SC RAISES THE STANDARD OF CONDUCT FOR CAPITAL MARKET INTERMEDIARIES

MEDIA RELEASE

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The Securities Commission Malaysia (SC) today issued the revised Guidelines on Conduct for Capital Market Intermediaries (Guidelines), aimed at elevating standards of professionalism and integrity of capital market intermediaries (CMIs) in the industry.

The revised Guidelines, among others, reinforce the role of a CMI's board and senior management in inculcating a corporate culture where clients' interests are prioritised.

The Guidelines also clarify the SC's expectations on CMIs' duty to act honestly, fairly as well as avoid misleading and deceiving its clients under any circumstances.

New chapters are introduced to address crucial areas such as treatment of vulnerable clients, as well as provision of personal advice and capital market related services including through online platforms.

The SC Chairman Dato' Seri Dr. Awang Adek Hussin said that the revised Guidelines signify the SC's efforts towards fostering trust, integrity and client-centricity in the capital market industry by, amongst others, minimise the risk of mis-selling, avoid reputational damage, reduce complaints and improve client retention.

"Fairness is a cornerstone principle, requiring CMIs to consider the client's circumstances, including any vulnerabilities that the client may have, communicate clearly and ensure comprehension of product details and associated risks," he said.

"When providing personal advice to a client, a CMI must exercise care, skill and diligence, and give due regard to the client's interests. We are confident that these enhancements will not only elevate standards but also reinforce investor confidence in our capital market," he said.

In revising the Guidelines, the SC has taken into account feedback from engagements with, among others, Bank Negara Malaysia, Federation of Investment Managers Malaysia and relevant capital market intermediaries.

The revised Guidelines will come into effect on 1 October 2024 to allow sufficient time for capital market intermediaries to familiarise and make preparations to meet the new requirements of the revised Guidelines.

The revised *"Guidelines on Conduct for Capital Market Intermediaries"* are now available at https://www.sc.com.my/regulation/guidelines/conduct-for-capital-market-intermediaries.

A series of FAQs in relation to the revised Guidelines are also available at
https://www.sc.com.my/regulation/guidelines/conduct-for-capital-market-intermediaries

SECURITIES COMMISSION MALAYSIA