

COMPLIANCE TODAY

CONTRIBUTORS

Full-Fledged Members

- Albert Tai Lee Chuan (Advisor)
~ *Hong Leong Investment Bank*
- J Visvanathan Jaganatha (Editor)
~ *AmInvestment Bank*
- Soom Phon Endin Win (Editor)
~ *RHB Investment Bank*
- Khaw Lin Lin
~ *Affin Hwang Investment Bank*
- Tan Gua Hui
~ *Alliance Investment Bank*
- Kok Yien Fui
~ *CIMB Investment Bank*
- Mohd Suapi Che Shaffai
~ *KAF Investment Bank*
- Choo Siew Fun
~ *Kenanga Investment Bank*
- Dennis Jee Chin Chee
~ *Maybank Investment Bank*
- Tunku Shariz Tunku Azmi
~ *MIDF Amanah Investment Bank*
- Devarajoo Sinniah
~ *Public Investment Bank*

Associate Members

- Jaswant Singh
~ *TA Securities Holdings Bhd*
- Lim Li Ai
~ *UOB Kay Hian Securities (M) Sdn Bhd*

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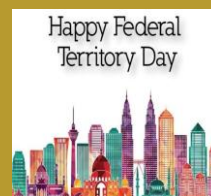
- Circulars / Guidelines: Bank Negara Malaysia, Securities Commission & Bursa Malaysia



1 January 2022



18 January 2022



1 February 2022



1 & 2 February 2022

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This newsletter is of a general nature and is intended to update on compliance related issues as part of MIBA's ongoing training and education objective and to promote effective compliance culture. It should not be viewed as a substitute for professional advice on any subject covered herein.

Message from the Chairman



Dear Readers,

Happy New Year! It is my pleasure to welcome all of you to the year 2022 and to wish you a blessed year ahead.

I would firstly like to congratulate the Compliance Officers Committee on the success of its three (3) structured online programmes organized during the year, Webinar on Updates on Foreign Exchange Policies: FE Notices and Its Application, Webinar on Case Studies on Money Laundering and Terrorism Financing in the Capital Market as well as Webinar on Fraud Detection in eKYC and Digital Onboarding. These webinars had received overwhelming response from participants of our member institutions and other organizations within the industry.

Another challenging year has passed with the impact of Covid-19 continuing to disrupt all aspects of our lives and the economy. As Malaysia moves towards the endemic stage with the opening of more economic sectors, the nation is on its path to recovery. However, the emerging new variants and growing transmissions might weigh heavily on our recovery journey. Thus, it is important that we forge ahead with determination and pull together in solidarity during these trying times.

"A strong compliance unit is crucial to mitigate risks of money laundering, misconduct and other non-compliances."

Compliance Officers continue to play a principal role within an organization to ensure it operates with integrity and adheres to relevant laws, regulations, policies and procedures. A strong compliance unit is crucial to mitigate risks of money laundering, misconduct and other non-compliances. Failure to effectively manage compliance risks would result in adverse consequences.

Nevertheless, in today's rapidly evolving world, compliance is the responsibility of all officers within a financial institution. It is imperative for every organization to build a culture that will emphasize compliance and to keep updated of the latest news and developments coupled with continuous capacity building to remain relevant amidst increasing regulatory requirements.

As such, I would like to commend the Compliance Officers Committee's continued dedication and effort in issuing the quarterly Compliance Today Newsletter, bringing readers news on ethics, anti-money laundering and other compliance matters.

On that note, I wish everyone a successful and prosperous year ahead.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a horizontal line extending to the right.

Lee Jim Leng
Chairman

Local & Global News



Malaysia

MALAYSIA: Fintech to Help Malaysia Build Back Better

The Securities Commission Malaysia (SC) said that fintech could be a key enabler in re-building the Malaysian economy as the country recovers from the pandemic. The regulator also said it would seek to drive greater adoption of digital capability to enhance capital formation efficiencies and increase investor participation in the capital market.

However, during the pandemic, the SC noted encouraging developments where equity crowdfunding (ECF) and peer-to-peer (P2P) financing platforms continued to meet and support the funding needs of Micro, Small and Medium Enterprises (MSMEs).

There are currently 21 ECF and P2P platforms registered with the SC, which have collectively raised more than RM2.2 billion for close to 4,000 MSMEs since their inception. Despite an initial decline in fundraising activities due to the movement control order in the first quarter of 2020, the SC stated that these alternative platforms had assisted MSMEs in raising more than RM1.3 billion since April last year. In the first half of 2021 alone, a further RM625 million was raised through ECF and P2P, an increase of 151% and 220% respectively, compared to the same period in 2020. ECF and P2P attracted young investors with nearly 60% of participants aged below 35.

The digital asset exchanges in Malaysia also continue to thrive, with over 300,000 new accounts opened this year to-date. Since its introduction in 2019, the volume of digital assets traded has surpassed a billion, with values in excess of RM16 billion as at September 2021.

New digital investment management (DIM) entrants have also contributed to the growth of assets under management in the capital market. As of July 2021, the eight licensed DIM operators have seen a 90% jump in new account openings compared to 2020 with nearly 75% of account holders under the age of 35. Meanwhile, continuous demand for online brokerage services resulted in a 35% increase in new account openings during the same period.

Source: <https://www.sc.com.my>



Malaysia

MALAYSIA: BNM Launches Malaysia Overnight Rate as New Alternative Reference Rate in Malaysia

Bank Negara Malaysia (BNM) has launched the Malaysia Overnight Rate (MYOR) as the new alternative reference rate (ARR) for Malaysia, as part of a transition to transaction-based rates.

MYOR will be administered and calculated by the central bank as the volume-weighted average rate of unsecured overnight ringgit interbank transactions, including the bank's overnight monetary operations (excluding Standing Facilities).

The publication of MYOR will be at 10am on the following business day on the bank's website. The launch follows the introduction of ARRs in other markets globally "to improve the integrity of financial benchmark rates" in line with London Interbank Offered Rate (LIBOR) reforms after the Global Financial Crisis, the bank said.

"The introduction of ARRs aims to facilitate usage of benchmark rates that are more robust and based upon transactions in active, liquid markets.

In Malaysia, the MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate (KLIBOR) with periodic reviews. The multiple-rate approach is supported by the Financial Stability Board (FSB) and adopted by many other jurisdictions, it said.

Source: <https://www.theedgemarkets.com>

Local & Global News



MALAYSIA: SC Launches Five Year Capital Market Masterplan to Support Malaysia's Next Stage of Growth

The Securities Commission Malaysia (SC) today launched the third Capital Market Masterplan (CMP3), which will serve as a strategic framework for the growth of Malaysia's capital market over the next five years. It seeks to leverage on the strengths and potential of the Malaysian capital market to accelerate economic growth that is sustainable and inclusive. The CMP3 was unveiled at a virtual ceremony officiated by Finance Minister YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz.

Speaking at the launch, the Finance Minister said, "The CMP3 fits well into the nation's aspirations as one of the key enablers that will pave the way for a wider population to participate in the nation's growth by enabling more inclusive and accessible investment products and distribution channels. With the CMP3 as a strategic guide for our capital market over the next five years, I am confident that it will continue to play an important role in the Malaysian economy."

Datuk Syed Zaid Albar, Chairman of the SC said, "Malaysia is now at a critical juncture in our post-pandemic journey. It is imperative for the capital market to continue to support the economy as we transition into an inclusive and sustainable nation. The progress in the capital market cannot be measured solely by growth and size, as it also has to serve the underlying needs and aspirations of the country and its people."

The CMP3 takes into consideration global megatrends that will shape the recovery and growth of global and Malaysian economies as it steers the capital market towards three desired outcomes:

- i. Relevant to the development of the economy and its stakeholders;
- ii. Efficient in capital mobilisation and in achieving the desired regulatory outcomes; and
- iii. Diversified to create value for all participants

To achieve these desired outcomes, the CMP3 outlines six key development and regulatory thrusts that will collectively serve as pillars in developing strategic initiatives over the next five years.

Source: <https://www.sc.com.my>



MALAYSIA: Authorities Launch Joint Enforcement Action Against i-Serve Online Mall, Affiliates

Authorities launched a joint enforcement action against i-Serve Online Mall Sdn Bhd and its related affiliates for suspicion of committing various offences.

Bank Negara Malaysia said on Tuesday, they had taken action on the company and affiliates on suspicion of committing various offences, including under the Financial Services Act 2013 (FSA) and the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA).

"Twenty-two premises linked to i-Serve Online Mall Sdn Bhd and its related affiliates located in Kuala Lumpur and Selangor were raided, and relevant documents were seized to assist in the joint investigation. The raids also resulted in the freezing of 45 bank accounts in seven banks and seizing of cash, totalling RM118.7mil," it said.

This joint enforcement action is part of an inter-agency collaboration to eradicate financial crimes in Malaysia.

Source: <https://www.thestar.com.my>

Local & Global News



Asia

ASIA: SGX Reg Co Charts the Way Forward on Mandatory Climate Reporting, Wants Board Diversity Disclosures

Singapore Exchange Regulation (SGX RegCo) is proposing a roadmap for climate-related disclosures to be made mandatory in issuers' sustainability reports (SRs) amid urgent demand for such information from lenders, investors and other key stakeholders. Other matters SGX RegCo is consulting the public on include requiring assurance of SRs and one-time sustainability training for all directors.

At the same time, SGX RegCo also proposes to step up efforts to enhance board diversity by requiring issuers to have a board diversity policy and provide disclosures on related targets, plans and timelines in annual reports (ARs).

On climate reporting, SGX RegCo wants issuers to make disclosures based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD's internationally recognised recommendations will guide companies in providing consistent and decision-useful information for market participants.

This is a first step to better prepare issuers for reporting against anticipated global baseline sustainability reporting standards to be developed by the International Financial Reporting Standards Foundation, which build on existing work of leading sustainability reporting organisations including TCFD.

Source: <https://www.sgx.com>



World

WORLD: SEC to Scrutinize Firms' Digital-Engagement Practices as Investor Worries Grow

The United States (US) Securities and Exchange Commission (SEC) will seek input on whether digital customer engagement innovations used by financial firms should be governed by existing rules or may need new ones, commission chair Gary Gensler told Reuters.

While the SEC's thinking on the subject is at an "early stage," its rules may need updating to account for an artificial intelligence-led revolution in predictive analytics, differential marketing and behavioral prompts designed to optimize customer engagement, he said.

The SEC plans to launch a sweeping consultation in coming days that could have major ramifications for retail brokers, wealth managers and robo-advisers, which increasingly use such tools to drive customers to higher-revenue products.

"We're at a transformational time. I really believe data analytics and AI can bring a lot of positives, but it means we should look back and think about what does this mean for user interface, user engagement, fairness and bias," said Gensler. "What does it mean about rules written in an earlier era?"

Source: <https://www.reuters>

Local & Global News



World

WORLD: Hackers-For-Hire are Biggest Cybersecurity Threat, says EU Agency

Hackers-for-hire emerged as the biggest threat to online security in the last 15 months, with the Covid-19 pandemic and home working creating opportunities for cybercriminals, EU cybersecurity agency ENISA said in its annual report on Wednesday.

The study, which covered the period April 2020 to July 2021, seeks to help governments and companies understand cybersecurity threats and develop techniques to tackle the problem.

High profile ransomware attacks in recent months include that against the Colonial Pipeline that caused fuel disruptions in the eastern United States in May and a separate case involving Brazilian company JBS, the world's largest meatpacker.

"The Covid-19 crisis has created possibilities for adversaries who used the pandemic as a dominant lure in campaigns for email attacks for instance. Monetization appears to be the main driver of such activities," the report said.

The health sector was a significant target especially in the May-July period this year as hackers searched for vaccine information, the study said.

Public administration and government and digital service providers also reported a large number of incidents. Hackers preferred to be paid off in cryptocurrency.

Source: <https://www.businesstimes.com.sg>



World

WORLD: Banks Beware, Amazon and Walmart are Cracking the Code for Finance

Anyone can be a banker these days, you just need the right code.

Global brands from Mercedes and Amazon to IKEA and Walmart are cutting out the traditional financial middleman and plugging in software from tech startups to offer customers everything from banking and credit to insurance.

For established financial institutions, the warning signs are flashing.

So-called embedded finance - a fancy term for companies integrating software to offer financial services - means Amazon can let customers "buy now pay later" when they check out and Mercedes drivers can get their cars to pay for their fuel.

To be sure, banks are still behind most of the transactions but investors and analysts say the risk for traditional lenders is that they will get pushed further away from the front end of the finance chain. And that means they'll be further away from the mountains of data others are hoovering up about the preferences and behaviours of their customers - data that could be crucial in giving them an edge over banks in financial services.

Source: <https://www.reuters.com>

Anti-Money Laundering News



Malaysia

MALAYSIA: Kenanga Investment Bank Launches Annual Flagship Fraud Awareness Campaign to Boost Good Governance and ESG Integration

Kenanga Investment Bank Berhad ("Kenanga Group") accelerating the integration of Environmental, Social, Governance (ESG) aspects into its operations, the Group today launched its fifth annual Fraud Awareness Week (FAW), the highlight of a month-long virtual Fraud Awareness campaign which has united many internal and industry participants in a move to promote the fight against fraud, bribery, and corruption.

Themed 'Reinforcing Ethical Values through Regulatory Dynamism', delegates of public listed companies, professional bodies, as well as, over 290 representatives from Malaysian Anti-Corruption Commission (MACC), Bursa Malaysia Berhad, Securities Commission Malaysia, Bank Negara Malaysia, Employees' Provident Fund and Kenanga Group, have engaged in interactive anti-fraud games and quizzes and seminars designed to enhance awareness on trends and practices surrounding fraud prevention and detection.

Source: <https://kenanga.com.my>



Malaysia

MALAYSIA: SilTerra Malaysia Managers Arrested in Anti-Corruption Probe -DNeX

Several managers at semiconductor firm SilTerra Malaysia have been arrested by the country's anti-corruption agency, parent company Dagang Nexchange Bhd (DNeX) said in a stock exchange filing on Thursday.

SilTerra Malaysia was the subject of a takeover battle in February which saw DNeX and a Chinese partner outbid Taiwan's Foxconn.

SilTerra was notified that the arrests had been made on Wednesday by the Malaysian Anti-Corruption Commission (MACC) "to assist in their investigation of a potential offence".

"Based on the limited information available the MACC investigation may potentially be related to a legacy issue," DNeX said.

DNeX and Beijing Integrated Circuit Advanced Manufacturing and High-End Equipment Equity Investment Fund Center bid to buy SilTerra from sovereign wealth fund Khazanah Nasional.

DNeX owns 60% of SilTerra while its Chinese partner holds the remainder.

Source: <https://www.thestar.com.my>

Anti-Money Laundering News



World

WORLD: Britain's NatWest Pleads Guilty to Money Laundering Failings

NatWest pleaded guilty on Thursday to failing to prevent the laundering of nearly 400 million pounds (\$544 million) and faces a heavy fine after becoming the first bank in Britain to admit to a criminal offence of this sort.

The bank, which is 55% taxpayer owned after a 45 billion pound plus state bailout during the financial crisis, indicated in a London court guilty pleas to three criminal charges of not adequately monitoring customer accounts between 2012 and 2016.

NatWest could face a potential penalty of around 340 million pounds under sentencing guidelines, Montgomery a lawyer for the Financial Conduct Authority (FCA) told the court, although a judge will set the level of any fine later this year.

Sara George, a white-collar crime lawyer at Sidley, said the case sent a clear message to the banking industry to step up anti-money laundering systems and controls.

The FCA alleged NatWest failed to monitor suspect activity by a client that deposited about 365 million pounds in its accounts over five years, of which 264 million was in cash.

FCA said it would not take action against any current or former employees, while NatWest said it was not anticipating any other authority investigating this conduct.

Source: <https://www.reuters.com>



World

WORLD: US Charges 5 People with Money Laundering in Alleged Venezuela Bribery Scheme

Five individuals, including a politician from Venezuela's ruling party and an associate of a businessman close to President Nicolas Maduro, have been charged with money laundering in connection with an alleged Venezuela bribery scheme, the United States (US) Department of Justice said.

A federal grand jury in the Southern District of Florida charged three Colombian nationals and two Venezuelans, the DOJ said in a statement on Thursday.

The indictment alleges that the five laundered the proceeds of a bribery scheme to obtain and retain inflated contracts through a Venezuelan state-run food and medicine distribution program known as CLAP.

Between 2015 and at least 2020, the five individuals conspired with others to launder the money from bank accounts in Antigua, the United Arab Emirates and elsewhere through US bank accounts, the DOJ said.

They received about \$1.6 billion from the Republic of Venezuela and transferred about \$180 million through or to the United States, the DOJ said.

If convicted, they each face a maximum total penalty of 100 years in prison, the department said.

Source: <https://www.reuters.com>

Islamic Finance News



Malaysia

MALAYSIA: Bank Islam Takes Over BHB's Listing Status, Becoming 'First Pure-Play, Full-Fledged Islamic Finance Stock'

Bank Islam Malaysia Bhd (BIMB) became "the first pure-play, full-fledged Islamic financial institution listed on Bursa Malaysia's Main Market" today after taking over the listing status of BIMB Holdings Bhd (BHB), marking the completion of the Islamic banking group's restructuring exercise.

With an estimated market capitalisation of RM6.3 billion, BIMB will capitalise on the growth of Islamic finance and the Islamic capital market.

"BIMB is embarking on a five-year business strategy roadmap (LEAP25) to deliver the promise of technology, redefine growth and work in new ways to address the unprecedented challenges brought upon by the Covid-19 pandemic," said BHB and BIMB chief executive officer Mohd Muazzam Mohamed in a statement today.

Bank Islam will be "accorded full autonomy in undertaking and pursuing its corporate and business strategies and adopt capital management initiatives with the completion of this corporate exercise," he added. "With the listing, the bank would have access to a wider and diverse capital base, allowing for its efficient use towards greater support of its future expansion programmes and business growth and in addition, the group would have greater scale and ability to support its organic growth."

Mohd Muazzam explained that the listing also opens opportunities for investors to participate directly in the equity and future growth of the new Bank Islam group, which includes BIMB Investment Management Bhd and BIMB Securities Sdn Bhd.

Through a synergistic and holistic approach, Bank Islam aspires towards a prominent position in offering Shariah-ESG total financial solution through renowned excellence in digital banking and social finance by the year 2025.

"As the world continues battling the Covid-19 pandemic, the group pursues its focus on integrating the principles of Shariah, Value-based Intermediation and environmental, social and governance (ESG) considerations to remain resilient and promote financial inclusion for all," the bank said.

The restructuring exercise of BHB entails a private placement exercise, a scheme of arrangement to settle outstanding warrants, and the internal reorganisation of subsidiaries.

The internal business realignment measures also included a distribution and capital repayment exercise involving the distribution of BHB's entire shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga Bhd to the shareholders of BHB, and lastly, the transfer of listing status of BHB in the Main Market to Bank Islam.

Concurrently, BHB will become a wholly-owned subsidiary of Bank Islam, with the bank assuming the parent company role. This exercise resulted in Takaful Malaysia becoming a standalone Takaful operator with diversified and strong institutional shareholders.

Source: <https://www.malaymail.com>

Ethics & Governance News



Malaysia

MALAYSIA: SC Reprimands China Automobile Parts Holdings Limited (CAP) Current and Former Directors and Officers

The Securities Commission Malaysia (SC) issued a public statement under section 354(3)(f)(ii) of the Capital Markets and Services Act 2007 (CMSA) to express its opinion that the retention of office by China Automobile Parts Holdings Limited's (CAP) Executive Chairperson, Wang YuYun and Executive Director, Chen Xunze, is prejudicial to public interest.

The SC had reprimanded CAP as well as its current and former directors and chief financial officers for various breaches of the securities laws.

Pursuant to CAP's initial public offering, CAP had submitted to the SC and issued a prospectus dated 11 January 2013 that contained financial statements of its wholly owned subsidiary QuanZhou FenSun Automobile Parts Co., Ltd. (FenSun), that were false or misleading, due to overstatement of FenSun's bank balances. CAP was listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 30 January 2013.

Between 2013 to 2018, CAP had also furnished false or misleading financial statements to Bursa Malaysia due to overstatement of FenSun's bank balances. Further, CAP failed to disclose litigations in relation to bank loan defaults by FenSun and did not recognise outstanding liabilities of FenSun's bank loans in its financial statements.

Source: <https://www.sc.com.my>



Malaysia

MALAYSIA: MACC Nabs 16 Company Directors for Alleged Embezzlement of Government Grants

The Malaysian Anti-Corruption Commission (MACC) arrested 16 company directors on suspicion of being involved in the misappropriation of funds of the Malaysian Indian Transformation Unit (MITRA).

It is estimated that tens of millions of ringgit had been misused by the group where almost 60% of the grant allocation received by companies, individuals and foundations for implementing socio-economic programmes did not reach the target groups.

No programmes were held and no statement of expenditure could be produced to the authorities.

All the suspects would be brought to the Putrajaya Magistrate's Court for remand application under Section 117 of the Criminal Procedure Code. The case is being investigated under Section 16(a) and Section 18 of the MACC Act 2009.

Source: <https://www.theedgemarkets.com>

Ethics & Governance News



US

US: SEC Charges Rogue Trader Who Bankrupted His Firm

The Securities and Exchange Commission charged Keith A. Wakefield, a former managing director and head of fixed income trading at IFS Securities, Inc., an Atlanta-based broker-dealer, with causing millions of dollars of losses through unauthorized trading in fixed income securities, and with fraudulently obtaining approximately \$820,000 in fictitious commission income

The SEC's complaint alleges that Wakefield engaged in unauthorized speculative trading in US Treasury securities, on behalf of IFS and incurred millions of dollars in losses for the firm. He engaged in a variety of fraudulent practices to create the appearance of fictitious trading profits and disguise his unauthorized trading losses, including falsifying IFS's books and records.

Wakefield obtained approximately \$820,000 in commission income from the fictitious commission payments that he fabricated and recorded on IFS's books and records. His fraud came to an end when IFS was unable to honor millions of dollars in unauthorized fixed income securities trades executed by him with more than one dozen counter-parties. As a result, IFS was forced to close its business, withdraw its registration as a broker-dealer, and file for bankruptcy.

The SEC's complaint charges Wakefield with violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, and with aiding and abetting IFS's failure to maintain accurate books and records and operate with sufficient net capital. Wakefield has agreed to settle the SEC's charges by consenting to a permanent injunction and to pay disgorgement plus prejudgment interest and a civil penalty in amounts to be determined by the court at a later date. The settlement is subject to court approval.

In a parallel action, the US Attorney's Office for the Northern District of Illinois today announced criminal charges against Wakefield for related misconduct.

Source: <https://www.reuters.com>



US

US: SEC Charges Investment Bank Compliance Analyst with Insider Trading in Parents' Accounts and Obtains Asset Freeze

The Securities and Exchange Commission today charged Jose Luis Casero Sanchez, a Spanish national and former Senior Compliance Analyst of an international investment bank, with insider trading in advance of at least 45 corporate events involving the investment bank's clients. Sanchez had broad access to highly sensitive information regarding mergers and other transactions in which his firm was involved, in connection with his work as a compliance analyst.

Sanchez allegedly traded in multiple US-based brokerage accounts held in the name of one of his parents—Jose Luis Casero Abellan and Maria Isabel Sanchez Gonzalez. Both were instructed to refrain from placing large order so as to limit the profits. The complaint alleges that Sanchez generated more than \$471,000 in ill-gotten gains during the course of the scheme.

This is a gross violation of duty by a compliance professional who exploited the sensitive information he was hired to protect. The SEC charged Sanchez with violating the antifraud provisions of the federal securities laws, and seeks a permanent injunction, disgorgement, prejudgment interest, and a civil penalty. The SEC also charged Sanchez's parents, Abellan and Gonzalez, as relief defendants.

The SEC has also obtained an emergency court order to freeze Sanchez's assets, including certain accounts he used to place the illicit trades.

Source: <https://www.sec.gov>

Ethics & Governance News



US

US: SFC Reprimands and Fines Fulbright Securities Limited (Fulbright) \$3.3 Million for Internal Control Failures

The Securities and Futures Commission (SFC) has also suspended Fulbright's responsible officer, Mr Eric Liu Chi Ming, for six months from 29 October 2021 to 28 April 2022. Liu has been accredited to Fulbright and approved as its responsible officer for dealing in securities and advising on securities.

The disciplinary action followed an SFC investigation which found that Fulbright, when acting as a placing agent in the share placement of a Hong Kong-listed company in August 2018, had failed to:

- exercise due skill, care and diligence and continuously monitor its business relationship with clients when processing the placement subscription applications; and
- act in the best interests of its clients during the placement.

The SFC also found that during the period from 1 November 2017 to 31 July 2019, Fulbright had failed to:

- properly record and maintain order instructions in relation to a total of 580 client orders;
- effectively implement policies and procedures, and diligently supervise its account executives to ensure client orders were handled in compliance with the applicable order handling regulatory requirements;
- establish and maintain appropriate and effective procedures for its telephone order recording compliance reviews; and
- report immediately to the SFC after it became aware of its account executives' breaches of the applicable telephone order regulatory requirements.

Fulbright has also agreed to engage an independent reviewer to conduct a review of its relevant internal controls and undertaken to implement the reviewer's recommended rectification measures.

Source: <https://apps.sfc.hk>



World

WORLD: Credit Suisse Fined £147,190,276 (US\$200,664,504) and Undertakes to the FCA to Forgive US\$200 Million of Mozambican Debt

The Financial Conduct Authority (FCA) has fined Credit Suisse over £147 million (over US\$ 200 million) for a corruption scandal involving two loans worth over US\$1.3 billion arranged for the Republic of Mozambique sponsored project. In addition, Credit Suisse agreed with the FCA to write-off US\$ 200 million of debt owed by the Republic of Mozambique as a result of this corruption scandal.

According to FCA, a Mozambique government contractor secretly paid significant kickbacks, estimated at over US\$50 million to members of Credit Suisse's deal team including the Managing Directors between 2012 and 2016 in order to secure loans at more favourable terms. While those Credit Suisse employees took steps to deliberately conceal the kickbacks, warning signs of potential corruption should have been clear to Credit Suisse's control functions and senior committees. Meanwhile, the Republic of Mozambique has subsequently claimed that the minimum total of bribes paid in respect of the loans is around US\$137 million.

As such, the FCA said the Bank had failed to properly manage the risk of financial crime within its emerging markets business simply because the Bank was aware that Mozambique was a jurisdiction where the risk of corruption of government officials was high and that the projects were not subject to public scrutiny or formal procurement processes. There was insufficient challenge within Credit Suisse, or scrutiny and inquiry in the face of important risk factors and warnings.

Source: <https://www.fca.org.uk>



How Global Compliance Works at the Local Level

There are many readily acceptable global definitions of compliance and the nature of being compliant, whether from international organizations or regulatory bodies. But are these definitions followed—or even recognized—at a local and regional level? Does their reach, formulated from the summits of legislative authority, trickle down to levels perhaps overlooked in the larger compliance world?

The simplest description of compliance—conforming to laws, policies, and standards—would appear relatively straightforward: follow the rules as they are set. Surely compliance is more than this definition? If it wasn't, there wouldn't be differences around the world in how compliance systems are put in place.

Rather than compliance being about laws and regulation, does it become a question of your local compliance culture and how you want to operate? This is where the differences between jurisdictions across the world begin to emerge. From a global perspective, its clear compliance is no longer the sole domain of US regulators, and companies must acknowledge compliance risks are global and affect the wider world.

The compliance landscape is constantly evolving, so a broader, more international view is required, in tandem with a focus on your own jurisdiction and how compliance works there.

Below, compliance will be examined in four key jurisdictions: North America, Europe, Asia Pacific (APAC), and the Middle East and North Africa (MENA). Whether you operate in one of these areas or do business with firms within them, it will be important to understand the way each views compliance and, crucially, how perspectives may differ from your own region's views.

North America

The United States is renowned for having a particularly aggressive compliance enforcement stance. Over the last few years, there has been increasing global enforcement from the region not only in anti-corruption but in financial fraud, money laundering, tax, and trade sanctions. The wide reach of US regulators means their rules and views on compliance have a major impact on the rest of the world.

In recent years, there have been many fines levied at international banks for breaches of US law. For example:

- Wells Fargo paying \$3 billion for its fraudulent account scandal
- Citi paying \$400 million for risk management failures
- Capital One paying \$390 million for anti-money laundering lapses
- Deutsche Bank paying \$150 million for Jeffrey Epstein ties

There is a temptation to look at how strict and severe the United States is and decide to base a compliance program purely on its standards. After all, if a company can comply with the strictest levels put in place, then surely it will be okay.

However, this stance removes any chance a company has to adjust and adapt for local practices and can have negative results. It's important to strike a balance between making sure severe penalties are avoided while still maximizing business opportunities.

Europe

Traditionally, and prior to Brexit, the European Union had a cohesive way of regulating through a large host of laws and legislation that flowed into the region's culture of compliance. The major nations had a say on policies, and the EU system appeared to work across the continent.



However, with the United Kingdom having left the bloc, there is now the possibility of change on the horizon. It will be more important than ever for European states to have their own culture of compliance while still adhering to the European Union's. For the United Kingdom, the challenge is in forging its own path while still nurturing relationships with key allies.

Asia Pacific

Historically, APAC has shown more acceptance of certain forms of corruption (or bending the rules) as being an acceptable means of speeding up bureaucracy or establishing "relationships," and compliance has traditionally been viewed as detrimental to business growth.

Gift giving is customary in Asia, and cash gifts, while not permissible in US business dealings, are not only normal but part of life's rites of passage and festival periods. It's crucial for anyone operating in the region, or indeed with it from afar, to understand these key holiday periods and handle them sensitively.

APAC is an enormous, diverse region in terms of legal systems, legislation, and enforcement. It includes New Zealand, tied for first among countries on Transparency International's 2020 Corruption Perceptions Index, as well as Myanmar, which is tied for 137th.

This also brings cultural barriers which can be tricky to navigate. For example, sarcasm works well in Australia and New Zealand for marketing ideas but goes down poorly in Asia, where words are more likely to be taken literally. Understanding this nuance in language is key when creating a consistent compliance culture to ensure messages are not misconstrued.

Being comparatively smaller in size can mean some countries feel isolated from international markets and must put their own regulations and compliance first. There can be a temptation to relax local practices to fit in and be accepted by larger, more intimidating countries, but doing so can lead to opening the door to corruption and bribery—a dangerous place to be.

Middle East and North Africa

Within the MENA region, there are three key topics relating to the nuances of local regional compliance.

The first is for businesses to know their partners and other intermediaries are conducting themselves to the same high standards as they are. No matter how good a company's culture of compliance, there is a reliance on those with whom they trade, and on behalf of, to be compliant too.

The second is to keep abreast of what is happening in these high-growth markets and keep compliance as fresh as possible. If compliance is out of date, a company can believe it is doing the right things while it is actually breaking the rules.

Finally, there is the challenge of the increased cyber-security risk in the region and the impact it can have on compliance. Cyber-risk is on the rise all over the world, and the MENA region, like elsewhere, is battling to stay on top of it.

Today, there exists the feeling there is less tolerance for bribery and corruption in APAC and MENA, and it is no longer acceptable to merely explain it is "just the way things are done." Increased attention from the United States has helped foster this new attitude.

**Takeaways**




It's vital to acknowledge a common understanding of compliance. But what must also be understood is how your local area identifies compliance while also absorbing the approach in international areas in which you do business.

It's no longer satisfactory for senior management just to set the tone from the top. Compliance efforts need to be seen as being embedded in the organizational strategy and cultural principles of a company. A one-size-fits-all approach is not sufficient in today's global business environment, and these differences must be clearly understood so appropriate strategies can be put in place to assist employees in mitigating and managing the risks.

One key point to remember is that cultural sensitivities, language barriers, and differences in the manner of doing business must all be considered and recognized as determining factors in understanding compliance across jurisdictions.

Source: <https://www.complianceweek.com>


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|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 02.08.21 | Advisory on Escalating of Threat of Ransomware | <p>BNM has issued a set of measures closely guided by the Risk Management in Technology ("RMiT") policy document ("PD") to assist industry in focusing on risk reduction and making speedy progress to combat ransomware. BNM has identified a set of measures for financial institutions ("FIs") to develop and implement appropriate safeguards to ensure continuous delivery of critical services and support the ability to limit and contain the impact of a ransomware attack. The recommended measures outlined below are also consistent with the best practices organizations around the world are currently adopting to mitigate the ransomware threat:</p> <ol style="list-style-type: none"> a. Strengthen security configurations; b. Patch vulnerabilities rapidly; c. Strengthen credentials management; d. Have a robust back up and restoration strategy; e. Strengthen detection, response and recovery strategy; f. Segmentation of networks; vii. Enhance user awareness to board members, all staff and vendors; g. Monitor third party risks; h. Share cyber threat intelligence; and i. Conduct regular cyber exercises. | Effective 02.08.2021 |
|  <small>BURSA MALAYSIA</small> | 12.08.21 | Consultation Paper ("CP") No. 3/2021 Proposed Amendments to The Main Market Listing Requirements in Relation to Enhanced Adviser Framework, Submission of Corporate Proposals and Other Amendments | <p>The proposed amendments include aligning the Principal Adviser framework under the Main Market Listing Requirements ("MMLR"), with the SC's Recognized Principal Adviser framework for the Main Market, as well as enhancing the accountability of a Recognized Principal Adviser and its key officers involved in submitting certain significant corporate proposals to Bursa. In addition, Bursa is proposing other amendments to the MMLR for clarity and consistency such as clarifying the eligibility of independent adviser for a major disposal and voluntary withdrawal of listing, as well as requiring the completion of the Mandatory Accreditation Programme by applicant's directors prior to listing.</p> | Deadline of Submission: 14.09.21 |
|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 13.08.21 | Supervisory Expectations to Manage Risk of Customer Data Breaches | <p>BNM has issued the above notification arising from growing risk as business operations of FIs continue to evolve to support increased use of customer facing digital services and work-from-home ("WFH") arrangement in response to the pandemic.</p> <p>The insights have been gathered by industry engagement, Operational Risk Integrated Online Network ("ORION") loss event analysis and global risk development.</p> | Effective 13.08.21 |



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| | | | <p>BNM wishes to remind FIs to undertake the following:</p> <ol style="list-style-type: none"> a. Timely escalation of material developments on customer information data breaches to the Board so that there is sufficient oversight by the key responsible functions in the FI to manage emerging risks holistically. Periodic independent review should be conducted to ensure adequacy of internal control processes, including outsourcing arrangements, and prompt remedial actions to address any gaps identified; b. Continuous testing and rigour in verification of program changes, as part of system development lifecycle ("SDLC"), in accordance with the BNM's supervisory expectation on technology risk management, particularly for changes done by third party service providers for material outsourcing arrangement that involves processing of customers' confidential information. c. BNM recognises the operational and strategic challenges in balancing between innovation and safety. However, the growth of IT services should not come at the expense of deferment in the implementation of security controls or technology refresh that may cause build-up of system vulnerabilities. FIs should improve oversight over the level of aforementioned 'technical debt' accrued during the IT service expansion, and deploy appropriate strategies to bring it within a tolerable level; d. Employ a multi-layered strategy and explore the merits of micro segmentation of employee risk groups to facilitate targeted risk monitoring and response, given that employee negligence accounted for over 50% of the data breach incidents with varying motivating factors and impact level. The FI's data loss prevention measures should be continuously assessed and fine-tuned to mitigate evolving risks; e. Ensure a high degree of staff awareness at all times on the need to safeguard the confidentiality of customer information and have in place effective monitoring to ensure that the relevant policies and controls established by FIs are being adhered to by staff; |


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| | | | <ul style="list-style-type: none"> f. Ensure timely and adequate communication of data breach incidents to affected customers, with suggested immediate corrective measures. As data breach incidents may lead to longer term fraud risk for the affected customers, FIs are expected to deploy appropriate data protection measures for affected customers; and g. Commit adequate investments in the necessary resource, process and technology to strengthen data breach prevention, detection and incident management capacity of the institution in line with the respective FI's risk appetite to ensure the safety and soundness of the FI. | |
|  | 16.08.21 | <p>Exposure Draft ("ED") Operational Risk Reporting ("ORR") formerly known as Operational Risk Integrated Online Network ("ORION")</p> | <p>BNM is in the process of developing a new system to replace the current ORION and revising the reporting requirements introduced in the ORR. This ED sets out the proposed revision of the reporting requirements to promote the consistency of operational risk ("OR") information reporting as well as to provide clarity of the new or revised information requests, timelines and the accountability of each reporting entities ("REs").</p> <p>Overview of the responsibilities of REs:</p> <ul style="list-style-type: none"> a. To prepare and submit data and information on LED, KRIs and SA to BNM through ORR; b. To ensure that the data and information is consolidated and centralized at the entity level prior to submitting the information to BNM; c. The REs must put in place appropriate internal governance and processes to ensure completeness, accuracy and timeliness of the data and information submission to BNM, including processes for consolidation, validation as well as reconciliation of such data and information with the RE's internal database, system and financial accounts <p>The proposals of this ED aim to:</p> <ul style="list-style-type: none"> a. Promote a more structured operational risk reporting across all REs for the risk types; b. Streamline reporting with the enhanced/new ORR; and c. Further promote clarity of the reporting requirements with examples and scenarios. | <p>Deadline of submission 16.09.2021</p> |




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|  | 26.08.21 | <p>R/R 5 of 2021 (I) Extension of The Temporary Suspension of Intraday Short Selling ("IDSS") and Short Sale of Day Trading Eligible Securities ("PDT Short Sale"); (II) Extension of The Temporary Waivers in Relation to Day Trading ("PDT Temporary Waivers"); and (III) Subsequent Upliftment of The Temporary Suspension of IDSS and PDT Short Sale and Repeal of The PDT Temporary Waivers</p> | <p>Pursuant to Bursa's objectives to ensure the regulatory framework remains relevant and meets the evolving market needs, underpinned by an orderly and fair market, with adequate investor protection, the Exchange has decided to:</p> <ol style="list-style-type: none"> a. Further extend the temporary suspension of IDSS and PDT Short Sale and the PDT Temporary Waivers; and b. Subsequently uplift the temporary suspension of IDSS and PDT Short Sale, with additional control measures, and repeal the PDT Temporary Waivers. | <p>Effective: Temporary suspension of IDSS and PDT Short Sale extended to 31 December 2021 Consequential to the further extension of the temporary suspension of PDT Short Sale, Bursa will also further extend the PDT Temporary Waivers to 31 December 2021. Consequential to the further extension of the temporary suspension of PDT Short Sale, Bursa will also further extend the PDT Temporary Waivers to 31 December 2021.</p> |
|  | 14.09.21 | <p>Trading Participant Circular No.14/2021 Amendments to the Rules and Directives of Bursa Malaysia Derivatives Bhd ("BMD Rules" and "BMD Directives") in relation to the Introduction of the East Malaysia Crude Palm Oil Futures ("FEPO") Contract</p> | <p>Amendments to The BMD Rules: The salient amendments are the introduction of the contract specifications of the FEPO Contract in item 1.05 of Schedule 1 of the BMD Rules, which are essentially the same as the contract specifications for the Crude Palm Oil Futures ("FCPO") Contract, except for the following differences:</p> <ol style="list-style-type: none"> a. Trading hours for the FEPO Contract starts at 0900 hours (Malaysia time), compared to the trading hours for the FCPO Contract that starts at 1030 hours (Malaysia time); and b. 3 new designated delivery points, namely Lahad Datu, Sandakan and Bintulu, with no delivery points in Peninsular Malaysia. | <p>Effective: 04.10.2021</p> |




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| | | | <p>Amendments to the BMD Directives</p> <p>The salient amendments are as follows:</p> <ol style="list-style-type: none"> a. Amending the Directive on Applications to the Exchange Pursuant to Chapter 3 of the Rules (No. 3-001), to insert the applicable trading fees and facility charges for the FEPO Contract, which is aligned with those for the FCPO Contract; b. Amending the Directive on Position Limits and Exercise Limits (No. 6.44- 001), to insert the position limits for the FEPO Contract, which are half of the existing position limits for the FCPO contract, as follows: <ol style="list-style-type: none"> i. 800 contracts for the spot month; ii. 10,000 contracts for any one contract month except for spot month iii. 15,000 contracts for all contract months combined. | |
|  | 22.09.21 | <p>Guidance Note ("GN") on Co-operation and Self-Reporting (Revised)</p> | <p>SC has revised the GN with respect to range of administrative, civil and criminal enforcement actions against securities laws breaches. SC, in determining the type of enforcement action to initiate, is guided by among others:</p> <ol style="list-style-type: none"> a. Factual and evidential circumstances of the case; b. Desired outcome of the enforcement action; and c. The need to achieve credible deterrence. <p>As part of the Capital Market Masterplan 3 work program, a framework to promote early resolution of enforcement action and to instill greater self-discipline among regulates will be put into place. SC will take into account the level of co-operation extended by a person when determining how the SC will respond to the breach in question. Co-operation with the SC may be taken into consideration when the SC considers the application of its enforcement tools, or in the amount of financial penalty imposed by the SC.</p> <p>Main enhancement as at 22 September 2021:</p> <ul style="list-style-type: none"> • Additional wording to its FAQ on Point no 3: Nevertheless, credit may still be given for the reporting in exceptional cases depending on the facts of the case. There will be a holistic assessment of the report's timeliness and reliability and the contribution of that report towards a timely resolution of the breach. In addition, credit may also be given to the licensed person who reports the breach as the licensed person may go beyond the act of just reporting the breach to the SC. | <p>Effective: 22.09.2021</p> |




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| | | | <ul style="list-style-type: none"> The licensed person may also take steps to contain the breach, limiting the level of harm caused to investors/stakeholders in which case it may be said that the licensed person is co-operating with the SC and such co-operation may be taken into account by the SC for the purposes of credit. | |
|  | 23.09.21 | Trading Participant Circular No.16/2021 Amendments to the Directive on the List of Specified Exchanges (Directive No.6.25(1)-001) | <p>Amendments have been made to DirectiveNo. 6.25(1)-001 to clarify the assessment criteria for Bursa to be prescribed as a Specified Exchange.</p> <p>Amendments have also been made to update the names of certain prescribed exchanges in the list of Specified Exchanges.</p> | Effective 23.09.2021 |
|  BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA | 24.09.21 | KLIBOR Rate Setting | <p>BNM has issued a policy document ("PD") which supersedes the PD on KLIBOR Rate Setting issued by BNM on 27 December 2016.This PD sets out the requirements and governance framework for KLIBOR submitters to ensure that the KLIBOR rate setting process is conducted with accuracy, credibility and integrity.</p> <p>The rates of KLIBOR submitters quote for KLIBOR setting indicate the rates at which they are willing to lend ringgit funds for the relevant tenors to KLIBOR submitters and are mainly used as reference for other products such as the floating leg of interest rate swaps, options, futures and structured products. This PD aims to ensure that the KLIBOR rate setting process is reliable, accurate and provide assurance of the integrity and credibility of the benchmark rates being quoted by the KLIBOR submitters.</p> | Effective: 30.09.2021 |
|  BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA | 24.09.21 | Malaysia Overnight Rate ("MYOR") | <p>BNM has issued a PD on which financial benchmark reforms are underway in various jurisdictions to improve the integrity and reliability of interest rate benchmarks, in line with the Financial Stability Board's ("FSB") recommendation. Among the key recommendations of the FSB are the development of a nearly risk-free alternative reference rate ("ARR") and strengthening of the existing interbank offered rate ("IBOR") of respective jurisdictions.</p> <p>Similar to other jurisdictions the Malaysia ARR (i.e. MYOR) is based on overnight transactions in the interbank market and will run in parallel to the existing Kuala Lumpur Interbank Offered Rate ("KLIBOR").</p> | Effective: 24.09.2021 |

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| | | | The availability of both interest rate benchmarks will provide the market with the flexibility to choose either MYOR or KLIBOR as the reference rate for pricing of financial instruments. | |
|  Suruhanjaya Sekuriti Securities Commission Malaysia | 27.09.21 | SOPs during the PPN (Phase 2 & 3) for capital market participants | SC has released the SOPs for National Recovery Program (Phase 2 & 3) issued by the National Security Council ("MKN") for the capital market participants. These SOPs were revised on 27 Sep 2021 and are made available at the SC website under the 'Covid-19 related announcement'. | Effective: 27.09.2021 |
|  BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA | 30.09.21 | Climate Change and Principle- based Taxonomy: Semi-annual Reporting | <p>BNM has issued a notification on which recognizing the urgent and pressing need to combat climate change and its impacts given the wider ramifications on the financial sector and economy, Principle- based Taxonomy ("CCPT") PD on 30 April 2021 to encourage mobilization of capital and financial flows to facilitate orderly transition to low-carbon and climate resilient activities. Pursuant to the publication of the CCPT, financial institutions ("FIs") are expected to submit six-monthly data based on the template and detailed instructions provided via Enterprise Platform starting July 2022.</p> <p>The reporting is intended to provide BNM with insights on the level of capital and financial flows directed at decarbonization and climate resilient activities. In addition, the reporting will also assist the bank in formulating strategies and policy framework on climate and environmental related risks.</p> | Effective: 30.09.2021 |
|  Suruhanjaya Sekuriti Securities Commission Malaysia | 30.09.21 | Guidance Note on Oversight of Licensed Representative by Stockbroking Companies | <p>The Guidance Note ("GN") is meant to assist stockbroking companies ("SBCs") in supervising and monitoring the conduct of their licensed representatives.</p> <p>SBCs are expected to ensure that adequate practices and controls are put in place in line with the Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives ("Guidelines"). Non- compliance with the Guidelines would be regarded as serious and may result in the SC taking regulatory or other appropriate actions against the SBCs. These best practices on Oversight of Customer's Accounts and Dealing Activities; and Other Governance Checks and Controls are not meant to be prescriptive and are to be read together with existing relevant rules and regulations.</p> | Effective: 30.09.2021 |



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|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 01.10.21 | <p>Launch of Secured Web Application for Submission of Large Sized Files from Financial Institutions ("FIs") to Bank Negara Malaysia (Notification on the Revised FIBox User Guide)</p> | <p>BNM has issued a letter to inform on the rolling out of FIBox, BNM's secured and encrypted web-based application to facilitate the submission of large sized files from licensed institutions ("LIs") to BNM.</p> <p>Highlights as at 1 October 2021: As part of ongoing efforts to ensure robust, secure and efficient file sharing solutions that could reduce security risks and file size limitations, BNM has developed a secured web-based application to allow LIs to upload and share large files, reports or documents with BNM that was previously sent via e-mail or physical media. The application does not replace the current regular statistical or application submissions processes already in place. Rather, the application is intended to send ad-hoc information to BNM in a more secure manner.</p> | Effective: 11.06.2021 |
|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 04.10.21 | <p>ISO 20022 Migration Project – Deadline to Finalise Migration Plan and Commence Enhancements</p> | <p>The notification states the deadline set for all RENTAS participants to finalize their migration plan and to be ready to commence system enhancements with regards to the migration. Adhering to the deadline is crucial to ensure all RENTAS participants can meet the migration timeline¹ as communicated in the circular issued by BNM dated 29 June 2020.</p> <p>In this regard, RENTAS participants shall ensure that their respective finalized migration plan for ISO20022 and progress of system enhancements to be reflected in the following quarterly report to be submitted to the Bank (using the same template as provided in the circular dated 9 February 2021):</p> <ol style="list-style-type: none"> i. For intermediary participants – Q4 2021 progress report due on 1 January 2022; and ii. For all RENTAS participants – Q4 2022 progress report due on 1 January 2023. | Effective: 6.10.2021 |
|  <small>Suruhanjaya Sekuriti Securities Commission Malaysia</small> | 04.10.21 | <p>Update on Flexibilities in Complying with Taker-Over Offer Requirement Under Capital Markets and Services Act ("CMSA") 2007 and Rules on Take-Overs, Mergers and Compulsory Acquisitions ("M&A")</p> | <p>SC on 23 April 2020 accorded flexibilities in complying with the relevant requirements under the Capital Markets and Services Act 2007 ("CMSA") and the Rules on Take-overs ("RTO"), M&A (Rules) to facilitate the implementation of take-over offers during the Movement Control Order ("MCO"). In light of the current development and relaxation of government measures, the following are updates relating to the flexibilities granted on 23 April 2020.</p> | Effective: 04.10.2021 |


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| | | | <p>Updates as at 4 October 2021:</p> <ul style="list-style-type: none"> a. Service of Notice and Document: The Summary Notification method remains available. In the case of a publication of offer document, the offeror may: <ul style="list-style-type: none"> i. Provide a copy of the Form of Acceptance and Transfer together with the Summary Notification; and ii. Provide in the Summary Notification, the relevant link for the shareholders to download the Bursa Depository Transfer of Securities Request Form (FTF010). Save for the clarification above, the other requirements under this flexibility as previously announced remain applicable. b. e-Acceptance and e-Transfer: The flexibility remains available. In addition to the acceptance via e-mail or post, the shareholders may also accept a take-over offer via electronic facility such as the e-GO feature in Bursa Anywhere mobile application. Clear instruction on the process of acceptance via e-GO, must be given to shareholders. c. Extension for Settlement of Consideration: The flexibility is uplifted. With the upliftment, an offeror is required to settle the cash consideration within 10 days from: <ul style="list-style-type: none"> i. The date the offer becomes or is declared wholly unconditional, if the valid acceptances are received during the period when the take-over offer is still conditional; or ii. The date of the valid acceptances, if the valid acceptances are received during the period after the take-over offer is or has become or has been declared wholly unconditional, as required under paragraph 14.01(1) of the Rules. d. Declaration for Compulsory Acquisition: The flexibility is uplifted. With the upliftment, an offeror is required to provide a copy of statutory declaration to accompany the notice of compulsory acquisition, confirming that the conditions for the giving of the notice are satisfied, as required under section 222(1)(B) of the CMSA. |

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|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 12.10.21 | Management of Customer Information and Permitted Disclosures ("MCIPD") | <p>Highlights of the revision/enhancements as at 12 October 2021:</p> <p>New condition to permitted disclosures under Part C as follows:</p> <p>Item 1 - in the case of an order or request made by Polis Diraja Malaysia via the eFSA, condition (d) will replace conditions (b) and (c).</p> <p>FIs are required to put in place adequate controls over the disclosure of customer information to any authorized parties. The control measures must at a minimum, include:</p> <ol style="list-style-type: none"> a. The processes to be undertaken by responsible officers to verify the authenticity of the orders or requests; b. Documentation requirements; and c. Authority levels for approving disclosure of customer information which must be at an appropriate senior level. <p>FIs intending to apply for BNM's approval for certain disclosure of customer information under the relevant regulations must complete and submit the required application form to BNM.</p> | Effective: 12.10.2021 |
|  <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small> | 22.10.21 | London Interbank Offered Rate ("LIBOR") e-Brochure for Bank Customers | <p>BNM has recalibrated LIBOR transition signposts in a letter dated 26 March 2021 which sets out the BNM's expectations on the timeline of key milestones including the cessation of all new issuances of LIBOR referencing products by 31 December 2021.</p> <p>To ensure a smooth industry transition to risk free rates (RFRs) by end of the year, banking institutions ("BIs") are expected to distribute the e-brochure to affected customers in Malaysia and to make available the e-brochure on the BI's website no later than 31 October 2021. The e-brochure emphasizes the urgency for the customers to be prepared for the transition from LIBOR to RFRs.</p> <p>BIs are also requested to continue providing support and assistance to the customers in expediting their transition from LIBOR.</p> | Effective: 22.10.2021 |

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|  | 29.10.21 | <p>Amendments to the Rules and Directives of Bursa Malaysia Derivatives Clearing Berhad ("BMDC") in Relation to the Review of:</p> <ol style="list-style-type: none"> 1. The Guidelines for Compliance Function; and 2. Compliance Reporting for Clearing Participants | <p>BMDC has amended the Rules of BMDC, Directive No. 3-001 (Directive on Clearing Participants and Registered Persons) and BMDC Directive No 5-001 (Directive on Organization and Structure of Clearing Participants) with the aim to achieve, amongst others, the following objectives:</p> <ol style="list-style-type: none"> a. To re-organize and enhance the current compliance guidelines to streamline with the current rules, directives and market practices; b. To synchronize the compliance guidelines and compliance reports between Participating Organizations, Trading Participants and Clearing Participants, where appropriate; c. To enhance reporting of critical areas in the compliance reports; and <p>To enhance clarity on the obligation of the compliance function of a Clearing Participant, where the obligation is to monitor compliance with the "Securities Laws and the Rules" instead of the "Rules and the Act".</p> | <p>Effective: 29.10.2021</p> |