

Zeti Akhtar Aziz: Raising standards in Malaysia's financial services industry

Remarks by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Centre of Excellence (ACE) Ground Breaking Ceremony, Kuala Lumpur, 22 February 2016.

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It is my very great pleasure to be here on the occasion of the ground breaking ceremony to the ACE – A Centre of Excellence. ACE is a very much welcomed industry led initiative to raise the level of capability and professionalism for the work force in the Malaysian financial services industry. Our financial services industry continues to be reshaped and transformed by several major forces of change that range from the new demands of consumers and businesses to the rapid advancement in technology, the global regulatory reforms and the continued globalisation of finance. On the domestic front we are also seeing the continued rapid expansion of the domestic financial services industry, and the deepening of regional economic and financial integration.

Given the paramount role of the financial system in supporting our real economy we require a financial system that will best serve our economy. It not only needs to be effective and efficient and thus competitive but also robust and resilient. Going forward, operating in this highly dynamic environment will become increasingly more challenging. Today the Malaysian financial industry employs more than 150,000 people, and requires approximately 73,000 new hires over the next 10 years. With the changes that are reshaping the financial system, skills requirements in the financial industry will also change. Today new careers are also being created in more diverse areas including in areas of finance that have leveraged on technology such as in internet based services. Further challenges will arise from the intensification of competition for talent in a more borderless workplace.

Given the importance of talent to performance greater attention needs to be accorded to talent development. There also continues to be an acute talent shortage of such skilled talent in our financial services industry. If left unresolved it will impede future growth and performance of the industry. This existing significant skills gap is already becoming a constraint on industry growth. Indicators from the AIF Skills Gap Index, which measures skills gaps within the workforce, point to a significant deficit in several skill sets that are considered important in the financial services industry. The creation of ACE represents an important step in efforts to provide a comprehensive and integrated solution for such skills and talent development for the industry.

At the executive level, leadership, corporate governance and ethics are issues that have dominated attention in global finance given the need to recognise the importance of sustainable outcomes. There are high expectations of the financial industry to demonstrate responsible leadership that will also embrace a strong moral compass in its operations. Education and professional development have a key role in bringing to the forefront these important issues for the industry.

The establishment of ACE will support and indeed, further propel efforts to raise the calibre and dynamism of talent across all levels in the industry. ACE will provide a range of facilities for professional development and skills development including learning and training for all the different levels of financial specialisation. The institutions that are to be housed within ACE have all embarked on measures to deliver programmes and qualifications that are benchmarked against leading education and training standards. The high quality talent that ACE will develop will contribute to the vibrancy and progress of the Malaysian financial industry.

ACE is an initiative spearheaded by the financial services industry and it will house 10 institutions, involved in education, training and standard setting. With its strategic location in Kuala Lumpur, ACE has close proximity to the headquarters of financial institutions. Its integrated facilities will foster and facilitate collaboration amongst banking, insurance, capital market and Islamic finance industries to share intellectual capital, expert resources as well as benefit from economies of scale by the sharing of common infrastructure and facilities.

Today's ground breaking ceremony marks the official start of the construction for the ACE project. Let me take this opportunity to congratulate those involved in the Project to bring it to this stage of development. In particular, I would like to recognise the pivotal role played by the Asian Institute of Finance, the Asian Institute of Chartered Bankers, and the heads of the affiliate institutions, for their commitment and dedication in taking this ACE project forward as part of key infrastructure in skills and professional development and standards in the financial services industry. It is a significant milestone in transforming the financial education landscape for the financial services industry.