

Unclaimed monies can help reduce debt, improve public services and infrastructure



By Nor Ain Mohamed Radhi - March 12, 2024 @ 2:40pm



KUALA LUMPUR: The Unclaimed Monies (Amendment) Bill 2024, presented in parliament yesterday, is poised to empower the government in directing 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 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, a significant period in time.

"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 said when contacted.

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

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

Among the notable proposed amendments was for 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.

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 redefinition of unclaimed money in a new Section 2A.

The phrase "unclaimed moneys" shall be construed as references 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, to reduce the fiscal deficit or boost development spending.

"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, the then Deputy Finance Minister Datuk Seri Ahmad Maslan told the Dewan Rakyat that a total of RM11.2 billion of unclaimed money was under the management of the Accountant-General's Department (JANM) as of April 30.

He 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 further said that the RM250 million return earned had been paid to consolidated funds and used for development and assistance to the people.

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