

FREQUENTLY ASKED QUESTION (FAQ) ABOUT COMPOUND AND FINE

- 1. If a Company/Firm was just aware on the existence of the Unclaimed Moneys Act 1965, will the Company/Firm be penalised due to the failure to comply with the Unclaimed Moneys Act 1965?**

The Unclaimed Moneys Act 1965 do not give an excuse to the Company/Firm that failed to surrender the Unclaimed Moneys on the reason that the Company/Firm did not aware on the existence of the Act. The Registrar will decide whether to takes legal action against the Company/Firm and will identify the factor that cause the failure by the Company/Firm to comply with the Act. Most importantly that the Company/Firm take an immediate action to surrender the Unclaimed Moneys held by them.

- 2. Are the Company/Firm that failed to Comply with the Act will be penalised if the UM amount is insignificant?**

The non-compliance with the provisions of the Act may result in fine being imposed. The UM amount that failed to be surrendered is not the basis used by the Registrar in accordance under this act in deciding whether to penalised the Company/Firm.

- 3. Are the Company/Firm will be penalised because of the failure to surrender the UM due to financial difficulty face by the Company/Firm.**

The failure by the Company/Firm to surrender the UM to the Registrar is a misconduct under the Unclaimed Moneys Act 1965. The Company/Firm and also the officer who cause the non-compliance could be penalised. The financial difficulty is not a reason to avoid from the penalty for not complying with the Act.

However, on the Registrar's discretion, he may under the section 10(3) of the Unclaimed Moneys Act 1965, may consider the application to extend the period to declare and surrender the UM from the Company/Firm. The Company/Firm which is really in serious financial difficulty, is allowed to make an application by sending an official letter to the Registrar and clarify the justification on the postponement as well as producing the relevant documents to support the application such as audited financial statement.