

annual report | 2012



www.sidc.com.my



Delivering Professional Excellence



Creating Impact, Delivering Sustainable Results

Origami is the ultimate expression of aesthetic creativity achieved by folding ordinary sheets of paper into beautiful works of art. On the cover, we apply this notion of origami to the SIDC's role as a leading provider of capital markets training and education, transforming individuals into competent industry professionals through innovative and impactful training and development. The lush and robust tree symbolises the SIDC and sustainability; the origami birds nesting on its branches represent the different segments we serve and the talent we nurture. Transformed, they soar high, contributing to the industry through their individual abilities and colours.



Our Vision

To be recognised internationally as the leading developer of capital market professionals and investor education.



Our Mission

To support the Securities Commission Malaysia (SC) and Bursa Malaysia in making the Malaysian capital market a preferred destination for investors by:

1. Educating investors in Malaysia so that they:
 - are protected from fraudulent transactions as informed market participants;
 - develop an informed interest in investing based on market and business fundamentals; and
 - value good corporate governance and Corporate Social Responsibility (CSR)
2. Developing and training Malaysian capital market intermediaries to meet world-class standards
3. Developing and training emerging market regulators
4. Training directors of public-listed companies
5. Building human capital through the talent development pipeline

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With a constant finger on the pulse of the industry, we ensure our programmes and services are relevant and effective through continuous development and improvement, reflecting our passion for all-round excellence.



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Inspired by our forward-thinking culture, we look for opportunities in the latest industry developments and embrace innovation in all areas of our operations to stay ahead of the curve.



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With integrity, reliability and accountability, we have built our reputation as a leading name in the capital markets training field. These values shape our engagements and relationships with our clients, partners and stakeholders and help us secure their trust.



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Our people are our best asset. Goal-oriented team players with diverse talents and a strong respect for positive work values, our staff play the biggest role in charting the SIDC's growth and success.

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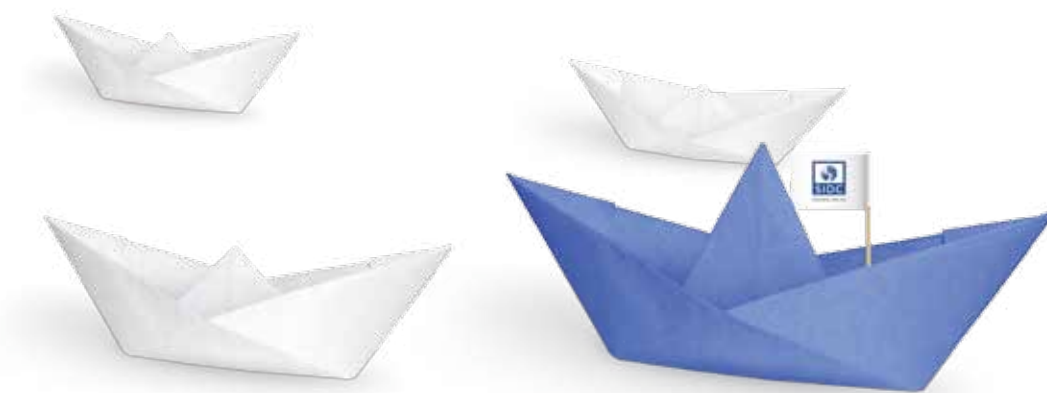
SIDC Background

The **SECURITIES INDUSTRY DEVELOPMENT CORPORATION (SIDC)** is the training and development arm of the Securities Commission Malaysia (SC) and the leading capital markets education, training and information resource provider in ASEAN.

Established in 1994 and incorporated as a corporate entity in 2007, the SIDC has been in the business of training and developing capital market participants in Malaysia and internationally for almost two decades. It designs and facilitates training programmes for Malaysian and foreign regulators, company directors and market professionals as well as conducts public investor education seminars on wise investing and investors' rights.

The SIDC also builds human capital for the Malaysian capital market through its talent development programmes. In addition, the SIDC works closely with the SC to develop, maintain and administer the SC Licensing Examinations and the mandatory Continuing Professional Education (CPE) programme as part of the licensing regime for Malaysian capital market intermediaries.

Through its comprehensive experience and successful track record in developing and delivering innovative, high-calibre, fit-for-purpose programmes for specific target audiences, it has established a reputation synonymous with professional excellence and has been acknowledged by international institutions such as the International Organization of Securities Commissions (IOSCO), the Asian Development Bank (ADB), the Asia-Pacific Economic Cooperation (APEC) and ASEAN.



Leadership through impact and results



Chairman's Statement

It is my privilege to present the sixth annual report of the Securities Industry Development Corporation (SIDC). "Creating Impact, Delivering Sustainable Results" is the theme for this year's annual report.

In reviewing the performance of the SIDC since its incorporation in 2007, it is heartening to note that the organisation has lived up to this theme, having been consistent in meeting annual performance targets to deliver its mandate as the training arm of the Securities Commission (SC). Measurable and sustainable advancements have been charted by the SIDC in carrying out its five missions – developing market intermediaries, educating investors, training regulators and industry leaders, and building new talent.

The SC is committed to developing Malaysia into a vibrant and globally competitive capital market amid an environment of increasing opportunities and competition within the region. To strengthen the competitive position of the Malaysian capital market on the back of the current favourable investment outlook on Asian economies as well as growing integration among regional markets, it is imperative to nurture a pool of market professionals with the acumen, competencies and integrity to boost investor confidence and meet the expectations of both local as well as international investors. The SIDC plays a significant role in developing, setting and enhancing standards of capital market professionals for the industry. It is an important institution supporting the SC's policy implementation through its professional development and education efforts for diverse groups including intermediaries, industry leaders, regulators, new talent and investors. Its capabilities in human capital development for the industry have been well recognised by both domestic and international institutions such as the International Organization of Securities Commissions (IOSCO), Asian Development Bank (ADB) and Australian Agency for International Development (AusAID) as well as capital market regulators from developed and emerging economies.

Developing market intermediaries

The SIDC contributes to the shaping of market intermediaries' professional standards through various long-term strategic development initiatives such as the SC Licensing Examinations, Continuing Professional Education (CPE), Industry Transformation Initiative (ITI), talent development programmes as well as skills-based training programmes. In 2012, over 15,000 participants were trained, attesting to the important role the SIDC plays in developing and enhancing the professional standard of intermediaries.

It is encouraging to note that training programmes under the ITI alone have benefited almost all the intermediaries in the capital market. To date, more than 73,000 participants have been trained since its inception in 2007 (2012: 12,725 participants), reflecting its valuable contribution to the upskilling of industry capabilities. The CPE programme also received a significant 30,088 participants, indicating the commitment of market professionals to continually upgrade their knowledge and skills to provide better service to our investors.

Note: Total participants include multiple counting of participants who attended more than one training.

Training leaders and raising corporate governance

Executive development is another important area of focus for the SIDC through which the capital market leadership pipeline is strengthened. Since 2007, it has been providing incisive leading edge-thinking in strategy, innovation, transformation, corporate governance and finance to captains of the industry through the annual residential Advanced Business Management Programme (ABMP).

The programme, jointly conducted with the world-renowned Institute of Management Development (IMD), Lausanne, Switzerland, has attracted a total of 120 C-suite leaders since its inception. As with previous years, the 2012 programme's value, effectiveness and relevance in terms of focal issues was affirmed by the high average rating of 4.8 out of 5 accorded by its participants. Further, in line with the strategic "Growth with Governance" thrust in the Capital Market Masterplan 2 (CMP2) as well as the

Progress in a stable environment



A portrait of a middle-aged man with a beard and mustache, wearing a black turban, a dark suit, a light blue shirt, and a striped tie. He is looking directly at the camera with a slight smile. The background is a light-colored wall with a subtle, repeating pattern of stylized floral or geometric motifs.

Datuk Ranjit Ajit Singh
Chairman
Securities Industry
Development Corporation

Chairman's Statement

Malaysian Code on Corporate Governance issued in March 2012, the SIDC launched programmes for directors and management of Malaysian public-listed companies to raise the standard of corporate governance in order to help them execute their duties more effectively.

Building new talent

Having a continuous supply of competent talent is critical for the growth and development of the capital market. The SIDC launched a series of outreach seminars in 2012 called "Careers in the Capital Market" to promote career opportunities in the industry to campus students. This awareness programme aims to tap into the ready talent pool at local institutions of higher learning. Reaching out to an estimated 5,000 undergraduates annually, this initiative will play a valuable role in fortifying links among regulator, industry and academia to serve the talent requirements of the capital market. In addition, the SIDC has been running the Islamic Capital Market Graduate Training Scheme (ICMGTS) since 2009 to expand the industry's talent pipeline. To date, a total of 281 graduates (2012: 80 graduates) have been successfully groomed for the Islamic capital market. Close to 90% of this number have been absorbed by the industry, reflecting the programme's significance in supporting the human capital needs of the capital market industry.

SIDC customised investor programmes well received

The SIDC continues to be instrumental in supporting the SC's role of empowering Malaysian investors through education and awareness. In 2012, the SIDC's investor education programmes enjoyed broadened reach and achieved noteworthy success. Over 63,000 individuals benefited from the SIDC's tailor-made activities for different segments of society including school children, university students, women, blue and white collar workers as well as rural communities. Over the past five years the SIDC has reached out to more than 230,000 individuals, recording year-on-year growth in participant numbers.

Notably, all of the SIDC's signature programmes - Kids & Cash, Teens & Cash, Cash@Campus and Bijak Mengurus Wang (B.M.W.) - received "Good to Excellent" average participant ratings for the year, a testament to their continued quality and effectiveness in meeting set objectives. B.M.W. and Kids & Cash surveys also showed positive changes in the investment and financial management behaviour of participants after attending the programmes, further supporting their usefulness as investor education tools. In addition, the launch of the large-scale "Kempen Pelabur Bijak Kebangsaan 2012-2013 (KPBK)" in October 2012 was another investor education milestone for the SC and SIDC. Targeted to reach out to

1.5 million new and potential investors, the campaign amplifies the effectiveness of the SIDC's existing financial literacy programmes by scaling up its outreach efforts and engaging the population in larger numbers than before.

Fostering knowledge-sharing among regulators

Tapping on the SC and SIDC's experience and areas of expertise, the successful delivery of the Emerging Markets Programme (EMP) and the Islamic Markets Programme (IMP) has resulted in greater knowledge-sharing and cooperation among regulators in developing and developed markets. Over the years the programmes have built a solid reputation as enriching training, networking and discussion platforms for participants from all over the world. In particular, the EMP has played host to over 550 regulators from 65 countries since its launch in 2001.

At the international level and to further raise the bar, the SIDC's collaboration with the Australian Treasury and AusAID to deliver capacity building programmes for fellow regulators of APEC countries has continued to flourish and benefit participants in the ASEAN region and beyond. Such programmes provide an avenue to advance the alignment of differing regulatory standards and promote better cross-border enforcement processes. These are very important to the SC in its advocacy of greater regional cross-border flows and market integration.

Looking ahead to 2013 and beyond

The year 2012 in general provided a stable environment for the SIDC to build scalability for its existing programmes and improve delivery, while prioritising new initiatives for implementation in order to serve the industry's ever-changing training and talent requirements.

Building on its successes and strong foundation, I am confident that the SIDC is up to the challenge for 2013 and beyond as it continues to elevate the quality of local market professionals to meet global standards while embarking on the expansion of its international presence. This is with the aim of making the Corporation a leader in capital markets human capital development.

I would like to take this opportunity to congratulate Azman Hisham Che Doi, who took over stewardship as SIDC's Chief Executive Officer in July 2012, his management team and all SIDC staff for their achievements during the year, and especially for upholding the organisation's core values and commitment to excellence through strong integrity, innovation and good teamwork. I also want to express my gratitude to the Board of Directors for their tireless guidance and support. Finally, I wish to sincerely thank my predecessor Tan Sri Zarinah Anwar for her invaluable contribution to the growth and progress of the SIDC.

Chief Executive Officer's Statement

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In 2012, I am very pleased that we have successfully delivered our comprehensive and strategic human capital development initiatives to support the growth of the Malaysian capital market industry, both in the conventional as well as Islamic markets. Despite the challenging environment, we have executed our business plan well and exceeded expectations.

”

Azman Hisham Che Doi
Chief Executive Officer
Securities Industry Development
Corporation



Chief Executive Officer's Statement

Operating in a highly competitive and rapidly changing capital market environment demands continuous improvement and innovation for institutions like the SIDC to remain relevant and successful. Based on our performance record for the last 19 years, our ability to withstand these challenges and to perform is very dependent on the quality and commitment of our people. I am very fortunate to have an SIDC family that embraces our corporate values and continues to strive for high performance amid a fast-paced working environment.

In 2012, I am very pleased that we have successfully delivered our comprehensive and strategic human capital development initiatives to support the growth of the Malaysian capital market industry, both in the conventional as well as Islamic markets. Despite the challenging environment, we have executed our business plan well and exceeded expectations. Most of our activities and development programmes were well received by the industry and garnered strong participation from our diverse target groups including new talent, market intermediaries, regulators, corporate leaders and investors. We are very encouraged by the “Good to Excellent” participant ratings received for most of the programmes. Over 15,000 market participants* have benefited from our development initiatives in 2012.

In fulfilling our mandate to raise the professional standards of market intermediaries, we have continued with our capital market licensing examinations, Continuing Professional Education (CPE) as well as Industry Transformation Initiative (ITI) programmes. A total of 384 examination sessions were conducted in various strategic locations in Peninsular Malaysia as well as Sabah and Sarawak to facilitate industry needs for licensing. A total of 6,899 candidates* attempted the examinations, which recorded an overall passing rate of 42%. The examinations set the minimum standards of competency for market intermediaries to provide services in the Malaysian capital market.

In an effort to help our licensed market intermediaries continuously update themselves on the latest knowledge, the SIDC assessed and approved a total of 806 courses under its CPE accreditation programme, benefiting a total of 30,088 participants*. In addition, our comprehensive ITI curriculum continued to serve the development needs of market intermediaries in 2012. A total of 12,725 participants* were trained for the year. Through ITI, industry players were able to sharpen skills and capabilities

in specific areas of capital market practice. This ultimately helps them to increase the quality of services provided to the industry.

Recognising the importance of having a continuous supply of talent to support the growth and development of the Malaysian capital market, the SIDC in 2012 continued to source candidates and develop the talent pipeline for both the conventional and Islamic capital markets. For the year, we actively conducted our capital market career awareness seminars in universities; we also entered into an MOU with UiTM to introduce a capital market syllabus in the university. We were encouraged by the positive feedback from participants and we foresee that these initiatives will be continued in future.

Malaysia is widely recognised as an Islamic finance success story that is innovative in offering a broad selection of sophisticated Islamic products and powered by a world-class pool of Shariah market professionals. In 2012, the SIDC continued to implement its fit-for-purpose professional education programmes to support the intense talent requirements of the Malaysian Islamic capital market (ICM). At the entry level, we ran the Islamic Capital Market Graduate Training Scheme (ICMGTS) to train fresh entrants for the local ICM and successfully added 80 entry-level professionals to the industry talent pool. For practising professionals, the SIDC organised the Shariah Advisor Programme (i-Advisor) to enhance their skills and capabilities in the ICM. The programme attracted 271 participants and received an average rating of “Good to Excellent”. For the more experienced and senior ICM professionals, the SC flagship Islamic Markets Programme served as an excellent knowledge sharing, personal development and networking platform. A total of 41 participants attended the programme, which discussed emerging trends and growth prospects for Islamic financial markets.

In light of the continuous and fast-paced development in global capital markets, it is also vital for regulators and corporate leaders to enhance their skills to stay ahead in the industry. In this respect, the SIDC collaborated with the International Institute of Management (IMD), Lausanne, Switzerland, to jointly develop and deliver the Advanced Business Management Programme (ABMP). In 2012, the programme was implemented successfully and benefited 25 participants, receiving high commendations for the top-notch content and delivery by IMD's renowned faculty.

* These figures include the multiple counting of participants who attended more than one course/examination.

On top of that, echoing the significance of the Corporate Governance Blueprint and the new Malaysian Code on Corporate Governance issued in March 2012, the SIDC provided two programmes for directors and senior management of public-listed companies to raise the standard of corporate governance and help them carry out their duties and responsibilities more effectively. The programmes were highly rated and were attended by 159 participants in total.

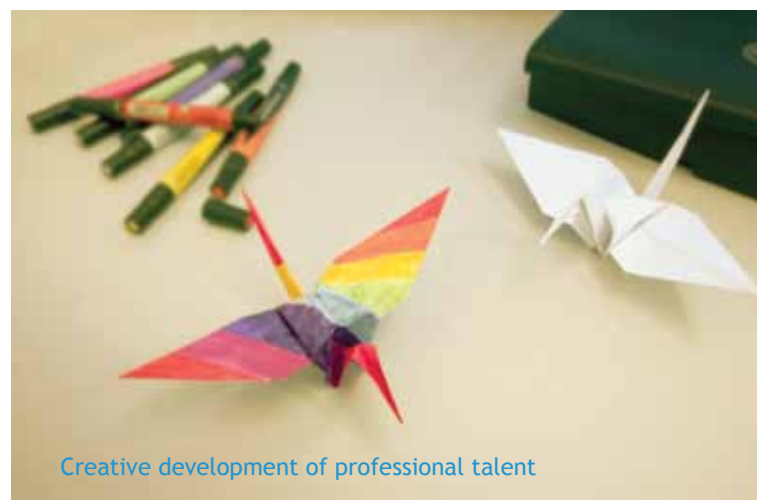
For regulators specifically, the SIDC, through the SC's flagship Emerging Markets Programme has been reaching out to regulators from all over the world since 2001. The EMP is the longest-standing and most well-known platform among new and senior regulators from both developing and developed markets to meet, network freely and exchange thoughts on common concerns and issues that impact their markets. In 2012, it benefited 51 participants from regulatory bodies of 21 countries. As a reflection of its relevance, the programme, which is supported by the Malaysian Technical Cooperation Programme as part of the Malaysian government's commitment to promote South-South relations, has consistently enjoyed high participant ratings. The SIDC also develops and delivers capacity building programmes for the Australian Treasury targeted at capital market regulators of emerging APEC member countries such as Cambodia, Indonesia, Lao PDR, Vietnam, Philippines and Thailand, with the objective of promoting common regulatory competencies, networking and cooperation. In 2012, the programme was held in Bangkok and Hanoi.

Empowering investors through investor education (IE) was one of our focuses in 2012. Our IE programmes work on the basis of "prevention is better than cure". Throughout the year, the SIDC ran various outreach seminars, workshops and interactive activities for school, college and university students, white and blue collar workers, women, rural communities, potential and seasoned individual investors, as well as institutional investors. Furthermore, we launched the "Kempen Pelabur Bijak Kebangsaan 2012-2013" (KPBK), a 6-month nationwide SC initiative to educate retail investors on wise investing in October 2012. The campaign is targeted to reach 1.5 million new and potential investors through roadshows and seminars, TV and radio programmes, newspaper articles, leaflets and the electronic media including websites and social media channels. Response from the public has been positive and moving forward, the SIDC sees large-scale IE campaigns such as the KPBK as a step in the right direction for the protection of Malaysian investors.

Going forward, we are confident that with almost two decades of experience and success, the SIDC is well positioned to move to the next level in its roles in developing human capital for the capital market.

Domestically, we will continue to concentrate our efforts in strengthening and enhancing the standards of market professionals in line with the new capital market landscape. We will also continue to emphasise the development of new talent to support the growth of the Malaysian capital market industry. Further, with our current expertise and capabilities, the SIDC aims to take regional leadership in strategic areas of human capital development within the capital market industry, particularly in the area of ICM, capital market leadership development and regulators development.

Towards this end, the SIDC will continue to develop and strengthen product and service offerings that are relevant and demanded by the industry. In particular, we are moving towards offering structured and progressive



Creative development of professional talent

development programmes to the industry in future. As we strive to elevate human capital towards meeting global standards through high quality programmes, we look forward to a better and brighter future for the SIDC.

I would like to take this opportunity to thank my excellent team of staff for their unwavering effort in delivering the standard of quality and professionalism that is expected of the SIDC. It is my privilege to be leading a team that believes in the values of the company and consistently reflects them through their work ethic and dedication. I would also like to thank the SIDC Board of Directors for their guidance and support in my first year as SIDC's CEO. Last but not least, I would like to extend my gratitude to the SC, the Capital Market Development Fund, our partners, stakeholders and the industry for their continuing support and contributions.

A woman with long brown hair, wearing a red long-sleeved shirt, is seated and smiling broadly while looking at a laptop screen. She is holding a silver pen with red stripes in her left hand. In the background, three other people are visible: a man in a dark suit holding a blue folder, a woman in an orange hijab and patterned top, and a man in a light blue shirt and dark tie talking on a mobile phone. The scene is set in an office environment with a green wall in the background.

A PASSION
TO EXCEL



With a constant finger on the pulse of the industry, we ensure our programmes and services are relevant and effective through continuous development and improvement, reflecting our passion for all-round excellence.

Our Corporate Values

Innovative



- Continued innovation and forward thinking drive the way we do business.
- In 2012, we revamped the SIDC corporate website (www.sidc.com.my) as well as the Malaysian Investor website (www.min.com.my) to present a more contemporary, forward-looking image and improve our engagement with the younger target segments.
- We continued to explore online initiatives and social media as a means to enhance the appeal of our investor education activities among youth. A result of this was the revamp and rebranding of “Campus kaChing!”, the annual inter- varsity money management competition, to “I-FiLM”, a short film competition promoting the concept of investing and money management via social media. I-FiLM 2012 attracted favourable response, with 31 universities participating in the inaugural competition.
- To tap fresh talent for the capital market industry, the SIDC embarked on a series of outreach seminars entitled “Careers in the Capital Market” at institutions of higher learning for close to 5,000 students. Using creative means, SIDC representatives raised awareness on the various career opportunities in the industry and attracted students’ interest by matching them with possible suitable jobs based on their individual personalities.

Performance Driven



- Apart from consistently receiving above-average participant ratings for most of our programmes, we pride ourselves on our ability to meet set performance targets, leading to a solid across-the-board track record over time.
- In investor education, all SIDC initiatives fulfilled or exceeded performance targets in terms of participant numbers for the fourth consecutive year. A total of 63,101 individuals benefited from our financial literacy programmes in 2012, compared to 62,043 participants in 2011.
- We trained 167 teachers to conduct Kids & Cash and Teens & Cash programmes within their own schools, greatly increasing the scalability of both these popular financial literacy programmes for school children.
- Elsewhere, SC Licensing Examination Preparatory Courses participant numbers increased significantly as many examination takers signed up for the programme in preparation for compliance with the Guidelines on Investor Protection issued in December 2010. A total of 1,918 participants were recorded in 2012 compared to 1,202 participants in 2011, a 60% year-on-year increase.



Customer Focused

- We are focused on our customers' training needs at all times, staying ahead of the rapid developments and changes in the industry to provide fit-for-purpose programmes that are required in a timely manner.
- Private Retirement Scheme (PRS) Train-the-Trainer workshops were held for trainers employed by providers of the new PRS industry launched in July 2012, so that they can begin implementing PRS training programmes in their respective organisations without delay.
- With the SC's introduction of two new categories of Registered Representatives (RRs) in the stockbroking industry in October 2012, namely the Trading Representative and Introducing Representative, the SIDC conducted programmes to ensure these intermediaries are competently equipped for their work.
- In response to the new Malaysian Code on Corporate Governance 2012, the SIDC organised programmes to familiarise directors and executives in the corporate sector with the principles and recommendations of the code as well as to impart CG best practices.



Quality Focused

- The majority of our programmes receive above-average ratings from satisfied participants, indicating that quality is consistently upheld and never compromised.
- In 2012, the SIDC earned "Good to Excellent" ratings for the following programmes, among many others:
 - i) The Advanced Business Management Programme (ABMP), the SC's flagship training programme targeted at company directors and the C-suite.
 - ii) The Emerging Markets Programme (EMP) and the Islamic Markets Programme (IMP), the SC's flagship programmes for regulators.
 - iii) The Shariah Advisor Programme (i-Advisor) aimed at Shariah advisors and practitioners of Islamic Finance.
 - iv) The Kids & Cash and Teens & Cash nationwide financial literacy programmes for school students.



Reliable

- We hold reliability and integrity in high regard as we keep to our brand promise of "Delivering Professional Excellence" in capital markets training and education.
- Collaborating with the Australian Treasury and the Australian Agency for International Development (AusAID) to develop capacity building programmes for capital market regulators in APEC countries, we have proven ourselves to be a reliable and reputable training provider, receiving enthusiastic requests from past participants for new programmes year after year.
- To improve the integrity of the SC Licensing Examinations, the SIDC in 2012 implemented the use of a biometric fingerprint reader system that authenticates the identity of examination candidates.
- Periodic Examiner's Reports were also introduced to provide analyses and commentaries on the overall performance of candidates of the SC Licensing Examinations, enhancing transparency of the examinations.



Our First Mission

Educating Investors

The SIDC continued to deliver programmes for various target segments to fulfil our goal of creating informed and prudent capital market investors via investor education. All of our established programmes exceeded their set target reach for 2012, benefiting a total of 63,101 participants throughout the country.

A major achievement for the SIDC this year was the launch of a new nationwide campaign called “Kempen Pelabur Bijak Kebangsaan 2012-2013” to intensify our ongoing efforts in educating investors on wise investing in the capital market. Targeted at rural and urban folks, private and public sector employees as well as college and university students, the 6-month campaign began in October 2012 and includes seminars, electronic and social media initiatives and educational publications to reach out to 1.5 million people in peninsular Malaysia



as well as Sabah and Sarawak. An estimated 40,000 people are expected to benefit from the informative and interactive face-to-face activities at the Seminar Pelabur Bijak events, which feature lectures, investors' clinics, games, quizzes and opportunities for the public to check the legal status of investment schemes, lodge complaints and obtain relevant information directly from SC and SIDC representatives.

Beyond just reaching out to the general public in numbers, the SIDC in 2012 focused on positive impact by continually enhancing the quality and sustainability of our programmes for various target segments including schoolchildren, university students, women, parents, rural communities, employees of public and private organisations and blue collar workers.

Kids & Cash and Teens & Cash



The Kids & Cash and Teens & Cash programmes continued to be a successful financial literacy tool for children, playing a significant role in inculcating good spending habits among school students. Captain Cash and his Cash Agents reached out to 20,488



primary school students aged 10 to 12 throughout the country to offer them practical and enjoyable basic money management lessons. They also visited 21,202 secondary school students aged 13-17 to impart useful knowledge on money management and basics of investing. As interpersonal skills were integrated into both programmes, students were able to explore their potential in a fun-filled environment. The modules for Kids & Cash and Teens & Cash were also enhanced, featuring new topics such as banking and investment account ownership. As a result, 100% of the 41,690 students as well as their teachers who attended the programmes rated them “Good to Excellent”.

Additionally, post-programme surveys conducted by the SIDC supported the effectiveness of the programmes by showing 95% of Kids & Cash participants started saving or saved more, and 97% were able to differentiate between needs and wants when making a purchase. As for Teens & Cash, survey results revealed that 64% of participants decided to invest their money after attending the programme.

The SIDC also carried on with its on-ground approach to organise Train-the-Teacher (TTT) programmes for 167 teachers in Melaka and Negeri Sembilan. The programmes continued to prove effective in helping the SIDC widen the reach of Kids & Cash and Teens & Cash, with 908 students attending Kids & Cash delivered by three TTT teachers and 996 students attending Teens & Cash delivered



by two TTT teachers. This scalable approach is a potentially huge step for the SIDC in achieving its long-term goal of engaging more students. To increase interest in the initiative, an attractive incentive programme that benefits not only the TTT teachers but also their respective schools has been arranged.

Cash@Campus

A total of 2,277 students from various institutions of higher learning attended the Cash@Campus financial management and investment workshop programmes, exceeding the target by 14%. The objective of the programme, which was to educate students on money management and provide them with the necessary exposure to wise investing, was achieved as 100% of all Cash@Campus participants rated the overall programme and its speakers “Good to Excellent”. Furthermore, a huge number of queries were received from the students, especially in the investment workshops, reflecting their keen interest to participate.

Intervarsity Financial Literacy Movie Competition (I-FiLM)

The SIDC successfully implemented the third edition of its annual inter-varsity money management competition. The competition was revamped and rebranded from “Campus kaChing!” to a short film competition

titled Intervarsity Financial Literacy Movie Competition (I-FiLM), which incorporated the extensive use of social media to appeal to its target group, campus students. In this competition, participants were required to produce a video promoting the concept of money management or investing for the future in a creative and entertaining manner via social media. A total of 62 videos from 31 universities were received, with 10 of the best videos screened at a gala I-FiLM Awards Night held at the Securities Commission Malaysia in March 2012. The winning video was submitted by Gary Chong of Universiti Sains Malaysia, who took home RM3,000. Yuyu Zulaikha of Kolej Universiti Islam Antarabangsa Selangor clinched the second prize of RM2,000, while the third prize of RM1,000 went to Sakinah Al Fakhri from Universiti Selangor.



Our First Mission

Educating Investors

“Bijak Mengurus Wang” Seminars

A total of 40 Bijak Mengurus Wang (B.M.W.) seminars were held nationwide for women, parents, rural communities and blue collar workers, where 100% of the 6,765 participants rated the programme “Good to Excellent” for its strength in increasing familiarity with investing, awareness of investors’ rights and responsibilities, and resistance to scams.

In addition, a post-seminar survey of 800 randomly selected B.M.W. participants conducted by a third party indicated that 88% of participants now practise the “Pay Yourself First” method, 87% are more vigilant when considering an investment, 86% started implementing a personal budget and 84% set their financial goals according to the S.M.A.R.T. method learned in B.M.W. Further, 88% of participants applied the knowledge learnt from the seminar to manage their money while 87% are now able to differentiate between legal and illegal investment schemes.

Apart from conducting seminars, B.M.W. also ramped up its outreach to the target segments via the social media. The “Bijak Mengurus Wang” Facebook fan page achieved more than 6,000 “likes” and served as a viable alternative platform for the public to ask questions and view the latest articles on financial management and investment.

Money@Work

The Money@Work programme for working adults emphasised sophistication in managing savings as well as developing capability in investing. In 2012, the programme was attended by 1,058 employees from various government and private organisations in Malaysia. These seminars were conducted more frequently and for relatively smaller groups than those of our other programmes to cater to the needs of the participants.

A full 100% of all Money@Work participants rated the overall programme and its speakers “Good to Excellent”.

Media Insertions

A total of 62 media articles were published in various local newspapers such as *The Star*, *New Straits Times*, *Berita Harian*, *Harian Metro* and *Sinar Harian*, as well as magazines such as *theLink*, *Money Compass*, *Smart Investor*, *Ringgit*, *Generasi Pengguna* and *Pa & Ma*. The media articles focused on a wide range of topics, educating the Malaysian public on wise investing, money management and protection from scams.



Malaysian Investor Website (www.min.com.my)

The Malaysian Investor website, one of the main sources of investor education among the general public and investors, was regularly promoted on various media resulting in 8.98 million hits for the year. A total of 61 enquiries were received and answered via the website.

Educational Leaflets

Four new leaflets under the “Wise Investor Series” were developed by the SIDC and a total of 400,424 leaflets distributed to the public during the year:

- Types of Unit Trust Funds in Malaysia
- Introduction to Warrants
- The Basics of Stock Market Investing
- Private Retirement Schemes

List of Investor Education Programmes in 2012

Programmes	2012 Participant Reach	2011 Participant Reach
Kids & Cash and Teens & Cash	41,690	40,738
Train the Teacher for Kids & Cash and Teens & Cash	167 teachers	100 teachers
Kids & Cash Inter-school Online Quiz	N/A	2,116 schools (8,464 students)
Cash@Campus	2,277	3,035
Intervarsity Financial Literacy Movie Competition (I-FiLM) - rebranded from Campus kaChing! in 2012	31 universities	42 universities
B.M.W. (Bijak Mengurus Wang) Seminars	6,765	8,009
Money@Work	1,058	1,697
Kempen Pelabur Bijak 2012-2013 (October 2012 - March 2013)	11,144 (for the period October - December 2012)	N/A
Total	63,101	62,043



Our Second Mission

Training Intermediaries

As a leading provider of capital market training to intermediaries, the SIDC in 2012 continued to stay ahead of the changes within the industry, successfully rolling out new programmes in a timely manner to meet intermediaries' development needs. These included Train-the-Trainer workshops for trainers working with providers of the new Private Retirement Scheme (PRS) launched in July 2012, which provided them with the knowledge and competencies to implement PRS training programmes in their own organisations.

To facilitate the SC's introduction of two new categories of Registered Representatives (RRs) for the stockbroking industry in October 2012, i.e. the Trading Representative (TR) and Introducing Representative (IR), the SIDC also implemented training programmes that equip these intermediaries with the necessary skills and knowledge to perform their duties.

The SIDC's programmes for intermediaries recorded over 15,500 participations for the year.

SC Licensing Examination Preparatory Courses

Led by subject matter experts, the SC Licensing Examination Preparatory Courses are designed to assist candidates in preparing for the respective SC Licensing Examination modules.

The courses allow participants to familiarise themselves with the Computer-Based Examinations (CBE) system by practising on sample question sets. Revision and feedback sessions with course leaders reinforce the lessons and help participants evaluate their own progress.

In 2012, 73 preparatory courses were conducted for six examination modules and registered by 1,918 participants, as compared with 52 courses and 1,202 participants in 2011. The significant 60 percent increase in number of participants is attributed to the issuance of the Guidelines on Investor Protection, which makes a pass in the relevant SC Licensing Examination modules compulsory for employees of registered persons carrying out the regulated activities specified in Part 1 of Schedule 4 of the Capital Markets & Services Act 2007.

No.	Modules	Course Title	Number of Courses	Number of Participants
1	Module 6	Malaysian Stock Market & Securities Law (Module 6) Preparatory Course	30	783
2	Module 7	Financial Statement Analysis and Asset Valuation (Module 7) Preparatory Course	28	756
3	Module 9	Funds Management Regulations (Module 9) Preparatory Course	2	36
4	Module 10	Asset and Funds Management (Module 10) Preparatory Course	2	44
5	Module 12	Investment Management and Corporate Finance Preparatory Course (Module 12) Preparatory Course	7	188
6	Module 19	Advisory Services: Rules & Regulations (Module 19)	4	111
Total			73	1,918

SC Licensing Examinations - Computer Based Examinations

The SIDC provides a one-stop examination centre at the Securities Commission building in Bukit Kiara, Kuala Lumpur to facilitate those who wish to sit for the SC Licensing Examinations.

The SC Licensing Examinations are delivered through the Computer Based Examinations (CBE) system, a flexible and efficient mode of conducting the examinations. During the year, the SIDC successfully conducted 384 examination sessions for the 13 SC Licensing Examination modules at various locations in Malaysia. A slight decrease in the number of candidates sitting for the examinations was recorded, with a total of 6,899 candidates in 2012 as compared to 7,199 candidates the previous year.

To meet the demands of the industry, the SIDC offered three examination sessions, three days a week at our centre in Kuala Lumpur during the year. Special examination sessions were also conducted for companies. Apart from Kuala Lumpur, the examinations were also held in Penang, Johor Bahru, Kuching and Kota Kinabalu to accommodate candidates across the country.



All 13 examination modules are available in every session and candidates can obtain their examination results together with their scores immediately upon completing the examinations. The SIDC maintains a CBE simulation on its website to allow candidates to familiarise themselves with the format of the examinations.

Further, the SIDC introduced the Examiner's Reports, which provide an analysis and general commentary on the overall performance of the SC Licensing Examinations candidates for a particular period. As an additional measure to maintain the integrity of the licensing examinations conducted, the SIDC also implemented the usage of a biometric fingerprint reader system to authenticate the identity of examination candidates.

SC Licensing Examinations Modules Conducted in 2012 and 2011

SC Licensing Examinations		Number of Candidates*	
		2012	2011
Module 6	Stock Market and Securities Law	2,068	2,271
Module 7	Financial Statement Analysis and Asset Valuation	2,458	2,466
Module 9	Funds Management Regulation	255	303
Module 10	Asset and Funds Management	214	280
Module 11	Fundamentals of Compliance	126	116
Module 12	Investment Management and Corporate Finance	590	602
Module 14	Futures and Options	339	348
Module 16	Rules & Regulations of Futures and Options	358	321
Module 17	Securities and Derivatives Trading (Rules and Regulations)	19	41
Module 18	Securities and Derivatives Trading (Products and Analysis)	19	20
Module 19	Advisory Services (Rules and Regulations)	325	278
Module 19A	Advisory Services (Rules and Regulations) - Part A	119	135
Module 19B	Advisory Services (Rules and Regulations) - Part B	9	18
Total		6,899	7,119


*These figures include the multiple counting of participants who attended more than one course/examination.

Our Second Mission

Training Intermediaries

Continuing Professional Education (CPE)

The Continuing Professional Education (CPE) requirements which form part of the “fit and proper” standards are made mandatory for all Capital Markets Services Representative’s Licence (CMSRL) holders and the Employees of Registered Persons (ERPs) to ensure they consistently improve and acquire new technical knowledge, skills and best practices. Through CPE, these market professionals are expected to be competent and able to discharge their functions effectively and efficiently resulting in greater investor confidence.



Standing out through professional competency

CPE-Approved Courses

The SIDC serves in the role of CPE Secretariat to administer all CPE course applications submitted by training providers in the country. In 2012, there were a total of 72 active CPE training providers recorded in the CPE Tracker System. The CPE Secretariat administered 806 CPE-approved courses conducted by these training providers either for the public or for in-house participants.

From the total, 628 (78%) courses were under the Market Development category whilst the remaining 178 (22%) were Market Regulations courses. These courses were attended by a total of 30,088 participants* where 18,614 (62%)* were CMSRL holders, 1,038 (3%)* were ERPs and the remaining 10,436 (35%)* were categorised as “others”. Consistent with the previous years, the majority of the CPE-approved courses were held in Kuala Lumpur and Selangor.

CPE-approved Courses Conducted in 2011 and 2012

Course Category	2012		2011	
	Number of Courses	Number of Participants*	Number of Courses	Number of Participants*
Market Development	628 (78%)	22,741 (76%)	561 (79%)	21,558 (75%)
Market Regulations	178 (22%)	7,347 (24%)	150 (21%)	7,287 (25%)
Total	806	30,088	711	28,845

Participants of CPE-Approved Courses in 2011 and 2012

Year	CMSRL Holders*	ERP*	Non-CMSRL Holders*	Total
2012	18,614	1,038	10,436	30,088
2011	19,085	329	9,431	28,845

*These figures include the multiple counting of participants who attended more than one course/examination.

Employees of Registered Persons

In consideration of the amendments made to the Guidelines on Investor Protection on 10 August 2012, the CPE Secretariat implemented certain operational changes particularly on the CPE treatment and registration of Employees of Registered Persons (ERPs).

For the year, a total of 831 ERPs from 37 Registered Persons (i.e. the financial institutions) were registered in the CPE Tracker System to record their CPE activities in compliance with CPE requirements prescribed under the said guidelines.

In-House Familiarisation Programme for ERPs

In addition to carrying out daily operations, the CPE Secretariat was tasked by the SC and Bank Negara Malaysia (BNM) to administer, review and approve in-house familiarisation programmes by Registered Persons. The mandate was handed to the CPE Secretariat after such programmes were recognised by the SC and BNM as an interim measure to train the relevant ERPs allowed to sell and market structured products prior to their passing the required Investor Protection Professional Certification examination.

For this purpose, the Secretariat developed and established the approval criteria together with the application requirements and procedures. Twelve applications were received from Registered Persons, all of which were subsequently approved. A total of 1,830 ERPs successfully completed the programme in 2012.

Industry Transformation Initiative (ITI)

The Industry Transformation Initiative (ITI) is a key training programme for intermediaries designed by the SIDC and funded by the Capital Market Development Fund (CMDf). It covers core skills enhancement and expert skills development to move participants from different backgrounds, length of experience and skillsets to advanced levels of professionalism via its flexible modular curriculum.

The ITI curriculum integrates technical and interpersonal competencies, and is delivered via case studies and action-based learning. Designed specifically to add value rather than replace other third-party professional courses, the programme's innovative modules cater for the unique requirements of different roles in the industry and allow for individual work, group projects, interactive discussions, action planning and job-related activities.

In 2012, the SIDC conducted 111 courses on 22 modules for 12,725 participants* under the ITI. The programme has been consistently well received by participants through the years, and the "Good to Excellent" average rating recorded in 2012 continues to attest to the quality of its courses.

*These figures include the multiple counting of participants who attended more than one course/examination.

Our Second Mission

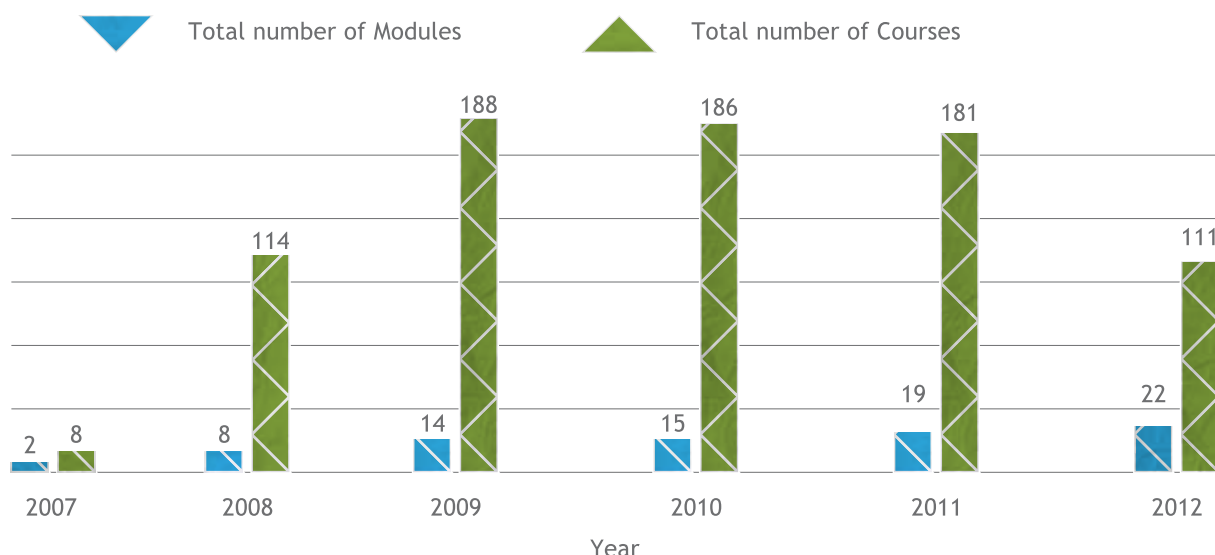
Training Intermediaries

Industry Transformation Initiative (ITI) Courses Conducted in 2012

No.	Modules	Course Title	Number of Courses	Number of Participants*
1	EQ01	Economics and Capital Markets I: Forces Shaping the Global Capital Markets	10	1,049
2	EQ02	Essential of Fundamental Analytics I: Analysing Company Performance	12	1,149
3	EQ03	Corporate Strategic Analytics I: Essentials of Corporate Proposal Analysis	9	660
4	EQ04	Corporate Governance and Ethics: Strengthening Professionalism Through Ethics	11	888
5	EQ05	Economics and Capital Markets II: Macroeconomic Analytics - Clues to the Future	1	35
6	EQ06	Essentials of Fundamental Analytics II: Creating a Framework for Sector Analysis	1	44
7	EQ07	Corporate Strategic Analytics II: Value Creation Strategies & Take-over Analysis	1	43
8	DA01	Structured Products and Hybrids I: Framework and Concepts	3	262
9	DA02	Options and Futures I: Principles and Valuations	2	206
10	DA03	Risk Management: Analysing Risks in Derivatives Trading	4	453
11	DA04	Structured Products and Hybrids II: Alternative Investment Instruments	1	205
12	DA05	Options and Futures II: Trading & Hedging Strategies	2	150
13	DE01	Debt Capital Market: Understanding the Bond Market	3	218
14	DE02	Debt Capital Market: Mechanics of Bond Issuance and Trading	2	82
15	FP01	Financial Planning: Putting Theory into Practice	10	1,800
16	FP02	Financial Planning: The Practice of Wealth Management	8	1,325
17	ICM01	Islamic Capital Market: Financial Philosophy & Jurisprudence	6	1,159
18	ICM02	Islamic Capital Market: Islamic Equity Products	3	441
19	ICM03	Islamic Capital Market: The Sukuk Market	5	699
20	ICM04	Islamic Capital Market: Islamic Structured Products	4	509
21	PM01	Portfolio Management: Designing an Equity Strategy	7	792
22	PM02	Portfolio Management: In Pursuit of Performance and Returns	6	556
Total			111	12,725

*These figures include the multiple counting of participants who attended more than one course/examination.

No. of ITI Courses Organised from 2007 to 2012



Shariah Advisor Programme (i-Advisor)

An SC initiative funded by the Capital Market Development Fund (CMDf), the Shariah Advisor Programme (i-Advisor) provides continuous professional development for Shariah advisors, academicians and Islamic Finance practitioners in the area of Shariah Advisory relating to the Islamic Capital Market (ICM), specifically in accounting, finance, and law. Participants are allowed to enrol for any of the five modules of the programme without any prerequisite.

Two series of the programme were conducted in 2012 for a total of 271 participants: the first from March 2012 to June 2012 and the second from July 2012 to December 2012. The programme has received positive response since its launch in 2011, maintaining an average participant rating of “Good to Excellent” consistently.

Dual Licensing Fast Track Programme

The Dual Licensing Fast Track (DLFT) Programme is an intensive course jointly conducted by the SIDC and Bursa Malaysia Derivatives and specially designed for Capital Markets Services Representative’s Licence (CMSRL) holders intending to achieve dual licence status for dealing in securities and trading in futures contracts.

The DLFT Programme was delivered six times in 2012 for a total of 216 participants, and garnered an average participant rating of “Good to Excellent”.

Implications of Anti Money Laundering Act and Terrorism Financing Act

Implications of Anti Money Laundering Act and Terrorism Financing Act is an essential course for industry practitioners to gain insight into the legal and regulatory obligations of the Anti Money Laundering Act and Terrorism Financing Act, related issues and best practices, as well as its implications on financial institutions. The course guides participants to objectively evaluate their institution’s transactions in relation to the implications and obligations of the Act with clarity.

Four sessions of this course were conducted in 2012. The course received an average rating of “Good to Excellent” from the 166 participants for its overall quality and effectiveness.

Our Second Mission

Training Intermediaries

Familiarisation Programme for Registered Representatives

To increase the sophistication level of services offered in the stockbroking industry and promote growth, the SC in July 2012 announced the introduction of two new categories of Registered Representatives (RRs): Trading Representatives (TRs) for execution of trades and Introducing Representatives (IRs) to act as introducers or marketing agents.

In line with this development, the SIDC started implementing training programmes for TRs and IRs aimed at enhancing their knowledge and skills towards becoming competent market representatives. A total of 40 participants attended the Familiarisation Programme for Trading Representatives, which provided a comprehensive understanding of the rules and regulations governing the Malaysian securities and derivatives markets necessary for TRs working with Participating Organisations to carry out their duties effectively and in compliance with the law. The programme was given an overall rating of “Good to Excellent” by the participants.

Train-the-Trainer: Overview of the Malaysian Derivatives Market

Jointly organised by the SIDC and Bursa Malaysia Derivatives, the Train-the-Trainer: Overview of the Malaysian Derivatives Market programme was conducted on 17-19 October 2012. The programme was specifically designed to provide university lecturers with an overview of the Malaysian derivatives market, the products traded and the rules and regulations governing them. The topics covered were in accordance with the SC Licensing Examination Module 14: Futures and Options and Module 16: Rules and Regulations of Futures and Options, which are pre-requisites for those who intend to apply for the Capital Markets Services Representative’s Licence (CMSRL) to perform regulated activities such as dealing in derivatives. The programme received a “Good to Excellent” average rating from its 22 participants.

Private Retirement Scheme Train-the-Trainer Workshops

Following the release of the Private Retirement Scheme Guidelines by the SC and the approval of selected financial intermediaries as providers of the new scheme, four Private Retirement Scheme Train-the-Trainer Workshops were conducted in 2012. The programme equipped the trainers with knowledge of the scheme’s framework and features, as well as marketing tools and techniques. A total of 165 trainers from the approved providers attended the workshops.



Bumiputera Training Fund

The Bumiputera Training Fund (BTF) was initiated in 1997 to enhance the technical and interpersonal skills of Bumiputera employees in the stockbroking industry through specialised training programmes. A total of 896 courses have been conducted for 18,748 participants including remisiers, paid dealer's representatives, executives, support staff and management staff since the fund's inception.

To ensure the programmes meet the development needs of Bumiputera talent in the capital market industry, the SIDC in the capacity of BTF Secretariat has conducted several surveys and studies using internal expertise as well as professional consultants.

In 2012, 443 participants comprising remisiers and various categories of Bumiputera employees from stockbroking companies and investment banks benefited from 41 courses conducted under the fund. Consistent with the trend of the previous years, paid dealer's representatives and remisiers made up the largest group of participants collectively, with 209 participants or 47% of the total.

A number of high-impact, value-added training programmes with emphasis on leadership and talent building at the higher levels such as the Islamic Market Programme, Advanced Business Management Programme and the Malaysian Code on Corporate Governance were delivered to meet the aspirations of the industry.

Bumiputera Dealer's Representatives Education Fund

The Bumiputera Dealer's Representatives Education Fund (BDREF) is aimed at increasing the number of Bumiputera remisiers and dealer's representatives with professional qualifications by providing them with financial assistance to pursue relevant courses.

Since its establishment in 2003, the BDREF has widened career progression opportunities within the industry for its participants. A total of 447 Bumiputera participants have benefited from the fund, with 80 receiving professional certification upon completion of their courses.

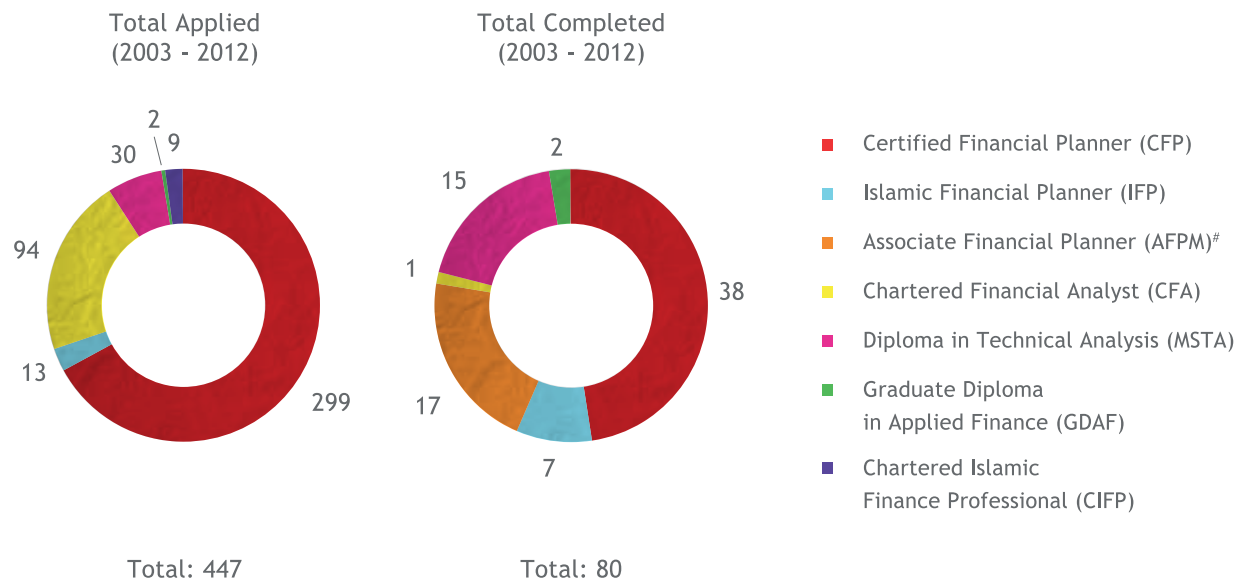
In 2012, 35 applications were approved by the fund's Education Committee: 11 applications to pursue the Diploma of Technical Analysis - which leads to the Member of the Society for Technical Analysts (MSTA) qualification, 10 applications to pursue the Chartered Financial Analyst (CFA) qualification, 12 applications to pursue the Chartered Islamic Finance Professional qualification and 2 applications to pursue the Certified Financial Planner (CFP) qualification.

The number of BDREF students pursuing approved courses as at end December 2012 and the number of course enrolments under BDREF since 2003 are as presented overleaf.

Our Second Mission

Training Intermediaries

BDREF Participants with Professional Qualifications as at 31 December 2012



[#] The Associate Financial Planner Malaysia (AFPM) designation is granted to those who have passed Module 1 of the FPAM certification examination. AFPM members are individuals who have shown technical competency in basic financial planning.

In response to requests from the dealer’s representative group for non-examination based programmes, funding for such courses was included under the BDREF for the first time in 2012. The courses, conducted specifically to provide continuous professional development in relation to the Islamic Capital Market (ICM), consisted of four modules and were attended by 78 participants.

BDREF Non-Examination Based Programmes 2012

Course	Number of Participants
ICM01: Financial Philosophy and Jurisprudence	21
ICM02: Islamic Equity Products	22
ICM03: The Sukuk Market	21
ICM04: Islamic Structured Products	14
Total participants	78

Our Third Mission

Training Regulators



To maintain our track record in training fellow regulators in the region and beyond, the SIDC continued capitalising on our strengths in delivering customised capacity-building programmes for emerging market regulators in collaboration with international agencies. Additionally, annual programmes such as the highly regarded Emerging Markets Programme and the Islamic Markets Programme provide established avenues for enhancing international cooperation and exchange of ideas among regulators.



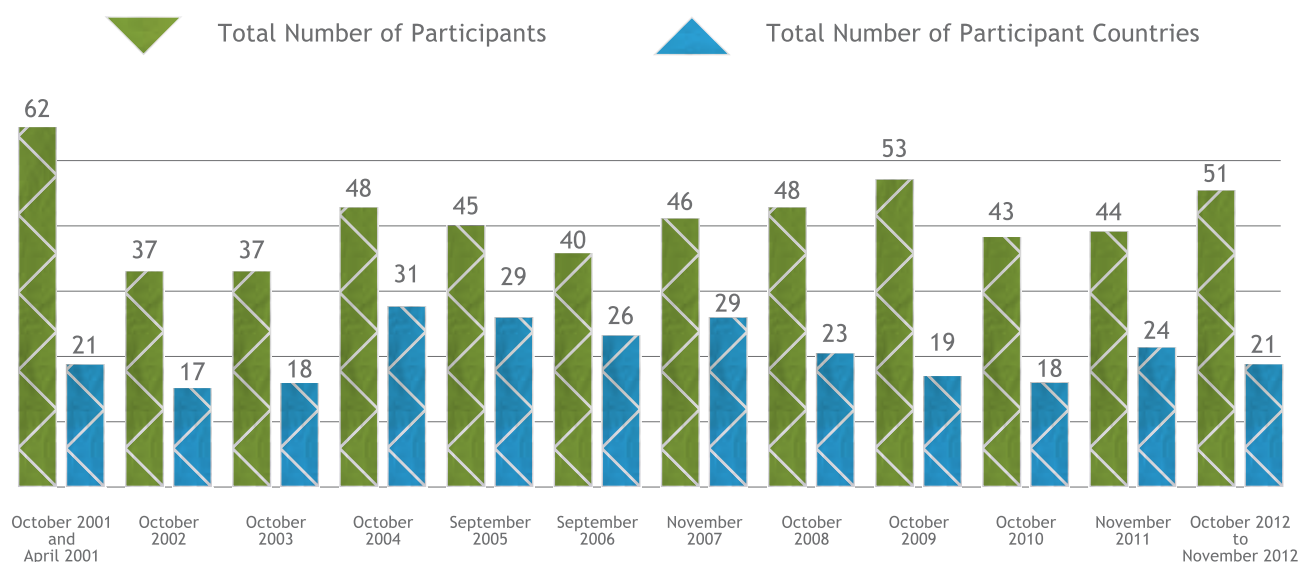
Emerging Markets Programme

An annual SC flagship initiative jointly organised by the SC and SIDC, the Emerging Markets Programme (EMP) has gained international recognition as a Regulator-to-Regulator (R2R) training programme that facilitates effective sharing and learning of the latest regulatory developments, emerging market trends and new processes and techniques for its participants. Since 2001, the EMP has received 554 participants from 65 countries.

The 13th EMP, titled “Strengthening Resilience of Emerging Markets”, was held from 29 October to 1 November 2012 for 51 senior regulators from 21 emerging economies. Aimed at helping emerging market regulators better understand the regulatory issues arising from the current global financial crisis, the programme provided participants the opportunity to share their own experiences and analyse the strategic responses of developed and emerging economies on key areas, including efforts to strengthen regulation, supervision, enforcement and investor protection. The interactive learning experience enabled participants to derive lessons pertinent to their own jurisdictions and apply them to enhance the resilience of their respective markets.

Delivered by 15 speakers from 11 countries, the programme proved to be a valuable learning experience for its participants, who accorded it a high “Good to Excellent” rating (4.9 out of 5).

The number of participants and participant countries throughout the EMP series



Our Third Mission

Training Regulators

Islamic Markets Programme

Another prominent annual flagship training initiative by the SC and SIDC is the Islamic Markets Programme (IMP), which fosters knowledge-sharing of the Islamic capital market (ICM) among local and international practitioners and regulators.

The IMP plays an important role in supporting Malaysia's aspiration to become a recognised Islamic Financial Centre of Excellence. Since its inception in 2006, the programme has hosted 289 participants from 38 countries.

The 7th IMP, themed “Building the Environment for the Growth of Islamic Finance”, was held from 25 to 28 June 2012 and drew 41 participants from 4 countries. The programme delivered insights on emerging trends and deliberated on factors affecting the global marketplace. Participants were able to take part in thought-provoking discussions on conflict of interest and trust issues, market complexities, constraints, form vs. substance issues and industry best practices as well as to reflect on the future prospects and growth opportunities of Islamic financial markets in the coming decade.

Receiving a “Good to Excellent” average rating from participants, the 7th IMP aptly reflected the continued need for deeper global connectivity and intensive international cooperation and coordination with other key Islamic finance hubs in terms of regulatory approaches, Shariah framework and governance in the transformation of the Islamic financial architecture.



International Capacity-Building Programmes for Regulators of Emerging Markets

Partnership with the Australian Treasury

The SIDC's ongoing partnership with the Australian Treasury and the Australian Agency for International Development (AusAID) began in 2007 when the SIDC undertook to propose, design, develop and deliver a range of capacity building programmes for Asia-Pacific Economic Cooperation (APEC) and East Asian Summit (EAS) countries in consultation with the Australian Treasury and the ASEAN Secretariat, specifically for the securities market regulatory agencies of Cambodia, Indonesia, Lao PDR, the Philippines, Thailand and Vietnam.

As of 2012, the SIDC has designed and delivered six APEC and two EAS international capacity building programmes for regulators. In addition, 2012 saw Chinese Taipei and the People's Republic of China joining as new participating economies.

APEC: "Building Competitive and Stable Integrated Capital Markets" Capacity Building Workshop

Phase 1

Bangkok Workshop
28-29 June 2012

Phase 2

Hanoi Workshop
6-7 December 2012

This APEC capacity building workshop was the sixth programme in the series to complement and support the

ASEAN Capital Markets Forum (ACMF) initiative and its strategic plan for regional integration of capital markets by 2015.

The programme focused specifically on addressing some of the developmental gaps identified by the participating ASEAN economies in previous workshops to support domestic market reforms that help enhance greater cross-border access, whilst establishing robust policies that ensure market stability and investor protection.

It also offered an opportunity for regulatory officers to develop essential skills to function effectively and nimbly in a fast-changing regulatory environment.

The Phase 1 workshop in Bangkok discussed the Euro market situation and its implications to Asia, compared plain vanilla products with the more sophisticated instruments, looked at CIS market supervision challenges and reviewed the movie "Too Big to Fail" with fellow regulators.

A total of 16 officers of capital market regulatory agencies from the Philippines, Thailand and Vietnam attended the programme.

The Phase 2 workshop was held in Hanoi in December 2012 and covered topics such as real-world issues of globalisation and capital market integration, cross border investment and investor protection challenges, identification of key risks from cross-border products and regional intermediaries operating in different economies, and financial and corporate surveillance activities and their challenges, among others.

The 17-strong workshop included representatives from two new participating economies, namely Chinese Taipei and the People's Republic of China, as well as Indonesia, the Philippines, Thailand and Vietnam.

At the end of the second workshop feedback and evaluation session, the group unanimously voted and agreed for the SIDC keep up its good work in designing quality programmes for the group and to work towards conducting another international programme in 2013.



Our Fourth Mission

Training Directors

Following the launch of the new Malaysian Code on Corporate Governance 2012, the SIDC organised two programmes aimed at raising the standard of corporate governance (CG) among company directors. The programmes explained and discussed the key principles and recommendations of the Code, global investor expectations and international developments in CG, as well as the practicality and implementation of CG best practices. The year also saw the 5th Advanced Business Management Programme (ABMP) being successfully conducted in June.

Advanced Business Management Programme

Jointly designed by the SIDC and the prestigious Institute of Management Development (IMD), Lausanne, SC's annual flagship business programme for the C-suite, the Advanced Business Management Programme (ABMP) was delivered for the fifth time on 13-15 June 2012 at the Tanjung Rhu Resort, Langkawi.

The programme, entitled "Boosting Senior Management Skills in a Changing World", was attended by 25 top management and board members of companies in the financial services industry. The 3-day residential programme focused on risk governance, fundamental principles of good strategic thinking, frugal innovation and change management.

The world-class IMD faculty leading the programme created a resonant learning experience for participants through multiple methodologies that included presentations, group discussions and incisive case studies. The quality and value of the programme was validated by its participants, who accorded it a high "Good to Excellent" rating (4.8 out of 5).

Malaysian Code on Corporate Governance 2012

The Malaysian Code on Corporate Governance 2012 (MCCG 2012) is a key deliverable of the SC's Corporate Governance Blueprint 2011 outlining strategic initiatives aimed at reinforcing self and market discipline.

To help company directors gain a better understanding of the recommendations and principles of the MCCG 2012, the SIDC ran two public programmes during the year for CG practitioners, directors and top management of public-listed companies.

The first MCCG 2012 programme, "Raising the Bar", examined how to integrate regulators' expectations into CG practices, how to implement best CG practices in organisations and how shareholders' rights can be strengthened. At the same time, the importance of external regulatory discipline and self-discipline was emphasised. The highlight of the programme was a lively debate on "Rules-based versus Principles-based regulations".

The second MCCG 2012 programme, titled "Putting It into Practice", was a half-day course that explored the topic of strengthening governance through more extensive and proactive participation by a broader range of stakeholders.

The programmes drew 159 participants in total and received average ratings of "Good to Excellent" from participants, signifying success in creating awareness of the importance of proper CG implementation in organisations.



Our Fifth Mission

Developing New Talent



Continuing our mission to develop new capital market talent, the SIDC in 2012 generated positive results by producing two batches of entry-level professionals via the Islamic Capital Market Graduate Training Scheme (ICMGTS). The SIDC also adopted a new thrust in talent development, taking its efforts directly to a local institution of higher learning in a collaborative capacity building initiative to help meet the talent requirements of the capital market.

Islamic Capital Market Graduate Training Scheme

The year 2012 witnessed the successful completion of training for 38 and 42 participants of the sixth and seventh intakes of the Islamic Capital Market Graduate Training Scheme (ICMGTS) respectively. Since its inception, the ICMGTS has received 2,542 applications, out of which 281 applicants were accepted.

Funded by the Capital Market Development Fund (CMDf) and jointly designed by the SC and SIDC, the ICMGTS consists of 8 weeks' training on soft skills and technical ICM knowledge, upon completion of which the SIDC will assist graduates in kickstarting their capital market career by getting them job placements with reputable financial institutions.

Close to 90% of ICMGTS graduates have been successfully placed in various financial industry organisations for job attachments or permanent employment, reflecting the industry's confidence in the quality of the programme and its graduates.



Other Talent Development Initiatives

The start of 2012 saw the SIDC conducting the Capital Market Talent Requirement Survey (CMTS) to assess the capital market industry's human resources requirements between 2012 and 2014. A total of 235 organisations in the industry were invited to participate, of which 117 submitted responses. From the responses, it was estimated that 14,000 new staff were required for the industry in the period 2012-2014. Notably, lack of resources or expertise was cited by respondents as one of the main reasons for outsourcing in their organisations. The survey findings supported the SIDC's view that talent training and development is crucial for the continued growth of the market industry. The results also pointed to the lack of soft skills in fresh graduates as a concern. Based on this, the SIDC's multi-modal programmes that encompass both technical knowledge and soft-skill acquisition appear to be the right approach for the development of well-rounded market professionals.

In March 2012, a new milestone was achieved for the SIDC when it signed an MOU for a collaborative capacity building talent development initiative with the University Teknologi MARA (UiTM) to design a syllabus that will seamlessly integrate into their degree programmes. The collaboration paves the way for UiTM students to enhance their employability in the capital market industry by providing them with work-relevant competencies and technical knowledge.

This initiative is seen as the first of other future SIDC collaborations with local higher education institutions, as well as a major step in building close linkages among industry, academia and the public sector to meet the capital market's talent requirements. The thrust will support the Capital Market Masterplan 2 (CMP2)'s call for a more specialised and knowledgeable workforce as the capital market expands into high value-add areas and embraces innovation.

The "Careers in the Capital Market" seminar is another SIDC effort started in 2012 to increase linkages with academic institutions for the purpose of developing the industry talent pool. Conducted at campuses, it is specifically designed to create awareness among students on the various career opportunities available in Malaysia's capital market and to match their personalities with possible relevant jobs. During the year, the programme successfully reached out to 4,844 university students in the country.

INSPIRED,
INFORMED AND
INNOVATIVE





Inspired by our forward-thinking culture, we look for opportunities in the latest industry developments and embrace innovation in all areas of our operations to stay ahead of the curve.

Event Highlights



February 2012

Held in Sekolah Kebangsaan Taman Desa, Kuala Lumpur, this Kids & Cash session for school children aged 10 to 12 kept the participants entertained while inculcating a positive money management culture among the young ones.

16 March 2012

The SC and SIDC management celebrating the I-FiLM Awards Night with the Top 3 winners of the Intervarsity Financial Literacy Movie Competition (I-FiLM) 2012, who scooped up a total of RM6,000 in cash prizes for their creative productions promoting the concept of wise investing in the Malaysian capital market.



March 2012

The March 2012 intake of the SIDC's Islamic Capital Market Graduate Training Scheme (ICMGTS) paying full attention to the Introduction to Islamic Capital Market lecture in progress. The ICMGTS is intended to create a pool of human capital to facilitate the development of the Islamic capital market in Malaysia.

April 2012

Employees of Lembaga Hasil Dalam Negeri enjoying the activities featured in the Money@Work programme held at their premises. Money@Work was designed to create awareness of illegal investment schemes and to increase the habit of financial planning and smart investing among working adults.

May 2012

Participants of the Advanced Business Management Programme 2012 posing for a commemorative shot at the Tanjung Rhu Resort, Langkawi. The 3-day residential programme themed "Boosting Senior Management Skills in a Changing World" was designed jointly by the SIDC and the Institute of Management Development (IMD), Lausanne.



June 2012

The Malaysian Code on Corporate Governance 2012 programme sought to strengthen corporate governance by elucidating the principles of the Code, its recommendations and expectations. Its panel of speakers included Peter Vogt, Nestle (Malaysia) Bhd; Dr. David Smith, Aberdeen Asset Management Asia, Singapore; Jeremie Ting Keng Fui, IJM Corporation Berhad; Shireen Muhiudeen, Managing Director, Corston-Smith Asset Management; and, moderator, P. Gunasegaram, Question Time Sdn. Bhd.



25 - 28 June 2012

Encik Zainal Izlan, Executive Director, Islamic Capital Market, Securities Commission Malaysia, delivering the welcome address at the 2012 Islamic Markets Programme. The programme brought together regulators, industry experts and leading industry players from within the region to contribute insights and facilitate discussion on the thriving Islamic finance sector.



June 2012

SIDC speaker Zulkarnain Zulkifli engaging UTAR students at the "Careers in the Capital Market" seminar, introduced this year to promote interest among university and college students in joining the capital market industry.

July 2012

Rural folks in Bagan Lalang, Sepang learning the importance of practising good investing habits and smart financial management in the Bijak Mengurus Wang (B.M.W.) programme.



September 2012

Teachers from selected schools in Negeri Sembilan and Melaka listening attentively to SIDC's speaker, Zafeeq Zulkafly, at the Train-the-Teacher programme, which equipped them with the expertise to conduct Kids & Cash or Teens & Cash programmes in their schools.



October 2012

A reinforcement of SIDC's regular investor education programmes, the "Kempen Pelabur Bijak Kebangsaan 2012-2013" is a large-scale multi-pronged 6-month nationwide campaign launched in October 2012, aimed at educating the public on wise investing in the capital market and investors' rights and responsibilities.



29 October - 1 November 2012

The Emerging Markets Programme 2012, themed "Strengthening Resilience of Emerging Markets", attracted 51 participants from regulatory agencies all over the world and facilitated constructive discussions on current challenges and issues pertinent to emerging market regulators amidst global economic uncertainties.



SIDC Training Programmes 2012

Programme	Target Audience	Number of Participants
SC Licensing Examination Preparatory Course (modules 6, 7, 9, 10, 12 and 19)	<ul style="list-style-type: none"> Candidates preparing for modules offered in the SC Licensing Examination New entrants to the capital market industry Employees of stockbroking and investment firms 	1,918
Industry Transformation Initiative courses (various modules)	<ul style="list-style-type: none"> Capital Markets Services Representative's Licence (CMSRL) holders Public 	12,725*
Shariah Advisor Programme (i-Advisor)	<ul style="list-style-type: none"> Shariah advisors Academicians Practitioners in Islamic finance 	271
Dual Licensing Fast Track Programme (DLFT)	<ul style="list-style-type: none"> Experienced CMSRL holders intending to achieve dual licence status for dealing in securities and trading in futures contracts 	216
Malaysian Code on Corporate Governance	<ul style="list-style-type: none"> Directors Senior management CMSRL holders Investment managers Compliance and risk managers General public 	159
Implications of Anti Money Laundering Act and Terrorism Financing Act	<ul style="list-style-type: none"> CMSRL holders 	166

**This figure includes the multiple counting of participants who attended more than one course.*



Programme	Target Audience	Number of Participants
Familiarisation Programme for Registered Representatives	<ul style="list-style-type: none"> Two new categories of Registered Representatives (RRs), i.e. Trading Representatives (TRs) and Introducing Representatives (IRs) 	40
Train-the-Trainer: Overview of the Malaysian Derivatives Market	<ul style="list-style-type: none"> University lecturers 	22
Private Retirement Scheme (PRS) Train-the-Trainer Workshops	<ul style="list-style-type: none"> Trainers from approved PRS providers 	165
13th Emerging Markets Programme: Strengthening Resilience of Emerging Markets	<ul style="list-style-type: none"> Local and international regulators 	51
7th Islamic Markets Programme: Building the Environment for the Growth of Islamic Finance	<ul style="list-style-type: none"> Local and international regulators Conventional bankers CMSRL holders CEOs and senior personnel of companies Staff of government agencies Shariah lecturers or graduates 	41
Advanced Business Management Programme	<ul style="list-style-type: none"> CEOs and senior personnel of companies Regulators 	25
Total		15,799



ENGAGING WITH INTEGRITY

With integrity, reliability and accountability, we have built our reputation as a leading name in the capital markets training field. These values shape our engagements and relationships with our clients, partners and stakeholders and help us secure their trust.



Board of Directors



Datuk Ranjit Ajit Singh
Chairman
Securities Commission Malaysia

Datuk Ranjit Ajit Singh was appointed Executive Chairman of the Securities Commission Malaysia (SC) effective April 2012. He previously held the position of Managing Director of the SC and Executive Director of the Market Supervision Division of the SC. Datuk Ranjit has over 20 years' experience in the field of finance and securities regulation and has served the SC in many areas including supervision of market intermediaries and institutions, supervision of the bond market, surveillance, economic research and strategy.

He is currently a member of the governing Board of the International Organization of Securities Commissions (IOSCO), the global body of securities regulators. He is also the Vice Chairman of IOSCO's Emerging Markets Committee comprising membership from 86 jurisdictions. He has played a key role in international securities regulatory policy work.

Datuk Ranjit chairs the Securities Industry Development Corporation (SIDC) and the Capital Market Development Fund (CMDf). He is also the Vice-Chairman of the Asian Institute of Finance and a member of the Board of the Labuan Financial Services Authority and the Financial Reporting Foundation.

Datuk Ranjit is trained as a financial economist and accountant. He holds a Bachelor of Economics (Honours) degree and a Master of Economics degree in Finance from Monash University Melbourne and is a fellow of CPA Australia. He has had prior working experience in Australia and Malaysia in academia, consulting and accounting.



Dato Dr. Nik Ramlah Mahmood
Deputy Chief Executive
Securities Commission Malaysia

Dato Dr. Nik Ramlah Mahmood was appointed Deputy Chief Executive of Securities Commission Malaysia (SC) pursuant to Section 4 of the Securities Commission Act 1993 on 1 April 2012. She joined the SC in 1993 as Manager of Law Reform Department. In 1995 she was made Manager of Product Development and became a Director of the Policy and Development Division in 1997. She was made Managing Director and Executive Director of the SC's Enforcement Division in 2008. Throughout her 20 years in the SC she has worked in areas ranging from legal and regulatory reform, market and product development, corporate governance and Islamic capital market to investor education and enforcement.

Dato Dr. Nik Ramlah is a member of the board of the Securities Industry Development Corporation (SIDC) and the Capital Market Development Fund (CMDf). She is also a member of the Professional Development Panel of the International Centre for Education in Islamic Finance

(INCEIF), the global University of Islamic Finance and is an EXCO member of the Asian Institute of Finance (AIF).

Dato Dr. Nik Ramlah holds a First Class Honours in Law from University Malaya and a LLM and PhD from the University of London. Prior to joining the SC in 1993, Dato Dr. Nik Ramlah was an Associate Professor in the Faculty of Law, University Malaya.

Dato' Tajuddin Atan
Chief Executive Officer
Bursa Malaysia Berhad

Dato' Tajuddin Atan was appointed as the Chief Executive Officer of Bursa Malaysia Berhad on 1 April 2011.

Dato' Tajuddin commenced his career with Bank Bumiputra Malaysia Berhad (BBMB) in 1983 where he held a number of senior positions over a period of more than 16 years including a stint at the bank's New York Branch. His last designation with Bumiputra Commerce Bank, the merged banking entities of Bank of Commerce Berhad and BBMB, was as Treasurer, Treasury Division. He spent the next few years in the corporate arena where he gained valuable experience in financial restructuring, corporate strategic management and improvement of operational efficiency in various public listed companies in the areas of shipping, property development and construction and electronics, notably as the Managing Director of Chase Perdana Berhad from July 2001 until September 2004.

Dato' Tajuddin was the Chief Executive Officer of the Bank Simpanan Nasional from October 2004 until November 2007 where he successfully led its transformation into a sustainable, profitable and efficiently governed community bank. Thereafter, he joined Bank Pembangunan Malaysia Berhad in December 2007 as its President/Group Managing Director and initiated a business improvement process to bring about operational finesse. Dato' Tajuddin was subsequently appointed as the Managing Director of RHB Bank Berhad and Group Managing Director of RHB Capital Berhad from May 2009 and July 2009 respectively until 31 March 2011. Under his leadership, the RHB Banking Group recorded its highest net profit as well as the highest ROE and ROA in 10 years for the financial year 2010.



As the Chief Executive Officer and Executive Director of Bursa Malaysia Berhad, Dato' Tajuddin is entrusted to develop the exchange into an attractive and competitive marketplace in the region. He is a director of all subsidiary companies within Bursa Malaysia Group, where he serves as Chairman of the Board of Directors of Bursa Malaysia Derivatives and its subsidiary Bursa Malaysia Derivatives Clearing, as well as Chairman of the Board of Governors of Bursa Malaysia Foundation. He also sits on the Boards of the Capital Market Development Fund (CMDf) and the Securities Industry Development Corporation (SIDC). He is a member of the Executive Committee of Malaysia International Islamic Financial Centre and the Financial Reporting Foundation as well as a non-executive member of SME Corp Malaysia. Dato' Tajuddin also currently serves as an Adjunct Professor at the Faculty of Economics and Management of Universiti Putra Malaysia.



Tan Sri Dato' Dr. Wan Mohd Zahid
Chairman of Sime Darby Healthcare Division,
Sime Darby Motors Division and a member of
the Board of Directors of Sime Darby Berhad

Tan Sri Dato' Dr. Wan Mohd Zahid is the Chairman of Sime Darby Healthcare Division, Sime Darby Motors Division and also a member of the Board of Directors of Sime Darby Berhad.

Tan Sri Dato' Dr. Wan Mohd Zahid holds a Bachelor of Arts (Honours) degree from University of Malaya, Masters from Stanford University and PhD from University of California, Berkeley. He underwent a course in business management under the Advanced Management Program at Harvard Business School. He started his career as a teacher, moving up to principal level and eventually held various positions in the Ministry of Education. His last post prior to retirement was as Director-General of Education.

Tan Sri Dato' Dr. Wan Mohd Zahid is currently the Chairman of Universiti Teknologi MARA, FEC Cables (M) Sdn Bhd and Kolej Universiti Teknologi and Pengurusan Malaysia. He is also a Director of Permodalan Nasional Berhad (PNB), Amanah Saham Nasional Bhd, Perbadanan Usahawan Nasional Bhd, SP Setia Berhad and Yayasan Sime Darby. He was formerly the Chairman of Berger International Ltd based in Singapore, and Deputy Chairman of International Bank Malaysia Berhad.

Gerald Ambrose
Managing Director, Malaysia
Aberdeen Asset Management

Gerald Ambrose is the managing director of Aberdeen Asset Management Sdn Bhd, the group's Malaysian office. He joined Aberdeen Asset Management in 2005 after the company was selected to be the first licensed foreign-owned fund manager under the government's Special Scheme.

Previously, Mr Ambrose was an institutional sales director covering ASEAN equities at Kim Eng Securities in Singapore, HSBC James Capel in London and BNP Paribas in London, the latter sending him to set up the institutional broking operations of its associate, Mohaiyani Securities Sdn Bhd in 1990. Prior to that, Mr Ambrose served as a submarine officer in the Royal Navy until 1987.

Gerald Ambrose graduated with an MA (Honours) degree in Land Economy from Pembroke College, Cambridge University.





Angelina Kwan
Chief Operating Officer,
Executive Managing Director and
a Group Executive Director of the Board of
REORIENT Group Limited

Angelina Kwan is currently the Chief Operating Officer, Executive Managing Director and a Director of the Board of REORIENT Group Limited (HKEx stock code 376, formerly known as Asia TeleMedia Limited “ATL”). She is responsible for all operating aspects of the Group’s businesses and future ventures. She previously held the position of Chief Executive Officer of Mansion House Securities (F.E.) Limited, the wholly owned operating subsidiary of “ATL”, where she ran its operations and whilst working with the Liquidators and the Investor successfully restructured and relisted the Group. Miss Kwan has over 25 years of experience in Financial Services, Compliance, Audit and Internal Audit in a wide range of businesses.

Miss Kwan is an Honorary Adjunct Professor of Finance for the Hong Kong Polytechnic University, a SFC appointed Director and a Fellow of the Hong Kong Securities Institute,

a Hong Kong Government appointed member of the Financial Reporting Council Process Review Panel, a Director of the Securities Industry Development Corporation (SIDC) of Malaysia, an Independent Non-executive Director of Aviva Life Insurance Hong Kong, a Director of The Women’s Foundation, and serves on a number of Boards and committees. She lectures frequently for various international government and regulatory organisations as well as course providers.

Chay Wai Leong
Group Managing Director
K & N Kenanga Holdings Berhad

Chay Wai Leong is the Group Managing Director of K & N Kenanga Holdings Berhad and Managing Director of Kenanga Investment Bank Berhad (“KIBB”), the largest independent investment bank in Malaysia as well as one of the top three brokerage houses in Malaysia.

Currently, he also serves as a Director of the Securities Industry Development Corporation (SIDC), a company sponsored by the Securities Commission Malaysia and Bursa Malaysia Berhad which is involved in the development of capital markets.

In March 2013, Chay was appointed as an Independent Director of Bursa Malaysia Berhad.

Prior to Mr Chay’s appointment at Kenanga, he was the Managing Director of RHB Investment Bank Berhad and Head of the Corporate & Investment Banking Division of RHB Banking Group. Under his leadership, RHB Investment Bank Berhad won numerous awards including the Malaysia Bond House of the Year 2008 from IFR Asia, Best Equity House in 2009 from Finance Asia, Best Local Brokerage from Asia Money (1990-2008), Best Mergers & Acquisitions House of the Year 2010 from The Asset and Best Deal of the Year for Islamic Finance (2008-2010).

His previous employment includes Standard Bank, one of the South Africa’s largest financial groups, Jardine Fleming Securities in Hong Kong and JP Morgan. During his tenure at JP Morgan, the firm won the Euromoney award for Best Foreign Securities Firm in Malaysia consecutively from 1997 to 2000. Mr Chay started his career in 1987 with Bankers Trust in Singapore.

He holds a Bachelor of Business Administration from the National University of Singapore.



Senior Management



Azman Hisham Che Doi
Chief Executive Officer

Azman Hisham Che Doi is the Chief Executive Officer of the SIDC. He completed his Masters degree in Financial Management from the University of Hull, UK in 1995. Azman earned his Bachelors degree in Business Administration (Finance) from University Utara Malaysia and also holds a Diploma in Public Administration from University Teknologi Mara. He is a Certified Training Professional.

Azman began his career as an analyst at Bapema Trading Sdn. Bhd. in 1992 and moved on to become a lecturer teaching Investment Analysis, Financial Management and Corporate Finance at Universiti Utara Malaysia (UUM). He joined the Securities Commission Malaysia (SC) in 1998 where he was responsible for licensing examinations, which included setting up the examinations department as well as examination framework for the Malaysian capital market.

Among Azman's international involvements included working with regional counterparts from Hong Kong, Indonesia and Cambodia. In 2006, he was involved in the Asean Capital Market Forum Working Group; and in 2008 he managed a consultancy project for the Capital Market Authority of Saudi Arabia.

Azman oversaw the operations of the SIDC in the capacity of Chief Operating Officer prior to assuming the role of Chief Executive Officer in July 2012.



Sarimah Ramthandin
Director, Training and Investor
Education Division

Sarimah Ramthandin is the Director of the Training and Investor Education Division. She holds an MBA from University Malaya and a BSc in Business Administration (Finance) from Iowa State University, USA. She is also a Certified Training Professional with over 16 years of experience in the capital market industry.

Sarimah started her career in 1996 as an internal auditor for Hong Leong Finance Bank Berhad and later as a

dealer's representative in Kenanga Investment Bank. In 2000, she joined the SIDC's examinations department where she was involved in developing examination study guides and questions. She moved to the Investor Education (IE) department in 2003 and has since led various IE initiatives for the SIDC. She is instrumental in the conceptualisation, development and implementation of various IE projects including strategic partnership, publications and financial literacy programmes.

Sarimah is a regular speaker on topics ranging from good money management habits to smart investing in the local broadcast media.



Salleh Hassan
Director, Examinations & CPE,
Corporate Governance and
Consultancy

Salleh Hassan is the Director of Examinations and Continuing Professional Education (CPE), Corporate Governance and Consultancy. He is also currently engaged as a Corporate Governance Specialist (Consultant) by the Asian Development Bank (ADB) for a project that aims to promote and to heighten the standards of corporate governance of listed companies across the ASEAN region. He has been instrumental in the annual Malaysian Corporate Governance Index initiative undertaken by the Minority Shareholder Watchdog Group (MSWG) where he continues to serve as an Associate.

Salleh was the Deputy Director of the Nottingham University Business School (Malaysia campus) between 2005 and 2009. He has published papers in reputable journals and presented papers in international conferences in the areas of financial reporting, accounting policy choice and corporate governance/sustainability issues. He also advises corporations in their efforts to cultivate the corporate governance culture and to develop effective sustainability reporting.



Sivalingam Navaratnam
General Manager and Head of
Consultancy and International
Programmes

Sivalingam Navaratnam is the Head of Consultancy and International Programmes, responsible for developing partnerships for new international business opportunities and training programmes relating to human capital competency development. He works closely with international regulators and funding

agencies in developing training initiatives for the ASEAN and APEC markets.

Sivalingam joined the Securities Commission Malaysia (SC) in 1998 and has played a key role in the development and implementation of the Continuous Professional Education (CPE) programme, the Capital Market Graduate Training Scheme (CMGTS), Bumiputera Training Fund (BTF), Industry Transformation Initiative (ITI) and the SC's flagship programmes, namely the Emerging Markets Programme (EMP) and Islamic Markets Programme (IMP).

Prior to joining the SC, Sivalingam was a senior lecturer of finance at a local training institute and an auditor in Ernst & Young. His areas of expertise include development of human capacity building strategies and curriculum frameworks for capital market development, programme design, development and delivery of training models, evaluation and programme quality control.

Sivalingam completed the examinations of the Chartered Institute of Management Accountants (CIMA), UK and holds a Masters in Business Administration from the University of Strathclyde, UK. He is also a Certified Training Professional.



Shirley Chew
General Manager,
Examinations & CPE

Shirley Chew is the General Manager of Examinations and Continuing Professional Education (CPE), responsible for the overall management of the development and operations of the Securities Commission Malaysia's (SC) Licensing Examinations and the CPE programme.

Shirley joined the SIDC when it established the one-stop examination centre for the capital market back in 1998. With her vast experience in examinations operation and development, she was instrumental in the setting up of the structure for the operations of the Examinations as well as the design and implementation of the SC Licensing Examinations Computer-Based Examination (CBE) System.

In 2009, Shirley was entrusted to manage and oversee the CPE Department. The initial stage of CPE saw her pioneering and establishing the department's standard operating procedures and working with various parties on CPE initiatives.

Shirley is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators.



Our people are our best asset. Goal-oriented team players with diverse talents and a strong respect for positive work values, our staff play a pivotal role in charting the SIDC's growth and success.

A group of approximately 20 people, including men and women in professional attire, are posed on a modern, geometric metal structure that resembles a bridge or a large-scale architectural sculpture. The structure is composed of dark metal beams and grates, forming a series of interconnected triangles and polygons. The background shows a cityscape with buildings and greenery, suggesting an urban environment. The overall tone is professional and modern.

THE SIDC FAMILY:

UNITED IN OUR
VALUES AND STRENGTHS

CSR in Action:

Turtle Conservation on Pulau Tioman



The SIDC continued our advocacy of nature in 2012 as part of our corporate social responsibility (CSR) thrust to contribute to the health of the environment and the wellbeing of the natural world around us.

Staying true to our CSR motto “We Care. We Do”, 40 SIDC staff members visited the Tengku Arif Temenggong Turtle Sanctuary (TAT Turtle Sanctuary) on Pulau Tioman in October 2012 to participate in environmental volunteerism as well as to learn more about turtle conservation.

Located on a quiet beach at Teluk Sri Intan, the TAT Turtle Sanctuary was established in May 2009 by HRH Sultan of Pahang, Sultan Ahmad Shah Ibni Almarhum Sultan Abu Bakar in partnership with the Department of Fisheries, Malaysia. The sanctuary plays the unique role of overseeing



the protection and conservation of marine turtles on the island. It also offers public education talks on the plight of the turtles and the need to protect this endangered species from extinction through conversation initiatives.

The objective of our visit was to help clean the sanctuary’s surroundings to create a more conducive environment for turtles to nest. A neat and tidy sanctuary is also more attractive to visitors and favourable for its work in spreading awareness on turtle conservation. Combing the beachside and lakeside areas for litter, SIDC volunteers worked diligently to spruce up the sanctuary grounds. We then planted tree seedlings around the sanctuary to enrich the greenery and create cleaner air for the environment.

During our visit, sanctuary representatives also gave us an insightful turtle talk where they reenacted a turtle’s journey to the beach to nest until its hatchlings are released back into the ocean. We learnt that four species of turtles lay eggs on the island - the Green Turtle, the Hawksbill, the Olive Ridley and the Leatherback - and these amazing reptiles often return to the same beach where they are hatched to nest, travelling up to 3,000km for this purpose.

The sanctuary helps turtles to perpetuate their life cycle by carefully retrieving their laid eggs to protect them from predators and incubating them for up to 65 days in an enclosed hatchery. To prevent hatchlings from being eaten by predatory birds and ocean creatures, sanctuary staff release them into the waters in the dark, during dusk or dawn. We were also told that the odds of a turtle surviving to adulthood is only approximately 1%, making us realise that a concerted public effort is required to ensure these creatures are still around in the centuries to come. We were reminded that one easy way to contribute to the continued existence of turtles is to abstain from buying and eating turtle eggs in future.

Our meaningful day of volunteering at the TAT Turtle Sanctuary ended with a token cash contribution by the SIDC to the sanctuary, in support of their praiseworthy efforts to prevent the extinction of this endangered species. It was a humbling and enlightening experience for all of us to get to know about the fascinating sea turtles that have existed for more than 110 million years, and most importantly, to be aware of the need to protect their survival in the natural world.

“ It was a humbling and enlightening experience for all of us to get to know about the fascinating sea turtles that have existed for more than 110 million years, and most importantly, to be aware of the need to protect their survival in the natural world. ”



SIDC in the News

14,000 new talents required by Malaysian capital market in 2012-2014

BMFII growth in terms of size, registration and capitalisation is the past decade has made the Malaysian capital market an important source of funding for both domestic and international firms. With a growing entrepreneurial spirit, the Malaysian capital market has been able to attract foreign investment funds, local investors and to be an important source of capital for the country.

As the number of capital market intermediaries in the industry is growing, the industry is also facing a shortage of talents in the industry. The industry is also facing a shortage of talents in the industry. The industry is also facing a shortage of talents in the industry.

As part of its ongoing research, the SIDC recently conducted the Capital Market Talent Requirement Survey (CMTRS) which is a study of the talent requirements in the industry. The survey is a study of the talent requirements in the industry. The survey is a study of the talent requirements in the industry.

Specific human capital requirements and related emerging issues, appropriate solutions to meet the capital market talent pool are being developed.

The CMTRS findings suggest the need for the capital market industry to focus on the development and registration of talents in the industry. The industry is also facing a shortage of talents in the industry.

Mostly, lack of resources or expertise was cited by survey participants as one of the main reasons for not meeting the talent requirements in the industry.

With the very low percentage of approximately 10% of the total population required during the survey period, it is clear that the industry is facing a shortage of talents in the industry. The industry is also facing a shortage of talents in the industry.

To address the talent demand for the industry, the industry is also facing a shortage of talents in the industry. The industry is also facing a shortage of talents in the industry.

The SIDC is the best place to go for the industry to address the talent requirements in the industry. The industry is also facing a shortage of talents in the industry.

has knowledge and industry relevant skills to be the primary educational programmes that enhance their employability to secure careers in the industry. The SIDC's support will also extend to the business and students through career opportunity resources, industry visits, industrial visits, housing and educational matters.

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SIDC training for graduates

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Kewangan Islam kini industri tarikan global

INDUSTRI kewangan Islam kini berada dalam pusingkar penting yang perlu memutar semula dan membolehkan pertumbuhan yang lebih besar, antara lain dengan menarik pelaburan asing ke arah sektor ini. Ketua Pegawai Eksekutif, Persatuan Muamalat Malaysia (PMM), Zaid Ibrahim, berkata industri ini akan menjadi salah satu sektor pertumbuhan yang pesat dalam masa beberapa tahun akan datang. Beliau berkata, industri ini akan menjadi salah satu sektor pertumbuhan yang pesat dalam masa beberapa tahun akan datang.

Menurut Zaid, industri ini akan menjadi salah satu sektor pertumbuhan yang pesat dalam masa beberapa tahun akan datang. Beliau berkata, industri ini akan menjadi salah satu sektor pertumbuhan yang pesat dalam masa beberapa tahun akan datang.

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阿兹曼 SIDC新任首席执行官

阿兹曼投入金融领域已有20年，并在基金管理公司开始他的事业。随后，他投入教育界，在马来北方大学（UM）的执教生涯后，他在1998年加入证监会，负责大马资本市场的发展。同时，在升任为首席执行官之前，阿兹曼也是SIDC的首席运营官。

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The infographic shows the various skills and competencies required for capital market professionals. It includes a list of skills such as Business Acumen, Technical Skills, Leadership, and Interpersonal Skills. It also includes a list of competencies such as Communication, Teamwork, and Problem Solving.

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Be global, Islamic finance industry urged

Call for greater diversity in currency usage and expansion beyond home market

by ANJUM RAVENDHAN

THE Islamic finance industry needs to embrace internationalisation with greater diversity in terms of currencies used, in a press release yesterday, the International Commission (IC) said there is a need for the industry to take time and establish the enabling environment that will drive its next phase of growth.

It has become an industry with global appeal, marked by a 17% average annual growth rate over the past decade to reach US\$1.7 trillion (RM3.3 trillion) yesterday, the IC, a Islamic capital market association, said.

Director Zaid Ibrahim Zaidi said this is the Islamic finance industry's first major milestone in its 10-year journey since its inception in Kuala Lumpur yesterday.

"The next phase of growth for the Islamic capital market will be characterised by greater internationalisation, which includes, among others, a growing number of product issuers and service providers expanding beyond their home market, their focus market, more investors seeking products or instruments with international exposure, as well as greater diversity in terms of currencies used in issuing Shariah-compliant instruments," he said.

Malaysia's Islamic capital market is expected to grow at an average rate of 10% per annum over the 10-year period to 2020, according to the Capital Market Masterplan 2, the IC said.

Zaid Ibrahim said that Islamic finance has developed not only in traditional Muslim markets like Malaysia and the Middle East, but also in conventional markets and financial centres such as the UK, with a growing number of jurisdictions across the globe at various stages of developing their capabilities in Islamic finance.

Thence, "Building the Environment for the Growth of Islamic Finance", the IMF attracted 40 local and international participants including Islamic finance practitioners, members of academia and regulators, the IC said.

Speakers at the programme included industry practitioners such as IFIC, Amulata Malaysia's managing director Rafe Hameed, International Centre for Education in Islamic Finance (IIF) and other members of the Islamic finance industry.

He was also involved in various consulting projects, both local and international, during his professional career.

The SIDC is a provider of capital market training and investor education to retail and institutional investors, market intermediaries, regulators and company directors for the local and international markets.

It also supports the regulatory functions of the SC by setting competency standards for the capital market industry through licensing examinations and continuing education initiatives for intermediaries, as well as by delivering financial literacy programmes to cultivate smart investors.

Azman brings to the position two decades of diverse finance and capital market experience gained from the industry, regulators and academia.

He started his career in fund management in 1992 and later joined University Utara Malaysia in 1994 as an academic staff. In 1998, Azman joined the SC, where he was primarily responsible for establishing the licensing examination framework for the Malaysian capital market.

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SIDC promotes Azman Hisham from COO to CEO

by MOHD RASHDAN JAMALUDIN

SECURITIES Commission's (SC) training and development arm Securities Industry Development Corp (SIDC) has promoted its chief operating officer (COO) Azman Hisham Che Doi to chief executive officer (CEO) with immediate effect.

In a statement yesterday, SIDC said Azman brings to the position two decades of diverse finance and capital

market experience gained from the industry, regulators and academia.

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SC's training arm provides graduates career head start in Islamic capital market

WISSEI (Islamic Finance) graduates with a Bachelor of Business Administration (Finance) degree from the Islamic University of Technology, the first to get a job in the growing Islamic financial industry, but one experienced that his practical knowledge of Islamic finance was "strong" and his academic knowledge was "weak".

The 27-year-old male graduate, who studied the degree in Islamic Capital Market under the training scheme (SCITS) with help from SC's training arm, said he was confident that he was able to spend on his own and provide his opinion in meetings and discussions.

The SCITS is a graduate-level training programme for the Securities Industry Development Corporation (SIDC) in 2008 with the objective of providing work-ready graduates with a wide knowledge of Islamic finance and the ability to work in the industry. The SCITS is headed by the Capital Market Development Fund and is one of the programmes launched under the SC's Education and Development Fund.



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COLLABORATION: Zariwah (second from left) exchanging documents with UTM vice-chancellor (left) Prof Dr Sahar Hamed Abu Bakar, watched by (from left) SC managing director (left) Dr Nis Hamidah Muhammad, SIDC chief operating officer (left) Azzam Hisham Che Din, UTM chairman (left) Dr Yoon Mard Zahid Mohd Noordin and UTM deputy dean for industrial linkages and community Prof Dr Nur Azim Marhula.

SC signs MoU with UiTM

THE Securities Industry Development Corporation (SIDC) the training and development arm of the Securities Commission Malaysia (SC), yesterday signed a memorandum of understanding (MoU) with Universiti Teknologi Mara (UiTM) to introduce a capital market

syllabus for its university students. This collaboration is aimed at supporting the talent development requirements in the Malaysian capital market and building a graduate talent pool that is "work ready" for the industry.

SC chairman Tan Sri Zariwah Anwar said: "In this environment, there is a need for close collaboration between industry, academia and the public sector to address these new talent requirements. This MoU between the SIDC and UiTM is a timely move to prepare graduates to face these challenges."



加強財務管理投資概念 證監會創意短片競賽反惡佳

日期：2010年10月



證監會「加強財務管理投資概念」創意短片競賽反惡佳。

《信譽佳佳》是證監會與安聯保險公司合作，為加強財務管理投資概念，而舉辦的「加強財務管理投資概念」創意短片競賽。該項比賽旨在提高公眾對財務管理投資的認識，並鼓勵公眾在投資前進行充分的研究和諮詢。

該項比賽共收到超過1000部作品，其中不乏創意十足、內容豐富的佳作。證監會表示，將對獲獎作品進行評選，並邀請專業人士進行評審。

此外，證監會還將舉辦一系列講座和研討會，為公眾提供有關財務管理投資的專業建議和資訊。

證監會呼籲公眾在投資前應充分了解投資風險，並根據自己的財務狀況和投資目標做出明智的投資決策。

證監會表示，將繼續致力於提高公眾的財務管理投資意識，並為公眾提供優質的投資服務。

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SC hosts regulators from 21 countries

KUALA LUMPUR: The Securities Commission (SC) hosted 50 fellow regulators from 21 developed and developing countries for the Emerging Markets Programme (EMP) to share regulatory actions on how to strengthen market integrity in their own jurisdictions.

Themed "Strengthening Resilience of Emerging Markets", the programme takes an incisive look at how the inter-connectedness of the global economy brings unintended challenges to emerging markets during times of economic turbulence.

The conference also explored the feasible counter-measures available to regulators to fortify their capital markets against vulnerabilities in the system caused by the global financial crisis.

"The forum is a popular platform for new and senior regulators from both developing and developed markets to meet, network freely and exchange thoughts on common concerns and issues that impact their markets," the SC said in a statement.

The three-day forum, held from Oct 30 to yesterday was organised by the Securities Industry Development Corp, the SC's training and development arm.

Participants also have the opportunity to engage in interactive discourses and analyse the strategic responses of developed and emerging economies on key areas including efforts to strengthen regulation, supervision, enforcement and investor protection.

Overseas expansion key in future Islamic capital market

KUALA LUMPUR: The next phase of growth of the Islamic capital market would be characterised by greater internationalisation, which would see more product as well as service providers expanding beyond their home market.

The Securities Commission's executive director of Islamic capital market Zuhairi bin Zuhairi said more investors would seek products or instruments with international exposure.

Speaking at the 7th Islamic Markets Programme yesterday, he said there would also be greater diversity in terms of currencies used in issuing Shariah-compliant instruments.

Islam said the Islamic finance industry was at a crucial stage where it needed to redefine and establish the enabling environment that would spur its next phase of growth. Islamic finance, he said, had developed into an industry with global appeal, marked by a 13% average annual growth rate over the past decade, to reach US\$1.3 trillion today.

As for Malaysia's Islamic capital market, the Capital Market Masterplan 2 is expected to grow at an average rate of 10.6% annually over the 10-year period in 2020.

Islam said Islamic finance had developed not only in traditional Muslim markets like Malaysia and the Middle East, but also in conventional markets and financial centres such as the United Kingdom, with a growing number of jurisdictions across the globe at various stages of developing their capabilities in Islamic finance.

Graduan dipelawa mohon skim latihan SIDC

PERHADAPAN Pembangunan Industri Sekuriti (SIDC) mempelawa graduan memohon Skim Latihan Graduan Pasaran Modal Islam Ke-6 bermula 2 Mac ini.

Skim dibangunkan bersama SIDC dan Suruhanjaya Sekuriti Malaysia pada 2008 dengan kerjasama Bursa Malaysia dan organisasi industri negara ini.

Ia bertujuan melahirkan profesional pasaran modal Islam dengan pengetahuan asas kukuh dan kemahiran komunikasi. Program latihan dua bulan itu membabitkan modul teknikal dan kemahiran insaniah yang disediakan oleh pakar dan pengamal industri, kata SIDC dalam satu kenyataan.

Ia berkata, calon berjaya menerima elam bulanan RM2,000 ketika tempoh latihan.

Rakyat Malaysia, berusia bawah 30 tahun memegang ijazah dengan sekurang-kurangnya kelan kelan atau bersamaan disiplin berkaitan layak memohon.

Pemohon berniat boleh mendapatkan maklumat dan memuat turun borang permohonan daripada laman web SIDC di www.sidc.com.my.

Pemohonan ditutup pada 20 Februari. - BERNAMA

Gauging students' creativity

THE Securities Industry Development Corporation (SIDC) the training and education arm of the Securities Commission Malaysia, is calling on college and university students to participate in a nationwide inter-university Financial Literacy Movie (FLM) Competition, which offers cash prizes of up to RM2,000.

The competition aims to assess students' creative ability in presenting the concepts of money management and investing for the future among their peers.

To participate, students must produce an original video on financial management or smart investing as an imaginative and educational theme such as music video, animation, short film, or public service announcement.

Submission details and rules of the competition are available on the Malaysian Investor website: www.minvestor.gov.my.

FLM is one of the many innovative efforts by the SIDC to create well-informed and savvy investors in the capital market through

quality investor education for the Malaysian public.

Financial literacy competition organised by the SIDC last year was the online National Level Quiz and Cash Incentive Quiz Competition, with participation from 7,170 primary schools.

The SIDC also raises public awareness on smart investing and money management through investor education seminars and workshops targeted at various segments of the community, such as schoolchildren, university students, parents, women as well as white and blue collar workers.

The latest financial literacy programme have benefited 47,540 participants across the country.

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Delivering the right messaging



Financial Statements

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Directors' Report

for the year ended 31 December 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2012.

Principal Activities

The Company supports the Securities Commission Malaysia ("SC") and Bursa Malaysia in the creation of a vibrant Malaysian capital market. The Company has five principal activities: promotion of investor education (both retail and institutional), training and development of SC-licensed capital market intermediaries, training and development of emerging market regulators, training of directors of public listed companies and development of capital market talent.

Results

RM

Net income for the year

2,206,301

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Directors of the Company

Directors who served since the date of the last report are:

Datuk Ranjit Ajit Singh (appointed on 16 May 2012)
 Dato' Tajuddin Atan
 Dato Dr. Nik Ramlah Nik Mahmood
 Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
 Gerald Michael Ambrose
 Angelina Agnes Kwan
 Chay Wai Leong
 Tan Sri Zarinah Anwar (resigned on 31 March 2012)

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest. There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Other Statutory Information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report for the year ended 31 December 2012

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Datuk Ranjit Ajit Singh



Dato' Tajuddin Atan

Kuala Lumpur, Malaysia

Date: 23 April 2013

Statement of Financial Position

as at 31 December 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Asset				
Property, plant and equipment	3	729,000	656,326	815,121
Total non-current asset		729,000	656,326	815,121
Trade and other receivables	4	1,808,573	1,218,390	1,371,343
Cash and cash equivalents	5	37,461,428	38,323,021	32,838,651
Total current assets		39,270,001	39,541,411	34,209,994
Total assets		39,999,001	40,197,737	35,025,115
Equity				
Accumulated surplus		9,869,971	7,663,670	5,276,517
Total equity		9,869,971	7,663,670	5,276,517
Liability				
Long-term prepaid expenses	6	29,600,813	32,024,181	28,980,613
Total non-current liability		29,600,813	32,024,181	28,980,613
Trade and other payables	7	528,217	509,886	767,985
Total current liability		528,217	509,886	767,985
Total equity and liability		39,999,001	40,197,737	35,025,115

The notes on pages 65 to 79 are an integral part of these financial statements.

Statement of Profit or Loss

for the year ended 31 December 2012

	Note	2012 RM	2011 RM
Income			
Training industry		4,220,068	3,638,346
Examination fees		1,143,229	1,307,715
Sale of publications		261,754	305,227
Rental income		416,410	373,220
Consultant services		572,049	601,311
Income received from fixed deposits		1,384,073	1,282,441
Other income		17,921	9,466
		<u>8,015,504</u>	<u>7,517,726</u>
Amortisation of long-term prepaid expenses		9,383,368	10,271,432
		<u>17,398,872</u>	<u>17,789,158</u>
Less: Expenditure			
Event expenses		7,694,584	7,919,801
Staff costs	8	6,225,149	6,103,630
Administration expenses		1,272,838	1,378,574
		<u>15,192,571</u>	<u>15,402,005</u>
Income before tax	9	2,206,301	2,387,153
Income tax expense	10	-	-
Net income for the year		<u>2,206,301</u>	<u>2,387,153</u>

The notes on pages 65 to 79 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2012

	Accumulated surplus RM
At 1 January 2011	5,276,517
Net income for the year	<u>2,387,153</u>
At 31 December 2011/1 January 2012	7,663,670
Net income for the year	<u>2,206,301</u>
At 31 December 2012	<u>9,869,971</u>

The notes on pages 65 to 79 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2012

	2012 RM	2011 RM
Cash flows from operating activities		
Income before tax	2,206,301	2,387,153
Adjustments for:		
Amortisation of long-term prepaid expenses	(9,383,368)	(10,271,432)
Depreciation of property, plant and equipment	324,485	307,339
Interest income	(1,384,073)	(1,282,441)
Plant and equipment written off	-	1,089
Reversal of impairment loss on trade receivables	-	(4,880)
Operating loss before changes in working capital	(8,236,655)	(8,863,172)
Changes in working capital:		
Trade and other receivables	(271,546)	545,359
Trade and other payables	18,331	(258,099)
Net cash used in operating activities	(8,489,870)	(8,575,912)
Cash flows from investing activities		
Interest received	1,065,436	1,106,915
Acquisition of property, plant and equipment	(397,159)	(149,633)
Net cash from investing activities	668,277	957,282
Cash flows from financing activity		
Grants received	6,960,000	13,103,000
Net cash from financing activity	6,960,000	13,103,000
Net (decrease)/increase in cash and cash equivalents	(861,593)	5,484,370
Cash and cash equivalents at beginning of year	38,323,021	32,838,651
Cash and cash equivalents at end of year	37,461,428	38,323,021

The notes on pages 65 to 79 are an integral part of these financial statements.

Notes to the Financial Statements

The Securities Industry Development Corporation is a company limited by guarantee, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Registered office

Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur

The Company supports the SC and Bursa Malaysia in the creation of a vibrant Malaysian capital market. The Company has five principal activities: promotion of investor education (both retail and institutional), training and development of SC-licensed capital market intermediaries, training and development of emerging market regulators, training of directors of public listed companies and development of capital market talent.

The financial statements were authorised for issue by the Board of Directors on 23 April 2013.

1. Basis of Preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and with International Financial Reporting Standards. This is the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

In the previous financial years, the financial statements of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. The explanation of transition to MFRSs are disclosed in Note 15 to the financial statements.

The Company has early adopted the amendments to MFRS 101, *Presentation of Financial Statements* which are effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements.

Notes to the Financial Statements

1. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB"):

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendment to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures*

The Company plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are applicable and effective for annual periods beginning on or after 1 January 2013.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are applicable and effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are applicable and effective for annual periods beginning on or after 1 January 2015.

Material impacts of initial application of a standard, an amendment or an interpretation are discussed below:

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

MFRS 13, *Fair Value Measurement*

MFRS 13, *Fair Value Measurement* establishes the principles for fair value measurement and replaces the existing guidance in different MFRSs.

(b) Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Company at 1 January 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Financial instruments

i. Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

ii. Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (see Note 2(d)).

Notes to the Financial Statements

2. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

ii. Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

iii. Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts, if any, of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

ii. Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative year are as follows:

- | | |
|---------------------------|----------|
| • Office equipment | 5 years |
| • Computer equipment | 3 years |
| • Communication equipment | 5 years |
| • Furniture and fitting | 5 years |
| • Renovation | 10 years |

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks.

(d) Impairment

i. Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Notes to the Financial Statements

2. Significant Accounting Policies (cont'd)

(d) Impairment (cont'd)

ii. Other assets

The carrying amounts of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash-generating units. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(e) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

ii. State plans

The Company's contributions to statutory pension fund are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(f) Revenue recognition

i. Fees and services

Fees and services income is recognised in profit or loss on an accrual basis.

ii. Grants

Grants are recognised initially as long-term prepaid expenses when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognised in profit or loss in the same periods in which the expenses are recognised.

iii. Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(g) Income tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

3. Property, Plant and Equipment

	Office equipment RM	Computer equipment RM	Communication equipment RM	Furniture & Fitting RM	Renovation RM	Total RM
Cost						
At 1 January 2011	169,396	683,220	63,348	267,530	319,442	1,502,936
Additions	13,471	131,410	4,752	-	-	149,633
Write-off	-	-	(1,188)	-	-	(1,188)
At 31 December 2011/1 January 2012	182,867	814,630	66,912	267,530	319,442	1,651,381
Additions	34,010	363,149	-	-	-	397,159
At 31 December 2012	216,877	1,177,779	66,912	267,530	319,442	2,048,540
Depreciation						
At 1 January 2011	89,805	457,805	27,802	71,252	41,151	687,815
Depreciation for the year	35,538	173,105	13,245	53,507	31,944	307,339
Write-off	-	-	(99)	-	-	(99)
At 31 December 2011/1 January 2012	125,343	630,910	40,948	124,759	73,095	995,055
Depreciation for the year	34,926	190,725	13,384	53,506	31,944	324,485
At 31 December 2012	160,269	821,635	54,332	178,265	105,039	1,319,540
Carrying amounts						
At 1 January 2010	79,591	225,415	35,546	196,278	278,291	815,121
At 31 December 2011/1 January 2012	57,524	183,720	25,964	142,771	246,347	656,326
At 31 December 2012	56,608	356,144	12,580	89,265	214,403	729,000

4. Trade and Other Receivables

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Amount due from the SC	207,483	225,398	316,688
Trade receivables	806,165	522,033	742,911
Other receivables	833,744	509,778	355,443
	1,847,392	1,257,209	1,415,042
Less: Allowance for impairment loss	(38,819)	(38,819)	(43,699)
	1,808,573	1,218,390	1,371,343

Included in other receivables are interests due from fixed deposits placement of RM817,331 (2011: RM498,694).

5. Cash and Cash Equivalents

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Cash and bank balances	1,401,428	558,171	1,133,452
Deposits placed with licensed banks	25,560,000	23,209,003	12,705,199
Deposits placed with a scheduled institution	10,500,000	14,555,847	19,000,000
	<u>37,461,428</u>	<u>38,323,021</u>	<u>32,838,651</u>

The deposits placed with licensed banks and scheduled institution earned income at rates ranging from 3.30% to 3.56% (2011: 1.90% to 3.65%) and for periods ranging from 6 months to 12 months.

6. Long-term Prepaid Expenses

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-current			
Long-term prepaid expenses	<u>29,600,813</u>	<u>32,024,181</u>	<u>28,980,613</u>
Grant from Capital Market Development Fund ("CMDF")	64,750,000	60,190,000	49,375,000
Grant from the SC	<u>22,900,000</u>	<u>20,500,000</u>	<u>18,000,000</u>
	87,650,000	80,690,000	67,375,000
Less: Amortisation of long-term prepaid expenses			
Grant from CMDF	(37,842,878)	(30,867,202)	(22,506,375)
Grant from the SC	<u>(20,206,309)</u>	<u>(17,798,617)</u>	<u>(15,888,012)</u>
At the end of the reporting period	<u>29,600,813</u>	<u>32,024,181</u>	<u>28,980,613</u>

The Company received two grants during the current financial year and they are as follows:

i. Grant from the SC

The SC agreed to provide assistance to the Company in the amount of RM2.4 million (2011: RM2.5 million) and for subsequent years, such sums granted are to be agreed upon by both the SC and the Company based on a budget proposal to be prepared by the Company, supported by clear justifications and Key Performance Indicators (KPIs).

ii. Grant from the CMDF

The CMDF agreed to provide RM64.75 million in the first five years beginning year 2007 until year 2012. This is due to the fact that the Company shall implement the activities and deliver the products and services defined as the Industry Transformation Initiative ("ITI"), the Capital Market Graduate Training Scheme ("CGMTS"), the Advanced Business Management Programme ("ABMP"), the Investor Education Initiatives ("IEI") and the Graduate Development Programme ("GDP") over five (5) years. The grants are provided solely for financing the development, implementation and administration of the projects, including any expenses, and shall not be used for any other purpose unless approved by the CMDF.

Notes to the Financial Statements

7. Trade and Other Payables

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Other payables	406,312	405,895	501,750
Accrued expenses	39,995	38,185	163,966
Amount due to the SC	70,306	54,202	89,370
Institute of Corporate Responsibility Malaysia (“ICRM”) fund	11,604	11,604	12,899
	<u>528,217</u>	<u>509,886</u>	<u>767,985</u>

8. Staff Costs

	2012 RM	2011 RM
Employees Provident Fund	752,406	626,240
Remuneration, bonus, staff medical, staff training and overtime	<u>5,472,743</u>	<u>5,477,390</u>
	<u>6,225,149</u>	<u>6,103,630</u>

The number of employees of the Company at the end of the year was 54 (2011: 48).

9. Income before Tax

	2012 RM	2011 RM
Income before tax is arrived at after charging:		
Auditor’s remuneration	15,500	15,500
Depreciation on property, plant and equipment	324,485	307,339
Management fees	268,800	264,000
Rental expenses	<u>439,568</u>	<u>363,930</u>
and after crediting:		
Amortisation of long-term prepaid expenses	9,383,368	10,271,432
Rental income	416,410	373,220
Reversal of impairment loss on trade receivables	<u>-</u>	<u>4,880</u>

10. Income Tax Expense

The Company was granted approval from the Minister of Finance to be exempted from taxation for statutory income except for dividend income with effect from Year Assessment (YA) 2008 until 2012.

11. Related Parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel includes all the Directors of the Company, and certain members of senior management of the Company.

Related party transactions have been entered into in the normal course of business under normal trade terms.

Significant related party transactions other than key management personnel compensation are as follows:

	Transactions value for the year ended 31 December		Net/Gross balance outstanding at 31 December	
	2012 RM	2011 RM	2012 RM	2011 RM
Related companies				
SC				
- Management fees	(268,800)	(264,000)	(22,200)	(22,000)
- Grant	2,400,000	2,500,000	200,000	212,000
- Training Industry*	1,673,326	122,159	140,405	-
CMDF				
- Grant	4,560,000	10,815,000	-	-
Permodalan Nasional Berhad				
- Training Industry*	55,550	17,760	-	2,040
Bursa Malaysia Berhad				
- Training Industry*	4,590	30,000	-	-
Bursa Malaysia Derivatives Berhad				
- Training Industry*	15,110	-	15,110	-
Aberdeen Asset Management Sdn Bhd				
- Training Industry*	-	7,164	-	-
Kenanga Investment Bank Berhad				
- Training Industry*	81,090	186,660	11,380	29,810
Sime Darby Property Berhad				
- Training Industry*	51,000	-	-	-
Universiti Teknologi Mara				
- Training Industry*	825	-	-	-

* There is no allowance for impairment losses being provided in respect of these balances which are outstanding at financial year end.

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured, interest-free and expected to be settled in cash.

Notes to the Financial Statements

12. Capital Commitments

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Capital expenditure commitments			
Plant and equipment			
<i>Approved but not contracted for: Within one year</i>	-	72,950	483,300

13. Financial Instruments

13.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R); and
(b) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM	L&R/ (OL) RM
31.12.2012		
Financial assets		
Trade and other receivables	1,808,573	1,808,573
Cash and cash equivalents	37,461,428	37,461,428
	<u>39,270,001</u>	<u>39,270,001</u>
Financial liabilities		
Trade and other payables	<u>(528,217)</u>	<u>(528,217)</u>
31.12.2011		
Financial assets		
Trade and other receivables	1,218,390	1,218,390
Cash and cash equivalents	38,323,021	38,323,021
	<u>39,541,411</u>	<u>39,541,411</u>
Financial liabilities		
Trade and other payables	<u>(509,886)</u>	<u>(509,886)</u>
1.1.2011		
Financial assets		
Trade and other receivables	1,371,343	1,371,343
Cash and cash equivalents	32,838,651	32,838,651
	<u>34,209,994</u>	<u>34,209,994</u>
Financial liabilities		
Trade and other payables	<u>(767,985)</u>	<u>(767,985)</u>

13.2 Financial risk management

The Company has policies and guidelines on the overall investment strategies and tolerance towards risk. Investments are managed in a prudent manner to ensure the preservation and conservation of the fund. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

13.3 Credit risk

Credit risk is a risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company has a formal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Fixed deposits are placed with licensed banks and a scheduled institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The ageing of receivables as at the end of the reporting year was:

	Gross RM	Individual impairment RM	Net RM
31.12.2012			
Not past due	1,489,315	-	1,489,315
Past due 1 - 30 days	81,200	-	81,200
Past due 31 - 60 days	73,960	-	73,960
Past due more than 60 days	202,917	(38,819)	164,098
	<u>1,847,392</u>	<u>(38,819)</u>	<u>1,808,573</u>
31.12.2011			
Not past due	987,686	-	987,686
Past due 1 - 30 days	27,261	-	27,261
Past due 31 - 60 days	47,329	-	47,329
Past due more than 60 days	194,933	(38,819)	156,114
	<u>1,257,209</u>	<u>(38,819)</u>	<u>1,218,390</u>
1.1.2011			
Not past due	1,094,502	-	1,094,502
Past due 1 - 30 days	56,805	-	56,805
Past due 31 - 60 days	91,205	-	91,205
Past due more than 60 days	172,530	(43,699)	128,831
	<u>1,415,042</u>	<u>(43,699)</u>	<u>1,371,343</u>

Notes to the Financial Statements

13. Financial Instruments (cont'd)

13.3 Credit risk (cont'd)

The movements in the allowance for impairment losses of receivables during the financial year were:

	31.12.2012 RM	31.12.2011 RM
At beginning of the year	38,819	43,699
Impairment loss reversed	-	(4,880)
At end of the year	38,819	38,819

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than sovereign or near sovereign.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the Company has only invested in fixed deposits. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

13.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors and maintains a level of cash and cash equivalents deemed necessary by the Company to finance its operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flow.

	Carrying amount RM	Contractual cash flow RM	Under 1 year RM
31.12.2012			
Financial liabilities			
Trade and other payables	528,217	528,217	528,217
31.12.2011			
Financial liabilities			
Trade and other payables	509,886	509,886	509,886
1.1.2011			
Financial liabilities			
Trade and other payables	767,985	767,985	767,985

13.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Company's financial position or cash flows.

13.5.1 Interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Fixed rate instruments			
Financial assets	<u>36,060,000</u>	<u>37,764,850</u>	<u>31,705,199</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

13.6 Fair value

In respect of cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts approximate fair value due to the relatively short-term nature of these financial instruments.

14. Reserves Management

The Company's reserves management objective is to maintain adequate reserves to safeguard the Company's ability to perform its duties and functions independently and effectively. The Management monitors the long-term capital commitments to ensure that sufficient funds are available to meet the obligations. The Company's investments are managed in a prudent manner to ensure the preservation of the reserves.

15. Explanation of Transition to MFRSs

As stated in note 1(a), these are the first financial statements of the Company prepared in accordance with MFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Company's date of transition to MFRSs).

There are no differences between the financial statements of the Company prepared in accordance with FRSS in Malaysia and MFRSs.

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 61 to 79 are drawn up in accordance with Malaysian Financial Reporting Standards and with International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Datuk Ranjit Ajit Singh



Dato' Tajuddin Atan

Kuala Lumpur, Malaysia

Date: 23 April 2013

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Azman Hisham Che Doi, the officer primarily responsible for the financial management of the Securities Industry Development Corporation, do solemnly and sincerely declare that the financial statements set out on pages 61 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named in Kuala Lumpur on 23 April 2013.



Azman Hisham Che Doi



Before me:



Independent Auditors' Report

to the members of the Securities Industry Development Corporation

(Company No. 765264-K)

(Limited by Guarantee - Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of the Securities Industry Development Corporation, which comprise the statement of financial position as at 31 December 2012, and the statements of profit or loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 61 to 79.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and with International Financial Reporting Standards, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysia Financial Reporting Standards and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as of 31 December 2012 of its financial performance and cash flows for the year then ended.

Independent Auditors' Report to the members of the Securities Industry Development Corporation (cont'd)

(Company No. 765264-K)
(Limited by Guarantee - Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG
Firm Number: AF 0758
Chartered Accountants



Peter Ho Kok Wai
Chartered Accountant
Approval Number: 1745/12/13(J)

Petaling Jaya, Malaysia

Date: 23 April 2013

SECURITIES INDUSTRY
DEVELOPMENT CORPORATION

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