

CMDP: MODULE 4 EMERGING AND CURRENT REGULATORY ISSUES IN THE CAPITAL MARKET

26 MAY 2023 | 10.00AM - 12.30PM

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Virtual - Webinar

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PROGRAMME OVERVIEW

Licensed intermediary institutions play an important systemic role in the capital market ecosystem. The growth or decline of the capital market is influenced by, among others, the success and failure of these institutions. Hence, the quality of leadership at these institutions is paramount. Kiel et al., 2012 suggest four levels of competence required of a board. They are as follows:

- Industry:** Experience in and knowledge of the industry in which the organisation operates
- Technical:** Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role
- Governance:** The essential governance knowledge and understanding all directors should possess or develop if they are to be effective board members
- Behavioural:** The attributes and competencies enabling individual board members to use their knowledge and skills to function well as team members and to interact with key stakeholders

PROGRAMME OBJECTIVE

The **Capital Market Director Programme** is an exclusive platform for directors and other strategic personalities of licensed intermediary institutions to equip themselves with new and relevant knowledge, skills and abilities (basic to intermediate level). The programme is also designed to allow them to explore and deliberate on pertinent issues affecting the industry from multi-stakeholders' perspectives.

The specific objectives of the programme are as follows:

- Equip members of the board with knowledge and skills to provide leadership and oversight of the running of the licensed intermediary institutions;
- Assist directors of licensed intermediary institutions to be an effective member of the board through latest developments in regulations and challenges, business and governance, in the capital market; and
- Promote a thorough understanding of the role of the Securities Commission in regulating a dynamic and competitive capital market.

This programme aims to strengthen intermediation standards and capabilities as espoused by the Capital Market Masterplan 2 (CMP2).

ICF COMPETENCY LEVEL

- Core - Corporate Governance, Ethic & Integrity, Risk Management (Proficiency Level 4)
- Foundational (Regulatory) - Capital Market Institutions, Capital Market Intermediaries, Capital Market Products Regulations (Proficiency Level 4)
- Foundational (Product) - Capital Market Environment (Proficiency Level 4)
- Behavioural (Organisation Leadership) - Strategic Thinking (Proficiency Level 4)

TARGET AUDIENCE

Individuals

Newly appointed directors and directors of CMSL holders.

WHAT WILL YOU LEARN?

MODULE 4: EMERGING AND CURRENT REGULATORY ISSUES IN THE CAPITAL MARKET

At the end of the module, participants will be able to:

- Understand and articulate the emerging issues potentially affecting the business of licensed intermediaries;
- Identify and understand the red flags of potential misconducts; and
- Exercise judgement appropriately in ensuring (i) proper conduct of licensed intermediaries and (ii) effective dealings with the regulator – the Securities Commission Malaysia.

PROGRAMME OUTLINE

- 10.00am
- Recognise the emerging issues potentially affecting the business of licensed intermediaries:
 - Systemic risk, prudential standards, capital adequacy and stress test;
 - Reputation risks arising from counterparties and/or service vendors/providers;
 - Remuneration driving malpractices;
 - Not adhering to KYC protocols;
 - Conflicts of interest;
 - Churning customer accounts;
 - Dealing with customer complaints and alternative dispute resolutions;
 - Use of social media (e.g. Facebook, Tik Tok and Twitter) by market participants and intermediaries to differentiate between advice and guidance;
 - Cyber-threats (including examples below) and the impact on the capital markets:
 - Loss of critical data or data leakage – whether caused by unintentional or deliberate act;
 - Social engineering in which customers are manipulated into disclosing confidential information which could lead to identity thefts, email frauds, and spams; and
 - Loss of control over internet protocol (IP) addresses resulting from distributed denial of service (DDOS) attacks.
- 11.30am
- Understand the role of the Securities Commission Malaysia as primary stakeholder in ensuring proper conduct through sound appreciation of:
 - SC's supervisory objectives and philosophy;
 - Eleven core principles of SC supervision –
 - Integrity
 - Skill, care and diligence
 - Supervision and control
 - Financial requirements
 - Market conduct
 - Priority to client's interests
 - Communication with clients
 - No conflicts of interests
 - Safeguarding clients' assets
 - Compliance culture
 - Dealing with regulators
 - Importance of strong compliance framework and culture of compliance
 - Core supervisory process;
 - Spectrum of supervision including risk posed to the intermediaries from the perspective of conduct, microprudential, AML/CFT and systemic issues; and
 - Common supervisory findings in the areas of
 - Compliance framework and culture;
 - Awareness and understanding of regulatory requirements;
 - Adequacy of resources and controls.
 - Based on interactive discussions regarding red flags identify indicators of possible market misconduct.
- 12.30pm End of Programme

SPEAKER



SUE WAN WONG

Sue Wan Wong is a partner in the Corporate, Commercial & Securities Practice Group of Wong & Partners, the member firm of Baker & McKenzie International in Malaysia.

Sue Wan has advised clients on issues relating to exchange controls, securities offerings, distributive trade, directors' duties, shareholders' rights, schemes of arrangement, general commercial, employment law, employee share option schemes and tax. She has undertaken numerous transactions relating to initial public offerings, restructuring, mergers and acquisitions including divestitures, foreign investments and joint ventures for both local and cross border transactions. She has also advised clients in the acquisition of shares in insurers and the transfers of insurance businesses vide schemes of transfer under the Malaysian Insurance Act 1996.

Sue Wan's practice includes advising on a suite of financial services regulatory matters, including on establishment of financial service providers, regulatory enquiries, marketing of financial products and financial services compliance. She engages and advises businesses involved in the innovation, investment and development of financial technology (FinTech) products and services. Sue Wan has vast experience in advising clients at the forefront of innovation, helping to navigate the web of regulatory and compliance challenges, and to facilitate partnerships between industry players and regulators.

In addition to her practice with the Firm, Sue Wan is a member of the US-ASEAN Business Council (Financial Services Committee) and the Secretary of the FinTech Association of Malaysia, which aims to engage ASEAN public and private to advance regional financial sector development and integration, contribute to ASEAN's development as a global asset class as regional governments implement the ASEAN Economic Community (AEC), and shape regional financial integration in line with committee members' business objectives and global best practices.

Sue Wan was admitted to practice in Malaysia in 2003. She holds a Bachelor of Laws (Honours) from the University of Malaya, Malaysia and a Bachelor of Civil Law from the University of Oxford, United Kingdom.



MUNIRAH ABDUL RAHMAN

Munirah has been attached to the Supervision Department of the Securities Commission Malaysia for the last 10 years. She oversees the planning and supervisory activities of market intermediaries within the investment management industry. In addition, she leads the department's data analytics team which involved in determining data and analytics requirements and reporting of risk and performance for the investment management and broking industries.

Prior to joining the SC, she has approximately 10 years of experience, primarily in the audits of entities in the financial services industry. She was attached with a Big 4 accounting firm in Kuala Lumpur before moving to another Big 4 accounting firm in London. Her experience in these firms were mainly in audits of financial statements and review of internal controls of banks, securities firms and fund managers. She was a Senior Manager in internal audit function covering Commodities trading desks in an American investment bank based in London, before returning to Malaysia to join the SC.

An accountant by qualification, Munirah is a Fellow member of Association of Chartered Certified Accountants (ACCA).

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* The SIDC reserves the right to amend the programme as deemed appropriate as without prior notice.

For enquiries on registration, please contact:

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