

SECURITIES INDUSTRY DEVELOPMENT CORPORATION  
3, Persiaran Bukit Kiara, Bukit Kiara, 50490, Kuala Lumpur, Malaysia  
T: 603 6204 8667    F: 603 6201 5112    E: [sidc@sidc.com.my](mailto:sidc@sidc.com.my)  
[www.sidc.com.my](http://www.sidc.com.my)



[www.sidc.com.my](http://www.sidc.com.my)

ANNUAL  
REPORT  
**2014**

## Our Vision

To be recognised internationally as a leading capital market learning and development solutions provider for market professionals, regulators and investors in Malaysia and emerging capital markets.

## Our Mission

Our mission is to raise the standard of capital market participants to support the rapid growth and development of the capital market industry, through strategic and effective:

- Learning and development solutions
- Professional certification, qualifications and continuous education
- Thought leadership and consultancy services
- Investor education



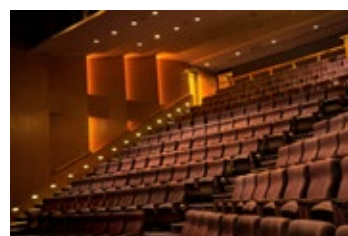
### **PROGRESSIVE. COLLABORATIVE. TRANSFORMATIVE.**

is the theme for the 2014 Annual Report, embodying the kick-off year of SIDC's strategic direction to chart a new five-year path for SIDC's business activities. On the cover is a timely re-interpretation the SIDC logo as a statement of our aspirations. The refreshed globe in pristine grey against a luminous bright background signifies SIDC aglow in transformation to become the capital market industry's strategic partner in learning and development, both domestically and internationally. The traversing path is a symbol of SIDC as perpetual progress - constantly looking ahead, bringing career advancement to those we train and development to the industry as a whole. The two sides of the globe represent SIDC's emphasis on industry collaboration to deliver learning and development solutions that fulfil the capital market's talent building needs.

# Contents

## 12

**SIDC's**  
Programmes and  
Activities



## 36

**2014**  
at a Glance



## 46

**Our People,**  
Our Values



## 56

**SIDC Family**  
Envisioners and  
Enablers



**03** SIDC Background

**04** Chairman's Statement

**08** Chief Executive  
Officer's Statement

**14** Corporate  
Milestones 2014

**16** Market Intermediaries  
and Talent Pipeline  
Development

**26** Directors Training

**28** Investor Education

**30** Consultancy and  
International  
Regulators  
Programmes

**38** SIDC Training  
Programmes  
in 2014

**40** Events and  
Happenings

**42** SIDC in the News

**44** CSR 2014

**48** Board of Directors

**52** Senior Management

**58** Financial Statements

# SIDC Background

The SECURITIES INDUSTRY DEVELOPMENT CORPORATION (SIDC) is the leading capital market learning and development solutions provider for industry participants in Malaysia and the growth and emerging markets that include market professionals, company directors and regulators. Established in 1994 as the learning and development arm of the Securities Commission Malaysia (SC) and incorporated in 2007, SIDC has been a standard-bearer of quality and innovation for over two decades.

As the capital market industry's partner in learning and development, SIDC works hand in hand with the industry through consultations and collaborations to design, develop and deliver training programmes that raise the standard of participants and support market growth. At the same time, we provide strategic consulting services and industry insights, frequently partnering with government agencies and international organisations to carry out capacity building initiatives for market regulators and industry players.

SIDC's involvement in the development of human capital for the Malaysian capital market is comprehensive and end-to-end. We work closely with the SC to establish competency standards for the industry - developing, maintaining and administering the SC Licensing Examinations and the mandatory Continuing Professional Education (CPE) programme as part of the licensing regime for Malaysian capital market intermediaries. In addition, we contribute to the capital market talent pipeline through our fit-for-purpose graduate development programmes.

In support of the SC's investor protection mandate, SIDC also conducts public investor education programmes on behalf of the SC with the aim of creating informed and prudent capital market investors.

SIDC's extensive experience and track record in producing high-calibre programmes for a wide range of target audiences have earned us a reputation synonymous with professional excellence, 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.



# Chairman's Statement

It is my privilege to present the 2014 annual report of the Securities Industry Development Corporation (SIDC). This year marks an important milestone for SIDC as it embarks on a transformative business direction to become a leading learning and development solutions provider for the capital markets industry, both domestically and internationally.

In a fast-moving and challenging capital market landscape, the existence of a talent pool high in professionalism and integrity is an influential factor for the preservation of investor confidence and the resilience of the capital market in Malaysia. In this regard, SIDC's transformation is timely in addressing current and future talent development challenges to support the growth of an increasingly complex and sophisticated Malaysian capital market.

Positioning itself as a strategic learning and development industry partner with an ability to contextualise professional development solutions based on relevance and industry expectations, SIDC will heighten its collaborations with industry players to respond to capital market talent development needs and issues, set competency standards for capital market job roles, and offer targeted learning solutions and consultancy services

for different areas, competencies and levels within the capital market.

As SIDC pursues its mission of raising the standard of capital market participants to support the rapid growth of the industry, it also plays an important role to provide learning and development initiatives that complement the SC's regulatory activities. Moving in tandem with regulatory and market developments, SIDC will focus on priority areas such as governance, risk and compliance in addition to its current range of programmes.

SIDC's first year under this transformation strategy has resulted in increased emphasis on industry engagement and collaboration leading to a deeper understanding of the market and its participants. I am confident that SIDC's new business direction will strengthen its contribution to the creation of a competent, high-integrity talent pool crucial for the growth of the Malaysian capital market, and at the same time enable SIDC to accelerate international expansion by leveraging its expertise.

## Embarking on Projects under New Business Direction

To enhance SIDC's value proposition, important projects were implemented



Datuk Ranjit Ajit Singh  
Chairman

---

*SIDC entered into strategic collaborations with several local and international institutions that not only strengthened its name as a leading provider of learning and development solutions for the capital markets, but also increased its international prominence as a consultant in designing and facilitating initiatives for growth and emerging market economies.*

---

in 2014, setting the five-year transformation plan in motion. The first is the development of an industry-wide competency framework for all the regulated activities in the Malaysian capital market. When fully completed in early 2016, this framework will serve as a comprehensive guide for developing competent market participants and raising professional development standards. It will also form the basis for the development of SIDC's future learning and development solutions.

SIDC also completed a comprehensive training needs survey in October 2014 to identify training requirements for

different job groups within the securities sector. As consistent reviews of industry expectations will help SIDC gauge its programmes and remain relevant to its target audiences, this survey will be maintained as a regular exercise.

To support each phase of SIDC's new business strategy, specific projects will be launched in stages leading to the overall strengthening of SIDC's capabilities across the value chain at the end of the transformation in 2018.

# Chairman's Statement

## Development of Market Intermediaries and Talent Pipeline

More than 190 programmes covering conventional and Islamic capital market topics such as equity, derivatives, bonds, asset management, corporate finance, securities regulations and Shariah advisory were delivered in 2014. Based on the results of SIDC's training needs survey, SIDC prioritised areas of focus by the industry, such as compliance and ASEAN stock markets, to deliver targeted programmes for different audience groups.

SIDC's customised programmes enjoyed increasing popularity in 2014 as their effectiveness in helping financial institutions upskill staff and bridge competency gaps through purpose-driven approaches became more widely acknowledged by the industry. A popular and well-received programme is the "ASEAN Stock Markets and Trends" course for capital markets professionals and directors, which was developed in timely response to higher demand from industry in view of the financial interconnectivity of regional markets and the increasingly borderless nature of investment.

After the financial markets crisis, regulatory compliance has come under greater scrutiny leading to rising demand for professionals in this field. To bridge the competency gap, SIDC launched a one-day compliance programme titled "Compliance Matters: What Every Compliance Officer Should Know" to positive response. The programme serves as a forerunner to the 2015 launch of SIDC's suite of compliance programmes developed in consultation with the SC, Malaysian Investment Banking Association (MIBA) and Compliance Officer Group Network (CONG).

The introduction of the Talent Advancement Programme (TAP), an innovative competency-based training and learning concept for capital market regulated activities, rounded up an expansive year for SIDC. The 24-day GRP1000 Training Programme, which was conducted as part of the SC's Graduate Representative Programme (GRP1000) to develop licensed representatives for the capital market, was the first initiative to be launched under the TAP series.

## Strategic Industry-focused Collaborations and Partnerships

SIDC entered into strategic collaborations with several local and international institutions that not only strengthened its name as a leading provider of learning and development solutions for the capital markets, but also increased its international prominence as

a consultant in designing and facilitating initiatives for growth and emerging market economies. These collaborations ranged from training programmes for company directors, industry assessment and survey projects to programmes for foreign regulators.

## Programmes on governance, ethics and integrity

SIDC's successful corporate governance training collaboration with Bursa Malaysia Berhad in 2013 led to the delivery of six "Corporate Governance Statement Reporting" workshops for directors of public-listed companies this year. SIDC was also responsible for the delivery of three modules in Institut Tadbiran Awam Negara (INTAN)'s "Corporate Directors Leadership and Integrity" programme for directors of Federal and State government-owned companies. The Malaysian Institute of Integrity's recognition of SIDC as a consultant to advise companies such as Chemical Company of Malaysia Berhad and UDA Holdings Berhad on the Corporate Integrity System Malaysia (CISM) and the Corporate Integrity Assessment Questionnaire (CIAQ) further validated its standing as an authority in this area.

In terms of contribution to industry insights, SIDC conducted a national survey on financial literacy of corporate directors in Malaysia in collaboration with Bursa Malaysia Berhad and the Association of Chartered Certified Accountants (ACCA), which findings are to be released in 2015. In addition, SIDC partnered with the Malaysian Association of Asset Managers (MAAM) to organise the International Institutional Investors Series programme which showcased international asset managers' insights on the changing face of investment.

SIDC also contributed its expertise to national-level corporate award schemes such as the ACCA's Malaysia Sustainability Reporting Awards (MaSRA) 2014 and the MSWG ASEAN Corporate Governance Award 2014 by the Minority Shareholders Watchdog Group (MSWG). These involvements, on top of reflecting SIDC's committed support towards corporate governance-related initiatives, helped to increase the industry's awareness of SIDC's strength in this area.

## International capacity building initiatives

Significant strides were made in SIDC's expansion of its international capacity building programmes for regulators through collaborations with international organisations and regulatory bodies. SIDC's long-standing partnership with the Australian Treasury led to four Asia-Pacific Economic Cooperation (APEC) programmes for emerging market regulators, which included a corporate

governance-themed programme for the Securities and Exchange Commission (SEC) Philippines. SIDC also successfully developed and conducted a three-phased Asian Development Bank programme promoting an interlinked ASEAN capital market.

For the first time, SIDC delivered a customised 35-day talent development programme for a foreign regulatory authority. The unique activity-based Young Professionals Programme was offered to 20 new Capital Markets Authority of Kuwait (CMA) recruits in Kuala Lumpur and fully met the expectations of CMA officials. Its effectiveness is an affirmation of SIDC's ability as a programme consultant and developer to successfully facilitate comprehensive programmes taking into account the socio-cultural, economic and geopolitical nuances of specific economies.

SIDC also signed a Memorandum of Understanding with the Securities and Commodities Authority (SCA) of the United Arab Emirates (UAE) to develop programmes for UAE's financial services industry workers. In addition to being an important step for the SC in fostering strategic links with the Gulf Cooperation Council (GCC) to advance Malaysia's role in global Islamic finance growth, this arrangement is expected to open up further opportunities for SIDC to expand its consultancy business in the Gulf region.

## In conclusion

SIDC has shown strong performance for the year, successfully managing its normal business priorities while executing projects that form the foundation of its transformation strategy. I am pleased that in addition to consistently meeting all its annual business goals, SIDC tapped its experience and expertise to push its capabilities to the next level and secure new consultancy projects, resulting in a strengthened client base and reputation locally and internationally.

I am confident that under SIDC's new business direction, its contribution to learning and development in the capital markets will be even more substantial and far-reaching, putting it in a stronger position to expand its international footprint. Having said that, there is still much to achieve in SIDC's transformation journey and its challenges for 2015 will be greater than in 2014 amid a tougher business environment. Nonetheless, I believe SIDC can continue to deliver its mandate to serve the industry effectively with the level of commitment and teamwork by its management and staff.

I would like to conclude by thanking the Board of Directors, as well as the management and staff of SIDC, for their ongoing contribution and support of SIDC's new vision, mission and aspirations as it works towards an exciting future.



# Chief Executive Officer's Statement

*Pivotal to our success in achieving our goal is understanding the industry's needs. While SIDC's core business remains unchanged, we now place emphasis on industry engagement and strong collaboration with industry players in the domestic and international capital markets.*

As capital markets strengthen their capabilities and safeguards in the midst of uncertain domestic and global market conditions, the business of capital market learning and development is becoming increasingly challenging and demanding. Organisations like the SIDC need to be on the pulse and adaptable to remain relevant to the industry.

With this as our guiding principle, in 2014 SIDC implemented a transformative strategic business direction to chart the path of our business activities in the next five years. The end goal of the five-year plan is to realise our vision to establish SIDC as an internationally recognised leading capital market learning and development solutions provider for market professionals, regulators, and investors in Malaysia and emerging capital markets.

Pivotal to our success in achieving our goal is understanding the industry's needs. While SIDC's core business remains unchanged, we now place emphasis on industry engagement and strong collaboration with industry players in the domestic and international capital markets. Establishing an open, honest, and accessible line of communication with our key stakeholders will drive SIDC towards a better understanding of the capital market's needs, facilitate the setting of competency standards for the industry, and help us deliver targeted solutions that are relevant and fulfil industry expectations.

During the year we laid the foundation for several initiatives strategic to the success of our new business direction. Grouped under three pillars - organisational focus, product development and customer engagement - they are designed to transform SIDC progressively to enhance our overall value proposition as the leader in capital market learning and development solutions at the end of the journey.

With the widening and deepening of our programme and service offerings contributing to a higher level of professionalism in the industry under this new business direction, I am confident that SIDC's strength in capital market learning and development will gain greater recognition both locally and abroad, propelling our expansion in the international sphere.

## Sharpening Organisational Focus

To give SIDC's transformation plan focus and credence, we concretised our new aspirations and goals by updating our vision and mission statements in 2014. Henceforth, our new mission will emphasise SIDC's support of the industry's growth and development through our strategic learning and development activities and consultancy services that help raise the standard of capital market participants. In addition, SIDC's tagline was changed to "Strategic Learning and Development Partner" to reflect our new industry-focused role.



SIDC also strengthened our internal resources by making strategic hires to build and profile the SIDC brand locally and abroad. A new Corporate Strategy, Brand and Business Partnerships portfolio was created to drive brand building, marketing communications and corporate strategies as well as forge business partnerships that will position SIDC as a leading capital market learning and development solutions provider in Malaysia and the emerging capital markets. Under this portfolio, two new staff were recruited in 2014.

As part of the organisational transformation process, continual staff development is imperative to internalise the momentum of change and progress. SIDC staff were encouraged to upskill themselves throughout the year in a targeted manner to enhance their capabilities and maintain a high-performance culture, undergoing different modes of development ranging from mentoring and coaching by senior management to attending specific technical, soft skill and leadership programmes as required by their specific roles.

Azman Hisham Che Doi  
Chief Executive Officer

# Chief Executive Officer's Statement

## Advancements in Product Development and Delivery

Product development and delivery under the new business strategy is centred around a deeper understanding of the industry's talent development needs, gaps and expectations, achieved through stronger industry engagement and relationship building. During the year, enriched industry insights played a major role in guiding our business decisions and advancements in this area.

The capital market competency framework project launched in 2014 features close consultation with industry stakeholders, and is an important undertaking by SIDC with significant impact in supporting the creation of competent capital market participants when completed in early 2016. Serving as a guide to raise the standards of talent development in the capital market industry, it will also underpin SIDC's future direction in programme design, development and delivery.

Exercises such as the training needs survey for the securities industry and the review of the SC Licensing Examinations Framework to ensure the continuous maintenance of the high quality, standards and effectiveness of the framework also enabled SIDC to keep pace with current developments that impact the quality of our deliverables to the industry.

In addition to constant review and enhancement of our existing programmes, SIDC focused on introducing programmes in areas prioritised by the industry such as the ASEAN markets programme which provides insight on trading opportunities in ASEAN markets and analysis on selected markets, and compliance programmes covering regulatory compliance, risk management and capital market integrity.

SIDC's Talent Advancement Programme (TAP), a competency-based learning concept encompassing a suite of structured training programmes for practitioners of capital market regulated activities, got off the ground with the launch of its first programme: a graduate programme entitled GRP1000 Training Programme which was conducted as part of the SC's Graduate Representative Programme (GRP1000) to develop young talents who are interested to be part of Malaysia's capital market.

SIDC implemented a total of 192 programmes covering almost all capital market-related topics for 12,835 participants in 2014. Our activities were categorised under four areas, i.e. Market Intermediaries and Talent Pipeline Development, Directors Training, Investor Education, and Consultancy and International Regulators Programmes. Most of our activities achieved or outperformed their targets for participant volume and ratings, demonstrating the ability to add learning value and meet the industry's training needs.

On top of that, we also refreshed the SIDC Bookshop's look-and-feel, book selection and merchandise to provide a better one-stop service experience to customers and industry participants registering for the SC Licensing Examinations.

Financially, SIDC performed well, sustaining our revenue on the back of higher contribution from industry training and international consultancy projects. Exercising prudent cost management we also managed to improve our reserve and overall financial position, increasing our ability to invest in our future business activities.

## Strategic Customer Engagement and Industry Collaborations

SIDC branched into unprecedented areas of business and undertook new collaborative initiatives to strengthen our brand name in capital market learning and development within Malaysia and internationally. Building on increased customer and industry engagement, we were able to find new innovative ways of promoting our expertise such as developing customised programmes to address specific customer needs or gaps in talent building, providing consultancy and assessment services to local and international organisations, and contributing expert input in industry award schemes, among others.

Within these new areas, we were able to increase SIDC's profile and/or media exposure through joint-events and partnerships such as the SIDC MoU with the Securities and Commodities Authority of the United Arab Emirates; the Young Professionals Programme (in collaboration with the Capital Markets Authority of Kuwait); assessment consultancy for the Malaysian Institute of Integrity's Corporate Integrity System Malaysia and Corporate Integrity Assessment Questionnaire; the Malaysia Sustainability Reporting Awards (MaSRA) 2014 (in collaboration with the Association of Chartered Certified Accountants); the International Institutional Investors Series (in collaboration with the Malaysian Association of Asset Managers); and, Datuk Ramesh Chander's talk on "Understanding China's Statistics" (in collaboration with the Malaysian Economic Association), among others.

To provide more targeted learning and development solutions for the industry, SIDC stepped up on efforts to meet the specific talent development requirements of corporate clients. As a result, we successfully gained 11 new corporate clients in 2014, an 83% increase compared to 2013. The list of new clients includes MIDF Amanah Investment Bank Berhad, Malaysian Trustees Berhad, Taylor's University, Deutsche Bank (M) Sdn Bhd and Maybank Investment (Ipoh). With improved account servicing capabilities and client relations, SIDC expanded its reach into the branches of client organisations, gaining assignments for the first time from Maybank Investment (Ipoh) in addition to programmes for the headquarters. This is a new business avenue that SIDC will increasingly explore and tap moving forward.

## Looking Ahead

SIDC has shown strong performance this year from a business and financial standpoint, attributable to optimised organisational resources and new business streams that have contributed to our revenue. In addition, the foundations laid for SIDC's business transformation - in terms of enhancing our business infrastructure and increasing strategic profiling of the company both locally and abroad - have been well-researched and executed.

Looking ahead, we are moving towards a wider course curriculum across categories that are relevant to the industry and support national development objectives, broadening our portfolio of structured programmes for specific job roles. We will continue to strengthen our expertise and range of offerings in the core areas of Professional Development, Islamic Capital Market, Corporate Governance and Capital Market Regulations. We will also accelerate our industry engagement activities and play a bigger role as the collaborative link between industry, regulators, higher education institutions and individual market professionals. More importantly, we will focus our efforts on initiatives that support and complement different stages of SIDC's transformation to ensure full alignment with the objectives of the new business direction.

Based on SIDC's achievements, improvements and innovations in terms of business operations and programme delivery in 2014, I am confident that we are well positioned to grow our business and strengthen our brand visibility as a leader in capital market learning and development solutions. While we need to be well-prepared for possible challenges and headwinds due to market and economic uncertainties, I believe with the support of a solid team of staff, SIDC will be able to meet our targets.

My sincere thanks to the SIDC Board of Directors for their guidance and support, and to all my staff members for their continued dedication and ability to deliver desired results.

# SIDC'S

## Programmes and Activities

A progressive mindset underscores the way we develop and continuously enhance our learning solutions, making sure our programmes are always responsive to industry requirements, timely and to-the-point.





# Corporate Milestones 2014

- 2014 being the kick-off year for SIDC's new strategic business direction, work on several projects critical to the success of our five-year business plan was started. The projects, grouped under three pillars, i.e. organisational focus, product development and customer engagement, are expected to strengthen SIDC's value proposition as the industry's foremost learning and development solutions provider. Under the product development pillar, a capital market industry competency framework is being developed; a training needs survey for the securities industry was also completed in October 2014.

- SIDC's vision and mission statements and tagline were revised to express our goals and aspirations under the new business direction.

- The Talent Advancement Programme for capital market regulated activities, an innovative competency-based training and learning concept for capital market practitioners, was introduced.

- SIDC conducted the groundbreaking 35-day Young Professionals Programme for 20 new recruits of the Capital Markets Authority of Kuwait (CMA). The programme focused on the development of technical and interpersonal skills to equip participants for their professional roles in the regulatory body.

- A three-phase Asian Development Bank capacity building programme focusing on specific issues to assist regulators of Cambodia, Vietnam and Laos PDR was developed by SIDC using an innovative consultancy-style approach and successfully delivered.

- Under the APEC capacity building programme "Targeted Technical Assistance to Support Membership and Implementation of the Asia Region Funds Passport" (ARFP), SIDC collaborated with the Australian Treasury to deliver a series of technical workshops for emerging market regulators in Kuala Lumpur, Manila and Seoul.



- The Malaysian Institute of Integrity recognised SIDC as a consulting firm to advise companies that have signed the Corporate Integrity Pledge under the "Corporate Integrity System Malaysia (CISM)" government initiative.

- SIDC was appointed by the Securities Commission Malaysia (SC) to support its investor education campaign InvestSmart through the development and delivery of investment education programmes. We played a major role in organising investor education seminars at the InvestSmart Fest 2014.

- The International Institutional Investors Series aimed at fund managers and institutional investors was organised in collaboration with the Malaysian Association of Asset Managers. The event featured product specialists of international asset managers who offered their expert insights on the changing face of investment.

- SIDC formalised an MoU with the Securities and Commodities Authority of the United Arab Emirates in October 2014 to enable collaborations on capacity building initiatives and training programmes for the development of the capital markets and financial services industry.

- In support of sustainability, environmental and social reporting in corporate Malaysia, SIDC co-organised the Malaysia Sustainability Reporting Awards (MaSRA) 2014 with the Association of Chartered Certified Accountants (ACCA).

- SIDC contributed expert input to the MSWG ASEAN Corporate Governance Award 2014 by the Minority Shareholders Watchdog Group (MSWG).

- SIDC revamped the SIDC Bookshop located on the ground floor of the SC building and refreshed its interior, adding new book titles related to the capital markets, new merchandise and innovative displays to provide an improved customer experience and serve the industry better.

# Market Intermediaries and Talent Pipeline Development

To effectively serve the capital market industry as its partner in learning and development, SIDC embarked on the development of an industry-wide competency framework, a project under our new strategic business direction. The framework serves as a guide to raise human capital development standards in the capital market and will have significant impact in supporting the creation of competent talent for the industry.

SIDC also completed a training needs survey in the last quarter of 2014 in which 95 respondents from the securities industry participated. Findings from the survey were instrumental in helping to plan and develop our upcoming training activities.

Furthermore, we stepped up on development efforts to meet the specific requirements of corporate clients by working closely with them to understand their talent needs and challenges. This resulted in a shift towards the delivery of more customised programmes, reflecting the increasing popularity of our tailor-made offerings due to their ability to close competency gaps through purpose-driven and targeted approaches. Programmes on ASEAN stock markets and compliance were introduced in swift response to the industry's focus on these areas.

This year also marked the introduction of the Talent Advancement Programme (TAP), a new and innovative competency-based training (CBT) and learning concept for capital market regulated activities. The first TAP initiative to be delivered was the 24-day GRP1000 Training Programme, which was conducted as part of the Securities Commission Malaysia (SC)'s Graduate Representative Programme (GRP1000) to develop licensed representatives for the capital market.

## A. DEVELOPMENT OF MARKET INTERMEDIARIES

### SC Licensing Examination Preparatory Courses

The SC Licensing Examination Preparatory Courses are designed especially for candidates who are preparing for the SC Licensing Examinations. Led by experienced speakers, the topics covered are in accordance with each module's respective examination.

The courses feature classroom learning and hands-on experience with the computer-based examinations system to familiarise candidates with sample question sets. After each session, candidates are given the opportunity to clarify questions and discuss problems with their trainer to deepen their understanding.

In 2014, a total of 647 participants registered for 30 preparatory courses conducted across six examination modules.

No.	Modules	Course Title	Number of Courses	Number of Participants
1	Module 6	Malaysian Stock Market & Securities Law (Module 6) Preparatory Course	6	140
2	Module 7	Financial Statement Analysis and Asset Valuation (Module 7) Preparatory Course	6	160
3	Module 9	Funds Management Regulations (Module 9) Preparatory Course	3	36
4	Module 10	Asset and Funds Management (Module 10) Preparatory Course	2	35
5	Module 12	Investment Management and Corporate Finance Preparatory Course (Module 12) Preparatory Course	8	169
6	Module 19	Advisory Services: Rules & Regulations (Module 19) Preparatory Course	5	107
<b>Total</b>			<b>30</b>	<b>647</b>

### SC Licensing Examinations

Tasked with the responsibility of administering the SC Licensing Examinations (SCLE) for the Malaysian capital market, SIDC continually strives to enhance and improve all aspects of the examinations design, development and delivery system.

#### Design and Development

SIDC embarked on a review of the SCLE framework to align our best practices with recent developments in assessment methodologies, working closely with the relevant stakeholders through engagement sessions and consultation. The review takes a holistic approach and focus on the quality assurance aspects of validity, reliability and fairness of the entire SCLE framework.

Its first phase, expected to be completed in 2015, commenced with the review of the modules related to the regulated activities of Advising on Corporate Finance and Investment Advice (i.e. Modules 12 and 19). Subsequently, part of its second phase will be undertaken together with the competency framework project.

#### Delivery

The validity, reliability and fairness of an examination are incumbent upon a good delivery system. This is the key reason the computer-based SC Licensing Examinations are mainly conducted at our one-stop examination centre in the SC building at Bukit Kiara, Kuala Lumpur. The measure ensures the quality assurance aspects of every examination session are not compromised.

However, in order to accommodate candidates residing outside of Kuala Lumpur, examinations are also held in Penang, Johor Bahru, Kuching and Kota Kinabalu at external examination centres that meet our stringent requirements.

SIDC conducted 234 examination sessions for the 13 SC Licensing Examination modules in 2014. A total of 4,344 candidates sat the examinations as compared to 4,318 candidates the previous year. Out of this, a total of 1,937 candidates passed the various modules, reflecting an overall passing rate of 45%.

### Development of an Industry-Wide Competency Framework for the Malaysian Capital Market

Working closely in consultation with stakeholders, particularly industry participants, SIDC kicked off the development of a competency framework for the Malaysian capital market industry. The framework, expected to be fully ready in early 2016, will serve as a guide to raise standards in talent development and to support the creation of competent capital market participants.

Among its main objectives are:

- to determine the proficiency levels to facilitate continuous education and development of competencies as well as capacity building;
- to set the minimum competencies requirement for entering the capital market; and
- to facilitate the development of career pathways for capital market professionals.

The competency framework will outline the required knowledge, attitude and regulatory, technical and behavioural skills for all regulated and permitted capital market activities. Necessary elements including performance criteria, curriculum, learning outcomes, assessment matrix and evidence guide for each competency unit will be defined.

Based on best-practice benchmarks and input from all stakeholders, the framework will form the basis for SIDC's learning curriculum, fit-for-purpose training solutions, capital market qualifications and SC Licensing Examinations.

# Market Intermediaries and Talent Pipeline Development

## SC Licensing Examinations Modules Conducted in 2014 and 2013

SC Licensing Examinations		Number of Candidates*	
		2014	2013
Module 6	Stock Market and Securities Law	1,025	879
Module 7	Financial Statement Analysis and Asset Valuation	1,271	1,204
Module 9	Funds Management Regulation	255	200
Module 10	Asset and Funds Management	246	204
Module 11	Fundamentals of Compliance	84	63
Module 12	Investment Management and Corporate Finance	692	786
Module 14	Futures and Options	173	230
Module 16	Rules & Regulations of Futures and Options	171	192
Module 17	Securities and Derivatives Trading (Rules and Regulations)	7	18
Module 18	Securities and Derivatives Trading (Products and Analysis)	6	15
Module 19	Advisory Services (Rules and Regulations)	298	413
Module 19A	Advisory Services (Rules and Regulations) - Part A	113	97
Module 19B	Advisory Services (Rules and Regulations) - Part B	3	17
<b>Total</b>		<b>4,344</b>	<b>4,318</b>

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

## Continuing Professional Education (CPE)

The Continuing Professional Education (CPE) requirements that 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 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.

## CPE-Approved Courses

A total of 77 active CPE training providers were recorded in the Tracker System as at end 2014. The CPE Secretariat administered 1,120 CPE-approved courses conducted by these training providers either for public or in-house participants.

From the total, 771 (69%) courses were under the Market Development category whilst the remaining 349 (31%) were Market Regulations courses. These courses were attended by a total of 40,026 participants where 20,093 (50%) were CMSRL holders, 5,445 (14%) were ERPs and the remaining 14,488 (36%) were others. The majority of CPE-approved courses were held in Kuala Lumpur and Selangor, as in previous years.

## CPE-approved Courses Conducted in 2014 and 2013

Course Category	CPE Courses Conducted			
	2014		2013	
	Number of Courses	Number of Participants*	Number of Courses	Number of Participants*
Market Development	771 (69%)	26,777 (67%)	670 (74%)	22,521 (69%)
Market Regulations	349 (31%)	13,249 (33%)	241 (26%)	10,323 (31%)
<b>Total</b>	<b>1,120</b>	<b>40,026</b>	<b>911</b>	<b>32,844</b>

## Participants of CPE-Approved Courses in 2014 and 2013

Year	CMSRL Holders*	ERP*	Non-CMSRL Holders or ERP*	Total*
2014	20,093	5,445	14,488	40,026
2013	19,406	2,252	11,186	32,844

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

## Employees of Registered Persons

CPE registration for ERPs has grown steadily since the commencement of the Guidelines on Investor Protection in January 2011. As at end December, the Tracker System has recorded a 65% increase in the number of registered ERPs to 4,316 ERPs from 2,608 ERPs in 2013. A total of 3,842 or 89% of the ERPs are classified as "active" while the remaining 474 are no longer conducting any permitted capital market activities.

## Removal of Anniversary Reporting for Authorisation of Activity (ARAA FORM 6)

Effective 1 December 2014, all licensed corporations are no longer required to submit the individual ARAA Form 6 on the anniversary date of each licensed representative.

It is now replaced with the mandatory submission of the semi-annual declaration report on the fit-and-proper standing of its licensed representatives whose anniversary date fall due either within the 30 June or 31 December reporting period.

Such declaration encompasses compliance with licensing requirements and does not relieve the licensed holders from fulfilling the minimum 20 CPE points. Although the reporting mechanism and frequency have changed, all licensed representatives are still required to ensure that his/her CPE points are met by the anniversary date of his/her licence.

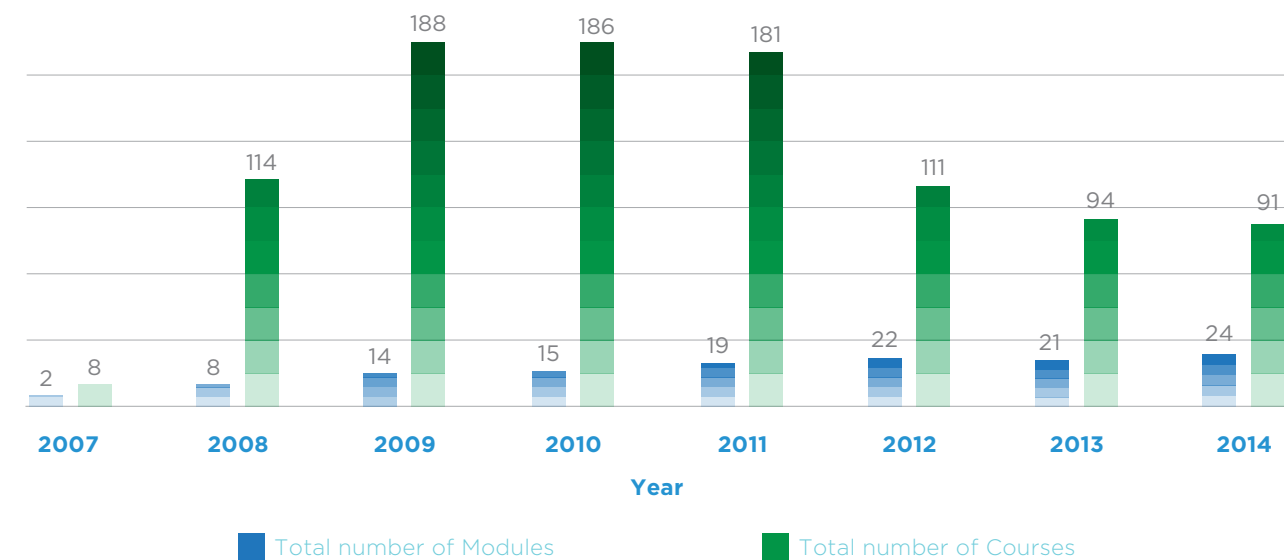
The Secretariat is reviewing and updating all CPE-related information to ensure that these changes are reflected accordingly.

# Market Intermediaries and Talent Pipeline Development

## Industry Transformation Initiative (ITI)

The Industry Transformation Initiative (ITI) is a structured approach to continuing education which helps Capital Market Service Representative Licence (CMSRL) holders maintain, develop or increase capital market knowledge, acquire new problem-solving and technical skills and broaden their professional competence, so as to provide better service to their clients. In 2014, SIDC delivered a total of 91 ITI courses covering 24 modules to 9,643 participants\*. The courses obtained "Good" participant ratings, a positive indication of the programme's overall quality. Since 2007, more than 94,000 participants\* have benefited from the programme funded by the Capital Market Development Fund (CMDF).

No. of ITI Courses Organised from 2007 to 2014



## Industry Transformation Initiative (ITI) Courses Conducted in 2014

No.	Modules	Course Title	Number of Courses	Number of Participants*
1	EQ01	Economics and Capital Markets I: Forces Shaping the Global Capital Markets	10	672
2	EQ02	Essential of Fundamental Analytics I: Analysing Company Performance	14	1,683
3	EQ03	Corporate Strategic Analytics I: Essentials of Corporate Proposal Analysis	8	512
4	EQ04	Corporate Governance and Ethics: Strengthening Professionalism Through Ethics	9	552
5	EQ05	Economics and Capital Markets II: Macroeconomic Analytics - Clues to the Future	3	195
6	EQ07	Corporate Strategic Analytics II: Value Creation Strategies & Take-over Analysis	1	31
7	DA01	Structured Products and Hybrids I: Framework and Concepts	2	245
8	DA02	Options and Futures I: Principles and Valuations	5	725
9	DA03	Risk Management: Analysing Risks in Derivatives Trading	1	108
10	DA04	Structured Products and Hybrids II: Alternative Investment Instruments	2	235
11	DA05	Options and Futures II: Trading & Hedging Strategies	4	497
12	DE01	Debt Capital Market: Understanding the Bond Market	3	240
13	DE02	Debt Capital Market: Mechanics of Bond Issuance and Trading	3	269
14	DE03	Debt Capital Market: The Credit Risk Assessment	1	53
15	DE04	Debt Capital Market: Bond Analytics	1	140
16	DE05	Debt Capital Market: Use of Derivatives in Bond Investment	1	30
16	FP01	Financial Planning: Putting Theory into Practice	4	299
18	FP02	Financial Planning: The Practice of Wealth Management	2	155
19	ICM01	Islamic Capital Market: Financial Philosophy & Jurisprudence	4	688
20	ICM02	Islamic Capital Market: Islamic Equity Products	3	538
21	ICM03	Islamic Capital Market: The Sukuk Market	4	822
22	ICM04	Islamic Capital Market: Islamic Structured Products	3	528
23	PM01	Portfolio Management: Designing an Equity Strategy	1	48
24	PM02	Portfolio Management: In Pursuit of Performance and Returns	2	378
<b>Total</b>			<b>91</b>	<b>9,643</b>

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

# Market Intermediaries and Talent Pipeline Development

## Shariah Advisor Programme (i-Advisor)

A total of 80 participants attended the CMDF-funded Shariah Advisor programme (i-Advisor), which provides continuous professional development for industry practitioners, Shariah advisors and academicians serving the Malaysian Islamic capital market. Modules offered in the programme include Fundamentals of Shariah Rulings, Regulatory Requirements and Legal Documentation in Islamic Capital Market, Accounting, Auditing and Taxation in Islamic Capital Market, Islamic Equity Market, The Sukuk Market and Contemporary Shariah Issues and Challenges. The programme continued to receive “Good to Excellent” ratings from participants in 2014.

## Anti-Money Laundering Act and Anti-Terrorism Financing Act (AMLATFA) 2001

Thirteen sessions of the Anti-Money Laundering Act and Anti-Terrorism Financing Act (AMLATFA) 2001 programme were conducted for 554 participants during the year. Rated “Good” by participants, this essential programme provides industry practitioners with an insight into the Act and Guidelines covering its legal and regulatory obligations, issues and best practices, as well as its implications to Participating Organisations (POs). By raising capital market intermediaries’ awareness, alertness and proactive vigilance towards different methods and processes of money laundering and terrorism financing, the programme contributes to the effectiveness of the AMLATFA 2001.

## Malaysian Technical Cooperation Programme (MTCP) – Fundamentals of Islamic Capital Market: Sukuk & Equity

Fundamentals of Islamic Capital Market: Sukuk & Equity is a Government-to-Government (G2G) programme initiated under the Malaysian Technical Cooperation Programme (MTCP). The five-day programme formed part of the Malaysian government’s commitment towards the promotion of technical cooperation among developing countries. Targeted at an audience that was new to Islamic finance, it was attended by six participants from five countries, namely Maldives, Pakistan, Philippines, Turkey, Zambia and Kenya, and scored a “Good to Excellent” rating.

## Customised Programmes

Strengthening our value proposition as the capital market’s leading learning solutions provider, SIDC increased our focus on producing customised programmes to suit specific requirements and needs of corporate clients. The programmes cover beginners to advanced levels, providing capital market professionals with fit-for-purpose learning and resources to ensure they have the knowledge and capability to compete better in a dynamic environment. Building on the positive response of the industry towards such targeted training, a total of 15 customised programmes were successfully delivered on popular topics such as:

- ASEAN Stock Markets and Trends
- Compliance Matters: What Every Compliance Officer Should Know
- Corporate Finance and Investment Management
- Knowledge of Banking and Capital Market
- Understanding Investment Banking Business Activities for Auditors
- Understanding Sukuk
- Valuation of Structured Products
- Guide to Structured Products
- The Malaysian Equity Markets
- A Trustee’s Role and Duties
- Portfolio Management Techniques for Dealer’s Representatives
- Train-the-Trainer: Overview of the Malaysian Derivatives Market

## Familiarisation Programme for Registered Representatives (FPRR)

This two-day Familiarisation Programme for Registered Representatives (FPRR) is designed to provide Trading Representatives (TRs) and Introducing Representatives (IRs) with a complete understanding of the rules and regulations governing the Malaysian securities market, trading rules, securities offences and products. Participants undergo daily assessments to gauge their level of understanding and knowledge acquisition. Seven sessions were conducted throughout 2014 for 170 participants, 96% of whom passed the assessments for both days. The “Good to Excellent” ratings received reflected the FPRR’s relevance to participants.

## International Institutional Investors Series 2014 (IIS 2014)

The International Institutional Investors Series 2014 (IIS 2014), jointly organised by SIDC and the Malaysian Association of Asset Managers (MAAM), was held on 11 November 2014 at the SC. Themed “The Changing Face of Investment”, the one-day CPE-accredited programme featured product specialists from international asset managers who discussed a variety of solutions available in the fund management industry and clarified the pros and cons of an evolving investment landscape. IIS 2014 obtained a “Good” rating from its 70 participants.



# Market Intermediaries and Talent Pipeline Development

## Bumiputera Dealer Representatives Education Fund (BDREF)

The Bumiputera Dealer Representatives Education Fund (BDREF) is aimed at equipping the capital market with an enhanced pool of professionally qualified Bumiputera dealer's representatives.

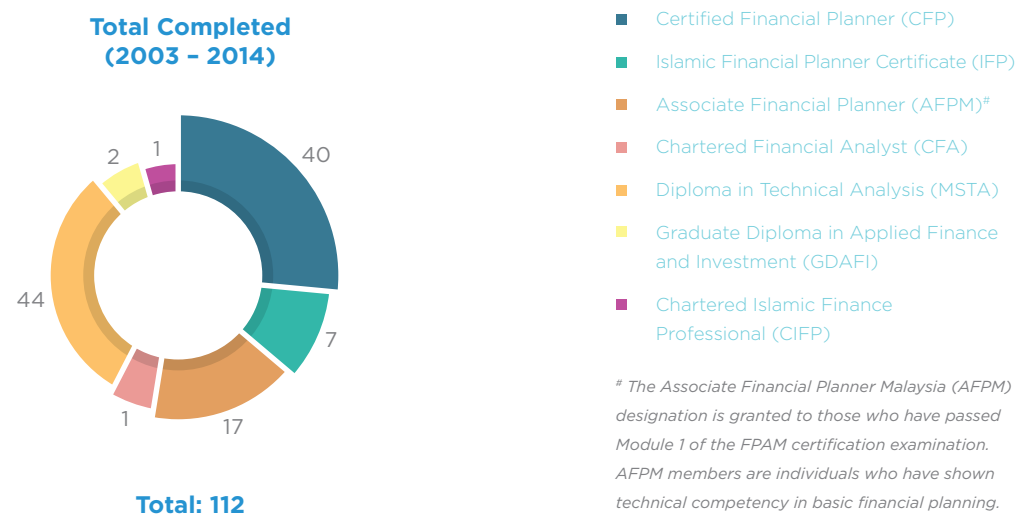
Recipients of the fund obtain full financing for the professional qualification courses and/or short courses they enrol in, allowing them the opportunity to propel themselves forward in their career through enhanced technical knowledge and skills.

To date, the BDREF has funded 4 professional programmes:

- i. Chartered Financial Analyst (CFA)
- ii. Certified Financial Planner (CFP)
- iii. Diploma in Technical Analyst (MSTA)
- iv. Chartered Islamic Finance Professional (CIFP)

In 2014, 32 applications were approved by the BDREF Education Committee. The statistics for professional courses are as illustrated below:

### BDREF Participants with Professional Qualifications as at 31 December 2014



A total of 348 Bumiputera remisiers and dealer's representatives have also benefited from non-examination-based programmes or short courses approved for BDREF funding in 2014.

### Non-Examination-Based BDREF Programmes in 2014

Courses	Number of Participants
Industry Transformation Initiative (ITI)	31
Portfolio Management Programme	45
PRIBUMI - Real Estate Investment Trust (REITs)	32
PRIBUMI - Fundamental Analysis - Equity Valuation	43
PRIBUMI - Technical Analysis Programme Intermediate Level	117
PRIBUMI Team Building Programme	80
<b>Total</b>	<b>348</b>

## Bumiputera Training Fund (BTF)

The objective of the Bumiputera Training Fund (BTF) is to encourage active Bumiputera participation in the stockbroking industry and to improve the trading knowledge and skills of all employees in the stockbroking industry. The fund, which was set up in 1997, was exhausted in 2012. In July 2014, the Broker Consolidation Fund Committee approved and allocated new funding amounting to RM2.5 million for a period of five years.

The new funding was approved to upgrade the competencies of Bumiputera employees in stockbroking companies in the following identified areas and respective weightages: Leadership and Management (30%), Technical Knowledge in Regulations and Development (40%) and Personal Effectiveness (30%). The training is targeted towards all Bumiputera employees in the stockbroking industry, inclusive of management, licensed representatives, executives and support staff.

Since the approval of the new funding, a total of 66 participants have undergone BTF-funded courses including the Islamic Markets Programme (IMP), Compliance Programme, Industry Transformation Initiative (ITI) programmes and Personal Effectiveness programmes.

## B. TALENT PIPELINE DEVELOPMENT

### Islamic Capital Market Graduate Training Scheme (ICMGTS)

2014 marks the seventh year of the Islamic Capital Market Graduate Training Scheme (ICMGTS), attesting to the SC and SIDC's strong commitment to long-term talent pipeline development for the capital market. The tenth and eleventh batches of the programme delivered a total of 80 graduates for the year. The CMDF-funded programme's success in producing forward-thinking entry-level professionals with sound technical knowledge and good communication skills for the Islamic capital market is well recognised by the industry. Since the launch of ICMGTS in 2009, SIDC has trained a total of 441 graduates, 85% of whom have found employment in the capital market. The high recruitment rate of ICMGTS graduates signifies the industry's confidence and strong support in the talents produced by this programme.



### Graduate Representative Programme (GRP1000)

In collaboration with the SC and Malaysia's key capital market players, SIDC conducted two training programmes for the SC's Graduate Representative Programme (GRP 1000): the GRP1000 Preparatory Programme and the GRP1000 Training Programme. The GRP1000 Preparatory Programme is aimed at equipping graduates with the prerequisite knowledge of the capital markets industry and its career opportunities, and helping them prepare for job interviews. A total of 12 sessions were held, benefitting 313 participants. SIDC also introduced the GRP1000 Training Programme, a comprehensive 24-day programme specifically developed to prepare graduates with the necessary technical and soft skills and equip them with the required knowledge to become licensed persons for dealing in securities and derivatives. Two sessions were conducted in 2014 for a total of 39 participants, 94% of whom passed the SC Licensing Examination modules after completing the programme.

# Directors Training

*Corporate governance continued to be a key priority in SIDC's directors training initiatives. SIDC maintained our collaborative training partnerships with Bursa Malaysia Berhad and Institut Tadbiran Awam Negara (INTAN) to provide high-level programmes for directors of Malaysian companies. We also provided industry insights by undertaking consulting work on corporate integrity for corporate clients, conducting an industry-wide survey to study the financial literacy levels of corporate directors, and contributing our expertise in national-level sustainability reporting and corporate governance award schemes.*

## Corporate Governance-related Activities

Based on the success achieved in 2013, SIDC continued our partnership with Bursa Malaysia Berhad to conduct six workshops on corporate governance reporting for directors and senior management of companies listed on Bursa Malaysia Securities.

For the first time, the innovative "TurningPoint Audience Response System" training delivery method was introduced into the programme. It allowed for full interactivity, engaging every participant by giving them a voice in the form of a credit card-sized keypad. The result was increased participation and interaction in the workshops conducted. These workshops were attended by 457 participants representing 273 listed companies. A couple of listed companies went on to engage SIDC to conduct the workshop on an in-house basis attended exclusively by their directors and senior management.

SIDC also collaborated with Institut Tadbiran Awam Negara (INTAN) - the National Institute of Public Administration - to conduct three sessions of the "Corporate Directors Leadership and Integrity" programme. We contributed and delivered three of the modules in this modular programme. A total of 120 individuals holding directorship positions in Federal- and State Government-owned companies attended the programme, which was held in Terengganu, Melaka and Kuala Lumpur.

Other engagements during the year included being invited to give a talk on recent trends and issues in corporate governance to a group of internal auditors of the national petroleum company's listed subsidiary companies. SIDC also received recognition from the Malaysian Institute of Integrity as a consulting firm to advise corporations on the Corporate Integrity System Malaysia (CISM) and the Corporate Integrity Assessment Questionnaire (CIAQ) developed by IIM. In this regard, we were appointed to assess and advise Chemical Company of Malaysia Berhad (CCM) on the CIAQ and to give a talk to the senior management of UDA Holdings Berhad on the CISM and CIAQ.

On the industry insights front, SIDC concluded an online survey on the financial literacy of Malaysian corporate directors in collaboration with Bursa Malaysia Berhad and the Association of Chartered Certified Accountants (ACCA). The full report of the analysis and findings of the survey will be published in 2015. Towards the end of 2014, we also completed the development of two case studies based on enforcement actions that the Securities



Commission (SC) had taken on errant intermediary firms. In addition, SIDC was involved in providing expert input in two national-level award schemes, namely the Malaysia Sustainability Reporting Awards (MaSRA) 2014 by the ACCA and the MSWG ASEAN Corporate Governance Award 2014 by the Minority Shareholders Watchdog Group (MSWG).

## Advanced Business Management Programme

Jointly developed and organised by SIDC and the Institute of Management Development (IMD), Lausanne, Switzerland, the seventh Advanced Business Management Programme (ABMP) was delivered at Tanjung Rhu Resort, Langkawi on 19-21 May 2014.

A total of 20 senior management staff of financial services companies attended the programme entitled "Transforming for Superior Performance", led by renowned world-class speakers Professor Didier Cossin, Director of IMD Global Board Center; Professor Arturo Bris, Director of IMD World Competitiveness Center; and Professor Margaret Cording.

This year's programme scrutinised the transformations of best-in-class organisations, managing in front of the dramatic changes occurring in the world. The programme paid attention to what drives country competitiveness, how the context influences the competitiveness of corporations, how leadership has been overstretched and how governance still has room for improvement. The programme also explored how financial markets transformation challenges businesses going forward. Finally, the speakers engaged participants on how to create best practices along these dynamics and how best to manage a portfolio of corporate assets strategically.

The ABMP's strength and effectiveness has been consistently acknowledged by its participants throughout its history; this year, the proven programme was again rated highly in the "Good to Excellent" band with an average score of 4.9 out of 5.



# Investor Education

SIDC continued its goal of delivering investor education programmes for various target segments to create informed and prudent capital market investors. By focusing on developing newer and more innovative programmes, we supported the SC's aim of creating more self-reliant investors who are able to make investment decisions right for their own needs and circumstances.



## InvestSmart

SIDC's involvement in InvestSmart, a comprehensive investment literacy outreach campaign under the SC's Investor Empowerment initiative, was a major investor education undertaking for 2014. InvestSmart's main objectives are to encourage members of the public to take control of their finances so that they can be responsible for their own future and wealth, equip investors with the knowledge, skills and tools needed to exercise good judgement and discretion in making investment decisions, as well as promote more informed retail participation in the capital market. The campaign aims to provide the public, particularly the next generation of investors, with valuable investment information presented in a simplified format through new technology and multimedia platforms that supplement existing investor education channels.

Sporting the tagline "Smart investing made simple", InvestSmart took off with the official launch of the InvestSmart website ([www.investsmartsc.my](http://www.investsmartsc.my)), mobile application and Facebook page at Taylor's University, Subang, Selangor on 19 June 2014. The launch was attended by Malaysia's Youth and Sports Minister Khairy Jamaluddin and SC Chairman Datuk Ranjit Ajit Singh. The new online platforms, which replaced their predecessors the Malaysian Investor website ([www.min.com.my](http://www.min.com.my)) and Bijak Mengurus Wang Facebook page respectively, were well received by the public for the streamlined information as well as vibrant fresh look and feel.

SIDC was also given the key responsibility of conducting investor education seminars during the inaugural six-day InvestSmart Fest 2014 at 1 Utama Shopping Centre, Selangor in September 2014. Launched by Malaysia's Minister of Finance II, Dato' Seri Haji Ahmad Husni Bin Mohamad Hanadzlah, the SC event was open to public and brought together government agencies, capital market institutions, associations and providers of capital markets products and services under one roof. Under the InvestSmart Fest Seminar Series banner, programmes such as Money@Work, Cash@Campus and Be Money Wise were conducted by SIDC in a cineplex for the first time, attracting 735 participants. The decision to

hold the seminars in cinema halls was met with positive response from the audience, who commended the move as "innovative" and gave the programmes "Good to Excellent" ratings.

The event also gave rise to the development and implementation of two new seminars by SIDC: "Stock Market Seminar for Retail Investors" and "Unit Trust Seminar for Retail Investors". Conducted by technically experienced and knowledgeable external speakers, these seminars fulfilled the expectation of retail investors who were demanding a more sophisticated level of knowledge and expertise beyond basic information.

Following the InvestSmart Fest, SIDC continued with on-ground investor education efforts for various target groups as part of the InvestSmart campaign. We conducted Kids & Cash and Teens & Cash programmes for 1,379 students to inculcate a money management culture and introduce the basics of investing to youngsters. We also organised financial capability programmes for 2,897 participants in the form of seminars for women, parents, rural communities, blue collar workers, employees from private and public sectors as well as college and university students. Additionally, SIDC reached out to 2,015 intermediate-level retail investors via the stock market seminar and unit trust seminar for retail investors.

## Media Insertions and Leaflet Distribution

Nine media articles were published in various local magazines such as *Personal Money*, *Money Compass*, *Ringgit*, and *Financial 1st*. The media articles focused on a wide range of topics, educating the Malaysian public on wise investing, money management and protection from scams.

A total of 200,000 InvestSmart Starter Kits were printed and distributed nationwide in *Harian Metro* newspapers in December 2014. The states that received the starter kits were Kedah, Perak, Penang, Perlis, Pahang, Terengganu, Kelantan and Johor.

## InvestSmart Website ([www.investsmartsc.my](http://www.investsmartsc.my))

The former Malaysian Investor Website ([www.min.com.my](http://www.min.com.my)) was replaced by the new InvestSmart website ([www.investsmartsc.my](http://www.investsmartsc.my)). Together with the revamped InvestSmart mobile application, the website strengthened the SC's role as a provider of investor education among the general public and investors. The structured content and fresh layout of the website and mobile application were received favourably by the public, resulting in 12.9 million hits with a monthly average hitrate of 2.1 million as well as 5,000 downloads for the application for the year.



# Consultancy and International Regulators Programmes

An important growth area for SIDC as we strengthen our global footprint in line with our strategic business direction, the consultancy and international regulators programmes business saw accelerated expansion during the year.

SIDC undertook various new capacity building consultancy projects in collaboration with international clients such as the Asian Development Bank (ADB), the Australian Treasury and the Capital Markets Authority of Kuwait (CMA) that reflected our goal to serve the capital market industry as a leading learning and development solutions provider.

In addition, established regulator programmes such as the Emerging Markets Programme and Islamic Markets Programme continued to add value to the international regulatory community through their relevant topics of discussion and quality delivery.

## ADB-SIDC Capacity Building Programme

### Promoting an Interlinked ASEAN Capital Market: Regulation of Capital Markets

SIDC collaborated with the Asian Development Bank (ADB) to specially design a three-phase capacity building programme focusing on specific issues to assist regulators of developing Asian economies and to enhance the networking relationship amongst ASEAN regulators. The programme, entitled “Promoting an Interlinked ASEAN Capital Market: Regulation of Capital Markets”, was delivered using an innovative consultancy-style approach. Presenting the basic principles and best practices required of agencies undertaking regulatory functions of modern capital markets in Asia, it complemented the internal staff training of these agencies in their role of regulating capital markets.

#### Phase 1 Workshop, 25-27 February 2014, Kuala Lumpur

A total of 15 participants from Lao PDR, Cambodia and Vietnam (five from each economy) participated in the workshop conducted at the Securities Commission (SC) building, which focused on product development, securities offences, and investigations and enforcement activities.

#### Phase 2 Syndication Exercise: Home Assignment, 28 February-17 March 2014

Through online consultations, each economy was required to identify key areas from the topics discussed in Kuala Lumpur to focus on and present in Phase 3.



#### Phase 3 Workshop, 26-28 March 2014, Hanoi

Conducted at the State Securities Commission (SSC) Vietnam, the workshop comprised focused consultations on:

- Product Development - Bond and Derivatives
- Regulatory Supervision - Market Supervision and Corporate Surveillance
- Governance - Custodianship and Corporate Governance

The workshops were evaluated by an ADB-appointed observer and were well received by participants, earning “Good to Excellent” ratings. ADB also commended SIDC on having delivered “a very successful training”.



SIDC Signs MoU with UAE's Securities and Commodities Authority

SIDC entered into a Memorandum of Understanding (MoU) with the United Arab Emirates' Securities and Commodities Authority (SCA) in October 2014 to forge a strategic partnership in developing and delivering professional training programmes for their financial markets and financial services industry workers. The MoU is expected to open opportunities for SIDC to expand its reach in the Middle East and North Africa (MENA) region.

## APEC-SIDC Capacity Building Programme

### Targeted Technical Assistance to Support Membership and Implementation of the Asia Region Funds Passport (ARFP)

The Australian Treasury is project managing and leading this activity as a fundamental exercise of the ARFP initiative. The management and delivery of capacity building is undertaken by SIDC, with the assistance of the Australian Department of Foreign Affairs and Trade (DFAT), and the technical and policy expertise of the Australian Securities and Investments Commission (ASIC).

The following four initiatives were delivered under the programme in 2014.

#### a. Preparatory Workshop, 4-5 March 2014, Kuala Lumpur

This two-day workshop was a preparatory platform for economies to consult with subject matter specialists, trainers and facilitators in order to build a clear, comprehensive and up-to-date understanding of their immediate financial sector development and reform needs as they relate to the ARFP scheme.

A total of 16 officers from the regulatory agencies of Thailand, Philippines, Indonesia, and Vietnam attended the workshop, which provided an opportunity for the economies to identify the specific policy and technical issues they would like to see addressed throughout the period of the technical assistance programme (2014-2016).

#### b. Raising Corporate Governance Standards: A Technical Consultation Programme for the SEC Philippines, 7-8 July 2014, Manila

The technical consultation offered under this training programme was designed to directly support the Securities and Exchange Commission (SEC) Philippines' effort to review, reform and strengthen its corporate governance code. The programme provided an avenue for regional corporate governance experts to offer advice and comments on the SEC's reform plans. A total of 28 officers from the regulatory agency attended this two-day programme.

# Consultancy and International Regulators Programmes

## c. Training Workshop on Dispute Resolution and Regulation of Collective Investment Schemes (CIS), 26 and 28 August 2014, Seoul

This workshop was designed to meet the strong need for economies to establish and maintain good dispute resolution systems in order to better manage disagreements in the financial sector. It was delivered in two parts:

- Part A focused on exploring the issues and processes surrounding the development of efficient cross-border dispute resolution mechanisms.
- Part B revisited some of the technical and policy issues underpinning the regulation of collective investment schemes (CIS). Its focus was to ensure that participants continued to develop a greater understanding of CIS-related policy, and technical and institutional barriers that might delay their economy from participating in the ARFP.

The workshop was attended by 16 participants comprising four officers each from the regulatory bodies of Thailand, the Philippines, Vietnam and Indonesia.

In his closing remarks, the Director of DFAT, APEC Branch, lauded the speakers as well as SIDC's facilitation and coordination in making the workshop a success, and recommended continual and complementary trainings for all participating economies up to 2016, in preparation for the exciting road ahead towards ARFP.

## d. Corporate Governance Consultation and Technical Assistance Programme for the SEC Philippines, 24-28 November 2014, Kuala Lumpur

A follow-up to the workshop in Manila in July, this workshop was a consultative-style programme based on the Malaysian Code on Corporate Governance and Bursa Malaysia corporate governance rules as training guide to map and assist the SEC in revamping their corporate governance code. The five participants discussed the ADB report on corporate governance standards in the Philippines that highlighted several weaknesses in current practices. They also received specific reform advice and explored general implementation challenges.

### Proposed way forward

It was concurred that for the succeeding phases of this capacity building training, a consultancy-style workshop for each economy is vital to provide extensive guidance and support in ensuring the success of the ARFP.

Upcoming workshops are scheduled for Jakarta and Hanoi in 2015. These workshops aspire to provide the avenue for more stimulating discourses, deeper technical understanding and richer networking opportunities amongst participating APEC economies.



## CMA Kuwait-SIDC Young Professionals Programme

A groundbreaking 35-day training programme never before conducted for foreign clients, the Young Professionals Programme (YPP) was developed by SIDC in response to the Capital Markets Authority of Kuwait (CMA)'s request for a customised training programme focusing on technical and interpersonal skills development for their 20 new recruits.

The YPP, intended to complement the efforts of the CMA in developing young talent for the organisation, featured a modular training format including class debates and tests, and an assessment centre approach to ensure participants were accurately assessed and ranked within the group in terms of their grasp of technical knowledge, observable interpersonal skills and their work attitude. Held from 3 March to 18 April 2014 at the SC, the YPP also included 10 days of work attachment.

Three CMA observers were sent to evaluate the programme, all of whom agreed the unique activity-based training fully met their expectations.



# Consultancy and International Regulators Programmes

## Emerging Markets Programme

Themed “Enhancing the Vibrancy and Resilience of Emerging Markets”, the 15th Emerging Markets Programme (EMP) was held from 24 to 26 November 2014. EMP 2014 featured 12 specialists from seven countries and hosted 45 participants from 17 economies, with Jamaica participating for the first time.

The annual SC flagship programme discussed how regulators of emerging and developed economies can cooperate to ensure the resilience of their markets by adopting a more pro-active approach. By exchanging ideas and debating current and new regulatory thinking, the programme allowed participants to discuss key areas, including risk identification, taking a balanced approach to the regulation of new investment products and services, and ensuring markets are fair, efficient, and transparent, to ultimately enhance the vibrancy of capital markets.

Departing from the previous norm, a more structured and systematic method of content delivery was introduced for EMP 2014, where all discussion sessions commenced with the moderator providing an overview from a broad global perspective, followed by the respective panellists’ sharing of specific experiences and challenges facing individual economies.

The new approach allowed participants to evaluate the significance of global best practices and current capital market trends against more localised contexts, issues and landscapes, enabling them to derive useful learning points that fit their respective economies’ requirements. The engaging learning experience contributed to a “Good to Excellent” participant rating for EMP 2014, which is consistent with previous years’ achievements.

Since its inception, the EMP has benefited a total of 643 capital market regulators from 67 countries.

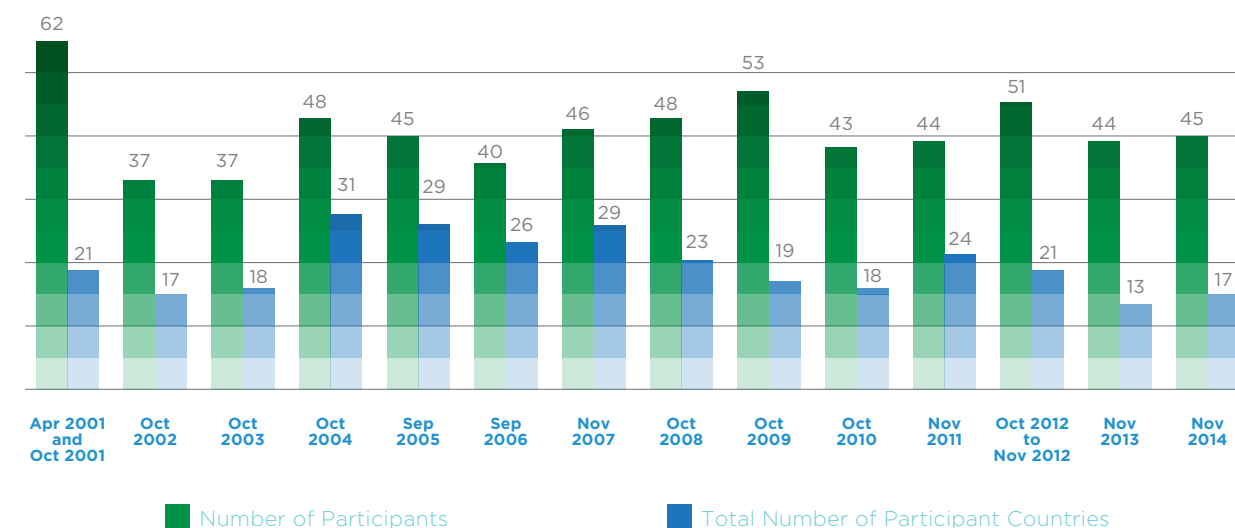


## Islamic Markets Programme

An SC flagship programme in its ninth year, the Islamic Markets Programme (IMP) was held from 11 to 14 August 2014. IMP 2014 was themed “Strengthening the Wellbeing of Societies” and attracted a total of 47 participants comprising local and foreign Islamic finance industry players and regulators from eight countries: Kuwait, Taiwan, Oman, Russia, Thailand, Hong Kong, Brunei and Malaysia.

The main objective of this year’s programme was to evaluate two important issues: the role of Islamic finance in the wellbeing of societies globally and what it takes to ensure sustainable development of global Islamic finance. Serving to highlight Islamic finance development strategies through thought-provoking ideas by experienced regulators, standard-setters, bankers, lawyers, compliance professionals and industry observers, the programme received a “Good to Excellent” rating from participants.

The number of participants and participant countries throughout the EMP series



# 2014

## at a Glance

Increased collaborations with the industry have contributed richly to the breadth and depth of our programme and service offerings, strengthening our position as a strategic learning and development partner for the capital markets.



# SIDC Training Programmes

## in 2014

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"> <li>Candidates preparing for modules offered in the SC Licensing Examinations</li> <li>New entrants to the capital market industry</li> <li>Employees of stockbroking and investment firms</li> </ul>	647
Industry Transformation Initiative (ITI) courses (various modules)	<ul style="list-style-type: none"> <li>Capital Markets Services Representative's Licence (CMSRL) holders</li> <li>Public</li> </ul>	9,643*
Shariah Advisor Programme (i-Advisor)	<ul style="list-style-type: none"> <li>Shariah advisors</li> <li>Academicians</li> <li>Islamic finance practitioners</li> </ul>	80
Anti Money Laundering Act and Terrorism Financing Act (AMLATFA) 2001	<ul style="list-style-type: none"> <li>All licensed and unlicensed employees of Participating Organisations (POs)</li> </ul>	554
International Institutional Investor Series (IIIS) 2014	<ul style="list-style-type: none"> <li>Heads of investment</li> <li>Chief Investment Officers</li> <li>Senior executives</li> <li>Heads of treasury</li> <li>Heads of strategy and asset allocation</li> <li>Directors of large institutional investment firms</li> <li>Product development managers</li> </ul>	70
Familiarisation Programme for Registered Representatives	<ul style="list-style-type: none"> <li>Two new categories of Registered Representatives (RRs), i.e. Trading Representatives (TRs) and Introducing Representatives (IRs)</li> </ul>	170
Malaysian Technical Cooperation Programme (MTCP) programme: "Fundamentals of Islamic Capital Market: Sukuk & Equity"	<ul style="list-style-type: none"> <li>Government officials related to financial markets</li> <li>Senior management involved in regulating the financial industry</li> <li>Islamic finance practitioners interested in the financial market</li> <li>Financial industry practitioners involved in Islamic equity market and academicians related to finance, accounting, banking and legal background</li> </ul>	6
Customised programmes	<ul style="list-style-type: none"> <li>Participants who are required to meet specific learning objectives and/or in-house training requirements specified by the client</li> </ul>	548

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

Programme	Target Audience	Number of Participants
Islamic Capital Market Graduate Training Scheme (ICMGTS)	<ul style="list-style-type: none"> <li>High-calibre Malaysian citizens aged 30 and below with outstanding degrees in relevant fields from recognised universities</li> </ul>	80
GRP1000 Training Programme	<ul style="list-style-type: none"> <li>Malaysian citizens aged 21-30 years with degree qualification or 1-2 years' professional work experience</li> </ul>	39
GRP1000 Preparatory Programme	<ul style="list-style-type: none"> <li>Malaysian citizens aged 21-30 years with degree qualification or 1-2 years' professional work experience</li> </ul>	313
Corporate Governance programmes	<ul style="list-style-type: none"> <li>Directors</li> <li>Senior management</li> <li>CMSRL holders</li> <li>Investment managers</li> <li>Compliance and risk managers</li> <li>General public</li> </ul>	457
Advanced Business Management Programme	<ul style="list-style-type: none"> <li>CEOs and senior personnel of companies</li> <li>Regulators</li> </ul>	20
ADB-SIDC Capacity Building Programme "Promoting an Interlinked ASEAN Capital Market: Regulation of Capital Markets"	<ul style="list-style-type: none"> <li>Capital market regulators of developing ASEAN economies</li> </ul>	30
APEC-SIDC Capacity Building Programme "Targeted Technical Assistance to Support Membership and Implementation of the Asia Region Funds Passport (ARFP)"	<ul style="list-style-type: none"> <li>Capital market regulators of participating APEC economies</li> </ul>	65
CMA Kuwait-SIDC Young Professionals Programme	<ul style="list-style-type: none"> <li>New recruits of the Capital Markets Authority of Kuwait (CMA)</li> </ul>	20
15th Emerging Markets Programme "Enhancing the Vibrancy and Resilience of Emerging Markets"	<ul style="list-style-type: none"> <li>Local and international regulators</li> </ul>	46
9th Islamic Markets Programme "Strengthening the Wellbeing of Societies"	<ul style="list-style-type: none"> <li>Local and international regulators</li> <li>Conventional bankers</li> <li>CMSRL holders</li> <li>CEOs and senior personnel of companies</li> <li>Staff of government agencies</li> <li>Shariah lecturers or graduates</li> </ul>	47
<b>Total</b>		<b>12,835</b>



# Events and Happenings

## January-February 2014

GRP1000 Training Programme participants displaying their good team spirit. GRP1000 was developed by the SC to prepare graduates with the necessary technical and soft skills and equip them with the required knowledge to become licensed persons for dealing in securities and derivatives.



## February-March 2014

The Asian Development Bank (ADB)-SIDC Capacity Building Programme, themed “Promoting an Interlinked ASEAN Capital Market: Regulation of Capital Markets”, reinforced the basic principles and best practices required of agencies undertaking regulatory functions of modern capital markets in Asia.

## March 2014

Islamic Capital Market Graduate Training Scheme (ICMGTS) participants striking a light-hearted pose. The ICMGTS aims to create a pool of competent entry-level professionals to support the development of the Islamic capital market in Malaysia.



## March-April 2014

Participants of the Capital Markets Authority of Kuwait (CMA)-SIDC Young Professionals Programme (YPP) commemorating their graduation. The YPP was an intensive 35-day training programme developed by SIDC to help new recruits become rapidly familiarised with and fast-tracked into various CMA departments.

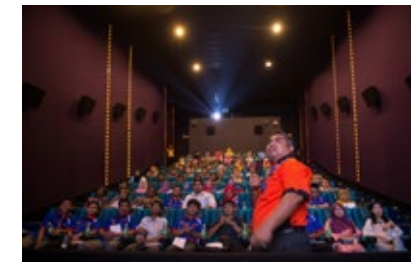


## August 2014

The APEC-SIDC regulators workshop on Dispute Resolution and Regulation of Collective Investment Schemes held in Seoul, Korea centred on developing efficient cross-border dispute resolution mechanisms, and discussed technical and policy issues underpinning the regulation of collective investment schemes.

## August 2014

Wan Abdul Rahim Kamil Wan Mohamed Ali, Consultant, Islamic Capital Market, Securities Commission Malaysia, briefing Islamic Markets Programme participants. The programme this year dwelled on the role of Islamic finance in the wellbeing of societies globally, and the development of global Islamic finance.



## September 2014

Participants from Universiti Selangor and various government agencies paying attention at an InvestSmart Fest investor education seminar conducted at a cineplex in the 1 Utama Shopping Centre, Selangor. InvestSmart is the SC’s new initiative to encourage smart investing in the capital market among the public and raise awareness on their rights and responsibilities as investors.

## September 2014

Datuk Ramesh Chander, the first Malaysian Chief Statistician of Malaysia, speaking on “Understanding China’s Statistics” at a public talk jointly hosted by SIDC and the Malaysian Economic Association (MEA). The event attracted over 200 participants comprising government and industrial association representatives, financial services and capital markets industry practitioners, foreign dignitaries and academicians.



## October 2014

SIDC Chairman Datuk Ranjit Ajit Singh and Securities and Commodities Authority (SCA) of UAE Chief Executive Officer H.E. Abdullah Al-Turifi at the SIDC-SCA MoU formalisation event in Dubai alongside the 10th World Islamic Economic Forum (WIEF), witnessed by Prime Minister of Malaysia Dato’ Sri Najib Tun Razak and WIEF Foundation Chairman Tun Musa Hitam.



## November 2014

Panellists engage participants in a discussion during the Emerging Markets Programme (EMP). This year, the EMP deliberated on how regulators of emerging and developed economies can cooperate to ensure the resilience of their markets by adopting a more pro-active approach.



## November 2014

The one-day International Institutional Investor Series (IIIS) programme featured product specialists from international asset managers who discussed a variety of solutions available in the fund management industry and examined the pros and cons of the changing face of investment.



## December 2014

Participants from Maldives, Pakistan, Philippines, Turkey, Zambia and Kenya in a group photo during the Malaysian Technical Cooperation Programme (MTCP) programme “Fundamentals of Islamic Capital Market: Sukuk & Equity”. The programme formed part of the commitment of the Malaysian government towards the promotion of technical cooperation among developing countries.



# Growing emphasis on high-quality reporting

## SCA, SIDC sign MoU on training, research and sharing of experience

The Securities and Commodities Authority (SCA) and the Securities Industry Development Corporation (SIDC) have signed a Memorandum of Understanding (MoU) to foster joint cooperation between them in terms of mutual benefit from the promotion and sharing of experience in the area of developing financial markets and financial services industry, in general and to help uplift the professional performance standards of those working in this area, in particular.

Exchange of MoU documents was made on the fringe of the World Islamic Economic Forum, in Kuala Lumpur, Malaysia. The MoU document is the first of its kind in the region, involving the First Director of SCA, H.E. Nagesh Kumar, Chairman of the Forum, which opened Tuesday (Friday in Dubai) under the auspices of the SCA Board.

H.E. Nagesh Kumar, First Director, SCA, Chairman of the Forum, and H.E. Tun Musa Hitam, Chairman of the SCA Board, signed the MoU document on the fringe of the World Islamic Economic Forum, in Kuala Lumpur, Malaysia. The MoU document is the first of its kind in the region, involving the First Director of SCA, H.E. Nagesh Kumar, Chairman of the Forum, which opened Tuesday (Friday in Dubai) under the auspices of the SCA Board.

## More than just ringgit and sen

The Securities Industry Development Corporation (SIDC) is strengthening and developing areas of its business operations in Malaysia. It plays an integral role in the development of local companies and those of the areas in which it has made much progress in sustainability reporting.

"Malaysia companies have made significant progress and development to compete effectively in the global market. There is a huge unexplored potential among the various companies in the region to improve their sustainability reporting," says Tun Musa Hitam, SIDC Chairman.

The SIDC's main focus is to assist companies in their efforts to improve their corporate governance and sustainability. "Competitive edge makes it important for them to look beyond the financial and core," he says.

The highlight of his key points on sustainability reporting is to help companies to improve their corporate governance and sustainability. "Competitive edge makes it important for them to look beyond the financial and core," he says.



## SCA, SIDC sign MoU on training, research and sharing of experience

DUBAI, 28th October, 2014 (BERNAMA) - The Securities and Commodities Authority (SCA) and the Securities Industry Development Corporation (SIDC) of Malaysia, have signed a Memorandum of Understanding (MoU) to foster joint cooperation between them in terms of mutual benefit from the promotion and sharing of experience in the area of developing financial markets and financial services industry, in general and to help uplift the professional performance standards of those working in this area, in particular.

## Enormous potential in Dubai, says PM



Prime Minister Datuk Seri Najib Razak takes questions during a press conference at the launch of the World Islamic Economic Forum Foundation in Dubai. Next to him is the foundation's chairman, Tun Musa Hitam. — Bernama picture

## International Islamic Markets Programme Focuses On Strengthening The Wellbeing Of Societies

KUALA LUMPUR, Aug 14 (Bernama) — The Securities Commission Malaysia (SC) and its training and development arm, the Securities Industry Development Corporation (SIDC), hosted the 9th Annual Islamic Markets Programme (IMP) themed "Strengthening the Wellbeing of Societies" from 11 to 14 August 2014 in Kuala Lumpur.

## “中國統計數據失真” 專家：企業使用前應驗證

【本報訊】多項研究顯示，中國統計數據存在失真現象。專家指出，企業在進行投資決策前，應先對數據進行驗證，以確保數據的真實性和準確性。

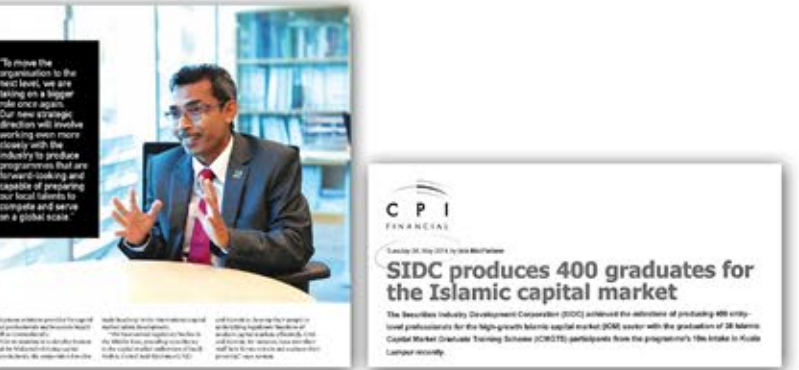
據悉，中國政府最近公佈的GDP數據顯示，中國經濟增長放緩。然而，一些國際組織和專家對此表示懷疑，認為數據可能被誇大或虛假。

專家建議，企業在進行投資決策時，應綜合考慮多種數據來源，並進行交叉驗證，以確保數據的真實性。

可以說，目前世界各國在進行經濟統計時，都面臨著數據失真的問題。在中國，由於政府對經濟數據的干預，使得數據失真現象更加嚴重。

專家指出，數據失真不僅影響了政府的經濟決策，也給企業的投資決策帶來了巨大的風險。因此，企業在進行投資決策前，應先對數據進行驗證，以確保數據的真實性和準確性。

專家建議，企業在進行投資決策時，應綜合考慮多種數據來源，並進行交叉驗證，以確保數據的真實性。



## مذكرة اماراتية - ماليزية تحدد أطر التعاون في التدريب والدراسات وتبادل الخبرات اتفاق على رفع قدرات موظفي الخدمات المالية

وقعت هيئة الأوراق المالية والسلع الإماراتية والهيئة العامة للغرفة التجارية والصناعية المصرية اتفاقية تعاونية تهدف إلى تبادل الخبرات والتدريب والدراسات وتبادل الخبرات بين البلدين في مجال الخدمات المالية.

الاتفاقية تهدف إلى رفع قدرات موظفي الخدمات المالية في كلا البلدين، وذلك من خلال تبادل الخبرات والتدريب والدراسات. كما تهدف الاتفاقية إلى تعزيز التعاون في مجال الخدمات المالية، وذلك من خلال تبادل الخبرات والتدريب والدراسات.

الاتفاقية هي نتاج سلسلة من الاجتماعات والتشاورات التي أجراها الجانبان، وذلك من أجل تعزيز التعاون في مجال الخدمات المالية، وذلك من خلال تبادل الخبرات والتدريب والدراسات.



Malaysia's first chief statistician Datuk Ramosh Chander and his team, led by Chief Statistician Datuk Mohd Shaffiq Kamal, are at the forefront of Malaysia's statistical revolution. They are working to improve the method for gathering statistics, ensuring that the data is accurate and reliable.

The team has implemented several measures to improve the quality of the data, including the use of modern technology and the establishment of a strong statistical agency. This has led to a significant improvement in the accuracy and reliability of the data, which is now being used by a wide range of stakeholders.

The team's efforts have also led to a significant increase in the public's confidence in the data, which is a key indicator of the success of the statistical revolution.

**'China needs to improve method for gathering statistics'**

KUALA LUMPUR: China is an important economic powerhouse that cannot be ignored in the global market. However, the gathering of accurate and reliable data is a challenge for the Chinese government. The team believes that China needs to improve its method for gathering statistics, ensuring that the data is accurate and reliable.

The team has identified several key areas where China needs to improve its statistical system, including the use of modern technology and the establishment of a strong statistical agency. This will help to ensure that the data is accurate and reliable, which is essential for the Chinese government to make informed decisions.

The team's findings are based on a thorough analysis of the Chinese statistical system, which has revealed several weaknesses and areas for improvement. The team believes that these improvements are essential for China to become a leading economic power in the global market.

**DELIVERING INDUSTRY EXCELLENCE**

The Securities Industry Development Corporation (SIDC) takes on the challenge of developing globally competent and competitive capital market professionals.

SIDC is committed to providing high-quality training and development programs for its participants. These programs are designed to equip participants with the skills and knowledge they need to succeed in the global capital markets. SIDC's focus is on delivering industry excellence, ensuring that its participants are ready to meet the challenges of the global market.

SIDC's programs are based on a thorough analysis of the global capital markets, which has identified several key areas where participants need to improve their skills and knowledge. SIDC's programs are designed to address these areas, ensuring that participants are ready to meet the challenges of the global market.



**SIDC achieves milestone of producing 400 entry-level professionals for high-growth ICM sector**

KUALA LUMPUR: The Securities Industry Development Corporation (SIDC) has achieved a significant milestone by producing 400 entry-level professionals for the high-growth Islamic Capital Market (ICM) sector. This achievement is the result of SIDC's commitment to providing high-quality training and development programs for its participants.

The 400 graduates are the result of SIDC's Islamic Capital Market Graduate Training Scheme (ICMGTS), which is designed to equip participants with the skills and knowledge they need to succeed in the ICM sector. SIDC's focus is on delivering industry excellence, ensuring that its participants are ready to meet the challenges of the global market.

The graduates will be employed by various financial institutions and service providers in the ICM sector, where they will play a key role in promoting the growth and development of the sector. SIDC's achievement is a testament to its commitment to providing high-quality training and development programs for its participants.

## SIDC in the News

# CSR 2014

## A Meaningful Day at the Ostrich Farm



*The meaningful activities reminded SIDC staff to respect and protect all living things, because they are as much a part of this planet as we are.*

Reaffirming the organisation's commitment to environmental volunteerism, SIDC's 2014 CSR activity involved a bout of volunteer work at PD Ostrich Show Farm in Port Dickson by 34 SIDC staff members. The farm, which has been in existence for over a decade, is home to 11 ostriches, several species of fowl and goats as well as rescued animals including donkeys, cats, dogs, and even a camel.

Upon arrival staff were divided into teams to carry out chores around the farm, which included cleaning ostrich and goat enclosures, planting trees and clearing litter. Many hands made light work, and the tasks were finished quickly.

An interesting educational talk on ostriches followed, during which we were enlightened that ostriches are fastest-running birds in the world, reaching speeds of up to 70 km/h. We also learnt that in the 18th century, women almost drove ostriches to extinction due to their penchant for ostrich feathers as a hat accessory. Thankfully, the arrival of the automobile spared the ostrich's fate, as their feathers were no longer suitable as a fashion statement during car travel!

Before taking our leave, we were taken on a tour where we had the opportunity to feed and get to know the ostriches and other residents of the farm better. It was a meaningful outing which reminded everyone to respect and protect all living things, because they are as much a part of this planet and entitled to a healthy living environment as we are.





# Our People, Our Values

Leadership that understands and catalyses the transformative power of knowledge, propelling SIDC forward to serve the capital markets' talent development needs with integrity and excellence.



# Board of Directors



Datuk Ranjit Ajit Singh  
Chairman  
Securities Commission Malaysia

Datuk Ranjit Ajit Singh is the Executive Chairman of the SC. He was previously Managing Director of the SC and has extensive experience in the field of finance and securities market regulation and has spearheaded many key initiatives in the development and reform of Malaysia's capital market.

Datuk Ranjit was appointed the Vice-Chairman of the governing Board of the International Organization of Securities Commissions (IOSCO), the global body of capital market regulators and was elected as the Chairman of IOSCO's Growth and Emerging Markets Committee (GEM) which represents 93 countries. In 2014, Datuk Ranjit was appointed Chairman of the ASEAN Capital Markets Forum (ACMF), a body tasked to spearhead market integration efforts within the region and comprises capital market authorities from ASEAN.

Datuk Ranjit chairs the Securities Industry Development Corporation (SIDC), the Malaysian Venture Capital Development Council (MVCDC) 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, as well as a board member of the Malaysian Institute of Integrity (IIM).

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. He was also conferred the degree of Doctor of Laws *honoris causa* by Monash University Melbourne. He is fellow of CPA Australia and has worked in academia, consulting and accounting in Australia and Malaysia.



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

Dato Dr. Nik Ramlah Mahmood was appointed Deputy Chief Executive of the Securities Commission Malaysia (SC) on 1 April 2012. She was previously Managing Director and Executive Director of the SC's Enforcement Division. Dato Dr. Nik Ramlah has served the SC for over 20 years and has worked in areas ranging from legal and regulatory reform, product and market development, corporate governance, Islamic capital market to investor education and enforcement.

Dato Dr. Nik Ramlah was awarded The Award of Excellence for Outstanding Leadership in Islamic Capital Market Regulation at the London Sukuk Summit 2013.

Dato Dr. Nik Ramlah sits on 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. For her PhD, she was the recipient of a scholarship from the Association of Commonwealth Universities. 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 is currently the Chief Executive Officer of Bursa Malaysia Berhad, a post he has held since April 2011. He has more than 20 years' experience in banking, domestically and internationally. Prior to helping the Exchange, Dato' Tajuddin was the Group Managing Director of RHB Capital Berhad and the Managing Director of RHB Bank Berhad, the President/ Group MD of the Malaysia Development Bank and CEO of the National Savings Bank. His 17-year career with Bumiputra Commerce Bank included a short stint at the bank's New York branch. A dynamic leader with expertise in corporate restructuring, Dato' Tajuddin also has the experience of managing various public listed companies in the areas of property development and construction, shipping and electronics.

Dato' Tajuddin is a director of all the 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 and Chairman of the Exchange Committee of Labuan International Financial Exchange. He also sits on the Board of the Securities Industry Development Corporation and is a member of the Executive Committee of Malaysia International Islamic Financial Centre and the Financial Reporting Foundation.



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 and FEC Cables (M) Sdn Bhd. He is also a Director of Management and Science University (MSU), 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.



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

Datuk Chay Wai Leong was appointed as the Group Managing Director of Kenanga on 17 May 2011. He is also the Managing Director of KIBB.

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

In March 2013, Datuk Chay was appointed as an Independent Non-Executive Director of Bursa Malaysia.

Since his appointment as the Group Managing Director in May 2011, Kenanga and its Group of Companies (Kenanga Group or the Group) have clinched numerous awards in the investment banking, equity broking, asset management, futures broking, as well as, wealth management business segments.

Recently, Bursa Malaysia awarded Kenanga as the Best Retail Equities Broker, *First (1st) Runner Up*; Best Online Broker, *Second (2nd) Runner Up*; Best Derivatives Trading Broker, Best Trading Broker for Equity Derivatives and Best Derivatives Clearing Broker, *Second (2nd) Runner Up*. Kenanga was also presented Best Initial Public Offering (IPO) by the Edge Malaysia and Best Deal (Malaysia) at the Asset Triple A Country Awards for 7-Eleven Malaysia Holdings Berhad's IPO exercise. In addition, the Kenanga Growth Fund was awarded the Best Performing Equity Malaysia Fund for the five (5) and ten (10) years categories at the Lipper Malaysia Fund Awards 2014.

Prior to his appointment as the Group Managing Director of Kenanga and the Managing Director of KIBB, Datuk Chay was the Managing Director of RHB Investment Bank Berhad and Head of the Corporate & Investment Banking Division of RHB Banking Group.

His previous employment includes Standard Bank, one of South Africa's largest financial groups, Jardine Fleming Securities in Hong Kong and JP Morgan. Datuk Chay started his career in 1987 with Bankers Trust in Singapore.

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



Gerald Ambrose  
Chief Executive Officer, Malaysia  
Aberdeen Islamic Asset Management

Gerald Ambrose is the Chief Executive Officer of Aberdeen Islamic Asset Management Sdn Bhd, the group's Islamic fund management hub. 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 Securities 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 from 1980 to 1987.

Mr Ambrose graduated with an MA (Honours) degree in Land Economy from Pembroke College, Cambridge University. He converted to Islam in 1993.



Angelina Kwan, CPA  
Managing Director and  
Head of Regulatory Compliance  
Hong Kong Exchanges and Clearing Limited

Angelina Kwan is currently the Managing Director and Head of Regulatory Compliance for Hong Kong Exchanges and Clearing Limited. Ms Kwan has over 27 years of experience in Asia and the United States, in business development, restructuring, regulatory/compliance, as well as investor and stakeholder relations. She started her career at KPMG and has held senior management, committee and/or board positions with the Securities and Futures Commission of Hong Kong, Cantor Fitzgerald/BGC Partners, Kleinwort Benson, HG Asia Limited, Sony Pictures, the REORIENT Group (HK376) and most recently, CLSA Limited.

Ms Kwan is currently an Independent Non-executive Director and Chairman of the Audit Committee of Aviva Life Insurance Hong Kong, a Hong Kong Government appointed member of the Women's Commission, the Financial Reporting Council Process Review Panel and the Council for Sustainable Development, a Director and Chairman of the Audit Committee of the Securities Industry Development Corporation of Malaysia, the Vice-Chairman and Director of The Women's Foundation, an Honorary Adjunct Professor of Finance for the Hong Kong Polytechnic University, and serves on a number of other Boards and committees. She lectures frequently for various international government and regulatory organisations as well as course providers.

She is a Certified Public Accountant in the United States and Hong Kong and a graduate of the University of Southern California. Her MBA is from Pepperdine University and LLB with Hong Kong University and Manchester Metropolitan University.

# Senior Management



Azman Hisham Che Doi  
Chief Executive Officer

Azman Hisham Che Doi is the Chief Executive Officer of the SIDC. He serves the Malaysian capital market training and development field with more than two decades of diverse finance and capital market experience gained from the industry, regulator and academia.

Azman 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 Securities Commission Malaysia (SC) where he was primarily responsible for

establishing the licensing examination framework for the Malaysian capital market. He was subsequently given the responsibility of managing the training division of the SIDC. Prior to his appointment as Chief Executive Officer in 2012, Azman oversaw the entire operations of the SIDC in the capacity of Chief Operating Officer where he provided strategic direction for SIDC's business activities and led it to outperform its annual KPIs.

Among Azman's international involvements include working with regional counterparts from Hong Kong, Indonesia, Cambodia and Lao PDR. 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 also played a major role in the development and delivery of a technical assistance and capacity building programme package by the SC and SIDC for the Lao Securities and Exchange Commission Office (SECO) in 2013.

Azman is a member of the FAA Qualification Structure Steering Committee and also sits on the following academic programme committees: Jawatankuasa Penasihat Pengajian Program Diploma Eksekutif Dalam Pengurusan Kewangan dan Perbankan Islam, Universiti Utara Malaysia; Jawatankuasa Kursus Integriti Korporat Bagi Ahli Lembaga Pengarah GLC (Persekutuan dan Negeri) dan SEDC, Institut Integriti Malaysia; Industrial Advisory Panel for the Bachelor of Finance (Hons) programme in the Faculty of Management, Multimedia University; Curriculum Committee for the Professional Certificate in Investment and Finance, PNB Investment Institute.

An experienced certified training professional, Azman also holds the Certificate in Performance Coaching (CP) recognised by the International Coach Federation (ICF). Azman completed his Masters degree in Financial Management from the University of Hull, UK in 1995. He earned his Bachelors degree in Business Administration (Finance) from University Utara Malaysia and his Diploma in Public Administration from University Teknologi Mara.



Jennifer Lopez  
Director, Corporate Strategy,  
Brand and Business Partnerships

Jennifer Lopez is Director, Corporate Strategy, Brand and Business Partnerships, responsible for the efficient and effective implementation of SIDC's corporate strategies, increasing SIDC's industry engagements and developing new strategic business partnerships, whilst raising SIDC's brand presence and profile in the industry.

Prior to joining SIDC, Jennifer was the Head of Malaysia, ACCA where she drove the successful development and execution of ACCA's business strategy in Malaysia, its third largest market in world. Under her leadership, ACCA became the strongest and prominent professional body in Malaysia.

Jennifer held various positions in the areas of technical, policy and professional development as well as employer and members' engagement in her 10 years with ACCA Malaysia. Her experience included the development and implementation of a broad range of value propositions such as professional development and training, and policy and technical development.

Harnessing her strong passion in talent development and management, Jennifer participated actively in industry advisory panels, forums and media activities to advance the fields of education and accountancy, providing her views as ACCA's spokesperson. She was also instrumental in the success of ACCA's partnerships with TalentCorp and the Audit Oversight Board of Securities Commission Malaysia on talent management research and insight reports.

Jennifer was a content contributor and writer for ACCA Malaysia Sustainability publications which included the Corporate Responsibility Guide for Busy Managers and various articles on Corporate Social Responsibility, Sustainability Reporting, IFRS published in local magazines and national newspapers. She was also a resource speaker for ACCA, conducting workshops and talks on these subjects in Malaysia and ASEAN.

In 2012, Jennifer was awarded Honorary Membership to the Golden Key International Honour Society for her contributions in education.

Jennifer started her career in PricewaterhouseCoopers in audit and assurance.

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. Sarimah is a Certified Training Professional with over 16 years of experience in the capital market industry, and also a Certified Professional Coach with expertise in learning and development.



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 partnerships, publications and financial literacy programmes. In 2011, Sarimah expanded her role to include strategy development, design and implementation of innovative learning modules, and interventions for the capital market industry. In 2014, Sarimah led the expansion of the SIDC into the area of learning and development consultancy for talent development in the capital markets.

Sarimah has been invited to speak and share her experiences in implementing financial literacy and capability strategies and innovative programmes at international forums. She is also a regular speaker on topics ranging from good money management habits to smart investing in the local broadcast media.



Salleh Hassan  
Director, Examinations & CPE  
and Corporate Governance

Salleh Hassan oversees the overall management of the development and operations of the Securities Commission Malaysia's (SC) Licensing Examinations and the Continuing Professional Education (CPE) Programme.

As the resident subject matter expert for corporate governance, he also leads in the development of curriculum, courses and industry insights initiatives related to corporate governance.

He was one of the pioneer Corporate Governance Specialists (Consultants) engaged by the Asian Development Bank (ADB) in "Promoting an Interlinked ASEAN Capital Market", a project that aims to promote and to heighten the standards of corporate governance of listed companies across the ASEAN region. He continues to advise the project secretariat where SIDC was recently recognised and authorised by ASEAN Corporate Governance Experts Group and the ASEAN Capital Markets Forum (ACMF) to undertake certain empirical studies on the role and impact of corporate governance in the region.

Salleh 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 and a member of the adjudication panel of the annual MSWG ASEAN Corporate Governance Award. He was recently inducted into the Expert Group Fellowship for Corporate Integrity System Malaysia (CISM) under the auspices of the Malaysian Institute of Integrity.

On the corporate sustainability and Integrated Reporting (IR) fronts, he has on several occasions served as a member of the judging panel of the Malaysia Sustainability Reporting Awards (MaSRA) organised by the Association of Chartered Certified Accountants (ACCA), and currently serves as a member of the IR Training Advisory Group.

Salleh was an Associate Professor of Accounting between 2001 and 2010 and the Deputy Director of the Nottingham University Business School (NUBS) from 2005 to 2009. His consulting and research interests are in financial reporting, accounting policy choice and corporate governance/sustainability issues. He has published research papers in internationally refereed journals including the *Journal of Business Communication*, *Accounting and Business Review*, *Asian Review of Accounting*, *Asia Pacific Journal of Accounting*, and *Accounting Research Journal*. He also advises corporations in their effort to cultivate the corporate governance culture and to develop meaningful governance and/or sustainability reporting, through consulting engagements, seminars, workshops and conferences.

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 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.

Zanaria Marjumin  
General Manager, Design and  
Development & Marketing

Zanaria Marjumin is the General Manager of Design and Development & Marketing. She joined SIDC in November 2013 and is instrumental in providing tactical and technical leadership in the development of programmes for the industry, and formulating programme development strategy. She is also entrusted to oversee the Marketing Department.



Zanaria started her career in 1992 as Internal Auditor for the Employees Provident Fund (EPF). In 1998, she joined the EPF Institute as a training coordinator and was involved in several innovative learning projects including implementation of e-Learning in the EPF. Her areas of expertise include learning technology, instructional design, learning (content) management systems, e-learning standards and courseware development. Her last position before leaving EPF was the Head of Services, KL Main Office.

Zanaria holds a Master in Multimedia (e-Learning Technologies) from Multimedia University and a Master in Corporate Communication from Universiti Putra Malaysia. She earned her Post Graduate Diploma in Teaching English as a Second Language from Universiti Teknologi Mara and holds a degree in Business Administration from International Islamic University, Malaysia.

# SIDC Family

## Envisioners and Enablers

As SIDC embarks on our transformative journey to become an internationally recognised learning and development partner for the capital markets, we pay tribute to our people - the envisioners and enablers who make things happen and continuously innovate to give SIDC the leading edge.



# Financial Statements

<b>60</b>	Directors' Report
<b>63</b>	Statement of Financial Position
<b>64</b>	Statement of Profit or Loss
<b>65</b>	Statement of Changes in Equity
<b>66</b>	Statement of Cash Flows
<b>68</b>	Notes to the Financial Statements
<b>85</b>	Statement by Directors
<b>85</b>	Statutory Declaration
<b>86</b>	Independent Auditors' Report

# Directors' Report

for the year ended 31 December 2014

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2014.

## 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	<u>3,170,461</u>

## 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  
Dato' Tajuddin Atan  
Dato Dr. Nik Ramlah Nik Mahmood  
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin  
Datuk Chay Wai Leong  
Gerald Michael Ambrose  
Angelina Agnes Kwan

## 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 other than certain Directors who have substantial financial interests in companies which traded with SIDC in the ordinary course of business as disclosed in Note 13 to the financial statements.

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 2014 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 2014

## 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

Date: 23 March 2015

# Statement of Financial Position

as at 31 December 2014

	Note	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
<b>Asset</b>				
Plant and equipment	3	446,962	491,579	729,000
<b>Total non-current asset</b>		<b>446,962</b>	<b>491,579</b>	<b>729,000</b>
Trade and other receivables	4	3,609,797	3,212,837	1,808,573
Other investments	5	24,560,000	28,560,000	36,060,000
Cash and cash equivalents	6	788,340	1,132,464	1,401,428
<b>Total current assets</b>		<b>28,958,137</b>	<b>32,905,301</b>	<b>39,270,001</b>
<b>Total assets</b>		<b>29,405,099</b>	<b>33,396,880</b>	<b>39,999,001</b>
<b>Equity</b>				
Accumulated surplus		14,744,342	11,573,881	9,869,971
<b>Total equity</b>		<b>14,744,342</b>	<b>11,573,881</b>	<b>9,869,971</b>
<b>Liability</b>				
Long-term prepaid expenses	7	13,861,618	19,734,297	29,600,813
<b>Total non-current liability</b>		<b>13,861,618</b>	<b>19,734,297</b>	<b>29,600,813</b>
Trade and other payables	8	799,139	2,088,702	528,217
<b>Total current liability</b>		<b>799,139</b>	<b>2,088,702</b>	<b>528,217</b>
<b>Total equity and liability</b>		<b>29,405,099</b>	<b>33,396,880</b>	<b>39,999,001</b>

The notes on pages 68 to 84 are an integral part of these financial statements.

## Statement of Profit or Loss

and other comprehensive income  
for the year ended 31 December 2014

	Note	2014 RM	2013 RM
<b>Income</b>			
Training industry		4,296,638	4,652,476
Examination fees		762,665	742,748
Sale of publications		146,143	180,540
Rental income		382,150	421,690
Consultancy services		5,154,932	138,109
Finance income	9	883,892	1,182,788
Other income		4,377	85,801
		<u>11,630,797</u>	<u>7,404,152</u>
Utilisation of long-term prepaid expenses		<u>5,641,237</u>	<u>11,366,516</u>
		<u>17,272,034</u>	<u>18,770,668</u>
<b>Less: Expenditure</b>			
Event expenses		4,749,806	8,575,818
Staff costs	10	7,844,990	7,090,363
Administration expenses		1,506,777	1,400,577
		<u>14,101,573</u>	<u>17,066,758</u>
Income before tax	11	3,170,461	1,703,910
Income tax expense	12	-	-
Net income/Total comprehensive income for the year		<u>3,170,461</u>	<u>1,703,910</u>

The notes on pages 68 to 84 are an integral part of these financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2014

	Accumulated surplus RM
At 1 January 2013	9,869,971
Net income/Total comprehensive income for the year	<u>1,703,910</u>
At 31 December 2013/1 January 2014	11,573,881
Net income/Total comprehensive income for the year	<u>3,170,461</u>
At 31 December 2014	<u>14,744,342</u>

The notes on pages 68 to 84 are an integral part of these financial statements.

# Statement of Cash Flows

for the year ended 31 December 2014

	Note	2014 RM	2013 RM Restated
<b>Cash flows from operating activities</b>			
Income before tax		3,170,461	1,703,910
Adjustments for:			
Utilisation of long-term prepaid expenses		(5,641,237)	(11,366,516)
Depreciation of plant and machinery	3	244,730	293,284
Finance income	9	(883,892)	(1,182,788)
Impairment loss on financial assets		107,866	5,839
Operating loss before changes in working capital		(3,002,072)	(10,546,271)
Changes in working capital:			
Trade and other receivables		(949,543)	(1,509,629)
Trade and other payables		(1,289,563)	1,560,485
Net cash used in operating activities		(5,241,178)	(10,495,415)
<b>Cash flows from investing activities</b>			
Interest received		1,328,609	1,282,314
Acquisition of plant and equipment		(200,113)	(55,863)
Decrease in investment in fixed deposits		4,000,000	7,500,000
Net cash from investing activities		5,128,496	8,726,451
<b>Cash flows from financing activities</b>			
Grants received from the SC		3,500,000	1,500,000
Refund of unutilised grant to Capital Market Development Fund ("CMDf")		(3,731,442)	-
Net cash (used in)/from financing activities		(231,442)	1,500,000
Net decrease in cash and cash equivalents		(344,124)	(268,964)
Cash and cash equivalents at 1 January		1,132,464	1,401,428
Cash and cash equivalents at 31 December	(i)	788,340	1,132,464

The notes on pages 68 to 84 are an integral part of these financial statements.

## (i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	2014 RM	2013 RM Restated
Cash and bank balances	788,340	1,132,464

The notes on pages 68 to 84 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 March 2015.

## 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”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Company:

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

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements: Disclosure Initiative*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The Company plans to apply the abovementioned standards, amendments and interpretations that are applicable and effective from the annual periods beginning on or after 1 July 2014, 1 January 2016, 1 January 2017 and 1 January 2018, respectively.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Company except as mentioned 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 and financial liabilities, and on hedge accounting.

### (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.

# Notes to the Financial Statements

## 1. Basis of Preparation (cont'd)

### (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 other than those disclosed in the following note:

Note 2 (d) - impairment on financial assets

## 2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, 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, other investments, 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)).

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

### 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 control of the asset is not retained or substantially all risks and rewards of ownership of the financial asset are transferred to another party. 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, 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) Plant and equipment

#### i. Recognition and measurement

Items of 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 plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of 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 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 plant and equipment are recognised in profit or loss as incurred.

# Notes to the Financial Statements

## 2. Significant Accounting Policies (cont'd)

### (b) Plant and equipment (cont'd)

#### 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 plant and equipment from the date that they are available for use. Plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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 and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

### (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 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.

#### 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 are 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 of disposal. 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 financial 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.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

# Notes to the Financial Statements

## 2. Significant Accounting Policies (cont'd)

### (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) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

## 3. Plant and Equipment

	Office equipment	Computer equipment	Communication equipment	Furniture and Fitting	Renovation	Capital work-in progress	Total
	RM	RM	RM	RM	RM	RM	RM
<b>Cost</b>							
At 1 January 2013	216,877	1,177,779	66,912	267,530	319,442	-	2,048,540
Additions	6,000	39,295	3,594	1,624	5,350	-	55,863
At 31 December 2013/ 1 January 2014	222,877	1,217,074	70,506	269,154	324,792	-	2,104,403
Additions	39,147	47,512	2,964	19,543	963	89,984	200,113
At 31 December 2014	<b>262,024</b>	<b>1,264,586</b>	<b>73,470</b>	<b>288,697</b>	<b>325,755</b>	<b>89,984</b>	<b>2,304,516</b>
<b>Depreciation</b>							
At 1 January 2013	160,269	821,635	54,332	178,265	105,039	-	1,319,540
Depreciation for the year	21,675	178,384	7,703	53,533	31,989	-	293,284
At 31 December 2013/ 1 January 2014	181,944	1,000,019	62,035	231,798	137,028	-	1,612,824
Depreciation for the year	18,278	156,502	4,997	32,378	32,575	-	244,730
At 31 December 2014	<b>200,222</b>	<b>1,156,521</b>	<b>67,032</b>	<b>264,176</b>	<b>169,603</b>	-	<b>1,857,554</b>
<b>Carrying amounts</b>							
At 1 January 2013	56,608	356,144	12,580	89,265	214,403	-	729,000
At 31 December 2013/ 1 January 2014	40,933	217,055	8,471	37,356	187,764	-	491,579
At 31 December 2014	<b>61,802</b>	<b>108,065</b>	<b>6,438</b>	<b>24,521</b>	<b>156,152</b>	<b>89,984</b>	<b>446,962</b>

# Notes to the Financial Statements

## 4. Trade and Other Receivables

	2013 RM	2013 RM
Amount due from the SC	263,147	137,174
Trade receivables	3,213,789	2,390,219
Other receivables	285,385	730,102
	<u>3,762,321</u>	<u>3,257,495</u>
Less: Allowance for impairment loss	(152,524)	(44,658)
	<u>3,609,797</u>	<u>3,212,837</u>

Included in other receivables are interests due from fixed deposits placement of RM273,088 (2013: RM717,805).

## 5. Other investments

	2014 RM	2013 RM Restated
<b>Loans and receivables</b>		
Deposits placed with licensed banks	<u>24,560,000</u>	<u>28,560,000</u>

The carrying amount of fixed deposits is assumed to reasonably approximate their fair values.

The other investments are placed with licensed banks which are under common control by the Government of Malaysia.

## 6. Cash and Cash Equivalents

	2014 RM	2013 RM Restated
Cash and bank balances	<u>788,340</u>	<u>1,132,464</u>

The cash and cash equivalents are placed with licensed banks which are under common control by the Government of Malaysia.

## 7. Long-term Prepaid Expenses

	2014 RM	2013 RM
<b>Non-current</b>		
Long-term prepaid expenses	<u>13,861,618</u>	<u>19,734,297</u>
Grant from Capital Market Development Fund ("CMDF")	64,750,000	64,750,000
Refund of unutilised grant to CMDF	<u>(3,731,442)</u>	<u>-</u>
	61,018,558	64,750,000
Grant from the SC	<u>27,900,000</u>	<u>24,400,000</u>
	88,918,558	89,150,000
Less: Utilisation of long-term prepaid expenses		
Grant from CMDF	(48,599,542)	(45,810,861)
Grant from the SC	<u>(26,457,398)</u>	<u>(23,604,842)</u>
	13,861,618	19,734,297
At the end of the reporting period	<u>13,861,618</u>	<u>19,734,297</u>

The details of grants from the SC and CMDF are as follows:

### i. Grant from the SC

SC agreed to provide assistance to the Company with an amount of RM3.5 million (2013: RM1.5 million) and for subsequent years, the utilisation of 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). Any unutilised balance of the grant will be carried forward and utilised against the future approved programmes by the SC.

### ii. Grant from the CMDF

The CMDF agreed to provide RM64.75 million in the first five years beginning year 2007 until year 2013. 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 Islamic Capital Market Graduate Training Scheme ("ICMGTS"), the Advance 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.

Per approval by the CMDF Board, the SIDC will be utilising the remaining balance of CMDF funding as at 31 December 2013 by continuing to implement the above activities in 2014 and onward until the funds are exhausted. For the GDP programme which was completed in 2013, the SIDC has refunded the unutilised funding balance of RM3,731,442 to CMDF's Board during the financial year.



# Notes to the Financial Statements

## 8. Trade and Other Payables

	2014 RM	2013 RM
<b>Trade</b>		
Trade payable	448,594	1,465,811
<b>Non-trade</b>		
Other payables	246,068	160,580
Accrued expenses	45,292	420,785
Amount due to the SC	47,581	29,922
Institute of Corporate Responsibility Malaysia (“ICRM”) fund	11,604	11,604
	<u>799,139</u>	<u>2,088,702</u>

The amount due to the SC is unsecured, interest free and repayable on demand.

## 9. Finance Income

	2014 RM	2013 RM
Interest income of financial assets that are not at fair value through profit or loss	<u>883,892</u>	<u>1,182,788</u>

## 10. Staff Costs

	2014 RM	2013 RM
Employees Provident Fund	926,792	852,214
Remuneration, bonus, staff medical, staff training and overtime	<u>6,918,198</u>	<u>6,238,149</u>
	<u>7,844,990</u>	<u>7,090,363</u>

The number of employees of the Company at the end of the year was 55 (2013: 54).

## 11. Income before Tax

	2014 RM	2013 RM
Income before tax is arrived at after charging:		
Auditor’s remuneration	45,000	30,000
Depreciation on plant and equipment	244,730	293,284
Management fees	266,400	266,400
Impairment loss on trade and other receivables	107,866	5,839
Rental expenses	<u>436,296</u>	<u>462,823</u>
<b>and after crediting:</b>		
Utilisation of long-term prepaid expenses	5,641,237	11,366,516
Rental income	<u>382,150</u>	<u>421,690</u>

## 12. Income Tax Expense

The Company was granted approval from the Minister of Finance (“MOF”) to be exempted from taxation for statutory income except for dividend income with effect from Year Assessment (YA) 2014 until 2017. A similar tax exemption was approved by the MOF in prior YA 2008 until 2013.

# Notes to the Financial Statements

## 13. 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. The key management personnel include 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. The significant related party transactions of the SIDC are as follows:

	2014 RM	2013 RM
(i) Securities Commission Malaysia:		
- Management fees	266,400	266,400
- Grant	(3,500,000)	(1,500,000)
- Training	(5,713,013)	(2,083,807)
(ii) Entities that are under common control by the Government of Malaysia:		
Bursa Malaysia Securities Berhad		
- Training	(145,050)	(103,120)
Licensed banks		
- Interest income	(883,892)	(1,182,788)
Permodalan Nasional Berhad		
- Training	(36,143)	(2,830)
(iii) Entities with common directors:		
Aberdeen Asset Management		
- Training	(1,764)	(3,104)
Kenanga Investment Bank Berhad		
- Training	(244,590)	(188,788)

## 14. Financial Instruments

### 14.1 Categories of financial instruments

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

- (a) Loans and receivables (L&R); and  
(b) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R/ (FL) RM
<b>2014</b>		
<b>Financial assets</b>		
Trade and other receivables	3,609,797	3,609,797
Other investments	24,560,000	24,560,000
Cash and cash equivalents	788,340	788,340
	<u>28,958,137</u>	<u>28,958,137</u>
<b>Financial liabilities</b>		
Trade and other payables	(799,139)	(799,139)
<b>2013, Restated</b>		
<b>Financial assets</b>		
Trade and other receivables	3,212,837	3,212,837
Other investments	28,560,000	28,560,000
Cash and cash equivalents	1,132,464	1,132,464
	<u>32,905,301</u>	<u>32,905,301</u>
<b>Financial liabilities</b>		
Trade and other payables	(2,088,702)	(2,088,702)

### 14.2 Net gains arising from financial instruments

	2014 RM	2013 RM
Loans and receivables	776,026	1,176,949

### 14.3 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

# Notes to the Financial Statements

## 14. Financial Instruments (cont'd)

### 14.4 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
<b>2014</b>			
Not past due	2,816,369	-	2,816,369
Past due 1 - 30 days	29,124	-	29,124
Past due 31 - 60 days	133,760	-	133,760
Past due more than 60 days	783,068	(152,524)	630,544
	<u>3,762,321</u>	<u>(152,524)</u>	<u>3,609,797</u>
<b>2013</b>			
Not past due	2,444,328	-	2,444,328
Past due 1 - 30 days	272,750	-	272,750
Past due 31 - 60 days	154,040	-	154,040
Past due more than 60 days	386,377	(44,658)	341,719
	<u>3,257,495</u>	<u>(44,658)</u>	<u>3,212,837</u>

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

	2014 RM	2013 RM
At 1 January	44,658	38,819
Impairment loss recognised	107,866	5,839
At 31 December	<u>152,524</u>	<u>44,658</u>

### 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.

### 14.5 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
<b>2014</b>			
Financial liabilities			
Trade and other payables	<u>799,139</u>	<u>799,139</u>	<u>799,139</u>
<b>2013</b>			
Financial liabilities			
Trade and other payables	<u>2,088,702</u>	<u>2,088,702</u>	<u>2,088,702</u>

### 14.6 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.

#### 14.6.1 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:

	2014 RM	2013 RM
Fixed rate instruments		
Financial assets	<u>24,560,000</u>	<u>28,560,000</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.

### 14.7 Fair value information

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

# Notes to the Financial Statements

## 15. 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.

## 16. Comparatives Figures

### Explanation on reclassification

During the financial year, the Company reclassified its fixed deposits that have maturity of more than 3 months with licensed banks to other investments in accordance to the guidance in FRSIC Consensus 22, Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents. In the previous financial years, all deposits with licensed banks that have maturity of more than 3 months were classified as cash and cash equivalents.

These are now applied retrospectively and the effects are as follows:

### Statement of financial position

	31.12.2013		1.1.2013	
	As previously stated RM	As restated RM	As previously stated RM	As restated RM
Current assets				
Other investments	-	28,560,000	-	36,060,000
Cash and cash equivalents	<u>29,692,464</u>	<u>1,132,464</u>	<u>37,461,428</u>	<u>1,401,428</u>

### Statement of cash flows for the year ended 31 December 2013

	As previously stated RM	As restated RM
Cash and cash equivalents at 1 January	37,461,428	1,401,428
Cash and cash equivalents at 31 December	<u>29,692,464</u>	<u>1,132,464</u>

# 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 63 to 84 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2014 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

Date: 23 March 2015

# 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 63 to 84 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 March 2015.



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 Securities Industry Development Corporation, which comprise the statement of financial position as at 31 December 2014, and the statements of profit or loss and other comprehensive income, 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 63 to 84.

## Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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

Petaling Jaya, Malaysia

Date: 23 March 2015



Loh Kam Hian  
Approval Number: 2941/09/16(J)  
Chartered Accountant

