

# LATEST DEVELOPMENT IN CAPITAL MARKET REGULATIONS - INSIDER PRACTICES



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16 MARCH 2022 | 10.00 AM - 4.45 PM



Learning Hours:  
4 hours



Fees:  
MYR 650  
(fee is not inclusive of 6% SST)



CPE Points Earned:  
10 CPE Points (IBC)



HRD CORP REGISTERED COURSE/PROGRAMME NO: 10001163565

## MODERATOR



Dr. Syed Adam Alhabshi



Lee Shih



Rejina Rahim



Mohamad Azhar Mohamed Hamidi



Kok Yien Fui

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## PROGRAMME OVERVIEW

The Securities Commission Malaysia Annual Report 2020 highlighted that there were 34 cases relating to capital market offence, of which 50% of the cases were related to insider trading. It was also noted that in the same year, civil actions and regulatory settlements have been imposed to individuals involved in insider trading. The severity of the incidences was also notable through the fines and regulatory settlements which have fetched to a soaring amount from hundreds of thousands ringgit up to RM5 million.

In order to safeguard the interest of the capital market players, strong enforcement of the regulations and continuous improvement of the laws relating to insider trading is crucial. The Securities Commission Malaysia (SC) in April 2021 has issued Guidance Note on Controls by Fund Management Companies in Managing Material Non-Public Information (MNPI) with the objective to assist Fund Management Companies (FMCs) to establish and enhance sound internal controls in managing material non-public information (MNPI). In addition to that, with the rise of convictions related to insider trading, it is important and timely that the capital market participants are well versed in the activities as well as the rules and regulation pertinent to insider trading.

This programme will focus on the laws governing the securities offence in relation to insider trading and MNPI. Discussions will also delve into what is considered to be 'material' and 'non-public' as well as what employees should know in relation to managing them in accordance with the relevant laws and regulation.

## PROGRAMME OBJECTIVE

This programme will discuss in depth the components of insider trading as a securities offence, the severity and implications of this offence, particularly if it is MNPI and the appropriate controls, governance structures, policies and procedures to mitigate such incidences as set out in the Malaysian capital market laws.

## ICF COMPETENCY LEVEL

- Core
  - Risk Management (Proficiency Level 3)
- Functional (Process)
  - Compliance (Proficiency Level 3)
- Foundational (Regulatory)
  - Capital Market Intermediaries (Proficiency Level 3)

## LEARNING OUTCOMES

By the end of this programme, participants will be able to:

- describe the latest development in relations to insider trading laws and its implications
- describe the essential components that constitute the securities offence of insider trading and its implications
- discuss the relevant cases arising from insider trading activities
- relate the regulatory expectations and best practices in mitigating the risks involving insider trading

## METHODOLOGY

Interactive presentations, polls and Question-and-Answer (Q&A) sessions

## WHO SHOULD REGISTER?

### Individuals

CMSRLs, Risk Managers, Compliance Officers, Accountants, Finance Executives, University Students and Public.

### Institutions

Asset management companies, fund management companies, investment banks, stockbroking companies, commercial banks and public listed companies.

## WHAT WILL YOU LEARN?

10.00 am	<p>SESSION 1</p> <p><b>Development of Insider Trading Laws in the Malaysian Capital Market</b></p> <ul style="list-style-type: none"><li>Who is considered as an 'insider' – S188 Capital Markets and Services Act 2007 (CMSA)</li><li>What constitutes Material Non-public Information (MNPI)<ul style="list-style-type: none"><li>What is defined as 'an information'? – S183 CMSA</li><li>What information is considered as 'generally available'? – S184 CMSA</li><li>Material effect on price or value of securities - S185 CMSA</li><li>Trading in securities - S186 CMSA</li><li>Reference to 'procure' - S187 CMSA</li></ul></li><li>Implications and penalties – S188 and S201 of criminal and civil actions of CMSA</li></ul> <p>Moderator: <b>Dr. Syed Adam Alhabshi</b> Partner, Shook Lin &amp; Bok</p> <p>Panellist: <b>Lee Shih</b> Managing Partner, Lim Chee Wee Partnership</p>
11.00 am	Screen Break
11.15 am	<p>SESSION 2</p> <p><b>Guidance Note on Controls By Fund Management Companies In Managing MNPI</b></p> <ul style="list-style-type: none"><li>What employees should know in handling 'Material' and 'Non-Public' information</li><li>Areas of vulnerabilities - Examples of MNPI<ul style="list-style-type: none"><li>Meeting protocols: Meeting during closed period and handling of MNPI</li><li>Physical and functional separation of departments</li><li>Trading restrictions of securities: Restricted list</li></ul></li></ul> <p>Moderator: <b>Dr. Syed Adam Alhabshi</b> Partner, Shook Lin &amp; Bok</p> <p>Panellist: <b>Rejina Rahim</b> External Advisor, Nomura Asset Management Malaysia</p>
12.15 pm	Lunch
2.00 pm	<p>SESSION 3</p> <p><b>What Can We Learn from Convicted Cases?</b></p> <ul style="list-style-type: none"><li>Analysis of criminal sanctions and regulatory settlements<ul style="list-style-type: none"><li>Foong Choong Heng case</li><li>Lim Chin Chin case</li><li>Sreesanthan a/I Elathamby case</li><li>Fang Siew Yee case</li><li>Lee Swee Eng case</li></ul></li><li>Has the number of insider trading cases reduced over the years?</li></ul> <p>Moderator: <b>Dr. Syed Adam Alhabshi</b> Partner, Shook Lin &amp; Bok</p> <p>Panellist: <b>Lee Shih</b> Managing Partner, Lim Chee Wee Partnership</p>
3.30 pm	Screen Break
3.45 pm	<p>SESSION 4</p> <p><b>Regulatory Expectations in Prevention of Insider Trading</b></p> <ul style="list-style-type: none"><li>Enforcement and regulatory strategy going forward</li><li>Challenges faced in securing convictions for insider trading</li></ul> <p><b>Best Practices, Controls and the Culture of Compliance</b></p> <ul style="list-style-type: none"><li>Governance – Responsibilities and reporting procedures</li><li>Policies and procedures – Whistleblowing channel, Chinese Wall policy</li><li>Internal controls effectiveness and efficiency</li><li>Incorporation of MNPI risk into risk assessment framework</li><li>Periodic review of MNPI risks<ul style="list-style-type: none"><li>Monitoring and Surveillance – Independence and record keeping</li><li>Personal account dealing – Policies to deter MNPI misuse</li><li>Mosaic theory – Documentation of research materials</li><li>Inculcating the culture of compliance</li></ul></li><li>The role of public and professional advisors</li></ul> <p>Moderator: <b>Dr. Syed Adam Alhabshi</b> Partner, Shook Lin &amp; Bok</p> <p>Panellist: <b>Mohamad Azhar Mohamed Hamidi</b> Executive Vice President and Head of Market Surveillance, Bursa Malaysia Berhad <b>Kok Yien Fui</b> Regional Head, Wholesale Banking Compliance, CIMB Bank Berhad</p>
4.45 pm	End of Programme

## MODERATOR



### Dr. Syed Adam Alhabshi

Dr. Syed Adam Alhabshi is a partner at Shook Lin & Bok. He holds a Ph.D in Islamic Finance from the International Centre for Islamic Finance Education (INCEIF) (2016). He also holds a Chartered Islamic Finance Professional (CIFP) from INCEIF (2010), and read law at the International Islamic University of Malaysia (IIUM) (2006).

Dr. Syed Adam is currently the Honorary Secretary and a Grand Council Member of the Chartered Institute of Islamic Finance (CIIF). Professionally, he is also qualified as a Chartered Professional in Islamic Finance (CPIF). Dr. Syed Adam is also the Internal Auditor and an Associate Member of the Association of Shariah Advisors in Islamic Finance Malaysia (ASAS).

He currently sits on the Islamic Finance Committee of Bar Council Malaysia as the Co-Deputy Chair.

## SPEAKERS



### Lee Shih

Lee Shih is the Managing Partner of the firm and with over 15 years' experience in dispute resolution, contentious restructuring and insolvency, and fraud and asset recovery.

He acts in cross-border disputes and has appeared in international arbitrations in Asia and Europe. He has acted in arbitrations involving disputes arising from commercial contracts, shareholders' disputes, offshore construction contracts, and oil & gas matters.

His work also focuses on corporate litigation and shareholder disputes. He has acted as lead counsel in a variety of shareholder disputes, involving just and equitable winding up, oppression actions and derivative actions. He has acted for clients in bringing claims against directors for breaches of fiduciary duties. He is also the sole Malaysian member of ICC FraudNet, an international network of leading civil asset recovery lawyers in each country. In the sphere of fraud and asset recovery, he secured Malaysia's first-ever injunction against persons unknown.

He also specialises in restructuring and insolvency. He advises and acts in liquidations, schemes of arrangement, receivership and corporate rescue matters. He has acted as counsel for several cross-border restructurings involving more than RM1 billion in debt and is active in corporate rescue mechanisms like judicial management. His textbook on 'Companies Act 2016: The New Dynamics of Company Law in Malaysia', which he co-authored, has been cited in court decisions in Malaysia on company law and corporate insolvency.

He has been described by the international legal directories as "well regarded for his expertise in company law, as well as restructuring and insolvency cases" and "the next generation of talented individuals: a forceful advocate in terms of intellectual prowess and punching well above his weight in terms of his level of seniority" (Chambers Asia-Pacific). Further, he has been listed as a "deeply knowledgeable international arbitration and insolvency specialist" (Legal 500 Asia-Pacific). He was awarded the 'Rising Star of the Year' across Asia at the Benchmark Litigation Asia-Pacific Awards.



### Rejina Rahim

Rejina spelled with a "j" and not a "g" is legally trained and started off her career with a stock broking house before joining the fund management industry in 1998.

With 25 years in the Malaysian capital markets, majority of which was spent in the investment management industry, she has been actively involved in improving the professional standards of the funds management and capital markets in Malaysia. She has worked amongst others, on the Securities Commission's Compliance Guidelines on Unit Trusts as well as the recent JC3 Climate Change & Principle Based Taxonomy. She remains involved with the industry through her role as External Advisor to Nomura Asset Management in Malaysia.

She is a 2021 Listee of the Kindness & Leadership 50 Leading Lights Asia Pacific and was recently named by Asia Asset Management magazine as 25 industry leaders of the Asian asset management industry.

She recently started Wahine Capital as a means of doing more for female empowerment through knowledge and technology. She is in the midst of building her start up.



### Mohamad Azhar Mohamed Hamidi

Mohamad Azhar Mohamed Hamidi is the Executive Vice President and Head of Market Surveillance for Bursa Malaysia Berhad since 2017. In his current position, he leads the market surveillance function for both the Equities and Derivatives markets, conduct market engagement and related strategic market surveillance developmental activities, with the objectives of promoting an orderly and fair trading environment and to protect investors interest in accordance with the provisions of Bursa Business Rules and Capital Market Services Act 2007. Prior to this he was Head of Investigation since 2010. He was responsible for managing Bursa's investigation operations in relation to breaches of Listing Requirements and Bursa Business Rules.



### Kok Yien Fui

Yien Fui is the Regional Head, Wholesale Banking Compliance in CIMB, overseeing the management of regulatory and compliance risks across all entities within CIMB Group regionally that have a presence of wholesale banking business, including the investment banking business and Global Control Room function. She held various roles in a foreign bank before joining CIMB which included country Head of Legal & Compliance. Prior to joining the banking industry, Yien Fui was in private practice at a regional law firm and was advising clients on various capital market proposals as well as banking and finance.

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