

## **Enforcement Statistics**

As enunciated under our [Overview of Enforcement](#), we seek to deter future breaches, educate market participants, promote a better culture of compliance and standards of business conduct and corporate governance practices through our enforcement actions.

To this end, we have taken various types of enforcement actions for breaches of our rules over the years.

In 2016, enforcement actions were taken against 14 Public Listed Companies (“PLCs”) and 38 directors (of 8 PLCs) for various breaches of the Listing Requirements as compared to 14 PLCs and 37 directors (of 9 PLCs) in 2015.

The enforcement actions taken against these parties range from private reprimand to public reprimand coupled with fines. Details of the enforcement actions (reprimand and above) completed/taken in 2016 and comparisons with 2015 are set out below:-

Sanctions Imposed	PLCs		Directors	
	2015	2016	2015	2016
Public Reprimand and Fine	-	-	30	38
Public Reprimand	11	11	7	3
Private Reprimand	2	4	4	-
Private Reprimand and Fine	-	-	-	3
Suspension	1	-	-	-
Total No. of PLCs / Directors #	14	14	37	38
Total Fines Imposed (RM)	-	-	5,880,600	2,117,000

# more than one sanction may have been imposed on a director or PLC.

In addition to the sanctions imposed above, we also issued directives for PLCs to conduct limited review on quarterly reports as well as for directors/relevant personnel of the PLCs to attend training programs in relation to financial reporting and compliance with the Listing Requirements as follows:

	2015	2016
Limited Review on Quarterly Reports	5	7
Director's Training	6	11

We generally take enforcement actions for breaches pertaining to:-

- financial reporting (i.e. timely submission as well as accurate reporting of financial statements);
- delay in making material announcement (for e.g. material default of credit facilities, material litigation as well as announcement of triggering classification as a company with inadequate financial condition/financially distressed);
- failure to comply with corporate governance requirements (for e.g. failure to establish an internal audit function); and
- related party transaction requirements.

We view financial reporting breaches (i.e. timely submission as well as accurate reporting of financial statements) strictly as the requirement for companies to submit timely and accurate financial statements is of paramount importance to aid investment decisions and ensure a fair and orderly market for securities that are traded on Bursa Malaysia. However, we note that there has been significant improvement in compliance by listed issuers in ensuring timely and accurate reporting of financial information as evident from the reduction of breaches in this area by more than 60% since 2008 (the year where we commenced stricter director enforcement action).

As for violations of our Business Rules, enforcement actions were instituted against companies (i.e. Participating Organisations, Trading Participants etc) and their Registered Persons and the key enforcement actions were for supervisory breaches and market/trading misconduct by Registered Persons.

Details of the enforcement actions (reprimand and above) taken for breaches of the Business Rules in 2015 and 2016 are as follows:-

Type of Action Taken#	No. of Companies		No. of Registered Persons		Total	
	2015	2016	2015	2016	2015	2016
Private Reprimand and/or Fine/Deferred Fine and/or Suspension and/or mandatory training	13	8	10	7	23	15
Public Reprimand and Fine and/or Suspension/Striking Off and/or mandatory training	1 <sup>1</sup>	-	14	10	15	10
<b>Total</b>	<b>14</b>	<b>8</b>	<b>24</b>	<b>17</b>	<b>38</b>	<b>25</b>
<b>Total Fines Imposed (RM)</b>	<b>247,000</b>	<b>233,500</b>	<b>1,630,000</b>	<b>2,047,200</b>	<b>1,877,000</b>	<b>2,280,700</b>

# more than one sanction may have been imposed on a company or Registered Person.

In 2016, enforcement actions were taken against 8 companies (as compared to 14 in 2015) and 17 Registered Persons (as compared to 24 Registered Persons in 2015) for various breaches of the Business Rules.

The enforcement actions taken in 2016 included reprimands (both public and private), striking off, suspension, requirement to attend training and fines amounting to RM2,280,700 as compared to RM1,877,000 in 2015. For Registered Persons who were imposed a public reprimand and fine, a suspension or striking off was also imposed on all 10 Registered Persons in 2016.

The enforcement actions taken against the errant parties in 2016 were mainly in the area of market offences, unauthorised trades/breaches relating to usage of client's account, breach of account opening rules and supervisory breaches arising from misconducts by Registered Persons.

As part of our effort to educate market participants, inform the market of the range of actions taken, instil market confidence and ensure transparency in our enforcement actions, information on common breaches of our Rules are posted on our [website](#). Where the sanctions imposed include a [public reprimand](#), a media release (together with the basis for the findings of the breach) was also issued.

<sup>1</sup> This company was also imposed with private reprimand and/or fine for different breaches of the rules.