

Bursa Malaysia Rules – Key Enforcement Cases in 2017

F. Other Significant Cases

Case F1: Failure to submit true and accurate statements/information

- (1) A TP was imposed a private reprimand and fine of RM4,000 for it had failed to submit true and accurate statements/information in its readiness audit report to Bursa Malaysia Derivatives on its proposed commencement of proprietary trading activities. The readiness audit report was prepared under the Self Assessment Approach pursuant to the Directives on Readiness Audit – Self Assessment Approach, Declaratory Approach and Green Lane (issued via TP Circular No. 5/2016).
- (2) The TP had wrongly/inaccurately declared/represented that it had implemented/established certain controls/measures to monitor its proposed proprietary trading activities. However, these controls/measures were not implemented/established.
- (3) The above sanctions were imposed having considered, amongst others:-
 - (a) the TP has an obligation to ensure that all statements/information submitted to Bursa Malaysia Derivatives were accurate and true particularly in light that under the Self Assessment Approach, Bursa Malaysia Derivatives would rely on the statements/information in the readiness audit report submitted by the TP in granting approval for the TP to commence proprietary trading activities;
 - (b) the TP's conduct in admitting/not disputing the breaches, hence resulting in earlier resolution of the case; and
 - (c) there were no material/adverse impact from the TP's breaches.

Glossary:

Bursa Malaysia Securities: Bursa Malaysia Securities Berhad
Bursa Malaysia Derivatives: Bursa Malaysia Derivatives Berhad
CDR: Commissioned Dealer's Representative
DR: Dealer's Representatives
Mandatory Training: Requirement to undergo training on conduct or professionalism of DRs/Registered Persons/Head of Dealing/Compliance Officer/market offences

PO: Participating Organisation
RP: Registered Person
SC: Securities Commission
SDR: Salaried Dealer's Representative
TP: Trading Participant