

**Registration to Carry on Adjusting Business  
Frequently Asked Questions and Answers (FAQs)**

**Introduction**

The FAQs are intended to provide clarification to applicants on the requirements to carry on adjusting business under the Financial Services Act 2013 (the Act), including the standards and guidelines applicable for such business. The FAQs will be updated from time to time\*.

*\*For ease of reference, font in blue denotes updates to the FAQs published on 1 June 2023. See questions 6, 11 and 12.*

No.	Questions	Answers
1.	How and when can an applicant submit an application for registration to carry on adjusting business under the Act?	<ul style="list-style-type: none"> <li>• An applicant is required to complete and submit:               <ul style="list-style-type: none"> <li>(i) a cover letter;</li> <li>(ii) the registration form together with all the supporting documents listed in the <b>Appendix</b> of the Policy Document on Registration Procedures and Requirements on Professionalism of Adjusters; and</li> <li>(iii) all documents listed in Part 2 of Schedule 2 of The Financial Services (Requirements and Submission of Documents or Information) (Registered Business) Order 2013 [P. U. (A) 206/2013] (The Order).</li> </ul> </li> <li>• Submission of new registrations should be made either in the months of <b>February</b> or <b>August</b> annually. Any submissions received in any other month will be processed in the next processing period (for e.g., a submission of registration received in the month of March 2023 will be processed in August 2023 while a submission of registration received in October 2023 will be processed in February 2024).</li> </ul> <p><i>Note: Registration forms submitted without the complete list of required documentation/information will not be processed and will be returned to the applicant.</i></p>
2.	Can I appeal if my registration is unsuccessful?	No. The applicant must submit a fresh application for registration together with the complete list of required documents/information for the Bank's consideration.
3.	Does the Bank charge any processing fee for registration to carry on adjusting business?	<ul style="list-style-type: none"> <li>• The Bank does not charge any fee for processing the application as an adjuster.</li> <li>• However, upon successful registration as an adjuster, an annual registration fee of RM1,000 will be imposed. The registration fee shall be paid within seven (7) days from the date of the Bank's confirmation in writing.</li> <li>• The fee of RM1,000 will be pro-rated based on the number of months remaining for the first year of registration; and thereafter, the full fee of RM1,000 must be paid before <b>15 December of every year.</b></li> </ul>

4.	Can the registration form and supporting documents be submitted online/ via email?	<p>Applicants must submit hardcopy submissions to:</p> <p>Director Consumer and Market Conduct Department Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur</p> <p>In addition, a copy of this application in digital form (i.e. softcopies) may be submitted to <a href="mailto:conductpolicy@bnm.gov.my">conductpolicy@bnm.gov.my</a></p>
5.	What are the minimum requirements to carry on adjusting business under the Act?	<ul style="list-style-type: none"> <li>• In order to be registered as an adjuster, an applicant must fulfil the requirements in the following: <ul style="list-style-type: none"> <li>(i) Policy Document on Registration Procedures and Requirements on Professionalism of Adjusters [issued on 1 June 2023]; and</li> <li>(ii) The Order.</li> </ul> </li> <li>• An applicant must also meet the following minimum requirements as listed in Schedule 2 Part 1 of the Order: <ul style="list-style-type: none"> <li>(i) <b>A Body Corporate</b> Applicant is a company incorporated either under the Companies Act 1965 or Companies Act 2016</li> <li>(ii) <b>Minimum Paid-Up Capital</b> Must have minimum paid-up capital unimpaired by losses of at least RM150,000 at all times</li> <li>(iii) <b>Minimum Qualification for Employees involved in the Adjusting Work</b> <ul style="list-style-type: none"> <li>• Associate or Fellow of Chartered Institute of Loss Adjuster;</li> <li>• Diploma or Associate or Fellow of Malaysian Insurance Institute;</li> <li>• Associate or Fellow of Chartered Insurance Institute;</li> <li>• Diploma or Associate or Fellow of Australian Insurance Institute;</li> <li>• Associate or Fellow of Insurance Institute of Canada;</li> <li>• Fellow of Life Management Institute;</li> <li>• Chartered Property &amp; Casualty Underwriter;</li> <li>• Diploma or Advance Diploma in Business Studies, majoring in Insurance from MARA University of Technology;</li> <li>• Degree in Risk Management;</li> <li>• Basic or Intermediate Certificate Course in Insurance Loss Adjusting from Malaysian Insurance Institute: or</li> <li>• Any other qualification approved by the Bank</li> </ul> </li> <li>(iv) <b>Fit &amp; Proper</b> <ul style="list-style-type: none"> <li>• The shareholder, director or person concerned with the operation or management of the applicant has not been convicted of an offence under the Act or an offence involving fraud or dishonesty under any</li> </ul> </li> </ul> </li> </ul>

		<p>other written law.</p> <ul style="list-style-type: none"> <li>• The shareholder, director or chief executive officer has not been involved in the management or operation of an adjusting company whose license or registration has been revoked, deregistered or has been refused by the Bank.</li> </ul> <p><b>(v) Conflict of Interest</b> The shareholder, directors, chief executive officer, employees and affiliates including their spouses, children, parents, siblings and other immediate family members do not have any equity interest or are not employed or associated with any insurer, takaful operator or workshop operator.</p>
6.	<p>What policies should an adjusting company implement to detect and manage conflicts of interest?</p>	<p>A registered adjuster must establish adequate internal policies and procedures to ensure an effective mechanism is in place to identify and manage any actual, perceived or potential conflict of interest situations involving its key responsible persons (KRPs), senior officers or adjusting employees which may arise in the course of conducting business. At a minimum, the policies and procedures should:</p> <ul style="list-style-type: none"> <li>• Identify circumstances which constitute or may give rise to situations of actual, perceived or potential conflicts of interest;</li> <li>• Clearly define the process for KRPs, senior officers or adjusting employees to keep the Board informed on any change in their personal circumstances which may result in a conflict of interest;</li> <li>• Identify specific officers or functions within the company that is/are responsible for maintaining updated records on each KRP, senior officer or adjusting employee who may be faced with situations of conflict of interest in the course of conducting business; and</li> <li>• Establish effective mitigating actions or controls which KRPs, senior officers or adjusting employees must comply with to avoid or address situations of actual, perceived or potential conflict of interest.</li> </ul> <p>For example, if an adjusting employee of a registered adjuster has family members with equity interests or is employed by a workshop or a licensed insurer/takaful operator (ITO), the registered adjuster must establish a process which requires its adjusting employee to be transparent and declare this relationship, and this declaration should be refreshed on a periodic basis. An assessment should then be conducted to determine the actual level of conflict of interest that arises due to this relationship. Where the level of conflict of interest is assessed as high, adequate controls must be established to ensure that such conflicts do not result in poor outcomes. Such as, prohibiting the adjusting employee from handling cases which are assigned by the ITO where his/her family member has equity interests in, or to handle jobs in workshops where their family member works.</p>

7.	Can a third party such as legal advisers and consultants, submit an application or enquire further on the application procedure on behalf of the applicant?	No. The Bank deals directly with the applicant concerned when providing specific guidance or requesting for additional clarifications relevant to the application received. This ensures improved transparency and more robust governance of the assessment process.
8.	If the company is currently involved in other types of businesses, is it allowed to use the same company to apply to carry on adjusting business?	Yes, provided that the company is not involved in any business that conflicts with the core adjusting business, such as insurance agency, repairer or workshop.
9.	What are the other requirements to be fulfilled upon registration?	<p>The registered adjusters must comply with the following requirements:</p> <ul style="list-style-type: none"> <li>• Commence adjusting business within six (6) months from the date of registration and notify the Bank within 7 days after the commencement of its business operation;</li> <li>• Have an established place of business/office;</li> <li>• Conduct its adjusting business in a fair, responsible and professional manner at all times</li> <li>• Comply with the requirements in the PD on Adjusting Business at a all times;</li> <li>• Strongly encouraged to be a member of the Association of Malaysian Loss Adjusters;</li> <li>• Submit reports required under the Policy Document on STATsmart Reporting Requirements on Data Submission for Reporting Entities to the Bank; and</li> <li>• Submit the company's management account, including quarterly balance sheet and income statement. The submission must be made within two weeks after the end of each quarter.</li> </ul>
10.	Can an applicant with more than 5 years working experience as an in-house claims assessor in an insurance company/takaful operator or an employee of a workshop operator be exempted from obtaining the qualification to be an adjuster?	No. Every person who wishes to carry on adjusting work must have at least one of the qualifications listed in response above (Q5.iii).

11.	In relation to paragraph 12.3 of the PD on Adjusting Business, what are the key criteria for assessment before new adjusting employees can conduct adjusting work independently?	<p>A registered adjuster must conduct assessment based on specific criteria before allowing new adjusting employees to conduct work independently. The criteria may include:</p> <ul style="list-style-type: none"> <li>• Accurately documented the damages, estimate repair costs, and determination of liability in insurance/takaful claim;</li> <li>• Able to analyse information, identify issues and make sound decisions in handling more complex claims or to navigate difficult situations;</li> <li>• Demonstrate ability to communicate professionally with policyholders, insurance/takaful providers, and other stakeholders;</li> <li>• Understand the relevant regulations and industry standards, as well as adherence to the company's own code of ethics; and</li> <li>• Knowledgeable in the areas of insurance policies/takaful certificates, claims procedures, and relevant software or technology.</li> </ul>
12.	What does ' <i>subject matter</i> ' refer to in relation to the recognition of a senior adjusting employee?	<p>In relation to Paragraph 12.4(a) of the Policy Document on Registration Procedures and Requirements on Professionalism of Adjusters, <i>subject matter</i> refers to the senior adjusting employee's 'area of expertise'. For example, whether the senior adjusting employee's on-the-job expertise is in handling of motor claims or non-motor claims. For non-motor claims, which business line the senior adjusting employee has expertise on i.e. fire, marine etc.</p>
13.	Who can we contact should we have any further queries regarding our application?	<p>Please email your queries to <a href="mailto:conductpolicy@bnm.gov.my">conductpolicy@bnm.gov.my</a></p>