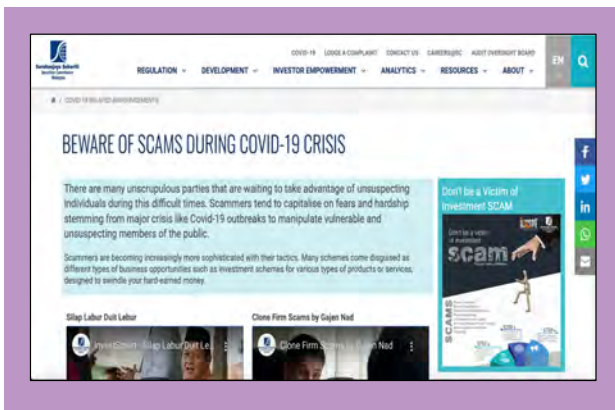


INVESTOR PROTECTION AND MARKET INTEGRITY

Investor Protection Through Investor Alerts and Public Complaint Hotline

Complaints management remains a critical function in supporting the SC's investor protection mandate. Given the increase in potential scams perpetrated by those seeking to prey on vulnerabilities arising from the COVID-19 pandemic, it was important that the SC's complaints management process remain operational throughout the MCO period. This is to ensure that appropriate recourse channels are available to the investing community and public at large. Other than walk-in complainants, the SC continued to attend to public complaints or enquiries received through the *Aduan* telephone hotline or email.

Several initiatives were introduced to communicate anti-scam awareness messages to the public. These were conducted through television, radio, social media platforms and websites including the anti-scam dedicated page on the SC's website and a 3-week anti-scam awareness campaign on major television channels.



Refer to the full list of the SC's investor education initiatives in 2020 under InvestSmart® in Part 5 of this annual report.

Strengthening Oversight on Cyber Resilience

Given increasing cyber threats in the financial market globally, the SC continued to facilitate the cyber resiliency of capital market entities as well as safeguarding investors' interests. The SC stepped up its efforts to protect investors from those looking for gaps to exploit, particularly arising from operational disruptions and increased reliance on online investment activities due to remote working arrangements. An advisory was issued to all market participants to take the necessary counter-measures against the threat of malicious activities such as the creation of fake websites and malware. If left unmitigated, such cyber-related risks may potentially cause significant business disruptions, loss of sensitive data, financial losses to investors and reputational damage to market participants.

With employees returning to work and accessing corporate networks following the RMCO in June 2020, the SC continued to advise market participants to remain vigilant against potential risk of dormant malware that may have been unwittingly installed into personal devices or computers during remote working conditions. Such malware may be designed to activate upon connection to corporate networks, leading to cyber security incidents.

The SC undertook a review by way of a self-assessment questionnaire to assess capital market entities' level of compliance to the SC's *Guidelines on Management of Cyber Risk* (Cyber Risk Guidelines). Pursuant to the review, the SC continues to engage the relevant capital market entities to ensure they comply with the SC's Cyber Risk Guidelines.

Assessments were also conducted on new entrants to the capital market in terms of their levels of maturity towards cyber resilience. The assessment enables such entities to identify any vulnerabilities and formulate new controls and mitigation measures. In relation to

the cyber resilience of regulated digital asset exchanges (DAX), the SC’s oversight efforts are focused on their management of digital asset key encryption. Cyber incident reports are continually received and monitored by the SC, resulting in issuance of thematic advisories and communication to capital market intermediaries such as cyber hygiene best practices.

The SC will continue to engage and work closely with capital market entities to assess their risk management, and IT policies and practices to ensure that crucial systems are able to deal with potential cyber risks.

Capital Market Cyber Simulation 2020

The SC hosted the third annual Capital Market Cyber Simulation (CMCS) exercise for the capital market

entities in collaboration with Cyber Security Malaysia (CSM) and National Cyber Security Agency (NACSA). Several simulation incidents were conducted with a focus on real-life WFH scenarios to ensure participants’ capability to respond and remediate cyber security incidents.

Selected participants were invited to take part in the CMCS 2020. The exercise provided participants an opportunity to experience real-life cyber threats, test out internal procedures, deploy technical capabilities to analyse and resolve the incidents.

Overall the SC has observed year-to-year improvement in the participants’ performance despite increasingly challenging simulated scenarios. The participants have learned the importance of communication and prompt actions to mitigate the incidents.

CYBER HYGIENE BEST PRACTICES



CREATING GREATER PROSPERITY FOR THE REGION AND FACILITATING ECONOMIC RECOVERY POST COVID-19

In 2020, Malaysia served as the Chair of the Asia-Pacific Economic Cooperation (APEC) – the co-operative economic and trade forum with 21 members aimed at creating greater prosperity for the region.

Themed 'Optimising Human Potential towards a Resilient Future of Shared Prosperity: Pivot. Prioritise. Progress.', the APEC Finance Ministers' Meeting 2020 (APEC FMM 2020) was held virtually on 25 September 2020. The APEC FMM 2020 focused on the economic implications of COVID-19 and policy responses taken by APEC economies in mitigation and recovery, as well as the enhanced role of digitisation to address the impact of the pandemic. Chaired by Malaysia's Minister of Finance, attendees included Ministers of Finance and senior policymakers from all APEC economies as well as international organisations. The SC formed part of the Malaysian delegation.

Within the context of the Malaysian capital market, initiatives highlighted were measures taken during the pandemic to ensure the capital market continued to function effectively and support the real economy.

In the Virtual Finance Ministerial Statement, APEC economies emphasised the need to continue exchanging experiences and good practices. It also encouraged co-ordinated multilateral co-operation towards ensuring a strong and sustainable economic recovery. APEC economies reiterated their determination to continue using available policy tools to support immediate responses to the pandemic, including for those in vulnerable segments of society. APEC economies also recognised that the pandemic had accelerated the digitisation of economies. Measures with digitisation elements aimed to help businesses, especially SMEs, navigate the impact of COVID-19 were also underscored.

The APEC FMM 2020 focused on the economic implications of COVID-19 and policy responses taken by APEC economies in mitigation and recovery, as well as the enhanced role of digitisation to address the impact of the pandemic
