

# COMPLIANCE TODAY

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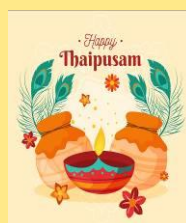
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1 January 2024



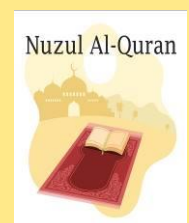
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1 February 2024



10 & 11 February 2024



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Images: freepik.com

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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,

A very Happy New Year to you!

As we reflect upon the conclusion of yet another impactful year in the ever evolving investment banking landscape, I would like to extend my appreciation and gratitude to the Compliance Officers Committee, which contributes tirelessly to publishing the MIBA's quarterly "Compliance Today" newsletter, keeping members up-to-date with the latest developments.

Compliance Officers play a pivotal role within the industry acting as the first line of defence against any potential regulatory, legal and reputational risks. As global economies become more interconnected, Participating Organisations are more exposed to various risks and financial crimes such as fraud, corruption, money laundering and regulatory violations. By meticulously monitoring and assessing the organisation's operations against industry developments, Compliance Officers seek to establish a culture of accountability, transparency and adherence to industry best practices.

Failure to fulfil these obligations would lead to financial losses, operational disruptions and reputational damage. The recent violations by various global banks, which were imposed severe penalties and fines, serve as a reminder to all financial institutions to identify and address deficiencies or weaknesses present in the compliance, governance, and risk management processes and systems of an organisation. It is essential for Compliance Officers to stay up-to-date, implement robust compliance programmes and actively participate in shaping risk management strategies to navigate the organisation through the intricate regulatory landscape with resilience and prudence.

Looking forward, technological advancements, geopolitical shifts and developing market dynamics will continue to shape our industry. In the face of these changes, let us approach the future with a shared vision, ensuring a strong and compliant financial ecosystem that serves the best interests of our stakeholders and the industry.

Wishing you a prosperous new year and may you have a successful year ahead.

Yours sincerely,



**Lee Jim Leng**  
Chairman



*"By meticulously monitoring and assessing the organisation's operations against industry developments, Compliance Officers seek to establish a culture of accountability, transparency and adherence to industry best practices."*

## Local & Global News



Malaysia

### **MALAYSIA: SC to Develop Governance Guidance for SMEs, Says Chairman**

The Securities Commission Malaysia (SC) is working closely with relevant agencies to develop an environmental, social and corporate governance (ESG) toolkit for small and medium enterprises (SMEs).

Its affiliate Capital Markets Malaysia will also be issuing a Simplified ESG Disclosure Guide for SMEs, said SC chairman Datuk Seri Dr Awang Adek Hussin.

He noted that support and guidance for SMEs are crucial to mitigate risks from supply chain vulnerabilities and disruption. "We are also supporting the inculcation of corporate governance across the supply chain, particularly by SMEs," during his keynote address at the 2023 Organisation for Economic Co-operation and Development (OECD)-Asia Roundtable on Corporate Governance.

Source: <https://theedgemaalaysia.com>



Malaysia

### **MALAYSIA: ABM: Scam Alerts Given by Banks are Effective**

Scam awareness alerts by banks have proven to be effective in helping foil fraudsters and protect bank customers, according to a recent survey by the Association of Banks in Malaysia (ABM).

The findings revealed that there was a good association between scam prevention and education with four out of five customers, who have averted scams, having read their banks' scam alerts on the latest tactics being deployed.

When asked to name different kinds of scams and their strategies, the majority of respondents could do so, averaging scores of above 60% for 11 different sorts of scams including malware and phone scams. Additionally, 76% of those polled also revealed that scam prevention was the topic that they are most interested in.

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



Malaysia

### **MALAYSIA: Advancing Decarbonisation Efforts for Small and Medium Enterprises**

Bursa Malaysia is developing the Centralised Sustainability Intelligence (CSI) Platform, to be used by both public listed companies (PLCs) and non-listed small and medium enterprises (SMEs) to assess their carbon emissions impact, disclose standardised environmental, social and governance (ESG) data in compliance with both local requirements and global standards, to subsequently facilitate access to sustainable financing.

The common, overarching goal of the CSI Platform and Joint Committee on Climate Change (JC3) Greening Value Chain (GVC) programme is to facilitate an effective and just transition for Malaysian companies, regardless of size - providing greater access to green capital, improved valuation, and a competitive advantage in global supply chains.

The CSI Platform complements JC3's GVC programme to facilitate Malaysian companies, particularly SMEs, to green their operations. Under this collaboration, users of the CSI Platform can benefit from the GVC programme if eligible, whereas SMEs considering to participate in the GVC programme can leverage the CSI Platform as the reporting tool.

The CSI Platform has also been earmarked as an implementation tool of the New Industrial Master Plan which will first focus on sectors that will be most impacted by the Carbon Border Adjustment Mechanism.

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

## Local & Global News



Malaysia

### **MALAYSIA: BIS and Central Bank Partners to Explore Protocols for Embedding Policy and Regulatory Compliance in Cross-Border Transactions**

The Bank for International Settlements (BIS) and central bank partners has launched Project Mandala, which explores the feasibility of encoding jurisdiction-specific policy and regulatory requirements into a common protocol for cross-border use cases such as foreign direct investment, borrowing and payments, on 5 October 2023.

Disparate policy and regulatory frameworks between different jurisdictions are among the chief obstacles to smooth and efficient cross-border payments. They contribute to the regulatory compliance burden across the payment chain, increase the time for cross-border transactions and introduce uncertainties among stakeholders.

Project Mandala – a proof-of-concept run by BIS Innovation Hub (BISIH) Singapore Centre, Reserve Bank of Australia (RBA), Bank of Korea (BOK), Bank Negara Malaysia (BNM) and Monetary Authority of Singapore (MAS), with the collaboration of financial institutions – seeks to ease the policy and regulatory compliance burden by automating compliance procedures, providing real-time transaction monitoring and increasing transparency and visibility around country-specific policies.

In doing so, it aims to address key challenges identified during Project Dunbar, which developed an experimental multiple central bank digital currency (mCBDC) platform.

Source: <https://www.bnm.gov.my>



Malaysia

### **MALAYSIA: BNM: Micro and Small Businesses Will Continue to Enjoy Zero-Cost DuitNow QR Payments; No New Cost for Individual Customers**

Major banks and non-bank financial service providers will continue to waive transaction fees for micro and small businesses accepting DuitNow QR payments, which remains an affordable and cost-effective payment method, according to Bank Negara Malaysia (BNM). As for individual customers, the usage of DuitNow QR to make payments will not incur any additional charges, the central bank said.

It was addressing concerns over the imposition of a transaction fee — the merchant discount rate (MDR) — by some acquirers on businesses that accept DuitNow QR payments from 1 October 2023 following the end of a temporary waiver that was introduced in 2019.

Acquirers are banks or non-bank financial service providers that provide merchant-acquiring services that enable businesses to accept electronic payments for the sale of goods and services.

For businesses, any transaction fee imposed on QR payments remains as low as, or lower than, fees imposed on payments using credit cards.

The transaction fee is intended to cover costs and investments needed by the industry to upkeep their payment systems, including cybersecurity and fraud prevention controls, in order to maintain the high service and security standards for payment services.

Source: <https://theedgemaalaysia.com>

## Local & Global News



Malaysia

### **MALAYSIA: JC3 Announces Initiatives to Support an Inclusive Transition to a Greener Economy**

The Joint Committee on Climate Change (JC3) has announced five key initiatives to expedite the transition of businesses and farmers towards low-carbon practices. The announcements were made at the JC3 Journey to Zero Conference. It underlines JC3's commitment to pursue accelerated climate action and emphasises the critical role of the financial industry in enabling a sustainable agenda for the country.

These public and private sector collaborations encompass the following:

- 1. Greening Industrial Parks** - This pilot project, in partnership with the Ministry of International Trade and Industry, Malaysian Investment Development Authority and SIRIM aims to transition the management of industrial parks and operations of their tenant companies to low-carbon and sustainable practices. These include developing infrastructure such as integrated waste management, use of renewable energy, measurement, monitoring, and reporting of greenhouse gas (GHG) emissions as well as verification systems. Leveraging SIRIM's cutting-edge S.M.A.R.T solution, designed for sustainable processes and practices, these industrial parks will be able to enhance their efficiency, minimise waste, reduce carbon footprint, and ensure eco-friendly production processes.
- 2. Greening Value Chain programme with Bursa Malaysia** - Following the positive outcomes from the JC3 Greening Value Chain (GVC) pilot programme which was announced in 2022 in conjunction with the Finance Day at COP-27 and has enabled more than 80 participating small and medium enterprises (SMEs) within the supply chain of four corporates to start measuring and reporting their GHG emissions, the Bursa Malaysia's Centralised Sustainability Intelligence Platform (CSI) is now collaborating with the JC3's GVC programme. Through the collaboration, more SMEs within the supply chain of Public Listed Companies (PLCs) can benefit from capacity-building support, GHG emissions reporting tools, and transition finance facilities.
- 3. RM1 billion portfolio guarantee scheme for ESG financing** - Credit Guarantee Corporation Malaysia Berhad (CGC) in partnership with 18 participating banks will offer RM1 billion portfolio guarantee scheme. This is for ESG financing to support wider access to financing for SMEs.
- 4. ESG jump-start portal** - In addition, a one-stop online portal for SMEs to access foundational information to jump-start their sustainability journey is now available on the JC3 website. The portal contains useful and practical information on capacity-building programs, certification schemes, financial and incentive schemes. It also showcases other relevant resources offered by the financial industry, government agencies and other partner organisations.
- 5. Green AgriTech** - JC3 is taking steps to further empower the agriculture sector via collaborative partnership with the Ministry of Agriculture and Food Security (MAFS), Lembaga Pertubuhan Peladang (LPP), and the Malaysia Digital Economy Corporation (MDEC) to pilot the Green AgriTech programme, with a key focus on the ESG agenda for the agriculture sector. The program aims to encourage the adoption of green technology and sustainable agriculture practices among local farmers.

The JC3 has also issued the 2023 Climate Data Catalogue (DC) on its website reflecting the latest set of data needs and sources. The 2023 DC is more comprehensive, incorporating additional data items compared to the first version issued in December 2022. The latest release now features a total of 249 granular data items mapped to 399 data sources from 135 data providers. The availability of required data items in terms of sources, time-series and granularity has also improved. The 2023 DC is available in both Excel and web-based versions.

Further details are available at <https://www.jc3malaysia.com/>

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



## Local & Global News



Asia

### **ASIA: Singapore Exchange Launches its First Ammonia Futures Contract**

The Singapore Exchange launched the first ammonia swap and futures contracts aimed at meeting hedging needs from the power sector as interest in the energy-transition fuel grows.

The SGX Argus Ammonia Middle East free on board (FOB) and the East Asia Swap/Futures cost and freight (C&F) contracts start from October and they can be traded for up to 24 consecutive contract months, said William Prajogo, SGX's commodities director.

Each contract lot is 500 metric tons for the swaps contracts and 100 tons for the futures contracts. The contracts will trade every UK business day during Singapore time and will be cash settled using weekly prices from price reporting agency Argus.

"Ammonia is a new market and traditionally used by the fertilizers sector, but this launch is driven more by the growing demand and interest from the non-traditional sectors, including the power generation sector and potentially, the shipping and hydrogen sectors," said Prajogo.

"These contracts will be the first in Asia for the pricing points we cover, which include FOB Middle East and CFR East Asia," he added.

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



World

### **WORLD: Fund Managers Turn to Lawyers for ESG Failures**

Investment managers are losing patience with corporate foot-dragging on key environmental, social, and governance (ESG) metrics, and are starting to see legal action as the logical next step, according to the head of Britain's biggest sustainable finance association.

"Investors are frustrated at the pace of progress in many of the larger corporates, for example fossil fuel companies," James Alexander, chief executive of the UK Sustainable Investment and Finance Association (UKSIF), said in an interview. "There is a real appetite for using litigation."

Turning to lawyers represents an escalation of investor tactics to push portfolio companies to mitigate environmental or social harm and prevent bad governance. Last year, shareholders brought lawsuits against four companies based in Britain for alleged ESG-themed violations under the UK Financial Services and Markets Act. Lawyers advising investors say a case doesn't need to prevail in the courts for the strategy to be declared a success.

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

## Local & Global News



World

### **WORLD: WhatsApp Clampdown Highlights Video Call Compliance Threat for Finance Firms**

With text messages and emails under tightened surveillance, financial firms may now have to screen staff video calls for possible rule-breaking, amid concern regulators are poised to scrutinise such calls for compliance breaches.

So far, a sector-wide crackdown led by the United States (US) Securities and Exchange Commission (SEC) has focused on business-related text messages over unauthorised platforms, such as WhatsApp, which went untracked and unrecorded by regulated firms, largely during COVID-19 lockdowns when thousands of employees were working from home.

The SEC declined to comment for this story but two people with knowledge of the US investor probes said they were concerned the SEC would expand recording requirements to Zoom calls, or similar forms of communication.

Finance firms are now engaging technology specialists, law firms and risk consultants to ensure video calls are monitored and retained as required, to meet record-keeping requirements and manage risks such calls could be used to share non-public information illegitimately.

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



World

### **WORLD: US SEC Collects Wall Street's Private Messages as WhatsApp Probe Escalates: Sources**

US securities regulator has collected thousands of staff messages from more than a dozen major investment companies, escalating its probe into Wall Street's use of private messaging apps.

Previously, the Securities and Exchange Commission (SEC) had asked the companies to internally review the messages in its investigation of Wall Street's use of WhatsApp, Signal and other unapproved messaging apps to discuss work.

The two-year crackdown into potential breaches of record-keeping rules initially targeted broker dealers, netting regulators over USD2 billion in fines.

While the media have reported that the SEC's "off-channel" communication probe has expanded to investment advisers, its move to review thousands of staff messages has not previously been reported.

It marks an escalation of the investigation and raises the stakes for the companies and executives concerned, by exposing their conduct to SEC scrutiny.

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

## Anti-Money Laundering News



### **MALAYSIA: Police Say i-Serve Transactions Under Scrutiny for Possible Link to MYAirline Graft Scandal, Freeze 15 Bank Accounts Worth RM5 Million**

Commercial crimes police are pouring over transactions involving i-Serve Online Mall Sdn Bhd to see if there is a paper trail linking the e-commerce company and troubled budget carrier MYAirlines whose co-founder is being investigated for money laundering offences.

Commercial Crimes Investigation Department director Datuk Seri Ramli Mohamed Yoosuf told that, investigators are looking into whether i-Serve's networks could have been used for illegal money laundering to fund the financially-strapped MYAirlines.

Preliminary investigation found that the suspect is believed to have conspired with the main mastermind in the i-Serve business as well as the business network in the company since 2018, suspected to be the result of investment money. The investigation is focused on examining transaction documents involving i-Serve's business.

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



### **ASIA: Billion-Dollar Money Laundering Case: 9 Out of 10 Accused in Singapore Have Cambodian Links**

The arrest of 10 foreigners in Singapore in a billion-dollar money laundering blitz has thrown the spotlight on their alleged links to business interests in Singapore and overseas, and the number of jurisdictions where some of them hold citizenship.

Using publicly available data, The Straits Times (ST) set about exploring their international and local links. ST was also provided information by a source affiliated with the United Nations, which highlighted the role played by scam centres in South-east Asia in human trafficking.

The 10 accused in the money laundering case here are citizens of seven different jurisdictions, including Cambodia. They are believed to have all originated from China. According to a gazette published by the Cambodian government, which lists the identity of new citizens, nine of them were granted Cambodian citizenship between Aug 2018 and March 2021. China does not allow dual citizenship status.

The granting of Cambodian citizenship for the nine was first reported by Cyber Scam Monitor, a website run by an anonymous group from the human rights, humanitarian, academic and media fields. ST also found that the same nine allegedly had links to firms in Cambodia.

Separately, a search of the 10 accused persons' business interests here found one common denominator on Accounting and Corporate Regulatory Authority (Acra) records. The man, identified by ST only as JJ, is listed as director or shareholder of 185 firms in Singapore.

The web of business and personal networks, and the sheer number of assets involved in the Singapore case, have proven a challenge to untangle.

The prosecution argued successfully for the accused persons' continued detention, saying that several are allegedly linked to fugitives from overseas jurisdictions and criminal syndicates based overseas. This information was obtained, in part, from the accused persons themselves.

The 10 accused individuals were arrested in August 2023. Subsequently, the Singapore Law Ministry wrote to dealers of precious metals and stones and flagged the names of individuals who could be linked to suspicious transactions. They identified 34 individuals, including the 10 accused persons.

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



## Anti-Money Laundering News



Asia

### **ASIA: Man Laundered About SGD450,000 in Scam Proceeds Through Singapore to China, Gets Jail**

A Singapore permanent resident originally from China helped launder more than SGD450,000 (USD333,360) in investment scam proceeds from victims in Taiwan and Singapore through Singapore to bank accounts in China. He also ran an illegal money remittance business, remitting a total of about SGD2.9 million from Singapore to China.

For his acts, 40-year-old Sun Weitao, was sentenced to two years, five months and eight weeks' jail and a fine of SGD27,000.

He contested to five money-laundering charges under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act but was convicted and pleaded guilty to a sixth charge of conspiring to carry out a remittance business without a license.

Sun and his friend Wei Hong Tao, a 55-year-old Singapore permanent resident from China, entered into an arrangement in November 2017 with a "shadowy individual" known as Zhong Wen Liang. Wei had received a call from Zhong, a friend of more than 10 years, who offered a money-making opportunity to Wei.

Zhong claimed that his friend was selling health products and tea overseas and needed a corporate bank account in Singapore to collect payment, before transferring it to bank accounts in China. When Wei asked why Zhong's friend could not transfer the money directly, Zhong said it was because of currency controls, court documents stated.

Wei did not have a corporate account, so he contacted Sun and shared the opportunity. They were to receive 2 per cent of the money received as commission. Under the arrangement, Sun was to set up Singapore corporate bank accounts under the name of his Singapore company, Sun Sky International, which Sun was the sole director and owner.

Wei would then provide remittance slips of purported customers who had transferred foreign currencies into the corporate bank accounts, and Sun would take a cut of the money before transferring it to bank accounts in China for the benefit of Zhong. In this way, Sun and Wei helped Zhong retain criminal proceeds from at least five victims of cheating from Taiwan in Singapore.

During the trial, Taiwanese victims testified remotely, with the assistance of Taiwanese authorities. They had lodged police reports in Taiwan after discovering, they had been scammed.

Wei, who pleaded guilty earlier and was sentenced to two years and eight weeks' jail and a fine of SGD70,000.

Separately, Sun admitted to running an illegal money remittance business. Between December 2017 and November 2018, he and Wei used Sun Sky International's corporate accounts in Singapore to receive about USD1.5 million (SGD2 million) and SGD941,000 transmit to bank accounts in China.

None of the laundered proceeds had been recovered, except for SGD30,000 from Wei.

There was transnational element to the offences, with the sums transferred into and out of Singapore facilitating the passing of criminal proceeds from victims of investment scams in Taiwan and Singapore to China.

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

## Islamic Finance News



Malaysia

### **MALAYSIA: Use Value-Based Finance for Greater Impact, BNM Tells Islamic Finance Sector**

Bank Negara Malaysia (BNM) is calling on the Islamic financial sector to effectively utilise value-based finance for greater impact. BNM governor Datuk Shaik Abdul Rasheed Abdul Ghaffour said the financial community should take greater leadership in promoting sustainable growth for the nation and beyond.

This is through promoting economic and sustainability transformation through innovative solutions, while the second is enhancing value-based finance implementation.

“The space for innovation in Islamic finance is vast, and yet, to this day, the full potential of Islamic finance has not been fully optimised as a tool for meaningful change to meet the world’s financial needs.

“We have diverse Shariah contracts and instruments which can be tailored to engineer solutions that can serve varying needs of different segments of society,” he said when opening the 18th Kuala Lumpur Islamic Finance Forum (KLIFF 2023).

“A step-change in the ‘tone at the top’ is of utmost importance to create a domino-effect of positive actions that permeate throughout the institution – from corporate value intent to business strategies and operations, business conduct, performance measurement and also, impact reporting.

“This holistic change must be driven from the boardrooms with cascading effect to the frontlines for positive impact to be felt by customers and wider stakeholders,” he said. He also said that Malaysia faces significant challenges in sustainable economic transformation, including tightening monetary policy, inflation, global trade and tech cycle downturn.

Despite these, he said the economy showed resilience and has recovered well from the pandemic. “Our economic growth has been forthcoming. Fundamentally, growth is being supported by the diversified economic structure, including in exports markets and products, and favourable labour market conditions that continue to drive consumption as the key engine of growth for Malaysia,” he said.

Source: <https://the.malaysianreserve.com>



Malaysia

### **MALAYSIA: Securities Commission Unveils Principles-Based Maqasid Al-Shariah for Islamic Capital Market**

The Securities Commission Malaysia (SC) introduced the principles-based Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia, a fundamental developmental effort to further promote a strong and resilient industry.

The Guidance provides universal guiding principles to enhance Islamic capital market’s (ICM) competitive advantage and fortify ICM’s impact and contribution to society and the real economy. By adhering to the highest ethical standards based on core Shariah principles, the initiative is expected to sustain the trust and confidence of its stakeholders.

This is also in line with the SC’s Capital Market Masterplan 3 (CMP3), which seeks to recognise Malaysia as a global leader in ICM and enhance Malaysia’s position as a regional centre for Shariah-compliant Sustainable and Responsible Investment (SRI).

As of August 2023, the Islamic capital market accounts for 64% or RM2.4 trillion of the Malaysian capital market.

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

## Ethics & Governance News



### **WORLD: National Australia Bank Ltd (NAB) Penalised AUD2.1 Million for Unconscionable Conduct Over Account Fees**

The Australia's Federal Court has ordered the National Australia Bank Ltd (NAB) to pay AUD2.1 million penalty for unconscionable conduct, by continuing to charge periodic payment fees to its customers even though NAB knew it had wrongfully charged the customer. In addition to the penalty, NAB was also ordered to publish an adverse publicity notice on its website and pay ASIC's costs.

According to the ASIC Deputy Chair Sarah Court, NAB had continued to charged periodic payment fees on 74,593 occasions between January 2017 to July 2018 totalling AUD139,845 to its 2,888 personal banking customers and 513 business banking customers even though NAB knew it had no contractual entitlement to do so. In addition, it took NAB over two years to stop charging these incorrect fees, which was clearly unacceptable.

From the investigation, the Court concluded that the central cause of NAB's wrongful charging was the bank's inability to manage its own computer systems and its unwillingness to apply sufficient resources to remedy the problem in a timely manner. NAB therefore had breached the Australian Securities and Investments Commission (ASIC) Act.

NAB has undertaken a remediation exercise and paid approximately AUD9 million to affected customers who incurred incorrect periodic payment fees from 1 August 2001.

Source: <https://asic.gov.au>



### **WORLD: Charter Communications to Pay USD25 Million Penalty for Stock Buyback Controls Violations**

The Securities and Exchange Commission (SEC) announced, settled charges against Charter Communications Inc. (Charter) for violating internal accounting controls requirements relating to its stock buybacks.

According to the SEC's order, Charter's board authorized company personnel to conduct certain buybacks using trading plans that conform to SEC Rule 10b5-1. However, the SEC's order finds that, from 2017 to 2021, Charter used plans that included "accordion" provisions, which company personnel described as giving Charter flexibility, that allowed Charter to change the total dollar amounts available to buy back stock and to change the timing of buybacks after the plans took effect. These plans did not comport with the board's authorizations.

Charter's repeated use of trading plans that did not conform to Rule 10b5-1 was the result of the company's insufficient internal accounting controls, in particular, its absence of reasonably designed controls to analyse whether the discretion the accordion provisions gave executives to alter the company's trading was consistent with the board's authorizations.

The SEC's order finds that Charter violated Section 13(b)(2)(B) of the Exchange Act. Without admitting or denying the findings in the order, Charter agreed to cease-and-desist from further violations of Section 13(b)(2)(B) and pay a civil penalty of USD25 million.

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

## Ethics & Governance News



World

### **WORLD: The Autorité des Marchés Financiers (AMF) Enforcement Committee Fines Rallye and its CEO for Market Manipulation**

The France's financial watchdog, The Autorité des Marchés Financiers (AMF) fined Rallye, which is the parent of the troubled supermarket chain Casino (CASP.PA), EUR25 million and its chief executive, Franck Hattab, EUR1 million for disseminating false or misleading information that is likely to secure the price of one or several financial instruments at an abnormal or artificial level.

The AMF found that Rallye and Franck Hattab disseminated false or misleading information about Rallye's financial position on 11 occasions between 8 March 2018 and 15 May 2019 through 14 communication channels, including Rallye's 2017 annual results, its 2018 half-year results and its 2018 annual results. Rallye gave investors a more favourable image of its liquidity situation than what existed and was likely influenced by market perception and set its stock at an abnormal or artificial level.

In fact, due to certain clauses and guarantees in the financing contracts, its liquidity situation depended on the Casino share price, which was highly volatile and subject to persistent downward pressure, to a greater extent than Rallye's financial communications suggested.

The AMF also found that Rallye knew or ought to have known that the information was false or misleading and that the failings were attributable to Mr Hattab, Rallye's chief executive officer and Head of Financial Communications at the time of the facts.

Source: <https://www.amf-france>



World

### **WORLD: Albemarle Corporation to Pay the Securities and Exchange Commission (SEC) More than USD103 Million to Settle Foreign Corrupt Practices Act (FCPA) Violations**




The Securities and Exchange Commission (SEC) charged Charlotte-based Albemarle Corporation, a global specialty chemicals company, which violated the anti-bribery, recordkeeping, and internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA).

From 2009 to 2017, Albemarle used third parties to pay bribes to government officials in order to retain chemical catalyst business with state-owned oil refineries in Vietnam, Indonesia, and India. Albemarle also failed to maintain a proper internal accounting control system and to record reasonable assurances that payments made to third party agents in Vietnam, Indonesia, India, China, and the United Arab Emirates were for legitimate purpose.



Albemarle entered into a three-year non-prosecution agreement as part of the settlement where they agreed to pay USD99 million criminal fine which violated the anti-bribery, recordkeeping, and internal accounting controls provisions of the Securities Exchange Act of 1934.

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

## REGULATORY ALERTS



Circulars/Guidelines																
	28.08.23	Counter Notification	<p>Bursa Malaysia Securities Berhad has prescribed the securities for the following counters which are proposed to be listed on its Official List (Prescribed Securities), to be deposited with Bursa Malaysia Depository Sdn Bhd ('Central Depository').</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 40%;">Counters</th> <th style="width: 15%;">Listing Board</th> <th style="width: 40%;">Prescribed Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Mercury Securities Group Berhad (0285)</td> <td style="text-align: center;">ACE Market</td> <td style="text-align: center;">29.08.2023 to 29.09.2023</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Evergreen Max Cash Capital Berhad (0286)</td> <td style="text-align: center;">ACE Market</td> <td style="text-align: center;">30.08.2023 to 2.10.2023</td> </tr> </tbody> </table>	No	Counters	Listing Board	Prescribed Period	1.	Mercury Securities Group Berhad (0285)	ACE Market	29.08.2023 to 29.09.2023	2.	Evergreen Max Cash Capital Berhad (0286)	ACE Market	30.08.2023 to 2.10.2023	Effective: N/A
No	Counters	Listing Board	Prescribed Period													
1.	Mercury Securities Group Berhad (0285)	ACE Market	29.08.2023 to 29.09.2023													
2.	Evergreen Max Cash Capital Berhad (0286)	ACE Market	30.08.2023 to 2.10.2023													
	29.08.23	Guidelines for the Offering, Marketing and Distribution of Foreign Funds	<p>The Securities Commission Malaysia (SC)'s Revised Guidelines for the Offering, Marketing and Distribution of Foreign Funds (Guidelines) issued on 29 August 2023 include several key amendments.</p> <ol style="list-style-type: none"> <li>1. introduces the Foreign Exempt Scheme (FES) Framework for offering foreign funds to certain accredited investors and high-net worth entities by local fund management companies or their related corporations.</li> <li>2. allows foreign exchange-traded fund (ETF) operators to list up to five non-plain vanilla ETFs (i.e. leveraged ETF, inverse ETF and synthetic ETF) and inserts additional obligations for foreign ETF operators.</li> <li>3. adds additional obligations for parties involved in submitting to the SC for foreign funds.</li> <li>4. qualifying collective investment scheme (CIS) related provisions have been amended to reflect the admission of new signatory to the ASEAN Capital Markets Forum (ACMF) Retail MoU and the issuance of ASEAN Sustainable and Responsible Fund Standards.</li> <li>5. enhances clarity of certain requirements under the Guidelines.</li> </ol>	Effective: 29.08.23												
	29.08.23	Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework	<p>The SC's Revised Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued on 29 August 2023, has been amended to expand the permissible investments of wholesale funds including investments via Special Purpose Vehicle (SPV), accommodate the introduction of the Foreign Exempt Scheme (FES) framework and enhance clarity of certain requirements.</p>	Effective: 29.08.23												

## REGULATORY ALERTS


Circulars/Guidelines				
	07.09.23	<p>Issuance of revised Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives</p>	<p>The SC has issued the revised Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives (SBC Guidelines) to enable fractional share trading service by a stockbroking company.</p> <p>The amendments to the SBC Guidelines provide the framework and requirements on the offering of fractional share trading services by a stockbroking company for shares listed on Bursa Malaysia. These amendments are aimed to facilitate provision and implementation of fractional share trading which will increase affordability and flexibility for investors to enter the capital market.</p> <p>Any stockbroking company that wishes to offer fractional share trading service is required to notify the SC prior to offering the service.</p>	Effective: 07.09.23
	07.09.23	<p>Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives</p>	<p>The revised Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives has been amended to facilitate the provision and implementation of fractional share trading services. Key amendments include introducing requirements related to such services and adding additional amendments to provide greater clarity in the guidelines.</p> <p>A new Section 9B: Provision of Fractional Share Trading Service has been added outlining the requirements a stockbroking company must comply with when offering fractional share trading services on Bursa Securities listed shares.</p> <ul style="list-style-type: none"> <li>• A stockbroking company offering fractional share trading services must inform the SC in writing at least 14 days before commencing such service.</li> <li>• The stockbroking company must disclose order execution and cancellation procedures to customers fairly, ensure system resiliency, reliability and integrity in its fractional share trading service, prevent matching of orders with another customer's order, implement price transparency, execute orders at the prevailing market price, ensuring price transparency and executing orders at the prevailing market price including through regular monitoring on price display, provide clear and adequate disclosures about fees payable, entitlement to participate in corporate actions, dividend payment, voting rights and others, and have adequate policies and procedures for proper supervision of the service and trades undertaken.</li> </ul>	Effective: 07.09.23




## REGULATORY ALERTS

Circulars/Guidelines				
			<ul style="list-style-type: none"> <li>Stockbroking companies are required to submit monthly information specified by the SC via the Common Reporting (ComRep) portal, no later than 14 days after the end of the reporting month.</li> <li>The SC can impose terms and conditions on stockbroking companies regarding their fractional share trading service at any time, where it deems necessary.</li> <li>The notification submission should be in hard copies and addressed to: - Chairman Securities Commission Malaysia 3 Persiaran Bukit Kiara 50490 Kuala Lumpur (Attention: Supervision Department)</li> </ul>	
	07.06.23	List of Acceptable Issuing or Confirming Banks for Letter of Credit (LC)	<p>The List of Acceptable Issuing or Confirmation Banks for Letter of Credit has been updated and is now in effect.</p> <p><u>Trading Clearing Participants</u> must obtain approval from Bursa Malaysia Securities Clearing Sdn Bhd on the bank's acceptability before obtaining or extending a Letter of Credit, as per Chapter 5 of the Equities Margin Operational Procedures.</p> <p>For details of the updated List of Acceptable Issuing or Confirming Banks for Letter of Credit, please refer to the circular.</p>	Effective: 07.09.23
	07.09.23	List of Acceptable Issuing or Confirming Banks for Letter of Credit (LC)	<p>The List of Acceptable Issuing or Confirmation Banks for Letter of Credit has been updated and is now in effect.</p> <p><u>Clearing Participants</u> must obtain approval from Bursa Malaysia Derivatives Clearing Berhad on the bank's acceptability before obtaining or extending a Letter of Credit, as per Chapter 7 of the Clearing Participants' Manual.</p> <p>For details of the updated List of Acceptable Issuing or Confirming Banks for Letter of Credit, please refer to the circular.</p>	Effective: 07.09.23


## REGULATORY ALERTS

Circulars/Guidelines				
	08.09.23	Management of Social Media Influencers	<p>The SC has emphasised the importance of responsible and ethical marketing and promotional activities using Social Media Influencers by intermediaries<sup>1</sup>, aiming to benefit investors and the market ecosystem.</p> <p>Capital market intermediary means – (a) a Capital Markets Services Licence (CMSL) holder; (b) a registered person; or (c) a person registered under section 76A of the CMSA to provide capital market services.</p> <p>Social media influencers are required to register as Marketing Representatives according to the SC's Guidelines for Marketing Representatives, as they provide information about intermediaries' products and services online.</p> <p>Intermediaries appointing Social Media Influencers must establish robust procedures for registration, monitoring, and supervising their activities to ensure they operate within permitted boundaries and do not misrepresent themselves as licensed individuals.</p> <p>Intermediaries are required to strengthen their practices and supervisory controls by registering Social Media Influencers as Marketing Representatives ("MRs"), compliance with the SC's Marketing Representative ("MR") Guidelines, adopting policies and procedures to ensure promotional materials comply with the SC's Guidelines on Advertising for Capital Market Products and Related Services, and ensuring they do not provide investment advice.</p> <p>The SC will assess the implementation of the measures by Intermediaries within six months, and any further inquiries should be directed to the respective officer in the Intermediary and Fund Supervision Division of the SC.</p>	Effective: 08.09.23



## REGULATORY ALERTS

Circulars/Guidelines				
	08.09.23	<p>Rule Amendments in Relation to Harmonisation of the Framework for Proprietary Day Traders ("PDT") &amp; Salaried Dealer's Representatives Trading for Investment Account ("IVT") and Other Rule Amendment</p>	<p>Bursa Malaysia Securities Berhad ("BMS" or "the Exchange") has made rule amendments to harmonise proprietary trading frameworks for PDT and IVT. The PDT framework was introduced in 2007 to stimulate liquidity in the capital market and facilitate monitoring. The Exchange believes that the disparity in frameworks is no longer warranted, and it is timely to harmonise PDT and IVT under a single framework. The Exchange is also clarifying net short position thresholds for the suspension of short selling and making other amendments for clarity and consistency.</p> <p><u>Amendments to the BMS Rules and Directives</u></p> <p><u>Harmonisation of PDT and IVT</u> The BMS Rules and Directives have been amended to remove definitions related to PDT, such as "Day Trading", "Day Trading Activities Account", and "Proprietary Day Trader". The PDT category has been abolished as a category of Dealer's Representatives, and a Dealer's Representative carrying out proprietary trading is classified as a Salaried Dealer's Representative. The scope of a PDT's activities has been removed from Schedule 1 and Directive No. 7.05(1)-001 has been deleted.</p> <p>The BMS Rules and Directives have also been amended to remove provisions on the suspension of short selling of Day Trading Eligible Securities, remove the definition of "Day Trading Eligible Securities" and "short selling under Day Trading" from the definition of "total gross short position," clarify the account qualifier for an investment account in the Directive on the Use of Clearing Account, Error or Mistake Account and Investment Account, and remove any other provisions incidental to PDT.</p> <p><u>Amendments to Clarify the Thresholds for Suspension of Short Selling</u> Directive No. 8-002 has been amended to clarify the total net short position thresholds for suspension of Regulated Short Selling ("RSS") and Permitted Short Selling ("PSS").</p> <p>The net short position threshold for suspension of PSS of Exchange Traded Funds (ETF) units by an ETF Market Maker is based on the aggregated quantity of the total net short position of ETF units under PSS and RSS. This calculation reflects accumulated short selling in scenarios where PSS is executed by an ETF Market Maker on ETF units, a structured warrant issuer issues a put warrant on an underlying ETF, carrying out PSS on the underlying ETF units and RSS is carried out on ETF units once they are included in the Approved Securities list.</p>	Effective: 02.10.23




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Circulars/Guidelines				
			<p><u>Other Consequential Amendments</u> The BMS Rules and Directives have been amended to replace "brokerage" with "commission" and remove "dual license" due to its redundant.</p> <p><u>Amendments to the Participating Organisations' Trading Manual ("Trading Manual")</u> The Trading Manual has been updated to reflect the harmonisation of PDT and IVT, and other clarifications.</p> <p><u>Revocation of Additional RSS Net Short Position Threshold</u> The temporary threshold for suspension of RSS at net short positions totaling 4% of the outstanding securities of an Approved Securities, as prescribed in paragraph 2.3 of the Participating Organisations' Circular R/R 15 of 2020, will no longer apply from 2 October 2023, as market conditions have normalised and adequate control measures have been implemented to manage potential excessive volatility.</p>	
	08.09.23	<p>Expiry of Clearing Fee Payable for Trades in Day Trading Activities Accounts</p>	<p>The Participating Organisations' Circular No. R/R 6 of 2023, dated 8 September 2023 ("Annexure 1"), has announced amendments to the Rules of Bursa Malaysia Securities Berhad regarding the Harmonisation of the Framework for Proprietary Day Traders &amp; Salaried Dealer's Representatives Trading for Investment Account and Other Rule Amendments.</p> <p>The rebate on clearing fees payable for trades in Day Trading Activities Accounts, introduced under Circular No. G5 of 2011, will expire on 29 September 2023. In line with the harmonisation of the frameworks, the prescribed forms (Table C) will no longer be applicable from 2 October 2023.</p> <p>Moving forward, all clearing fees payable must be furnished in the following prescribed forms:- (a) Table A, Table A1 – Foreign Currency; and (b) Table B, Table B1 – Foreign Currency, for computing the clearing fee payable for Novated Contracts and Direct Business Contracts.</p> <p><u>Amendments to the Clearing and Settlement Operational Procedures</u> The Clearing and Settlement Operational Procedures has been updated in Chapter 4, clearing Fee.</p>	<p>Effective: 02.10.23</p>

## REGULATORY ALERTS



Circulars/Guidelines				
	08.09.23	<p>CDS Procedures Manual for Authorised Depository Agents Consequent to the Harmonisation of the Framework for Proprietary Day Traders and Salaried Dealer's Representatives Trading for Investment Account</p> <ul style="list-style-type: none"> <li>• Chapter 4 – Section 4.1 Account Management Module</li> <li>• Appendix 16 – Guidelines on Account Qualifier</li> <li>• Appendix 17 – Codes for ADA</li> </ul>	<p>Bursa Malaysia Depository Sdn Bhd has amended Chapter 4, Section 4.1 – Account Management Module, Appendix 16 and Appendix 17 of the Procedures Manual for Authorised Depository Agents (ADA) to align the framework for Proprietary Day Traders (PDT) and Salaried Dealer's Representatives Trading for Investment Account (IVT) with the Participating Organisations' Circular No. R/R 6 of 2023.</p> <p>Please replace existing Chapter 4, Section 4.1 Account Management Module, Appendix 16 and Appendix 17 with the updated copies in Annexure 1 of the circular or refer to the latest CDS Procedures Manual on Bursa Malaysia's website.</p>	Effective: 02.10.23
	08.09.23	Counter Notification for SSF Home Group Berhad (0287)	<p>Bursa Malaysia Securities Berhad has prescribed the securities of SSF Home Group Berhad (0287) which will be listed on the ACE Market ("Prescribed Securities"), to be deposited with Bursa Malaysia Depository Sdn Bhd ("Central Depository").</p> <p>Prescribed Period shall be from 11.09.2023 to 11.10.2023.</p>	Effective: N/A
	03.07.23	Consequential Amendments to the Directives of Bursa Malaysia Derivatives Berhad ("BMD Directives")	<p>Bursa Malaysia Derivatives Berhad ("BMD") has made consequential amendments to its BMD Directives. The amendments are to ensure consistency and clarity in terms used under both BMD and Bursa Malaysia Securities Berhad Rules.</p> <p>The BMD Directives have been amended to replace "brokerage" with "commission" for consistency and remove "dual license" references due to the SC's adoption of a single licensing regime for capital market intermediaries under the Capital Markets and Services Act 2007 (CMSA).</p>	Effective: 08.09.23

## REGULATORY ALERTS



Circulars/Guidelines				
	12.09.23	<p>Bursa Malaysia Securities Berhad's Enforcement Action Against a Commissioned Dealer's Representative of a Broker for Misconducts and Violation of Rule</p>	<p>Bursa Malaysia has publicly reprimanded and fined KKL for misconducts and violations of rules, including personal/unauthorised trades and misuse of monies in two clients' accounts, despite KKL's ceased registration. The fine amounts to RM27,600.</p> <p>KKL, a Commissioned Dealer's Representative of a broker violated rules of Bursa Malaysia Securities and other relevant rules. Bursa Malaysia Securities is serious about misconduct that affects the professional conduct and integrity of Registered Persons and clients' protection. Bursa Malaysia Securities will take appropriate actions against those engaging in such misconduct, including removing a Registered Person from the Register and imposing a fine.</p> <p>As a registered person acting as a Dealer's Representative, KKL must always observe professional conduct and standards of integrity; exercise proper skill, care and diligence; act honestly and in the best interest of the client; perform his duties efficiently, honestly, and fairly; and not abuse or misuse client's monies / assets / accounts.</p> <p>For complete details, please refer to the Participating Organisations' Circular G 26 of 2023.</p>	Effective: N/A
	20.09.23	<p>Counter Notification for Minox International Group Berhad (0288)</p>	<p>Bursa Malaysia Securities Berhad has prescribed the securities of Minox International Group Berhad (0288) which will be listed on the ACE Market ("Prescribed Securities"), to be deposited with Bursa Malaysia Depository Sdn Bhd ('Central Depository').</p> <p>Prescribed Period shall be from 21.09.2023 to 23.10.2023</p>	Effective: N/A
	02.10.23	<p>Bank Negara Malaysia's Exposure Draft on Islamic Collateralised Funding</p>	<p>This exposure draft outlines the proposed standards and guidelines in relation to Islamic financial instruments used in the Islamic Interbank Money Market (IIMM) comprising sell and buy back (SBBA) and collateralised commodity murabahah (CCM) transactions used to source and provide funding for liquidity management in the IIMM.</p> <p>Bank Negara Malaysia (BNM) invites written feedback on the proposals in this exposure draft. The written feedback should be supported with clear rationale, accompanying evidence or appropriate illustrations to facilitate an effective review of this exposure draft.</p> <p>Responses must be submitted electronically to the BNM by 31 October 2023 to <a href="mailto:immu@bnm.gov.my">immu@bnm.gov.my</a>. Submissions received may be made public unless confidentiality is specifically requested for the whole or part of the submission.</p>	Effective: N/A




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Circulars/Guidelines																				
	17.10.23	<p>Exemption of Sales and Services Tax (SST) on Brokerage Fees</p>	<p>The Sales and Services Tax (SST) exemption on brokerage fees for trading of shares listed on Bursa Malaysia Berhad remains in place, as per the Minister of Finance Budget Speech 2024 on 13 October 2023.</p> <p>However, the following list of fees charged by Bursa Malaysia Berhad and its subsidiaries will be subject to 8% service tax effective from 1 March 2024.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #D3D3D3;"> <th style="text-align: center;">Entity</th> <th style="text-align: center;">Type of fees</th> </tr> </thead> <tbody> <tr> <td>Bursa Malaysia Berhad</td> <td> <ul style="list-style-type: none"> <li>Network equipment rental charged to the Information Vendors</li> <li>Workshop fee</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Securities Berhad</td> <td> <ul style="list-style-type: none"> <li>Bursa access fee</li> <li>Bursa Link access fee</li> <li>Securities trading fees</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Derivatives Berhad</td> <td> <ul style="list-style-type: none"> <li>All fees relating to information services &amp; market data</li> <li>Conference and workshop fee</li> <li>Derivatives trading fees</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Depository Sdn Bhd</td> <td> <ul style="list-style-type: none"> <li>CDS access fees</li> <li>CDS-STP processing fees</li> <li>E-RAPID processing fees</li> <li>CDS custody fees</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Information Sdn Bhd</td> <td> <ul style="list-style-type: none"> <li>All fees relating to information services &amp; market data</li> <li>ESG advisory fees</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Securities Clearing Sdn Bhd</td> <td> <ul style="list-style-type: none"> <li>Institutional Settlement Service ("ISS") fees</li> <li>Central Matching Facility ("CMF") fees</li> </ul> </td> </tr> <tr> <td>Bursa Malaysia Islamic Services Sdn Bhd</td> <td> <ul style="list-style-type: none"> <li>Trading fees on Bursa Suq Al-Sila' ("BSAS")</li> </ul> </td> </tr> </tbody> </table>	Entity	Type of fees	Bursa Malaysia Berhad	<ul style="list-style-type: none"> <li>Network equipment rental charged to the Information Vendors</li> <li>Workshop fee</li> </ul>	Bursa Malaysia Securities Berhad	<ul style="list-style-type: none"> <li>Bursa access fee</li> <li>Bursa Link access fee</li> <li>Securities trading fees</li> </ul>	Bursa Malaysia Derivatives Berhad	<ul style="list-style-type: none"> <li>All fees relating to information services &amp; market data</li> <li>Conference and workshop fee</li> <li>Derivatives trading fees</li> </ul>	Bursa Malaysia Depository Sdn Bhd	<ul style="list-style-type: none"> <li>CDS access fees</li> <li>CDS-STP processing fees</li> <li>E-RAPID processing fees</li> <li>CDS custody fees</li> </ul>	Bursa Malaysia Information Sdn Bhd	<ul style="list-style-type: none"> <li>All fees relating to information services &amp; market data</li> <li>ESG advisory fees</li> </ul>	Bursa Malaysia Securities Clearing Sdn Bhd	<ul style="list-style-type: none"> <li>Institutional Settlement Service ("ISS") fees</li> <li>Central Matching Facility ("CMF") fees</li> </ul>	Bursa Malaysia Islamic Services Sdn Bhd	<ul style="list-style-type: none"> <li>Trading fees on Bursa Suq Al-Sila' ("BSAS")</li> </ul>	Effective: 01.03.24
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	18.10.23	<p>Simplified Environment, Social and Governance Disclosure Guide (SEDG) for SMEs in Supply Chains</p>	<p>As an affiliate of the SC, Capital Markets Malaysia (CMM) has launched the Simplified Environment, Social and Governance Disclosure Guide (SEDG) for SMEs (small and medium enterprises) in Supply Chains, making Malaysia the first country globally to provide SMEs within global supply chains with a streamlined and standardised set of guidelines for environment, social and governance (ESG) disclosures.</p> <p>Capital Markets Malaysia (CMM) also launched its SEDG Adopter Programme, providing SMEs nationwide training, tutorials and workshops to guide them in disclosing ESG data.</p> <p>The SEDG Adopter programme has received overwhelming reception from major multinational supply chain players, SMEs, numerous financial institutions, government agencies, NGOs and several local chambers of commerce.</p>	Effective: 23.10.23																

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 <p style="font-size: 8px; margin-top: 5px;">BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</p>  <p style="font-size: 8px; margin-top: 5px;">Suruhanjaya Sekuriti Securities Commission Malaysia</p>	23.10.23	<p>Joint Committee on Climate Change (JC3) Announces Initiatives to Support an Inclusive Transition to a Greener Economy</p>	<p>The Joint Committee on Climate Change (JC3) has announced five key initiatives to accelerate the transition of businesses and farmers towards low-carbon practices. These initiatives were made at the Joint Committee on Climate Change (JC3) Journey to Zero Conference, emphasising the critical role of the financial industry in enabling a sustainable agenda for the country.</p> <p>Public and private sector collaborations include greening industrial parks, a greening value chain programme with Bursa Malaysia, a RM1 billion portfolio guarantee scheme for Environment, Social and Governance (ESG) financing, an Environment, Social and Governance (ESG) jump-start portal, and green agriTech.</p> <ol style="list-style-type: none"> <li>1. <u>Greening Industrial Parks</u> The pilot project in collaboration with the Ministry of International Trade and Industry, Malaysian Investment Development Authority and SIRIM, aims to transition industrial parks and tenant companies' operations to low-carbon and sustainable practices, This includes developing infrastructure for integrated waste management, renewable energy use, greenhouse gas (GHG) emissions measurement, monitoring and verification systems. The project uses SIRIM's S.M.A.R.T solution to enhance efficiency, minimize waste, reduce carbon footprint, and ensure eco-friendly production processes.</li> <li>2. <u>Greening Value Chain programme with Bursa Malaysia</u> Bursa Malaysia's Centralised Sustainability Intelligence Platform (CSI) is collaborating with the JC3 Greening Value Chain (GVO) programme, following the successful pilot program that enabled over 80 small and medium enterprises (SMEs) to measure and report their GHG emissions. The collaboration will provide capacity-building support, GHG emissions reporting tools and transition finance facilities to more small and medium enterprises (SMEs) within the supply chain of Public Listed Companies (PLCs).</li> <li>3. <u>RM1 billion portfolio guarantee scheme for Environment, Social and Governance (ESG) financing</u> Credit Guarantee Corporation Malaysia Berhad (CGC) and 18 participating banks will offer a RM1 billion portfolio guarantee scheme for Environment, Social and Governance (ESG) financing, aiming to broaden small and medium enterprises (SMEs) access to financing.</li> </ol>	Effective: 23.10.23



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Circulars/Guidelines																																																								
			<p>4. <u>Environment, Social and Governance (ESG) jump-start portal</u> The JC3 website now offers a one-stop online portal for small and medium enterprises (SMEs) to access foundational information on capacity-building programs, certification schemes, financial and incentive schemes, as well as other resources offered by the financial industry, government agencies, and partner organisations to jump-start their sustainability journey.</p> <p>5. <u>Green AgriTech</u> The Joint Committee on Climate Change (JC3) is partnering with the Ministry of Agriculture and Food Security (MAFS), Lembaga Pertubuhan Peladang (LPP), and the Malaysia Digital Economy Corporation (MDEC) to pilot the Green AgriTech program, focusing on the Environment, Social and Governance (ESG) agenda for the agriculture sector. The program aims to encourage the adoption of green technology and sustainable farming practices among local farmers.</p> <p>The Joint Committee on Climate Change (JC3) has released the 2023 Climate Data Catalogue (DC) on its website, reflecting the latest data needs and sources. The updated version includes 249 granular data items from 399 sources from 135 providers, improving the availability of required data items in terms of sources, time-series, and granularity. The 2023 Climate Data Catalogue (DC) is available in both Excel and web-based versions.</p>																																																					
	24.10.23	<p>2024 Important Dates for FCPO, FPKO and FEPO Tender Processing</p>	<p>Please take note of the following schedule of dates in reference to the FCPO, FPKO and FEPO tender processing: -</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Contract Month</th> <th style="text-align: center;">Last Day to Match Out</th> <th style="text-align: center;">First Day of Tender</th> <th style="text-align: center;">Last Day of Tender</th> </tr> </thead> <tbody> <tr><td>January 2024</td><td>28 December 2023</td><td>2 January 2024</td><td>19 January 2024</td></tr> <tr><td>February 2024</td><td>30 January 2024</td><td>2 February 2024</td><td>20 February 2024</td></tr> <tr><td>March 2024</td><td>28 February 2024</td><td>1 March 2024</td><td>20 March 2024</td></tr> <tr><td>April 2024</td><td>27 March 2024</td><td>1 April 2024</td><td>19 April 2024</td></tr> <tr><td>May 2024</td><td>29 April 2024</td><td>2 May 2024</td><td>20 May 2024</td></tr> <tr><td>June 2024</td><td>30 May 2024</td><td>4 June 2024</td><td>20 June 2024</td></tr> <tr><td>July 2024</td><td>27 June 2024</td><td>1 July 2024</td><td>19 July 2024</td></tr> <tr><td>August 2024</td><td>30 July 2024</td><td>1 August 2024</td><td>20 August 2024</td></tr> <tr><td>September 2024</td><td>29 August 2024</td><td>2 September 2024</td><td>20 September 2024</td></tr> <tr><td>October 2024</td><td>27 September 2024</td><td>1 October 2024</td><td>18 October 2024</td></tr> <tr><td>November 2024</td><td>29 October 2024</td><td>1 November 2024</td><td>20 November 2024</td></tr> <tr><td>December 2024</td><td>28 November 2024</td><td>2 December 2024</td><td>20 December 2024</td></tr> </tbody> </table>	Contract Month	Last Day to Match Out	First Day of Tender	Last Day of Tender	January 2024	28 December 2023	2 January 2024	19 January 2024	February 2024	30 January 2024	2 February 2024	20 February 2024	March 2024	28 February 2024	1 March 2024	20 March 2024	April 2024	27 March 2024	1 April 2024	19 April 2024	May 2024	29 April 2024	2 May 2024	20 May 2024	June 2024	30 May 2024	4 June 2024	20 June 2024	July 2024	27 June 2024	1 July 2024	19 July 2024	August 2024	30 July 2024	1 August 2024	20 August 2024	September 2024	29 August 2024	2 September 2024	20 September 2024	October 2024	27 September 2024	1 October 2024	18 October 2024	November 2024	29 October 2024	1 November 2024	20 November 2024	December 2024	28 November 2024	2 December 2024	20 December 2024	<p>Effective: N/A</p>
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## REGULATORY ALERTS

Circulars/Guidelines				
	24.10.23	Counter Notification for Plytec Holding Berhad (0289)	<p>Bursa Malaysia Securities Berhad has prescribed the securities of Plytec Holding Berhad (0289) which will be listed on the ACE Market ("Prescribed Securities"), to be deposited with Bursa Malaysia Depository Sdn Bhd ("Central Depository").</p> <p>Prescribed Period shall be from 25.10.2023 to 27.11.2023.</p>	Effective: N/A
	27.10.23	Intermediaries Communication on Recommended Practices for the Implementation and Management of Artificial Intelligence ("Icon - AI")	<p>Bursa Malaysia has issued an Intermediaries Communication on Recommended Practices for the Implementation and Management of Artificial Intelligence ("ICON-AI") to assist intermediaries<sup>1</sup> in adopting best practices when implementing Artificial Intelligence technology within their organisations.</p> <p>The communication is intended to guide intermediaries<sup>1</sup> in considering their business structure and needs when adopting Artificial Intelligence technology, ensuring they follow relevant and appropriate guidelines.</p> <p>The self-explanatory Intermediaries Communication on Recommended Practices for the Implementation and Management of Artificial Intelligence ("ICON-AI") is contained in the circular by Bursa Malaysia.</p> <p>Should you have any enquiries about the contents of the Intermediaries Communication on Recommended Practices for the Implementation and Management of Artificial Intelligence ("ICON-AI"), kindly email to <a href="mailto:ISD3@bursamalaysia.com">ISD3@bursamalaysia.com</a> as mentioned in the circular.</p> <p>Capital market intermediary means – (a) a Capital Markets Services Licence (CMSL) holder; (b) a registered person; or (c) a person registered under section 76A of the CMSA to provide capital market services.</p> <p>For complete details, please refer to the circular.</p>	Effective: 27.10.23
	30.10.23	Enhancing vigilance in the implementation of Electronic Know-Your-Customer (e-KYC)	<p>This specification sets out Bank Negara Malaysia's expectation on financial institutions that have implemented or intend to implement Electronic Know-Your-Customer (e-KYC).</p> <p>The requirements aim to enhance the overall implementation of e-KYC by financial institutions, which include actions to enhance the overall quality of the e-KYC solutions used and the effectiveness of financial institutions' policies and procedures in implementing e-KYC.</p>	Effective: Immediately

## REGULATORY ALERTS



Circulars/Guidelines				
	30.10.23	<p>SC Unveils Principles-based Maqasid Al-Shariah Guidance for Islamic Capital Market</p>	<p>The SC has introduced the Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia, a principles-based initiative aimed at promoting a strong and resilient industry. The Guidance provides universal guiding principles to enhance the Islamic capital market's competitive advantage and fortify its impact on society and the real economy.</p> <p>By adhering to the highest ethical standards based on core Shariah principles, the initiative is expected to sustain the trust and confidence of its stakeholders. This aligns with the SC's Capital Market Masterplan 3 (CMP3), which seeks to recognise Malaysia as a global leader in Islamic capital markets and enhance Malaysia's position as a regional centre for Shariah-compliant Sustainable and Responsible Investment (SRI).</p> <p>The Guidance is designed in accordance with six (6) overarching aspirations that fit within the context of the Islamic Capital Market. They are:</p> <p>Aspiration 1: Humanity                      Aspiration 2: Justice and Benevolence                      Aspiration 3: Clarity and Transparency                      Aspiration 4: Flexibility and Innovation                      Aspiration 5: Fiduciary and Accountability                      Aspiration 6: Accessibility and Inclusivity</p> <p>Each aspiration underlines its own principles, with a total of 15 principles serving as a reference for the capital market.</p>	Effective: 30.10.23
	30.10.23	<p>SC's Shariah Mentorship Programme Aims to Increase Pool of Shariah Professionals in Islamic Capital Market</p>	<p>The SC has launched the Shariah Mentorship Programme, a first-of-its-kind mentorship initiative aimed at building a sustainable talent pipeline of Shariah professionals in the Islamic Capital Market (ICM). The multi-year programme administered by ISRA Consulting, a wholly-owned subsidiary of INCEIF University and SC's strategic partner, focuses on developing capable Shariah professionals with increased professionalism, technical competencies and regulatory expertise.</p> <p>The initiative is part of the SC's continuous efforts to build an innovative and competitive Islamic Capital Market (ICM). The SC has partnered with ISRA Consulting to enhance the capabilities and abilities of Islamic Capital Market (ICM) practitioners in Shariah governance.</p>	Effective: 30.10.23

## REGULATORY ALERTS

Circulars/Guidelines				
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	31.10.23	<p>Issuance of the Operational Risk Reporting Policy Document and Commencement of the Operational Risk Reporting System</p>	<p>Bank Negara Malaysia (BNM) has issued the Operational Risk Reporting Policy Document (ORR PD) to financial institutions. An investment bank is a financial institution (FI). The Operational Risk Reporting Policy Document (ORR PD) outlines reporting requirements for operational risk information using the new Operational Risk Reporting system (ORR system). The Operational Risk Reporting system (ORR system), now accessible via Kijang.Net platform, replaces the previous Operational Risk Integrated Online Network (ORION) system that has been decommissioned in December 2022.</p> <p>The Operational Risk Reporting Policy Document (ORR PD), effective from 1 November 2023 is attached to the letter. To ensure data completeness during the transition, financial institutions are required to continue reporting operational risk information based on the existing ORION Policy Document (ORION PD) to the FIBox until further notice from the Bank Negara Malaysia (BNM).</p> <p>The BNM specifies that financial institutions shall submit information required in the revised Table 2 of the ORION PD (as attached in Appendix 1 of the letter) via the BNM's secured online website FIBox, in accordance with the revised timeline and using the new ORION templates available in the Regulatory Handbook (RH) (which are also attached together with the letter). The reporting requirements are effective from 1 November 2023.</p> <p>Should you have any further queries on the contents of the letter and Operational Risk Reporting Policy Document (ORR PD), kindly email to <a href="mailto:oprisku@bnm.gov.my">oprisku@bnm.gov.my</a> as mentioned in the letter.</p>	Effective: 01.11.23
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	01.11.23	<p>Revocation of Policy Documents</p>	<p>This Bank Negara Malaysia (BNM)'s letter informs the immediate revocation of policy documents, exposure drafts, notifications, guidelines, circulars and surveys listed in Appendix I and a one-year transitional period for documents listed in Appendix II.</p> <p>For any enquiries relating to the above, kindly email to <a href="mailto:policyhelp@bnm.gov.my">policyhelp@bnm.gov.my</a> as mentioned in the letter.</p>	Effective: 27.10.23
 <small>BURSA MALAYSIA</small>	01.11.23	<p>Algopedia Sdn Bhd (Algopedia) Admission as an Associate Participant (AP) of Bursa Malaysia Derivatives Berhad (Bursa Derivatives)</p>	<p>Algopedia has been registered as an Associate Participant effective from 1 November 2023.</p>	Effective: 01.11.23



## REGULATORY ALERTS

Circulars/Guidelines																
	08.11.23	Counter Notification	<p>Bursa Malaysia Securities Berhad has prescribed the securities for the following counters which are proposed to be listed on its Official List ("Prescribed Securities"), to be deposited with Bursa Malaysia Depository Sdn Bhd ('Central Depository').</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 35%;">Counters</th> <th style="width: 15%;">Listing Board</th> <th style="width: 45%;">Prescribed Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Greater Bay Holdings Berhad (9148)</td> <td style="text-align: center;">Main Market</td> <td style="text-align: center;">8.11.2023 to 8.12.2023</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Panda Eco System Berhad (0290)</td> <td style="text-align: center;">ACE Market</td> <td style="text-align: center;">9.11.2023 to 11.12.2023</td> </tr> </tbody> </table>	No	Counters	Listing Board	Prescribed Period	1.	Greater Bay Holdings Berhad (9148)	Main Market	8.11.2023 to 8.12.2023	2.	Panda Eco System Berhad (0290)	ACE Market	9.11.2023 to 11.12.2023	
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 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	14.11.23	Notice pursuant to Section 83 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) on the statements issued by the Financial Action Task Force (FATF)	<p>This notice is to inform the Reporting Institutions (RIs) of the recent statements issued by the FATF in October 2023, regarding the High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring: -</p> <ol style="list-style-type: none"> <li>1. The statement on the Democratic People's Republic of Korea continues to call upon FATF members and other jurisdictions to apply effective countermeasures and targeted financial sanctions, in accordance with applicable United Nations Security Council Resolutions.</li> <li>2. The FATF's Call for Action on Iran for the application of enhanced due diligence and effective countermeasures remains in effect.</li> <li>3. The FATF's Call for Action on Myanmar remains in effect for the application of enhanced due diligence measures, proportionate to the risks arising from the jurisdiction. When applying enhanced due diligence measures, countries are required to ensure that flows of funds for humanitarian assistance, legitimate non-profit organisation (NPO) activity and remittances are not disrupted.</li> </ol> <p>The FATF has included Bulgaria into the Increased Monitoring process due to strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing (ML/TF/PF) and has removed Albania, Cayman Islands, Jordan and Panama from the Increased Monitoring process. RIs are also required to consider other jurisdictions under the Increased Monitoring for risk assessment purposes</p>	Effective: 14.11.23												