

CMDP: MODULE 4

EMERGING AND CURRENT REGULATORY ISSUES IN THE CAPITAL MARKET

5
CPE POINTS



17 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 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

- 09.00 am
 - 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.
- 10.45 am
 - 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.

12.30 pm End of Programme

SPEAKER



NIZAM ISMAIL

Nizam is CEO and Founder of Ethikom Consultancy, a compliance-focused consultancy based in Singapore.

Nizam draws upon his previous regulatory experience as Head of the Market Conduct Policy Division at the Monetary Authority of Singapore, his compliance background as Head of Compliance for Southeast Asia at Lehman Brothers and Morgan Stanley, and his legal background as Deputy Public Prosecutor/State Counsel at the Commercial Affairs Department and Senior Legal Counsel at Citigroup, to assist global financial institutions, FinTech firms and corporate clients with licence applications and various regulatory compliance issues.

Nizam is the founding Chairman of the Regulatory and Compliance Sub-Committee of the Blockchain Association of Singapore. He is also a Fellow at the Singapore University of Social Studies.



Z Aidatul AKMAR BINTI ZAKI

Past 14 years, Zaidatul has been with the SC's Supervision Department which carries out supervision functions of regulated entities in the Malaysian Capital Market. Her work includes supervision of the investment management industry including supervisory engagements and audits, enforcement of regulatory requirements and assisting in the development of new policies and regulation to promote market confidence and investor protection.

Prior to joining the SC, she gained extensive experience in assurance and advisory of public listed and multinational companies during her 4 years in Deloitte and Ernst & Young, Kuala Lumpur.

Zaidatul is a Fellow of the Association of Chartered Certified Accountants (ACCA), UK.

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Securities Industry Development Corporation (765264K)
3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur, Malaysia
Email: sidc@sidc.com.my Website: www.sidc.com.my



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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:

Get in touch and speak to our friendly team:

Nor Effendi Othman | +6012 248 2356 | EffendiO@sidc.com.my

Wan Mohd Farid Wan Mohd Kamil | +6012 641 7589 | FaridK@sidc.com.my

+603 6204 8439 / 8274 | Register today at www.sidc.com.my

Nor Asmawar Hamzah | +6017 984 7787 | AsmawarH@sidc.com.my

Hanis Mazelan | +6010 543 7702 | HanisM@sidc.com.my