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PRESS RELEASE
For immediate release

KURNIA INSURANS FIRST TO OBTAIN LICENCE TO USE DIGITAL FRANKING SYSTEM

Petaling Jaya, 1 August 2012 – Kurnia Insurans (Malaysia) Berhad (KIMB) became the first user in Malaysia to obtain the System User Licence from Inland Revenue Board of Malaysia (IRBM) to use the Digital Franking System, which KIMB proposed to stamp Foreign Workers Insurance Guarantee (FWIG). KIMB installed 15 units of the digital franking machines at 15 agents' offices in Klang Valley for faster document processing and also to ensure document security.

The Digital Franking System (DFS) replaces the manual franking system. It is a new system that enhances the operation flow with the public and strengthens the validity of the stamping process with the introduction of improved security features for the impressed stamps.

This system is divided into two applications:

i. Internal User (IRBM) application.

Implemented in stages since 14 February 2011, currently all IRBM Branches and Stamps Service Centre provide this mode of stamping in addition to the existing process such as STAMPS and *Setem Hasil*.

Data of transactions are made via STAMPS or DFS are available online. Public could check the authenticity of a Stamp Certificate or DFS via STAMPS in IRBM official website (<https://stamps.hasil.gov.my>).

ii. External User application.

May be used by external users like bankers, insurers, telcos, stock brokers, government linked companies (GLC) or other companies approved and licensed only by IRBM.

This external application allows for stamping of fixed duty instruments only. Internet facility is mandatory to operate DFS. DFS for external user uses a preloaded credit system that function similarly to a normal prepaid phone card. It continually communicates back to IRBM main server to monitor the credit usage. Every transaction is on real time.

With DFS, stamping can be expedited, transaction made easier and more secured. The authentication of the impressed stamp is assured since stamping is done in-house.

"Over the past two years, we have garnered strong support from our industrial customers for our foreign worker insurance products. This effective and efficient technology enables us to provide immediate, convenient and secured services to our customers and agents. With the franking machines, our agents would no longer need to pay the runners to send the documents for stamping. This will save the waiting time at crowded IRBM offices, and the travelling costs involved," said Wong Kim Teck, Chief Executive Officer/Director of KIMB. Wong also praised IRBM's continuous efforts in enhancing its delivery system by introducing another alternative way of stamping.

On the initiative, Dato Mohammad Sait Bin Ahmad, Deputy Chief Executive Officer of Tax Operation said, "IRBM has always strived to improve its public service delivery system. DFS which was implemented nationwide on 30 June 2011 was introduced as an additional mode of stamping besides Stamp Assessment and Payment System (STAMPS) and adhesive stamp / *Setem Hasil*."

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KIMB spent a total of RM 300,000 on the franking machines, including installation and initial maintenance costs. The 15 agents were selected based on their business volume on the FWIG product. KIMB plans to continue the initiative and reach out to other similar agents through a nationwide expansion of the system.

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About Kurnia Insurans (Malaysia) Berhad

Kurnia Insurans (Malaysia) Berhad (KIMB) was incorporated on 30th December 1978 and is currently a leading general insurer in Malaysia. KIMB is among the largest general insurers in Southeast Asia, with annual gross premiums exceeding RM1 billion. With over 5,000 agents and 30 branches nationwide, KIMB is represented virtually in every town to serve its policyholders from all walks of life and it is rated as one of Malaysia's Top 30 Most Valuable Brands and named the 2012 Reader's Digest Most Trusted Brand Award for Motor Insurance Category. For more information, please visit our website at www.kurnia.com.

About Inland Revenue Board of Malaysia (IRBM)

The Inland Revenue Board of Malaysia (IRBM) is one of the main revenue collecting agencies of the Ministry of Finance. The Department of Inland Revenue Malaysia became a board on March 1, 1996, and is now formally known as IRBM.

IRBM was established in accordance with the Inland Revenue Board of Malaysia Act 1995 to give it more autonomy especially in financial and personnel management as well as to improve the quality and effectiveness of tax administration.

The agency is responsible for the overall administration of direct taxes under the following Acts; Income Tax Act 1967, Petroleum (Income Tax) Act 1967, Real Property Gains Tax Act 1976, Promotion of Investments Act 1986, Labuan Offshore Business Activity Tax Act 1990 and Stamp Act 1949.

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