



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# **Registration Procedures and Requirements on Professionalism of Adjusters**

Applicable to:

1. Registered adjusters
2. Shareholders of registered adjusters
3. Persons intending to become registered adjusters

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## **PART A OVERVIEW**

### **1 Introduction**

- 1.1 In carrying on adjusting business as defined under section 2(1) of the Financial Services Act 2013 (FSA), a registered adjuster is required to carry out its business of investigating the cause and circumstances of a loss and ascertaining the quantum of the loss in relation to insurance or takaful claims independently and objectively.
- 1.2 This Policy Document is intended to set out the following:
- (a) the registration requirements of a person intending to carry on adjusting business; and
  - (b) the requirements that a registered adjuster shall comply with at all times, including the fees payable.
- 1.3 The requirements in this Policy Document also aim to enhance the professionalism of a registered adjuster in managing its business and in dealing with customers through the imposition of rigorous fit and proper assessment on its shareholders and key responsible persons (KRPs). New obligations on meeting minimum continuous professional development (CPD) requirements annually have also been included, to ensure adjusting employees keep abreast with relevant market and industry developments. In line with this, additional requirements have been imposed on the board of directors (Board) and senior management to ensure the effective implementation of proper governance and control measures.

### **2 Applicability**

- 2.1 This Policy Document is applicable to:
- (a) a registered adjuster;
  - (b) shareholders of a registered adjuster; and
  - (c) a person intending to carry on adjusting business.

### **3 Legal provisions**

- 3.1 The requirements in this Policy Document are specified pursuant to sections 18(2), 123(1) and 143(2) of the FSA.
- 3.2 The guidance in this Policy Document is issued pursuant to section 266 of the FSA.

### **4 Effective date**

- 4.1 This Policy Document comes into effect on 29 August 2025.

## 5 Interpretation

5.1 The terms and expressions used in this Policy Document shall have the same meanings assigned to them in the FSA unless otherwise defined in this policy document.

5.2 For the purpose of this policy document –

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that shall be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

“**adjusting employee**” refers to a person who is employed on a full-time basis by a registered adjuster and meets the qualification criteria set by Bank Negara Malaysia (BNM) to carry out adjusting work;

“**Board**” means the Board of Directors of a registered adjuster, including a committee of the Board where the responsibilities of the Board as set out in this policy document have been delegated to such a committee;

“**key responsible persons (KRPs)**” refers to a director and chief executive officer (CEO) who are responsible for the management of a registered adjuster;

“**senior management**” refers to the CEO and senior officers of a registered adjuster having the authority and responsibility for planning, directing or controlling the activities of the registered adjuster, including individuals responsible for monitoring and enforcing the internal policies of the registered adjuster; and

“**shareholder**” refers to a person that holds an aggregate interest of 5% or more in the shares of a registered adjuster.

## 6 Related legal instruments and policy documents

6.1 This Policy Document shall be read together with other relevant legal instruments and policy documents that have been issued by BNM, including any amendments or reissuance thereafter, in particular –

(a) the Financial Services (Requirements and Submission of Documents or Information) (Registered Business) Order 2013 [P.U. (A) 206/2013] and the Financial Services (Requirements and Submission of Documents or Information) (Registered Business) (Amendment) Order 2024 [P.U. (A) 468/2024] (collectively referred to as “the Order”);

- (b) Policy Document on Prohibited Business Conduct issued on 15 July 2016 (BNM/RH/PD 028-21);
- (c) Policy Document on Claims Settlement Practices issued on 1 July 2024 (BNM/RH/PD 029-69); and
- (d) Financial Services (Fees) Regulations 2014 [P.U.(A) 331/2014].

## **7 Policy documents superseded**

- 7.1 This Policy Document supersedes the Registration Procedures and Requirements on Professionalism of Adjusters issued on 1 June 2023.

## **PART B REGISTRATION PROCEDURES AND FEE**

### **8 Registration procedures**

- S** 8.1 By virtue of section 17(1) of the FSA, a person intending to carry on adjusting business is required to –
- (a) fulfil the requirements as set out in Part 1 of Schedule 2 of the Order;
  - (b) submit documents and information as set out in Part 2 in Schedule 2 of the Order, together with the duly completed Registration Form in Appendix of this policy document at least 30 working days before the commencement date of its adjusting business; and
  - (c) commence its adjusting business within six months from the date of registration and notify BNM in writing within seven working days after the commencement of its adjusting business.
- S** 8.2 A registered adjuster shall comply with the registration requirements prescribed in the Order at all times.
- S** 8.3 The completed Registration Form and the required documents and information shall be submitted to –
- Director  
Consumer and Market Conduct Department  
Bank Negara Malaysia  
Jalan Dato' Onn  
50480 Kuala Lumpur.
- G** 8.4 Pursuant to section 27(2) of the FSA, the list of registered adjusters will be published on BNM's website and will be updated as and when there are changes to such list.
- G** 8.5 A person who has not fulfilled the requirements stated in paragraph 8.1 will not be regarded as a registered person under section 18(2) of the FSA and the person will be informed accordingly in writing by BNM.

### **9 Fees**

- S** 9.1 Pursuant to section 26(1) of the FSA, a registered adjuster is required to pay the annual fee in accordance with the manner of payment as set out in the Third Schedule of the Financial Services (Fees) Regulations 2014 [P.U.(A) 331/2014].
- S** 9.2 Payment of such fees shall be made through any licensed banks or licensed Islamic banks via RENTAS (Real Time Electronic Transfer of Funds and Securities) by crediting the account of 'Akauntan Negara Malaysia' (Account Number: 1554095430), Bank Negara Malaysia (TRN: ANT01) and by stating the name of the registered adjuster and "Fee" under payment details. Once payment is made, a copy of the credit advice shall be provided to BNM immediately for confirmation of the payment.

## PART C POLICY REQUIREMENTS

### 10 Fit and proper requirements

- S** 10.1 A registered adjuster shall ensure that its shareholders and KRPs comply with the fit and proper criteria below –
- (a) has not been convicted of any offence under the FSA or any offence involving fraud or dishonesty under any other written law;
  - (b) has not been an undischarged bankrupt;
  - (c) has not been in the process of being wound up, is wound up or otherwise dissolved; and
  - (d) has no suspended payments or has not been compounded with his creditors whether in or outside Malaysia.
- S** 10.2 In addition to the above, the KRPs of a registered adjuster shall comply with the following –
- (a) has not engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
  - (b) has not contravened any of the requirements, standards or any direction issued by a regulatory body, a professional body, the Government or its agencies;
  - (c) has not been involved in the management or operation of a company whose license, approval or registration has been revoked or has been refused a license, approval or registration by BNM;
  - (d) has not become the subject of any proceedings of a disciplinary or criminal nature, or has not been notified of any impending investigation, which might lead to such proceedings;
  - (e) has not acted unfairly or dishonestly in his dealings with customers, employers, auditors or regulatory authority; and
  - (f) has not been dismissed or asked to resign from employment or from a position of trust, fiduciary appointment or similar position on the grounds of dishonesty.
- S** 10.3 The shareholder, KRPs, senior management and adjusting employees of the registered adjuster involved with an adjusting work, including their spouses, children, parents, siblings and other immediate family members shall not have any relation or interest with any insurer, takaful operator and workshop operator which in the opinion of BNM may cause such interest or relation to be in a conflict of interest situation.

## 11 Effective governance and oversight

### *Roles and responsibilities of the Board and senior management*

- S** 11.1 The Board shall –
- (a) oversee the formulation and implementation of a registered adjuster's internal governance and control frameworks (including approving of internal policies and procedures and establishing a mechanism to ensure the KRPs are fit and proper at all times) to ensure compliance with BNM's requirements;
  - (b) periodically review the appropriateness and effectiveness of the implementation of the registered adjuster's internal governance and control frameworks referred to in paragraph 11.1(a); and
  - (c) together with the senior management, promote a sound corporate culture among all adjusting employees, which reinforces ethical and professional behaviour in conducting adjusting work.
  - (d) ensure only KRPs who meet the fit and proper requirements at all times, as prescribed in the Order and in paragraph 10 of this Policy Document, are appointed or continue to be appointed as its KRPs.
- S** 11.2 The senior management shall be responsible for ensuring the following –
- (a) effective and comprehensive internal policies and procedures are established and implemented for adjusting work, including incorporating an end-to-end process of adjusting work until the completion of the adjusting report;
  - (b) appropriate controls are in place to manage and monitor the adjusting work such as rotation of adjusting assignments and adequate reviews of practices and the work quality of adjusting employees in the investigation, inspection of damaged vehicles, properties, casualty or liabilities, determination of the damage costs, replacement and repair costs, and preparation of adjuster's reports;
  - (c) robust policies, procedures and controls are implemented to prevent situations that may give rise to conflict of interest that could affect the independence and professional integrity of its adjusting employees;
  - (d) well-defined processes for the timely reporting or escalation of issues (such as a breach of policies and procedures which would result in disciplinary actions) to the Board; and
  - (e) due diligence and relevant background screening process is conducted on adjusting employees prior to employment. At a minimum, this should include checks on financial history such as bankruptcy/insolvency check, employment and academic history, as well as security screening for any past criminal involvement.

## 12 Business conduct requirements

### *Ensuring independence and professional integrity*

- S** 12.1 A registered adjuster shall ensure that its adjusting employees –
- (a) are employed on a full-time basis<sup>1</sup>;
  - (b) meet the minimum qualification requirements prescribed in Schedule 2 of the Order;
  - (c) carry out their adjusting work independently and objectively;
  - (d) avoid situations which could result in a conflict of interest in the handling of claims (such as an adjusting employee who has a spouse or immediate family member having equity interests in workshops or employment in licensed insurers/takaful operators and handling the same claims); and
  - (e) act with care and due diligence in conducting investigations and assessments of loss.

### *Ensuring quality and timeliness of adjusting work*

- S** 12.2 A registered adjuster shall ensure that –
- (a) the adjusting work assigned, shall be completely carried out by its adjusting employees only; and
  - (b) the assignment of adjusting work is commensurate with the skills, qualifications and experience of the adjusting employee.
- S** 12.3 A registered adjuster shall establish a mechanism for its new adjusting employees to be closely supervised by a senior adjusting employee for at least one (1) year before they are allowed to conduct adjusting work independently.
- S** 12.4 In relation to paragraph 12.3, in assessing whether to recognize an adjusting employee as a senior adjusting employee, a registered adjuster shall –
- (a) ensure that the adjusting employee has acquired at least five (5) years of adjusting work experience in the subject matter being assessed; and
  - (b) take into consideration –
    - (i) the number of relevant cases handled by the adjusting employee; and
    - (ii) the achievement of satisfactory performance for all relevant cases handled by the adjusting employee.
- S** 12.5 A registered adjuster shall ensure that adjusting work is completed within the established turnaround time as defined in its internal policies and procedures, taking into account the complexity of the adjusting work and in adherence to BNM's Policy Document on Claims Settlement Practices.

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<sup>1</sup> Full-time basis means adjusting employees have signed a contract of service by virtue of Employment Act 1955 with the registered adjuster.

***Ensuring quality of adjusting reports***

- S** 12.6 A registered adjuster shall ensure that an adjusting report clearly discloses and describes the material information i.e. the facts, assumptions, methods, sources of information and databases used or referred to in producing its final assessment or recommendation.
- S** 12.7 A registered adjuster shall ensure that –
- (a) all adjusting reports are prepared and completed by its adjusting employees only; and
  - (b) any adjusting report that is prepared by an adjusting employee with less than 5 years of adjusting work experience is reviewed and signed-off by a senior adjusting employee.

***Maintaining adequate records and documentation***

- S** 12.8 A registered adjuster shall ensure adequate records and supporting documentation on or relating to its adjusting work are maintained for at least seven (7) years. Examples of supporting documentation include photographs of damaged properties/areas, losses or injuries sustained by claimants, police reports, medical reports, fire brigade reports, repair quotations, statements from witnesses, autopsy reports and forensics' reports.

***Training and CPD Programmes***

- S** 12.9 A registered adjuster shall provide adequate training to its adjusting employees to ensure that they are able to keep pace with the technical, technological and environmental changes in the motor and non-motor ecosystem in order to deliver high quality adjusting work.
- S** 12.10 A registered adjuster shall ensure that its adjusting employees attend a minimum of 15 hours of CPD programmes each year.
- S** 12.11 A registered adjuster shall refer to the Association of Malaysian Loss Adjusters or any other institution that BNM may specify from time to time on the training programmes and professional activities that would qualify for the CPD hours.

**13 Notification**

- S** 13.1 A registered adjuster shall notify BNM in writing within seven (7) working days after the date of the following –
- (a) changes to its minimum paid-up capital;
  - (b) relocation of its head office;
  - (c) establishment, relocation or closure of its branch offices; and
  - (d) changes to any of its director, CEO, shareholders or shareholding structure.

## Appendix: Registration Form

 <b>REGISTRATION FORM TO CARRY ON ADJUSTING BUSINESS</b>			
<p>The completed form with a cover letter, attaching the supporting documents should be submitted during the Application Window and addressed to:</p> <p>Director Consumer and Market Conduct Department Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur</p>			
APPLICANT'S PARTICULARS			
Name of company:			
Company Registration No.:		Tel. No.:	
Date of incorporation:		Fax No.:	
Principal Place of Business:			
Authorised Capital (in RM):			
Paid-up capital (in RM):			
Financial year end:			
Name of CEO ( <i>please provide a copy of NRIC</i> ):			
Date of the proposed commencement of the adjusting business			
Name of contact person:		Tel. No.:	
Designation of contact person:		Email:	
<p><b>To submit SSM's Section 14 (Application for Registration of a Company)-for companies incorporated without a M&amp;A</b></p>			
SHAREHOLDING STRUCTURE ( <i>If space provided is insufficient, please provide a separate sheet</i> )			
Name ( <i>may be an individual or company</i> ) <i>*Please provide a copy of NRIC or passport (for foreign shareholders)</i>	Shares Held		% Shareholding
	In Unit	In RM	
<b>Malaysian (Bumiputera)</b>			
1			
2			
<i>Sub-total</i>			
<b>Malaysian (Non-Bumiputera)</b>			
1			
2			
<i>Sub-total</i>			
<b>Non- Malaysian</b>			
1			
2			
<i>Sub-total</i>			
<b>TOTAL</b>			
<p><b>To submit SSM's Section 78 (Return of Allotment of Shares) - for companies incorporated under Companies Act 2016</b></p>			

<b>BOARD OF DIRECTORS</b> (If space provided is insufficient, please provide a separate sheet)				
Name	NRIC/ Passport No <i>*Please provide a copy of NRIC or passport (for foreign shareholders)</i>	Nationality	Appointment Date	Designation
1				
2				
3				

**To submit SSM's document on Particulars of Directors/Officers**

<b>PARTICULARS OF ADJUSTING EMPLOYEE</b> (If space provided is insufficient, please provide a separate sheet)			
Name <i>*Please provide a copy of NRIC or passport (for foreign shareholders)</i>	NRIC No.	Qualifications <i>*Please provide copy of adjusting qualification certificate</i>	Years of adjusting experience
1			
2			
3			

**EXTERNAL AUDITOR** (If applicable)

Name of Audit Firm:	
Engagement Partner:	
Address:	
Date of Appointment:	

**CORPORATE STRUCTURE** (Applicable if applicant is part of group of companies)

(i) to specify the ultimate and intermediate holding company  
(ii) to explain in brief the business activity of each related company in a separate sheet of paper  
(iii) to provide the latest audited financial statements for its corporate shareholders

**ADDITIONAL DOCUMENTS REQUIRED**

- (i) A three-year business plan for future conduct, strategies and development of the adjusting business.
- (ii) Documentary evidences to support sources of financing/funding for the adjusting business.
- (iii) Internal policies, procedures, controls and governance practices (if any).
- (iv) Profile of shareholders, directors and CEO (Appendix)

**DECLARATION**

On behalf of the company \_\_\_\_\_ *(Name of company)*

I, \_\_\_\_\_ *(Name of CEO/Managing Director)* \_\_\_\_\_ *(NRIC/Passport No):*  
 declare that all the information submitted in this form is true, correct and complete.

The company has met all the requirements as specified under Part 1 and Part 2 of Schedule 2, of the Financial Services (Requirements and Submission of Documents of Information) (Registered Business) Order 2013 [PU(A) 206/2013] and the Financial Services (Requirements and Submission of Documents or Information) (Registered Business) (Amendment) Order 2024 [P.U. (A) 468/2024].

I understand that if I furnish any information which is false, inaccurate, misleading or contains material errors or omissions, the company, will not be registered.

**AND I MAKE THIS SOLEMN DECLARATION CONSCIENTIOUSLY BELIEVING THE SAME TO BE TRUE, AND BY VIRTUE OF THE PROVISIONS OF THE STATUTORY DECLARATIONS ACT 1960.**

**SUBSCRIBED AND SOLEMNLY DECLARED BY THE ABOVENAMED**

AT \_\_\_\_\_  
 IN THE STATE OF \_\_\_\_\_  
 THIS DAY OF \_\_\_\_\_ 20 \_\_\_\_\_

Before me:

(Signature of Sessions Court Judge,  
 Magistrate or Commissioner for Oaths)

**Profile of Shareholders, Directors and CEO  
on Qualification and Working Experience**

*(Please fill separate form for each individual)*

1. Name:

2. Address:

3. Tel. no.:

4. E-mail:

5. Academic/Adjusting Qualification:

No	Name of Institution	Qualification	Year Obtained

6. Working Experience:

No	Name of Organisation	Nature of Business/ Principle Activity	Designation	From - To

7. Current Directorship in Other Companies:

No	Name of Organisation	Nature of Business/ Principle Activity	Type of Directorship*	Date of Appointment

(\*Please state whether Managing/Executive Director, Independent Director, Non-independent Director or Chairman)

8. Previous Directorship in Other Companies:

No	Name of Organisation	Nature of Business/ Principle Activity	Type of Directorship*	From - To

(\*Please state whether Managing/Executive Director, Independent Director, Non-independent Director or Chairman)

**Relationship with a Licensed Insurance Company, Licensed Takaful Operator (ITOs) and/or Workshop Operator (WO)**

Please indicate (X) on any of the persons listed below (including their spouse, children, parents or siblings) who hold any equity or have any interests, or are employed or associated with, or have any linkages with any ITO and/or any WO.

**Section A:**

No	Persons who are relevant to the application	Relationship with ITOs and/or WO	
		YES	NO
i)	Shareholder(s) of company		
ii)	Director(s) of company		
iii)	Senior Management of company		
iv)	Adjusting Employee		
v)	Other employees ( <i>all other non-adjusting employee i.e. holding administrative/managerial positions</i> )		

If any of the answer section A above is **YES**, please provide details in section B below:

**Section B:**

No	Name & Position of Relevant persons in (A); or its Family Members	Type of Relationship	Name of ITO/WO	Job Title/Position
1	<i>E.g. A clerk employed in the applicant's company, Miss ABC.</i>	<i>Spouse (Miss ABC's husband)</i>	<i>Workshop XYZ</i>	<i>Mechanic</i>