



CHAIRMAN'S MESSAGE



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DATO' MOHAMMAD FAIZ AZMI

On behalf of the Securities Commission Malaysia (SC), it is my distinct honour to present our Annual Report and share our key outcomes for 2025.

It was a fulfilling year marked by Malaysia's leadership of ASEAN and its various platforms including the ASEAN Capital Markets Forum (ACMF), an established mechanism to advance regional capital markets. Concurrently, the SC continued efforts to strengthen the resilience and integrity of Malaysia's capital market and enable the mobilisation of financing and investment for inclusive and sustainable growth.

ADVANCING REGIONAL CAPITAL MARKETS

It was a substantial initiative, but ultimately rewarding undertaking, for the SC in assuming the responsibility

of ACMF Chair in 2025. Due to the profound shifts in global fundamentals last year, the work of the ACMF took on extra significance.

Many rounds of engagements were required as policymakers and industry assessed and reassessed existing and potential remedies. The underlying goal was to reinforce market resiliency and unlock new areas of growth and connectivity. It was a major deliverable for the SC and I am delighted that we managed to achieve what we set out to do as Chair.

Among the ACMF's key outcomes, the *ACMF Action Plan 2026–2030* stands out. Borne out of the contributions of all 11 member states, it identifies our strategic

priorities for the next five years with tangible workplans. The Action Plan truly reflects a shared commitment to ensure regional capital markets are well-positioned, not only for today but for the future.

Critically, member states were extremely receptive to considering emerging and underfunded areas of risk and opportunities for ASEAN. As a result, the ACMF made large strides towards developing a region-wide framework for both climate adaptation financing and carbon markets. Such efforts will go a long way towards safeguarding the future prosperity and resilience of Southeast Asia.

PRESERVING TRUST AND MARKET RESILIENCE

In 2025, the robustness of Malaysia's anti-money laundering, countering financing of terrorism and countering proliferation financing (AML/CFT/CPF) regulatory framework received international validation. Following an in-depth assessment, the Financial Action Task Force (FATF) upgraded Malaysia into the top 'regular follow-up' category, a status achieved by only 11 countries in FATF's previous evaluation cycle. The SC was part of the multi-disciplinary task force that met with the assessment team during the year.

We continued to take our AML/CFT/CPF responsibilities seriously with regulatory assessments conducted on recognized market operators (RMOs) during the year to ensure their compliance with anti-money laundering and due diligence requirements.

In terms of supervisory assessments, the SC also heightened focus on the technology and cyber risk management practices of Bursa Malaysia, market intermediaries and digital platforms.

With scams and unlicensed activities making up more than 60% of complaints received by the SC, we stepped up collaboration with other agencies. The SC became a member of the National Scam Response Centre (NSRC) in July 2025. We also worked closely with the Malaysian Communications and Multimedia Commission (MCMC) to strengthen scam prevention and leverage artificial intelligence to combat increasingly sophisticated fraud.

To stem the spread of unlicensed investment advice via social media, the SC revised the *Guidelines on Advertising Capital Market Products and Related Services* to impose requirements on influencers deemed as

advertisers. This includes strengthening safeguards on the use of social media for financial promotions.

During the year, criminal prosecutions by the SC resulted in RM13.1 million in court-imposed fines and custodial sentences of up to three years. Civil penalties and regulatory settlements against financial crimes amounted to RM2.1 million and RM9.1 million, respectively, with close to RM2 million restituted to investors.

Greater co-operation and information sharing was also formalised through a Memorandum of Understanding with the Inland Revenue Board. This will enhance enforcement against market misconduct and abuse as well as tax evasion. In addition, the SC became a signatory to IOSCO's Enhanced Multilateral Memorandum of Understanding to increase the effectiveness of our investigation and enforcement actions on cross-border transactions.

The coming into force of the SC's revised fee structure will enhance our capacity to safeguard investors and market integrity. Alongside this, we continue to place emphasis on upgrading regulatory know-how via in-house and external training programmes. This includes the newly established Young Regulators Development Programme and ICM Summer School in collaboration with the University of Durham, UK.

SUPPORTING INCLUSIVE AND SUSTAINABLE GROWTH

In positioning Malaysia as a gateway for cross-border investment flows, strategic outreach with the Gulf Cooperation Council (GCC) markets will be important. In line with this objective, the SC entered into a strategic partnership with the Financial Services Authority of Oman to exchange knowledge, research and build capacity including strengthening the Islamic capital market's global proposition.

The Single Family Office (SFO) Incentive Scheme provides an attractive avenue to channel domestic and regional capital into national priority areas and Malaysian businesses including MSMEs. Encouragingly, the SC approved six conditional applications in the scheme's first year of operation with close to RM400 million in estimated assets under management (AUM). Separately, access to financing for MSMEs and MTCs was further enhanced with the introduction of the *New Industrial Master Plan 2030* Strategic Co-Investment Fund (NIMP CoSIF) in early 2025.

We also continued with efforts to develop a social finance framework with the Social Exchange Pilot Programme (SEPP25) acting as a test bed to identify ecosystem and disclosure requirements. This culminated in the issuance of *Guidelines on Social Exchange Platforms* in September 2025, which will enable fundraising for social impact projects.

In embedding sustainability, the SC employs a multi-prong approach that targets different stakeholder segments. The Coastal Flooding Adaptation and Resilience (COFAR) initiative aims to enhance awareness of financing climate adaptation including among youths. For public-listed companies (PLCs), the ACSR is facilitating sustainability reporting adoption under the *National Sustainability Reporting Framework* (NSRF) with workshops and tools including Illustrative Sustainability Reports. We also hope to see better sustainability readiness overall as smaller businesses utilise the *Simplified ESG Disclosure Guide* (SEDG) as well as the recently introduced SEDG GHG Emissions Calculator.

To encourage responsible innovation, the SC's Regulatory Sandbox was launched with six participants in the first cohort exploring potential innovations in alternative real estate investments, secondary markets and alternative financing. We also clarified via an Amendment Order that tokenised securities are subject to the same regulatory standards as conventional securities. All these efforts can hopefully lay the steps for more innovative market-based products and services that will ultimately benefit both investors and issuers.

CHARTING THE NEXT CHAPTER

The release of the *Capital Market Masterplan 2026-2030* (CMP) in 2026 will mark an important recalibration of the Malaysian capital market. Premised on the pillars of vibrancy, inclusiveness, sustainability and regional opportunities, the CMP will also leverage ICM as a differentiator and regulatory and governance excellence as the foundation.

In the year ahead, the priority will be to implement measures to enhance the long-term value proposition of Malaysian PLCs, specifically the top-performing and the non-performing. This is essential to enhance the attractiveness and investability of Corporate Malaysia. Concurrently, the SC will be revising the *Malaysian Code on Corporate Governance* (MCCG) to further strengthen corporate accountability, conduct and sustainability practices.

Revised Equity Guidelines for the Main Market and the ACE Market listing requirements are expected to be introduced by the first half of 2026. It will incorporate public feedback from the market segmentation review done last year. In addition, we will also seek to enhance the funding escalator with amendments to the LEAP Market listing requirements.

The SC will study enhancements to the private retirement scheme (PRS) framework and overall ecosystem towards increasing the attractiveness of retirement products for retail investors. In addition, we will assess the suitability of bond tokenisation to improve retail access to bonds.

The NSRF will enter its second phase of implementation, mandating climate-related disclosures for the rest of the Main Market. The first Social Exchange Platform will also be introduced in 2026.

The SC also aims to facilitate greater innovation in Islamic products, including Islamic social finance instruments and *Maqasid*-based sukuk offerings. It is an encouraging sign that 78 percent of last year's sukuk submissions are already aligned with the *Maqasid Al-Shariah Guidance*.

International roadshows will also be conducted to attract more family offices to ensure we meet our SFO target of RM2 billion by end-2026.

As part of the SC's data-driven approach, further SupTech solutions are expected to be deployed while information sharing with other regulatory authorities will be enhanced in 2026.

In closing, I would like to record my appreciation to all SC staff for their professionalism, commitment and for going the extra mile in a busy 2025. I am particularly grateful to the SC's Board Members as well as the Executive Team for their guidance and for leading various efforts throughout the year. The SC also benefitted considerably from the constructive engagement and support of our stakeholders, especially market participants.

As we move forward, let us reshape and recalibrate the capital market together as envisioned by the CMP.



Dato' Mohammad Faiz Azmi