

# CMDP: MODULE 1

## DIRECTORS AS GATEKEEPERS OF MARKET PARTICIPANTS

5  
CPE POINTS



13 MAY 2024

9.00AM-12.30PM | SECURITIES COMMISSION OF MALAYSIA



**Fees:**  
MYR 1,800  
(fee is not inclusive of SST)



**CPE Points Earned:**  
5 CPE Points



**Mode:**  
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 1: DIRECTORS AS GATEKEEPERS OF MARKET PARTICIPANTS

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

- Understand the high-level contextual function of the board and the directors in discharging their mandates;
- Appraise the roles, duties, responsibilities and liabilities of directors as provided for in applicable laws relevant to licensed intermediaries;
- Apply the relevant key principles and recommendations of the Malaysian Code on Corporate Governance to oversee the compliance and performance roles of licensed intermediaries;
- Understand the critical functions played by independent directors in building confidence and trust for licensed intermediaries; and
- Exercise judgement appropriately in dealing with issues of legal and governance brought to the attention of the board.

### PROGRAMME OUTLINE

- 09.00 am
- Core duties of directors – fiduciary duty, duty of care, skill and diligence and other legal and regulatory expectations as specified by the extant laws including but not limited to:
    - Companies Act (Act 125)
    - Capital Market and Services Act (Act 671)
    - Anti-Money Laundering and Terrorism Financing Act (Act 613)
    - New and pending laws and rules, including Personal Data Protection Act, Competition Act, and Goods and Services Tax Act; Foreign Account Tax Compliance Act ("FATCA") – impact, compliance requirements and implementation challenges.
  - Discussion of recent selected enforcement cases.
- 10.45 am
- Discussion of how the application of selected principles and recommendations of the Malaysian Code on Corporate Governance can deliver sustainable values for licensed intermediaries. The selected principles and recommendations include:
    - Establishing a board charter where, among others, clear roles and responsibilities between the board and management are articulated; The Code suggests that the board should assume, amongst others, the following responsibilities:
      - Reviewing and adopting a strategic plan for the licensed intermediaries;
      - Overseeing the conduct of the licensed intermediaries' business;
      - Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
      - Succession planning of senior management of licensed intermediaries;
      - Overseeing the development and implementation of a shareholder/stakeholder communication policy for the licensed intermediaries; and
      - Reviewing the adequacy and integrity of the management information and internal controls system of the licensed intermediaries.
    - Strengthening the composition of the board by having sufficient representation of non-executive directors of right competencies and skills to ensure independent oversight;
    - Effective risk oversight through sound and adequate risk management and internal controls systems.
  - Independent directors as value enhancers or value destroyers;
    - Independent directors to assist boards to remain vigilant and diligent in robust CG structure and process to facilitate sufficient control and direction;
    - Independent directors as gatekeeper in dealing with situations of conflicts of interest including related party transactions, self-dealing by directors and management, and whistleblowing;
    - Role of company secretary, internal auditor, and/or compliance officer to support independent directors.
  - Failure of governance and the implication on licence to operate - Case study.
- 12.30 pm End of Programme

### SPEAKERS



#### DR. ISMET YUSOFF

Dr Ismet Yusoff is a seasoned corporate governance advocate with vast experience as a policymaker and strategist on governance and sustainability practices. He plays an active role in raising the corporate governance and sustainability standards of corporates in Malaysia by working closely with local and international stakeholders, including regulators, standard setters, professional bodies, and corporates.

Dr Ismet is currently the Chief Executive Officer of the Minority Shareholders Watch Group (MSWG). Before MSWG, Dr Ismet was the Chief Executive Officer of the Malaysian Institute of Corporate Governance (MICG) and served the Securities Commission Malaysia. He was instrumental in formulating Malaysia's corporate governance and sustainability regulatory framework, best practices, and strategic priorities. These include the development of the Malaysian Code of Corporate Governance, Malaysia's Corporate Governance Strategic Priorities, Governance Code for Malaysia MSMEs, Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries, Guidelines on Corporate Governance for Capital Market Intermediaries and Bursa Malaysia Listing Requirements, including Bursa Malaysia Sustainability Reporting Framework. He was also involved in developing analytics and machine learning systems for regulatory monitoring of governance disclosures, establishing the Institute of Corporate Directors Malaysia and other industry-led initiatives on corporate governance and sustainability.

Dr Ismet was the Secretariat for the ASEAN Corporate Governance Initiatives under the ASEAN Capital Market Forum (ACMF). He managed the ASEAN corporate governance scorecard assessments involving six ASEAN countries and organised the inaugural ASEAN Corporate Governance Awards in Manila, Philippines.

Dr Ismet graduated from the International Islamic University Malaysia. His doctoral thesis was on the effect of corporate governance and capital structures on the performances of Malaysian publicly listed companies.



#### LEE SHIH

Lee Shih is the Managing Partner of the law firm Lim Chee Wee Partnership and with over 18 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.

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).

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