

The SC's Enforcement Priorities 2024 - 2026

The SC's enforcement priorities were introduced in 2020 identifying disclosure breaches, securities fraud and unlicensed activities. Since then, the enforcement priorities

TABLE 20
Breaches of securities law reviewed

Nature of offence [^]	No. of breaches reviewed for 2024
Breaches related to disclosure	10
Securities fraud	7
Breach of SC's LOLA Guidelines	7
Corporate misconduct*	6
Breach of FIMM's Code of Ethics and/or circular	6
Breach of the SC's <i>Guidelines on Prevention of Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeting Financial Sanctions for Reporting Institutions in the Capital Market</i>	5
Unlicensed Activities	4
Market manipulation	4
Breach of SC's Guidelines on Conduct for Capital Market Intermediaries	3
Insider trading	2
Breach of <i>Securities Industry (Central Depositories) Act 1991 (SICDA)</i>	2
Breach of SC's Guidelines on Compliance Function For Fund Management Companies	2
Breach of SC's Licensing Handbook/ Condition	2
Breach of Bursa Rules, Directive or Listing Requirements	2
Non-compliance of Notice issued by SC's Investigating Officer	1
Breaches concerning unregistered DAX	1
Non-compliance with Securities Industry (Compliance with Approved Accounting Standards) Regulations 1999	1
Breach of SC's Guidelines on Submission of Corporate and Capital Market Product Proposals	1
Breach of SC's Guidelines on Sales Practices of Unlisted Capital Market Product	1
TOTAL	67

Note:

[^] Not including breaches relating to *Take-overs and Mergers*.

* Breach of s.317A CMA only.

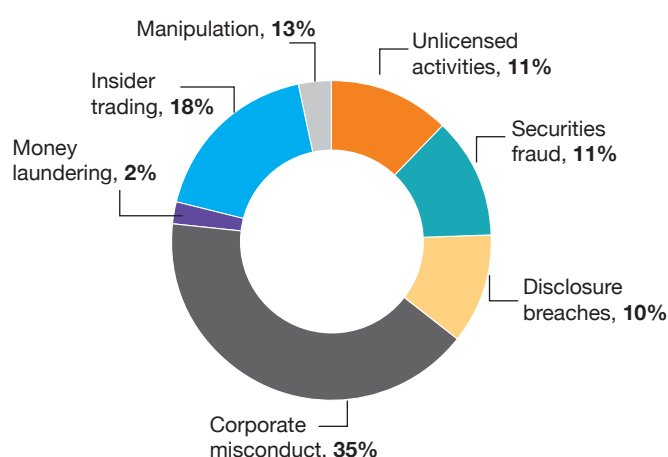
have been reviewed on a yearly basis between 2020 to 2023 and, effective 2024, the SC developed the three-year enforcement priorities which introduced corporate misconduct as an additional enforcement priority, in response to the influx of breaches of such nature (Table 20).

Based on a review of the various breaches of securities law in 2024, 40% of the offences relates to the SC's identified enforcement priorities which resulted from the SC's active surveillance, supervision, and/or complaints received.

Details of the SC's Active Investigation Cases

As of 31 December 2024, there were a total of 62 active investigations cases. The SC, in line with its mandate to protect investors, continued to allocate significant resources in 2024 to investigate cases involving securities fraud, corporate misconduct, unlicensed activities, and disclosure violations, which made up two-thirds of its investigation efforts. The breakdown of the active investigations cases by nature of offences are reflected in Chart 5

CHART 5
Breakdown of active investigations cases



The SC's emphasis on these types of breaches, is also categorised as fraud crimes at the national level, as it is one of the most prevalent and high risk crimes in Malaysia. This focus aligns with the Malaysia National Risk Assessment (NRA) 2023, a comprehensive assessment aimed at identifying and evaluating the country's exposure to money laundering and terrorism financing (ML/TF) risks.

The SC's Investigating Officers are vested with a range of investigative powers designed to support the effective collection of documentary and oral evidence, which are crucial components of the investigative process.

In 2024, the SC's Investigating Officers recorded statements from 373 individuals, with over half obtained from investors/acountholders, professionals such as investment bankers, auditors, and lawyers, as well as employees, directors, and senior management of public-listed companies (Chart 6). This reflects the SC's active investigations targeting securities fraud and corporate misconduct offenses.

CHART 6

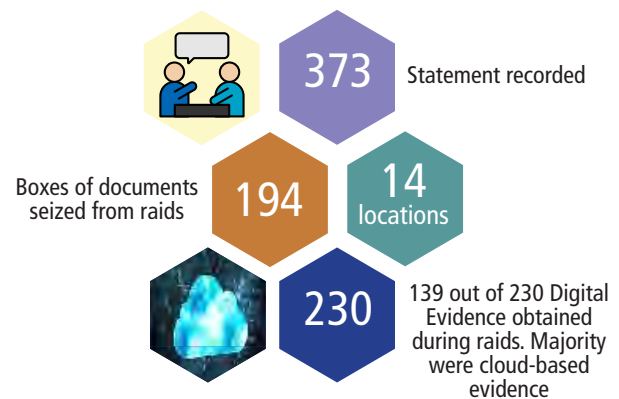
Witness category as at 31 December 2024



Additionally, the SC conducted a series of raids across 14 locations nationwide to gather documentary evidence for ongoing investigations. These operations were met with substantial co-operation from the individuals and companies involved. Further details of the investigation efforts undertaken throughout the year, are illustrated in Figure 1.

FIGURE 1

Breakdown of investigation works carried out

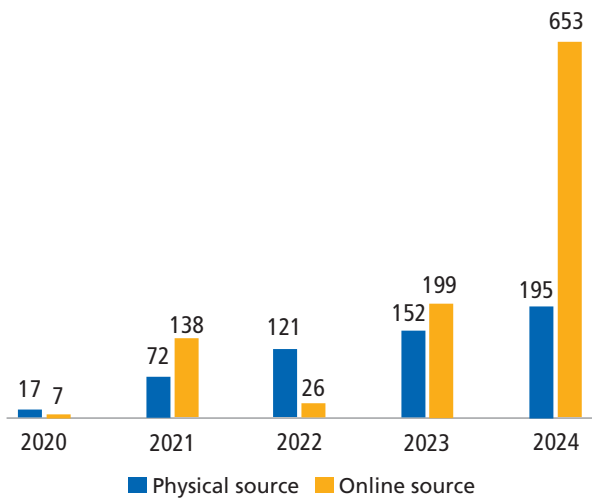


Revolutionising Investigations: How the SC's Digital Forensic Advancements Lead the Shift from Paper to Pixels

The modernisation of the corporate workplace has significantly transformed investigative approaches, with a shift from traditional documentary evidence to a greater reliance on digital evidence. As organisations increasingly adopt digital tools and platforms for communication and record-keeping, the volume of electronic data generated has skyrocketed. Consequently, the SC's investigating officers now prioritise the analysis of emails, instant messages, and digital transactions stored in cloud-based systems as primary sources of evidence.

The SC's investigation team is supported by an in-house, highly skilled digital forensic team that continually enhances its capabilities through the latest technological advancements. This year, the SC established its very own Digital Forensic Lab (DF Lab), a dedicated facility equipped with diverse cutting-edge forensic technology essential for the comprehensive digital evidence extraction and analysis. This establishment comes at a pivotal time, addressing the rising demand for forensic data extraction and analysis, which is evident by the increasing number of digital evidence reviewed and extracted since 2020 as depicted in the Chart 7.

CHART 7
Digital evidence review and extraction



The distinguishing factor of the SC’s DF Lab which sets it apart from the industry, lies in its state-of-the-art e-discovery capabilities, which provides a cutting-edge solution for the SC’s Investigating Officers to swiftly and accurately pinpoint relevant evidence in ongoing investigations, which are often concealed within a vast ocean of digital records.

Since its establishment in 2020, the SC Digital Forensic Team, has expanded its scope beyond investigation matters to providing digital forensic services to various line departments across the SC. These services include online data preservation, computer analysis services, Open-Source Intelligence (OSINT), and social messaging extraction, providing critical support to departments in performing their regulatory functions.

Empowering Digital Forensics: The SC and Cybersecurity Malaysia’s Initiative for Best Practices in Preserving Instant Messages

With the objective of fostering the exchange of best practices among the digital forensic practitioners among the Law Enforcement Agencies (LEAs), an initiative was undertaken between the SC and Cybersecurity Malaysia to improve the overall efficiency and effectiveness of digital forensics in investigations. Cognisant of the fact

that digital evidence becomes abundantly more integral for the completion of a thorough investigation, accordingly, necessitating advanced skills and up-to-date practices among investigators alike.

An early achievement of this initiative is the development and validation of laboratory-designed methods compliant with ISO 17025:2017 standards. This standard emphasises best practices and reliability in forensic processes that are sound with established digital forensic methodologies. Furthermore, the initiative aims to uphold rigorous standards in forensic investigations, ensuring that the digital evidence is robust, reliable, and ultimately admissible in court.

A key outcome from the series of engagements includes the creation of guidelines focused on preserving data from instant messaging and cloud platforms. Of particular significance is the SC’s development and validation of a new guideline for alternative methods of extracting data from WhatsApp. This guideline offers a critical reference point for the SC’s digital forensic team, enhancing capabilities in handling mobile communications devices.

Breaking Borders: The SC’s Global Co-operation via IOSCO MMOU in Cross-Border Investigations

In collecting documentary and oral evidence globally, the SC leverages cross-border co-operation through the IOSCO MMOU on Consultation and Cooperation and Exchange of Information. This is especially important given the frequency of cross-border transactions in SC investigations. In 2024, the SC made 15 requests for investigative assistance to 11 foreign supervisory authorities via the IOSCO MMOU, aiming to secure help in recording statements from overseas witnesses and obtaining documentary evidence, including banking documents, securities transaction records, telephone records, and information on the beneficial ownership of companies (Table 22).

The SC also renders investigative assistance to IOSCO members. In 2024, the SC has provided investigative assistance to five foreign supervisory authorities on their ongoing investigations.

TABLE 21

Requests for investigative assistance to IOSCO members

Jurisdictions	No. of requests
Australia	2
China	1
Denmark	2
Hong Kong	2
India	1
Indonesia	2
Mongolia	1
New Zealand	1
Oman	1
Qatar	1
Singapore	1

Powerful Collaboration: The SC and Law Enforcement Link Up for Breakthrough Success in Capital Market Investigations

The SC recognises that collaboration with other law enforcement agencies is essential for fulfilling its regulatory obligations. The SC actively collaborates with other enforcement agencies and regulatory bodies across Malaysia to gather essential evidence for identifying breaches of securities law. In 2024, these collaborative efforts reached new heights, culminating in the successful arrests of key individuals involved in ongoing investigations. Notably, two individuals under investigation were arrested at the Kuala Lumpur International Airport. This initiative involved collaborations with various LEAs, including the Royal Malaysia Police, Malaysian Anti-Corruption Commission (MACC), Malaysia Airports Aviation Security (AVSEC) and foreign supervisory authorities such as the International Criminal Police Organization, Singapore Police Force's Commercial Affairs Department (CAD Singapore).

Ongoing Criminal and Civil Cases at Various Courts (as at 31 December 2024)

In 2024, there were 41 ongoing cases in court at first instance or appeal stages, involving 63 individuals as listed in Table 23.

The nature of these cases includes corporate misconduct, insider trading, securities fraud, market manipulation,

unlicensed activities as well as money laundering offences.

TABLE 22

Ongoing criminal and civil cases

(as at 31 December 2024)

Types of actions	Court	No. of cases	No. of individuals
Criminal Action	Sessions Court	15	20
	High Court	8	11
	Court of Appeal	4	5
Civil Action	High Court	6	14
	Court of Appeal	6	11
	Federal Court	2	2
TOTAL		41	63

Efforts to Restitute Investors

(as at 31 December 2024)

In 2024, following the successful resolution of civil suits and regulatory settlements, the SC has restituted 168 investors, totalling RM1,862,885.53. Furthermore, an additional RM8,779,099.11 has been earmarked for restitution involving 1,068 investors.

Highlights of the SC's Successful Enforcement Cases (as at 6 February 2025)

The SC Charges Three Individuals and Two Companies with Money Laundering and Unlicensed Fund Management

Between January 2024 to May 2024, the SC charged three individuals and two companies for multiple offences relating to money laundering and unlicensed activities which were carried out in Kuala Lumpur and Selangor between December 2020 to January 2023.

On 10 and 11 January 2024, Ang Jen Chuen (Dexter Ang), former director of Pixelvest Sdn Bhd (Pixelvest), Syaiful Riezal bin Ahmad (Syaiful), former CEO of Infinity Trustee Bhd (ITB) and Chin Wai Lan (Sophia Chin), Pixelvest director were charged separately with a total of 28 money laundering charges under section 4(1)(b) of the *Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001* (AMLATFPUAA).

The charges concerned the receipt of proceeds from unlawful activity between December 2020 to January 2023 involving a collective sum of over RM283.5 million.

Read more on the following media releases, 'SC Charges Former Director, CEO for Over RM119 Mln in Money Laundering'

<https://www.sc.com.my/resources/media/media-release/sc-charges-former-director-ceo-for-over-rm119-mln-in-money-laundering>

'SC Charges Pixelvest Director with Money Laundering involving RM164.5 million'

<https://www.sc.com.my/resources/media/media-release/sc-charges-pixelvest-director-with-money-laundering-involving-rm1645-mln>

Subsequently on 26 February 2024, all three individuals further faced predicate charges under the *Capital Markets and Services Act 2007* (CMSA) by virtue of their positions as CEO/directors of either Pixelvest or ITB at the material time in accordance with section 367(1) of the CMSA. The charges were connected to Pixelvest's conduct in carrying on a business in fund management without holding a *Capital Markets Services Licence* (CMSL) or being a registered person between 15 December 2020 and 31 August 2022. The charges also concerned ITB's conduct of acting in furtherance of Pixelvest's offence between 1 December 2020 and 11 October 2020.

Read more on the following media release, 'SC Charges Three Individuals for Unlicensed Capital Market Activities'

<https://www.sc.com.my/resources/media/media-release/sc-charges-three-individuals-for-unlicensed-capital-market-activities>

Following the charging of the three individuals, SC then proceeded with charges against both companies, Pixelvest and ITB on 30 April 2024 and 10 May 2024. Pixelvest was charged with one charge under section 58(1) of the CMSA for carrying out a business of fund management without holding a CMSL or being a registered person. Separately, ITB was charged with two charges under section 370(b) read together with section 58(1) of the CMSA for acting in furtherance of Pixelvest's offence. Sophia Chin was also preferred with one additional charge under the CMSA by virtue of her position as ITB director at the material time.

Read more on the following media releases, 'SC Charges Pixelvest and Former Infinity Trustee Director with Unlicensed Capital Market Offences'

<https://www.sc.com.my/resources/media/media-release/sc-charges-pixelvest-and-former-infinity-trustee-director-with-unlicensed-capital-market-offences>

All three individuals claimed trial against all the charges. Dexter was granted a collective bail sum of RM8.02 million for all the charges against him, whilst Sophia and Syaiful were granted bail of RM14.01 million and RM200,000 respectively. They were also imposed with additional bail conditions such as surrender of passport and monthly reporting to the SC. As for ITB and Pixelvest, both companies similarly claimed trial to the charge(s) through the company representatives. The matters are currently pending in court.

The SC Charges Ex-bank Analyst with Unlicensed Capital Market Activities

On 23 January 2024, Mohd Arif Fadzlee Mohd Arifin (Arif), a former bank analyst and business owner, was charged with two charges under section 59(1) of the CMSA and section 362(3) of the CMSA relating to unlicensed capital market activities and the misuse of the 'unit trust consultant' title. The alleged offences took place in 2011 at Petaling Jaya and Nilai.

Read more on media release, 'SC Charges Ex-Bank Analyst with Unlicensed Capital Market Activities'

<https://www.sc.com.my/resources/media/media-release/sc-charges-ex-bank-analyst-with-unlicensed-capital-market-activities>

The SC Wins Insider Trading Civil Case Involving Perak Corp Shares

On 13 February 2024, the SC successfully proved its case in the civil suit against Dato' Aminuddin Md Desa (Amin), former Chief Executive Officer of Perbadanan Kemajuan Negeri Perak and Perak Corporation Bhd (Perak Corp) for committing insider trading. The High Court ordered Amin to pay a sum of RM2.46 million being an amount equal to three times the profit made by him as a result of the insider trading breach, to pay the SC a civil penalty of RM1 million and barred him from being appointed as a CEO or director or being involved in the management of a PLC and/or a subsidiary of a PLC for a period of five years. Amin was also restrained from trading in any securities on Bursa Malaysia for a period of five years.

Read more on media release, 'SC Wins Insider Trading Civil Case'.

<https://www.sc.com.my/resources/media/media-release/sc-wins-insider-trading-civil-case>

Former Remisier Charged with Securities Fraud and Unlicensed Capital Market Activities

On 19 February 2024, Peter Chuah Hock Heng (Peter) was charged with one charge under section 179(b) of the CMSA for defrauding an investor by promising a 10% return within a year involving securities of public companies. Peter, a former remisier, was also charged in a separate court with two charges under section 58(1) of the CMSA for holding himself out as carrying on a business in dealing in securities without a licence. The offences allegedly took place between February and April 2014 at Petaling Jaya, Selangor. Peter claimed trial to all the charges and was granted bail at RM80,000 for all three charges. He was also ordered to surrender his passport and report to the SC on a monthly basis.

Read more on media release, 'SC Charges Former Remisier with Securities Fraud and Unlicensed Capital Market Activities'

<https://www.sc.com.my/resources/media/media-release/sc-charges-former-remisier-with-securities-fraud-and-unlicensed-capital-market-activities>

SC Wins Insider Trading Civil Suit Against former CEO and Director of GW Plastics Shares for Communication of Inside Information; Tippee Found Liable for Insider Trading

On 22 April 2024, the SC successfully proved its case in its civil suit against Datuk Lim Kok Boon (Lim), former Chief Executive Officer and Non-Independent Executive Director of GW Plastics Holdings Bhd (GW Plastics) and Cheah Mean Har (Cheah) for insider trading. The High Court found that Lim had breached section 188(3)(a) of the CMSA when he communicated inside information in relation to a proposed share sale agreement and distribution of cash proceeds involving GW Plastics to Cheah. Cheah who subsequently went on to acquire GW Plastics shares following the communication was found liable for insider trading under section 188(2)(a) of the CMSA. Cheah was ordered by the High Court to pay to the SC a sum of RM142,500 which is three times the profit she made from the breach. Lim was also ordered to pay the same amount to the SC as disgorgement. Additionally, Lim and Cheah were also imposed with civil penalties amounting to RM1 million and RM500,000 respectively.

Read more on media release, 'SC Wins Insider Trading Civil Suit Involving GW Plastics Shares'

<https://www.sc.com.my/resources/media/media-release/sc-wins-insider-trading-civil-suit-involving-gw-plastics-shares#:~:text=Lim%20was%20the%20Chief%20Executive%20Officer%20and%20Non-Independent%20Executive%20Director>

Federal Court Rules in SC's Favour, Ricky Wong's Leave Application to Attend and Participate in Ongoing Civil Suit via RCT Dismissed

On 7 May 2024, the Federal Court unanimously dismissed an application by Wong Shee Kai (Ricky Wong), who is currently still at-large, for leave to appeal to the Federal Court against the Court of Appeal's dismissal of his application to attend and participate in the SC's civil suit against him via remote control technology (RCT Application) pursuant to Order 33A of the Rules of Court 2012 (Order 33A).

Read more on media release, 'Federal Court Rules in SC's Favour, Ricky Wong's Leave Application Dismissed': <https://www.sc.com.my/resources/media/media-release/federal-court-rules-in-scs-favour-ricky-wongs-leave-application-dismissed>

Court of Appeal Reinstates Conviction and Sentence Against Ramesh a/l Rajaratnam for Insider Trading

On 6 May 2024, the SC succeeded in its appeal to the Court of Appeal against Dato' Ramesh a/l Rajaratnam (Ramesh)'s acquittal for insider trading. The Court of Appeal held that the High Court had erred in acquitting Ramesh without considering the merits of the case. As such, the High Court's decision in acquitting Ramesh on the first charge was set aside and the earlier conviction and sentence imposed by the Sessions Court was reinstated. The Court of Appeal further directed that the case be remitted to the High Court to be heard on the merits before another High Court judge.

Read more on media release, 'Court Of Appeal Rules in Favour of SC in Insider Trading Case'

<https://www.sc.com.my/resources/media/media-release/court-of-appeal-rules-in-favour-of-sc-in-insider-trading-case>

The SC Charges Man Who Evaded the Law for 15 Years

On 9 May 2024, Wong Jit Kiang (Daniel Wong) was charged with one charge under section 122C(c) read together with section 87A(b) of the *Securities Industries Act 1983* (SIA) for abetting the late Toh Chun Toh Gordon (Toh) in engaging in an act which operated as a fraud on Multi-Code Electronics Industries (M) Berhad (Multi-Code). The offences allegedly took place in March 2007 at Johor Bahru. Daniel claimed trial to the charge and was refused bail by the Sessions Court following

objections by the SC. On revision, the High Court granted his application for bail at RM1 million. He was also given additional bail conditions such as the surrender of his passport and a nightly home curfew. The matter is currently pending in court.

Read more on media release, 'Man, who Evaded the Law for 15 Years, Charged with Abetting Former MD of Multi-Code for Securities Fraud'

<https://www.sc.com.my/resources/media/media-release/man-who-evaded-the-law-for-15-years-charged-with-abetting-former-md-of-multi-code-for-securities-fraud>

Court Revokes Bail of Unlicensed Futures Trader

On 21 May 2024, the Sessions Court allowed the SC's application to revoke Mohd Azhidi bin Laili (Azhidi)'s bail on the basis that he had breached his bail conditions by failing to appear in court on two separate occasions and to report to the SC's Investigating Officer (IO). Pursuant to the Court's order, Azhidi was taken into custody and will be remanded pending the completion of his trial.

Read more on media release 'Court Revokes Bail of Unlicensed Futures Trader'

<https://www.sc.com.my/resources/media/media-release/court-revokes-bail-of-unlicensed-futures-trader>

Dato' Dr. Yu Kuan Chon Sued for Market Manipulation

On 24 June 2024, the SC filed a civil suit against Dato' Dr. Yu Kuan Chon (Yu). Yu is alleged to have breached sections 175 and 176 of the CMSA for market rigging and market manipulation involving shares in Shangri-La Hotels (M) Bhd between 1 March 2018 and 24 July 2018. The SC is seeking, among others:

- (1) A declaration that Yu has breached sections 175(1) and/or 176(1) of the CMSA;
- (2) An order that Yu pays the sum of RM26,572,397.70, being three times the amount of pecuniary gain of RM8,857,465.90 made by him as a result of the breaches, and a civil penalty in the amount of RM1,000,000.00; and
- (3) An order that Yu be restrained from trading in securities on any stock exchange in Malaysia for

a period of five years, and that Yu be barred from becoming a chief executive or director, or being involved in the management, directly or indirectly, of any public company or any subsidiary of a public company in Malaysia for a period of five years.

Read more on media release, 'SC Sues Dato' Dr. Yu Kuan Chon for Market Manipulation'

<https://www.sc.com.my/resources/media/media-release/sc-sues-dato-dr-yu-kuan-chon-for-market-manipulation>

Former Investment Banker Faces 11 Charges in relation to Securities Fraud and Unlicensed Capital Market Activities

On 18 September 2024, Ruwan Amaresh Shaun Ponniah (Ruwan) was charged with ten charges under section 179(b) of the CMSA for defrauding investors into depositing monies totalling RM201,000 for purported shares investments. Ruwan was also charged with one charge under section 58 of the CMSA for holding himself out as carrying on a business in fund management without being licensed or a registered person for fund management under the CMSA. The offences took place between October 2018 and June 2020 at Petaling Jaya.

Read more on the media release, 'SC Charges Former Investment Banker with Securities Fraud and Unlicensed Capital Market Activities'

<https://www.sc.com.my/resources/media/media-release/sc-charges-former-investment-banker-with-securities-fraud-and-unlicensed-capital-market-activities>

Court of Appeal Rules in Favour of the SC in Insider Trading Appeal

On 27 November 2024, the Court of Appeal unanimously dismissed the appeal by Dato' Raymond Yap Wee Hin (Yap) against the decision of the High Court, which found the former deputy chairman of Patimas Computers Bhd liable for insider trading. Yap was ordered to pay the SC a sum of RM4.28 million in disgorgement and civil penalty.

Read more on media release, 'Court of Appeal Rules in Favour of the SC in Insider Trading Appeal'

<https://www.sc.com.my/resources/media/media-release/court-of-appeal-rules-in-favour-of-the-sc-in-insider-trading-appeal>

TABLE 23**Administrative sanctions imposed**

Persons in breach	Sanctions imposed					
	Reprimand	Penalty	Restitution	Directive	Revocation of licence	Suspension of licence
Registered persons	7	9	-	-	-	-
Licensed persons	14	35	-	2	1	-
Other entities/ individuals	29	14	-	6	-	-
RMO	4	4	-	-	-	-
TOTAL	54	62	0	8	1	0

Leveraging the SC's Administrative Actions

Apart from initiating criminal or civil actions, the SC also leverages its statutory powers for administrative actions against 34 persons (as at 31 December 2024), which provides a full spectrum of sanctions and remedies against the persons in breach (Table 23).

As of 31 December 2024, a total penalty of RM13.719 million has been imposed against various persons for their misconduct and breaches under the securities laws and guidelines issued by the SC as follows:

- seven licensed intermediaries for delay in submitting the monthly returns for the relevant wholesale funds;
- two registered persons for delay in submitting the post-issuance reports for their structure products;
- one responsible party for delay in submitting the redemption notices for a programme;
- two individuals who carried on a business of the regulated activity of dealing in securities without holding a CMSL, and who failed to seek recognition by the SC and failed to register with the SC a disclosure document, in relation to making available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase of foreign shares in Malaysia;
- five individuals who engaged in transactions which involved proceeds of unlawful activities;
- one individual who issued falsified documents to his clients, entered into profit-sharing arrangements with his clients, carried out discretionary trading on his clients' accounts despite the participating organisation's prohibition on its dealer's representatives from carrying out any discretionary trading and carried out trading in a client's account based on third-party instructions without any written authorisation from the client;
- one licensed intermediary for failing to have in place adequate systems, policies and procedures to accurately identify, verify and document transactions of its investors, to conduct on-going due diligence and scrutiny of its customers and to clarify the economic background and purpose of any transactions or business relationship as well as failure to report suspicious transactions;
- one director of an unlisted public company for failing to seek SC's authorisation prior to offer for purchase of bonds, failing to register with the SC a disclosure document for the offer of the bonds and making false statements in the offer letters to the investors;
- one unit trust consultant (UTC) for misappropriating monies from four investors, providing statements of accounts to two individuals which contained false information and for engaging in deceptive and misleading acts by procuring and receiving monies from investors based on his deception;
- one recognized market operator (RMO) for failing to adopt and demonstrate application of a risk-

based approach, to conduct on-going due diligence and scrutiny on the business relationship with its customers throughout the course of the business relationship, to reclassify customer as higher risk and consider lodging suspicious transaction report and to ensure that the frequency in implementing on-going due diligence or enhanced due diligence must commensurate with the level of money laundering or terrorism financing risks posed by the customer;

- one unlisted public company and its three directors for failing to register a prospectus with the SC in relation to the issuance or offering for subscription or purchase of convertible redeemable non-cumulative preference shares;
- one licensed intermediary for failing to seek the SC's authorisation prior to selling structured products for four high net-worth individuals and failure to register with the SC a disclosure document for the issuance of the structured product to the said individuals, failure to provide a product highlight sheet to high net-worth individuals and making a misleading statement in a disclosure document;
- one digital asset exchange and its director for operating a recognized market without registering with the SC under Section 34 of the CMSA;
- one UTC for allowing and receiving pre-signed forms, executing 26 unauthorised investments and 23 unauthorised switching transactions in unit trust account, engaging in deceptive and misleading acts by preparing and issuing seven falsified unit holder ledgers and one falsified audit confirmation and exhibiting dishonest behaviour by arranging for another person to attend mandatory annual product fundamental training session to fulfil the pre-requisite CPD points imposed by FIMM to maintain registration as a UTC; and
- one individual for causing one public-listed company shares to be deposited and maintained in two individuals securities account.

Redress via Infringement Notices

In carrying out the SC's surveillance, gatekeeping and supervisory functions, the SC also utilises its non-statutory enforcement tools, to address breaches of securities laws or guidelines that do not warrant the initiation of any formal enforcement actions.

In such instance, the SC may issue the following Infringement Notices to the relevant parties concerned:

- **Supervisory letters with infringement** – issued pursuant to the exercise of the SC's supervisory function or the conduct of an examination under section 126 of the *Securities Commission Malaysia Act 1993* (SCMA).
- **Warning letters** – issued pursuant to the discharge of the SC's gatekeeping function such as the issuance of licenses, approval of corporate proposals and review of prospectuses. Warning letters may be issued to licensed, registered persons or other professionals or experts.
- **Non-compliance letters** – issued pursuant to the discharge of the SC's gatekeeping function for minor breaches.
- **Notice of Cease and Desist** – issued to immediately halt and prevent further violation of any obligations under the securities laws. Failure to comply with the *Notice of Cease and Desist* may attract formal enforcement action by the SC.

As of 31 December 2024, 125 Infringement Notices have been issued by the SC, with the breakdown as in Table 24.

TABLE 24
Type of infringement notices

Type of infringement notices	No. issued
Supervisory letters with infringement	32
Warning letters	71
Non-compliance letters	19
Notice of Cease and Desist	3
TOTAL	125