

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 2022, enforcement actions were taken against 9 Public Listed Companies (“PLCs”), 3 advisers and 42 directors (of 7 PLCs) for various breaches of the Listing Requirements as compared to 14 PLCs, 3 advisers and 12 directors (of 4 PLCs) in 2021.

The enforcement actions taken against these parties ranged from private reprimand to public reprimand and may be coupled with fines and/or directives. Details of the enforcement actions (reprimand and above) completed/taken in 2022 and comparison with 2021 are set out below:

| Penalties imposed | PLCs | | Directors | | Advisers | |
|--|------|------|-----------|-----------|----------|------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Public reprimand and fine | - | - | 7 | 65 | - | - |
| Public reprimand | 6 | 20 | 5 | 10 | 1 | 1 |
| Private reprimand | 8 | 3 | - | - | 2 | 2 |
| Total No. of PLCs/directors/advisers # | 14 | 9 | 12 | 42 | 3 | 3 |
| Total fines imposed (RM) | - | - | 428,400 | 3,653,000 | - | - |

more than one penalty/type of penalty may have been imposed on a director, PLC or adviser.

In addition to the penalties 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:

| Type of Directive | 2021 | 2022 |
|-------------------------------------|------|------|
| Limited review on quarterly reports | 5 | 1 |
| Director's training | 5 | 1 |

We generally take enforcement actions for serious/material breaches pertaining to:

- financial reporting (i.e. delay in submission as well as inaccurate reporting of financial statements);
- delay in making announcement of material information;
- inaccurate, incomplete and/or misleading disclosures;
- repeat breach or disregard of the Listing Requirements/Bursa Malaysia Securities Berhad's directives;
- corporate governance and related party transaction requirements; or
- other breaches of the Listing Requirements which have significant/material impact to, amongst others, the market.

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 an orderly and fair 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 or individuals who are subject to the Business Rules and the key enforcement actions were for supervisory breaches and market/trading misconduct by Registered Persons.

In 2022, enforcement actions were taken against 3 companies (as compared to 6 companies in 2021) and 6 Registered Persons (as compared to 4 Registered Persons in 2021) for various breaches of the Business Rules.

Details of the enforcement actions (private reprimand and above) taken for breaches of the Business Rules in 2022 compared to 2021 are as follows:

| Type of action taken# | No. of Companies | | No. of Registered Persons / Individuals* | | Total | |
|---|------------------|---------------|--|------------------|----------------|------------------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Private reprimand and/or fine and/or directive | 6 | 3 | 2 | - | 8 | 3 |
| Private reprimand, fine/deferred fine, suspension and/or mandatory training | - | - | - | 1 | - | 1 |
| Public reprimand, fine/deferred fine, suspension/deferred suspension/striking off and/or mandatory training | - | - | 2 | 5 | 2 | 5 |
| Total | 6 | 3 | 4 | 6 | 10 | 9 |
| Total fines imposed (RM) | 43,500 | 10,000 | 178,700 | 1,098,170 | 222,200 | 1,108,170 |

more than one penalty may have been imposed on a company or Registered Person/individual.

* includes individuals who are subject to the Business Rules.

The enforcement actions taken in 2022 included reprimands (both public and private), striking off, suspension, requirement to attend training and/or fines amounting to RM1,108,170 (as compared to RM222,200 in 2021).

In 2022, the key enforcement actions were for trading related breaches and supervisory breach by the company e.g. market offences involving, amongst others, front-running, cross trading and short selling, misuse/abuse of client's confidential information/accounts/monies, unpermitted discretionary trading activities and other irregular or unhealthy practices by the Registered Person and gaps/lapses in the company's internal controls, supervision and monitoring of deceased client's account.

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 finding of the breach) is also issued.