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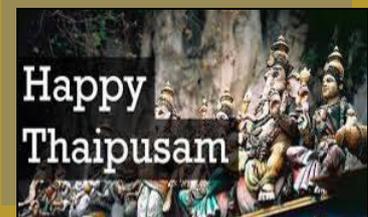
NEW YEAR'S DAY
1 JANUARY 2017



CHINESE NEW YEAR
28 & 29 JANUARY 2017



**FEDERAL TERRITORY
DAY**
1 FEBRUARY 2017



THAIPUSAM
9 FEBRUARY 2017

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This newsletter is of a general nature and is intended to update on compliance related issues as part of MIBA's ongoing training and education objective and to promote effective compliance culture. It should not be viewed as a substitute for professional advice on any subject covered herein.

Message from the Chairman



“The review of regulatory compliance has to be undertaken regularly, to improve compliance practices and identify the areas that the bank’s compliance programmes should cover and how to optimise those compliance needs.”

Dear Readers,

Happy New Year and I take great pleasure in welcoming all of you to 2017.

Firstly, I wish to congratulate the Compliance Officers’ Committee on the success of the Committee’s Annual Conference jointly organised with Bursa Malaysia Berhad, which was well received by participating organizations and attracted more than two hundred participants. I would also like to extend my gratitude to Bursa Malaysia for its generous sponsorship of the event. In addition to hearing firsthand what the industry regulators have to share, I strongly believe that collaborations between investment banks and regulators such as this would further enhance the level of compliance while promoting market integrity and transparency.

Financial institutions today are facing a multitude and increasing levels of onerous compliance requirements by regulatory bodies and

central banks around the world. Therefore, it is important for the review of regulatory compliance to be undertaken regularly, to improve compliance practices and identify the areas that the bank’s compliance programmes should cover and how to optimise those compliance needs. This includes taking a fresh look at existing compliance programmes, to retool and to adopt new procedures and processes designed to ensure that they are compliant with the ever changing laws and regulations.

In moving with the times, BNM has issued the Financial Technology (“FinTech”) Regulatory Sandbox Framework to enable the experimentation of FinTech solution in a live environment, subject to appropriate safeguards and regulatory requirements. This will provide an environment that is conducive for the deployment of financial technology to foster innovations in financial services that can contribute to the growth and development of Malaysia’s financial sector. Meanwhile, the Securities Commission has issued the Guidelines on Management of Cyber Risk by requiring capital market entities to establish and implement effective governance measures to counter cyber risks and to protect investors. This is to ensure that cyber risks are managed in an optimised manner in light of the changing landscape in the market. As such, financial institutions need to ensure that their compliance programmes are able to keep up with the technological changes and product innovations in this digital age.

I would also like to commend the Compliance Officers’ Committee for their continued dedication and tireless efforts in ensuring that Members are kept up-to-date on the latest developments on compliance matters, both at home and abroad, through the quarterly publication of this ‘Compliance Today’ e-newsletter.

On that note, I would like to wish everyone good health, further success and all the best for 2017! Happy New Year!

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Azman Hashim'. The signature is fluid and cursive, written on a light-colored background.

Tan Sri Azman Hashim
Chairman

Local & Global News



Malaysia

BNM: Bank Negara Tightens NDF Trading Rules

Bank Negara Malaysia ("BNM") is taking measures to reinforce existing rules that have been in place to prohibit facilitation of ringgit non-deliverable forward ("NDF"). BNM also stressed that there was no change in the Foreign Exchange Administration ("FEA") rules and there was no introduction of any new measures.

It also advised the public to approach Malaysia licensed banks for all foreign exchange requirements. Foreign fund and asset managers should contact Malaysian licensed banks for advices and execution of any foreign exchange transactions, the central bank said.

"All Malaysian licensed banks will continue to facilitate customers' request for foreign exchange services, subject to compliance to FEA," BNM added. BNM said Malaysia foreign exchange market remained open and it stood ready to provide liquidity if necessary to ensure orderly market.

Source: <http://www.thestar.com.my/>



Malaysia

SC: Collaboration between SC and MIMOS on Big Data Capability in Capital Market

The Securities Commission ("SC") had on 1 December 2016 signed a Memorandum of Understanding ("MoU") with MIMOS to jointly develop a capital market advanced analytics platform.

By collaborating with MIMOS, SC will be able to leverage new technology to process a higher volume of data from a variety of sources beyond the traditional data sets, facilitate the usage of regulatory technology ("RegTech") or technology to enhance regulatory effectiveness, and build Malaysia's Big Data capability in the capital market. In order to further enhance SC's risk assessment, surveillance and supervision capabilities, the regulator has set out to further develop and adopt RegTech solutions to meet the regulatory challenges and deliver on regulatory outcomes.

SC is one of the first among its peers in the ASEAN region to implement and develop advance analytics to aid and complement its regulatory work.

Source: <http://www.sc.com.my/>



Malaysia

SC: Guidelines to Enhance Cyber Resilience of the Capital Market Released

The Securities Commission ("SC") had on 31 October 2016 issued new guidelines to enhance cyber resilience of the capital market by requiring capital market entities to establish and implement effective governance measures to counter cyber risk and protect investors.

The Guidelines on Management of Cyber Risk ("Guidelines") require regulated entities to have in place a risk management framework to minimise cyber threats, implement adequate measures to identify potential vulnerabilities in their operating environment and ensure timely response and recovery in the event of a cyber-breach.

Regulated entities are required to implement adequate physical and systems security arrangements. The involvement of the Board and senior management is important to ensure that the capital market entities put adequate focus on cyber risk issues, determine risk tolerance and priorities, and allocates sufficient resources to cyber risk.

Source: <http://www.sc.com.my/>

Anti-Money Laundering News



MALAYSIA: Businessman Charged with Money-Laundering Involving RM3.1 million

A businessman was charged in the Ampang Sessions Court on 21 October 2016 with six (6) counts of money-laundering involving RM3.1 million. On the first count, Ahmad Hanif Solhi Omar ("Ahmad Hanif"), 35, was charged with using RM270,000, allegedly proceeds obtained from unlawful activities, through a cheque for the purchase of four (4) shop lots at Prima Business Centre and Mukim Cheras in the Ulu Langat district.

He was also charged with three (3) counts of accepting and transferring money, totalling RM747,000, allegedly proceeds obtained from unlawful activities, through cheques belonging to him. Ahmad Hanif was also charged with using RM1.9 million allegedly proceeds obtained from unlawful activities and accepting RM200,000 through money transfer from a current account belonging to Global Ventures Network Sdn Bhd into his account.

The charges were made under Section 4(1)(a) of the Anti-Money-Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, which provides an imprisonment for up to five (5) years, or fine of up to RM5 million, or both, if found guilty.

Source: www.bernama.com.my



MALAYSIA: Three Company Directors Charged with Money Laundering Involving RM10.2 million

Three (3) directors of a book publishing company were charged in two (2) Sessions Courts on 3 November 2016 on eight (8) counts of money laundering amounting to RM10.2 million. Wan Asri Wan Hassan ("Wan Asri"), 44, Mohd Azizi Mahusin ("Mohd Azizi"), 45, and Muhammad Ghazali Abdul Majid ("Muhammad Ghazali"), 40, of Zilerie Global Sdn Bhd, pleaded not guilty when the charge was read out to them separately before Judge Rozilah Salleh and Judge Asmadi Hussin.

MACC had before this arrested the three (3) accused to facilitate investigations into the misappropriation of funds in publication of books worth almost RM15 million in August. Also detained was Bank Rakyat chairman, Tan Sri Abdul Aziz Zainal ("Abdul Aziz") and its managing director Datuk Mustafha Abd Razak ("Mustafha").

On Sept 7, Abdul Aziz and Mustafha were charged in the Kuala Lumpur Sessions Court with criminal breach of trust and abetment respectively, involving RM14,991,283.20.

Source: www.bernama.com.my



MALAYSIA: Businessman, Wife Claim Trial For Money Laundering Involving RM4 million

A businessman and his wife had on 28 October 2016 pleaded not guilty and claimed trial at the Sessions Court to fifteen (15) counts of involvement in money laundering amounting to RM4 million.

Ahmad Shahabudin Talib ("Ahmad Shahabudin"), 36, was charged with ten (10) counts of the alleged offences involving RM3.7 million, while his wife, Ummi Salwanis Harun ("Ummi Salwanis"), 32, was charged with five (5) counts of the alleged offences involving RM300,000.

Ahmad Shahabudin was alleged to have received the money which had been illegally deposited into his company Perniagaan Omega Point's bank account, and also alleged to have used the money to repay his Amanah Saham Bumiputera loan and to purchase a luxury vehicle.

The charges were made under Section 4(1)(a) of the Anti-Money-Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, which provides an imprisonment for up to five (5) years, or fine of up to RM5 million, or both, if found guilty.

Source: www.bernama.com.my

Anti-Money Laundering News



Singapore

SINGAPORE: StanChart and Coutts fined by MAS for Anti-Money Laundering Breaches

Standard Chartered Singapore ("Standard Chartered") and Coutts & Co ("Coutts") were fined S\$5.2 million and S\$2.4 million respectively by the Monetary Authority of Singapore ("MAS") for breaches of anti-money laundering ("AML") requirements that occurred in the context of 1MDB-related fund flows.

MAS revealed significant lapses in Standard Chartered's customer due diligence measures and controls for on-going monitoring which stemmed from inadequacies in policies and procedures, insufficient independent oversight of front office staff, and a lack of awareness of money laundering risks among some bank staff.

With regard to Coutts, MAS found breaches of AML requirements in relation to customer due diligence measures for politically exposed persons ("PEPs") as the result of actions or omissions of certain officers who have since left the bank.

Source: <http://www.channelnewsasia.com/>



Singapore

SINGAPORE: MAS Orders Falcon Bank to Shut, Fines UBS, DBS

Singapore's central bank has shut down a second Swiss bank under investigation for alleged money laundering activities linked to 1MDB.

The Monetary Authority of Singapore ("MAS") said in a statement it had ordered Zurich-based Falcon Private Bank's Singapore branch to cease operating because of "a persistent and severe lack of understanding" of Singapore's money-laundering controls. It also accused Falcon's senior management in Switzerland and Singapore of "improper conduct".

DBS was fined S\$1 million (USD\$728,067) and UBS S\$1.3 million for similar violations. The control lapses observed in DBS and UBS relate to specific bank officers who failed to carry out their duties effectively.

Source: <https://www.theguardian.com/>



World

WORLD: Government Tightens Routes for Trade Based Money Laundering

New Delhi government has tightened an oft-used route for trade-based money laundering. Issuance of remittances or opening of letter of credit in trade will now be done electronically involving the Reserve Bank of India, banks and customs authorities.

The move comes after the Directorate of Intelligence detected a major laundering case in which traders submitted same documents in multiple banks to transfer funds abroad against imports. Under the new system, physical transfer (bill or entry) of data from customs or special economic zones will be collated with import payments data from banks.

Accordingly, transactions where the amount has been remitted abroad but import for matching amount has not been evidenced, can be easily identified and monitored.

Source: <http://economictimes.indiatimes.com/>

Islamic Finance News



World: Sukuk Issuances Expected to Pick Up in 2017 to Meet Financing Needs

World

Sukuk issuances are expected to be flat at around USD\$70 billion for 2016, but are expected to pick up in 2017 as issuers ranging from sovereigns, banks and corporates in the Gulf look to issue to meet their financing needs.

USD\$40bn of sukuk was issued in the first half of the year with the marketing slowing in the summer and the Eid break. From 2012 to 2014, sukuk issuance exceeded more than USD\$100bn a year, with the 2012 figure of around USD\$150bn, representing more than twice the level expected for this 2016.

"Subdued issuance volumes in 2016 were mostly driven by reduced short-term borrowing by the Malaysian government, one of the largest sukuk issuers globally, as well as the drive of the Gulf Cooperation Council ("GCC") governments to tap conventional sources of liquidity, which has reduced the attractiveness of the sukuk format" explains Nitish Bhojnarwala ("Bhojnarwala"), Assistant Vice President — Analyst at Moody's. "However, we expect increased sukuk issuance into 2017 from sovereigns, banks and corporates in the Gulf, as regional financing needs increase amid lower oil prices" he adds.

Kuwait and Saudi Arabia are both seen as potential sukuk issuers in 2016 though are challenged by the relevantly easier issuance of conventional bonds as compared to sukuk. Sovereign sukuk issuances have expanded in Africa where a trio of West African nations, Togo, Ivory Coast and Senegal issued domestically denominated CFA francs sukuk during the summer.

Efforts by government agencies and central banks is driving growth for the Sukuk market as well as the entire Islamic Finance industry, a trend Moody's expects to continue well into the next decade.

Traditionally the size of the Islamic finance industry has been measured as hard assets held by institutions considered being part of the Islamic finance industry. Estimates of the current size of industry range from USD\$1.88 trillion to USD\$2.1 trillion with expectations of market size to be USD\$3.4 trillion by end of 2018. Sukuk represent the second largest segment of the Islamic finance industry (after Islamic Banking). The Bahrain based International Islamic Financial Market ("IIFM") in its 2016 Sukuk Report stated 2015 witnessed a major drop in issuances when only USD60.6 billion Sukuk were issued, a massive forty-three percent (43%) fall compared to 2014.

Source: <http://www.islamicfinance.com/>

Terms of the Month



UJR `ALA WAKALAH

Agency / Nominee fee.

Source: <http://www.bnm.gov.my/>

Ethics & Governance News



Malaysia

SC: Sreesanathan Sued for Insider Trading of Worldwide Shares

The Securities Commission ("SC") had on 20 October 2016 sued Datuk Sreesanathan Eliathamby ("Sreesanathan") for insider trading involving Worldwide Holdings Bhd shares. This was the second time Sreesanathan was charged by the SC.

In 2012, the SC charged him with seven (7) counts of insider trading in the shares of four different stocks, namely Sime Darby Bhd, Maxis Communications Bhd, UEM World Bhd and VADS Bhd. In a statement yesterday, the SC claimed that Sreesanathan had breached Section 89E(2)(a) of the Securities Industry Act 1983 following his acquisition of 600,000 of Worldwide shares between June 7 and September 15 2006, while in possession of material non-public information.

The SC is seeking, among others, a disgorgement of RM1,989,402, which is three (3) times the profits alleged to have been made by Sreesanathan as a result of the breach, a civil penalty of RM1 million and an order to bar him from being appointed as director in any public-listed firm for ten (10) years.

Source: <http://www.sc.com.my/>



Malaysia

SC: Founder of Three-A Resources Berhad and Five Others Charged For Insider Trading Offences

The Securities Commission ("SC") had on 25 October 2016 charged six (6) individuals with insider trading offences under section 188 of the Capital Market and Services Act 2007 ("CMSA").

Fang Chew Ham ("Fang"), 69, the founder and Managing Director of Three-A Resources Berhad ("3A") together with his daughter and 3A Executive Director Fang Siew Yee, 36, were charged for communicating material non-public information to his brother and non-executive Director Fong ("Fong") Chiew Hean. The offence under section 188(3)(a) CMSA was allegedly to have been committed on 5 September 2009.

SC alleged that the material non-public information referred to in the charges relates to the collective venture between the businesses of 3A and Wilmar International Limited ("Wilmar") which later materialised through a 20% private placement of the issued and paid-up share capital of 3A to Wilmar. The said information was announced to Bursa Malaysia on 5 October 2009.

Source: <http://www.sc.com.my/>



Malaysia

SC: Securities Commission Sues Deputy Managing Director Of Stone Master for Wrongful Loss

Securities Commission Malaysia ("SC") recently filed a suit against Datin Chan Chui Mei ("Chan"), Deputy Managing Director, Stone Master Corporation Bhd ("Stone Master") for allegedly causing wrongful loss to the listed corporation. In the claim, SC alleged that Stone Master had entered into several agency agreements with twenty-three (23) foreign companies for the exclusive rights to market and promote in Malaysia and Singapore, products belonging to the foreign companies and paid several local representatives of the 23 foreign companies a sum amounting to RM11.59 million in the form of a non-refundable deposit.

It was alleged that out of the RM11.59 million, a sum of RM11.54 million was subsequently paid by the local representatives to the Chan's personal account, which is in breach of sections 179 and 317A(1) of the Capital Markets and Services Act 2007 ("CMSA").

In the suit, SC is seeking various orders, including an order that the Chan contravened sections 179 and 317A of the CMSA, makes restitution to persons aggrieved by the contravention, pays the SC the said sum of RM11.54 million to be held in trust for Stone Master and be barred from being a Director of a public-listed company for a period of five (5) years. The SC is also seeking a civil penalty for the sum of RM1 million.

Source: <http://www.sc.com.my/>

Ethics & Governance News



US

SEC: Board Member Charged with Insider Trading During and After Board Meeting

The Securities and Exchange Commission ("SEC") had on 21 October 2016 charged a Tennessee-based lawyer who served on the executive committee of the board of directors at Nashville-based Pinnacle Financial Partners with insider trading based on nonpublic information he learned about an impending merger.

The SEC alleges that James C. Cope ("Cope") obtained more than USD\$56,000 in ill-gotten gains by purchasing securities in Pinnacle's acquisition target, Avenue Financial Holdings ("Avenue Financial"), prior to the banks' joint public announcement later that month.

According to the SEC's complaint, Cope learned confidential details about the planned merger during a board executive committee meeting on January 5 2016, and proceeded to place his first order to purchase Avenue Financial stock while that executive committee meeting was still in progress. He allegedly placed four (4) more orders within an hour after the meeting ended.

The U.S. Attorney's Office for the Middle District of Tennessee filed a parallel criminal case against Cope.

Source: <http://www.sec.gov/>



US

SEC: IT Specialist Settles Charges of Insider Trading on Hacked Non-public Information

The Securities and Exchange Commission ("SEC") had on 5 December 2016 announced insider trading charges against a San Francisco-based information technology specialist who allegedly hacked senior executives at online travel company Expedia and illegally traded on company secrets.

The SEC alleges that Jonathan Ly ("Ly"), who worked in Expedia's corporate IT services department, illegally traded in advance of nine (9) company news announcements from 2013 to 2016 and generated nearly USD\$350,000 in profits.

According to the SEC's complaint, Ly exploited administrative access privileges designated for IT personnel to remotely hack into computers and email accounts of senior executives and review confidential documents and pre-earnings reports. Ly allegedly exploited his role as an IT professional by stealing passwords and posing as other users in order to access Expedia's confidential information.

His insider trading scheme continued even after he left Expedia when he secretly kept a company laptop and connected remotely to Expedia's network to steal confidential information.

To settle the charges in the SEC's complaint, Ly agreed to pay disgorgement of USD\$348,515.72 plus interest of USD\$27,391.30 for a total of USD\$375,907.02. The settlement is subject to court approval.

Source: <http://www.sec.gov/>

Ethics & Governance News



US

SEC: Hedge Fund Firm and Supervisor Charged with Failing to Prevent Insider Trading

The Securities and Exchange Commission ("SEC") had on 13 October 2016 announced that a hedge fund advisory firm and a senior research analyst have agreed to settle charges related to their failures to detect insider trading by one of their employees.

The SEC's order finds that San Francisco-based Artis Capital Management ("Artis Capital") failed to maintain adequate policies and procedures to prevent insider trading at the firm. Artis Capital and specifically the employee's supervisor Michael W. Harden ("Harden") failed to respond appropriately to red flags that should have alerted them to the misconduct. The employee, Matthew G. Teeple ("Teeple"), was later charged along with his source David Riley ("Riley") as part of the SEC's broader investigation into expert networks and the trading activities of hedge funds. Teeple and Riley also were charged by criminal authorities and have since received prison sentences.

Artis Capital agreed to settle the SEC's charges by disgorging the illicit trading profits that Teeple generated for the firm totaling USD\$5,165,862, plus interest of USD\$1,129,222 and a penalty of USD\$2,582,931. Harden agreed to pay a USD\$130,000 penalty and is suspended from the securities industry for twelve (12) months.

Artis Capital and Harden consented to the SEC's order without admitting or denying the findings.

Source: <http://www.sec.gov/>



US

SEC: Deutsche Bank Failed to Properly Safeguard Research Information

The Securities and Exchange Commission ("SEC") had on 12 October 2016 announced that Deutsche Bank is fined with a USD\$9.5 million penalty for failing to properly safeguard material non-public information generated by its research analysis. Deutsche Bank also published an improper research report and failed to properly preserve and provide certain electronic records sought by the SEC during its investigation.

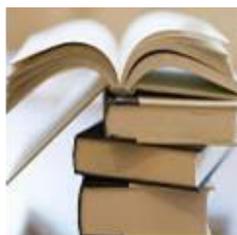
According to the SEC's order, Deutsche Bank encouraged its equity research analysts to communicate frequently with customers as well as its own sales and trading personnel, but lacked adequate policies and procedures to prevent analysts from disclosing yet-to-be-published views and analyses, changes in estimates, and short-term trade recommendations.

The SEC finds that Deutsche Bank has an internal messaging system known as DB Chat where certain involving equity research personnel communications took place and the bank failed for multiple years to properly preserve them in an accessible place.

The SEC's order also finds that Deutsche Bank issued a research report with a "BUY" rating for discount retailer Big Lots that was inconsistent with the personal view of the analyst who prepared and certified it as true despite privately telling others that Big Lots should have been downgraded. The analyst was charged by the SEC earlier this year.

Deutsche Bank consented to the entry of the SEC's order without admitting or denying the findings. In addition to the financial penalty, Deutsche Bank agreed to be censured and must cease and desist from committing or causing violations and any future violations.

Source: <http://www.sec.gov/>



KNOWLEDGE CORNER

Deloitte: Financial Services Regulatory Outlook 2017

Asia Pacific Regulatory Outlook

2016 has been a challenging year for the financial sector, with economic and political uncertainty complicating the completion of the post-crisis regulatory repair agenda. While Asia Pacific has not been as significantly impacted as the EU, UK and US, financial institutions in the region are still faced with moderating economic growth, complex regulation and competition from new technology enabled players. The political events that have occurred elsewhere will also, in time, have an influence in the region, particularly if there is a trend to dismantle efforts aimed at global harmonisation of regulation.

Overall, the prescriptive post-crisis rule making is nearing completion and the period ahead will be one of implementing and embedding these measures, as well as confronting remaining or new frontiers. Deloitte see four (4) major regulatory themes dominating the outlook for Asia Pacific financial services firms during 2017:

Resilience

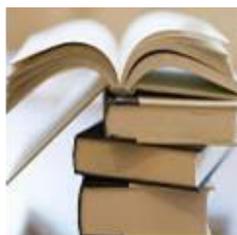
Ensuring the resilience of financial institutions and the financial system has been the focal point of the post-crisis regulatory response. Whilst the Basel Committee on Banking Supervision (BCBS) hopes to finalise "Basel IV" by the end of 2016, global capital standards for insurers continue to be developed and regulators are also investigating the resilience of the asset management industry. Complementing these resilience enhancing requirements are stress testing and recovery and resolution planning. Currently less advanced on the latter than the rest of the world, regulators across Asia Pacific will be working to uplift capabilities and embed frameworks in 2017.

- Building Resilience
Finalising Basel "IV", progressing the Insurance Capital Standard and thinking about asset managers.
- Building Resilience
More intricate and diverse stress testing scenarios.
- Preparing for Failure
Implementing and operationalising recovery and resolution planning.

Governance

Recent examples of governance and conduct failings will mean a sharpened regulatory focus on governance programs in 2017. In particular, it will be important for firms to demonstrate that they have robust enterprise wide governance frameworks in place and that leaders are attending to embedding and monitoring the right culture.

- Frameworks
Robust enterprise wide governance frameworks.
- Culture
Embedding and monitoring the right culture.



KNOWLEDGE CORNER

Deloitte: Financial Services Regulatory Outlook 2017 (*cont'd*)

Supervision

Much of the post crisis rule making is complete. Regulators will be moving beyond a focus on compliance with explicit rules to enhancing supervision. A more active and forward looking approach to supervision will be adopted, involving continual engagement and challenge and requests for more granular data on risk management.

- Increasing intensity
Continuous and dynamic interaction.
- Data driven
More data on a greater variety of matters.

Technology

Technology will continue to be top of mind for firms and regulators. The impact of innovative technologies is seen as both an enabler and a potential threat, although the balance of thinking is in favour of active support. As well as nurturing financial technology ("FinTech"), regulatory technology ("RegTech") solutions will be further investigated during 2017. And all this innovation means financial services is more and more becoming a data driven digital industry, amplifying the importance of building cyber resilience.

- Managing disruption
Harnessing opportunities and managing risks.
- Exploring RegTech
Recruiting innovation to power better regulatory and compliance outcomes.
- Building cyber resilience
Boosting cyber resilience capabilities.

As with preceding years, the 2017 regulatory agenda remains complex and full for firms operating in Asia Pacific. Recent political developments outside the region will add a layer of uncertainty but will not change the importance of each of the themes explored in this year's outlook.

Source: <https://www2.deloitte.com/>

REGULATORY ALERT

Circulars/Guidelines				
	04.10.16	PDS/FH/KOH/SNZ-ay/037-16 2016 FIMM Annual Convention	<ol style="list-style-type: none"> 1. This Circular notifies Members and Registered Persons of the 2016 FIMM Annual Convention ("Convention"), which will be held on Thursday, 20 October 2016. 2. The Circular indicates a special invitation for Chief Executive Officers (CEOs) to attend the Convention and networking luncheon, compliments of FIMM. In this regard, attendance is to be confirmed by completing and returning the Reply Slip (Appendix 3 of the Circular) to FIMM by Monday, 17 October 2016. 3. For complete details, please refer to the Circular and the following:- <ol style="list-style-type: none"> a. Appendix 1 : 2016 FIMM Annual Convention Program; b. Appendix 2 : 2016 FIMM Annual Convention Registration Form; and c. Appendix 3 : Reply Slip - CEOs 	Effective: -
	05.10.16	Reporting Guidelines: Retail Ringgit-denominated (NID) and Islamic Negotiable Instruments (INI) Programme	<ol style="list-style-type: none"> 1. BNM has issued the following for purposes of statistical reporting: <ol style="list-style-type: none"> a. Reporting Guidelines: Retail Ringgit-denominated (NID) and Islamic Negotiable Instruments (INI) Programme ("Reporting Guidelines"); and b. e-Survey User Manual for Retail NID and INI Data Version 1.0 ("eSurvey Manual"). 2. The e-Survey Manual provides instructions for submission of statistical data for retail NIDs and INIs via BNM's E-Survey Portal. 3. For complete details, please refer to the Reporting Guidelines and eSurvey Manual.. 	Effective: 15.10.16
	05.10.16	Clearing Circular: 27/2016 Approved Issuing and Advising Banks for Letters of Credit	<ol style="list-style-type: none"> 1. Bursa Clearing (D) has issued an updated list of Approved Issuing and Advising Banks for Letters of Credit (LCs) (Appendix 5 of the Clearing Participants' Operations Manual), with immediate effect. 2. For full details, please refer to the Circular. 	Effective: Immediate
	10.10.16	BNM/RH/SUR 029-2 Reporting Requirements: Domestic Systemically Important Banks (D-SIBs) Framework Survey	<ol style="list-style-type: none"> 1. BNM is developing a Policy Framework on D-SIBs and has initiated this Survey for the purpose of collecting data, which will facilitate BNM in making the necessary refinements to the D-SIBs Policy Framework prior to its formal implementation. 2. Financial institutions (FIs) must submit Requested Data (as defined by the Survey) at the consolidated level, in accordance with the Malaysian Financial Reporting Standards (MFRS). This includes the consolidation of all financial and non-financial subsidiaries, except insurance/ takaful subsidiaries. 3. D-SIBs Framework Survey and its appendices: <ol style="list-style-type: none"> a. Appendix I – Reporting Template; b. Appendix II - e-SURVEY User Manual for Domestic Systemically Important Banks Framework Survey; and c. Appendix III - Cross Jurisdictional Claims/Liabilities. 	Effective: 31.10.2016
	10.10.16	Clearing Circular: 28/2016 Approved Issuing and Advising Banks for Letters of Credit	<ol style="list-style-type: none"> 1. Effective from 10 October 2016, Bursa Clearing (D) will accept Standby Letter of Credit and Standby Letter of Credit (Pass-Through) denominated in Renminbi (RMB) as collateral for margin requirements in addition to the RM and USD currency. 2. For full details, please refer to the Circular and Annexure 1 of the same. 	Effective: 10.10.2016

REGULATORY ALERT

Circulars/Guidelines				
 Bursa	12.10.16	<p>Consultation on the:</p> <ol style="list-style-type: none"> 1. Proposed Amendments to the Rules of Bursa Malaysia Securities Bhd ("Rules of Bursa Securities") for the Revision of the Uptick Rule; and 2. Proposed Amendments to the Rules of Bursa Malaysia Securities Clearing Sdn Bhd ("Rules of Bursa Clearing (S)") in relation to Expansion of the Purposes of Securities Borrowing under the Securities Borrowing and Lending - Negotiated Transactions ("SBL-NT") Framework to Facilitate the Settlement of Potential Failed Trades. 	<ol style="list-style-type: none"> 1. <u>Proposed Revision of the Uptick Rule</u> <ol style="list-style-type: none"> a. Bursa Securities proposes to revise the Uptick Rule to allow an RSS order to be entered at a price at or above the best current ask price, instead of a price higher than the last done price; b. Pursuant to the proposed revision of the Uptick Rule, Bursa Securities proposes to amend Rule 8.26(1)(c) of the Rules of Bursa Securities, by removing specific details on the uptick rule and stating that the order price of Approved Securities entered into the ATS 'must be in compliance with all requirements as may be prescribed by the Exchange'. Such requirements are proposed to be set out in the Participating Organisations' Trading Manual. 2. <u>SBL-NT Failed Trade Proposal</u> <ol style="list-style-type: none"> a. Bursa Clearing (S) is proposing an expansion of the purposes of securities borrowing under the SBL-NT framework to facilitate the settlement of potential failed trades as a result of mistakes made in good faith ("SBL-NT failed trade proposal"). b. Pursuant to the SBL-NT failed trade proposal, Bursa Clearing (S) proposes to amend the Rules of Bursa Clearing (S), by inserting a provision similar to Rule 7.6(a)(ii) of the same as the new Rule 8.5(a)(ii). The Rules of Bursa Clearing (S) will require that the Approved SBLNT Borrower is to return the relevant Loaned Securities within the time frame prescribed by Bursa Clearing (S), and the same will be prescribed in the relevant SBL-NT operational procedures. 3. For complete details, please refer to the Consultation and Annexures 1 – 3 of the same. 	<p>Consultation Ends: 01.11.16</p>
 SC	12.10.16	<p>Consultation Paper No. 4/2016 Public Consultation Paper: Proposed Regulatory Framework for Trustees and Custodians Under Section 76A of CMSA 2007</p>	<ol style="list-style-type: none"> 1. The SC has issued this Consultation Paper (CP) to obtain views and feedback on its proposed regulatory framework for trustees and custodians, as a capital market service provider under Section 76A of CMSA 2007. 2. Regulatory framework for persons providing trustee or custodial services in Malaysia: <ol style="list-style-type: none"> a. Part I: Registration Framework b. Part II: Roles and Responsibilities of Board of Directors (Board) and Key Personnel 3. For complete details, please refer to the Consultation Paper. 	<p>Consultation Ends: 12.11.16</p>

REGULATORY ALERT

Circulars/Guidelines				
 Bursa	17.10.16	<p>Trading Participants' Circular: 18/2016 Amendments to the Rules of Bursa Malaysia Derivatives Bhd in relation to the Introduction of the Tin Futures ("FTIN") Contract</p>	<ol style="list-style-type: none"> 1. Bursa Derivatives is introducing the Tin Futures ("FTIN") Contract in order to widen its commodity derivatives product offerings. The FTIN Contract is a USD-denominated cash settled contract. 2. All rules, directives or circulars in force which make references to or contain provisions relating to the above matters will have effect from 31 October 2016 as if such reference or provisions relate to the amended provisions. 3. For complete details, please refer to the Trading Participants' Circular and its Annexures:- <ol style="list-style-type: none"> a. Annexure 1: Detailed amendments to the Rules of Bursa Derivatives in relation to the contract specifications of the FTIN Contract; b. Annexure 2: New Appendix I of the Rules of Bursa Derivatives; c. Annexure 3: Updated version of the Bursa Derivatives Trading Manual, Version 3.1; d. Annexure 4: Amended Directive No. 301.12-001; and e. Annexure 5: Amended Directive No. 613-001. 	Effective: 31.10.16
 BNM	18.10.16	<p>BNM/RH/PD 030-1 Financial Technology Regulatory Sandbox Framework</p>	<ol style="list-style-type: none"> 1. Further to the Discussion Paper on Regulatory Sandbox issued on 29 July 2016, BNM has introduced the Financial Technology Regulatory Sandbox Framework ("Framework") to enable the deployment of fintech innovations in a sandbox (a live, contained environment in which participants may test their product, service or solution subject to the requirements under the Framework). 2. For complete details, please refer to the Financial Technology Regulatory Sandbox Framework and its Appendices: <ol style="list-style-type: none"> a. Appendix I – Application form b. Appendix II – Application process flowchart 	Effective: 18.10.16
 Bursa	18.10.16	<p>Participating Organisations Circular: R/R 7 of 2016 Amendments to Directive 5.05-001 in relation to the Participating Organisations' IT Security Standards and Disaster Recovery Site Standards</p>	<ol style="list-style-type: none"> 1. Bursa Securities has amended Directive 5.05-001 of the Rules of Bursa Securities and its appendices, namely the: <ol style="list-style-type: none"> a. Participating Organisations' IT Security Code – Baseline Procedures ("PO IT Security Code"); and b. Participating Organisations' Disaster Recovery Site Code ("PODRS Code"). 2. Appendix 6C of the Clearing Participants' Manual containing the list of foreign currency settlement bank has been updated pursuant to the above. 3. For complete details, please refer to the Participating Organisations' Circular. 	Effective: 03.01.17
 Bursa	18.10.16	<p>Trading Participants' Circular: 19/2016 Directive on the Trading Participants' IT Security Standards</p>	<ol style="list-style-type: none"> 1. This Circular refers to the Trading Participant Information Technology Security Code – Baselines Procedures ("TP IT Security Code") issued vide Trading Participant Circular No. 14/2008. 2. Bursa Derivatives has amended and re-issued the TP IT Security Code as Directive No. 601.2B-001 (Directive on the Trading Participants' IT Security Standards). 3. The TP IT Security Code was amended for compliance with international information security standards, specifically the best practices under the ISO 27001 standard and to reflect a principles-based approach, where appropriate. 4. For complete details, please refer to the Trading Participants' Circular and its Annexure 1 of the same. 	Effective: 03.01.17

REGULATORY ALERT

Circulars/Guidelines				
 Bursa	18.10.16	<p>Clearing Circular: 29/2016 Revised Clearing Participants' Manual and Fee Waiver in relation to the Launch of Tin Futures Contract ("FTIN")</p>	<ol style="list-style-type: none"> Bursa Clearing (D) has issued a revised Clearing Participants' Manual ("Manual") in relation to the launch of the FTIN. In conjunction with the launch of the FTIN, Bursa Clearing (D) will be waiving trading and clearing fees for FTIN for a period of 6 months beginning 31 October 2016 until 28 April 2017. For complete details, please refer to the Clearing Circular and revised manual within. 	Effective: -
 FIMM	21.10.16	<p>BR/AL/FH/TLK-af/039-16 Payments of:</p> <ol style="list-style-type: none"> Annual Membership Subscription Fee (AMSF) or Annual Fee of Members, Institutional Unit Trust Schemes Advisers (IUTAs) or Corporate Unit Trust Schemes Advisers (CUTAs) for the Year 2017; and Annual Fee for Unit Trust Schemes (UTS) Consultants for the Year 2017. 	<ol style="list-style-type: none"> This Circular notifies Members of the requirements and deadlines stipulated by FIMM regarding payment of annual fees and annual membership fees for 2017, in relation to unit trust schemes (UTS). The Circular also stipulates obligations of Members in respect of submission of Asset under Management (AUM) / total gross sales and renewal of registration of UTS Consultants for the year 2017, per its Appendix 1. For complete details, please refer to the Participating Organisations' Circular. 	Effective: -
 FIMM	21.10.16	<p>BR(PRS)/AL/FH/TLK-af/040-16 Payments of:</p> <ol style="list-style-type: none"> Annual Fee of Private Retirement Scheme (PRS) Providers, Institutional PRS Advisers (IPRA) or Corporate PRS Advisers (CPRA) for the Year 2017; and Annual Fee for Private Retirement Scheme (PRS) Consultants for the Year 2017. 	<ol style="list-style-type: none"> This Circular notifies Members of the requirements and deadlines provided by FIMM regarding payment of annual fees for 2017, in relation to private retirement schemes (PRS). The Circular also stipulates obligations of Members in respect of submission of Asset under Management (AUM) / total gross sales and renewal of registration of PRS Consultants for the year 2017, per its Appendix 1. For complete details, please refer to the Participating Organisations' Circular. 	Effective: -
 Bursa	24.10.16	<p>Clearing Circular: 30/2016 Change in Performance Bond / Margin Rate</p>	<ol style="list-style-type: none"> This Circular informs Clearing Participants that a new TIN Combined Commodity will be introduced in conjunction with the launch of Bursa Derivatives' Tin Futures Contract ("FTIN"). Please refer to the Circular for the rates which will be effective from the close of business on Monday, 31 October 2016 until further notice. 	Effective: 31.10.16
 BNM	25.10.16	<p>BNM/RH/CP 028-22 and 200-10/1/0002690 Consultative Paper: Guidelines on Business Continuity Management (BCM) for Participants of MyClear's Services ("BCM Guidelines")</p>	<ol style="list-style-type: none"> MyClear has issued and seeks feedback on the proposed BCM Guidelines, which outlines requirements on the formulation, implementation, testing and maintenance of Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) by Participants of MyClear's services. For complete details, please refer to the following: <ol style="list-style-type: none"> BNM Notification (BNM/RH/CP 028-22); and Consultative Paper: Guidelines on Business Continuity Management (BCM) for Participants of MyClear's Services 	Consultation Ends: 12.11.16

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Circulars/Guidelines										
 Bursa	25.10.16	Circular No. ADA/DOD/016/2016 Counter Notification	Bursa Securities has prescribed the following counter which is proposed to be listed on the Main Market of its Official List ("Prescribed Securities"), to be deposited with Bursa Depository. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e1f5fe;"> <th style="text-align: center;">Counter</th> <th style="text-align: center;">Listing Board</th> <th style="text-align: center;">Prescribed Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">MINTYE Berhad (5886)</td> <td style="text-align: center;">Main Market</td> <td style="text-align: center;">26.10.2016 to 28.11.2016</td> </tr> </tbody> </table>	Counter	Listing Board	Prescribed Period	MINTYE Berhad (5886)	Main Market	26.10.2016 to 28.11.2016	Effective: -
Counter	Listing Board	Prescribed Period								
MINTYE Berhad (5886)	Main Market	26.10.2016 to 28.11.2016								
 Bursa	27.10.16	Circular No. ADA/DOD/017/2016 Counter Notification	Bursa Securities has prescribed the following counter which is proposed to be listed on the Main Market of its Official List ("Prescribed Securities"), to be deposited with Bursa Depository. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e1f5fe;"> <th style="text-align: center;">Counter</th> <th style="text-align: center;">Listing Board</th> <th style="text-align: center;">Prescribed Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Kenanga Investment Bank Berhad (6483)</td> <td style="text-align: center;">Main Market</td> <td style="text-align: center;">28.10.2016 to 28.11.2016</td> </tr> </tbody> </table>	Counter	Listing Board	Prescribed Period	Kenanga Investment Bank Berhad (6483)	Main Market	28.10.2016 to 28.11.2016	Effective: -
Counter	Listing Board	Prescribed Period								
Kenanga Investment Bank Berhad (6483)	Main Market	28.10.2016 to 28.11.2016								
 BNM	31.10.16	BNM/RH/ED 029- Exposure Draft: Code of Conduct for Malaysia Wholesale Financial Markets	<ol style="list-style-type: none"> BNM has issued and seeks feedback on the Exposure Draft (ED) on the Code of Conduct for Malaysia Wholesale Financial Markets. <u>Feedback Sought</u> General comments, including suggestions for particular issues/areas to be clarified/elaborated and alternative proposals that BNM should consider. Each comment is to be supported with clear rationale, accompanying evidence or illustration, as appropriate. For complete details, please refer to the Exposure Draft. 	Consultation Ends: 30.11.16						
 SC	31.10.16	SC-GL/2-2016 Guidelines on Management of Cyber Risk	<ol style="list-style-type: none"> Further to the consultation on the Proposed Regulatory Framework on Cyber Security Resilience on 21 March 2016, the SC has issued Guidelines on Management of Cyber Risk ("Guidelines"). The Guidelines set out: <ol style="list-style-type: none"> Roles and responsibilities of the board of directors and management in the oversight and management of cyber risk; Cyber risk policies and procedures; Requirements on measures to manage cyber risk; and Reporting requirements to the SC. For complete details, please refer to the Guidelines and SC's Public Response Paper on the Regulatory Framework for Cyber Security Resilience. 	Effective: 31.10.16						
 Bursa	01.11.16	Clearing Circular: 31/2016 Haircut Rates for Approved Foreign Currencies (FCs) & Letters of Credit (LCs) as Collateral	<ol style="list-style-type: none"> This Circular informs Clearing Participants of Bursa Clearing (D) of the haircut rates for Approved Foreign Currencies and Letters of Credit as Collateral (where applicable) for RM and USD margin obligations. For complete details, please refer to the Clearing Circular. 	Effective: 02.11.16						
 Bursa	04.11.16	Circular No: Bursa/PO IT 3 of 2016 IT Circular: Additional New Entitlement Type for Dividend Re-Investment Plan ("DRIP")	<ol style="list-style-type: none"> This circular requires the Participating Organisations (POs) to perform External User Acceptance Test (EUAT) on their respective order management system. Tentatively scheduled: 14 November to 18 November 2016. For complete details, please refer to the IT Circular. 	Effective: 10.11.16						

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Circulars/Guidelines				
 Bursa	08.11.16	<p>Public Consultation No.3/2016: Proposed Rules Governing the Listing, Trading and Depository Framework of Bursa Malaysia Securities Berhad's (New) Market</p>	<ol style="list-style-type: none"> 1. BNM has issued and seeks feedback on the Discussion Paper (DP), which amongst others, has the purpose of consulting Islamic financial institutions (IFIs) on the policies considered in BNM's review of the Shariah Governance Framework for Islamic Financial Institutions ("SGF"). 2. <u>Feedback Sought</u> The CP seeks feedback on the proposed: <ol style="list-style-type: none"> a. (New) Market Listing Requirements; b. Amendments to the Rules of Bursa Malaysia Securities Berhad; and c. Amendments to the Rules of Bursa Malaysia Depository Sdn Bhd. 3. For complete details, please refer to the CP and Depository Framework of Bursa Malaysia's (New) Market. 	Consultation Ends: 30.11.16
 BNM	15.11.16	<p>BNM/RH/DP 028-3 Discussion Paper (DP) : Shariah Governance - Changing Mindset & Enhancing Implementation Effectiveness</p>	<ol style="list-style-type: none"> 1. BNM plans to introduce a regulatory sandbox (Sandbox) framework, under which financial institutions and fintech companies may be granted certain regulatory flexibilities to experiment with fintech solutions in a production or live environment. 2. BNM will issue a Concept Paper (CP) outlining the regulatory changes to Shariah governance requirements for Islamic banks and takaful operators in the coming months. 3. IFIs are to ensure that the Board and Shariah Committee (SC) are duly apprised of this DP as BNM may engage members of the Board or SC collectively or individually to discuss recommendations outlined in the DP. 4. For complete details, please refer to the Discussion Paper. 	Consultation Ends: 15.12.16
 Bursa	15.11.16	<p>Participating Organisations Circular: R/R 8 of 2016 Amendments to Directive 5-001 (Directives on Conduct of Business) in relation to the Notification of Insurance Policy</p>	<ol style="list-style-type: none"> 1. Bursa Securities is simplifying the notification required under Rule 5.19(3) of the Rules of Bursa Securities in respect of a Participating Organisation (PO)'s insurance policy. 2. For complete details, please refer to the Circular and Annexure 1 of the same. 	Effective: 15.11.16
 Bursa	15.11.16	<p>Clearing Circular: 32/2016 Export Duty Applicable for Crude Palm Oil (CPO) Delivery into Free Commercial Zone (FCZ)</p>	<ol style="list-style-type: none"> 1. CPO delivery into Port Tank Installations ("PTI") located within the FCZ is subjected to export duty imposed by the Royal Malaysian Customs. 2. The CP seeks feedback on the proposed: <ol style="list-style-type: none"> a. (New) Market Listing Requirements; b. Amendments to the Rules of Bursa Malaysia Securities Berhad; and 3. For complete details, please refer to the Circular. 	Effective: -
 Bursa	18.11.16	<p>Trading Participant Circular: 20/2016 Amendments to the Rules of Bursa Malaysia Derivatives Berhad in relation to the Exchange Rate of USD/MYR used for Conversion of LBMA GOLD PRICE AM to Ringgit Malaysia</p>	<ol style="list-style-type: none"> 1. Bursa Derivatives has revised the contract specifications for the FGLD (Gold Futures Contract) in view of the fact that the closing rate for USD/MYR is no longer published on the Bank Negara Malaysia (BNM) website. 2. For complete details, please refer to the Trading Participants' Circular. 	Effective: 30.11.16

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Circulars/Guidelines				
	21.11.16	BR/AL/FH-tlk/031-16 Requirement of at Least Two (2) Consultants at Each Distribution Point Including Mobile Distribution Point	<ol style="list-style-type: none"> 1. Pursuant to FIMM's Consolidated Rules, it is a requirement for Distributors to have at least two (2) UTS and/or PRS Consultants at each of its distribution point including mobile distribution points. 2. In the event the number of Consultants falls below the minimum requirement of 2, the distribution point has to cease its marketing and distribution of UTS and/or PRS activities. 3. It was brought to FIMM's attention that banks with branches located in remote areas are having difficulty fulfilling the above requirement. 4. For complete details, please refer to the Circular. 	Effective: -
	24.11.16	List of Shariah-Compliant Securities by the Shariah Advisory Council of the Securities Commission Malaysia ("List")	<ol style="list-style-type: none"> 1. The Shariah Advisory Council ("SAC") of the SC has approved an updated list of securities classified as Shariah-compliant securities. 2. The List supersedes the 'List of Shariah-Compliant Securities by the Shariah Advisory Council of the Securities Commission Malaysia' issued on 26 May 2016. 3. For complete details, please refer to the List of Shariah-Compliant Securities. 	Effective: 25.11.16
	28.11.16	Participating Organisations' Circular: R/R 9 of 2016 Amendments to the Rules of Bursa Malaysia Securities Bhd ("Rules of Bursa Securities") in relation to Reimbursement of Costs from Participants arising from Inspections, Investigations and Enforcement Proceedings	<ol style="list-style-type: none"> 1. The Rules of Bursa Securities have been amended to remove provisions that are regarded as unnecessary, as follows: <ol style="list-style-type: none"> a. removal of provisions in relation to reimbursement of costs from participants arising from inspections, investigations and enforcement proceedings; and b. removal of provisions requiring participants to provide an audit report by an independent auditor. 2. For complete details, please refer to the Participating Organisations' Circular. 	Effective: 28.11.16
	28.11.16	Clearing Participants' Circulars: G4/2016 and SBL 5/2016 Amendments to the Rules of Bursa Malaysia Securities Clearing Sdn Bhd ("Rules of Bursa Clearing (S)") in relation to Reimbursement of Costs from Participants arising from Inspections, Investigations and Enforcement Proceedings	<ol style="list-style-type: none"> 1. The Rules of Bursa Securities have been amended to remove provisions that are regarded as unnecessary, as follows: <ol style="list-style-type: none"> a. removal of provisions in relation to reimbursement of costs from participants arising from inspections, investigations and enforcement proceedings; and b. removal of provisions requiring participants to provide an audit report by an independent auditor. 2. For complete details, please refer to the Clearing Participants Circulars and Annexure 1 of the same. 	Effective: 28.11.16
	28.11.16	Participating Organisations IT Circular 4/2016 Bursa Malaysia Infrastructure Services Standards ("BMISS")	<ol style="list-style-type: none"> 1. The Circular informs Participating Organisations (POs) that: <ol style="list-style-type: none"> a. Malaysia has improved the requirements and updated the standards of its infrastructure to ensure minimum or no interruption to Bursa's systems in terms of reliability, availability and serviceability; b. POs are requested to comply with the standards set out in the BMISS; and c. The BMISS describes three (3) types of network access that can be subscribed by clients for exchange trading and post trading services. 2. For complete details on the above types of network access, kindly refer to the PO IT Circular. 	Effective: -

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Circulars/Guidelines										
 Bursa	28.11.16	<p>Clearing Circular: 33/2016 Amendments to the Rules of Bursa Malaysia Derivatives Clearing Bhd ("Rules of Bursa Clearing (D)") in relation to Reimbursement of Costs from Participants arising from Inspections, Investigations and Enforcement Proceedings</p>	<ol style="list-style-type: none"> The Rules of Bursa Clearing (D) have been amended to remove provisions that are regarded as unnecessary, as follows: <ol style="list-style-type: none"> removal of provisions in relation to reimbursement of costs from participants arising from inspections, investigations and enforcement proceedings; and removal of provisions requiring participants to provide an audit report by an independent auditor. For complete details, please refer to the Clearing Circular and Annexure 1 of the same. 	Effective: 28.11.16						
 Bursa	28.11.16	<p>Circular No: ADA/RPA/18/2016 Amendments to the Rules of Bursa Malaysia Depository Sdn Bhd ("Rules of Bursa Malaysia Depository") in relation to Reimbursement of Costs from Participants arising from Inspections, Investigations and Enforcement Proceedings</p>	<ol style="list-style-type: none"> The Rules of Bursa Depository have been amended to remove provisions that are regarded as unnecessary, as follows: <ol style="list-style-type: none"> removal of provisions in relation to reimbursement of costs from participants arising from inspections, investigations and enforcement proceedings; and removal of provisions requiring participants to provide an audit report by an independent auditor. For complete details, please refer to the Circular and Annexure 1 of the same. 	Effective: 28.11.16						
 Bursa	29.11.16	<p>Circular No: ADA/DOD/019/2016 Counter Notification</p>	<p>Bursa Securities has prescribed the following counter which is proposed to be listed on the Main Market of its Official List ("Prescribed Securities"), to be deposited with Bursa Depository.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #e1f5fe;"> <th style="text-align: center;">Counter</th> <th style="text-align: center;">Listing Board</th> <th style="text-align: center;">Prescribed Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">RHONE MA Holdings Berhad (5278)</td> <td style="text-align: center;">Main Market</td> <td style="text-align: center;">30.11.2016 to 30.12.2016</td> </tr> </tbody> </table>	Counter	Listing Board	Prescribed Period	RHONE MA Holdings Berhad (5278)	Main Market	30.11.2016 to 30.12.2016	Effective: -
Counter	Listing Board	Prescribed Period								
RHONE MA Holdings Berhad (5278)	Main Market	30.11.2016 to 30.12.2016								
 Bursa	30.11.16	<p>Clearing Circular: 34/2016 Retail Transaction Incentive Program</p>	<ol style="list-style-type: none"> Bursa Malaysia Derivatives Berhad ("Bursa Derivatives") is introducing the Retail Transaction Incentive Program ("RTIP") to increase trading participation in the retail segment of the Malaysian derivatives market, with effect from 1 December 2016. For complete details, please refer to the Circular and the following: <ol style="list-style-type: none"> Appendix 1 of the Circular : RTIP Application Form, detailing the Terms and Conditions as well as incentives under the RTIP; and Appendix 2 of the Circular: RTIP Application Procedures. 	Effective: 01.12.16						
 Bursa	01.12.16	<p>FTSE Bursa Malaysia Index Series Semi-Annual Review December 2016</p>	<ol style="list-style-type: none"> Bursa Malaysia and FTSE Group have conducted the semi-annual review of the FTSE Bursa Malaysia Index Series, and announced changes to the relevant indices, i.e.:- <ol style="list-style-type: none"> FTSE Bursa Malaysia KLCI; FTSE Bursa Malaysia Mid 70 Index; and FTSE Bursa Malaysia Hijrah Shariah Index. Changes to the constituents of the above indices take effect at the start of business on 19 December 2016. For complete details, please refer to Bursa Malaysia's Announcement dated 1 December 2016. 	Effective: 19.12.16						

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Circulars/Guidelines				
	01.12.16	RTA/AL/KOH-jw-wnb/049-16 Unit Trust Funds Approved under the EPF Members Investment Scheme ("EPF Approved Funds 2016-2017")	<ol style="list-style-type: none"> 1. This Circular announces the EPF Approved Funds for 2016-2017. 2. For complete details, please refer to the Circular. 	Effective: -
	01.12.16	Exposure Draft: <ol style="list-style-type: none"> 1. The Chartered Institute of Islamic Financial Professionals ("CIIF") Code of Ethics; and 2. The CIIF Standards of Professional Conduct 	<ol style="list-style-type: none"> 1. The CIIF has issued and seeks feedback on the Exposure Draft (ED), which aims to advocate the highest degree of professionalism and ethical conduct through the issuance of the CIIF Code of Ethics ("the Code") and CIIF Standards of Professional Conduct ("the Standard") for its members, who are primarily Islamic finance practitioners. 2. The CIIF seeks feedback/comments (including suggestions for particular areas to be clarified or elaborated) to the Exposure Draft. 3. For complete details, please refer to the Exposure Draft. 	Effective: -
	07.12.16	SC-GL/AML-2014 (R1-2016) Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries	<ol style="list-style-type: none"> 1. The SC has revised and re-issued the Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries ("Guidelines"). 2. For complete details, please refer to the Summary of Amendments and Introduction of New Obligations to the Guidelines and the revised Guidelines. 	Effective: 07.12.16
	20.12.16	BNM/RH/PD 028-37 Guidelines on Business Continuity Management (BCM) for Participants of MyClear's Services ("Guidelines")	<ol style="list-style-type: none"> 1. MyClear has issued the Guidelines, which outlines requirements on the formulation, implementation, testing and maintenance of Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) by MyClear's Participants. 2. For complete details, please refer to the Guidelines. 	Effective: 01.01.17
	23.12.16	Participating Organisations' Circular G 017 of 2016 Fee Incentive Scheme For Issuance Of Structured Warrants	<ol style="list-style-type: none"> 1. Bursa Malaysia will grant a waiver on the initial listing fee only - for the issuance of structured warrants (SW) based on local and foreign underlying financial instruments, as provided in the Circular. 2. Participating Organisations are to refer to Participating Organisations' Circular: G 008 of 2016 for the fee incentive scheme for the issuance of SW based on foreign index underlying. 3. For complete details, please refer to the Circular. 	Effective: 01.01.17 – 31.12.19
	23.12.16	SC-GL/3-2016 Guidelines on Tax Exemption for Wholesale Money Market Funds	<ol style="list-style-type: none"> 1. Paragraph 35A, Schedule 6 of the Income Tax Act 1967 provides that income of a wholesale money market fund in respect of interest derived from Malaysia and paid or credited by – <ol style="list-style-type: none"> a. a bank licensed under the Financial Services Act 2013; b. an Islamic bank licensed under the Islamic Financial Services Act 2013; or c. a development financial institution prescribed under the Development Financial Institutions Act 2002; is exempted from tax provided that it complies with the criteria set out by the SC. 2. A wholesale money market fund must obtain a certification from the SC that it has complied with such criteria, for purposes of the above tax exemption. 3. For complete details, please refer to the Guidelines. 	Effective: 23.12.16

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Circulars/Guidelines										
 Bursa	28.12.16	Clearing Circular: 37/2016 Reduction on Guarantee Fee	<ol style="list-style-type: none"> 1. Bursa Clearing (D) will be reducing the guarantee fee rate from 0.50% to 0.30, with effect from 3 January 2017. 2. Clearing Participants with any queries may contact Clearing & Settlement Operations, Bursa Clearing (D). 3. For complete details, please refer to the Circular. 	Effective: 03.01.17						
 Bursa	29.12.16	Circular No: ADA/DOD/024/2016 Counter Notification	Bursa Securities has prescribed the following counter which is proposed to be listed on the ACE Market of its Official List ("Prescribed Securities"), to be deposited with Bursa Depository. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Counter</th> <th>Listing Board</th> <th>Prescribed Period</th> </tr> </thead> <tbody> <tr> <td>GFM Services Berhad (0039)</td> <td>ACE Market</td> <td>30.12.2016 to 31.01.2017</td> </tr> </tbody> </table>	Counter	Listing Board	Prescribed Period	GFM Services Berhad (0039)	ACE Market	30.12.2016 to 31.01.2017	Effective: -
Counter	Listing Board	Prescribed Period								
GFM Services Berhad (0039)	ACE Market	30.12.2016 to 31.01.2017								



PROPOSED POLICY DOCUMENT ON CODE OF CONDUCT FOR MALAYSIA WHOLESALE FINANCIAL MARKETS



What is the purpose of the issuance the policy requirements on code of conduct for Malaysia wholesale financial markets?

Bank Negara Malaysia ("BNM") had on 31 October 2016 issued an Exposure Draft ("ED") for a proposed policy document on Code of Conduct for Malaysia Wholesale Financial Markets to uphold professionalism and integrity in the financial markets. The purpose of this is to invite comments on same. The proposed policy document will supersede the Malaysian Code of Conduct for Principals and Brokers Wholesale Money and Foreign Exchange Markets issued by the BNM in 1994.

The ED sets out:

- (a) eligibility requirements for dealers and brokers of interbank institutions and money-broking companies;
- (b) role of industry associations in preserving market order and stability; and
- (c) market conduct and internal control requirements to safeguard professionalism and integrity of the wholesale financial markets.

BNM underwent a one-month period of gathering feedback from industry players before being finalised and launched early 2017.



What are the 'requirements' in accordance to the legal provisions of the ED? Are there other eligibility requirements for others apart from those applicable to the institutions referred in the ED as well?

The requirements in this ED are specified pursuant to sections 47, 140 and 143 of the Financial Services Act 2013 ("FSA") and sections 57, 152 and 155 of the Islamic Financial Services Act 2013 ("IFSA"). The guidance for paragraphs 11.2, 12.2 and 13.2 in this policy document is issued pursuant to section 141 of the FSA and section 153 of the IFSA.

Prior to participating directly in the interbank market, dealers of interbank institutions and brokers must be members of FMAM and abide by membership rules of ACI – Financial Markets Association of Malaysia ("FMAM"). Interbank institutions and approved money-brokers must ensure the requirements set out in paragraph 7.1 of the ED as well as professional requirements imposed by FMAM are met prior to appointing any person as a dealer or broker respectively.

Obligations of market participants:

- (a) must perform background checks on the prospective dealers or brokers prior to their employment;
- (b) must suspend dealers and brokers who are being investigated for non-compliance with this policy document; and
- (c) Market participants must inform BNM in writing within two weeks in the event of investigations into a dealer or broker for market misconduct.

* FMAM will adopt these standards and seek to adopt or assimilate global best practices on an ongoing basis. FMAM will also undertake the role of self-policing and investigate cases of misconduct involving its members. For cases of market misconduct which violates this document, FMAM will refer the cases to the Bank for further investigation.



Are there any clear specific prohibited conducts set out in the ED?

In accordance to the ED, these conducts are prohibited under the FSA and IFSA:

- (a) market manipulation;
 - (b) misinformation and rumour; and
 - (c) insider dealing;
- any contravention of which is an offence for which criminal, civil or administrative actions can be taken against the offender.

Financial Institutions must comply with all requirements in this policy document in respect of all treasury operation and activities in other markets including the bond market and must not engage in the abovementioned prohibited conducts.

BNM will take into account the activities set out in paragraphs 11.2, 12.2 and 13.2 of the ED respectively in determining whether Financial Institutions have committed the prohibited conduct referred to the above.



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Does the ED stipulate any requirements on procedures and organizational structure?

Management (Chief Executive Officers and senior officers of market participants) must oversee the dealer-broker relationship, the use of electronic broking system and execution of deals and establish a clear segregation of duties among front, middle and back offices whereby authorisations and responsibilities are reflected by separate reporting lines.

Dealers must not take part in the processing or settlement of dealings or have any influence over the back office staff.

The process of confirming dealings shall only be done by the back office staff who must be independent and separated from those that agreed and executed the dealings.



Are there any other requirements stipulated in the ED with regards to policies and procedures?

There are requirements for the Management to adhere on the following:

(a) Confirmation of dealings

Management must put in place correct processes and appropriate resources in the back office for dealings confirmation and put in place clear procedures to allow the back office to confirm dealings during normal and unexpected situations within the stipulated timeline

(b) Dealing Room Security

Management must put in place security measures to safeguard the dealing room and review security measures for the same.

(c) After-Hours and Off-Premises Dealing

Management must identify the dealers who are authorised to deal in afterhours or off-premises dealings and put in place internal policies for authorised dealers in occurrence of same.

(d) Money Laundering, Terrorist Financing and Fraud

Market participants must comply with Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA") and any other policy documents in respect of AMLA issued by the BNM and other relevant supervisory authorities.



What are the compliance function with regards to internal governance and controls?

Management must put in place written procedures to ensure adherence of institution and its employees to this policy document. Any findings or incidences of non-compliance to the policy document must be reported to Management immediately. As such, the ED stipulates the following requirements for market participants:

(a) Market participants must record any corrective measures to address incidences of non-compliance.

(b) Market participants must maintain a record of the compliance report for up to seven years and submit a copy to the BNM as and when directed to by BNM.

Source: <http://www.bnm.gov.my/>