

# COMPLIANCE TODAY

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1 January 2025



29 January 2025



1 February 2025



11 February 2025



18 March 2025



31 March 2025

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



***"Compliance is more than adhering to regulations—it is about upholding integrity and trust that underpin the financial system."***

Dear Readers,  
Season's Greetings and a very Happy New Year!

The start of a new year is always an opportune moment to set our sights on the challenges and opportunities that lie ahead. In the compliance landscape, 2025 promises to bring both. As regulatory frameworks continue to evolve globally, and the financial services sector embraces innovation at an unprecedented pace, it is essential for us to maintain a proactive and forward-looking approach.

Compliance is more than adhering to regulations—it is about upholding integrity and trust that underpin the financial system. The role of Compliance Officers has grown from being enforcers of rules to shaping policies, strengthening governance frameworks, and embed ethical practices within organisations. By fostering a compliance-driven culture, we safeguard not only our institutions but also the broader financial ecosystem and its stakeholders.

This year, particular attention will be required in areas such as ESG compliance, digital asset governance, and operational resilience. Technological advancements bring transformative opportunities but also introduces new risks, such as cyber threats and data governance challenges. Staying ahead of these developments will require a combination of vigilance, adaptability, and collaboration across the industry.

I want to take this opportunity to congratulate the Compliance Officers Committee for their unwavering efforts in delivering insightful initiatives like the Compliance Today newsletter as well as the success of its capacity building programmes, 'Introduction to Foreign Exchange Policy Notices' and 'Application of Foreign Exchange Policy Notices', held on 18 and 25 July 2024 respectively, which were positively received by participants from member institutions and other organisations within the industry. The committee's commitment ensures that our members are equipped with tools and knowledge necessary to navigate an increasingly complex environment.

Let us welcome 2025 with determination, innovation, and a shared commitment to building a compliant, resilient, and ethical investment banking industry. Together, we can set a benchmark for excellence and ensure the continued growth and sustainability of our industry.

Wishing you a successful and rewarding year ahead.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized, cursive 'L' followed by a horizontal line that extends to the right and then loops back under the 'L'.

**Lee Jim Leng**  
Chairman

## Local & Global News



Malaysia

### **MALAYSIA: Bursa Malaysia Climate Week 2024 Focuses on Sustainable and Education**

Bursa Malaysia Berhad (Bursa Malaysia or The Exchange) recently concluded its inaugural Climate Week, held from 4 to 8 November 2024. Themed "From Aspiration to Action: Unlocking Green Financing," the event aimed to create greater awareness and engage various stakeholders on sustainability-related matters, underscoring Bursa Malaysia's commitment to advance sustainable development.

The curated events commenced with the symbolic "Ring the Bell for Climate" ceremony, where exchanges around the globe demonstrate their united dedication to combat climate crisis and advance sustainability efforts.

This opening act initiated a series of panel discussions, workshops, and community activities over the course of the week, aimed at enhancing understanding and discourse around sustainable finance and sustainability practices.

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



Malaysia

### **MALAYSIA: National Sustainability Reporting Framework to Enhance Sustainability Disclosures**

The National Sustainability Reporting Framework (NSRF), developed by the Advisory Committee on Sustainability Reporting (ACSR), is set to enhance the state of sustainability disclosures in Malaysia.

The NSRF addresses the use of the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB) as the baseline for companies in Malaysia. The aim is to enhance transparency and accountability of how businesses manage sustainability risks and opportunities, improve business resilience and contribute to the nation's broader sustainability agenda.

The NSRF also addresses the needs of stakeholders especially investors for consistent, comparable and reliable disclosures.

Listed issuers on Bursa Malaysia's Main and ACE Markets, as well as large non-listed companies (NLCos) with annual revenue of RM2 billion and above will have to comply with the new reporting requirements in a phased approach:

- Large-listed issuers on the Main Market with market capitalisation of RM2 billion and above will begin using the ISSB Standards in 2025 (Group 1);
- This will extend to other Main Market listed issuers in 2026 (Group 2), followed by;
- Listed issuers on the ACE Market as well as large NLCos in 2027 (Group 3).

In relation to climate disclosures, the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) which are incorporated in the Bursa Malaysia Listing Requirements are fully embedded in the ISSB's standards for climate-disclosures.

The ISSB standards builds on the same pillars of the TCFD i.e. governance, strategy, risk management, as well as metrics and targets. Thus, listed issuers have a degree of familiarity with the disclosure requirements under the standards.

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

## Local & Global News



Malaysia

### **MALAYSIA: MACFE, SIDC to Advance Fraud Awareness and Education within Malaysia's Capital Market**

The Malaysian Association of Certified Fraud Examiners (MACFE) has signed a memorandum of understanding (MOU) with the Securities Industry Development Corporation (SIDC) to advance fraud awareness and education within Malaysia's capital market.

This partnership marks a pivotal step in fostering academic collaboration between MACFE and SIDC, with a shared commitment to promoting fraud detection and prevention, enhancing professional excellence and raising investor education standards across the Malaysian capital market.

The MOU, signed at the Malaysia International Trade and Exhibition Centre on Oct 15, formalised a strategic framework between MACFE and SIDC to collaborate in key areas of mutual interest including joint efforts in awareness campaigns, capacity-building programmes and ethics advocacy to further strengthen the skills and knowledge of capital market participants and CFEs in Malaysia.

MACFE President Lim Huck Hai said the collaboration enables the association to deliver impactful learning opportunities and promote the highest standards of professional ethics and integrity within the financial sector, ensuring that fraud risks are better managed across the capital markets.

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



Malaysia

### **MALAYSIA: Bursa Malaysia, TNG Digital Sdn Bhd and Affin Hwang Investment Bank Introduce the first Equities Market Trading Feature within TNG Wallet**

Bursa Malaysia Berhad (Bursa Malaysia or the Exchange), TNG Digital Sdn. Bhd. (TNG Digital), and Affin Hwang Investment Bank Berhad (AFFIN HWANG or the Bank) today announced the launch of e-Trade, the first equities market trading feature within the TNG eWallet. As part of GOfinance, the investment hub within TNG eWallet, this feature aims to make stock market investing more accessible and user-friendly for all eWallet users.

e-Trade, an investment feature within TNG eWallet, enables seamless stock market trading through an eWallet, and integrates educational resources from MyBURSA. This initiative empowers investors with both the tools and knowledge to trade with confidence. This development marks a significant advancement in making stock investments more accessible to the public, thereby democratising investment opportunities and fostering financial inclusion nationwide through a secure and trusted investment platform.

TNG Digital's e-Trade, powered by AFFIN HWANG, is the first-of-its-kind collaboration to revolutionise stock market participation by offering seamless convenience and accessibility to new investors through the platform. The product is designed with beginner investors in mind, offering simple yet essential features to help them kickstart equities market trading easily and confidently.

As part of the GOfinance's comprehensive suite of financial services, this addition empowers investors to seamlessly invest in and monitor their portfolios, all within a single, integrated app. Retail investors can now directly access a broad spectrum of products offered by Bursa Malaysia, including stocks and ETFs, providing a more rewarding and inclusive investment experience.

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

## Local & Global News



Malaysia

### **MALAYSIA: SC and Khazanah Sign MoU to Catalyse MTC Access to the Capital Market**

An initial RM500 million to catalyse the growth of MTCs through Khazanah's Dana Impak

The Securities Commission Malaysia (SC) today signed a Memorandum of Understanding (MoU) with Khazanah Nasional Berhad (Khazanah) via Dana Impak Fund to increase access to funding and familiarise the capital markets for Malaysian mid-tier companies (MTC) to further catalyse their growth and expansion. The MoU supports the SC's 'Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)' (MSME and MTC Roadmap).

The SC Chairman Dato' Mohammad Faiz Azmi commended Khazanah's commitment to support the growth and expansion of MTCs. "We appreciate Khazanah's support of the MSME and MTC Roadmap and SC's long-term goal to ensure a more inclusive and holistic capital market fundraising ecosystem."

"MTCs are significant domestic employers and economic contributors. However, they have been identified as the 'missing middle', as they often face difficulties in accessing financing for growth. This MOU will address such challenges to ensure sustainable growth and resilience," he said.

MTCs make up less than 2% of firms in Malaysia but contribute 36% of Malaysia's gross domestic product (GDP) and 16% of employment. This presents a significant driving force for the Malaysian economy, and potential demand pool for the capital market.

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



Malaysia

### **MALAYSIA: SC Cautions Public on Investment Scams using Fake Information Memorandums**

The Securities Commission Malaysia (SC) today cautioned the public on a new investment scam which uses fake Information Memorandums (IM) to procure investment from the public, falsely claiming that it has been lodged with or endorsed by the SC.

Under the Capital Markets and Services Act 2007 (CMSA), unlisted public companies issuing IMs to raise funds are required to lodge them with the SC within seven days of issuance to potential investors. However, the lodgment of an IM does not constitute an endorsement by the SC.

In this case, the SC found that the company represented to investors that it has issued an IM purportedly lodged with the SC, thus misleading investors and lending credibility to its investment scheme. The SC confirms that the company did not lodge any IM with the SC and suspects that it is part of an investment scam.

Immediate action has been taken including filing a police report and adding the company on SC's Investor Alert List at <https://www.sc.com.my/investor-alert-list>

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

## Anti-Money Laundering News



Malaysia

### **MALAYSIA: Datuk Ordered to Enter Defence for Deceiving MyIPO, Money Laundering Charges**

On September 23, 2024, The Sessions Court here ordered a former financial consultant to enter his defence on one charge of deceiving the Intellectual Property Corporation of Malaysia (MyIPO) related to an investment scheme amounting to RM85,530,000 and four charges of money laundering involving RM3.9mil. Judge Suzana Hussin made the ruling on Monday (Sept 23) after finding that the prosecution had successfully established a prima facie case against Datuk Ahmad Azwan Aboo Mansor, 54.

"After reviewing all the evidence presented by the prosecution witnesses and the arguments from both parties, the court finds that the prosecution has established a prima facie case for all charges, and the accused is ordered to enter his defence," said Suzana, scheduling the defence proceedings from Nov 13 to 15. Ahmad Azwan's lawyer, Harjinder Singh Sandhu, informed the court that his client had chosen to testify under oath during the proceedings, and approximately six defence witnesses would be called.

On July 9, 2020, Ahmad Azwan was charged with deceiving MyIPO by misleading senior officials of the corporation into investing in a scheme named BIMB i-Fund (Money Market Instrument/Fixed Deposit), promising a return of six percent per annum, when in fact, it was a unit trust investment known as the BIMB i-Dividend Fund. He is accused of fraudulently inducing MyIPO to transfer RM85,530,000 to be invested in a BIMB account registered under BIMB Investment Management Berhad (i Dividend), which it would not have done otherwise. The offence allegedly took place in the Ixora Meeting Room, MyIPO, Level 19, Tower B, UOA Tower, Bangsar, at 10 am on Nov 25, 2015.

Ahmad Azwan was charged under Section 420 of the Penal Code, which carries a penalty of between one- and ten-years imprisonment, along with caning and the possibility of a fine, upon conviction. He was also ordered to enter his defence on four charges of money laundering involving RM3.9mil at the Bank Islam branch in Taman Melawati, between January 2016 and December 2017, under Section 4(1)(b) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

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



World

### **WORLD: Cayman to get 'Seat and Voice' at Table with Global Money Laundering Watchdog**

Cayman Islands which has been removed from the intergovernmental body's 'grey list' of countries subject to close scrutiny over money laundering and terrorism financing last year will have a seat with the world leader to discuss anti-money laundering black lists going forward. The decision came after lawmakers tightened up reporting standards on the ownership of companies and introduced a new police unit to tackle international financial crime.

After being removed from the FATF 'grey list' last year, Cayman, along with Senegal, has been invited to be a guest member for the next year as part of the FATF's new initiative to increase its organizational diversity beyond its 40 core members. The representatives of both countries will be able to participate in meetings and working groups of the FATF that sets the global standard of each individual country must do to prevent money laundering, terrorism financing and sanctions-busting arms trading.

FATF stated that the Cayman Islands and Senegal will participate for one year, sharing valuable lessons and acting as lighthouses in their regions to promote the importance of fighting financial crime.

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

## Ethics & Governance News



Asia

### **ASIA: MAS Fines Investment Firm S\$1.9 Million for Making Big Customer Transactions without Adequate Checks**

The Monetary Authority of Singapore (MAS) has issued a penalty of S\$1.9 million to Atrium Asia Investment Management (AAIM) for breaching the central bank's anti-money laundering and countering the financing of terrorism (AML/CFT) requirements.

Specifically, MAS said AAIM had processed several "suspicious and unusually large" customer transactions with third parties without taking adequate steps to verify the purported relationships between them.

The company had also failed to implement appropriate internal procedures to determine if business relations with customers presented a higher risk of money laundering or terrorism financing, MAS said on Tuesday (Oct 29).

The central bank said it also issued a reprimand to the investment company's chief executive, Mintarja Oei, for failing to ensure the company's compliance with such requirements.

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



World

### **WORLD: Reports of Bullying, Discrimination Surge in British Financial Services**

Reports of bullying, discrimination and other non-financial misconduct in Britain's finance industry surged almost 60% over three years to 2023 - and more than one third of firms did not report such cases to their boards, a regulatory survey showed.

In the first comprehensive study of how banks, insurers and brokerages detect and handle such misconduct, the Financial Conduct Authority (FCA) noted on Friday that the number of reports, which rose to 2,347 in 2023 from 1,363 in 2021, could also point to a healthy "speak up" culture.

But almost 40% of London's market insurers and intermediaries employing at least 250 staff said they had no formal governance structure or committee to consider non-financial misconduct cases and 44% of insurers said boards, or board level committees, did not receive information about such cases at all.

The FCA, which in February ordered more than 1,000 financial firms to answer comprehensive questions about incidents ranging from whistleblowing to violence, intimidation or the possession or use of illegal drugs in 2021, 2022 and 2023, now wants the industry to use the data to ensure best practice.

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

## Ethics & Governance News



### **WORLD: FCA fines Metro Bank £16m for Financial Crime Failings**

Between June 2016 and December 2020, Metro failed to have the right systems and controls to adequately monitor over 60m transactions, with a value of over £51bn, for money laundering risks.

Metro automated the monitoring of customer transactions for potential financial crime in June 2016. However, its system did not work as intended. An error in how data was fed into the system meant transactions taking place on the same day an account was opened, and any further transactions until the account record was updated, were not monitored.

Junior staff did raise concerns about some transaction data not being monitored in 2017 and 2018, but these did not result in the issue being identified and fixed. Even once a fix had been put in place in July 2019, Metro did not have a mechanism to consistently check that all relevant transactions were being fed into the monitoring system until December 2020, over 4 and a half years after the system was implemented.

Therese Chambers, joint executive director of enforcement and market oversight, commented: 'Metro's failings risked a gap being left in our defence against the criminal misuse of our financial system. Those failings went on for too long.'

Since the firm's identification of the issues with its transaction monitoring system in April 2019, Metro has put in place processes to remediate the issues identified. The FCA continues to supervise firms to ensure that they have the right systems and controls to manage financial crime risks.

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



### **WORLD: SEC Charges Three Individuals in the New York Metropolitan Area for Perpetrating a \$120 Million Pre-IPO Fraud Scheme**

The Securities and Exchange Commission (SEC) charged three individuals (John LoPinto, Robert Wilkos, and Laren Piscioti) with participating in a \$120 million pre-IPO Fraud Scheme. Additionally, SEC also charged six companies owned by these individuals namely Pre IPO Marketplace Inc.; Keyport Venture Partners LLC; Keyport Venture Management LLC; and Keyport Venture Advisors LLC, Principal Pre-IPO Consulting Group LLC and GlobalX VC LLC.

SEC reported that the individuals raised approximately \$120 million from more than 900 investors in the U.S. and abroad by selling interests in private funds that had not yet conducted an initial public offering. Also they lied to investors that there were no upfront fees in the investments, the funds were registered with the SEC and that the funds owned shares in pre-IPO companies when they were not. Also one of the individual, LoPinto hid his disciplinary history record by using his alias name to conduct business.

They were charged with violating the antifraud and other provisions of the federal securities laws and the companies owned by them were also complicit. The complaint, filed in the U.S. District Court for the Eastern District of New York, seeks permanent injunctive relief, return of allegedly profits gains together with prejudgment interest, and civil penalties from all defendants. The complaint also seeks industry and officer-and-director bars against LoPinto, Wilkos, and Piscioti. Wilkos has agreed to settle the case and consent to injunctive relief, with the court determining additional remedies at a later date.

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



## Ethics & Governance News



World

### **WORLD: SEC Charges Invesco Advisers for Making Misleading Statements About Supposed Investment Considerations**

The Securities and Exchange Commission today charged Invesco Advisers, Inc. for making misleading statements about the percentage of company-wide assets under management that integrated environmental, social, and governance (ESG) factors in investment decisions. The Atlanta-based registered investment adviser agreed to pay a \$17.5 million civil penalty to settle the SEC's charges.

According to the SEC's order, from 2020 to 2022, Invesco told clients and stated in marketing materials that between 70 and 94 percent of its parent company's assets under management were "ESG integrated." However, in reality, these percentages included a substantial amount of assets that were held in passive ETFs that did not consider ESG factors in investment decisions. Furthermore, the SEC's order found that Invesco lacked any written policy defining ESG integration.



"As stated in the order, Invesco saw commercial value in claiming that a high percentage of company-wide assets were ESG integrated. But saying it doesn't make it so," said Sanjay Wadhwa, Acting Director of the SEC's Division of Enforcement. "Companies should be straightforward with their clients and investors rather than seeking to capitalize on investing trends and buzzwords."

The order charges Invesco with willfully violating the Investment Advisers Act of 1940. Without admitting or denying the order's findings, Invesco agreed to cease and desist from violations of the charged provisions, be censured, and pay the aforementioned \$17.5 million civil penalty.



The SEC's investigation was conducted by Jonathan T. Menitove of the Asset Management Unit and Richard Rodriguez of the Atlanta Regional Office with assistance from Robert K. Gordon. It was supervised by Ruth Hawley of the San Francisco Regional Office, Stephen E. Donahue of the Atlanta Regional Office, and Andrew Dean and Corey Schuster of the Asset Management Unit.

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




## REGULATORY ALERTS

Circulars/Guidelines				
	19.08.24	Guidelines on Technology Risk Management	<p>The Securities Commission Malaysia's (SC) revised Guidelines on Technology Risk Management have taken effect on 19 August 2024, replacing the previous Guidelines on Management of Cyber Risk. These Guidelines are aimed at enhancing risk management practices for capital market entities, focusing on technology risks in addition to cyber security.</p> <p>The updated Guidelines highlight the importance of operational reliability, security and resilience against technology disruptions. The Guidelines also set out the SC's expectations for risk management practices, covering areas such as change management process, third party service providers, reporting requirements, technology audit, board oversight and accountability over technology risks.</p> <p>The recent CrowdStrike outage serves as a reminder of the vulnerability of digital infrastructure and the impact such incidents can have on organisations. Compliance with the Guidelines is crucial for protecting against technology risks and promoting a resilient, secure and ethical technological environment.</p> <p>By following these Guidelines, capital market entities can strengthen their operational resilience and contribute to building investor confidence in Malaysia's capital market.</p>	Effective: 19.08.24
	19.08.24	Guiding Principles on Business Continuity	<p>The revised Guiding Principles on Business Continuity was issued on 19 August 2024 reflecting consequential amendments and ensuring alignment with the revised Guidelines on Technology Risk Management. Housekeeping and editorial amendments were made to provide greater clarity and consistency including stylistic or formatting changes and necessary editorial changes. The Guidelines were also amended to clarify the Securities Commission Malaysia's expectations on the responsibilities of Board and Senior Management.</p> <p>Amendment Highlights: - Paragraph 3.04(a) was amended to provide clarity on the Securities Commission Malaysia's expectations on the responsibilities of the Board and Senior Management with regard to an entity's business continuity framework, strategies and policies. Paragraph 4 of Appendix 1 was amended to replace the reference of "the Guidelines on Management of Cyber Risk" with "the Guidelines on Technology Risk Management" and ensure alignment of reporting requirements with the Guidelines on Technology Risk Management.</p>	Effective: 19.08.24




## REGULATORY ALERTS

Circulars/Guidelines				
			<p>This document is applicable to all capital market entities. It serves as a guidance on the Securities Commission Malaysia's expectations on business continuity as well as a platform to increase awareness on the importance of having an effective business continuity arrangement.</p>	
	19.08.24	Guidelines on Electronic Contract Notes	<p>The revised Guidelines on Electronic Contract Notes issued on 19 August 2024 include amendments to align with the revised Guidelines on Technology Risk Management. Housekeeping and editorial changes were made to provide greater clarity and consistency including stylistic or formatting changes and necessary editorial changes.</p> <p>Definitions were introduced to clarify the terms "cyber incident", "near miss event" and "technology incident", and the definition of "contract note" was deleted as the term is defined in the Capital Markets and Services Act 2007. Paragraph 4.09 was amended to ensure alignment of reporting requirements and terminology with the Guidelines on Technology Risk Management. Paragraph 4.09A also introduced a new requirement to clarify the details required to be included in the report submitted to the Securities Commission Malaysia.</p>	Effective: 19.08.24
	19.08.24	Guidance Note on Obligations on Reporting Institutions Undertaking Private Placement Activities	<p>The Securities Commission Malaysia (SC) has issued a guidance note for reporting institutions (RIs) involved in private placement activities. The Guidance Note clarifies reporting institutions (RIs) obligations under Parts III, V and Appendix A1 of the SC's Guidelines on Prevention of Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Reporting Institutions in the Capital Market.</p> <p>It includes examples of private placement scenarios to help reporting institutions (RIs) understand and comply with the Guidelines. Reporting institutions (RIs) are expected to have proper controls in place to mitigate risks of Money Laundering and Terrorism Financing (ML/TF). The examples provided are not exhaustive and reporting institutions (RIs) should consider other potential risks related to private placement exercises they undertake.</p>	Effective: 19.08.24



## REGULATORY ALERTS

Circulars/Guidelines				
	06.09.24	<p>Amendments to the CDS Procedures Manual for Authorised Depository Agents (ADA) and CDS Guide for Depositors in Relation to the Account Management and Transfer Transaction Modules</p>	<p>Bursa Malaysia Depository has amended its CDS Procedures Manual for Authorised Depository Agent (ADA) and CDS Guide for Depositors on its Account Management and Transfer modules.</p> <p>The enhanced platform Bursa Anywhere now displays depositor's securities balances in his/her Authorised Nominee CDS account(s) maintained with the ADA's wholly owned Authorised Nominee company. It also allows No Change of Beneficial Owner (NCBO) transfer from a depositor's direct CDS account to an Authorised Nominee CDS account where the depositor is the beneficiary.</p> <p>These enhanced features in Bursa Anywhere are only available to depositor's subject to the written consent and authorisation from the respective ADA's wholly owned Authorised Nominee companies to Bursa Depository. Depositor is not permitted to perform NCBO transfer transactions via Bursa Anywhere such as transfers: - (i) from his/her Authorised Nominee CDS account to his/her own direct CDS account or (ii) from an Exempt Authorised Nominee CDS account to his/her direct CDS account or vice versa.</p>	Effective: 17.09.24
	03.09.24	<p>Quick Guide on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing (TFS-PF) for Reporting Institutions in the Capital Market</p>	<p>SC issued a revised Quick Guide on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing (TFS-PF) for Reporting Institutions in the Capital Market to assist capital market intermediaries in understanding Targeted Financial Sanctions Relating to Proliferation Financing obligations, providing examples of proliferation financing cases and situations indicating possible proliferation financing activities.</p>	Effective: 03.09.24
	06.09.24	<p>Quick Guide on Implementation of Targeted Financial Sanctions Relating to Terrorism Financing (TFS-TF) for Reporting Institutions in the Capital Market</p>	<p>SC issued the Quick Guide on Implementation of Targeted Financial Sanctions Relating to Terrorism Financing (TFS-TF) for Reporting Institutions in the Capital Market.</p>	Effective: 06.09.24





## REGULATORY ALERTS

Circulars/Guidelines				
	01.10.24	Licensing Handbook	<p>The Securities Commission Malaysia (SC) issued the 18th revision of its Licensing Handbook on 1 October 2024. The amendments in the latest revision of the Licensing Handbook came into effect immediately.</p> <p>The SC had revised the Handbook to liberalise certain requirements including those relating to fund management licence and multiple licence arrangement as well as to provide clarity and consistency in the requirements.</p> <p>Amendments were also made consequent to the issuance of the revised Guidelines on Conduct for Capital Market Intermediaries and the Guidelines on Technology Risk Management.</p>	Effective: 01.10.24
	01.10.24	Coming into effect of the revised Guidelines on Conduct for Capital Market Intermediaries	<p>The revised Guidelines on Conduct for Capital Market Intermediaries have officially come into effect as of 1 October 2024. Originally released on 29 March 2024, the revisions were made to give capital market intermediaries time to familiarize themselves with the changes.</p> <p>Key amendments have been made to the revised Conduct Guidelines following feedback from various stakeholders. These amendments clarify a Capital Market Intermediaries' obligation to explain non-negotiable terms or provisions to clients and how Capital Market Intermediaries must notify and report technology incidents, cyber incidents and near miss events that occur on online platforms to the SC.</p> <p>The revised Conduct Guidelines supersede Guidelines on Conduct for Capital Market Intermediaries as issued on 31 December 2021 and 29 March 2024 respectively, Guidelines on Online Transactions and Activities in relation to Unit Trusts and Guidelines on Marketing and Distribution of Unit Trust Funds, and have led to relevant amendments in other guidelines such as the Guidelines on Sales Practices of Unlisted Capital Market Products (which has been renamed as the "Guidelines on Product Highlights Sheet"), Guidelines on Unit Trust Funds, Guidelines on Private Retirement Schemes and the Licensing Handbook.</p>	Effective: 01.10.24
	01.10.24	Guidelines on Product Highlights Sheet (Formerly known as the Guidelines on Sales Practices of Unlisted Capital Market Products)	<p>The SC had revised the Guidelines on Product Highlights Sheet to reflect changes consequent to the issuance of the revised Guidelines on Conduct for Capital Market Intermediaries (Conduct Guidelines) on 1 October 2024.</p> <p>Key amendments include the deletion of Part 2 (Treating Investors Fairly) and Part 4 (Suitability Assessment) as the requirements under these parts have largely been incorporated under the revised Conduct Guidelines.</p>	Effective: 01.10.24



## REGULATORY ALERTS

Circulars/Guidelines				
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	15.10.24	Liquidity Risk	<p>The Policy Document on Liquidity Risk sets out requirements and guidance for managing liquidity risk in financial institutions. It ensures that financial institutions assess and address their liquidity needs effectively. It complements the Policy Documents on Liquidity Coverage Ratio and Net Stable Funding Ratio which set out minimum regulatory liquidity requirements.</p> <p>The document supersedes the previous Policy Documents titled Liquidity Risk [BNM /RH /ED /028 /24_23082023] and Funds Transfer Pricing (FTP) Practices of Banking institutions [BNM Guidelines / FTP Practices issued on 06/11/2014].</p>	Effective: 15.10.25 except for paragraph 18.5 which will take effect on 1 January 2025
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	17.10.24	Revised MYR Intraday Credit Facility For RENTAS	<p>The purpose of this notification is to inform the industry of the revised MYR Intraday Credit Facility (ICF) provided by Bank Negara Malaysia (the Bank) to eligible participants of RENTAS. In summary, the revision of the MYR ICF mechanism encompasses the following:</p> <ol style="list-style-type: none"> <li>i. An Intraday Repurchase Agreement (intraday repo) will replace the existing MYR ICF mechanism;</li> <li>ii. The default mechanism for the new MYR ICF requires participants to conduct intraday repo at the start of the day. Participants are expected to ensure that sufficient MYR ICF is requested to cover their liquidity needs throughout the day. This can be determined based on intraday liquidity projections calculated by the participants; and</li> <li>iii. To complement the default mechanism, MYR ICF via intraday repo will be executed automatically as and when participants have exhausted the MYR ICF obtained at the start of the day but are still unable to settle its payment obligations due to liquidity shortage.</li> </ol> <p>Brief information on the revised MYR ICF mechanism is outlined in the document entitled "Revision to the Malaysian Ringgit Intraday Credit Facility Mechanism in RENTAS".</p>	Effective: 17.10.24

## REGULATORY ALERTS


Circulars/Guidelines				
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	21.10.24	Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS)	<p>The Policy Document is to inform all RENTAS participants regarding the revision of the Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS).</p> <p>The document supersedes the previous Policy Documents titled Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS)[BNM/RH/PD/028/28_2506204 issued on 25062024].</p>	Effective: 01.11.24
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	21.10.24	Operational Procedures for Foreign Currency Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS)	<p>The Policy Document is to inform all RENTAS participants regarding the revision of the Operational Procedures for Foreign Currency Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS).</p> <p>The document supersedes the previous Policy Documents titled Operational Procedures for Foreign Currency Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS) [BNM / RH / PD / 028 / 29 _25062024 issued on 25062024].</p>	Effective: 01.11.24
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	21.10.24	Participation Rules For Payments And Securities Services	<p>The Policy Document is to inform all RENTAS participants regarding the revision of the Participation Rules for Payments and Securities Services.</p> <p>The document supersedes the previous Policy Documents titled Participation Rules for Payments and Securities Services [BNM /RH /028 /26_25062024 issued on 25062024].</p>	Effective: 01.11.24
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	21.10.24	Operational Procedures for Securities Services	<p>The Policy Document is to inform all participants regarding the revision of the Operational Procedures for Securities Services.</p> <p>The document supersedes the previous Policy Documents titled Operational Procedures for Securities Services [BNM / RH / PD / 028 / 49_25062024 issued on 25062024].</p>	Effective: 01.11.24

## REGULATORY ALERTS

Circulars/Guidelines				
	21.10.24	Amendments to the Rules and Directives of Bursa Malaysia Securities Berhad in Relation to the Requirements for the LEAP Market and Other Amendments	<p>Bursa Malaysia Securities Berhad has made amendments to the Bursa Malaysia Securities Rules ("BMS Rules") to require the submission of a self-declaration to an investment bank or a stockbroking company onboarding a sophisticated investor to trade on the LEAP Market.</p> <p>The new requirements in Rule 16.02 of the BMS Rules include allowing a client to trade or undertake transactions on the LEAP Market if they submit a self-declaration confirming they meet the criteria for a sophisticated investor under the Securities Commission Malaysia's Guidelines on Categories of Sophisticated Investor. If an investment bank or a stockbroking company receives information that its client does not qualify as a sophisticated investor, it must not allow the client to further trade or undertake transactions on the LEAP Market except to sell the client's existing securities.</p>	Effective: 21.11.24
	22.10.24	Invitation to Become Principal Dealer or Islamic Principal Dealer	<p>Bank Negara Malaysia (BNM) is inviting interested banking institutions to apply for positions as Principal Dealers (PD) or Islamic Principal Dealers (iPD) from 1 January 2025 to 31 December 2026. The applications should include a brief justification of the institution's ability to meet eligibility requirements and its capacity and capability to fulfil responsibilities. Details on eligibility requirements, obligations, incentives and performance assessment are provided in Appendices I and II of the BNM's notification letter.</p> <p>Applications must be submitted to Jabatan Operasi Pelaburan dan Pasaran Kewangan (JOPPK), BNM by Friday, 1 November 2024 via email at <a href="mailto:fmd@bnm.gov.my">fmd@bnm.gov.my</a>. For any questions, please contact <a href="mailto:fmd@bnm.gov.my">fmd@bnm.gov.my</a> or 03-2698 2116 / 2094.</p>	Effective: 22.10.24



## REGULATORY ALERTS

Circulars/Guidelines				
 <small>BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</small>	29.10.24	<p>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>	<p>This notice is to inform the Reporting Institutions (RIs) of the recent statements issued by the FATF in October 2024, 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 activity and remittances are not disrupted.</li> <li>4. The FATF has included Algeria, Angola, Côte d'Ivoire and Lebanon into the Increased Monitoring process due to strategic deficiencies in their regime to counter money laundering, terrorist financing, and proliferation financing, and has removed Senegal from the Increased Monitoring process. Reporting Institutions (RIs) are also required to consider other jurisdictions under the Increased Monitoring for risk assessment purposes.</li> </ol>	Effective: 29.10.24