

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 2018, enforcement actions were taken against 15 Public Listed Companies (“PLCs”), 22 directors (of 5 PLCs) and 1 other person for various breaches of the Listing Requirements as compared to 9 PLCs and 21 directors (of 6 PLCs) in 2017.

The enforcement actions taken against these parties ranged from private reprimand to public reprimand coupled with fines and/or directives. Details of the enforcement actions (reprimand and above) completed/taken in 2018 and comparisons with 2017 are set out below:-.

Sanctions imposed	PLCs		Directors [^]	
	2017	2018	2017	2018
Public reprimand and fine	-	-	19	19
Public reprimand	8	10	2	4
Private reprimand	2	5	-	-
Total no. of PLCs/directors/other person#	9	15	21	23
Total fines imposed (RM)	-	-	5,040,800	4,910,400

more than one sanction may have been imposed on a director, PLC or any other persons subject to the Listing Requirements.

[^] includes any other person subject to the Listing Requirements.

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:

	2017	2018
Limited review on quarterly reports	3	8
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 (e.g. material default of credit facilities, material litigation, inaccurate responses to Unusual Market Activity queries as well as announcement of triggering classification as a company with inadequate financial condition/financially distressed company);
- failure to comply with corporate governance requirements (e.g. failure to establish an internal audit function), foreign listing requirements, Bursa Malaysia Securities Berhad’s directives; 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 PLCs in ensuring timely and accurate reporting of financial information as evident from the reduction of breaches in this area by more than 50% 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 2017 and 2018 are as follows:-

Type of action taken#	No. of Companies		No. of Registered Persons		Total	
	2017	2018	2017	2018	2017	2018
Private reprimand and/or fine/deferred fine and/or suspension and/or mandatory training	3	1	1	-	4	1
Public reprimand and fine/deferred fine and/or suspension/deferred suspension/striking off and/or mandatory training	-	-	6	7	6	7
Total	3	1	7	7	10	8
Total fines imposed (RM)	9,000	-	158,000	312,100	167,000	312,100

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

In 2018, enforcement actions were taken against 1 company (as compared to 3 in 2017) and 7 Registered Persons (similar to 2017) for various breaches of the Business Rules.

The enforcement actions taken in 2018 included reprimands (both public and private), striking off, suspension/deferred suspension, requirement to attend training and fines amounting to RM312,100 (as compared to RM167,000 in 2017). In addition to a public reprimand and fine, a suspension/deferred suspension or striking off was also imposed on all 7 Registered Persons in 2018. These enforcement actions were mainly in the area of market offences, unauthorised trades/breaches relating to usage of client's account/information, unlawful/irregular/unhealthy practices and breach of account opening rules.

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.