

'BOOST TO GOVT COFFERS'

'Unclaimed monies can help reduce debt, improve public services'

NOR AIN MOHAMED RADHI
KUALA LUMPUR
news@nst.com.my

THE Unclaimed Moneys (Amendment) Bill 2024, presented in parliament on Monday, will empower the government to direct funds towards critical national priorities, such as debt reduction and enhancement of public services and infrastructure.

Universiti Kuala Lumpur Business School economic analyst Associate Professor Dr Aimi Zulhazmi Abdul Rashid said the proposed amendment marks a pivotal step towards enhancing the government's efficiency in utilising unclaimed funds.

"The amendment will allow the government to expedite the process of making use of unclaimed monies from 15 years to 10 years.

"The shortened duration allows the government to deploy these funds promptly towards

addressing pressing national priorities. This includes initiatives aimed at mitigating the budget deficit, as well as enhancing public welfare by facilitating the provision of improved facilities and services," he told the *New Straits Times*.

He added the unclaimed money could be channelled into critical sectors such as healthcare, education, and infrastructure development.

On Monday, the bill was tabled for first reading in the Dewan Rakyat by Finance Minister II Datuk Seri Amir Hamzah Azizan.

Among the notable proposed



The shortened duration allows the government to deploy these funds promptly towards addressing pressing national priorities.

ASSOCIATE PROFESSOR DR AIMI ZULHAZMI ABDUL RASHID

UniKL Business School economic analyst

amendments was to Section 11(2) of the act, which seeks to allow the transfer of unclaimed money to the Consolidated Revenue Account after 10 years from the date the funds were credited to the Consolidated Trust Account.

This would see a reduction of five years in the act as under the existing law, any unclaimed moneys credited to the Consolidated Trust Account shall, on the lapse of 15 years from the date the money were credited to the Consolidated Trust Account, be transferred to the Consolidated Revenue Account.

Another aspect involves the re-definition of unclaimed money in a new Section 2A.

Under the new section, the phrase "unclaimed moneys" refers to all sums of money, which are legally payable to the owner and have remained unpaid for a period of not less than two years after they have become payable.

Aimi's sentiment was echoed by Sunway University economics professor Dr Yeah Kim Leng, who said the amendment allowed the government to address two critical areas of financial management.

"The transfer will provide a sizeable boost to government coffers where it can be used to reduce the fiscal deficit or boost development spending, particularly in the underfunded healthcare sector," he said.

In May last year, then deputy finance minister Datuk Seri Ahmad Maslan had told the Dewan Rakyat that a total of RM1.2 billion of unclaimed money was under the management of the Accountant-General's Department as of the month before.

He had said some RM10 billion of the unclaimed money had been kept in fixed deposits and generated a return of RM250 million a year for the past 10 years.

He also said the RM250 million return earned had been paid to consolidated funds and used for development and as-

sistance to the people.

Ahmad had added that the government would consider setting up an educational fund and scholarship to assist students with financial implications through the unclaimed money.



Dr Yeah Kim Leng