

# Developing the Wealth Management Industry in Malaysia

**-> EVOLUTION of the WEALTH MANAGEMENT  
INDUSTRY in MALAYSIA**

**-> REGULATORY FRAMEWORK DEVELOPMENT**

**-> OPPORTUNITIES and CHALLENGES**

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# How the Industry has Evolved

FROM

Minimum Qualification to  
Sell Financial Product

MOVE TO

Professional  
Qualification -  
Holistic &  
Comprehensive  
Solution by way  
of writing wealth  
management  
plan



# How the Industry has Evolved

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# How the Industry has Evolved



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WM – Bank Product,  
Insurance,  
Investment Centric  
Services.

WM – Covers most  
needs of HNI over  
wealth cycle.

Up to 1990s -  
Service Provider :  
Traditional Bank,  
Premier Bank,  
Insurance Co &  
Stock Brokers

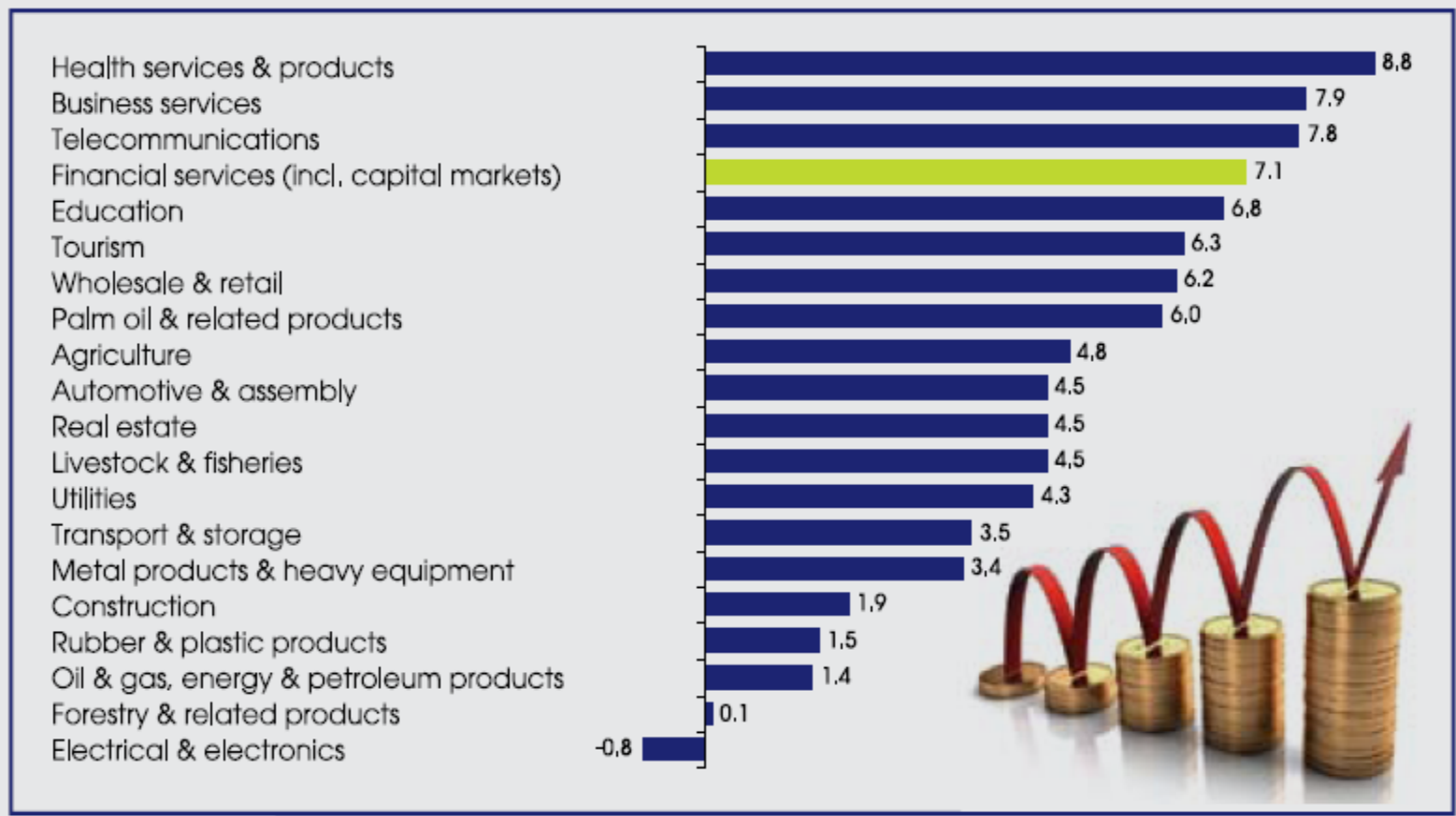
Currently –  
Service Provider:  
WM Firm & Private  
Banking



# How the Industry has Evolved

## The Financial Services Sector has seen Robust Growth over the Past Decade

2000 - 2009 historical GDP growth rate by sector  
Percent



# How the Industry has Evolved

## WM : The Process



- Initial consultation

- Data Gathering

- Identifying Goals

- Analyzing Situation

- Developing Plan

- Implementation

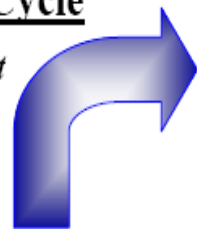
- Reviewing & Monitoring



## WM Today - Meets Mainstream Needs

### The Wealth Cycle

*Wealth Management*  
– process of  
providing advice to  
help HNWI in.....



*Wealth Creation*  
From employment, savings  
in bank, investment in first  
property, etc.



*Wealth Distribution*  
Passing on assets through  
wills and trusts

*Wealth Enhancement*  
Enhancing total returns  
from capital gains and  
income, including via use of  
leverage



*Wealth Protection*  
Capital preservations, risk  
management, insurance, trusts

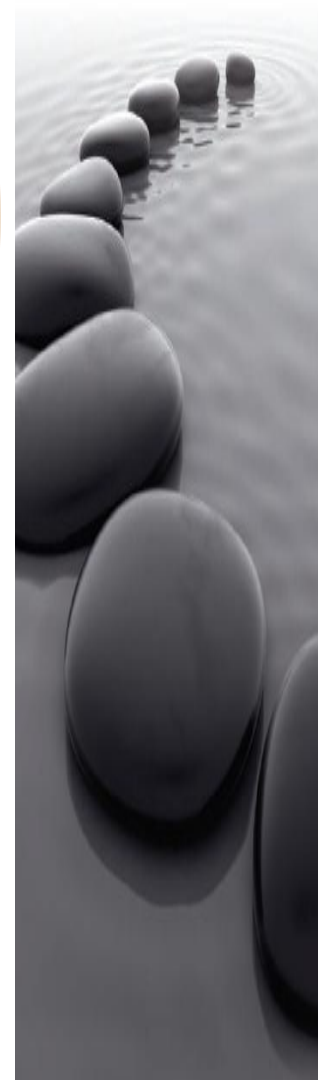


Source: CIMB PB





# How the Industry has Evolved



Can Malaysia develop into a Regional Wealth Management Centre?

# Developing the Regulatory Framework



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**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

Securities Commission  
Malaysia

Bank Negara  
Malaysia

CMSL / CMSRL

FAL / FAR



# Developing the Regulatory Framework

## List of Capital Markets Services Licence holders for Financial Planning (Corporate) as at 31 August 2012

No	Company
1.	A.D. Financial Sdn. Bhd.
2.	Ascendur Bistari Sdn Bhd
3.	Axcelink Wealth Advisory Sdn. Bhd.
4.	Blueprint Planning Sdn. Bhd.
5.	CIMB Wealth Advisors Berhad
6.	CTLA Financial Planners Sdn. Bhd.
7.	DF Wealth Management Sdn Bhd
8.	ECS Solution Sdn. Bhd.
9.	Efficient Frontier Capital Advisors Sdn. Bhd.
10.	FIN Freedom Sdn Bhd
11.	First Sovereign Advisory Sdn. Bhd.
12.	Flora Wong & Associates Sdn. Bhd.
13.	Great Vision Wealth Management Sdn Bhd
14.	GV Wealth Planners Sdn. Bhd.
15.	I-MAX Financial Sdn Bhd
16.	Legacy Advisory Sdn Bhd
17.	MAAKL Mutual Bhd.
18.	MC Melaka Advisors Sdn Bhd
19.	MyFP Services Sdn. Bhd.
20.	MyiCFO Advisors Sdn. Bhd.
21.	OPES Consulting Sdn. Bhd.
22.	Oscar Wealth Advisory Sdn. Bhd.
23.	Phillip Wealth Planners Sdn. Bhd.
24.	Premier Financial Services Sdn. Bhd.
25.	Public Mutual Berhad
26.	Rockwills Advisory Services Sdn. Bhd.
27.	Standard Financial Planner Sdn. Bhd.
28.	Uniplan Advisory Sdn. Bhd.
29.	VKA Wealth Planners Sdn. Bhd.
30.	Wealth Street Sdn. Bhd.
31.	Whitman Independent Advisors Sdn. Bhd.

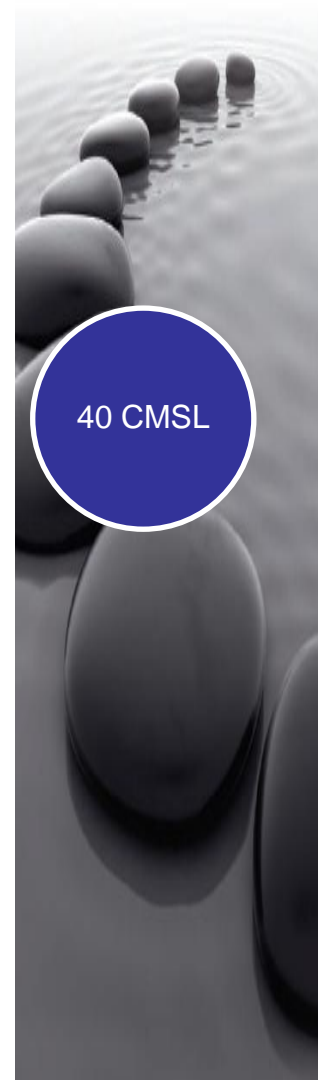
31  
Corporate



9  
Individual



40 CMSL



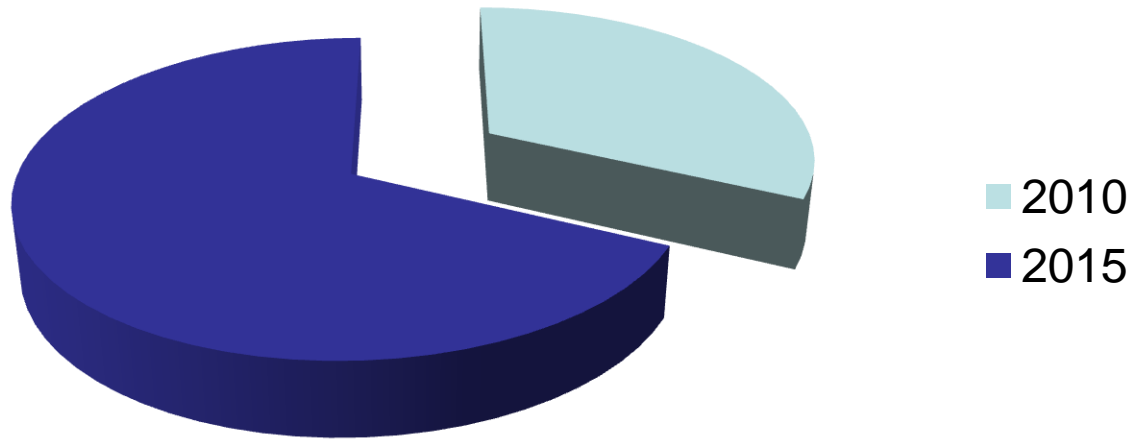
## List of Licensed Financial Advisers

Last updated: 06 September 2012

1. [A.D. Financial Sdn. Bhd.](#)
2. [Axcelink Wealth Advisory Sdn. Bhd.](#)
3. [Azza Wealth Sdn. Bhd. |](#)
4. [Fin Freedom Sdn. Bhd.](#)
5. [Great Vision Financial Advisory Sdn. Bhd.](#)
6. [I-Max Financial Sdn. Bhd.](#)
7. [i-Plan Capital Sdn. Bhd.](#)
8. [KC Planning & Consultancy Sdn. Bhd.](#)
9. [Legacy Advisory Sdn. Bhd.](#)
10. [Phillip Wealth Planners Sdn. Bhd.](#)
11. [Premier Financial Advisers Sdn. Bhd.](#)
12. [Standard Financial Planner Sdn. Bhd.](#)
13. [Uniplan Advisory Sdn. Bhd.](#)
14. [VKA Wealth Planners Sdn. Bhd.](#)
15. [Whitman Independent Advisors Sdn. Bhd.](#)



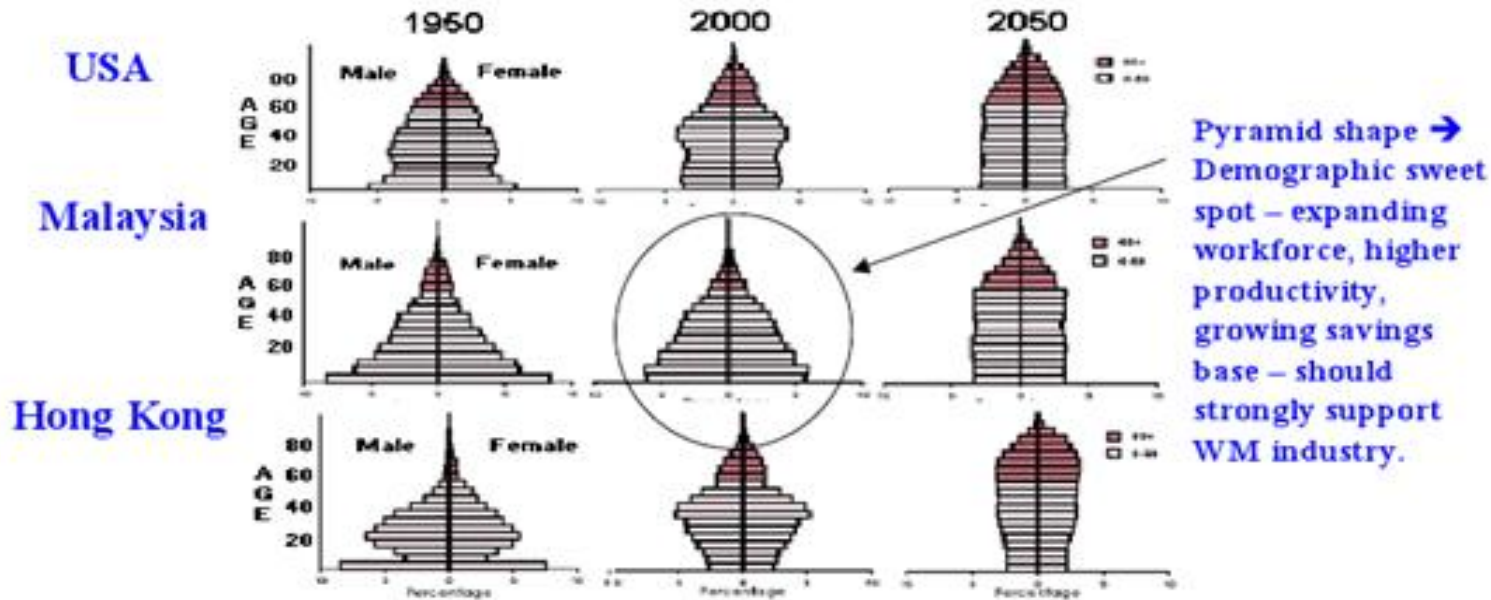
## HNI's in Malaysia



Malaysia, which has one of the smallest HNI's populations among the 10 countries included in the study, is expected to see the number of HNIs in the country nearly double from 32,000 in 2010 to 68,000 in 2015, 0.36 per cent of the adult population in the country. The study further predicts that the stock of wealth in Malaysia will grow from \$143bn to \$329bn over the same period.



## Malaysia's Attractive Demographics



Source: UN

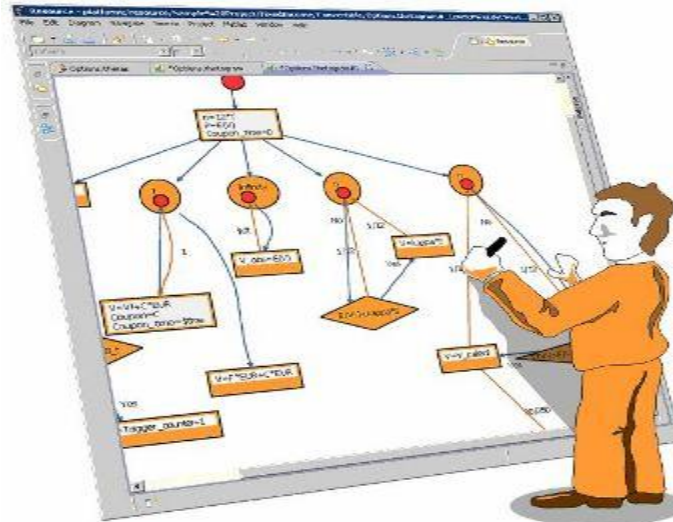


# WM Industry Opportunities

Complexity of many  
financial product  
need advisor to  
interpret.



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## Capital market master plan 2

- ✓ Facilitate internationalization
- ✓ To expand international intermediation capabilities.
- ✓ Widen Islamic capital markets international base.
- ✓ Capital market task force (CMTF) has been set to enhance Malaysian capital market by 2013.





## Malaysian Australian Free Trade Agreement (MAFTA)

- ✓ Financial services 70% ownership for banking & direct insurance services
- ✓ Professional financial services , financial planning, accounting.



## Malaysia is recognised as a world class Islamic financial centre



**MIFC -  
Malaysia  
International  
Islamic  
Financial  
Centre**

**Sukuk Origination**

**Islamic Fund & Wealth Management**

**International Islamic Banking**

**International Takaful**

**Human Capital Development**



## Product Challenges Currently Faced in WM

- **To properly help enhance, protect and distribute wealth, service providers need adequate:**
  - tools for hedging e.g. using futures and options;
  - diversification – across markets, asset classes and currencies;
  - trust service options – including choice of jurisdictions;
  - instruments to help clients enhance returns under varying market conditions, using products custom-made to their needs.
  
- **The situation until very recently:**
  - products limited to single market and single currency;
  - service providers missing out on international product innovation due to inability to import products.

**Exchange controls inhibited the development of WM in Malaysia**

## Challenges in Islamic WM Services

- **Improving platform to offer the service and building Islamic investment advisory capabilities.**
- **Continued product innovation to fill gaps compared to conventional WM e.g. in developing alternative investments and hedging/risk management instruments.**
- **Developing Malaysia as an offshore centre for international Islamic funds.**
- **Continued collaboration with other Islamic jurisdictions so that products created here are acceptable to them.**

*Thank you*

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