM?

To put this into perspective, let us focus on the money game company JJPTR. BNM claims that this company has been on their Financial Consumer Alert since February 24 of this year. The fact that the company is on BNM's list shows they know the company is providing illegal financial activities.

But the company was allowed to continue operating and now consumers worldwide have lost out on a collective RM500mil (the founder estimates only RM400mil). To top it off, the founder has come up with a new plan where he promises investors a 35% return on their investment – a figure much higher than the previous 20% which turned out to be unsustainable. Is BNM going to allow him to continue his illegal operations?

A statement by BNM over the course of the JJPTR saga that CAP had found perplexing is that they (BNM) will only investigate the company once a report is lodged. Why do they have to wait for a report to be lodged by the public when they themselves have already declared this company is conducting illegal financial activities?

We understood that one of the functions of bodies like BNM is to protect the interest of the public. Were we wrong? Why do they watch as people get cheated and then only take action when someone complains about being cheated?

CAP asks that BNM take immediate action against money game companies like JJPTR as prescribed by Act 758 and any other relevant laws. We also demand an explanation for BNM's inaction thus far.

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