

A BILL

i n t i t u l e d

An Act to amend the Penal Code.

[]

ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Penal Code (Amendment) Act 2024.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

New sections 424A, 424B, 424C and 424D

2. The Penal Code [*Act 574*] is amended by inserting after section 424 the following sections:

“Possession or control of payment instrument or account

424A. Whoever, without lawful authority or lawful purpose, has in his possession or control any payment instrument of other person or any account of other person at a financial institution, shall be punished with fine of not less than five

thousand ringgit but not exceeding fifty thousand ringgit or with imprisonment for a term of not less than six months but not exceeding five years or with both.

Giving possession or control of payment instrument or account to other person

424B. Whoever, directly or indirectly, without lawful authority or lawful purpose, gives possession or control of his payment instrument or his account at a financial institution to any other person, shall be punished with fine of not less than ten thousand ringgit but not exceeding one hundred thousand ringgit or with imprisonment for a term of not less than one year but not exceeding seven years or with both.

Engaging in transaction in payment instrument or account

424C. (1) Whoever, directly or indirectly, without lawful purpose, engages in any transaction using his payment instrument or his account at a financial institution, shall be punished with imprisonment for a term of not less than three years but not exceeding ten years or with fine of not less than ten thousand ringgit but not exceeding one hundred and fifty thousand ringgit or with both.

(2) Whoever, directly or indirectly, without lawful authority or lawful purpose, engages in any transaction using any payment instrument of other person or any account of other person at a financial institution, shall be punished with imprisonment for a term of not less than three years but not exceeding ten years or with fine of not less than ten thousand ringgit but not exceeding one hundred and fifty thousand ringgit or with both.

Definition of “financial institution” and “payment instrument”

424D. For the purposes of sections 424A, 424B and 424C—

(a) “financial institution” means—

(i) a licensed bank under the Financial Services Act 2013 [*Act 758*];

- (ii) a licensed Islamic bank under the Islamic Financial Services Act 2013 [Act 759]; and
- (iii) a prescribed institution under the Development Financial Institutions Act 2002 [Act 618]; and

(b) “payment instrument” means—

- (i) a prescribed designated payment instrument under the Financial Services Act 2013; and
- (ii) a prescribed designated Islamic payment instrument under the Islamic Financial Services Act 2013.”.

EXPLANATORY STATEMENT

The Penal Code (Amendment) Bill 2024 seeks to amend the Penal Code (“Act 574”), among others, to provide for offences relating to payment instruments or accounts at financial institution, as a measure to address the alarming rise of online financial fraud in the country.

2. *Clause 1* contains the short title and provision on the commencement of the proposed Act.

3. *Clause 2* seeks to introduce new sections 424A, 424B, 424C and 424D into Act 574.

The proposed new section 424A seeks to provide for the offence and penalty for possession or control of any payment instrument of other person or any account of other person at a financial institution without lawful authority or lawful purpose.

The proposed new section 424B seeks to provide for the offence and penalty for giving possession or control of a payment instrument or an account at a financial institution to any other person without lawful authority or lawful purpose.

The proposed new subsection 424C(1) seeks to provide for the offence and penalty for a person who engages in any transaction using his payment instrument or his account at a financial institution without lawful purpose.

The proposed new subsection 424C(2) seeks to provide for the offence and penalty for a person who engages in any transaction using any payment instrument of other person or any account of other person at a financial institution without lawful authority or lawful purpose.

The proposed new section 424D seeks to provide for the definition of “financial institution” and “payment instrument” in the context of the proposed new sections 424A, 424B and 424C.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.

[PN(U2)3372]