

CMDP: MODULE 4

EMERGING AND CURRENT REGULATORY ISSUES IN THE CAPITAL MARKET

8 NOVEMBER 2024 | 9.00AM-12.30PM

10
CPE POINTS



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10 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:

- 1) Equip members of the board with knowledge and skills to provide leadership and oversight of the running of the licensed intermediary institutions;
- 2) 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
- 3) 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:
- o Systemic risk, prudential standards, capital adequacy and stress test;
 - o Reputation risks arising from counterparties and/or service vendors/providers;
 - Remuneration driving malpractices;
 - Not adhering to KYC protocols;
 - Conflicts of interest;
 - Churning customer accounts;
 - o Dealing with customer complaints and alternative dispute resolutions;
 - o Use of social media (e.g. Facebook, Tik Tok and Twitter) by market participants and intermediaries to differentiate between advice and guidance;
 - o 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:
- o SC's supervisory objectives and philosophy;
 - o 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
 - o Importance of strong compliance framework and culture of compliance
 - o Core supervisory process;
 - o Spectrum of supervision including risk posed to the intermediaries from the perspective of conduct, microprudential, AML/CFT and systemic issues; and
 - o Common supervisory findings in the areas of
 - Compliance framework and culture;
 - Awareness and understanding of regulatory requirements;
 - Adequacy of resources and controls.
 - o Based on interactive discussions regarding red flags identify indicators of possible market misconduct.
- 12.30 pm End of Programme

SPEAKERS



MOHAMMAD RIDZUAN ABDUL AZIZ

Mohammad Ridzuan Abdul Aziz (Ridzuan) has over 25 years of commercially-driven regulatory, compliance and technology experiences in Asia-Pacific. He is currently the Malaysia Country Director and Head of ASEAN Business for WorldRemit, and on the board of ACS Digital Berhad (An approved Islamic digital bank), AKRU robo-advisory, as well as Dear Time InsureTech.

He is a member of the board advisor for the Fintech Association of Malaysia where among others, focuses on raising Malaysia's unique combined values of mature on-shore fintech eco-system, nimble Labuan mid-shore framework and wealth of depth & breath from Islamic Digital Economy. He was also the Secretary General for the ASEAN Chapter of the Global Impact Fintech Forum, a global thinktank that focuses on Fintech initiatives that has significant impacts with members across 70+ countries and founding member of Faster Community that's consist of MENA fintech founders and leaders.

Ridzuan was an advisor for the Labuan Financial Services Authority (Labuan FSA), and currently an industry advisor with the Asia Pacific University (APU), Taylor's University Business School, and Quest International University (QIU).

In 2013 and 2016, Ridzuan founded regulatory technology advisory firms - RHT Compliance Solutions and CS Tech Solutions Sdn Bhd, respectively. In 2017, Ridzuan was the CEO of Sedania As-Salam Capital Sdn Bhd, a digital-enabling platform for Shariah-compliance personal objective-loan financing.

He was a regulator with the Kuala Lumpur Stock Exchange (1998) during the Asia financial crisis, the Securities Commission ((2001) and then redeployed to a joint task force between the Securities Commission and Bank Negara Malaysia during the formation of the investment bank concept (2002).

Ridzuan graduated from University of Wales, Aberystwyth (1997) with BSc Economics, majoring in Accounting and Finance. He obtained his MBA, specializing in Management Information System from the International Islamic University Malaysia (2006).



PRAMMARAJ JAYARAJ

Prem has been with the SC for the past 14 years, the last 11 of which has been in Supervision. The department carries out supervision functions of regulated entities in the Malaysian Capital Market. His work includes the 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 Prem worked with 2 stockbroking firms in the area of compliance.

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

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