MALAYSIAN INVESTMENT BANKING ASSOCIATION
Persatuan Perbankan Pelaburan Malaysia

Issue 3Q/2026
6 July 2026

The Quarterly Newsletter

COMPLIANCE TODAY

CONTRIBUTORS

Full-Fledged Members

- Sharan Kaur Jaswant Singh (Advisor)
  ~ *Hong Leong Investment Bank*
- J Visvanathan Jaganatha (Editor)
  ~ *AmInvestment Bank*
- Aiedatul Shima Mustaffa (Editor)
  ~ *RHB Investment Bank*
- Wan Ahadiatul Hussni Wan Silmy
  ~ *Affin Hwang Investment Bank*
- Mohd Suapi Che Shaffaii
  ~ *KAF Investment Bank*
- Choo Siew Fun
  ~ *Kenanga Investment Bank*
- Devarajoo A/L Sinniah
  ~ *Public Investment Bank*

Associate Members

- Teh Fui Meng
  ~ *Alliance Islamic Bank*
- Jaswant Singh
  ~ *TA Securities Holdings*
- Melvin Loong Theng Jiet
  ~ *UOB Kay Hian (M)*

25 August 2026

31 August 2026

16 September 2026

Images: magnific.com

Local & Global News

Malaysia

MALAYSIA: Cybersecurity Incident at Broking Firms Contained, Says Bursa

Bursa Malaysia Berhad (Bursa Malaysia) announced that several brokerage firms have experienced cybersecurity incidents affecting certain internal system components. However, it emphasized that trading operations and market infrastructure remain fully operational and unaffected.

In a statement, the exchange said it had been informed by multiple brokers regarding cybersecurity incidents impacting specific parts of their systems. The affected firms have since taken immediate containment measures by isolating impacted components and activating their internal incident response procedures.

Bursa Malaysia clarified that the incidents were confined to the systems of the affected brokers and did not impact the exchange's own networks, trading platforms, or infrastructure.

"All trading and market operations continue as normal," the exchange stated. The exchange added that it maintains the highest level of vigilance against cybersecurity threats and acted promptly upon receiving reports of the incidents.

Following notification, Bursa Malaysia activated its cybersecurity response protocols and collaborated closely with the affected brokers to ensure timely containment and remediation efforts. The brokers involved are currently carrying out forensic investigations to identify the cause and extent of the incidents, with findings to be submitted through Bursa Malaysia's supervisory channels.

Bursa Malaysia further confirmed that, to date, there is no evidence of unauthorised trading activities or financial losses linked to these cybersecurity incidents. As an added precaution, the exchange has instructed all brokers and selected vendors connected to the market ecosystem to conduct comprehensive system screenings.

Additionally, Bursa Malaysia has issued security advisories and briefings to market participants, encouraging them to remain vigilant and strengthen cybersecurity measures. These actions form part of ongoing efforts to safeguard the integrity, stability, and resilience of Malaysia's capital market infrastructure amid increasing global cybersecurity threats facing financial institutions.

Further updates may be provided upon completion of the forensic investigations by the affected brokers.

Source: *https://www.businesstoday.com.my (March 2026)*

Malaysia

MALAYSIA: SC Unveils Capital Market Masterplan 2026-2030

The Capital Market Masterplan 2026–2030 (CMP) is a strategic blueprint launched by the Securities Commission Malaysia (SC) to position the capital market as a primary driver of national growth. Aligned with the MADANI Economy framework, the CMP aims to grow the market to RM5.8–6.3 trillion by 2030, reflecting a projected 6–8% compound annual growth rate (CAGR). The plan is anchored on four pillars: enhancing market vibrancy and valuations, ensuring inclusivity by broadening investment access for all Malaysians, mobilizing capital for sustainability and net-zero goals, and capturing regional opportunities as a trusted financial gateway.

By leveraging Malaysia's leadership in Islamic finance and embedding Maqasid al-Shariah principles, the masterplan seeks to "raise the ceiling" for economic performance while "raising the floor" for the rakyat's quality of life. Implementation will be monitored by a public-private Steering Committee to ensure the market remains adaptive, stable, and future-ready.

Source: *https://www.sc.com.my (March 2026)*

Local & Global News

Malaysia

MALAYSIA: SC Launches ICM Innovation Lab to Advance Maqasid al-Shariah-Driven Islamic Capital Market Innovation

The SC has launched FIKRALab, an Islamic Capital Market (ICM) innovation hub designed to develop financial products anchored in Maqasid al-Shariah principles. As a key initiative of the Capital Market Masterplan 2026–2030, this platform facilitates collaborative R&D and pilot testing between regulators and industry players to create instruments that deliver real economic and social impact.

A standout feature, the Maqasid al-Shariah Clinics, allow experts to refine existing products to better align with ethical and value-based objectives. FIKRALab will roll out in phases, with formal cohort applications opening in late 2026. Initial focus areas include Islamic social finance, sustainability, and next-generation services. By fostering high-impact innovation, the lab aims to strengthen Malaysia's global leadership in Islamic finance while ensuring capital markets contribute to the holistic well-being of society.

Source: *https://www.sc.com.my (March 2026)*

Malaysia

MALAYSIA: SC and Bursa Malaysia Introduce MY Value Up Programme

The SC and Bursa Malaysia have introduced the MY Value Up Programme, a strategic initiative under the Capital Market Masterplan 2026–2030 aimed at boosting the corporate valuation and market attractiveness of Malaysian public-listed companies (PLCs). Targeting the top 88 PLCs, representing 80% of total market capitalization, the programme encourages a shift from mere regulatory compliance to active, long-term value creation.

Key objectives include fostering transparent disclosure of mid-to-long-term growth strategies and facilitating deeper engagement with domestic and regional investors to improve price discovery. By benchmarking against global best-in-class standards, participating companies aim to transform into more compelling investment propositions. To ensure effective implementation, the regulators will host technical workshops and release a comprehensive Guidebook by mid-2026. This collaborative effort underscores a commitment to strengthening market signals and ensuring that robust corporate performance is reflected in market recognition and investor confidence.

Source: *https://www.sc.com.my (April 2026)*

Malaysia

MALAYSIA: SC's InvestED Expands Capital Market Talent Pool with 65% of Participants Landing Jobs

The SC has reported significant success for its flagship investED program, with 65% of leadership graduates securing immediate employment within the capital market sector. Of the 581 trainees who completed the intensive track, the remaining 35% have transitioned into related fields, including fintech, banking, and consulting, highlighting the program's cross-sectoral value.

Launched in June 2023, investED is a collaborative effort between the SC, Ministry of Finance, and Ministry of Higher Education to bridge the industry's talent gap. The initiative features a comprehensive curriculum, including classroom learning at the Asia School of Business and six-month placements at 50 partner firms. Beyond the leadership track, the investED Foundation program has exceeded its goals, enrolling 3,072 participants against an initial target of 2,400.

SC Chairman Dato' Mohammad Faiz Azmi emphasized that this sustainable talent pipeline is critical to the Capital Market Masterplan 2026–2030, which envisions a market size of up to RM6.3 trillion. By equipping graduates with specialized technical skills and practical exposure, investED solidifies Malaysia's position as a sophisticated financial hub prepared for future economic transformation.

Source*: https://www.sc.com.my (May 2026)*

Local & Global News

MALAYSIA: Bursa Malaysia to Reclassify Investor Segments to Provide Greater Granularity on Trading Participation Data

Bursa Malaysia will be enhancing investor segments data to provide greater granularity on trading participation across the market. The enhancements will involve distinguishing nominee accounts held by institutional and retail investors, thereby providing a clearer representation of each investor segment's trading participation.

Additionally, investment flows of foreign owned companies incorporated in Malaysia will be reclassified based on source of investment fund rather than ownership, to better reflect domestic investment activity.

The updated investor categories will be reflected in Bursa Malaysia's data packages from 6 April 2026. In line with the Exchange's usual practice, the upcoming changes were communicated to Bursa Malaysia's data subscribers.

This initiative is in response to the growing use of nominee structures and reflects the Exchange's ongoing commitment to ensure that information remains relevant, transparent and reflective of current trading behaviours and market dynamics.

Source: *https://www.bursamalaysia.com (February 2026)*

MALAYSIA: Bursa Malaysia and HKEX Launch HKEX Bursa Malaysia Large Cap Index, Marking a New Chapter in Regional Capital Market Collaboration

Bursa Malaysia and Hong Kong Exchanges and Clearing Limited (HKEX) have entered into a Memorandum of Understanding (MoU) to deepen regional capital market connectivity and drive cross-border liquidity. Marking their first milestone under this partnership, the bourses launched the co-branded HKEX Bursa Malaysia Large Cap Index, which tracks the 60 largest companies listed across both markets to serve as a key benchmark for regional Exchange-Traded Funds (ETFs).

The broader collaboration establishes structured cooperation across five key pillars, focusing on streamlining dual-listing pathways, co-developing indices, enhancing cross-border ETF product access, facilitating Shariah-compliant securities, and jointly building carbon market ecosystems.

Source: *https://www.bursamalaysia.com (March 2026)*

MALAYSIA: Khazanah Leads Malaysia's First Tokenised Sukuk Pilot in Collaboration with the SC

Khazanah Nasional Berhad, in collaboration with the SC, has successfully priced Malaysia's first tokenised sukuk. Part of the Sukuk Danum Programme – an Islamic Medium-Term Notes (IMTN) programme of up to RM20.0 billion in nominal value, with a one-year tenure for this inaugural tranche, structured based on the Shariah principle of Wakalah bi al-Istithmar.

The pilot utilises Distributed Ledger Technology (DLT) to create a digital representation, or "digital twin" of the sukuk. Aligned with the Capital Market Masterplan 2026–2030, this initiative aims to modernize financial markets by improving transparency, operational efficiency, and execution speed.

By acting as a controlled market innovation test, the pilot lowers technical and regulatory barriers to provide a functional template for future corporate issuers. The transaction brought together key financial institutions like CIMB and Maybank alongside institutional investors to align technical workflows and validate sovereign-backed asset tokenisation Sukuk.

Source: *https://www.sc.com.my (April 2026)*

Local & Global News

Malaysia

MALAYSIA: AI Security Guidelines Out in July

THE National Cyber Security Agency (Nacsa) is set to introduce artificial intelligence (AI) security guidelines in July, amid growing concerns over scams using AI-generated voices to impersonate family members. Its chief executive, Dr Megat Zuhairy Megat Tajuddin, said the guidelines aimed to help users and organisations manage risks linked to the technology.

"We expect the AI security guidelines to be launched in early July. We are in the final stages (of drafting the guidelines)," he said after launching the Google 2026 Asia Pacific Online Safety Dialogue here yesterday. Present were Communications Minister Datuk Fahmi Fadzil and his deputy, Teo Nie Ching. Megat Zuhairy said the guidelines would cover two key aspects — AI application and use. "First, there are certain things that need to be considered to ensure that the data used in AI platforms is not sensitive. "Second is the use of AI itself. When using AI, all security elements must be taken into account. "When dealing with AI, there are things to be considered to ensure the output we get is genuine and reliable. We cannot fully rely on everything generated by AI." Zuhairy said the guidelines would serve as a reference rather than a mandatory requirement for now.

Source: *https://www.nst.com.my (April 2026)*

Malaysia

MALAYSIA: Scams in the Digital Age: How Hackers and AI are Reshaping Online Fraud

When a caller claims to be from Lembaga Hasil Dalam Negeri Malaysia (LHDN), the message is rarely ignored. It often appears to be a routine spot check — a flagged tax record, an unpaid amount or a possible investigation — followed by instructions to transfer funds, verify details or click a link, leaving little time to question the request. By the time doubt sets in, the damage is often irreversible. Authorities have repeatedly warned that such messages are fraudulent, yet scams persist. The reason lies in a deeper shift: what were once isolated attempts at deception have evolved into coordinated systems designed to feel real and immediate. Online scams have transformed from individual acts into structured operations. Earlier schemes relied on impersonation and fear, with callers posing as police officers, bank staff or court officials while warning victims of investigations and pressing them to act quickly. The formula was simple and effective: authority combined with urgency. As enforcement improved, scammers adapted by building networks. A key development was the use of mule accounts, which allow funds to be moved rapidly and make financial trails harder to trace. This turned isolated scams into repeatable processes capable of operating at scale.

Source: *https://www.malaymail.com (April 2026)*

Malaysia

MALAYSIA: AI Scams Raise Pressure on Banks, says Visa

The rapid rise of artificial intelligence (AI)-driven scams is putting growing pressure on banks and payment firms to upgrade their systems and strengthen fraud detection as digital transactions continue to expand across the region. Visa head of value-added services for regional Southeast Asia Varun Mahindru said trust has become one of the most valuable assets in the digital economy as fraudsters increasingly use AI tools to create more convincing scams.

"Generative tools can write convincing scams in seconds, clone voices from short recordings, and spin up fake websites that mirror legitimate ones," he said in a recent Visa Insights Circle media roundtable.

Citing Sumsub's Identity Fraud Report published in November 2025, Mahindru said deepfake-enabled scams in Malaysia surged 408 per cent year-on-year, reflecting the growing sophistication of fraud attempts in the region. He said the challenge for financial institutions is no longer just the scale of fraud, but the speed at which new threats emerge and evolve.

"The battleground is not just how much fraud occurs, but how quickly it evolves, and how fast defenders can adapt without eroding the trust they aim to protect," he said. Mahindru noted that AI is also being deployed by payment firms to strengthen fraud prevention.

Source*: https://www.nst.com.my (May 2026)*

Local & Global News

Malaysia

MALAYSIA: Investment Scams Hit Malaysians Aged 31 To 50 Hardest, RM1.47 billion Lost to Emotion-Driven, AI-Powered Fraud

Malaysia's working-age population aged 31 to 50 has become the primary target of increasingly sophisticated investment scams, with experts warning that emotional decision-making, financial pressure and artificial intelligence (AI)-driven fraud tools are driving record losses.

Authorities recorded RM1.47 billion in losses in 2025 alone, highlighting how non-existent investment schemes continue to exploit trust, urgency and digital behaviour across social media platforms. Cybersecurity expert with the International Islamic University Malaysia Emeritus Professor Datuk Dr Mohamed Ridza Wahiddin said the 31 to 50 age group is disproportionately exposed due to a combination of income stability, digital activity and behavioural tendencies.

"Malaysia's 31–50 age group is a key target for scammers due to their earning power, active digital habits and relatively quick decision-making, combined with trust in online information.

Source: *https://www.sinardaily.my (April 2026)*

Malaysia

MALAYSIA: The Hidden Role of Account Mules in Malaysia's Scam Networks

When we think of scams, we often imagine shadowy masterminds operating from afar, faceless syndicates orchestrating fraud across borders. Yet, hidden in plain sight, there is a crucial component without which these scams would simply collapse: account mules.

These are individuals whose bank accounts are used to receive, transfer, and disguise illicit funds. They are not the architects of the crime, but they are indispensable to its success. Without them, scam syndicates would struggle to move money quickly, evade detection, and ultimately profit from their operations.

What is deeply troubling is that many account mules are not hardened criminals. They are often ordinary people such as housewives, students, young job seekers, gig workers, individuals facing financial hardship, and even professionals, who are drawn into these schemes through deception, desperation, or ignorance.

From a criminological perspective, this reflects what we describe as situational vulnerability, where individuals without prior criminal intent are placed in circumstances that make exploitation easy.

Source: *https://focusmalaysia.my (April 2026)*

Local & Global News

Malaysia

MALAYSIA: Industry Reminder: Key Enforcement Themes from Bursa Malaysia Circulars

Pursuant to Bursa Malaysia's Circulars dated 4 March 2026 (Ref: G5/2026 and G6/2026), the Exchange has published its key enforcement actions for 2025 as part of its ongoing efforts to strengthen regulatory compliance and market integrity.

This note highlights the salient enforcement themes and expectations relevant to Compliance Officers across the investment banking industry.

1. Timeliness of Financial and Clearing Obligations
Bursa Malaysia reaffirmed the criticality of strict adherence to prescribed timelines for settlement, margin and clearing-related obligations. Instances of delays in meeting Stress Test Exposure Limit (STEL) payments and settlement/margin obligations resulted in reprimands and financial penalties, given their potential impact on market stability and clearing house risk management.
Expectation:
Firms must ensure robust liquidity management, operational readiness and escalation procedures to meet all clearing and settlement cut-offs without exception.

2. Market Conduct and Trading Misconduct
Enforcement actions continue to target market abuse and manipulative trading practices by Dealer's Representatives and Registered Persons, including:

- Price manipulation, layering/stacking and false market creation
- Conflicts of interest and unauthorised trading arrangements
- Misuse of client accounts, front-running and unlawful short selling

Expectation:
Strengthened front-line supervision and surveillance capabilities, coupled with reinforced standards of integrity, fair dealing and professional conduct, remain paramount.

3. Supervisory Failures and Weak Compliance Frameworks
A significant number of cases involved gaps in internal controls, policies and supervisory frameworks, including:

- Absence of clear policies governing critical controls (e.g. share check functions)
- Inadequate monitoring, escalation and independent oversight
- Over-reliance on front-line staff without effective control validation

Expectation:
Compliance programmes must be comprehensive, documented and actively enforced, with clear accountability across HOO/HOD/HOC functions.

4. Ineffective Compliance Function and Governance Oversight
Enforcement actions highlighted material deficiencies in compliance infrastructure, including:

- Inadequate compliance review programmes and documentation
- Insufficient staffing and resources
- Weak Board oversight and ineffective reporting frameworks

Expectation:
Firms are expected to maintain adequate, skilled compliance resources, supported by effective Board and senior management oversight, with proper documentation evidencing compliance activities.

5. Accuracy and Integrity of Regulatory Reporting
Bursa Malaysia emphasised the importance of ensuring accuracy, completeness and timeliness of all submissions, including:

- Declaration of Compliance
- Segregation reporting (e.g. Form A)
- Audit reports and regulatory notifications

Misstatements, omissions or delayed reporting were treated as serious breaches given the Exchange's reliance on such information.
Expectation:
Firms must implement strong validation controls to ensure all regulatory submissions are accurate, consistent and not misleading.

Local & Global News

6. Safeguarding of Client Monies and Assets
Serious breaches were identified relating to:

- Failure to transfer client monies into trust accounts
- Deficiencies in reconciliation processes
- Prolonged misuse of client funds due to operational lapses

Expectation:
Protection and segregation of client assets remain a fundamental obligation, requiring robust controls, timely reconciliations and prompt escalation of discrepancies.

7. System Integrity and Technology Controls
Cases also underscored the need to ensure reliability and integrity of trading systems, particularly where system changes resulted in:

- Misclassification of trading orders (e.g. RSS tagged as long sell)
- Market misrepresentation and regulatory under-reporting

Expectation:
Firms retain full accountability for system integrity, including comprehensive testing, change management controls and post-implementation validation, regardless of third-party involvement.

Concluding Observation
The 2025 enforcement actions reinforce Bursa Malaysia's continued focus on proactive supervision, strong governance and accountability across all levels of market participants.

Compliance Officers are expected to take a forward-looking and risk-based approach, ensuring that internal frameworks are not only in place but effectively operationalised, tested and continuously enhanced to prevent regulatory breaches and safeguard market integrity.

Source: *Affin Hwang Investment Bank Berhad (May 2026)*

Malaysia

MALAYSIA: BNM Enforcement Action on Cybersecurity and Customer Data Protection: Bank Rakyat Case

Pursuant to Bank Negara Malaysia's enforcement action dated 20 January 2026, an Administrative Monetary Penalty (AMP) of RM1 million was imposed on Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) following a cybersecurity incident, as part of ongoing efforts to strengthen technology risk management and safeguard customer information within the financial sector.

This note highlights the key observations and regulatory expectations relevant to Compliance Officers across the industry.

1. Cybersecurity and Technology Risk Management Failures
BNM identified that Bank Rakyat failed to implement robust cybersecurity controls as required under the Risk Management in Technology Policy Document (RMiT), which resulted in unauthorised access to its IT infrastructure by an external threat actor. The incident highlighted deficiencies in both preventive controls and incident response capabilities.
Expectation:
Financial institutions must implement comprehensive cybersecurity frameworks with strong preventive, detective, and responsive controls, ensuring effective monitoring and prompt incident handling.

2. Weak Safeguards over Customer Information
The enforcement action also revealed gaps in safeguarding customer information, including inadequate controls to prevent unauthorised access, misuse, or disclosure, in breach of the Management of Customer Information and Permitted Disclosures Policy Document (MCIPD).
Expectation:
Firms must establish robust data protection controls, including continuous monitoring mechanisms to detect irregularities, unauthorised access, and suspicious activities involving customer data.

Local & Global News

3. Inadequate Compliance and Control Effectiveness
BNM noted a lack of reasonable care in ensuring compliance with regulatory requirements, as well as weaknesses in the effectiveness of existing controls, monitoring practices, and governance arrangements.
Expectation:
Institutions are expected to ensure that controls are not only in place but are effective, continuously monitored, and regularly tested, with clear accountability across management levels.

4. Importance of Incident Response and Remediation
The incident underscored shortcomings in incident response readiness and highlighted the need for stronger crisis management, escalation, and recovery processes. While remedial actions were taken post-incident, the gaps resulted in regulatory enforcement.
Expectation:
Firms must integrate comprehensive incident response and recovery frameworks within business continuity plans, including clear communication protocols and timely escalation of cybersecurity incidents.

5. Regulatory Enforcement and Accountability
In determining the penalty, BNM considered factors including severity of breaches, past compliance record, existing controls, and effectiveness of remedial actions. The enforcement action reflects BNM's firm stance on ensuring compliance with RMiT and MCIPD requirements.
Expectation:
Financial institutions must maintain a proactive compliance posture, demonstrating strong governance, accountability, and continuous improvement to meet evolving regulatory expectations.

Concluding Observation
This enforcement action reinforces BNM's increasing focus on cybersecurity resilience, data protection, and effective technology risk management. As financial services continue to digitalise, institutions are expected to adopt a proactive and risk-based approach to ensure that cybersecurity controls and data protection measures are robust, operationally effective, and continuously enhanced to safeguard customer trust and financial system integrity.

Source: *Affin Hwang Investment Bank Berhad (May 2026)*

ASIA: MAS Revokes the Major Payment Institution Licence of Bsquared Technology Pte Ltd

MAS revoked Bsquared Technology Pte Ltd's licence on 14 May 2026, stopping it from providing digital payment token services in Singapore. Although licensed in January 2025, a 2025 inspection found serious breaches, including weak risk management, poor conflict-of-interest controls, non-compliance with outsourcing rules, and repeatedly providing false or misleading information to MAS. While the firm had limited activity and no outstanding customer funds, it must submit an auditor-certified closure report, and MAS is reviewing the accountability of its key officers.

Regulators across jurisdictions expect organizations to maintain strong governance, accurate regulatory disclosures, and effective risk and outsourcing controls at all times, not just at licensing; failure to do so can lead to severe enforcement actions even without customer losses including licence revocation and management accountability reviews.

Source: *[https://www.mas.gov.sg (May 2026)](https://www.mas.gov.sg)*

Anti-Money Laundering News

Malaysia

MALAYSIA: MACC Traces RM240mil Overseas Money Trail in RM300m Share Scandal

The Malaysian Anti-Corruption Commission (MACC) has uncovered a sprawling overseas money trail exceeding USD51.3 million (about RM240 million) in its ongoing probe into the RM300 million share transaction scandal, in a development that points to suspected money laundering and abuse of power. Sources said investigations revealed that the former chief executive officer (CEO) of a government-linked statutory body exercised "absolute control" over the share sale process, acting simultaneously as proposer and approver in closed-door negotiations with minority shareholders. "This gave the individual full control over the terms and pricing of the transaction, raising serious concerns of abuse of position involving public funds," the source said.

Investigators have also detected elements of bribery and money laundering, with proceeds from the transaction allegedly channelled through offshore entities to conceal the identities of beneficiaries. Part of the funds, estimated at about RM30 million, are believed to have been reinvested into companies listed on Bursa Malaysia to disguise the financial flows as legitimate investments. The probe further revealed that the offshore trail involved six bank accounts in Singapore, with six transactions totalling more than US$48 million, as well as a separate US$3.3 million transaction in Labuan linked to two beneficial owners of companies that received payments from public funds.

Authorities are also examining two bank accounts in the United Arab Emirates (UAE), believed to be owned by the former CEO, involving about US$10,000 and AED37,000 (approximately RM80,000). Sources said the total cross-border fund movements are believed to involve entities established in the British Virgin Islands (BVI), a known offshore financial hub. In a related development, MACC has frozen an additional six individual accounts worth about RM11 million, bringing the total amount frozen so far to RM16.8 million.

MACC Special Operations Division senior director Datuk Mohamad Zamri Zainul confirmed that investigations are ongoing, with authorities expanding the scope to include cooperation with foreign enforcement agencies in Singapore, the BVI, the UAE and Labuan. He said the collaboration aims to trace cross-border transactions and identify assets linked to the case. The latest findings build on earlier revelations that the transaction involved inflated valuations and alleged collusion among several parties, which may have caused losses exceeding RM300 million in public funds.

It was reported that MACC has widened its probe into the RM300 million share transaction scandal, focusing on suspected overseas fund movements and questionable valuation practices linked to the deal. The latest development comes a day after a former chief executive officer of a government-linked statutory body and a holding company chairman were remanded over their alleged roles in the transaction.

The case is part of a broader probe into alleged collusion involving several board members and shareholders in the share sale transaction, which is believed to have caused significant losses to public funds. It was reported that a former chief executive officer of a government-linked statutory body and the chairman of a holding company were remanded for four days over a share sale transaction that reportedly caused RM300 million in losses to public funds.

The remand, until April 12, was issued by magistrate Azeren Zakariah following an application by the MACC at the Putrajaya magistrate's court on April 9.

Source: *https://www.nst.com.my (April 2026)*

Anti-Money Laundering News

MALAYSIA: Luxury Watch Shop Staffer Faces 44 Money Laundering Charges Involving RM1.7mil

An assistant manager at a luxury watch boutique claimed trial in the sessions court here today to 44 money laundering charges involving RM1.7 million. Miki Oshiro, 36, pleaded not guilty after the charges were read before three separate judges: Izralizam Sanusi, Azrul Darus and Norma Ismail.

According to the charges, Miki received a total of RM1.7 million in tranches from a 61-year-old woman between Oct 5, 2024 and Jan 3, 2025, and transferred RM628,499, allegedly from unlawful proceeds, into several bank accounts belonging to individuals and companies. The transactions were allegedly made at two banks in Damansara Utama, Petaling Jaya.

Miki was charged under Section 4(1)(b) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, which provides for up to 15 years' imprisonment and a fine of no less than five times the amount involved or RM5 million, whichever is higher.

Deputy public prosecutor Izham Marzuki requested that Miki be barred from contacting any of the prosecution witnesses and ordered to report to Bukit Aman's anti-money laundering division once a month until the disposal of the case. The court set bail at RM105,000 with one surety, allowed the conditions sought by the prosecution and fixed Feb 27 for case mention.

Source: https://www.freemalaysiatoday.com (February 2026)

MALAYSIA: Company Secretary Fined RM50,000 for AMLA Breaches, Submitting False Information

A company secretary has been fined RM50,000 for anti-money laundering violations and for providing false information to the Registrar of Companies.

In a statement, BNM, in collaboration with the Companies Commission of Malaysia (CCM), said their investigation revealed that Ardzlyn Hawatul Yuhanis Uyob@Ayob (Ardzlyn), a company secretary through her firm, Continuum Corporate House Sdn Bhd, failed to report two Suspicious Transaction Reports to BNM as required under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA).

BNM stated that these concerns are transactions involving foreign nationals associated with MB International Sdn Bhd and Ascent GT Sdn Bhd.

"Separately, the investigation conducted by CCM also revealed that Ardzlyn had submitted false information to the Registrar of Companies in relation to the appointment of one of the foreign nationals as a director of the said companies, and has since revoked her practising certificate," said BNM.

On Dec 10, 2025, Ardzlyn was charged at the Sessions Court with two offences under section 86 AMLA read together with section 14(1)(b) AMLA and paragraph 19 of AMLA Policy Document, while CCM charged Ardzlyn with two offences under section 593(b) of the Companies Act 2016. On April 15, 2026, Ardzlyn pleaded guilty to the charges and was sentenced to a fine totalling RM50,000.

BNM would like to emphasise the importance of strong controls and ensuring full compliance with reporting obligations under AMLA is critical to prevent misuse for money laundering, terrorism financing, and other serious criminal activities.

Source: *https://www.thestar.com.my (May 2026)*

Anti-Money Laundering News

World

WORLD: FinCEN Proposes Landmark AML/CFT Program Reforms, Shift from "Tick-the-Box" to Risk-Based Effectiveness

On 7 April 2026, the U.S. Financial Crimes Enforcement Network (FinCEN) issued a proposed rule to fundamentally reform AML/CFT program requirements under the Bank Secrecy Act (BSA), implementing key provisions of the Anti-Money Laundering Act of 2020.

The proposal introduces a formal definition of an "effective" AML/CFT program based on a two-pronged framework:

1) The establishment of a risk-based program incorporating internal policies, risk assessment processes, independent testing, a U.S.-based compliance officer, and ongoing training; and
2) Effective implementation, demonstrating that these elements function in practice.

A significant shift is the explicit requirement for mandatory periodic risk assessments that evaluate money laundering and terrorist financing risks associated with an institution's products, services, customers, and geographic locations. The proposal also aims to focus enforcement on "material" or "systemic" failures rather than isolated technical deficiencies, and encourages financial institutions to responsibly experiment with innovative technologies (including AI) in their AML programs without additional enforcement risk. Comments were due by 9 June 2026, with a proposed 12-month implementation period after the final rule. For global investment banks and intermediaries, this reform signals a broader shift in regulatory philosophy from assessing whether firms have policies on paper to evaluating whether those policies actually work a direction increasingly mirrored by regulators in the UK, EU, and Asia-Pacific.

Source: *https://www.fincen.gov (April 2026)*

Asia

ASIA: Webull Called to Explain KYC Gaps Over Money-Laundering Concerns

A House committee summoned Webull Thailand to explain its KYC and anti-money-laundering controls after scam-linked fund flows raised concern

A House committee on anti-money laundering and narcotics suppression summoned executives from Webull Thailand to clarify the company’s customer screening and anti-money-laundering measures, after concerns emerged that online investment platforms could be exploited as channels for moving illicit funds.

The committee examined the know-your-customer and customer due diligence standards, known as KYC/CDD, used by Webull Securities (Thailand) Co Ltd. The review followed complaints that an online securities trading platform may have been used to park and transfer money linked to financial crime.

An urgent letter dated June 2, 2026 invited Chonladet Khemarattana, chief executive officer of Webull Securities (Thailand), to give evidence to the committee on June 11 at Parliament. He was asked to explain the company’s customer screening process, anti-money-laundering procedures and risk-control measures.

The committee viewed the issue as more than a technical weakness at an investment platform. It warned that if securities firms become loopholes in the financial system for transnational criminal networks, the case could damage the image and credibility of Thailand’s capital market as a whole.

Scam case leads to capital-market scrutiny

The investigation stemmed from an operation by the Central Investigation Bureau (CIB) and the Anti-Online Scam Operation Centre (ACSC), which expanded from a fraud case involving a retired government official in Pathum Thani who lost more than 1.4 million baht.

Further investigation found more than 30 victims linked to the wider network. Initial checks found that the group had monthly fund flows of more than 100 million baht, while total damage may have reached as much as 1 billion baht per month.

Anti-Money Laundering News

Authorities found that the alleged network had developed its laundering methods beyond traditional mule accounts. Instead, it allegedly used capital-market structures as a space to park and move illegal money.

Investigators also identified a method referred to as "Poipet Circumvention", in which Thai mule-account holders were taken to stay in Poipet, Cambodia, for several weeks. They were allegedly used to complete facial-recognition checks and conduct financial transactions on behalf of the real account controllers, allowing the network to evade Thai financial institutions' security measures.

The operation led to the arrest of eight suspects: seven Thai nationals and one Chinese national. Officers also searched safe houses in luxury condominiums in Bangkok's Huai Khwang area, along with business premises allegedly used as fronts for the network.

One alleged commander in the network reportedly told investigators that money obtained from fraud was transferred through a stock-trading application without any real investment in securities. That statement brought the issue under closer public and investor scrutiny.

Webull denies involvement and tightens controls

After the case drew public attention, Webull Securities (Thailand) issued a statement denying any involvement in the alleged money-laundering network. The company insisted that its KYC system operates in line with standards set by regulators.

Chonladet said Webull Securities (Thailand) has registered capital of 1 billion baht and is part of Webull Corporation, which is listed on the Nasdaq in the United States. He said the company is required to comply strictly with international regulatory standards.

The company said it moved quickly to close internal gaps and strengthen security measures within one week of detecting the issue.

Key measures include:
- cancelling 100% real-time withdrawal and adding more time for transaction checks;
- using an AI Scoring Model to analyse customer behaviour and detect unusual transactions;
- adding Enhanced Due Diligence (EDD) for higher-risk accounts;
- using international databases to screen high-risk individuals and suspicious accounts;
- reviewing past activity and identifying around 40-50 mule accounts from a customer base of more than 200,000, or less than 0.03% of all customers.

Webull said the suspicious accounts had already been closed and suspended.

SEC prepares wider industry measures

The case has also prompted regulators to review anti-financial-crime standards across the capital-market industry. Pornanong Budsaratragoon, secretary-general of the Securities and Exchange Commission (SEC), previously said the regulator was preparing new measures to strengthen cybercrime and anti-money-laundering safeguards, especially in investor identity verification.

Measures under consideration include:
- requiring deposits and withdrawals to go through verified bank accounts;
- upgrading real-time KYC systems;
- increasing penalties against operators that fail to control risks and allow their platforms to become channels for illegal funds.

Webull's appearance before the House committee on June 11 was expected to be closely watched as a test of Thailand's capital-market supervision, particularly as regulators try to balance financial innovation with stronger protection against increasingly sophisticated online crime networks.

Source: *https://www.nationthailand.com (June 2026)*

Ethics & Governance News

Malaysia

MALAYSIA: Upcoming AI Governance Bill to Enforce Accountability, Ethical Use, and Copyright Protections

The Digital Ministry is in the early stages of drafting a comprehensive Artificial Intelligence (AI) Governance Bill aimed at regulating the distinct legal and ethical responsibilities of both AI developers and deployers across the technology's full lifecycle. Announcing the legislative framework in the Dewan Rakyat sitting on 24 February 2026, Prime Minister Datuk Seri Anwar Ibrahim emphasized that Malaysia's approach will strongly prioritize citizens' rights and ethical judgment, moving beyond the purely technical and legal focus seen in Western models. To ensure a robust framework, the bill will undergo extensive stakeholder engagement and scrutiny by a Parliamentary Special Select Committee before finalization.

Source: *https://www.nst.com.my (February 2026)*

Asia

ASIA: Hong Kong Authorities Arrest Eight in Insider Trading Probe into Hedge Fund and Brokerages

On 12 March 2026, Hong Kong's Securities and Futures Commission (SFC) and the Independent Commission Against Corruption (ICAC) launched a joint operation code-named "Fuse", the city's biggest financial industry crackdown in recent years, arresting eight individuals, including senior executives, on insider trading charges linked to share placements.

The probe targets two brokerages and a hedge fund. Guotai Junan International confirmed it was raided, while sources identified CLSA (a unit of China's Citic Securities) and hedge fund Infini Capital as the other firms. Citic Securities confirmed its Hong Kong subsidiary was probed, with documents seized and one staff member questioned.

Authorities allege the owner of the hedge fund offered more than HK$4 million (~US$511,000) in bribes to obtain confidential information about share placements by Hong Kong-listed companies before public announcements. The hedge fund then allegedly profited approximately HK$315 million from short positions taken ahead of those announcements. The joint operation searched 14 locations including company offices and residences.

The case comes amid a boom in Hong Kong equity offerings, the city was the world's top listing venue in 2025, with equity fundraising rising 164% to US$103 billion, and is expected to intensify pressure on IPO sponsors and placement agents to strengthen due diligence and controls around confidential deal information.

Source: *https://www.reuters.com (March 2026)*

World

WORLD: The AMF Enforcement Committee Fines Two Individuals for Insider Dealing Breaches

The AMF Enforcement Committee in France imposed a fine of €30,000 on Mr Ytane Mamou and €20,000 on Mr Elie Houri for insider dealing breaches involving the July 2021 takeover of a listed company. The AMF Enforcement Committee found that Mr. Mamou possessed and used non-public information to buy shares for himself, his wife, and his father, and illegally recommended the investment to Mr. Houri who then acted on the recommendation to purchase shares. The Committee's decision was based on an assessment of information transmission channels, the atypical nature and timing of the trades, and the absence of convincing alternative explanations from both respondents. The decision is subject to appeal.

Source: *https://www.amf-france.org (May 2026)*

REGULATORY ALERTS

Circulars/Guidelines				
Regulator	**Issuance Date**	**Title**	**Particulars**	**Effective Date**
Suruhanjaya Sekuriti Securities Commission Malaysia	2 March 2026	Guidelines on Continuing Obligations for Registered Auditors	SC has revised the Guidelines on Continuing Obligations for Registered Auditors on 2 March 2026. The Guidelines were revised to: a. increase the number of Audit Oversight Board (AOB) registered audit firms obliged to prepare annual transparency reports; b. broaden the scope of mandatory disclosures in the annual transparency reports; and c. introduce a set of core principles to promote independent oversight for Major Audit Firms.	2 March 2026
Suruhanjaya Sekuriti Securities Commission Malaysia	2 March 2026	Technical Note No. 1/2026 - Clarification on the Application of Netting Provisions in the Capital Markets and Services Act 2007	SC on 2 March 2026 published new Technical Notes related to the Netting Provisions in Capital Markets and Services Act 2007 (CMSA): 1. Subsection 57B (1) under Subdivision 7, Division 2 of Part II of the CMSA sets out that the rights of the parties under the netting provision of a qualified capital market agreement are preserved in the event that there is a commencement of any other proceeding which has the effect of assuming control or managing the business, affairs and properties of a party. 2. In this regard, a qualified capital market agreement is defined under section 57A of the CMSA as follows: "qualified capital market agreement" means– a) an agreement with a netting provision, in respect of one or more securities borrowing and lending transactions; or b) an agreement specified by the Commission to be a qualified capital market agreement for the purposes of this Part; 3. As such, this would allow parties to the qualified capital market agreement to net their financial obligations with counterparties pursuant to the qualified capital market agreement, even if there is an ongoing proceeding. 4. The SC wishes to clarify that for the purposes of paragraph 57A(a) of the CMSA in relation to "qualified capital market agreement", it applies to securities borrowing and lending (SBL) transactions entered into within or outside Malaysia. This will also include SBL agreements involving securities outside Malaysia entered into with a Malaysian counterparty. Set against the above, netting provisions relating to such SBL transactions may be enforced without being limited, restricted or otherwise affected by a provision in the securities law or in any other written law.	2 March 2026

REGULATORY ALERTS

Circulars/Guidelines				
Regulator	**Issuance Date**	**Title**	**Particulars**	**Effective Date**
	3 March 2026	Availability of Depersonalised Credit Information	BNM has issued a notification on Availability of Depersonalised Credit Information on 3 March 2026. This letter is to inform on the availability of depersonalised credit information to CCRIS Participating Financial Institutions (PFIs) to support development of robust credit risk management practice, in line with Section 47(2) of the Central Bank of Malaysia Act 2009. This shall be read together with the revised CCRIS Policy Document published via BNM's Regulatory Handbook on 22 December 2025.	3 March 2026
BURSA MALAYSIA	4 March 2026	Bursa Malaysia Key Enforcement Cases in 2025	In line with Bursa Malaysia's continuing commitment to improve effectiveness of its enforcement actions, Bursa Malaysia have published the key enforcement actions taken against market and clearing participants in 2025 for breaches of the rules on the website of Bursa Malaysia.	4 March 2026
	26 March 2026	Statements on High-Risk and Other Monitored Jurisdictions by the Financial Action Task Force (FATF)	BNM has issued a Circular pursuant to Section 83 of the AMLA on the Statements Issued by the Financial Action Task Force (FATF) on 24 March 2026. This circular is to inform the reporting institutions (RIs) of the recent statements issued by the FATF in February 2026, regarding the High-Risk Jurisdictions subject to a Call for Action and Jurisdictions under Increased Monitoring: 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; 2. The FATF's Call for Action on Iran for the application of enhanced due diligence and effective countermeasures remains in effect. FATF urges jurisdictions to apply effective countermeasures on Iran while ensuring that the flows of funds involving humanitarian assistance, food and health supplies, diplomatic operating costs, and personal remittances are appropriately managed on a risk basis; 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 should ensure that the flows of funds for humanitarian assistance, legitimate non-profit organisation activity and remittances are not disrupted; and 4. The FATF has included Kuwait and Papua New Guinea under the Increased Monitoring process. RIs are also required to consider other jurisdictions under the Increased Monitoring for risk assessment purposes.	24 March 2026

REGULATORY ALERTS

Circulars/Guidelines				
Regulator	**Issuance Date**	**Title**	**Particulars**	**Effective Date**
Suruhanjaya Sekuriti Securities Commission Malaysia	30 March 2026	Revised Guidelines on Islamic Capital Market Products and Services	SC has issued a revised Guidelines on Islamic Capital Market Products and Services on 30 March 2026. The Guidelines was revised to update certain requirements as well as to provide clarity on the process and application of certain requirements under the Guidelines, including the following: a. Enhancement to the roles, responsibilities and continuous obligations of the Registered Shariah Adviser (RSA); b. Clarification on the non-applicability of certain requirements for Islamic Capital Market (ICM) product and service offered by Recognized Market Operator (RMO); c. Introduction of new requirements in relation to the offering of ICM product and service on Digital Asset Exchange (DAX) operator; and d. Change in the date of annual declaration submissions by RSAs.	30 March 2026
Suruhanjaya Sekuriti Securities Commission Malaysia	30 March 2026	Revised Guidelines on Compliance Function for Fund Management Companies	SC has issued a revised Guidelines on Compliance Function for Fund Management Companies on 30 March 2026. The Guidelines were revised to facilitate the investment into private debt notes and Islamic private debt notes by licensed fund management companies. Additional amendments were made to enhance clarity of certain requirements in respect of control and risk management policies and procedures. Housekeeping and editorial amendments were made throughout the Guidelines to provide greater clarity and consistency. These amendments include formatting and editorial changes such as renumbering and rephrasing of certain requirements and contents, standardisation of terminology, updating of information, and grammatical corrections.	30 March 2026
Suruhanjaya Sekuriti Securities Commission Malaysia	30 March 2026	Revised Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework	SC has issued a revised Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework on 30 March 2026. The Guidelines were revised to facilitate the issuance of private debt notes and Islamic private debt notes by private companies to specific persons. Additional amendments were made to enhance certain requirements in respect of control and risk management policies and procedures. Housekeeping and editorial amendments were made throughout the Guidelines to provide greater clarity and consistency. These amendments include formatting and editorial changes such as renumbering and rephrasing of certain requirements and contents, standardisation of terminology, updating of information, and grammatical corrections.	30 March 2026

REGULATORY ALERTS

Circulars/Guidelines				
Regulator	**Issuance Date**	**Title**	**Particulars**	**Effective Date**
BURSA MALAYSIA	6 April 2026	Equities Trading Data Reclassification	Bursa Malaysia has implemented the reclassification of equities investor trading data effective from 6 April 2026, aimed at providing clearer visibility of investor participation and fund flows across retail, institutional and domestic segments. The reclassification enhances the granularity of investor participation and fund flow statistics by refining how trade-level activity is classified and attributed across investor segments. This marks the first update of investor segmentation since the statistics were introduced in 2008. The reclassification introduces the following changes: • **Segmentation of nominee accounts**: Nominee trades are now categorised as either retail or institutional at the trade level, based on information of the end-beneficiary owner provided by Participating Organisations. Previously, all nominee trades were classified as institutional investors. • **Better reflection of domestic investment activity**: Foreign-owned institutions incorporated in Malaysia are classified based on the source of investment funds at the trade-level, guided by the place of incorporation. This aligns better with shareholding data, which is recorded at settlement date (T+2). Previously all trades by foreign-owned institutions regardless of place of incorporation were classified as foreign.	6 April 2026
BURSA MALAYSIA	13 April 2026	Amendment to The Directive on The List of Specified Exchanges (Directive No. 6.25(1)-001)	Bursa Malaysia Derivatives Berhad have issued an amendment to Directive No. 6.25(1)-001 on the List of Specified Exchanges. Directive No. 6.25(1)-001 has been amended to reflect the inclusion of the ***ICE Endex Markets B.V.*** as a Specified Exchange. This amendment takes effect immediately.	13 April 2026
BURSA MALAYSIA	18 May 2026	Consultation Paper No. 2/2026 on the Proposed Amendments to the Leap Market Listing Requirements, Ace Market Listing Requirements and The Rules and Directives of Bursa Malaysia to Reinvigorate the Leap Market (CP)	Pursuant to the joint review of the regulatory framework for the LEAP Market by the SC and Bursa Malaysia, several key changes have been identified to reinvigorate and strengthen the value proposition of the LEAP Market as a fundraising platform, as outlined below: a) Expansion of the investor pool; b) Enhanced admission framework; c) Liberalised adviser framework; and d) Accelerated graduation pathway. Bursa Malaysia has issued the CP seeking comments and feedback from the public, with the submission deadline set for 15 June 2026.	-

REGULATORY ALERTS

Circulars/Guidelines				
Regulator	**Issuance Date**	**Title**	**Particulars**	**Effective Date**
	19 May 2026	BNM Specifications on Transitional Arrangements for Cessation of the Kuala Lumpur Interbank Offered Rate (KLIBOR)	BNM issued a Specifications Letter on Transitional Arrangements for Cessation of the Kuala Lumpur Interbank Offered Rate (KLIBOR) on 21 May 2026. The purpose of the letter is to specify requirements in relation to transitional arrangements for the cessation of KLIBOR. As part of efforts to ensure the continued robustness of domestic financial benchmarks, the Bank intends to permanently cease the publication of all existing KLIBOR rates after 31 December 2028 for a full transition to the Malaysia Overnight Rate ("MYOR") and Malaysia Islamic Overnight Rate ("MYOR-i"). Action Required: 1) Financial Institutions (FI) shall develop and implement a transition plan that adheres to the key milestones in the KLIBOR transition roadmap (Appendix 1); 2) FI shall implement the measures specified in Appendix 2 to assist in making the necessary preparations; 3) FI shall allocate sufficient resources and undertake all efforts necessary to support the national transition efforts; 4) The Board and senior management of FI shall maintain continuous oversight over their FI's progress on the development and implementation of the transition plan; 5) To facilitate the Bank's monitoring, FI are required under S.143 of the FSA, S.155 of the IFSA and S.116 of the DFIA to submit the following board-approved materials to the Financial Benchmark Review team at fbr@bnm.gov.my by close of business on 30 June 2026: a. Summary of the FI assessment of key transition risks; b. Detailed transition plan, which shall contain strategies, internal milestones and any other relevant information on managing transition risks; and c. Contact details of the officer(s) at the senior management level who is responsible for overseeing the development and implementation of the transition plan 6) FI shall thereafter submit progress updates on the development and implementation of their transition plan together with relevant KLIBOR, MYOR and MYOR-I exposure data to the Bank on a **quarterly basis** using a standard reporting template that will be provided by the Bank.	19 May 2026