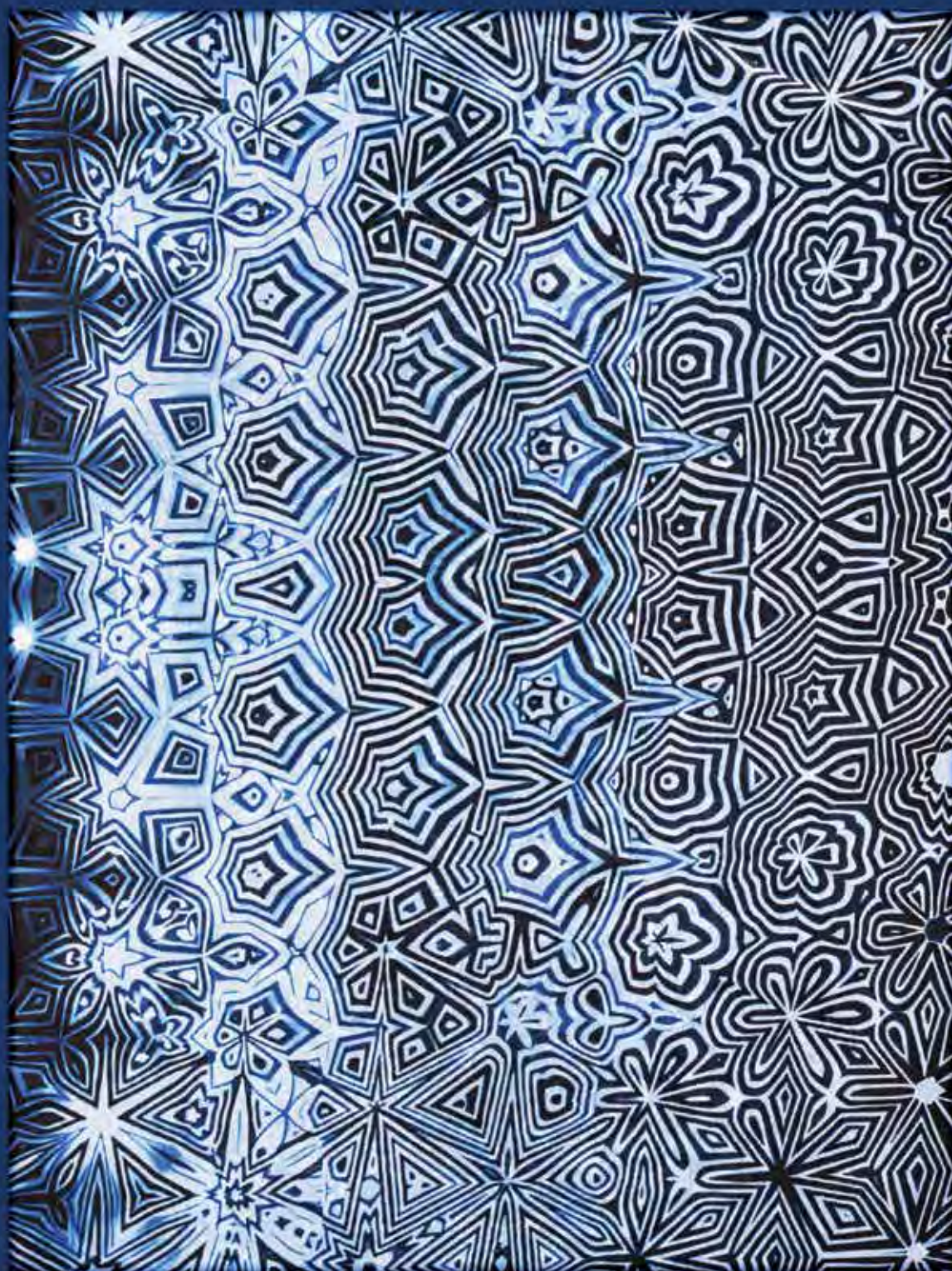




Suruhanjaya Sekuriti
Securities Commission
Malaysia



ANNUAL REPORT 2025

SECURITIES COMMISSION MALAYSIA
ANNUAL REPORT
2025

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MISSION STATEMENT

To promote and maintain fair, efficient, secure and transparent securities and derivatives markets and to facilitate the orderly development of an innovative and competitive capital market.

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CHAIRMAN'S MESSAGE



CHAIRMAN'S MESSAGE

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

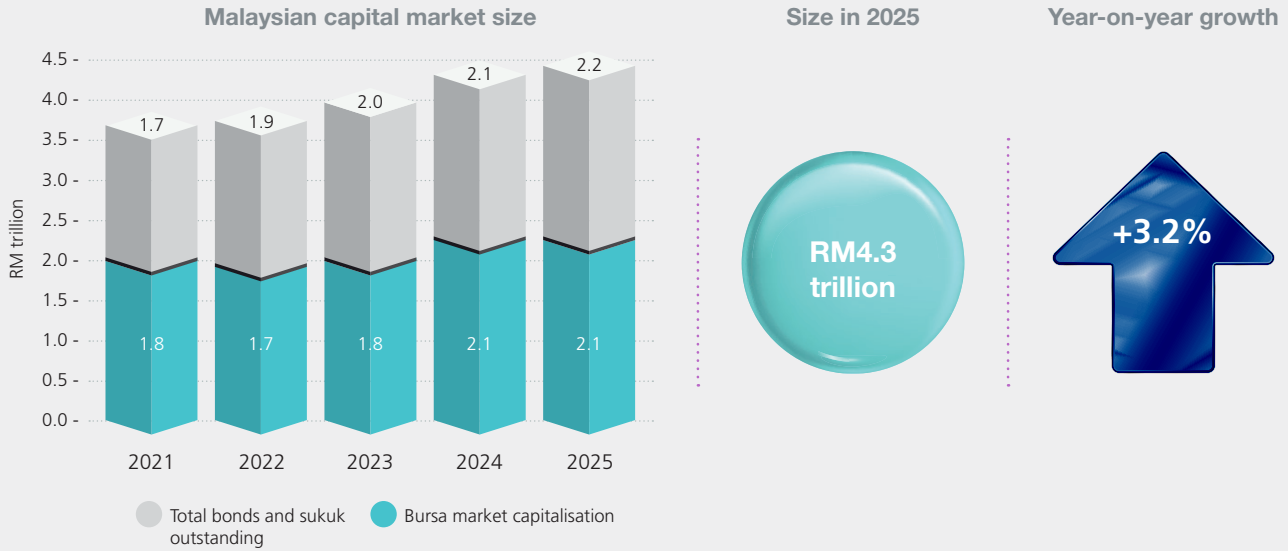


KEY HIGHLIGHTS 2025

HIGHLIGHTS 2025: CAPITAL MARKET PERFORMANCE

5-YEAR PERFORMANCE (2021-2025)

Total Capital Market Size



- **Total capital market size grew by 3.2% year on year (y-o-y) to RM4.3 trillion** in 2025, as a slight decline in the equities market capitalisation was offset by higher bonds and sukuk outstanding.
- **Since 2020**, the total market has **grown by 4.7% p.a.***, with bonds and sukuk outstanding growing by (7.0%) and equity market capitalisation by (2.6%) p.a.

* Based on compound annual growth rate (CAGR).
 # Total may not add up due to rounding.

Islamic Capital Market size



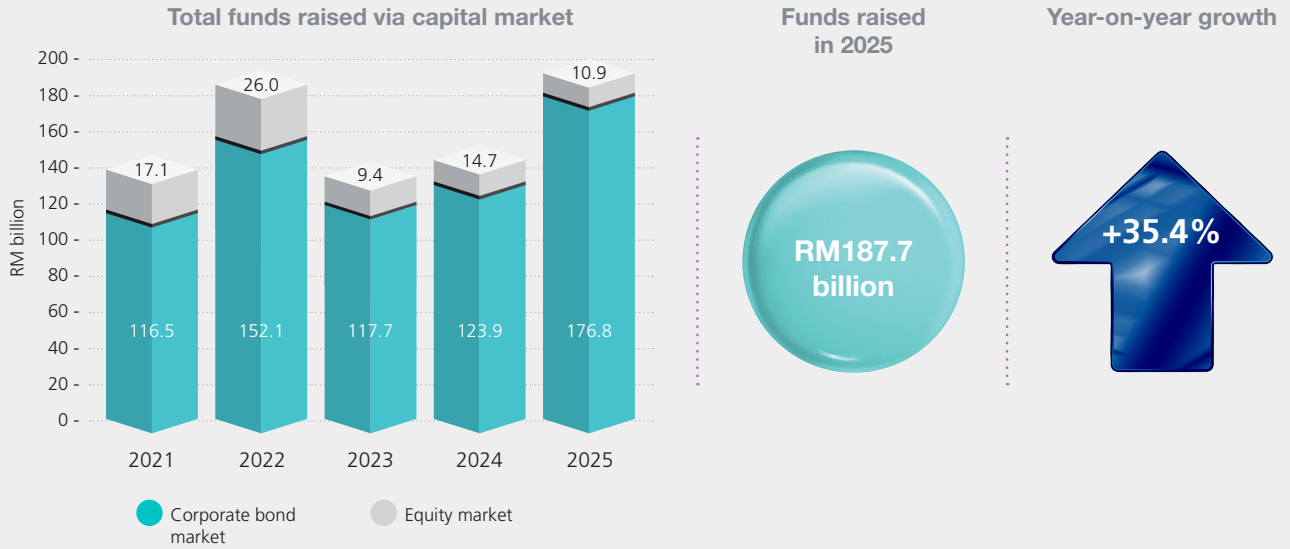
- In tandem, the size of the **Islamic capital market (ICM) grew by 4.3% to RM2.7 trillion** in 2025.
- **Since 2020**, the total size has **grown by 4.0% p.a.***, driven by the growth in sukuk outstanding (7.1%), and Shariah-compliant equities (1.2%).

* Based on compound annual growth rate (CAGR).
 # Total may not add up due to rounding.

HIGHLIGHTS 2025: CAPITAL MARKET PERFORMANCE

5-YEAR PERFORMANCE (2021-2025)

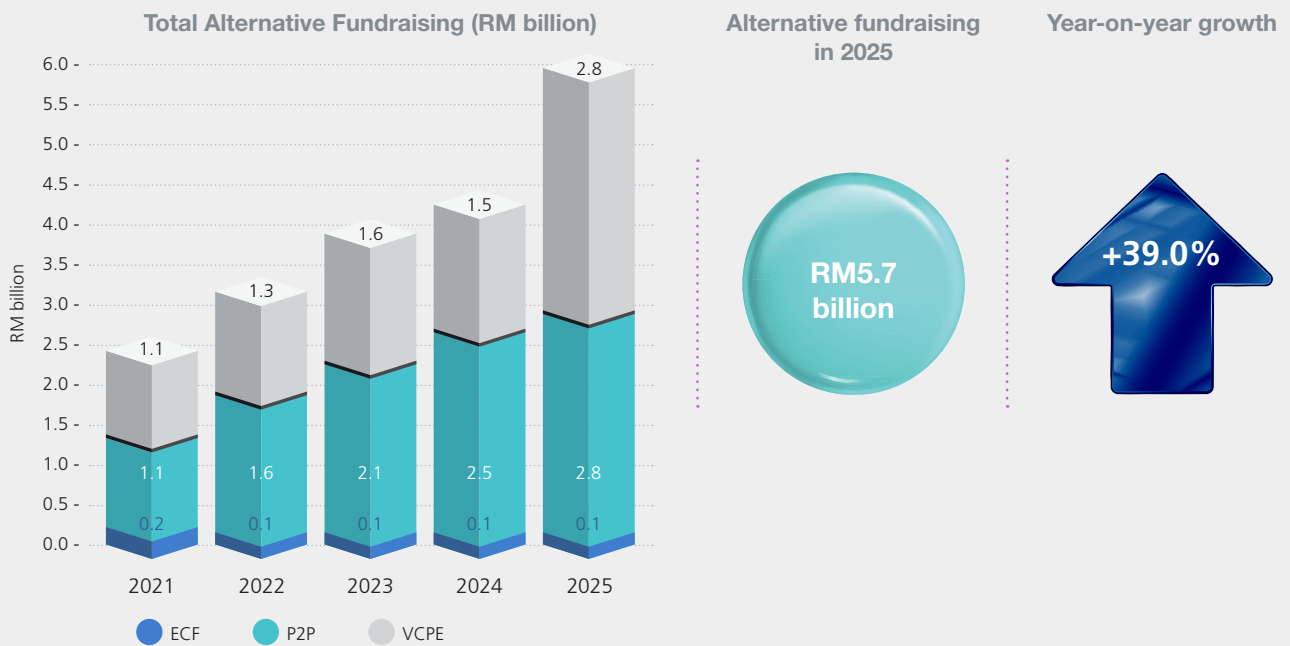
Total Equity and Debt Fundraising



- **Total fundraising in equity and bond market grew by 35.4% from 2024, to RM187.7 billion** (2024: RM138.6 billion raised). The market continued to see a strong IPO run in 2025, recording 60 IPOs (2024: 55).

Total may not add up due to rounding.

Alternative Fundraising



- Alternative financing avenues continued to facilitate financing to MSME and MTC, raising **RM5.7 billion** in 2025, driven mainly by the encouraging growth in P2P financing as measures continue to be implemented to catalyse financing for businesses of all sizes.

Total may not add up due to rounding.

HIGHLIGHTS 2025: CAPITAL MARKET PERFORMANCE

5-YEAR PERFORMANCE (2021-2025)

Fund Management Industry AUM



- The fund management industry expanded, with total assets under management (AUM) rising by 6.9% to a record high of RM1.14 trillion in 2025, driven by increased demand for fixed income securities and higher valuations.

Total may not add up due to rounding.

HIGHLIGHTS 2025: REGULATORY ACTIONS

Swift regulatory actions for credible deterrence

CRIMINAL ACTION

9  
convictions
obtained



RM13.1 mil
court fines

CIVIL ACTION

RM2.07 mil
civil penalties imposed



RM9.08 mil
Total disgorgement



RM1.98 mil
returned to **239** investors



concluded civil actions
(involving 5 defendants)

ADMINISTRATIVE ACTION

99 
admin sanctions
imposed



44 reprimands
issued

43 penalties / fines
imposed
amounting to **RM8.28 mil**



HIGHLIGHTS 2025: KEY INITIATIVES



Balanced regulatory approach, fostering market development and safeguarding investor protection

- **Strengthened guardrails for online promotions and finfluencers**, with revisions made to advertising guidelines to classify finfluencers as advertisers, holding them accountable under the guidelines.
- **Proactive surveillance and early intervention against scams and unlicensed activities**, including URL takedowns, social media interventions, Investor Alert List enhancements, and participation in the National Scam Response Centre (NSRC).
- **Regulatory clarity on tokenised securities**, recognising that tokenised securities are subject to the same underlying regulations applicable to conventional securities regardless of its technology.
- **Operationalised Regulatory Sandbox framework**, with the *Guidelines on Regulatory Sandbox* cohort pre-consultations and first participants onboarded for supervised testing.



Strengthened fundraising pathways for businesses

- **Sustained the delivery momentum of the *Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)***, with 16 out of 36 initiatives (44%) launched or implemented and ~RM8.7 billion mobilised.
- **Launched the Strategic Co-Investment Fund (CoSIF) under the NIMP 2030** with an initial allocation of RM131.5 million. Roadshows were held in Penang, Johor and the Klang Valley to generate deal flow, engage industry clusters, and deepen awareness of capital-market-based alternatives.
- **Revised the *Practical Guide on Venture Capital and Private Equity***, which includes the recognition of Labuan structures in the SC's VC/PE registration framework, and enhancements to BNM's Foreign Exchange Policy (FEP) fund flow approval process for VC/PE managers based on total fund size mandate.



Advancing regional collaboration and cross-border connectivity

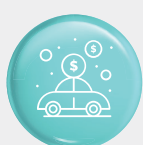
- **Chaired the ASEAN Capital Markets Forum (ACMF)**, delivering the *ASEAN Taxonomy for Sustainable Finance Version 4*, *ASEAN Simplified ESG Disclosure Guide (ASEDG) for SMEs in Supply Chains*, the *ASEAN Voluntary Carbon Market (VCM) Development Plan and Guidance*, and the *White Paper on Mitigation Co-benefit and Adaptation for Resilience (mARs) Guide* to strengthen sustainability comparability across the region.
- **Launched the *ACMF Action Plan 2026-2030***, setting a coordinated agenda on sustainable finance, digitalisation, and market connectivity.
- **Deepened cross-border connectivity and supervisory cooperation**, including alignment work on disclosure/recognition frameworks and information-sharing arrangements to support orderly markets.

HIGHLIGHTS 2025: KEY INITIATIVES



Fostering market vibrancy

- **Introduction of the Single Family Office (SFO) incentive framework** aimed at unlocking a new pool of long-term capital for Malaysia's financial markets. To date, the SC has granted six conditional approvals, representing an indicative AUM of close to RM400 million.
- **Enhancements to the digital asset market competitiveness**, with proposals to widen regulated offerings and raise prudential/operational standards for digital asset exchange (DAX) operators.
- **Launch of the Bond Tokenisation Pilot** in collaboration with Khazanah Nasional to modernise market infrastructure using distributed ledger technology.



Mobilising capital for a sustainable and socially responsible future

- **Execution of the National Sustainability Reporting Framework (NSRF)**, with Malaysia recognised as the only ASEAN jurisdiction adopting ISSB Standards with limited transition reliefs. Implementation support was provided through PACE (Policy, Assumptions, Calculators, and Education), including the rollout of illustrative Sustainability Reports for the plantation and construction sectors.
- **Establishment of the Social Exchange framework**, with rules/guidelines finalised following a pilot to facilitate fundraising for projects with measurable social outcomes.
- **Launch of the Coastal Flooding Adaptation and Resilience (COFAR) initiative** to explore market-based financing for climate adaptation and resilience.



Enhancing investor participation and protection

- **Malaysia attained 'Regular Follow-up' status, the highest rating under the Financial Action Task Force (FATF) assessment** and an improvement from 'Enhanced Follow-up' in 2015, affirming the strength of the SC's supervisory framework.
- **Nationwide reach with over 7 million persons** reached through **75 events** across **13 states**. The flagship **InvestSmart® Fest 2025** attracted **24,438 visitors**, the highest since its inception.
- In collaboration with the Financial Education Network (FEN) members, the SC **contributed to the development of the National Strategy for Financial Literacy 2026-2030 (NS2.0)**.



PART 1
CAPITAL MARKET
REVIEW AND OUTLOOK

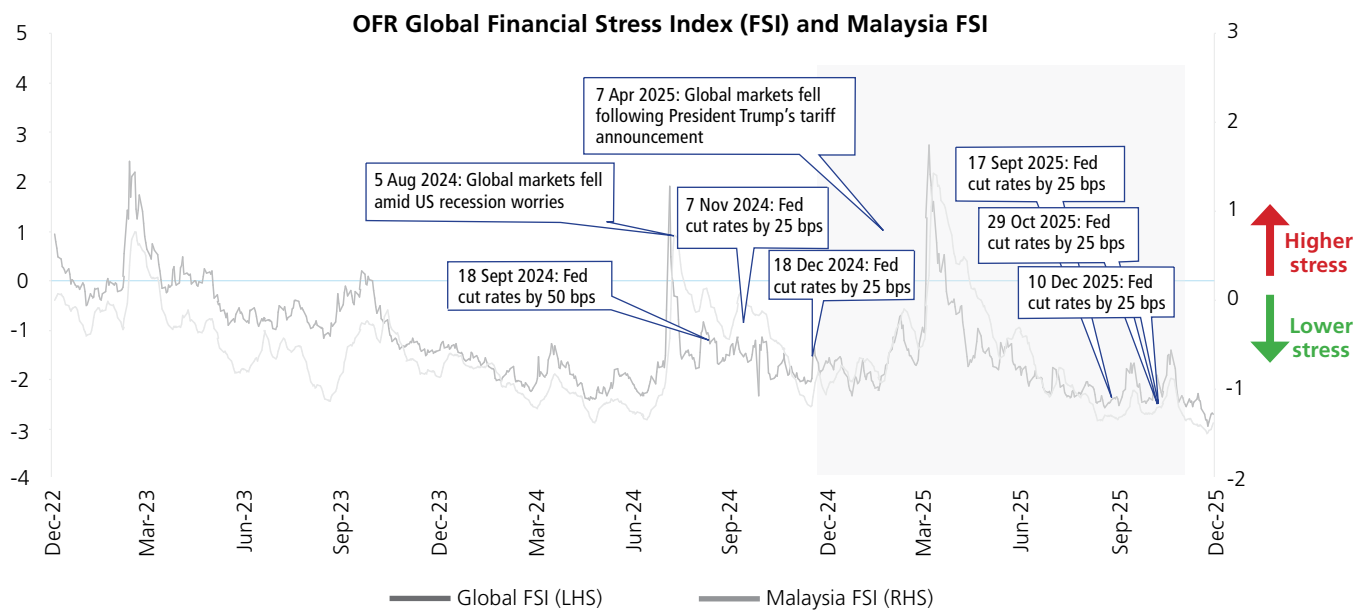
PART 1 CAPITAL MARKET REVIEW AND OUTLOOK

OVERVIEW

Despite the resilience of the global economy, 2025 was marked by heightened volatility in global capital markets. In the first half of the year, uncertainties over trade policies and escalating geopolitical tensions weighed on market performance. However, as trade tensions eased and investor optimism strengthened on the back of global artificial intelligence (AI) expansion, benchmark indices in several countries climbed to historical highs. Malaysia’s capital market followed a similar trajectory, with lower trading activity in the first half of the year before rebounding later, supported by resilient domestic economic conditions despite external headwinds. Looking ahead, the domestic capital market is expected to benefit from projected interest rate cuts by major central banks, amid easing inflationary pressures and efforts to sustain growth. This is likely to spur global fund flows into emerging markets, including ASEAN. On the domestic front, the continued realisation of investment projects under national master plans, coupled with supportive policies, strong corporate fundamentals, and ample domestic liquidity, is expected to further strengthen Malaysia’s capital market in 2026.

CHART 1

Global financial stress levels heightened in April 2025 amid global trade uncertainties



Note:

The Global FSI is from the Office of Financial Research, US Department of Treasury, while the Malaysia Financial Stress Index (MFSI) is internally estimated following similar methodology (see [Monin, 2017](#)). Value of FSI above zero indicates higher than historical average financial stress in the economy.

Source: US Office of Financial Research, SC.

GLOBAL DEVELOPMENTS IN 2025

The global economy grew stronger than expected in 2025. According to the International Monetary Fund's (IMF) *World Economic Outlook* (January 2026 update), global growth was revised upward to 3.3% for 2025, compared to 3.2% in its October 2025 projection. The upward revision was partly driven by China, where the economy was estimated to grow by 5.0% (October 2025 projection: 4.8%), attributable to supportive fiscal stimulus measures. The US also registered faster-than-anticipated expansions, primarily underpinned by a pickup in technology investment. Closer to home, the ASEAN-5 economies collectively expanded by 4.2% (October 2025 projection: 4.2%), in line with previous trajectories.

A major development during the year was the announcement of new US tariff measures on 2 April 2025. The announcement had a notable impact on global trade dynamics in the first half of 2025, as businesses engaged in significant frontloading of trade activities ahead of the tariff implementation to mitigate potential supply chain disruptions. Subsequent negotiations between various trading partners resulted in bilateral arrangements that led to downward revisions of tariff rates in certain countries.

Technological advancements in artificial AI also emerged as a defining theme during the year. Global semiconductor sales reached record highs in November 2025, driven by sustained demand for AI-enabled applications. These developments supported global trade activity and underscored the deepening interlinkages between technological innovation and international trade flows.

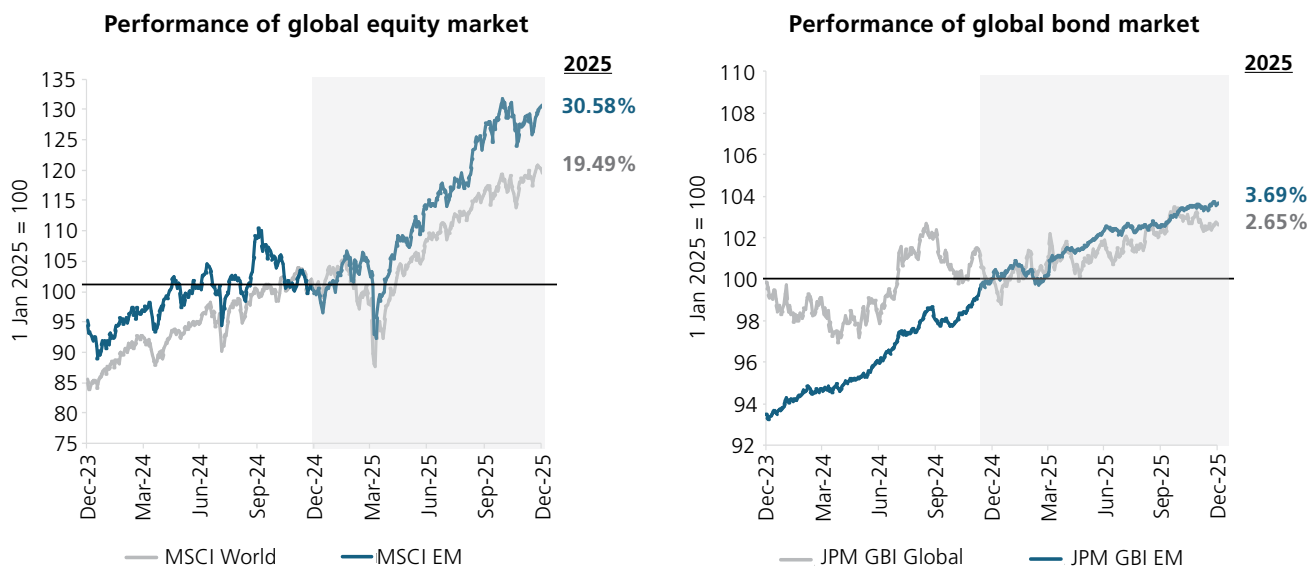
The year was further marked by a global monetary movement. The US Federal Reserve (Fed) shifted from restrictive stances to monetary easing amid signs of moderating growth. The Fed implemented its first 2025 policy rate reduction by 25 basis points (bps) in September 2025, citing concerns over labour market softness despite inflation remaining above the 2% target.

This was followed by two additional 25 bps cuts in its October and December 2025 meetings. Meanwhile, the People's Bank of China (PBoC) also reduced key lending rates by 10 bps in May 2025 and introduced stimulus measures to stabilise an economy weighed down by a prolonged property sector downturn and persistent deflationary pressures.

Global financial markets recorded broad-based gains in 2025, supported by the commencement of monetary policy easing in major economies and fuelled by investors' expectations of further rate cuts in the near term. The MSCI World Index rose by 19.49%, while the MSCI Emerging Markets Index advanced by 30.58%, reflecting stronger investor appetite for emerging markets (Chart 2). This was further reinforced by a weakening US dollar amid uncertainties surrounding US trade and monetary policies. Global market capitalisation expanded to US\$150.99 trillion in 2025 (2024: US\$123.61 trillion), underpinned by resilient corporate earnings and optimism over continued policy support. Despite the overall uptrend, 2025 was marked by episodes of heightened volatility, largely stemming from global trade frictions and geopolitical tensions. The VIX Index, an options-based gauge of market volatility, spiked to 52.33 points on 8 April 2025 — its highest level since the pandemic — reflecting elevated investor anxiety.

Nevertheless, investor sentiment remained broadly resilient. Technology-related stocks were the primary drivers of market gains, propelling major indices such as the S&P 500, Nasdaq and Japan's Nikkei 225 to record highs. In the US, sustained corporate earnings and significant capital expenditure commitments by leading technology firms bolstered optimism. In Asia, technology and semiconductor stocks rallied partly due to optimism around AI infrastructure and hardware supply-chain upgrades. China accelerated its move toward domestic AI application and semiconductor capability, spurred by US export restrictions and supportive government measures. This was illustrated by the launch and subsequent upgrades of DeepSeek's low-cost Chinese AI model, which leveraged domestic accelerators and highlighted growing competitiveness in the global AI landscape.

CHART 2
Global equities and bonds performances improved in 2025



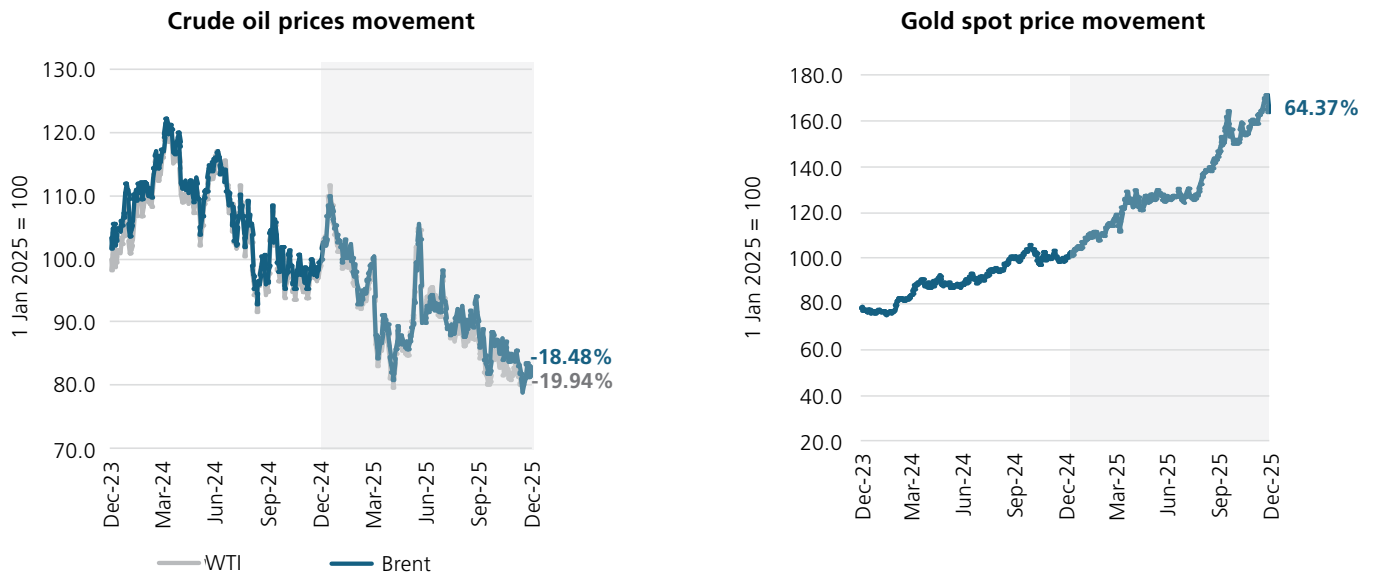
Source: Refinitiv Eikon Datastream, SC.

In the global bond markets, emerging economies slightly outperformed advanced economies, with the emerging bond index gaining 3.69% compared to a 2.65% increase in advanced market indices. The bond market in advanced markets were relatively volatile in the early part of the year, driven by the peak of global trade tensions. However, expectations of a global slowdown amid persistent trade frictions supported stronger demand for safe-haven securities. Meanwhile, as inflation pressures eased globally, major central banks including the Fed and the Bank of England began lowering policy rates to cushion the slowdown. The subsequent decline in yields lifted bond prices, further improving overall performance.

Looking at the global commodities markets, Brent crude oil price closed lower at US\$60.85 per barrel, down 18.48% from the previous 2024 year-end. However, crude prices saw a temporary mid-year surge on heightened geopolitical risks in the Middle East, though the rally quickly eased as tensions subsequently de-escalated. The overall decline was primarily driven by muted demand, coupled with increasing global supply as OPEC+ began unwinding output cuts and non-OPEC+ production hovered near record highs. Meanwhile, gold repeatedly set new all-time highs and closed 2025 at US\$4,341.10 per ounce, a 64.37% gain, propelled by safe-haven demand. In the first half of the year, the rally was strongly fuelled by uncertain global trade policies and persistent geopolitical tensions. As the year progressed, the rally received further momentum from the weakening of the US dollar and expectations of continued monetary easing (Chart 3).

CHART 3

Crude oil ended lower while gold surged in 2025



Source: Bloomberg.

MALAYSIAN CAPITAL MARKET DEVELOPMENTS IN 2025

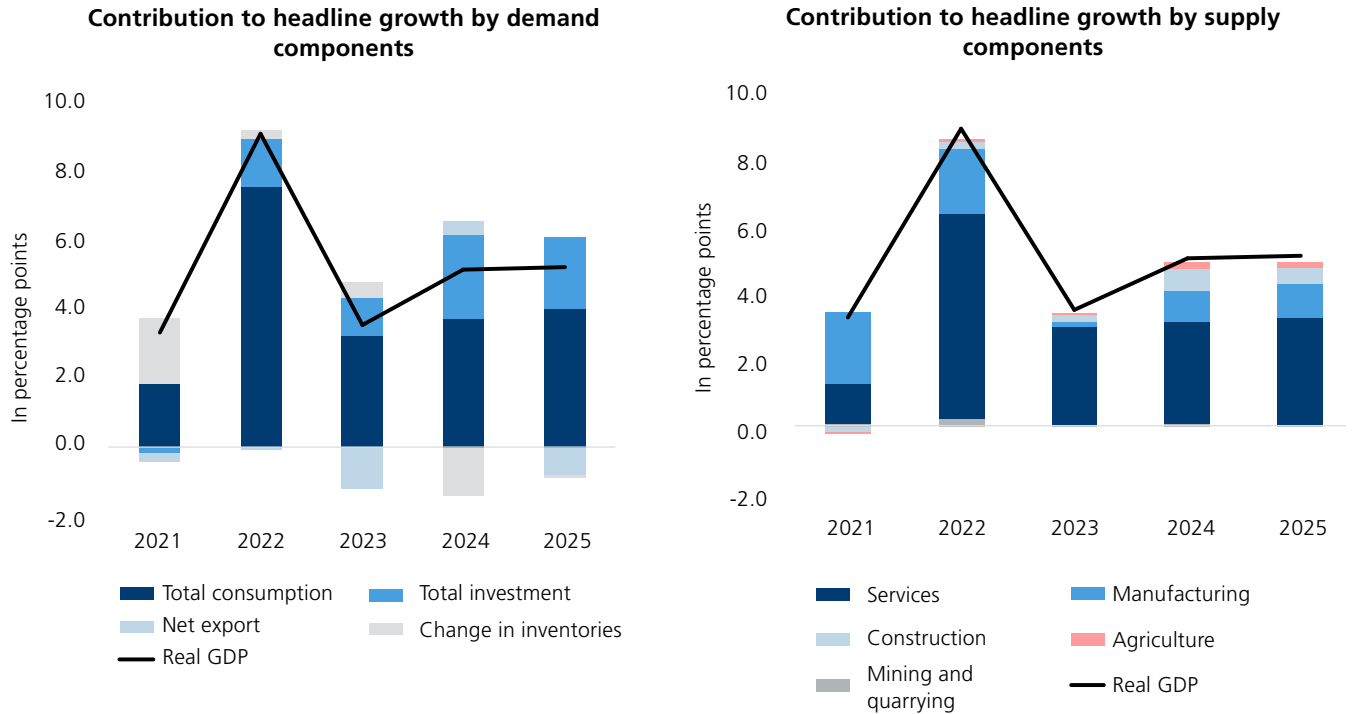
The domestic economy remained resilient in 2025 amid external uncertainties arising from global trade tensions and geopolitical risks, recording growth of 5.2%. This expansion was primarily supported by sustained private sector activity, with private consumption expanding steadily by 5.2% (2024: 5.1%), lowest unemployment rate in a decade (end-2025: 2.9%, 2015 – 2025 average: 3.6%) and wage growth outpacing inflation. Government assistance programmes, such as Penghargaan Sumbangan Asas Rahmah (SARA) and BUDI95, together with the public sector salary revision, have further supported household consumption amid a moderate inflation rate of 1.4% (2024: 1.8%) (Chart 5). Private investment also played a significant role in driving growth, maintaining a strong

growth of 9.4% in 2025 (2024: 12.3%), sustained by continued realisation of approved investments as well as the ongoing implementation of initiatives under national master plans (Chart 4).

By economic sector, services remained the key growth contributor with a stable growth of 5.5% in 2025 (2024: 5.3%), supported by resilient consumer spending and positive labour market conditions. On the monetary policy front, Bank Negara Malaysia (BNM) reduced the Overnight Policy Rate (OPR) for the first time since 2020 as a pre-emptive measure to support domestic economic activity, considering the downside risks to the economy from global trade tensions and moderating inflation. Nevertheless, with major central banks in the advanced economies starting their monetary easing cycles, the Malaysian ringgit strengthened significantly in 2025 to end at RM4.061/US\$ (2024: RM4.476/US\$) (Chart 5).

CHART 4

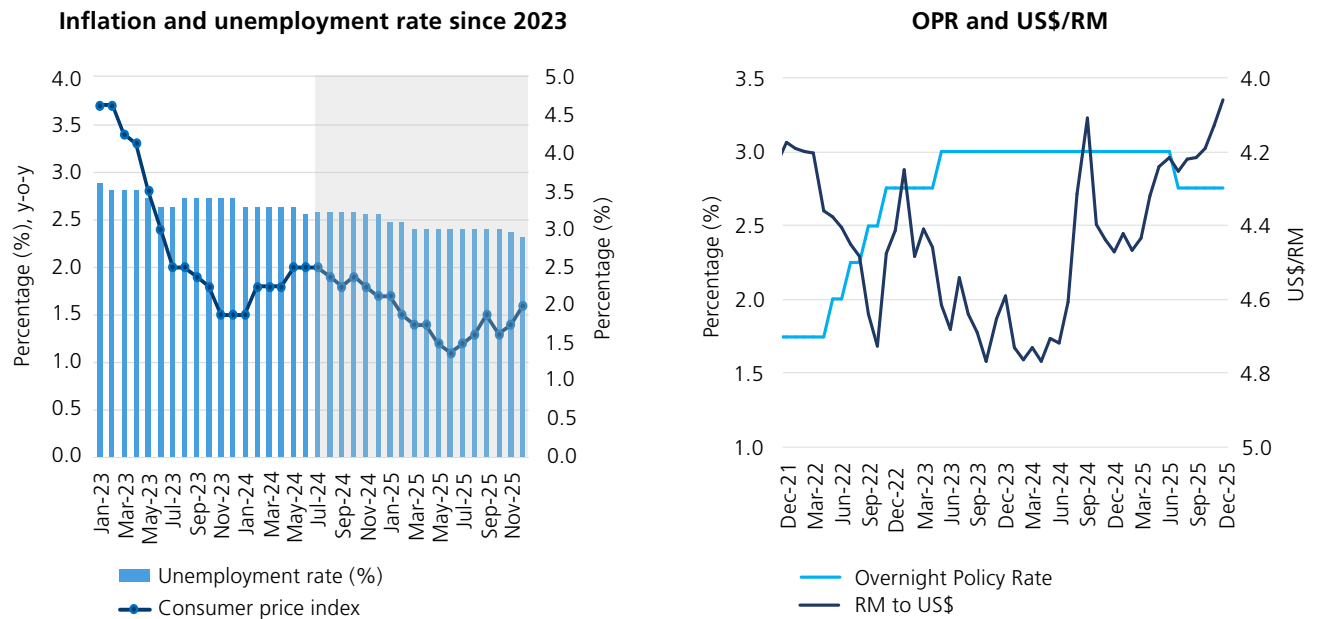
The Malaysian economy expanded substantially in 2025, supported by robust domestic demand amid dampened external demand



Source: Department of Statistics Malaysia, CEIC

CHART 5

Monetary policy rate was reduced by 25bps in 2025 amid moderating inflation conditions



Source: Department of Statistics Malaysia, CEIC.

The Domestic Capital Market Continued to Support the Real Economy

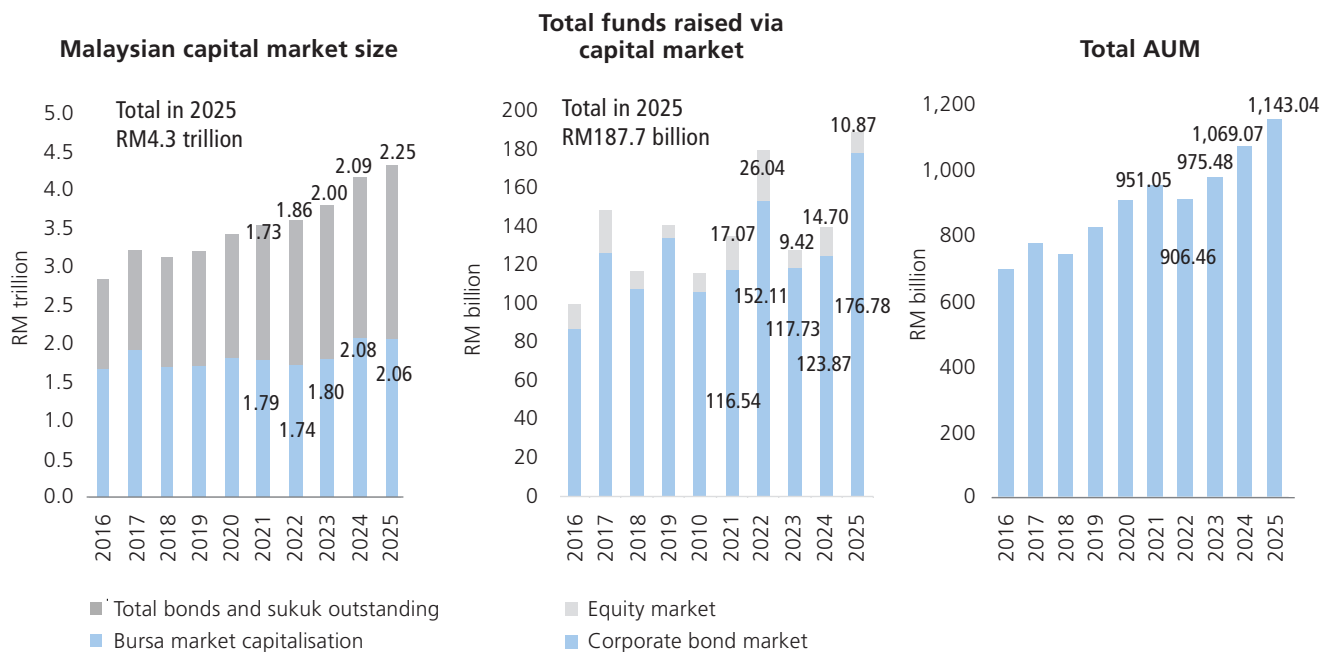
The **Malaysian capital market** demonstrated resilience in 2025, despite a volatile global landscape, as it continued to fulfil its fundamental role in facilitating capital raising for the domestic economy. The size of the capital market increased to RM4.31 trillion in 2025 (2024: RM4.17 trillion), as a slight decline in the equities market capitalisation was offset by higher bonds and sukuk outstanding. The fund management industry expanded, with total assets under management (AUM) rising to a record high of RM1.14 trillion in 2025 (2024: RM1.07 trillion), driven by increased demand for fixed income securities and higher valuations. The unit trust segment remained the largest source of funds, comprising 50.43% of total AUM in 2025 (2024: 51.12%). Total funds raised in the capital market stood

at RM187.65 billion in 2025 (2024: RM138.57 billion) (Chart 6). Meanwhile, alternative fundraising platforms, such as equity crowdfunding (ECF) and peer-to-peer financing (P2P financing) continued to promote financial inclusivity, particularly in supporting the funding needs of micro, small and medium-sized enterprises (MSMEs).

In the Malaysian equities market, total market capitalisation eased slightly to RM2.06 trillion in 2025 (2024: RM2.08 trillion), while the benchmark FBMKLCI's market capitalisation increased to RM1.19 trillion (2024: RM1.15 trillion). The market continued to see a strong initial public offering (IPO) run in 2025, recording 60 IPOs (2024: 55). Total funds raised amounted to RM10.87 billion in 2025 (2024: RM14.70 billion), of which RM5.96 billion was raised through the primary market (2024: RM7.44 billion), while RM4.90 billion was raised through the secondary market (2024: RM7.26 billion).

CHART 6

Size of the Malaysian capital market grew further in 2025, while AUM of the fund management industry continued to stay above the RM1 trillion mark



Source: Bursa Malaysia, SC.

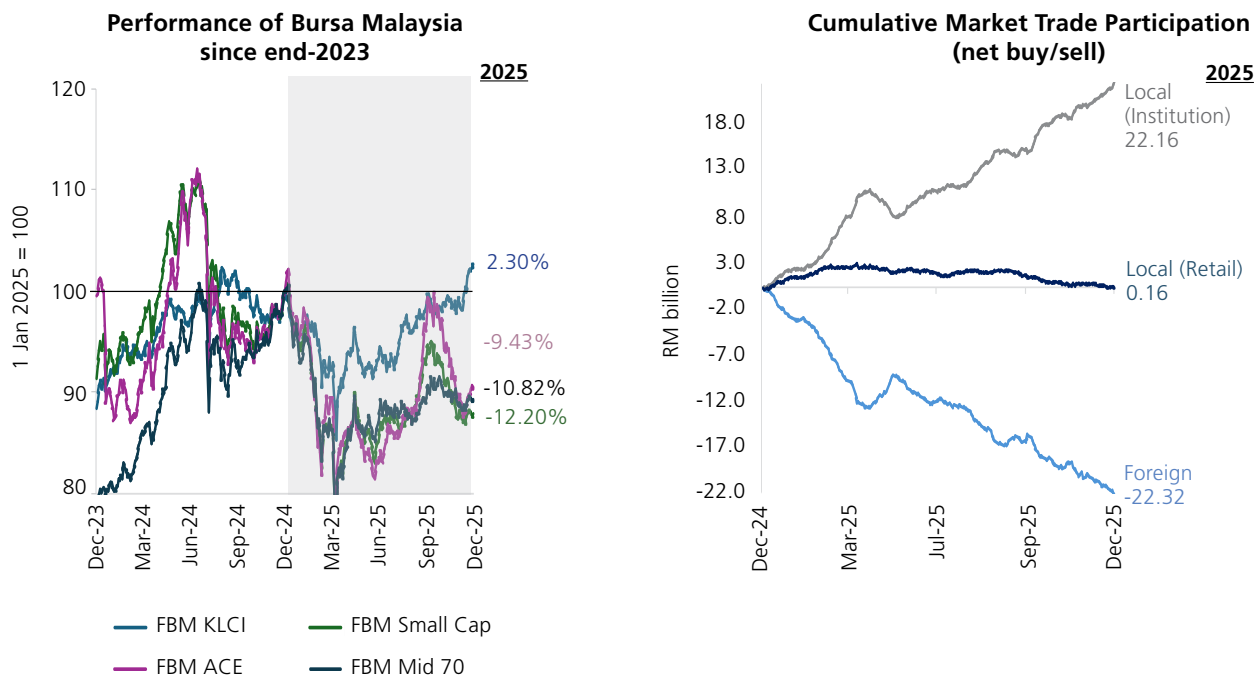
In terms of index performance, the FBMKLCI closed the year at 1,680.11 points, delivering a second consecutive year of positive returns (+2.30%), albeit at a more moderate pace (2024: +12.90%). Meanwhile, the FBM Mid 70 and FBM Small Cap indices experienced corrections of -10.82% and -12.20% (2024: +28.93% and +9.85%) to 16,803.39 points and 15,772.11 points, respectively. Investors in the equities market turned cautious this year amid global trade uncertainties. Despite these headwinds, the market rebounded strongly from the April drop, supported by ongoing national policies aimed at strengthening fiscal resilience and driving high-value sector growth. Elevated Crude Palm Oil (CPO) prices bolstered upstream earnings, lifting the plantation sector (+8.84%), while the real estate investment trust (+8.31%) sector benefited from the July 2025 OPR reduction and a broader rotation into defensive, yield-sensitive assets. In contrast, heightened

competition from global glove manufacturers and lingering macroeconomic uncertainties weighed on the healthcare sector (-35.87%).

Average daily trading volume fell to 3.39 billion units (2024: 4.29 billion units), with a lower average daily trading value of RM2.76 billion (2024: RM3.44 billion) (Chart 7). Non-residents remained net sellers of Malaysian equities, amounting to a total of -RM22.32 billion in 2025 (2024: -RM4.16 billion). Local retail investors reverted to net buyers, albeit with a small inflow of +RM0.16 billion (2024: -RM5.83 billion), while local institutional investors continued to support the market, accumulating a sum of +RM22.16 billion in 2025 (2024: +RM9.99 billion). Foreign investors' high net sell position corresponded to a larger average trade participation rate of 41.08% in 2025 (2024: 36.20%).

CHART 7

Malaysia's FBMKLCI Index recorded a second straight year of gains, with local institutions providing strong support for domestic equities



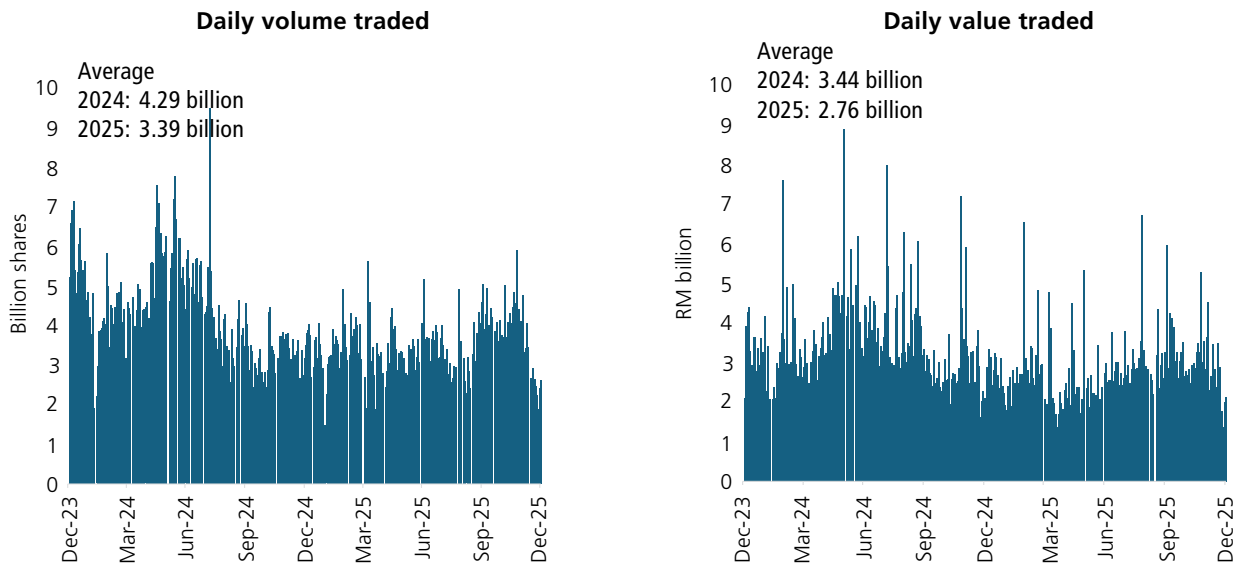
Note:

* FBM KLCI consists of the 30 largest companies ranked by full market capitalisation in the FTSE Bursa Malaysia EMAS Index, while FBM Mid 70 encompasses the next 70 largest companies. FBM Small Cap consists of all constituents of the FTSE Bursa Malaysia EMAS Index that are not constituents of the FTSE Bursa Malaysia Top 100 Index. FBM ACE includes companies listed on the ACE Market.

Source: Bloomberg, Bursa Malaysia, SC.

CHART 8

Equity daily trading volume and value moderated in 2025 amid global trade uncertainties



Note:

Daily trading values and volumes are inclusive of off-market transactions.

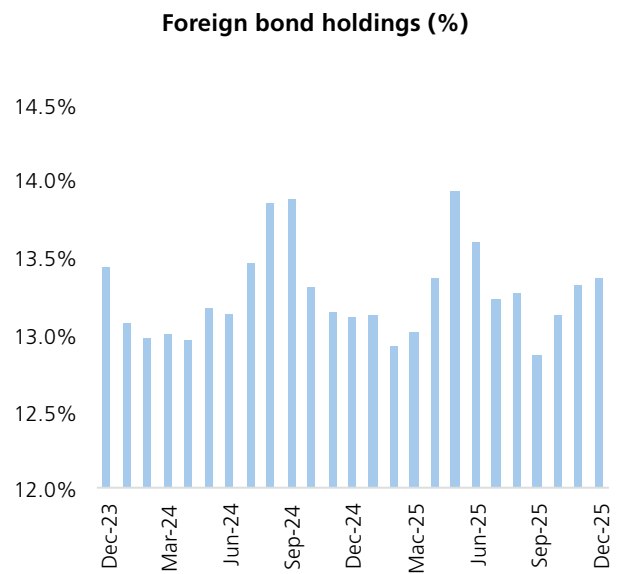
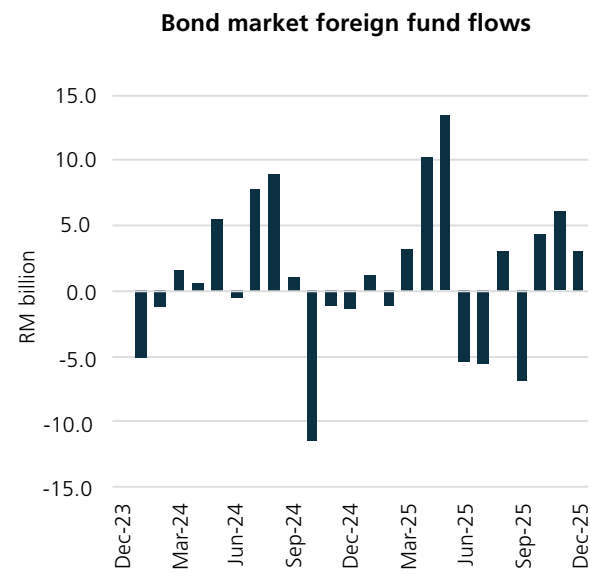
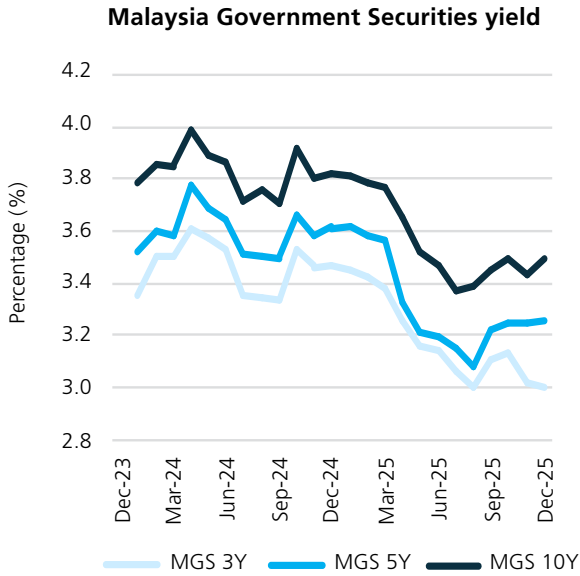
Source: Bursa Malaysia, SC.

In the Malaysian bond market, total bonds and sukuk outstanding grew to RM2.25 trillion (2024: RM2.10 trillion), supported mainly by lower redemptions of government bonds as well as higher issuances of corporate bonds. The overall Malaysian Government Securities (MGS) yield softened across all tenures during the year, with the benchmark 10Y MGS yield falling to 3.495% from 3.817% at the end of 2024. This was mainly driven by investors' cautious stance on the impact of global trade tensions on Malaysia and expectations of interest rate cuts by BNM in July.

The decline in MGS yields was also accompanied by a surge in foreign inflows into Malaysia's bond market, particularly in May 2025, when monthly inflows reached their highest level in a decade. For 2025, foreign investor participation in the domestic bond market improved, with net inflows amounting to RM25.58 billion (2024: RM4.78 billion). Meanwhile, the spread between corporate bonds and MGS widened for shorter tenures, while longer tenures registered a narrowing spread (Chart 9).

CHART 9

The MGS yield curve shifted lower, while foreign flow for the bond market was higher in 2025

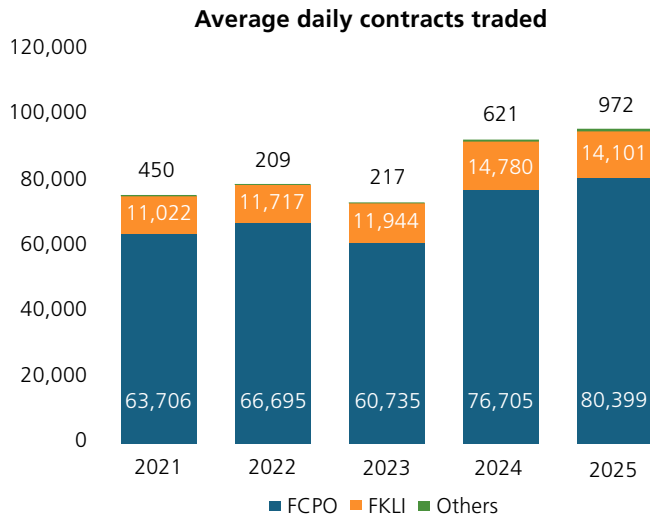


Note:

* Corporate bonds rated between AAA and BBB.

Source: Bloomberg, Refinitiv Eikon Datastream, SC.

CHART 10
Average daily contracts traded on the Malaysian derivatives market increased in 2025



Source: Bursa Malaysia.

The Malaysian derivatives market showed a robust performance in 2025, hitting a second consecutive year of record volume with 23.30 million contracts traded (2024: 22.75 million). Average daily contracts traded increased +3.65% to 95,472, largely driven by strong activity in Crude Palm Oil Futures contracts (FCPO), solidifying its role as the global benchmark for palm oil pricing. FCPO's average daily contracts traded rose +4.81% to 80,399. Q1 2025 saw elevated CPO prices trading at a premium to main competitor soybean oil, driven by supply concerns stemming from floods in Malaysia, along with Indonesia's move to raise its bio-diesel blending mandate to 40%. Speculation surrounding a potential B50 rollout, which was later postponed, provided additional upward momentum to benchmark prices. Prices fell over the next few months, weighed down by rising inventories and as a strong

Malaysian ringgit curbed export demand. A temporary recovery emerged in Q3 2025 as palm oil's price advantage to other vegetable oils stimulated demand, although a renewed surge in inventories towards the year-end led to further softening of CPO prices. Meanwhile, average daily contracts traded for FTSE Bursa Malaysia KLCI Futures Contract (FKLI) decreased by -4.59%.

OUTLOOK FOR 2026

The global economy is expected to remain challenging in 2026 as growth is projected at around 3.3% (IMF), and ongoing global trade tensions and policy uncertainty present downside risks. Although monetary policy easing might support some sectors, trade and investment flows may still face headwinds amid this complex backdrop. Nevertheless, resilient domestic consumption in several countries should provide some support to growth.

For Malaysia, the economy is projected to remain resilient in 2026, underpinned by stable domestic demand, particularly private consumption and investment anchored by national development priorities such as Budget 2026 and the 13th Malaysia Plan. That said, risks to external demand remain due to global trade uncertainties and the absence of the strong front-loading export activities seen previously.

In the domestic capital market, performance may be aided by global monetary easing, which could increase foreign portfolio flows into emerging markets like Malaysia. Moreover, technological advancements and rising AI-related investments are expected to spur regional market activity. Overall, the Malaysian capital market in 2026 appears supported by robust macro fundamentals, sound corporate performance, ample domestic liquidity, and well-established market infrastructure.

SIGNS OF RESILIENCE AMONG MALAYSIA'S PUBLIC-LISTED COMPANIES

INTRODUCTION

The year 2025 has been marked by significant global uncertainties, driven by trade tensions, the tightening of interest rates by major central banks and other external shocks that have tested economic resilience worldwide.¹ Malaysia has not been exempted from these challenges. As an open and trade-dependent economy,² the country has felt the ripple effects across financial markets, business sentiment and corporate performance.

Yet, as the year closed, the overall picture was more balanced than initially feared.³ Despite periods of volatility, Malaysia's capital market demonstrated notable strength throughout the challenging months. The FBMKLCI, which had retreated to a year-to-date low of 1,400.59 points (-14.72%) on 9 April 2025 following tariff-related announcements, gradually recovered and ended the year at 1,680.11 points (+2.30%), reflecting renewed investor confidence and improved market conditions.

However, stock price performance alone does not provide a complete assessment of corporate health.⁴ Beyond the movement of stock indices, it is essential to examine the underlying fundamentals of Malaysia's public-listed companies (PLCs). Evaluating their financial resilience, operational adaptability and strategic positioning offers a deeper understanding of how well these companies have navigated the turbulence of 2025.

Against this backdrop, this article assesses the resilience of Malaysian PLCs to shifts in the global trade landscape. Specifically, it examines:



1. Whether the fundamentals of Malaysian PLCs have changed during this period?



2. Do investors remain confident in Malaysian PLCs?

The analysis focuses on 43 export-oriented Malaysian PLCs with exposure to revenue from the US, categorised into Tier 1, Tier 2 and Tier 3 based on market capitalisation as of 31 December 2025. Further details on the selection criteria are outlined in the Methodology section.

¹ International Monetary Fund, 2025, *World Economic Outlook: Global Economy in Flux, Prospects Remain Dim*. <https://www.imf.org/-/media/files/publications/weo/2025/october/english/text.pdf>

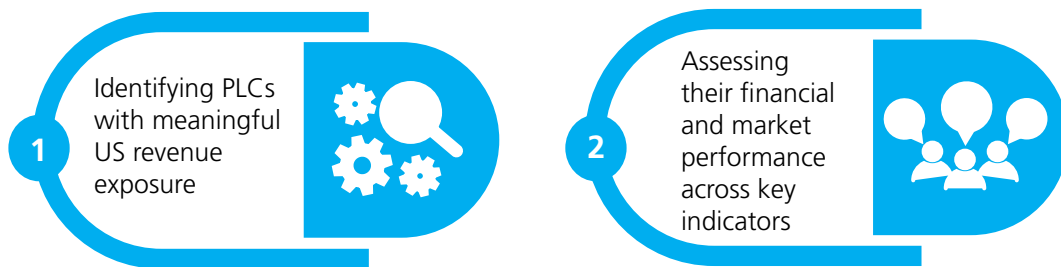
² According to TheGlobalEconomy.com, Malaysia's trade openness (exports plus imports as a percentage of GDP) was 137.37% in 2024, compared to the global average of 92.80% based on data from 133 countries. https://www.theglobaleconomy.com/Malaysia/trade_openness/

³ *Ibid.*

⁴ Shleifer, A., 2000, *Inefficient Markets: An Introduction to Behavioral Finance*. <https://doi.org/10.1093/0198292279.001.0001>

METHODOLOGY

This study assesses the resilience of Malaysian PLCs with significant revenue exposure from the US as of October 2025. A structured screening and analytical process was undertaken. The methodology involved two key steps:



The analysis started with more than 1,000 Malaysian PLCs. By using the latest available audited financial statements of 2024, in which PLCs disclose their revenue distribution by geography, companies with more than 15% of their total revenue originating from the US were shortlisted. Of the 46 companies that met this threshold, three were excluded because their US-related revenue was derived from services rendered within the US, while one company was excluded due to its recent listing, which meant prior-year financial data was unavailable for comparison. This resulted in a final sample set of 43 PLCs.

To capture differences in resilience and market behaviour across company sizes, the shortlisted PLCs were categorised into three market-capitalisation groups as at end Dec 2025:



Following this segmentation, several key indicators were examined to assess their financial resilience up to Q3 2025, based on these companies' quarterly financial results.

Gearing Ratio

The gearing ratio measures how much a company relies on debt relative to equity, which influences its ability to withstand challenging conditions. For PLCs with significant US revenue exposure, high gearing can heighten the pressure to meet fixed interest payments and strain cash flows during periods of softer external demand, increasing their financial vulnerability. In contrast, lower gearing reflects a stronger equity buffer and greater resilience to external shocks.⁵

Quick Ratio

The quick ratio assesses a company's ability to meet short-term obligations using its most liquid assets, an important consideration when revenue may decline due to shifting US demand. For PLCs exposed to external market volatility, low liquidity can constrain cash flow and limit the firm's ability to meet upcoming obligations, raising the risk of financial distress. Strong quick ratios therefore signal greater near-term resilience under external demand fluctuations.⁶

Gross Profit Margin

Gross profit margin indicates how effectively a company manages production costs relative to revenue and therefore, provides insight into its operational performance under changing market conditions. For PLCs with significant exposure to the US market, fluctuations in tariffs, raw material costs and supply chain disruptions may directly affect both sales revenue and the cost of goods sold. Variations in this margin highlight the firm's ability to manage external cost pressures and maintain profitability in the face of adverse trade conditions.⁷

Share Price

Share price movement reflects how investors react to new information about a company's prospects, including changes in US-related demand and global trade conditions. For PLCs with significant US revenue exposure, declining share prices can signal weaker investor confidence, particularly among foreign investors, while rising prices indicate improving sentiment. Because markets adjust rapidly to new information, share price trends provide a timely gauge of market expectations.⁸

⁵ Situm, M., 2014, *Inability of Gearing-Ratio as Predictor for Early Warning Systems*.

⁶ Ross, S.A., Westerfield, R.W. & Jordan, B.D., 2013, *Fundamentals of Corporate Finance*.

⁷ Mahruzal, M., & Khaddafi, M., 2020, *The Influence of Gross Profit Margin, Operating Profit Margin and Net Profit Margin on Stock Price*.

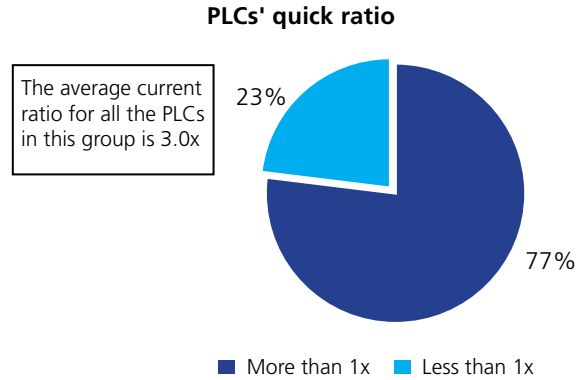
⁸ Malkiel, B. G., 2003, *The Efficient Market Hypothesis and Its Critics*.

KEY FINDINGS

Quick Ratio

Despite the increasingly challenging business environment, most PLCs demonstrated healthy liquidity positions, with nearly 80% maintaining a quick ratio above the prudent threshold of 1.0x. Furthermore, Although the average quick ratio rose marginally by 0.02 points, indicating a slight improvement in liquidity, with the overall average remained strong at 32.08x. Among the nineteen PLCs with a quick ratio below 1.0x, their current ratios were still mostly maintained above 1.0x (with two recording ratios above 0.9x), suggesting that although immediate liquidity pressures may be rising, short-term liquidity risks remain manageable, provided these firms are able to convert other short-term assets to meet their liabilities.

CHART 1
Quick ratio analysis

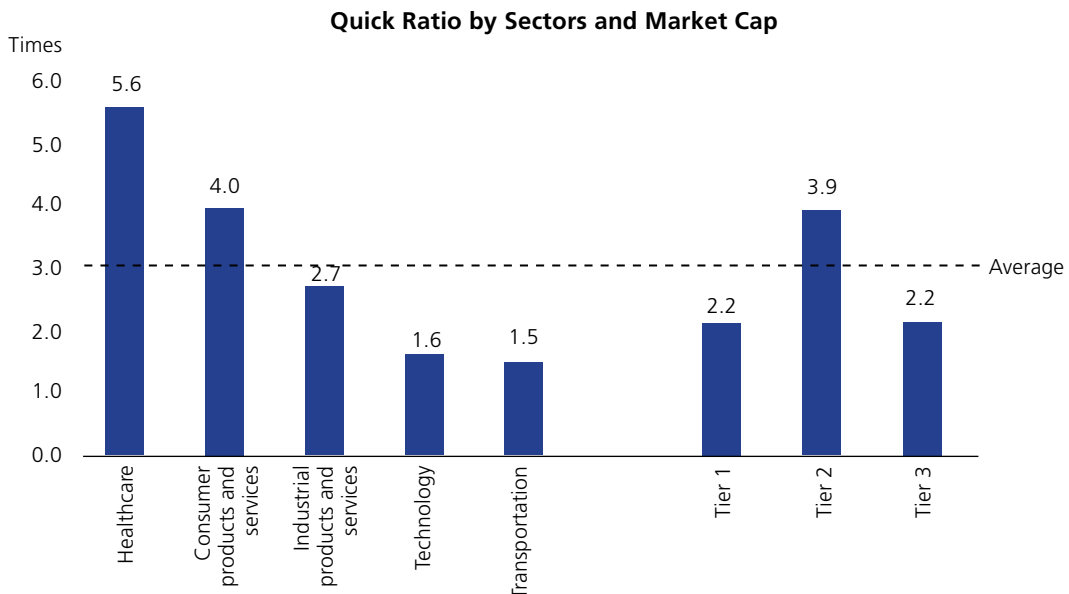


Source: Bloomberg, SC.

Across categories, Tier 2 PLCs exhibited the strongest liquidity profile, with an average quick ratio of 3.9x. Tier 3 PLCs recorded a relatively lower average of 2.2x, implying that smaller PLCs may face higher liquidity risks as their business fundamentals are still developing. Meanwhile, Tier 1 PLCs showed a slightly below-average quick ratio of 2.2x.

By sector, all industries reported average quick ratios above 1.0x. Healthcare and consumer products and services stood out with above-average ratios of 5.6x and 4.0x, respectively (Chart 2). This was followed by industrial products and services (2.7x), technology (1.6x) and transportation and logistics (1.5x).

CHART 2
Quick ratio analysis

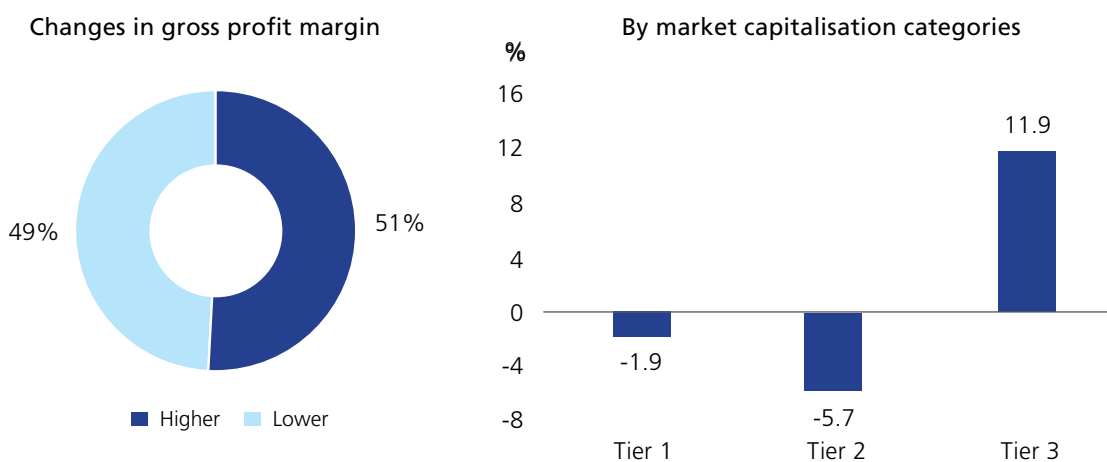


Source: Bloomberg, SC.

Gross Profit Margin

Regarding gross profit margins, approximately half of the PLCs reported improvements during the period. Despite a weaker US dollar, which could pressure revenue conversion for export-oriented companies, profitability remained resilient, underscoring the firms’ ability to manage external challenges.

CHART 3
Analysis on gross profit margin



Source: Bloomberg, SC.

By market capitalisation, Tier 3 PLCs (below RM200 million) showed notable resilience by delivering higher profit margins, supported mainly by consumer products and services and industrial products and services PLCs. In contrast, Tier 1 and Tier 2 PLCs recorded lower margins, with the decline most pronounced in Tier 2, dragged significantly by a technology PLC that reported quarterly losses after several profitable quarters.

Across Bursa Malaysia sectors, consumer products and services, industrial products and services and transportation and logistics shows improved gross margins. However, the healthcare sector experienced margin compression due to heightened competition in the regional glove industry.

TABLE 1
Changes in gross profit

Sector	Average Changes in Gross Profit
Consumer products and services	+10.0%
Transportation and logistics	+2.7%
Industrial products and services	+2.3%
Technology	-8.4%
Healthcare	-21.9%

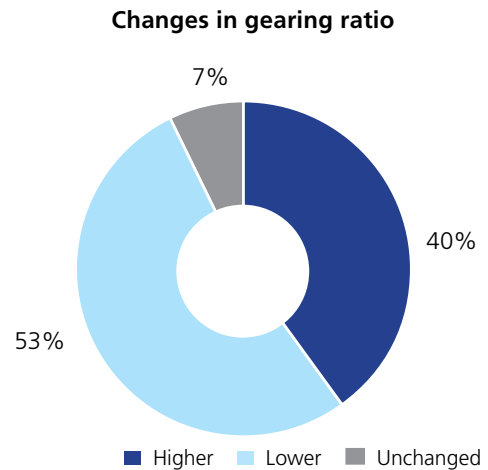
Source: Bloomberg, SC.

Gearing Ratio

During challenging periods, businesses may increase borrowings to mitigate downside risks. However, more than half of the PLCs reduced their gearing ratios over the period, suggesting a disciplined balance-sheet management. Only about 40% increased leverage, indicating that reliance on debt financing remained contained (Chart 4).

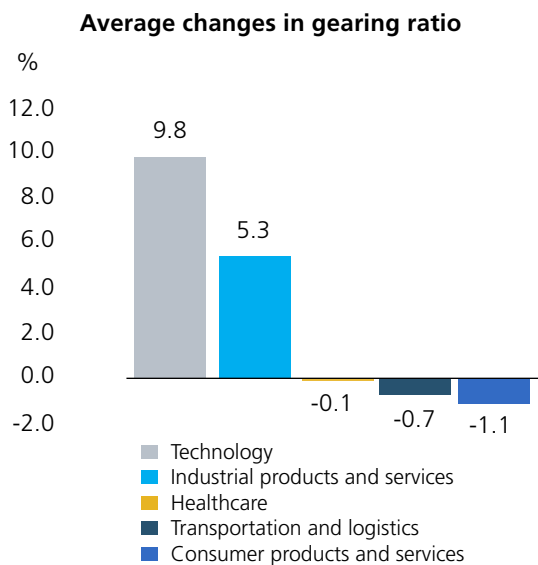
On average, gearing ratios rose by 3.5%, with the largest increase seen among Tier 3 PLCs (+5.8%) (Chart 5). However, it was skewed by one PLC that increased its debt significantly to purchase non-current assets. After excluding that particular PLC to better understand the dynamics of the remaining PLCs within the group, the average gearing ratio for Tier 3 PLCs would have declined by 0.5%. Sector-wise, technology was the main driver of the higher gearing trend, averaging a 9.8% increase, followed by industrial products and services, averaging a 9.8% increase, followed by industrial products and services. Other sectors recorded stable or declining gearing, with consumer products and services posting the largest reduction (-1.1%).

CHART 4
Gearing ratio analysis



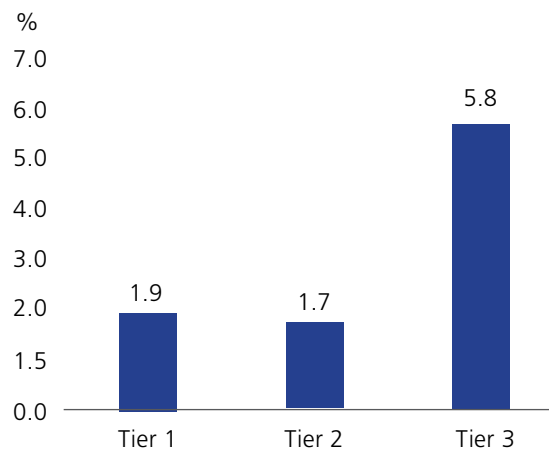
Source: Bloomberg, SC.

CHART 5
Changes in gearing ratio



Source: Bloomberg, SC.

By market capitalisation categories

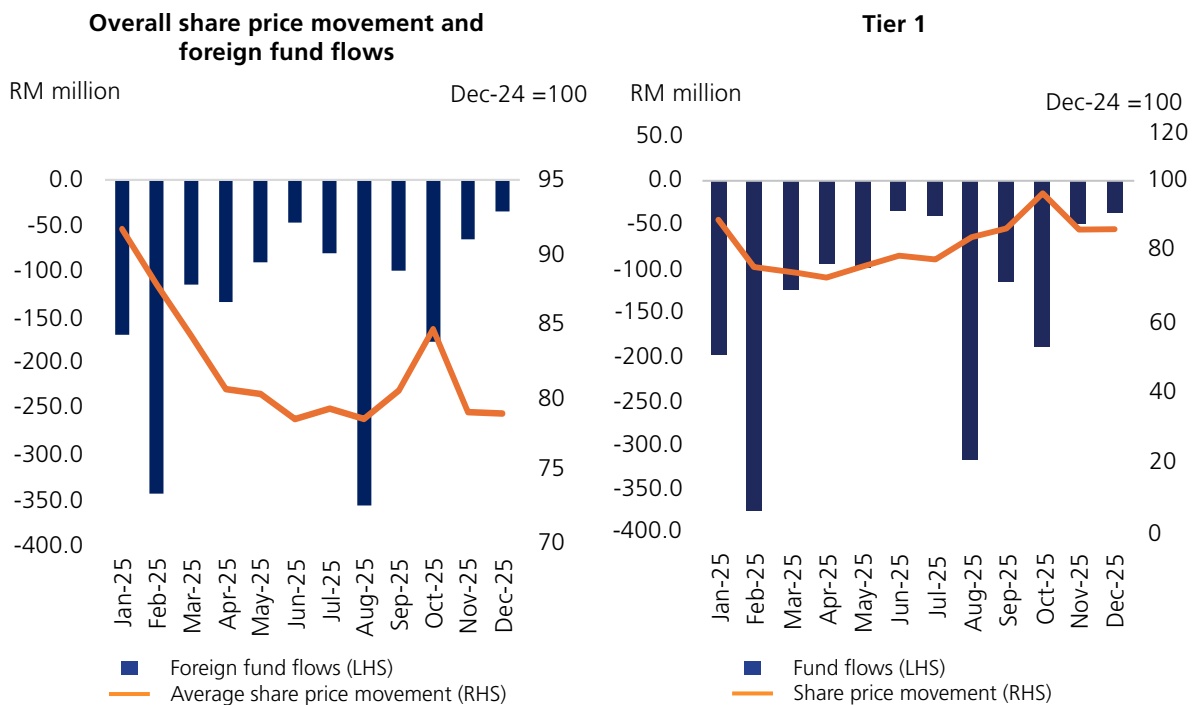


Share Price Performance and Foreign Fund Flows

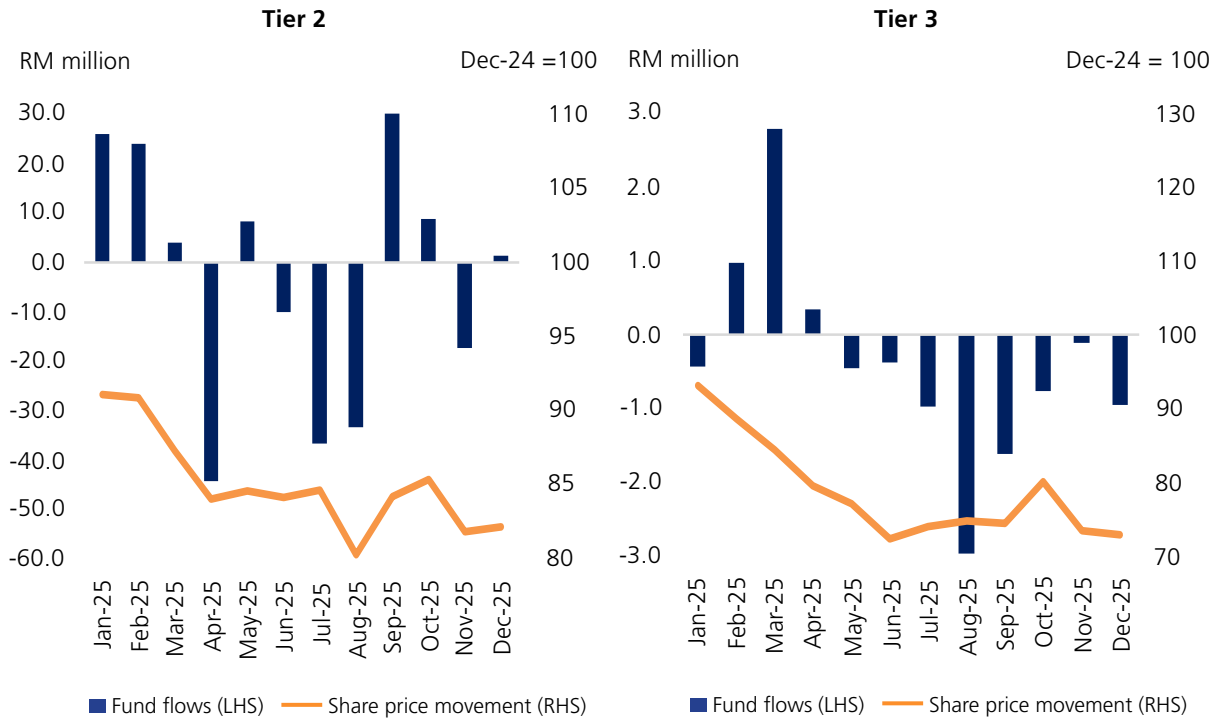
The share prices of these PLCs had already experienced significant declines before the broad-based global market sell-off during Liberation Day on 7 April 2025. As of end-April, approximately 93% of PLCs recorded negative YTD performance. However, sentiment improved thereafter, with 23% of the PLCs posting overall positive gains as at the end of 2025, as investor confidence returned. On average, share prices fell by nearly 20% YTD as of end-April and weakened further between June and August. Share prices recovered in September and October, but declined again in November onwards amid weakened market sentiment (Chart 6).

Notably, as share prices improved, foreign fund flows in these PLCs continued to record net selling, suggesting that the improvement in valuations was driven largely by domestic investor participation. However, the pace of foreign net selling eased in the latter part of the year, registering the smallest net outflow of 2025 in December.

CHART 6
Net selling momentum has subsided, while share prices remained broadly steady



Source: Bloomberg, SC.



Source: Bloomberg, DiBots, SC.

Key Takeaways and Conclusion

Corporate Malaysia Resilient to Shifting Trade Dynamics

The study finds that Malaysian PLCs with exposure to global trade uncertainty showed resilience during the study period. This resilience is fundamentally anchored in the operational strength and financial prudence of these companies.

While some companies, particularly smaller ones, face increased leverage and liquidity pressures, many maintained stable operational performance, demonstrating discipline by managing leverage and fortifying their balance sheets. This agility is vital for navigating the unpredictability of global trade conditions and cultivating investor confidence amid shifting business expectations.

Robust Fundamentals and Investor Confidence

Malaysian PLCs withstood external trade pressures, as evidenced by several key financial indicators:



However, the strength and resilience of the PLCs are not uniform across the market. Smaller PLCs appear more susceptible to external pressures due to thinner margins and a trend of rising leverage. Meanwhile, persistent net foreign outflows highlight the importance of local investors in supporting smaller companies to counteract the risk aversion among international investors.

CONCLUSION

Malaysia’s economic performance in 2025 has exceeded expectations. GDP growth reached 5.2%, surpassing initial forecasts and reflecting the nation’s ability to navigate global headwinds. This momentum is further validated by a landmark RM285.2 billion in approved investments for the first nine months of 2025, fueled by a remarkable 47.5% year-on-year surge in Foreign Direct Investment. These showcase Malaysia's appeal as an attractive investment destination.

Building on this macroeconomic strength, the resilience of Malaysian PLCs reflects a solid corporate foundation during a period of uncertainty. While a divergence in performance between large-cap corporations and smaller enterprises remains, this gap serves as a strategic roadmap for the market. By prioritising improved capital access and long-term scalability, Malaysia is well-positioned to ensure that every tier of the corporate ecosystem can capitalise on the nation’s growth trajectory.



PART 2
REGULATORY
PERFORMANCE AND
OUTCOMES

PART 2 REGULATORY PERFORMANCE AND OUTCOMES

INTRODUCTION

In 2025, the SC continued its mission of promoting and maintaining a fair, efficient, secure and transparent capital market through a comprehensive regulatory framework encompassing rulemaking, gatekeeping, surveillance, supervision and enforcement. This part provides an overview of the SC's key regulatory initiatives and outcomes for 2025, underscoring its commitment towards upholding market integrity and safeguarding investor interests.

MONITORING AND MANAGEMENT OF SYSTEMIC RISK

Headwinds from global economic uncertainty and trade tensions continued to shape both international and domestic financial and capital markets throughout 2025. Although greater clarity on US tariff policies lifted investor sentiment, the Malaysian capital market remained vulnerable to uncertainties over future trade developments, their eventual impact, and the path of US monetary policy, all of which could spill over into the domestic capital market. Against this backdrop, the SC maintained heightened vigilance to proactively identify and manage potential vulnerabilities to the systemic stability of the domestic capital market.

The SC's established systemic risk governance structure (Figure 1) ensures a streamlined and structured escalation of concerns arising from systemic risk surveillance and assessment. The Risk Management Committee (RMC)

convened periodic meetings to deliberate on potential risks arising across different segments of the capital market, with the objective of addressing issues before it could escalate into systemic concerns.

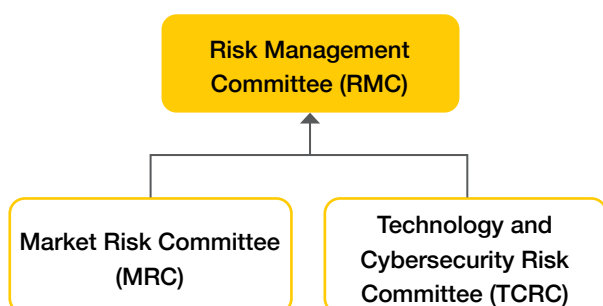
In carrying out its systemic risk management role, the SC actively monitored various components of the capital market including the domestic equity and bond markets, market infrastructures, trading activities, investors' fund flows, investment management and intermediaries' activities to identify potential stress points.

Given the interconnectedness within the broad financial system, the SC also engaged closely with other regulatory authorities, such as BNM and the Labuan Financial Services Authority (Labuan FSA), to identify systemic risk areas that could potentially affect the domestic capital market.

Key issues discussed during these engagements include global market volatility, currency movements, and the latest developments related to the impact of US tariff policies. These discussions support more efficient and well-coordinated inter-agency responses when required, thereby strengthening the resilience of the overall financial system.

In 2025, the SC further strengthened its crisis management capability and preparedness by conducting several programmes to reinforce organisation-wide readiness. These included Capital Market Crisis Simulation Exercise, jointly organised with the Toronto Centre, intended for the SC to practise crisis handling in a safe environment, evaluate the effectiveness and

FIGURE 1
Systemic risk governance structure



adequacy of existing protocols and processes, while fostering a culture of proactive crisis management and continuous learning.

The SC also undertook several deep-dive thematic studies on relevant topics, including US tariffs, China's economic recovery, and de-dollarisation and their implications on the Malaysian capital market. These efforts were complemented by engagements with industry stakeholders to obtain insights of current or emerging market risks.

Committed to managing systemic risk proactively, the SC published its fourth *Capital Market Stability Review* in the first quarter of 2026. This publication discusses the risk landscape of the Malaysian capital market, highlighting key systemic risk drivers and providing insights to stakeholders in navigating evolving market conditions.

CAPITAL RAISING

Equity

Malaysia's equity market remained resilient in 2025, with a total of 60 IPOs completed, rising from 55 in 2024. This reflects a solid IPO pipeline as well as continued confidence from issuers and investors in the Malaysian capital market. As a result, Malaysia emerged as the top IPO market in ASEAN in terms of listing numbers, marking the highest annual IPO count since 2005.

Of the new listings in 2025, 11 were on the Main Market, 44 on the ACE Market and five on the LEAP Market.

Notable IPO approvals in 2025

Among the approved IPOs, three were particularly noteworthy:

1. **ECO-Shop Marketing Bhd**, a retailer specialising in groceries and everyday consumer goods, successfully raised RM0.97 billion, making it the fourth-largest fundraising in ASEAN for 2025 and attracting significant regional attention.
2. **Paradigm Real Estate Investment Trust (REIT)**, with a portfolio of three prime retail properties valued at RM2.4 billion and a market capitalisation

of RM1.60 billion, raised RM0.56 billion in 2025, marking one of Malaysia's largest REIT IPOs in over a decade.

3. **Cuckoo International Malaysia Bhd**, a multi-channel home and electronic products company, raised RM0.39 billion, earning the position of the eighth-largest IPO in ASEAN for 2025.

The year also saw the successful listing of UMS Integration Ltd, an integrated high-precision engineering and manufacturing firm for the semiconductor and aerospace industries. The company became the first Singapore-listed company to secure a secondary listing on Bursa Malaysia, expanding investor access and enhancing market liquidity.

These milestones underscore the robustness and quality of Malaysia's equity market, reflecting its ability to attract established domestic issuers and regional investor interest. Combined with the highest total number of IPOs in ASEAN, this performance reinforces Malaysia's position as a key investment hub for fundraising and investment activity.

The SC also registered 22 equity prospectuses in 2025, comprising 10 for IPOs and 12 abridged prospectuses (Table 1).

TABLE 1
Registration of prospectus

Equity prospectus registrations	2025	2024
IPO Prospectus	10	11
Abridged prospectus	12	13
Total registrations	22	24

In 2025, the SC received 24 equity applications, 15 of which were for IPOs and nine for transfer of listings to the Main Market of Bursa Malaysia Securities Bhd. A total of eight applications had been brought forward from 2024 (Table 2). The steady volume of applications reflects continued fundraising momentum and sustained market interest.

On average, six rounds of queries were raised when processing each equity application considered, 97% of which were raised within the time charter (Table 3).

TABLE 2
Equity applications

No. of applications	2025	2024
Brought forward from the previous year	8	9
Received during the year	24	20
Total applications for consideration	32	29
Approved during the year	21	21
Not approved during the year	1	-
Returned during the year	-	-
Total applications considered	22	21
Withdrawn during the year	(1)	-
Lapsed (exceeded 6-month validity period)	(1)	-
Carried forward to the next year	8	8

TABLE 3
Service charter performance – equity applications

Service	Measure	Target	Results	
			2025	2024
Processing of equity applications	% of applications processed within time charter ¹	90%	97%	99%

¹ Based on number of queries issued:

- (i) first round of query raised within 10 market days from receipt of complete submission; and
- (ii) subsequent queries raised within 5 market days from receipt of complete replies.

² Pursuant to the *Lodge and Launch Framework for Unlisted Capital Market Products* (LOLA Framework).

Corporate Bonds and Sukuk

TABLE 4
Corporate bond and sukuk lodgements

Ringgit-denominated	No. of lodgements		Nominal amount (RM billion)	
	2025	2024	2025	2024
Lodgements for the year	82	86	256.97*	165.89
Corporate bonds	26	23	64.33	48.80
Sukuk	50	61	105.15	115.59
Combination	6	2	87.50	1.50
Foreign currency-denominated	No. of lodgements		Nominal amount (billion)	
	2025	2024	2025	2024
Lodgements for the year	5	1	US\$67.00 RMB10.00	US\$35.00
Corporate bonds	3	-	US\$22.00	-
	1	-	RMB10.00	-
Sukuk	1	1	US\$45.00	US\$35.00
Combination	-	-	-	-

Note:

* Total may not add up due to rounding.

In 2025, the number of corporate bond and sukuk lodgements² remained stable with 87 corporate bond and sukuk lodgements made with the SC, consistent with the previous year.

The total size of facilities lodged with the SC in 2025 was substantially larger than in the previous year, comprising ringgit-denominated instruments amounting to RM256.97 billion and foreign currency-denominated instruments amounting to US\$67.00 billion and RMB10.00 billion. Sukuk accounted for 59% of the number of lodgements, as well as 41% of the nominal value in relation to ringgit-denominated instruments (sukuk RM105.15 billion; total RM256.97 billion) and 67% of the nominal value for USD-denominated instruments (sukuk US\$45.00 billion; total US\$67.00 billion) (Table 4).

The SC also received one corporate bond application with a nominal amount of RM0.09 billion in 2025. The application had been considered and approved as at year-end (Table 5).

TABLE 5

No. of applications	Corporate bonds		Sukuk	
	2025	2024	2025	2024
Nominal amount (RM billion)	0.09	-	-	-
For consideration	1	-	-	-
Received during the year	1	-	-	-
Brought forward from previous year	-	-	-	-
Considered during the year	1	-	-	-
Approved	1	-	-	-
Not approved	-	-	-	-
Returned	-	-	-	-
Others	-	-	-	-
Withdrawn	-	-	-	-
Carried forward to next year	-	-	-	-

TABLE 6**Corporate bond and sukuk-related documents**

No. of documents	2025	2024
Lodgement of trust deed/ supplemental trust deed	117	118
Deposit of information memorandum/ lodgement of disclosure document	64	61
Lodgement of product highlights sheet	4	1
Registration of abridged prospectus	1	1
TOTAL	186	181

A total of 186 documents were received in 2025 compared to 181 documents received in 2024, representing a 3% increase in corporate bond and sukuk-related documents received by the SC.

Take-overs and Mergers

The SC administers the *Malaysian Code on Take-overs and Mergers 2016* and the *Rules on Take-overs, Mergers and Compulsory Acquisitions (Take-overs Rules)* with the primary objectives of preserving a fair and transparent market. These frameworks ensure equitable treatment of all shareholders and promote adequate disclosure to support informed decision-making in take-over related transactions.

Further, as part of its mandate, the SC reviews take-over policies periodically to ensure the existing requirements and practices remain relevant in providing an orderly framework for take-over and merger activities to be carried out.

TABLE 7**Take-overs, mergers and compulsory acquisitions**

Applications and documents considered	2025	2024
Clearance of offer/ scheme documents	19	21
Clearance of independent advice circulars (IACs)	24	29
Clearance of whitewash ³ circulars	6	7
Applications for exemption from mandatory offer obligation	20	22
Other applications	16	18
TOTAL	85	97

³ Whitewash refers to an exemption from mandatory offer obligation arising from the issuance of new securities, granted by the SC subject to fulfilment of the stipulated conditions including approval from independent holders at a general meeting.

TABLE 8
Service charter performance – take-overs and mergers

Service	Target	Results	
		2025	2024
Offer documents cleared within 21 calendar days from receipt of take-over offer notice	100%	100%	100%
IACs for take-over offers cleared within 10 calendar days from offer document dispatch date		100%	100% ⁴
Scheme document and independent advice letter for schemes cleared within 35 calendar days from date of announcement by offeree board to table the resolution for the scheme to shareholders for approval		100%	100%

In 2025, the SC assessed 85 applications under the Take-overs Rules, compared to 97 applications in 2024. This moderation was partly due to heightened global uncertainty following the sweeping US tariff announcements in early April 2025, which contributed to market volatility and dampened corporate activity.

The SC cleared 19 offer documents with a total offer value⁵ of RM11.26 billion, averaging RM592.72 million per offer. This was significantly lower than the previous year's RM18.22 billion across 21 offers (average RM867.69 million per offer). The sharp decline was largely due to absence of exceptionally large transactions seen in 2024, which included the voluntary take-over offer on Malaysia Airport Holdings Bhd valued at RM12.30 billion and the mandatory take-over in LPI Capital Bhd valued at RM2.18 billion. Five of the offers this year were undertaken by way of a scheme, as opposed to only one scheme in 2024.

The largest transaction was the conditional voluntary take-over offer by Genting Bhd to acquire all remaining shares in Genting Malaysia Bhd (GENM Offer). The offer was valued at RM6.74 billion, representing 60% of the total offer value for the year.

This was followed by the voluntary take-over offer on Apex Healthcare Bhd at RM1.88 billion in offer value, which involved foreign parties as the offerors and joint ultimate offerors. The offer garnered sufficient acceptances for compulsory acquisition of the remaining shares to be invoked and for it to be delisted from the Main Market of Bursa Malaysia.

Another notable transaction was the unconditional voluntary take-over offer by Federal Land Development Authority (FELDA) on FGV Holdings Bhd (FGV) at RM1.45 billion in offer value. The transaction marked FELDA's second attempt to privatise FGV. Following the completion of the offer, FGV was delisted from the Main Market of Bursa Malaysia on 28 August 2025.

Of the 19 offers in 2025, 15 were in relation to offeree companies listed on the Main Market, one related to an ACE Market company (Vestland Bhd), two related to LEAP Market companies (one seeking to transfer to the ACE Market (ICT Zone Asia Bhd)), while the other seeking privatisation (Go Innovate Asia Bhd), and one involved an unlisted public company (Nylex (Malaysia) Bhd). In terms of sectors, consumer products and services sector recorded the highest total offer value of RM6.81 billion or approximately 60% of the total offer value in 2025, driven mainly by the GENM Offer.

The SC also cleared 24 IACs in 2025, comprising 18 IACs related to take-over offers or schemes and six IACs pertaining to exemptions from the mandatory offer obligation pursuant to the whitewash procedures (2024: 29 IACs). In line with this, six whitewash circulars relating to the exemptions from the mandatory offer obligation were also cleared during the year compared to seven in 2024.

As for applications in relation to exemptions from having to undertake a mandatory take-over offer, the SC had considered 20 applications in 2025 (2024: 22 applications). Of these, eight involved whitewash exemptions pursuant to corporate proposals, while another 11 related to share acquisitions or transfer of shares among parties acting in concert. Further, there was one application for exemption from the mandatory offer obligation sought on the basis of written undertakings obtained not to accept an offer, if such offer was made.

⁴ Includes one application where extension of time was granted to dispatch the IAC in relation to a voluntary offer to shareholders.

⁵ The value of the total number of securities subject to the offer/scheme based on the offer price.

The SC had also considered 16 other applications (2024: 18 applications) for various exemptions or waivers from compliance with the Take-overs Rules. These included requests for extensions of time, approvals for directors' appointment or resignation during an offer period, and applications to act as adviser or independent adviser for take-over proposals.

INVESTMENT MANAGEMENT AND PRODUCTS

Collective Investment Schemes and Private Retirement Schemes

TABLE 9

Applications and lodgements for collective investment schemes (CIS⁶) and private retirement schemes (PRS)

(i) Applications	Considered		Pending Consideration	
	2025	2024	2025	2024
Authorisation of collective investment schemes	27	40	10	9
– Unit trust funds	26 ⁷	39 ⁸	10	8
– Exchange-traded funds	0	1	-	-
– Real estate investment trusts	1	-	-	1
Authorisation of private retirement funds	3	-	-	-
Exemption/variation from guidelines	2	5	1	2
Other applications	16 ⁹	28 ¹⁰	2	1
Registration of prospectuses/ disclosure documents	133	133	17	18
Registration of deeds	70	100	13	11
TOTAL	251	306	43	41
(ii) Lodgements	Lodged		Launched	
	2025	2024	2025	2024
Wholesale funds	73	59	67	61

⁶ Consists of unit trust funds, exchange-traded funds, real estate investment trusts and wholesale funds.

⁷ Includes one fund which was also qualified as SRI funds

⁸ Includes three funds which were also qualified as SRI funds

⁹ Includes four applications seeking qualification as SRI funds

¹⁰ Includes nine applications seeking qualification as SRI funds

TABLE 10**Service charter performance – CIS**

Service	Measure	Target	Result
Authorisation of collective investment schemes	Decision issued within: <u>For unit trust funds</u> <ul style="list-style-type: none"> 10 business days from the date of receiving the complete submission (for submission under the expedited approval process). 21 calendar days, excluding public holidays (for submission received under the standard authorisation process) subject to the management company having fully addressed all the SC's comments. <u>For exchange-traded funds and real estate investment trusts</u> <ul style="list-style-type: none"> 3 months from the date of receiving the complete submission, subject to all issues being satisfactorily addressed. 	90%	100% (2024: 100%)

In 2025, the SC considered a total of 251 applications relating to CIS and PRS, comprising applications to establish new funds, register prospectuses and disclosure documents, register deeds and other ancillary matters.

SC also received 73 lodgements in relation to wholesale funds under the LOLA Framework for sophisticated investors.

Investment Products

TABLE 11**Structured warrants considered**

Structured Warrants	2025	2024
No. of eligible issuers	8	7
No. of base prospectuses registered	8	7
No. of supplementary prospectuses registered	29	26
No. of term sheets registered	2,201	1,811

In 2025, the SC registered 2,201 term sheets for the offering of structured warrants, representing a 22% increase from 1,811 term sheets registered in 2024. Additionally, the SC registered 29 supplementary prospectuses in the same year, marking a 12% increase compared to 2024 (Table 11).

TABLE 12**Service Charter Performance – Structured Warrants**

Service charter	Measure	Target	Result in 2025
Registering a base prospectus for the offering of structured warrants	Registration of base prospectus before the intended date of the base prospectus, upon receipt of a complete application at least 14 market days prior to the intended date of registration of the base prospectus	100%	100% (2024: 100%)
Registering a supplementary base prospectus for the offering of structured warrants	Registration of supplementary base prospectus before the intended date of the supplementary base prospectus, upon receipt of a complete application at least three market days prior to the intended date of registration of the supplementary base prospectus		
Registering term sheets for the offering of structured warrants	Registration of term sheet before the intended date of the term sheet, upon receipt of a complete application at least one market day prior to the intended date of registration of the term sheet		

GATEKEEPING

As part of its mandate to foster innovation and support new market participants, the SC continues to implement initiatives that streamline regulatory processes and enhance efficiency. This commitment was reinforced in 2025, following the introduction of the Focused Scope Assessment (FSA) framework in 2024.

Facilitative, Open Dialogue for Market Participants

To assist applicants, the SC adopts a facilitative mechanism that encourages prospective applicants to engage in pre-submission consultations (PSC) with the SC. These consultations enable the SC to gain a better understanding of the applicants' business proposal and assess their alignment within the permitted framework. Through this open dialogue, applicants are given the opportunity to refine their business proposals, documentation, and governance structures, ensuring that they are well-prepared and aligned with the SC's requirements and expectations prior to submitting a formal application. The SC has observed strong participation in these consultations, reflecting applicants' proactive approach to meeting regulatory expectations.

In 2025, the PSC facilitation resulted in 49 formal applications, 40 of which were successfully processed. The PSC facilitation had been effective in reducing the time taken towards submission as well as enhancing the quality of the applications submitted by the applicants. Among others, it is noted that applications in 2025 were of better quality as more than 60% of the processed applications came from 2025 PSCs (i.e. 25 PSCs from the 2025 cohort representing 43% of 2025 PSCs) whilst the balance came from the 2023-2024 PSCs.

For applications to be assessed in accordance with the SC's client charter, the submission made must be complete, valid, accurate with full disclosure and satisfy

the relevant licensing or registration requirements. In 2025, all the Capital Markets Services Licence (CMSL) and Capital Markets Services Representative's Licence (CMSRL) applications were processed within the committed client charter (Table 13). Additionally, the SC has successfully achieved a time-to-market of less than three months for all applications received under the FSA framework in 2025.

TABLE 13
Client charter performance – licensing of CMSL and CMSRL

Service	Measure	Target	Results	
			2025	2024
New CMSL application	Within six weeks of receiving complete application	100%	100%	100%
New CMSRL application	Within two weeks of receiving complete application		100%	100%

During this period, eight new CMSL holders were approved for the following regulated activities:

- Fund management (five companies);
- Advising on corporate finance (one company);
- Dealing in securities (one company); and
- Financial planning (one company).

In addition, 21 new registered entities were approved, comprising 20 venture capital and private equity (VC/PE), and one capital market service provider (CMSP). During the same period, the SC also registered four recognized market operators (RMOs), both operating P2P financing platforms.

For the year 2025, the SC approved 958 CMSRL applications, bringing the total number of CMSRL holders to 10,269.

TABLE 14
Status of licensing and registration application

Application for new CMSL	2025	2024
New applications received	6	7
Brought forward from previous year	4	5
Approved	8	7
Returned, withdrawn or rejected	0	1
Application for registration (VC/PE, Digital Asset Custodian and CMSP)	2025	2024
New applications received	30	17
Brought forward from previous year	3	2
Approved	21	15
Returned, withdrawn or rejected	5	1
Application for registration of RMO	2025	2024
New applications received	4	5
Brought forward from previous year	2	5*
Approved	4	3
Returned, withdrawn or rejected	2	5*
Application for new CMSRL	2025	2024
New applications received	1,004	966
Brought forward from previous year	43	52
Approved	958	937
Returned, withdrawn or rejected	24**	38**

Notes:

* Include applications submitted by an entity seeking to be registered for two different entities.

** Include one rejected application.

During 2025, four CMSL holders and 1,010 CMSRL holders surrendered their licenses. (Table 15).

TABLE 15
License or registration ceased, revoked and suspended

CMSL holders	2025	2024
Ceased, revoked or suspended	4	4
CMSRL holders	2025	2024
Ceased, revoked or suspended	1,010	889
Application for registration	2025	2024
Ceased, revoked or suspended	0	5

Compliance Dialogue with CMSL Holders

On 19 August 2025, the SC held a Compliance Dialogue aimed at fostering a strong culture of compliance and enhancing understanding of licensing requirements and obligations among CMSL holders in the following regulated activities:

- i. Boutique portfolio management;
- ii. Investment advice;
- iii. Financial planning; and
- iv. Advising on corporate finance.

The Compliance Dialogue forms part of the SC's ongoing efforts to elevate the professionalism and enhance governance and conduct standards among our capital market intermediaries. The session provided insights highlighting common non-compliance issues observed in applications, notifications and submissions received by the SC, with the objective of improving industry practices and reinforcing regulatory adherence.

The half-day dialogue was attended by 147 participants comprising Chief Executives, Licensed Directors and responsible persons for compliance registered with the SC.

SURVEILLANCE

Upholding Market Integrity Through Strong Oversight of PLCs and Proactive Trading Surveillance

Maintaining investors' trust in Malaysia's capital market and preserving its integrity is essential for sustainable economic growth. The SC supports this mandate by monitoring and regulating PLCs, as well as undertaking surveillance of trading activities to ensure the capital markets operate with transparency, fairness, and accountability.

Corporate Surveillance and Governance Oversight

The SC proactively reviews company disclosures, financial statements and transactions to ensure listed companies comply with securities laws and financial reporting standards. The SC's corporate surveillance function aims to protect investors and shareholders from risks associated with misinformation or misconduct.

The SC's surveillance approach is driven by data and insights from company announcements, media coverage, and stakeholder feedback. In 2025, our monitoring highlighted several key observations, notably potential wrongful loss, financial misrepresentations, and other emerging risks. These findings underscore the importance of early detection and proactive intervention to safeguard investor interests and maintain market integrity. This enables us to identify potential issues at an early stage and act swiftly to prevent them from escalating. We regularly engage with company directors, auditors, and other key stakeholders to strengthen board accountability and promote sound corporate governance.

Fostering Compliance with Take-over and Merger Regulations and Maintaining Effective Regulation

Towards ensuring compliance of the securities laws, the SC closely monitors compliance of, among others, the take-over requirements to detect misconduct and breaches which could jeopardise the interests of the investing public.

In line with its principle of being an open and engaging regulator, the SC encourages early engagement by relevant parties or their advisers before undertaking transactions with take-over implications. Consultations during 2025 covered matters such as identification of ultimate offeror and persons acting in concert, exemptions from the mandatory offer obligation involving foundations and restructuring of holdings, conditions and pre-conditions to offers, and actions that may be tantamount to favourable deals or frustration of offer. This approach fosters a conducive environment for stakeholders to seek guidance from the SC through its consultation process where we aim to encourage greater compliance with the regulatory requirements for take-over and merger transactions.

The SC and Bursa Malaysia also engaged in numerous discussions and dialogues during the year with the board of directors of companies to be listed on the Main Market or the ACE Market covering pertinent requirements to be observed by listed companies and their directors, including the key take-over regulations. This initiative aims to foster better understanding and support newly listed companies as they embark on their new chapter on Bursa Malaysia.

In addition to regulatory consultations, the SC hosted its annual dialogue on 13 October 2025 to discuss emerging trends and clarify expectations for greater regulatory alignment. The dialogue was attended by 60 representatives from 28 corporate finance advisory firms including members of Malaysian Investment Banking Association (MIBA) and members of Association of Corporate Finance Advisers (ACFA) involved in take-over proposals.

International benchmarking and collaboration with fellow takeover regulators remain vital in shaping the take-over regulations and policies in Malaysia. The SC maintains strong relationships with its counterparts through open channels of communication, enabling the exchange of insights and best practices to achieve effective regulatory outcomes.

The multi-pronged approach underscores the SC's commitment in fostering a fair, efficient and transparent market, while ensuring that the take-overs regulations in Malaysia remain relevant and effective within an evolving capital market landscape.

Promoting High Quality Audited Financial Statements Through Oversight of Auditors of Public-Listed Companies and Schedule Funds

The SC's Audit Oversight Board (AOB) enhances confidence in financial markets by ensuring that audited financial statements, particularly those of public-listed companies and schedule funds, meet the highest standards of quality.

AOB carries out risk-based inspections on audit firms and audit engagements on AOB registered auditors. Firm level inspection evaluates the audit firm's overall system of quality management, governance, and compliance with auditing and ethical standards. This includes assessing leadership commitment, resource adequacy, and internal monitoring mechanisms.

Engagement level inspection examines audit engagements to determine whether auditors exercise professional scepticism, obtained appropriate audit evidence, and issue audit opinions that are appropriate. When findings are identified, auditors are required to remediate weaknesses and ensure that improvements are made on a timely manner.

The AOB's inspection findings and observations are shared annually in the AOB's *Annual Inspection Report* (AIR) which is also shared with the audit committees (ACs) of public-listed companies. These findings are translated into practical recommendations, enabling ACs to strengthen governance oversight and ensure that common audit issues receive the necessary attention. By doing so, AOB helps ACs uphold audit quality, reinforce accountability, and safeguard investor confidence in financial reporting.

Please refer to the AOB's Annual Report for details of AOB's oversight activities

Strengthening Market Integrity

On the trade surveillance front, the SC works closely with Bursa Malaysia and digital assets exchanges in the monitoring of trading activities across equities, derivatives, corporate bonds and digital assets. Throughout the year, regular engagements were held to identify and address dubious trading practices early through pre-emptive measures.

Capital market intermediaries play a vital role in upholding market integrity and share a collective responsibility with regulators to maintain fair and orderly trading. To complement Bursa Malaysia's ongoing engagements with the industry on market integrity, capital market intermediaries were provided feedback on their front-line trade surveillance activities. This communication highlights patterns and trends observed, addresses gaps in monitoring activities and encourages intermediaries to strengthen their surveillance functions as the first line of defence against potential market abuse or irregular trading behaviour.

In 2025, the SC conducted 1,649 assessments on trading anomalies (2024: 1,477) and carried out detailed reviews of potential market abuse cases, including insider trading and market manipulation. Regarding corporate conduct, 38% of completed reviews involved conduct that could result in wrongful loss to the company, 24% involved false or misleading disclosures, and 29% concerned schemes to defraud. When possible corporate transgressions or trading misconduct are identified, the SC applies a consistent regulatory response — ranging from investigations and enforcement actions to referrals to Bursa Malaysia. This ensures that all concerns are addressed proportionately and strategically in line with the SC's mandate to protect investors and preserve market integrity.

The SC also takes proactive steps through public communication in addressing incidents which may undermine market integrity. Joint public statements with Bursa Malaysia were issued to alleviate investor concerns pertaining to unauthorised access to trading accounts. Intermediaries were advised to strengthen security measures, such as multi-factor authentication and stricter password policies, and to alert clients to reset login credentials to safeguard accounts and reduce risks to market integrity.

Another crucial aspect of the SC's surveillance activities involves mutual sharing of experience and knowledge with peer regulators and global bodies. This collaboration ensures our approach is guided not only by domestic regulatory requirements but also by global best practices. As a signatory of the International Organisation of Securities Commissions (IOSCO) Enhanced Multilateral Memorandum of Understanding (EMMoU), the SC is committed to fostering close collaboration with peer regulators and other stakeholders. Through active participation in global information-sharing platforms, particularly on regional surveillance practices, the SC

works to address cross-border corporate and trading misconduct. Malaysia's regulatory approach thus remains aligned with international best practices.

To strengthen the efficiency and reliability of surveillance activities, the SC continues to leverage technology solutions for swifter outcomes. Looking ahead, we are exploring the use of generative AI to enhance our surveillance toolkit, particularly in strengthening detection capabilities and enabling more risk-based surveillance. These tools will support earlier identification of potential issues through advanced data analytics and pattern recognition, improve prioritisation by directing supervisory attention towards higher-risk entities and activities, and enhance our ability to efficiently monitor sustainability-related disclosures. Drawing on the experiences of international counterparts, we proactively look for advanced analytics use cases to strengthen our ability to detect and assess irregular financial transactions and trading misconduct in today's complex market environment. Through continuous refinement of tools, processes, and focus areas, we remain committed to safeguarding corporate and market integrity, transparency, and accountability – values that underpin investor trust and drive sustainable capital market growth.

Ongoing Monitoring and Surveillance over Corporate Bond and Sukuk Issues

Monitoring Credit Risks in the Corporate Bond and Sukuk Market

As part of the SC's continuous efforts to oversee the corporate bond and sukuk market, the SC actively identifies and monitors issuers facing credit stress. At present, these issuers represent less than 2% of the market and are primarily from the transportation, real estate, and financial sectors. Some of these issuers have sought investors' consent for measures such as extensions to meet financial covenants, delays in coupon or principal repayments, or other refinancing arrangements to better manage their financial obligations. Overall, Malaysia's corporate bond market remains resilient, dominated by highly-rated corporate bond issuers from the financial, real estate, and infrastructure and utilities sectors.

Within the corporate bond and sukuk market, market participants play a critical role in preserving market integrity by adhering to regulations and safe investors' interests. To support this objective, the SC actively

engaged with key stakeholders, such as credit rating agencies, bond pricing agencies, and bond and sukuk trustees, throughout 2025. These engagements focused on sharing expertise, exchanging perspectives, and addressing both current and emerging challenges.

SUPERVISION

Supervision of Technology

Strengthening Cyber Resilience as Sector Lead under the Cyber Security Act 2024

The year 2025 marked a pivotal point of consolidation and execution for the SC in advancing Malaysia's national cyber resilience agenda. Building on the significant regulatory milestones achieved in 2024, particularly the implementation of the revised *Guidelines on Technology Risk Management* (GTRM) and the *Cyber Security Act 2024* (Cyber Security Act), the SC's focus was on effective implementation, enhanced supervisory engagement, and operationalising its expanded mandate as sector lead for banking and finance.

2025 marks the first full supervisory cycle under the enhanced requirements, following the enforcement of GTRM in August 2024. The SC has intensified its oversight of capital market entities to ensure alignment with GTRM standards across governance structures, reporting mechanisms, third-party risk management practices, technology audits, and board oversight responsibilities. This includes targeted thematic assessments, engagement with boards and senior management, and continuous monitoring to strengthen accountability and resilience against evolving technology and cyber threats.

Since the gazettelement of the *Cyber Security Act* in June 2024 and the SC's appointment as sector lead for the banking and finance sector by Prime Minister Dato' Seri Anwar bin Ibrahim in September 2024, the SC has commenced operationalising its responsibilities as sector lead, including conducting initial assessment and designating National Critical Information Infrastructure (NCII) entities, developing a sector-specific *Cyber Security Code of Practice* (Code of Practice), and establishing sectoral compliance monitoring and incident coordination mechanisms. These initiatives are critical to ensuring that Malaysia's financial infrastructures operate under coherent, sector-wide baseline standards for cyber security.

With the NCII designation exercise completed in late 2024, the SC’s priority in 2025 was to supervise and support compliance with by designated entities. Developed in alignment with the GTRM, industry best practices, and statutory requirements under the *Cyber Security Act*, the Code of Practice sets minimum security controls and processes expected of NCII entities. Throughout the year, the SC worked closely with regulated entities to guide implementation, strengthen supervisory structures, and ensure incident reporting and robust response mechanisms.

In parallel, the SC is advancing Malaysia’s capital market preparedness for quantum threats through active collaboration with the National Cyber Security Agency (NACSA) and the *Pusat Teknologi dan Pengurusan Kriptologi Malaysia* (PTPKM) on a national Post-Quantum Cryptography (PQC) migration plan. Building on engagements with NACSA in 2025, the SC is now focusing on sector-specific planning to ensure that critical capital market systems are well positioned for future cryptographic transitions, consistent with global developments.

Collectively, these initiatives encompassing the GTRM implementation, activation of sector lead functions, NCII compliance operationalisation, and advancement of PQC resilience, underscore the SC’s role in 2025 as a key enabler and national leader in technology risk oversight and cyber governance. Through the integration of its regulatory mandate with its expanded national role under the *Cyber Security Act*, the SC is driving systemic cyber resilience across the financial sector and contributing meaningfully to Malaysia’s broader national cyber security objectives.

Technology Oversight and Supervisory Approach

In 2025, the SC continued to advance its supervisory agenda with a heightened focus on technology and cyber governance to enhance resilience across the capital market. Recognising the rapid evolution of technology and the increasing complexity of technology risks, the SC continued its assessment of new applicants and selected capital market entities to ensure a secure and well-governed capital market ecosystem.

The SC adopted a multi-pronged supervisory approach to assess technology and cyber risk management practices across the capital market. A total of 233 assessments were conducted in 2025, covering key areas of technology governance, risk management, and compliance, through:



Structured Assessments

Three assessments were carried out using a planned, risk-based supervisory approach to identify entities with elevated risk profiles. This systematic process enabled the SC to evaluate technology and cyber risk management practices based on the level of risk exposure.



Thematic Reviews

Reviews were triggered by major incidents and focused on common risk areas across affected entities. These helped to identify systemic gaps and reinforced technology and cyber resilience to mitigate future threats.



For-Cause Assessments

A total of 230 assessments were initiated following incidents that raised supervisory concerns. These targeted assessments were conducted on specific entities to address the misconduct and strengthen accountability across the market.

Supervisory reviews have highlighted key areas for further development, including–

- improving alignment with internal technology risk frameworks to ensure consistent coverage across all operations;
- enhancing oversight of outsourced technology services to reinforce resilience;
- modernising production systems to optimise performance and safeguard against emerging cyber threats; and

- advancing analytical capabilities and incident response readiness to strengthen preparedness for future threats.

These assessments are intended to ensure entities implement strong governance structures and robust technology and cyber risk management practices in line with the SC’s GTRM. Entities were also encouraged to adopt industry best practices to further enhance their technology and cyber resilience.

Capital Market Cyber Simulation

As part of the SCxSC initiative, the SC conducted the Capital Market Cyber Simulation (CMCS) 2025 with the participation of 115 entities. These entities were selected according to their level of reliance on technology in daily operations.

Held in collaboration with NACSA and CyberSecurity Malaysia (CSM), the CMCS 2025 underscores the SC’s commitment to strengthening technology governance and cyber resilience across the capital market.

The simulation was designed to–

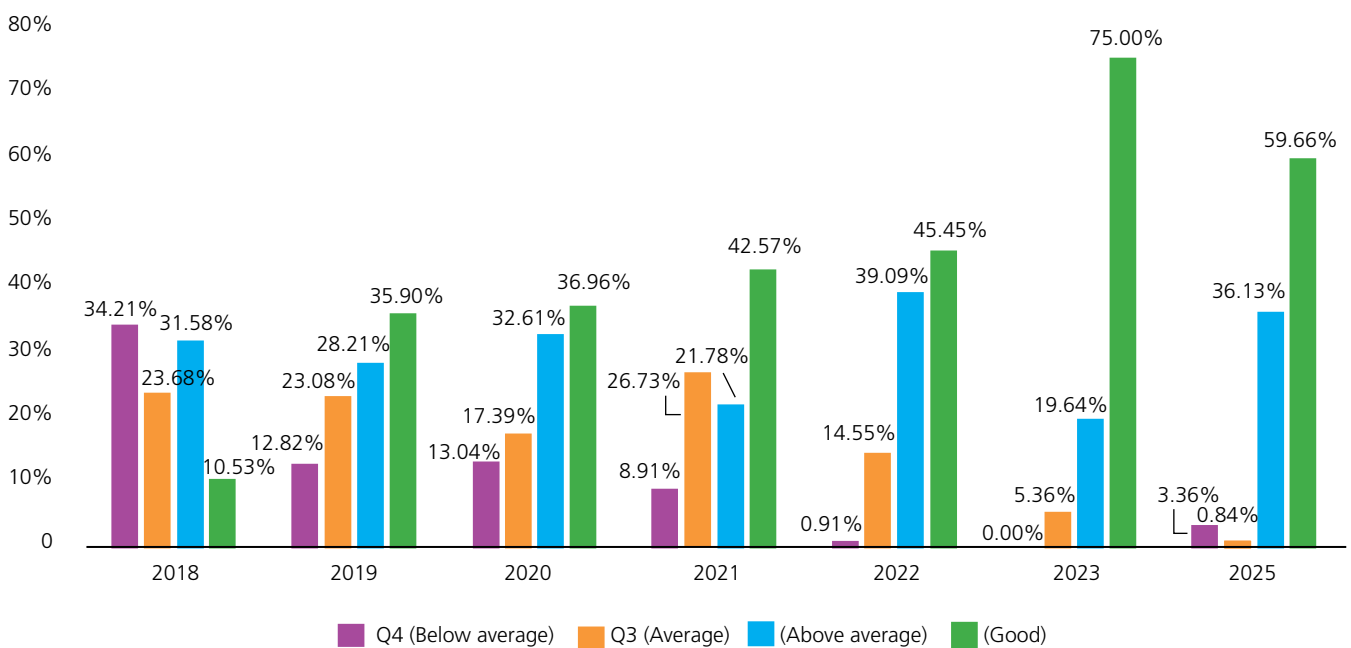
- assess participants’ incident response and recovery capabilities;
- identify potential gaps in technology capabilities within the capital market;
- enhance industry preparedness for effective incident escalation procedures; and
- promote the use of the SC Vault portal for structured and timely incident reporting.

The theme for CMCS 2025, *Silent Theft: Tracing the Invisible Intruders*, featuring three scenarios – supply chain attack, lateral movement, and data breach – was designed to test the industry’s readiness in managing complex incidents.

Key Outcomes

Despite the increased complexity of scenarios, questions, and artefacts, participating entities demonstrated

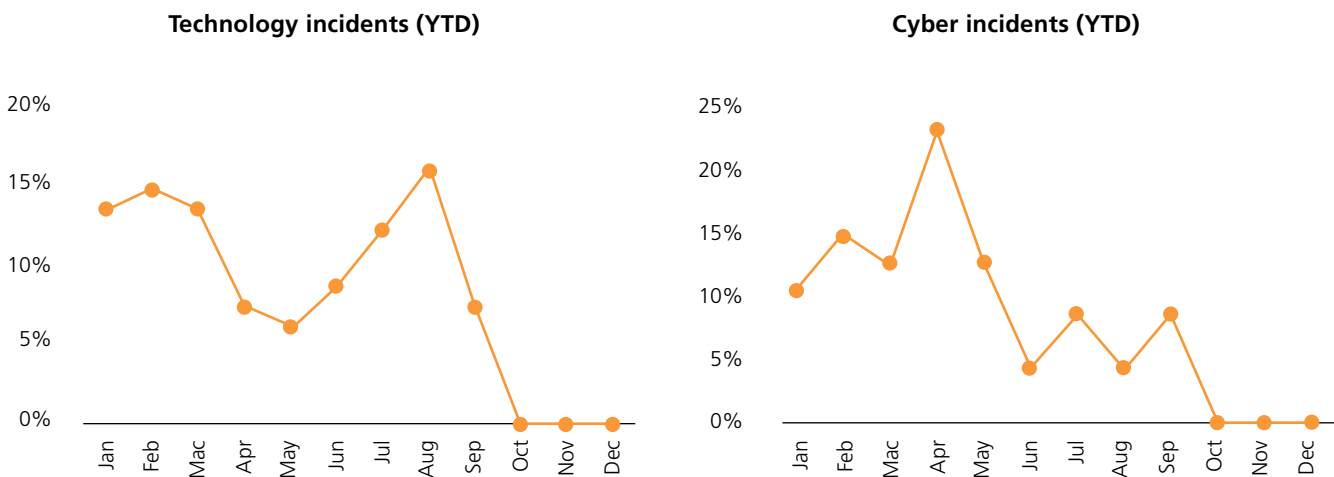
CHART 1
Outcomes of CMCS 2025



notable improvements in incident response maturity. Most entities successfully identified critical findings within a reasonable timeframe, indicating stronger preparedness and more effective response capabilities.

However, the exercise also highlighted gaps in advanced technical capabilities, underscoring the need for continued investment in cyber security skills and infrastructure to address more sophisticated threats.

CHART 2



Technology and Cyber Incidents Trends

The SC Vault recorded a significant increase in reported incidents, reflecting heightened vigilance and improved reporting practices across the capital market. Of all incidents logged, 68.6% were technology-related, while 31.4% were classified as cyber incidents. This distribution highlights ongoing operational challenges within the technology landscape and reinforces the need for robust cyber defences.

In response, the SC launched comprehensive investigations and strengthened supervisory engagement, placing greater emphasis on third-party risk management as a critical component of technology and cyber security strategies. These actions aim to safeguard operational resilience and protect market integrity against evolving threats.

Monthly Highlights

- The month of August marked the highest number of technology incidents reported, primarily driven by network and communication failures.
- In contrast, April 2025 saw the highest number of cyber incidents reported, largely driven by a series of unauthorised access and intrusions which affected multiple brokers.

Supervision of Capital Market Intermediaries

The SC continued its off-site monitoring of capital market intermediaries through regulatory submissions, data analysis and ad-hoc engagements. Complementing these efforts, a range of on-site supervisory tools were deployed, including regular structured supervisory assessments, thematic reviews and targeted for-cause assessments initiated in response to complaints and referrals.

Structured Supervisory Assessment

The SC conducted 29 structured supervisory assessments on selected capital market intermediaries over the year. The assessments were guided by a risk-focused supervisory approach, where intermediaries were selected based on their risk profile – considering inherent risks, risk appetite and strategies, and the effectiveness of governance and internal controls. This approach ensures supervisory resources are allocated to areas of higher risk for greater impact.

Two thematic assessments were undertaken to address identified trends, emerging risks and compliance gaps across intermediaries. These reviews enabled the SC to move beyond a firm-centric approach, focusing instead on sector wide outcomes and systemic risk mitigation.

A total of 180 for-cause assessments were conducted following complaints and referrals related to misconduct. These targeted reviews reinforce accountability and safeguard market integrity.

TABLE 16
Supervisory assessments on intermediaries

Assessment Type	Number of Completed Assessments	
	2025	2024
Structured supervisory assessments	29*	41
For-cause assessments	180	169
Thematic industry reviews	2**	2

Notes:

* The number of intermediaries identified for these assessments are determined through the evaluation of predefined risk factors.

** The two reviews involved assessments on marketing and distribution of unit trust products and structured products by banks and a thematic review on unit trust trustees.

Concerns identified through the various supervisory activities were promptly communicated to intermediaries through multiple channels to ensure their conduct remains aligned with our regulatory expectations.

TABLE 17
Supervisory outcomes

Supervisory Outcomes	2025	2024
Referral for administrative enforcement action	10	5
Industry communication/engagement	8	9
Issuance of Infringement Notice	34	28
Issuance of supervisory letter	6	6
Issuance of show cause letter	4	4
Issuance of sanction letter	5	1

Separately, the SC is conducting a review of stockbroking companies (SBCs) to evaluate the effectiveness of their technology operations and cybersecurity risk management, including the oversight of third-party service providers, in compliance with the GTRM.

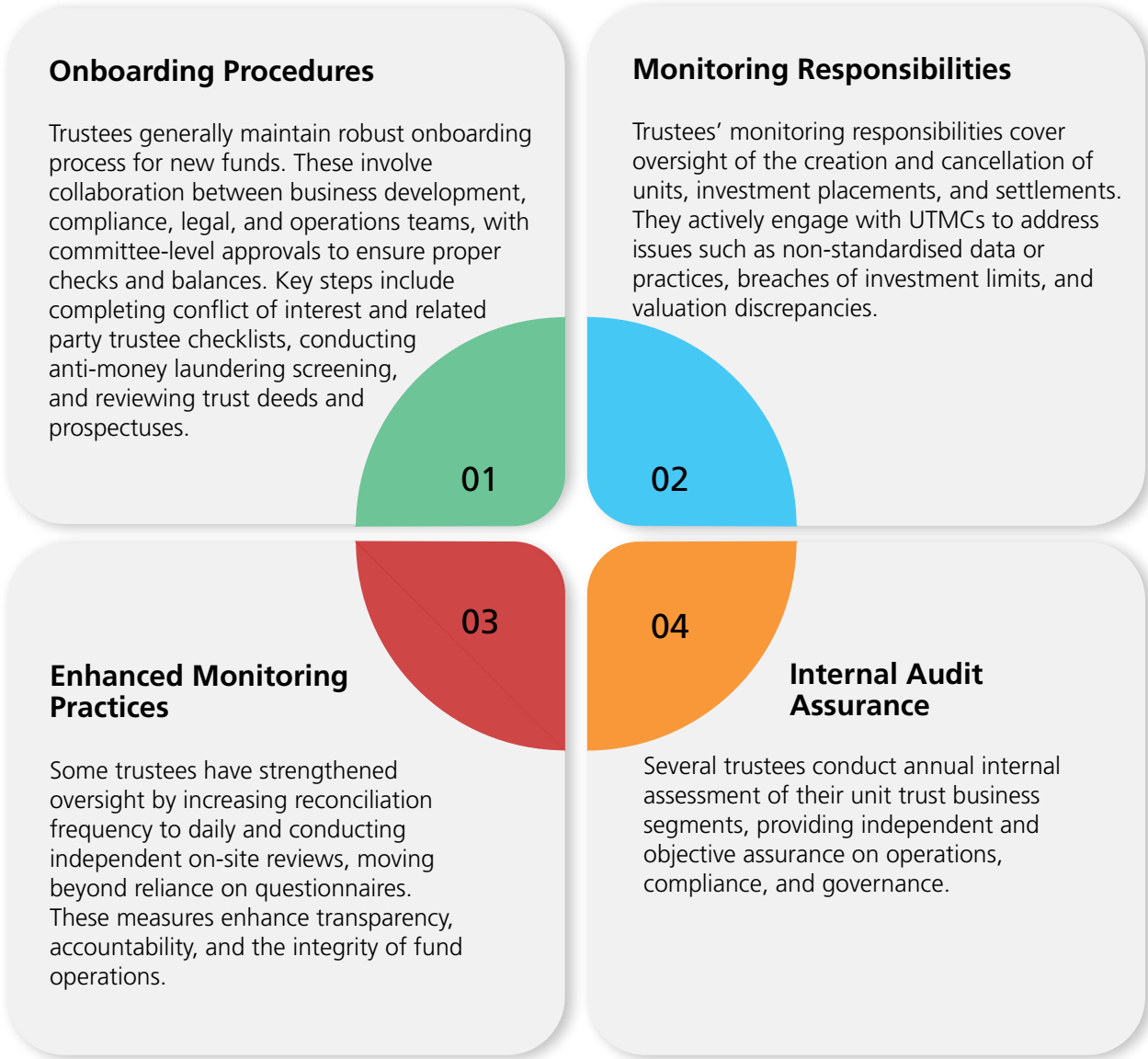
Building on existing requirements, the SC will issue additional guidance to further strengthen SBCs' governance of technology and cyber risks. This guidance will place greater emphasis on the oversight of third-party service providers and assurance of the robustness of technology systems and control environments.

1. Thematic Review on the Monitoring Role of Trustees for Unit Trust Schemes

Trustees of a unit trust (UT) fund are appointed to act in the best interests of unitholders and operate under a trust deed that defines the roles and responsibilities of trustees, the unit trust management company (UTMC), and unitholders, including trustees' monitoring duties.

To assess the adequacy and effectiveness of these monitoring roles, the SC issued a questionnaire to all UT trustees and conducted on-site assessments on selected trustees, focusing on risk management controls and compliance with securities laws and regulations.

Key Observations



Outcomes

The assessments provided strong assurance that the UT trustees are effectively fulfilling their monitoring responsibilities in line with regulatory expectations. In addition, several trustees demonstrated proactive measures beyond minimum requirements, reinforcing their fiduciary duty to act in the best interest of UT holders. These initiatives reflect a commitment to enhancing governance, transparency and operational integrity across the unit trust industry.

2. Assessment on the Adoption of Environmental, Social, and Governance Factors in the Investment Process of Fund Management Companies

The SC continues to integrate environmental, social, and governance (ESG) factors within fund management companies (FMCs), covering investment processes, risk management and stewardship activities.









In June 2022, the SC issued the *Guidance Note on Managing ESG Risks for Fund Management Companies*, outlining expectations for ESG risk management and stewardship of investee companies. To monitor progress, an industry-wide self-assessment was conducted in 2023.

Building on this, a targeted review was carried out in 2025 on selected FMCs to validate the implementation of the ESG Guidance Note and compliance with the SC's *Guidelines on Sustainable and Responsible Investment Funds* (SRI Funds Guidelines). The review focused on key areas including alignment of SRI fund names with their sustainability attributes, disclosure of SRI qualifications in offering documents, and ensuring that at least two-thirds of the net asset value (NAV) are invested in instruments adhering to sustainability criteria.

The initiative reinforces the SC's commitment to promoting responsible investment practices and strengthening investor confidence in Malaysia's sustainable finance ecosystem.

Key Observations

The 2025 review revealed encouraging progress in ESG integration across the fund management industry, particularly among larger FMCs. Notable findings include:

 <p>Most large FMCs (AUM > RM10 billion) and some smaller ones, have implemented ESG frameworks to guide investment and risk decisions.</p>	 <p>Most FMCs have dedicated committees overseeing responsible investment strategies.</p>
 <p>ESG risk assessments are becoming more robust using in-house scores, third-party ratings, and independent evaluations.</p>	 <p>Stronger stewardship through ESG engagement to enhance sustainability and long-term resilience.</p>
 <p>Large FMCs use independent validation to improve transparency and reduce greenwashing risks.</p>	 <p>FMCs are strengthening ESG capacity through dedicated hires, training, and professional qualifications.</p>
 <p>Aligning with global standards such as the UN Principles for Responsible Investment (UNPRI) and the Task Force on Climate-related Financial Disclosures (TCFD) can strengthen ESG practices.</p>	 <p>FMCs managing SRI funds comply with the SRI Funds Guidelines, ensuring proper fund naming, clear SRI disclosure, and maintaining at least two-thirds of NAV invested in sustainable instruments.</p>

Outcomes

Overall, ESG considerations are increasingly becoming a standard practice in the fund management industry, particularly among the large FMCs. Smaller FMCs are encouraged to accelerate their adoption of ESG practices to remain competitive and attract new generation of investors who prioritise ethical and sustainable business models. The SC remains committed to advancing this agenda by providing clear guidance and clarity in strengthening regulatory expectations and supporting continuous improvements in ESG capabilities across the industry. These efforts aim to position Malaysia as a leading market for responsible and sustainable investment.

Supervision of Exchanges and Financial Market Infrastructures

Supervision of Bursa Malaysia Bhd

As Malaysia's sole integrated exchange group, Bursa Malaysia carries statutory obligations to ensure fair and orderly markets, safeguard investor interest, exercise prudent risk management, and maintain sufficient financial, human and technological resources. This includes automated systems with sufficient capacity and robust security measures to support market activity.

Technology remains an integral component of Bursa Malaysia's infrastructure. With systems becoming increasingly automated and interconnected, ensuring the reliability and resilience of Bursa Malaysia's critical systems is paramount for the effective discharge of its role.

In 2025, the SC completed its regulatory assessment (RA) focusing on Bursa Malaysia's technology risk management framework. The review focused on the board of directors' governance over strategic and risk aspects, technology and cybersecurity management, human capital management, and oversight of third-party service providers. The review also assessed Bursa Malaysia's response to crisis-handling protocols in response to certain incidents.

Bursa Malaysia's IT infrastructure and systems are generally adequate to meet the current needs. To further strengthen the resilience and support long-term growth, several areas have been identified for improvements, focusing on future readiness and operational excellence. Areas for consideration include:

- Enhancing monitoring of trading systems capacity and early warning mechanisms.
- Broadening supervisory reach and monitoring of third-party service

In August 2025, the SC held a high-level dialogue with Bursa Malaysia's board regarding the RA findings, emphasising the board of directors' role in exercising effective oversight and fulfilling their responsibilities in addressing the identified issues.

Reassessment of the Proposal for Bursa Malaysia Regulatory Subsidiary

In 2020, the SC and Bursa Malaysia jointly announced the proposal to establish Bursa Malaysia regulatory subsidiary (Bursa RegSub) to assume the regulatory functions undertaken by Bursa Malaysia. The primary objective of the establishment of Bursa RegSub was to further strengthen Bursa Malaysia group's conflict of interest (COI) governance framework with clearer delineation of its regulatory functions and commercial operations.

Nevertheless, pending legislative changes towards the establishment of Bursa RegSub, Bursa Malaysia has systemically strengthened its COI framework including incorporating recommendations relating to the proposed Bursa RegSub in its governance model in 2021.

In light of this development, it has been agreed that there is no immediate need for the establishment of Bursa RegSub at this juncture and the SC will continue to monitor and supervise Bursa Malaysia group, ensuring that any governance concerns are effectively addressed or mitigated.

Supervision of Recognized Market Operators

The SC's regulatory framework on RMOs – covering ECF, P2P financing, digital asset exchange (DAX), e-services platform and initial exchange offering (IEOs) platforms – are designed to foster responsible financial innovation while maintaining a balanced supervisory approach. This framework ensures that operators uphold proper conduct, safeguard investor interests, and preserve market integrity.

To achieve this, the SC adopts a risk-based supervisory approach, leveraging data points such as specific risks associated by types of operators and its activities, and complaints trends. Supervisory tools deployed include regular interactions with operators, ongoing reviews of regulatory submissions, thematic reviews, RAs and complaints handlings. These reviews cover governance, operations, cybersecurity and system integrity. In 2025, the SC's supervisory focus was primarily on anti-money laundering and countering financing of terrorism (AML/CFT) due to the growing inherent risks observed across the RMO ecosystem.

The SC continued to refine its supervisory approach in line with the market's growing maturity, where RMOs are expected to uphold higher standards of governance, compliance, and risk management practices. These efforts aim to ensure that the SC's supervisory framework evolves alongside with the growth trajectory of this space and the expanding role of RMOs within the broader capital market ecosystem. The supervisory efforts undertaken include:

- Conducted nine RAs which focused on compliance with anti-money laundering requirements and the adequacy and effectiveness of ongoing due diligence frameworks;
- Completed one thematic assessment to review compliance with the *Guidelines on Advertising for Capital Market Products and Related Services* (Advertising Guidelines); and
- Carried out 63 ad-hoc assessments following monitoring exercises, complaints, and referrals received from the public and other regulatory agencies.

The SC observed several key areas for improvement to strengthen compliance culture and operational efficiency among RMOs. These include consistent implementation of policies and procedures, improved record-keeping practices, and strengthened board governance and oversight.

TABLE 17
Supervisory outcomes following assessments of RMOs

Supervisory Outcomes	2025	2024
Referral for administration enforcement action	1	-
Industry communication/ engagement	5	3
Issuance of infringement notice	9	3
Issuance of supervisory letter	2	2
Issuance of show cause letter	-	1
Issuance of sanction letter	-	1

Supervision of Self-Regulatory Organisation

The SC's oversight on Federation of Investment Managers Malaysia (FIMM) is aimed at ensuring FIMM effectively discharges its role as a self-regulatory organisation (SRO) to safeguard public interest and protect investors.

In 2025, the SC engaged FIMM on strategic matters including regulatory priorities, operational effectiveness, and sustainability. These engagements were supported by ongoing reviews of regulatory submissions to ensure FIMM's continued compliance with statutory requirements and alignment with regulatory expectations.

The SC participated in FIMM's key events to gain insights into industry developments and best practices. At the International Investment Funds Association Conference 2025, the SC observed collaborative efforts and discussions among global members on shared challenges within the investment fund industry. Additionally, during FIMM's annual convention, the SC noted on emerging trends in fund management, particularly in marketing, distribution and sales practices related to the unit trust and private retirement schemes.

Beyond FIMM's regulatory and industry development efforts, the SC observed that FIMM continues to prioritise industry profiling, revenue generation and capacity building. These efforts are aimed at strengthening its position as an SRO, improving operational efficiency, and enhancing the industry's understanding on regulatory requirements and expectations.

Supervision of Private Pension Administrator

The SC supervises the private pension administrator (PPA) to ensure it effectively fulfils its role as the central administrator for private retirement scheme (PRS), including offering education on investment and retirement saving through PRS.

In 2025, PPA continued to facilitate enrolment and top-up services via the PRS Online platform for both members and the public. It also undertook efforts to enhance its operations and supplemented investor education through system enhancements, marketing initiatives, and promotional campaigns. These efforts are critical to improve PPA's operational efficiency, increase public awareness, and enhance financial literacy, thereby supporting the sustainable growth of the PRS industry.

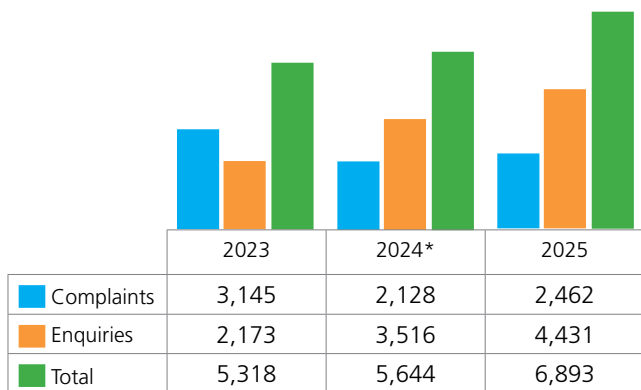
COMPLAINTS AND ENQUIRIES

The SC reported a significant rise in the overall number of complaints and inquiries received in 2024 compared to previous years, indicating a consistent upward trend over the years.

In 2025, the SC received a total of 6,893 cases, consisting of 2,462 complaints and 4,431 enquiries. This represents a 22% increase from 2024 (Chart 3).

Of the total complaints and enquiries received in 2025, 61% and 70% of enquiries were on unlicensed activities and scams (Chart 4 and Chart 5).

CHART 3
Complaints and Enquiries (2023-2025)



Note:

* The figures reflect the number of complainants and enquirers compared to the figures reported in the *SC Annual Report 2024* which were calculated based on number of complaints and enquiries received.

CHART 4
Classification of complaints

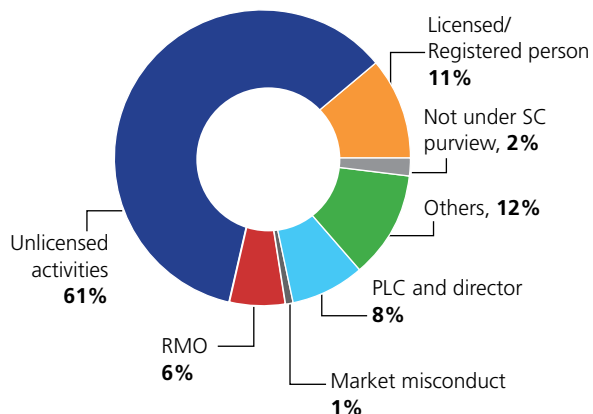
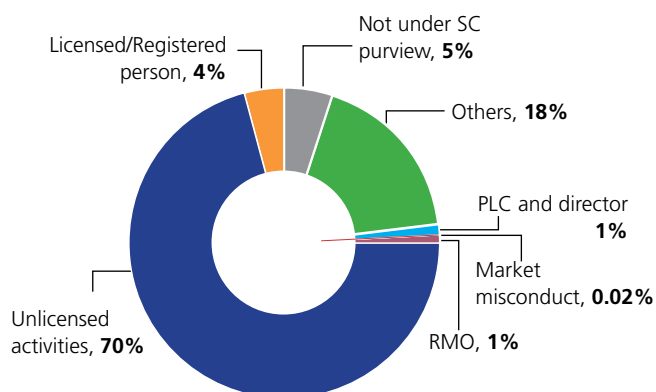


CHART 5
Classification of enquiries

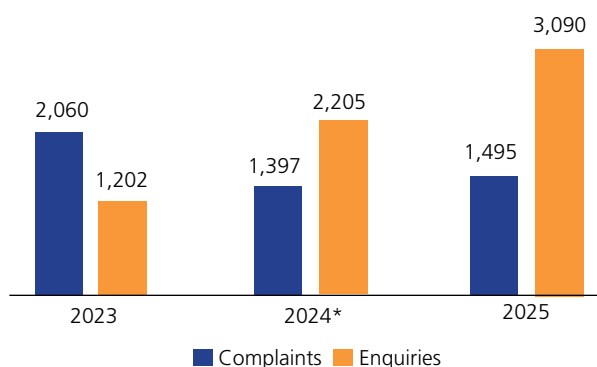


Unlicensed Activities and Scams

The SC observed an increase in the total number of enquiries received in 2025. Compared to 2023, the number of enquiries received in 2025 saw an increase of 157%.

The SC finds this encouraging as this reflects greater public awareness and scepticism where the public is mindful to check with the SC before investing.

CHART 6
Complaints and enquiries on unlicensed activities and scams



Note:

* The figures reflect the number of complainants and enquirers compared to the figures reported in the *SC Annual Report 2024* which were calculated based on number of complaints and enquiries received.

Broad Types Identified

The complaints and enquiries received by the SC and proactively identified through our surveillance can generally be divided into two categories:

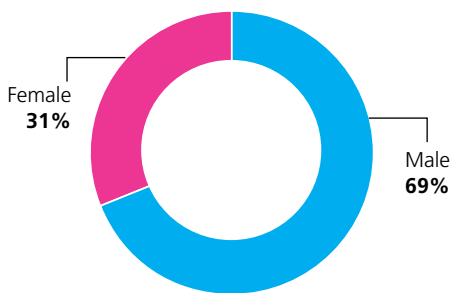
- **Scams** – including various types of scams, such as those involving non-existent investment products.

- **Unlicensed activities** – where individuals or entities conduct regulated business without being licensed or registered with the SC.

Demographic of Unlicensed Activities and Scams

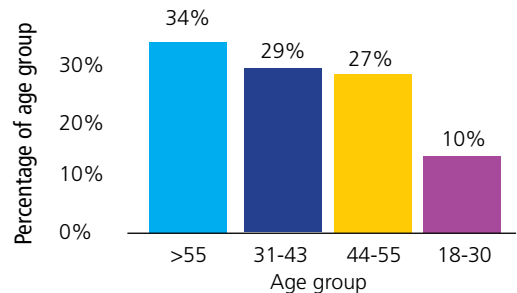
Gender

Percentage of complaint or enquiries by gender



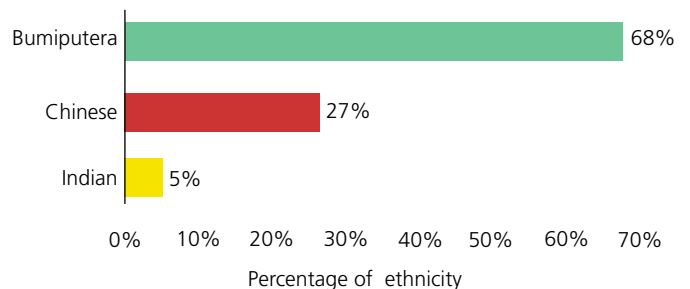
Age

Percentage of complaint or enquiries by age group



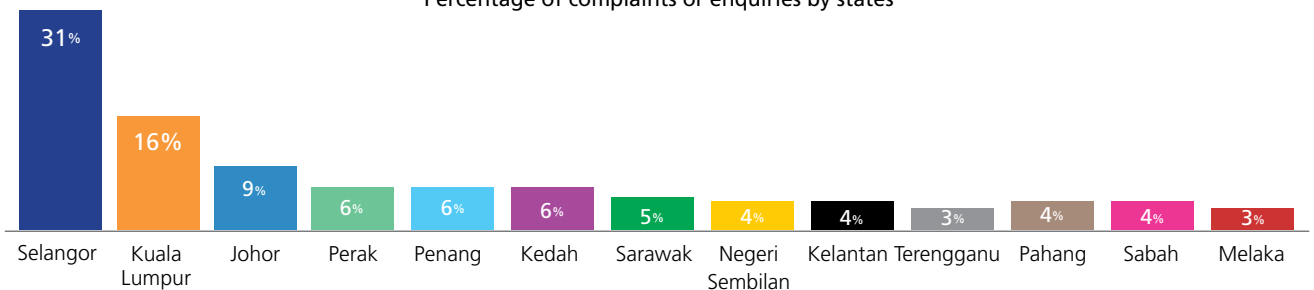
Ethnicity

Percentage of complaint or enquiries by ethnicity



States

Percentage of complaints or enquiries by states



Source: SC.

Investment Scams

The primary difference between an investment scam and other types of scams lies in the nature of the deception and the focus of fraudulent activity. For instance, in an investment scam, the deception revolves around financial investments where promises of high returns or low-risk opportunities either do not exist or are misrepresented. They exploit people’s desire for financial gain by misleading them about the nature, profitability, or legitimacy of the investment.

Scammers have continued to evolve their tactics and exploit behavioral biases to deceive the investing public. The SC’s analysis of complaints and enquiries findings in 2025 revealed that scammers systematically employed

psychological manipulation techniques, forming a scammers’ playbook, as follows:



Manipulating Greed and Fear of Missing Out (FOMO)

Scammers manipulate investors’ desire for quick profits by promising high returns with minimal or no risk. They often create a false sense of urgency claiming that the opportunity is limited or time-sensitive to pressure victims into making hasty decisions without proper verification. This combination of greed and fear of missing out remains one of the most common psychological levers exploited.



Fabricating Credibility and Social Proof

Fraudsters impersonate licensed entities, misuse images of regulators or public figures, and display fake credentials to appear credible. They also forge legitimacy through fabricated testimonials, online reviews, and group chats designed to create the illusion of successful investments and community trust. These tactics effectively mislead investors into believing the schemes are genuine, increasing susceptibility to fraudulent offers.



Personalised Outreach and Relationship-Based Manipulation

Scammers increasingly employ direct messaging and personalised engagement through platforms such as WhatsApp and Facebook to approach potential victims. By cultivating trust through perceived friendships, mentorships, or romantic relationships, these fraudsters gradually establish emotional dependence before introducing fraudulent investment opportunities. Such tactics often lead victims to disregard red flags and make financial decisions driven by emotions rather than due diligence.



Exploiting Trending Products and Investor Vulnerabilities

Scammers often capitalise on trending products such as digital assets, AI-driven trading, or pre-IPO shares to attract public interest. These schemes prey on individuals with limited investment knowledge who may not fully understand the associated risks or recognise the red flags of fraudulent offerings. Based on SC's survey findings, many investors continue to rely on informal sources such as friends, family, or social media for investment decisions, making them more vulnerable to misinformation and manipulation.



Use of Unregulated Platforms and Deceptive Applications

Scammers increasingly operate through unregulated websites and fraudulent trading apps that mimic legitimate platforms. These fake interfaces display fabricated investment balances and return to create an illusion of authenticity. In some cases, their presence

on mainstream app stores further reinforces credibility, misleading investors into believing that the platforms are genuine and regulated.

Emerging Scam Trends

The SC continues to monitor evolving scam typologies to detect new methods and ensure timely intervention. In 2025, scammers became more sophisticated in exploiting digital platforms and social engineering tactics. Several new trends were observed through the SC's monitoring and complaints received, as outlined below:



Fake Investment Lesson Advertisements on Social Media

This scam typically originates from advertisements on social media platforms such as Facebook or Instagram, promoting free investment classes or financial literacy sessions. Once individuals register their interest, they are invited to join WhatsApp groups purportedly led by investment 'mentors' or 'experts'. Within these groups, scammers gradually build credibility by sharing market updates and simulated investment tips. As the engagement progresses, participants are told that the Malaysian stock market is underperforming and are persuaded to invest through links to download mobile applications or APK files. These applications are in fact fraudulent trading platforms designed to defraud or to obtain personal information.



Clone of the SC's Investment Checker and Public Registrar of Public Register of Licence Holders and Registered Persons

Scammers created fake versions of the SC's Investment Checker and Public Registrar, as well as fake email communications purportedly issued by the SC. These tactics were aimed at convincing victims that the fraudulent investment opportunity by the scammers were legitimate or endorsed by the regulator. Arising from this, the SC issued a media release on 11 April 2025 titled *SC Alerts Public on Impersonation Scam Involving Fake Guarantee Deposits*. This was issued to warn the public of such impersonation scams. The SC reiterated that it does not offer or solicit investments from the public, nor does it issue guarantee deposit

letters or appoint any individuals or companies to collect funds on its behalf. As the regulator of Malaysia's capital market, the SC's role is to oversee and regulate market participants, not to provide investment opportunities.



Misuse of Cryptocurrency for Fund Transfers

The SC observed an increasing trend where scammers utilised cryptocurrency as a medium to receive or transfer illicit funds. Victims were often instructed to convert their money into digital assets or transfer funds to wallets controlled by the scammers, making recovery and tracing of funds more difficult. This trend reflects scammers' growing sophistication in exploiting the anonymity of digital assets to evade detection.



Use of SSM-Incorporated Companies' Bank Accounts to Receive Illicit Funds

In 2025, the SC observed scams involving the misuse of company bank accounts to receive illicit funds. Scammers use bank accounts of companies that have ceased operating to receive ill-gotten monies. They also incorporate companies with names that contain words that may suggest that it's carrying out regulated activities which do not correlate with the business activities contained in Companies Commission of Malaysia's (SSM) records. They will then convince victims to transfer monies into the bank account of such companies to lend credence to their illegal activities.

Unlicensed Activities

Unlicensed activities entail regulated activities that are carried out by a person or an entity without a licence or is not registered with the SC. There are eight types of regulated activities, and they are contained in Schedule 2 of the *Capital Markets and Services Act 2007* (CMSA) which includes dealing in securities, dealing in derivatives, fund management and investment advice.

We observe that there are many entities that claim to be properly licensed in other jurisdictions that target Malaysian investors. Any entity offering capital market products or services to the Malaysian public must be licensed or registered with the SC, regardless of their regulatory status elsewhere.

Unlicensed Investment Advice / Finfluencer

The SC observed promotion of unlicensed investment advice by individuals who claim to be self-styled 'investment gurus'. This was done through seminars, WhatsApp and Telegram Groups. In July 2024, the SC revised and issued the Guidance Note on the Provision of Investment Advice to address the concern on financial influencers promoting and giving recommendation on capital market products and services that may be tantamount to unlicensed investment advice.

Further to this, the SC revised its Advertising Guidelines in 2025, incorporating requirements for influencers to be regarded as advertisers and consequently, be accountable for their actions.

Measures Implemented to Curb Scams and Unlicensed Activities

The SC strengthened its monitoring and surveillance of scams and unlicensed activities offered online, including through websites and social media platforms. The SC undertook a proactive approach in combatting scams and unlicensed activities by, among others, conducting early intervention and disrupting the activities including inclusion in the SC's Investor Alert List, blocking of the websites and social media platforms as well as collaborating and coordinating with the relevant authorities. The SC also issued notification letters to local banks to alert them of possible mule bank accounts linked to unlicensed activities. The SC further implemented social media intervention strategies, where warning messages were publicly posted on the social media pages of suspected scammers and unlicensed operators to notify them that the SC is aware of their activities and that they are in breach of securities laws.

TABLE 17
Intervention efforts on scams and unlicensed activities

Actions Taken	2025	2024
Commencement of enforcement action	4	4
Inclusion in the SC's Investor Alert List	249	273
Blocking of websites with assistance from Malaysian Communication and Multimedia Commission (MCMC)	175	153
Facebook and Instagram Accounts Geo-Block	35	81
Request to block Telegram accounts	208	180
Social media interventions	215	336
Lodgement of police reports	66	141
Referrals to other agencies/ foreign regulators	174	235
Issuance of Notices of Cease and Desist	4	3
Notification Letter to Banks	22	7

In addition to the above interventions, the SC in 2025 embarked on a new intervention approach by issuing requests to the MCMC to suspend phone numbers involved in investment scam activities uncovered by the SC.

Media Releases to Alert Public on Scams

In 2025, the SC issued media releases to alert the public on scams involving impersonation of the SC. These included fraudulent schemes related to fake 'guarantee deposits' and the cloning of the SC's Public Registry. The alerts served to remind investors to remain vigilant, verify any information through SC's official channels, and report suspicious activities through the SC's complaints and enquiries portal.

- <https://www.sc.com.my/resources/media/media-release/sc-alerts-public-on-impersonation-scam-involving-fake-guarantee-deposits>
- <https://www.sc.com.my/resources/media/media-release/sc-warns-public-on-cloned-public-register-scam>

MOU with MCMC

The SC has also explored opportunities to streamline coordination between the SC and MCMC to ensure rapid response to address the growing proliferation of investment scams and unlicensed activities. Through this collaboration, the SC and MCMC will among others, work closely with service providers and relevant stakeholders to expedite scam detection and take down such content(s) immediately.

Enhancements to the Investor Alert List

Enhancements were made to the Investor Alert List in 2025 to include images of fake letters, forged certificates, and marketing materials that misused the SC's name and logo. This initiative aims to help the public more easily verify the authenticity of documents and identify potential scams by cross-checking against examples published on the SC's website.

National Scam Response Centre

In July 2025, the SC also became a member of the National Scam Response Centre (NSRC), which is a joint venture between, among others, the National Anti-Financial Crime Centre (NFCC), the Royal Malaysia Police (PDRM), BNM, MCMC. The NSRC brings together these key enforcement and regulatory bodies to strengthen Malaysia's scam response framework. Through the NSRC, the SC plays an important role in addressing capital market related fraud.

IOSCO's International Securities and Commodities Alerts Network

Given the borderless nature and cross-jurisdictional characteristics of investment scams, the SC regularly populates the International Securities and Commodities Alerts Network (I-SCAN). The portal allows all members of IOSCO to populate alerts and warnings, creating global awareness on such scams.

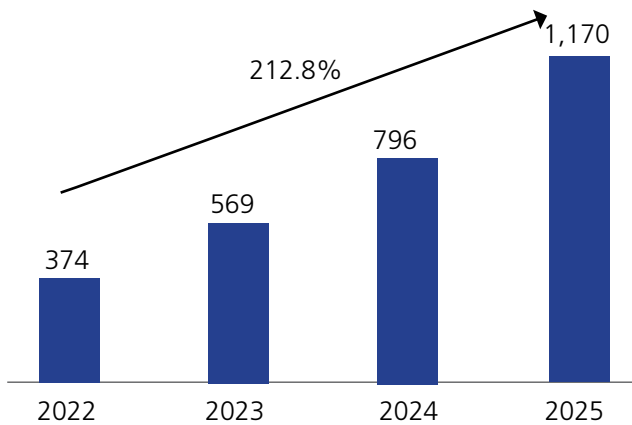
In 2025, the SC has included 60 names into I-SCAN.

Surveillance of Unlicensed Activities

Protecting Investors Through Proactive Surveillance and Early Intervention Against Online Scams and Unlicensed Activities

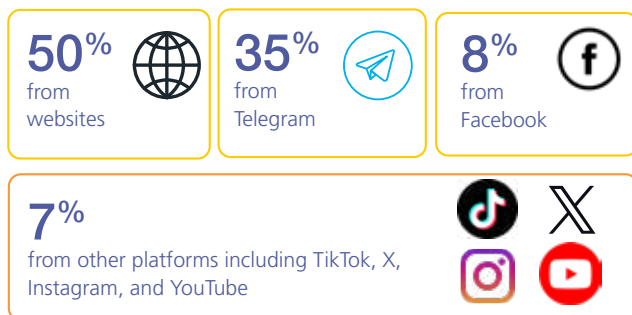
The SC continued to conduct proactive surveillance of possible online investment scams and unlicensed capital market activities and undertake early intervention to protect unsuspecting investors from falling prey to such nefarious activities.

CHART 7
Number of URLs detected



As of 31 December 2025, the SC identified a total of 1,170 URLs (2024: 796 URLs) across various websites and social media platforms that were potentially involved in scams or the offering of unlicensed products and services to Malaysians.

The distribution of the URLs was as follows:



Upon detection, the SC undertook various measures to mitigate public exposure to these harmful sources.

TABLE 18
Measures taken to mitigate public exposure to harmful sources

Actions Taken	Number of URLs
Disruptive Actions (e.g., geo-blocking, content blocking)	483
Inclusion in SC Alert List	498
Social Media Intervention	406
Other Measures (e.g., warning letters, referrals, cease and desist notices)	305

Based on the SC’s surveillance, current methods observed in relation to online scam and unlicensed operators include:

- Increasing use of mule corporate bank accounts:** In order to lend legitimacy to the scam or unlicensed operations and avoid suspicion, potential victims are asked to make payments into corporate bank account numbers instead of individual bank accounts.
- Use of Alternative Payment Channels:** Unlicensed operators increasingly adopted the use of popular e-wallets such as Touch ‘n Go and Shopee Pay to receive payments instead of bank accounts.
- Rise in Crypto-Related Scams:** A total of 73% of suspicious URLs detected involved crypto assets. This reflects the increasing trend of unlicensed offerings of crypto products and services in addition to traditional asset classes such as shares, forex, indices, commodities, and contracts for difference (CFDs).

The SC continues to explore and implement AI-driven technology solutions by leveraging Large Language Models (LLMs) to detect suspected online scams and unlicensed activities. SC’s ongoing technology initiatives aim to make efficiency improvements by automating key surveillance processes.

ENFORCEMENT

TABLE 19
Key Enforcement Outcomes

Key Outcomes	2025	2024
Preliminary Investigation		
No. of cases reviewed for enforcement action	39	39
No. of offences reviewed	62	67
Investigation		
No. of investigations commenced	13	16
No. of active investigations	64	62
No. of raids conducted	10 locations	14 locations
No. of Notices ¹¹ and/or Letters issued by SC Investigating Officers	1,561	1,762
No. of documents reviewed by SC Investigating Officers pursuant to the Notices and/or Letters issued	5,244	5,655
Criminal Actions		
New criminal actions commenced	16 persons (involving 96 charges)	16 persons/entities (involving 53 charges)
No. of criminal actions completed with no pending appeal	10	-
No. of ongoing criminal cases	33 cases (39 individuals)	27 cases (36 individuals)
No. of persons convicted/conviction affirmed	9	1
Custodial sentences imposed	1 day to 3 years	5 years
Total value of fines imposed by the Court	RM13.1 million	RM3.0 million
Civil Actions		
No. of civil actions commenced including issuance of Letter of Demands	1	12
No. of civil actions completed	5 (involving 5 defendants)	3 (involving 4 defendants)
No. of ongoing civil cases	11 (involving 23 defendants)	14 (involving 27 defendants)
No. of civil actions completed successfully	5 (involving 5 defendants)	3 (involving 4 defendants)
Total value of disgorgement and civil penalties imposed by the Court	RM2,067,500	RM9,867,999

¹¹ Notices are issued pursuant to section 128(5) and s.134 of the *Securities Commission Malaysia Act 1993* (SCMA).

Regulatory Settlements		
No. of regulatory settlements (before the commencement of any court action)	9 (involving 9 persons)	6 (Involving 6 persons)
Total disgorgement	RM9,076,349.82	RM12,040,006.8
Restitution		
No. of investors restituted	239	168
Amount restituted	RM1,981,411,51	RM1,864,907.58
No. of investors earmarked for restitution	993	1,068
Amount earmarked for restitution	RM8,634,625.63	RM8,779,099.11
Administrative Actions		
No. of sanctions imposed:		
• Penalties	43	62
• Reprimands	44	54
• Directives	9	8
• Revocation	0	1
• Suspension	2	0
• Restitution	1	0
Total value of penalties imposed	RM8.28 million	RM13.72 million
Infringement Notices		
No. of Infringement Notices issued	112	125

Review of Cases Pursuant to SC's Enforcement Priorities

SC's enforcement priorities have been introduced since year 2020. For years 2024 to 2025, having undertaken a review exercise on the existing enforcement priorities, corporate misconduct has been identified as the new enforcement priority given the influx of cases of such nature. Additionally, existing enforcement priorities on cases concerning disclosure breaches, securities fraud and unlicensed activities continue to be pursued.

Based on a review of the various breaches of securities law in 2025, 42% (as of 31 December 2025) of the offences relate to the SC's identified enforcement priorities. These were identified through SC's active surveillance, supervision, and/or complaints received.

TABLE 20

Nature of Offence	No. of breaches reviewed as of 31 Dec 2025
Securities fraud	10
Corporate misconduct*	6
Unlicensed Activities	5
Breaches related to disclosure	5
Breach of SC's LOLA Guidelines	9
Market manipulation	8
Breach of <i>Securities Industry (Central Depositories) Act 1991</i> (SICDA)	4
Insider trading	2
Breach of Bursa Rules, Directive or Listing Requirements	2

* Breach of s.317A of the CMSA only.

TABLE 20 (Continued)

Nature of Offence	No. of breaches reviewed as of 31 Dec 2025
Breach of the SC's <i>Licensing Handbook / Condition</i>	2
Breach of SC's <i>Guidelines on Conduct for Capital Market Intermediaries</i>	2
Breach of SC's <i>Guidelines on Submission of Corporate and Capital Market Product Proposals</i>	1
Breach of SC's <i>Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives</i>	1
Breach of SC's <i>Guidelines on Technology Risk Management</i>	1
Breach of SC's <i>Guidelines on Compliance Function for Fund Management Companies</i>	1
Non-compliance with <i>Securities Industry (Compliance with Approved Accounting Standards) Regulations 1999</i>	1
Breaches concerning the SC's <i>Code on Take-Overs and Mergers</i>	1
Breaches concerning the SC's requirements on withdrawal from trust account	1
TOTAL	62

Details of SC's Active Investigation Cases

As of 31 December 2025, there were 64 active investigation cases, with the breakdown by nature of offence as illustrated in Chart 8. With the mandate to maintain a fair and orderly market and ensure investor protection, cases under SC's investigation include corporate misconducts, market misconducts as well as securities fraud and unlicensed activities. 62% of the cases under active investigation relate to SC's Enforcement Priorities.

The SC's Investigating Officers are empowered through the SCMA with the necessary investigative powers to gather all relevant admissible evidence. The statutory powers allow for the collection of both documentary and oral evidence, which are essential to SC's investigative process.

CHART 8 Breakdown of Active Investigation Cases

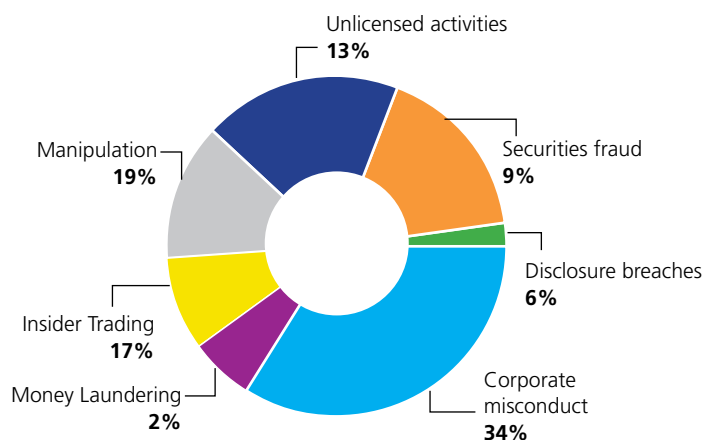


CHART 9 Witness Category as at 31 Dec 2025

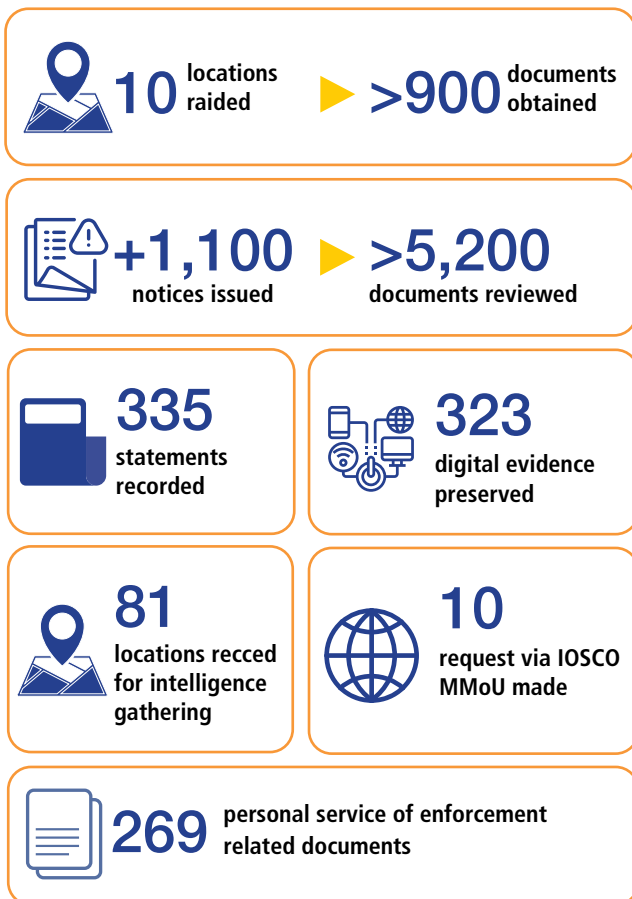


In 2025, SC's Investigating Officers recorded statements from 335 individuals. More than two-thirds of the statements recorded were from directors, senior management, and employees of public-listed companies, professionals such as investment bankers, auditors, and lawyers, investors/acountholders, as well as licensed persons (Chart 9).

Apart from statement recordings undertaken, SC Investigating Officers also rely heavily on documentary evidence to establish a case. Throughout the year, 1,152 Notices to produce documents were issued and 10 raids were conducted to procure documents across various locations in Malaysia.

Further breakdown of the SC Investigating Officer's efforts for the year 2025 is illustrated in Figure 1.

FIGURE 1
Breakdown of Investigation Works Carried Out



The SC's Digital Forensic Unit is equipped with a range of tools encompassing data acquisition to thorough data analysis of digital evidence. In 2025, the SC Digital Forensic Team had preserved evidence from 323 digital sources, a large majority of which are composed of 210 online sources (email accounts and cloud workspace storage) while the remaining are from 113 local storage sources (computers, mobile phones and tablets).

The preservation of digital evidence such as emails and text messages is crucial to SC's investigations, as trading and banking activities are now predominantly performed via online platforms. The integration of digital forensic capabilities enhances efficiency by facilitating the analysis of preserved digital evidence in investigations.

In 2025, the SC's Digital Forensic Unit handled over 178 requests, more than half of which were requests for

on-site services, including digital forensic for first responder. Other services include intelligence gathering, Open-Source Intelligence (OSINT) data preservation, examination and extraction of devices on-lab. Apart from digital forensic services, the SC Digital Forensic Team also played an important role in legal proceedings, appearing as an expert witness to attest to their rendered service.

The SC's Participation in the Development of CSM Guidelines on Collecting Digital Evidence

With a view of ensuring admissibility of digital evidence in legal proceedings, the SC actively participated in the discussions, contributions and development of the *Guidelines on Collecting Data from Digital Evidence* (Digital Evidence Guidelines), published in August 2025. This initiative, led by CyberSecurity Malaysia, involved collaboration with the Commercial Crime Investigation Department of the PDRM, the MCMC, the Pharmacy Enforcement Division of the Ministry of Health, the Attorney General's Chambers (AGC), and the Digital Forensics Workgroup.



The Digital Evidence Guidelines intends to provide guidance and promote best practices for the collection of data from digital evidence as part of efforts to address challenges in conducting forensic investigation in today's day and age.

Breaking Borders: The SC's Cross-Border Investigation Efforts

Apart from the SC's investigative efforts to gather evidence locally, in cases involving cross border transactions, the SC utilises avenues such as the IOSCO Multilateral Memorandum of Understanding (MMoU) on Consultation and Co-operation and Exchange of Information and EMMoU, Mutual Legal Assistance via the AGC and/or seek cooperation from the International Criminal Police Organization (INTERPOL) via the PDRM.

Notably, the SC had in May 2025 signed the IOSCO EMMoU that has expanded its power in obtaining audit papers, compel testimonies, freeze assets, and access internet and telephone records from other EMMoU signatories. This enhanced cooperation framework

enables the SC to conduct more effective investigations involving cross-border transactions, particularly in cases where critical evidence and witnesses are located outside Malaysia.

In 2025, the SC made 10 requests for investigative assistance to eight foreign supervisory authorities under the IOSCO MMOU (Table 21), seeking their assistance to record statements from overseas witnesses and to obtain documentary evidence such as banking documents, securities transactions, telephone records, and information on beneficial ownership of companies (Table 21).

The SC also renders investigative assistance to IOSCO members. In 2025, the SC provided investigative assistance to four foreign supervisory authorities on their on-going investigations.

TABLE 21
Requests for Investigative Assistance to IOSCO Members

Jurisdiction	No. of Request
Abu Dhabi	1
China	1
Dubai	1
Hong Kong	2
New Zealand	2
Oman	1
Qatar	1
Singapore	1
TOTAL	10

For other cross border transactions, the SC also works closely with the Attorney General's Chambers to seek assistance through the Mutual Legal Assistance (MLA) route, particularly to access and secure evidence and witness testimonies from foreign jurisdictions. In 2025, the SC made one MLA request to one jurisdiction. For the purpose of intelligence gathering and investigation support, the SC had also made two requests through PDRM and the INTERPOL, to work together to resolve cases with cross borders exposure.

Wanted Persons: Social Media and Public Support

The era of the internet has allowed for the rapid dissemination of information, updates and alerts, going beyond what was offered by newspapers and websites previously.

Leveraging this, for year 2025, the SC took the initiative to utilise its social media platforms for the purpose of investigations by listing either persons subject to a warrant of arrest or persons sought to assist in investigations on such platforms.

The three postings on SC's social media platforms for year 2025 were highly effective as the general public have assisted and responded by providing numerous tips and details on the persons sought. The information provided by the general public have assisted the SC in either executing the warrant of arrest or contacting the person required to assist in investigations.

Ongoing Criminal and Civil Cases at Various Courts (as at 31 Dec 2025)

For year 2025, there were 38 ongoing cases in court at first instance or appeal stages, involving 68 individuals, as listed in Table 22.

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 Dec 2025)

Types of actions	Court	No. of cases	No. of Individuals
Criminal Action	Sessions Court	22	24
	High Court	8	9
	Court of Appeal	4	7
Civil Action	High Court	5	11
	Court of Appeal	5	11
	Federal Court	1	1
TOTAL		45	63

Efforts to Restitute Investors (as at 31 Dec 2025)

The SC remains committed in protecting investors. Following the outcome of the SC's successful civil suits and regulatory settlements entered, the SC has restituted 239 investors in 2025 in the amount of RM1,981,411.51. Additionally, a further RM8,634,625.63 has been earmarked for restitution involving 993 investors.

Enforcement Highlights (as at 31 Dec 2025)

High Court Allows Forfeiture of Luxury Condominium and Cash

On 22 January 2025, the High Court allowed the Public Prosecutor's application against Havana Bayview Sdn Bhd and Wong Shee Kai (Ricky Wong) to forfeit a luxury condominium unit at Four Seasons Place in Kuala Lumpur and a sum of RM445,039.28 held in Ricky Wong's personal fixed deposit account. The forfeiture application under section 56 of the *Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001* (AMLATFPUAA) was conducted by the SC on behalf of the Public Prosecutor. The forfeiture application was in relation to proceeds raised by Bright Packaging Industry Bhd (BPI) through its corporate exercises conducted between October 2013 and July 2014. The SC's investigation revealed that a total of RM56.07 million was siphoned out of BPI and a portion thereof was used as part payment for the purchase of the condominium. The sum of money in the fixed deposit account was interest generated from a portion of the proceeds as well.

Read more on 'High Court Allows Forfeiture of Luxury Condo and Cash' at www.sc.com.my/resources/media/media-release/high-court-allows-forfeiture-of-luxury-condo-and-cash

Court of Appeal Upholds Director's Conviction and Sentence

On 5 March 2025, the Court of Appeal dismissed the appeal of Amirruddin bin Nin, a director of CTB Solutions Sdn Bhd, against his conviction and sentence for failure to appear before the SC's investigating officer in relation to a money laundering investigation. Amirruddin was convicted of three offences under section 32(8)(a)

of the AMLATFPUAA and was sentenced to one day's imprisonment and fined RM100,000 for each charge, with an additional daily fine of RM2,000.00 for 979 days amounting to RM1,958,000 for the continuing offence. The Court of Appeal also allowed the SC's cross-appeal and reinstated Amirruddin's conviction and sentence for the second and third charges, as well as the daily fine for the continuing offence.

Read more on 'Court of Appeal Upholds Director's Conviction and Sentence for Failure to Appear before SC's Investigating Officer for a Money Laundering Investigation' at

www.sc.com.my/resources/media/media-release/court-of-appeal-upholds-directors-conviction-and-sentence-for-failure-to-appear-before-scs-investigating-officer-for-a-money-laundering-investigation

Former Head of Dealing Charged with Securities Fraud and Money Laundering

On 19 March 2025, the SC charged Lau Min Thung, former Head of Dealing at CIMB Investment Bank, Melaka, with six offences relating to securities fraud and money laundering. He faced three charges under section 179(b) of the CMSA for defrauding three investors of RM808,000 through fictitious bond investments between February 2013 and April 2014. The monies were instead used to purchase shares in trading accounts belonging to other individuals unconnected to the investors. Lau also faced three charges under section 4(1)(a) of the AMLATFPUAA for engaging in money laundering during the same period. Lau claimed trial to all six charges and the matter is currently pending in court.

Read more on 'SC Charges Former Head of Dealing with Securities Fraud and Money Laundering' at <https://www.sc.com.my/resources/media/media-release/sc-charges-former-head-of-dealing-with-securities-fraud-and-money-laundering>

Federal Court Rules in SC's Favour in Landmark Decision, Former Corporate Lawyer Fails in Bid to Overturn Insider Trading Judgment

On 9 April 2025, the Federal Court dismissed the appeal by Dato' Sreesanthan Eliathamby against the decision of the Court of Appeal, which had affirmed the High Court's finding that he was liable for insider trading of

Worldwide Holdings Bhd shares. Sreesanthan was ordered to pay the SC RM1.99 million, being three times the profits gained from the breach and a civil penalty of RM1 million. He was also barred from being a director of any public-listed company for a period of 10 years.

Read more on 'Federal Court Rules in SC's Favour, Dismisses Dato' Sreesanthan's Civil Appeal on Insider Trading' at www.sc.com.my/resources/media/media-release/federal-court-rules-in-scs-favour-dismisses-dato-sreesanthans-civil-appeal-on-insider-trading

Businessman Charged with Securities Fraud and Unlicensed Capital Market Activities

On 7 May 2025, the SC charged Razrul Anwar bin Rusli with 10 offences under the CMSA. He faced eight charges under section 179(b) of the CMSA for defrauding five investors of RM3.16 million through a fictitious investment scheme known as 'Amal Trust', which purportedly offered Shariah-compliant bonds with high returns. In addition, he faced one charge under section 58(1) of the CMSA for holding himself out as carrying on a business of a regulated activity of dealing in securities without a licence, and one charge under section 362(3) of the CMSA for creating the belief that the *Amal Trust* scheme was licensed when it was not. The offences took place between April 2019 and April 2021 in Kuala Lumpur, Selangor and Penang. Razrul claimed trial to all 10 charges and the matter is currently pending in court.

Read more on 'SC Charges Businessman with Securities Fraud Involving RM3.159 million and Unlicensed Capital Market Activities' at <https://www.sc.com.my/resources/media/media-release/sc-charges-businessman-with-securities-fraud-involving-rm3159-million-and-unlicensed-capital-market-activities>

Former CEO of London Biscuits Charged for False Financial Statement and Falsification of Records

On 16 May 2025, the SC charged Dato' Sri Liew Yew Chung, former Executive Director and Group CEO of London Biscuits Bhd (LBB), with offences relating to the furnishing of a false financial statement to the stock exchange and falsification of records of a listed corporation. Liew was charged with one charge under section 369(b)(B) of the CMSA for furnishing a false

financial statement to Bursa Malaysia on 30 August 2019. The false statement was in relation to LBB's cumulative revenue amounting to RM285,985,000, which was contained in the company's quarterly report, in the third quarter of its financial period ended 30 June 2019. In addition, Liew faced 12 charges under section 368(1)(a) of the CMSA for instructing the creation of false transactions concerning company sales in the company's accounting records between October 2018 and March 2019. Liew claimed trial to all 13 charges and the matter is currently pending in court.

Read more on 'SC Charges London Biscuits Berhad's Former ED/Group CEO For False Financial Statement and Falsification of Company's Accounting Records' at <https://www.sc.com.my/resources/media/media-release/sc-charges-london-biscuits-berhads-former-edgroup-ceo-for-false-financial-statement-and-falsification-of-companys-accounting-records>

Federal Court Rules in the SC's Favour in Insider Trading Civil Appeal

On 21 May 2025, the Federal Court dismissed the application for leave to appeal by Dato' Raymond Yap Wee Hin (Yap), former Deputy Chairman of Patimas Computers Bhd, against the decision of the Court of Appeal, which had affirmed the High Court's finding that he was liable for insider trading. Yap was ordered to pay the SC RM3.28 million in disgorgement, equal to three times the losses avoided from the breach and a civil penalty of RM1 million. He was also prohibited from being appointed as a director of any public-listed company for a period of five years.

Read more on 'Federal Court Rules in SC's Favour, Leave Application of Former Patimas Computers Berhad Deputy Chairman Dismissed' at www.sc.com.my/resources/media/media-release/federal-court-rules-in-scs-favour-leave-application-of-former-patimas-computers-berhad-deputy-chairman-dismissed

Ex-Investment Banker Jailed for Two Years, Fined RM1 Million

On 30 June 2025, the Kuala Lumpur Sessions Court convicted Ruwan Amaresh Shaun Ponniah, a former associate director of Debt Capital Markets at CIMB Investment Bank, for securities fraud and unlicensed capital market activities. Ruwan pleaded guilty to one charge under section 179(b) of the CMSA for defrauding

investors of RM201,000 and was sentenced to two years' imprisonment and fined RM1 million, in default six months imprisonment. The court also took into consideration nine other similar charges under section 171A of the CPC. Ruwan also pleaded guilty to one charge under section 58(1) of the CMSA for holding himself out as carrying on a business in fund management without being licensed or a registered person. He was sentenced to two years imprisonment.

Read more on 'Ex-Investment Banker Jailed' at www.sc.com.my/resources/media/media-release/ex-investment-banker-jailed-two-years-fined-rm1-million-for-securities-fraud

Former Unit Trust Consultants Charged with Securities Fraud

On 30 July 2025, the SC charged Nadiah binti Nawati, a former unit trust consultant, with two offences under section 179(b) of the CMSA, read together with section 34 of the Penal Code, for defrauding two investors of RM20,000 through purported unit trust investments in Kenanga Investors Bhd. The offences were committed between January and June 2022 in Kuala Lumpur.

Read more on 'SC Charges Former Unit Trust Consultant with Securities Fraud' at <https://www.sc.com.my/resources/media/media-release/sc-charges-former-unit-trust-consultant-with-securities-fraud>

On 8 September 2025, the SC charged Nadiah's former spouse, Amran bin Mohd Amin, with two counts of securities fraud under section 179(b) of the CMSA for defrauding two investors of RM195,000 by representing to them of a unit trust investment in Kenanga Investors Bhd (KIB). The monies deposited by the investors were instead utilised for Amran's own unit trust investments in KIB.

Separately, Amran was charged with two additional charges under section 179(b) of the CMSA read together with section 34 of the Penal Code for defrauding two other investors in the amount of RM20,000 with Nadiah. The monies deposited by the investors were instead utilised for Nadiah's own unit trust investments in KIB. The offences were committed between July 2021 and June 2022 in Kuala Lumpur. Both accused claimed trial to all the charges, and the matters are currently pending in court.

Read more on 'SC Charges Former Unit Trust Consultant with Securities Fraud' at

<https://www.sc.com.my/permalink.aspx?id=262C70CE-2CA3-453B-A15A-E89BF0256779>

Pixelvest Fined RM3 Million for Unlicensed Capital Market Activities, Director Jailed Three Years

On 4 August 2025, the Kuala Lumpur Sessions Court convicted Pixelvest Sdn Bhd and its director, Ang Jen Chuen (Dexter Ang), for offences relating to unlicensed capital market activities.

Pixelvest, represented by Dexter Ang, pleaded guilty to one charge under section 58(1) of the CMSA for carrying on a business in fund management without a licence and was fined RM3 million. Dexter Ang also pleaded guilty to one charge under section 58(1) of the CMSA in his capacity as Pixelvest director and was sentenced to three years' imprisonment.

Separately, on 28 July 2025, Dexter Ang pleaded guilty to eight charges of receiving proceeds of unlawful activity under section 4(1)(b) of the AMLATFPUAA and was sentenced to three years' imprisonment for each charge, with the court ordering the sentences to run concurrently.

Read more on 'Pixelvest Fined RM3 million for Unlicensed Capital Market Activities, Director Sentenced to Three Years Jail' at www.sc.com.my/resources/media/media-release/pixelvest-fined-rm3-mln-for-unlicensed-capital-market-activities-director-sentenced-to-three-years-jail

Unlicensed Futures Trader Jailed for Fraudulent FCPO Investment Scheme

On 9 August 2025, the Kuala Lumpur Sessions Court convicted Mohd Azhidi bin Laili for unlicensed activities and derivatives fraud. Azhidi pleaded guilty to nine charges under section 206(b) of the CMSA for deceiving investors in a fictitious FCPO futures investment scheme. He was sentenced to two years imprisonment and a fine of RM1 million, in default three months imprisonment for each charge. The court ordered for the imprisonment terms to run concurrently. Azhidi also pleaded guilty to one charge under section 59(1) of the CMSA for holding himself out as a representative of AmFutures Sdn Bhd without being licensed or a registered person for dealing

in derivatives. The court sentenced him to two years imprisonment and ordered for the imprisonment term to be served concurrently with the offences under section 206(b).

Read more on ‘Unlicensed Futures Trader Jailed 20 years, Fined RM9 Million for Defrauding Investors with Fictitious FCPO Investment Scheme’ at www.sc.com.my/resources/media/media-release/unlicensed-futures-trader-jailed-20-years-fined-rm9-million-for-defrauding-investors-with-fictitious-fcpo-investment-scheme

Court of Appeal Rules in Favour of the SC in Insider Trading Civil Appeal against Former Executive Director

On 2 September 2025, the Court of Appeal dismissed the appeal by Dato’ Ng Back Heang, former Executive Director of Patimas Computers Bhd, against the decision of the High Court which found him liable for insider trading under section 188(2)(a) of the CMSA. Ng was ordered to pay the SC RM1.24 million in disgorgement, equal to three times the losses avoided from the breach, and a civil penalty of RM700,000. He was also barred from being appointed as a director of any public-listed company for a period of five years.

Read more on ‘Court of Appeal Rules in Favour of SC in Insider Trading Civil Appeal’ at www.sc.com.my/resources/media/media-release/court-of-appeal-rules-in-favour-of-sc-in-insider-trading-civil-appeal

SC Charges Ex-MD for Causing Wrongful Loss to AT Systematization Berhad

On 8 October 2025, Choong Lee Aun, formerly Managing Director of AT Systematization Bhd (ATS) (now known as Erdasan Group Bhd) was charged with 41 charges of causing wrongful loss to ATS. He is alleged to have caused ATS to transfer payments totalling RM16.35 million to Delta Million Dynamic Sdn Bhd and Midas Mode Sdn Bhd with the intention of causing wrongful loss to ATS. The offences occurred between June 2020 and November 2021.

Read more on ‘SC Charges Ex-MD for Causing Wrongful Loss to AT Systematization Berhad’ at <https://www.sc.com.my/resources/media/media-release/sc-charges-ex-md-for-causing-wrongful-loss-to-at-systematization-berhad>

SC Charges Former Chief Financial Officer for Causing Wrongful Loss to AT Systematization Bhd

On 12 November 2025, Yong Man Chai, formerly Chief Financial Officer of AT Systematization Bhd (ATS) (now known as Erdasan Group Bhd) was charged with 20 charges of causing wrongful loss to ATS. He is alleged to have caused ATS to transfer payments totalling RM7.821 million to Delta Million Dynamic Sdn Bhd, Midas Mode Sdn Bhd, LMC Multi Trading, Midland Sands Sdn. Bhd. and Silver Metal Sdn. Bhd. with the intention of causing wrongful loss to ATS. The offences occurred between July 2020 and October 2021.

Read more on ‘SC Charges Former Chief Financial Officer for Causing Wrongful Loss to AT Systematization Berhad’ at <https://www.sc.com.my/resources/media/media-release/sc-charges-former-chief-financial-officer-for-causing-wrongful-loss-to-at-systematization-berhad>

TABLE 22
Key Enforcement Outcomes

Administrative Actions	2025	2024
No. of sanctions imposed:	99	125
• Penalties	43	62
• Reprimands	44	54
• Directives	9	8
• Revocation	0	1
• Suspension	2	0
• Restitution	1	0
Total values of penalties imposed	RM8.28 million	RM13.72 million
Infringement Notices		
No. of infringement notices issued	112	125

Leveraging the SC’s Administrative Actions

In addition to pursuing criminal and civil proceedings, the SC exercised its statutory powers to take administrative action against 34 individuals and entities. These powers allow the SC to apply a broad range of enforcement measures, providing effective and proportionate regulatory outcomes against breaches of securities laws (Table 22).

As of 31 December 2025, a total penalty of RM8.28 million was imposed against various persons for their misconduct and breaches under the securities laws and guidelines issued by the SC as follows:

- six licensed intermediaries for delay in submitting monthly returns for the relevant wholesale funds;
- one registered person for delay in submitting the post-issuance reports for their structured products; a declaration which resulted in non-sophisticated investors investing in its wholesale funds;
- one responsible party for delay in submitting the redemption notice for a programme;
- one licensed intermediary for failure to exercise due care, skill and diligence to ensure that its wholesale funds were only subscribed by sophisticated investors and for failure to conduct proper verification and/or analysis of the investors' annual income and net worth declaration, which resulted in non-sophisticated investors investing in the licensed intermediary's wholesale funds;
- one licensed intermediary for various breaches under the SC's *Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries*;
- one company and one individual who carried on a business in the regulated activity of dealing in securities without holding a capital market services licence;
- one individual who carried on a business in a regulated activity of providing investment advice to others concerning securities without holding a capital markets services licence;
- one individual 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;
- four individuals who engaged in transactions which involved proceeds of unlawful activities;
- one individual who engaged in an act, practice or course of business which operated as a fraud upon his client directly in connection with the subscription, purchase or sales of securities;
- two licensed intermediaries for failure to ensure that investments were carried out in accordance with the investment mandates, failure to provide complete and accurate information of its investments, and failure to provide statements relating to the performance of their client's investments as well as imposed fees and charges in respect of the investment mandates;
- six individuals who had breached provisions under *Securities Industry (Central Depository) Act 1991* (SICDA), including causing and/or permitting his/her shares to be deposited and/or maintained in a third-party's trading account and who had effected trades in his/her shares in a third-party's trading account;
- one licensed intermediary for failing to have in place appropriate and effective safeguards to protect clients' information and for failure to have in place effective mechanisms to protect clients' information from any risk of misuse and unauthorised disclosure;
- two individuals for failure to obtain written authorisation from the client before accepting or acting on an instruction from a third party to trade in the clients' account; and
- three individuals for permitting other individuals' shares to be deposited and maintained in the three individuals' respective trading accounts and for allowing dealings in respect of companies' shares to be effected in the respective trading accounts.

TABLE 23
Administrative Sanctions Imposed

Persons in Breach	Sanctions imposed					
	Reprimand	Penalty	Restitution	Directive	Revocation of Licence	Suspension of Licence
Licensed persons	22	28	1	7	-	2
Other entities/individuals	22	15	-	2	-	-
TOTAL	44	43	1	9	-	2

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 instances, 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 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 2025, 112 Infringement Notices were issued by the SC, with the breakdown shown in Table 24.

TABLE 24
Type of Infringement Notices

Type of Infringement Notices	No. Issued
Supervisory letters with infringement	42
Warning letters	43
Non-compliance letters	23
Notice of Cease and Desist	4
TOTAL	112

THE SC'S PRIORITIES

Strengthening Market Transparency and Investor Protection

Transparency and robust governance are the foundation of a resilient capital market. In line with this principle, the SC continues to refine regulatory frameworks to ensure that fundraising activities, corporate transactions, and product design and distribution are conducted in a fair, orderly, and accountable manner. These initiatives underscore the SC's unwavering commitment to investor protection and safeguarding market integrity.

The SC Revises Equity Guidelines to Strengthen Market Transparency and Governance

In early 2025, the SC issued the revised *Equity Guidelines* to strengthen governance standards and enhance market transparency. The amendments introduced key enhancements to the requirements on significant changes in business direction or policy of listed corporations, including back-door listings and reverse take-overs, as well as improved disclosure of ultimate beneficial owners in corporate proposals. These measures reinforce the SC's commitment to promoting robust corporate governance and safeguarding investor confidence in Malaysia's capital market.

The SC Updates Guidelines on Offer of Shares by Unlisted Public Companies

In March 2025, the SC issued the new *Guidelines on Offer of Shares by Unlisted Public Companies* (UPC Guidelines) to enhance investor protection and uphold market integrity. The UPC Guidelines introduce stricter disclosure and conduct requirements, including mandatory consultation with the SC, appointment of a corporate finance adviser, and strengthened reporting obligations. These measures address concerns on misleading return promises and inadequate risk disclosures, while ensuring that share offerings by unlisted public companies are conducted responsibly and transparently.

Introduction of Product Governance Framework for Specified Capital Market Products

On 24 June 2025, the SC introduced the *Guidelines on Product Governance* (PGG) to strengthen investor protection in the capital market. The PGG requires issuers and distributors to embed investor interests in product design and distribution. Key provisions include clear board and management accountability, enhanced product suitability for target markets, and stronger collaboration between issuers and distributors.

The PGG was formulated through comprehensive consultations with domestic and international stakeholders and benchmarked against global best practices. The PGG will apply to unlisted capital market products except for ordinary shares, over-the-counter derivatives contracts, venture capital or private equity funds and products offered on platforms operated by a recognised market operator.

To facilitate a smooth transition, the industry was given a six-month familiarisation period prior to its effective date on 2 January 2026. This initiative reflects the SC's commitment to embedding investor-centric principles throughout the product lifecycle, while encouraging industry innovation that is both responsible and sustainable.

**SPECIAL
FEATURE 1**

UPGRADE IN MALAYSIA’S RATING: THE FINANCIAL ACTION TASK FORCE MUTUAL EVALUATION EXERCISE

The Mutual Evaluation Exercise (MEE) assessed Malaysia’s anti-money laundering, countering the financing of terrorism and proliferation financing (AML/CFT/CPF) framework against the Financial Action Task Force (FATF) Standards. In its capacity as both a financial sector regulator and a law enforcement authority, the SC played an active role throughout the assessment, including in the preparation of technical submissions and engagements with the assessment team.

Malaysia concluded its latest MEE with the publication of the Mutual Evaluation Report (MER) by the FATF and the Asia/Pacific Group on Money Laundering (APG) in December 2025. Malaysia attained Regular Follow-Up status, the highest outcome under the FATF assessment process. The MER affirms that Malaysia has continued to strengthen its resilience against illicit finance since the previous evaluation in 2015, supported by enhancements to the legal framework and the supervision of financial and designated non-financial sectors.

The MER recognises the strength of Malaysia’s supervisory and enforcement framework for the financial sector, including the application of technology-enabled, risk-based supervision and supervisory analytics. It also notes improved risk awareness and the implementation of preventive measures by financial institutions and virtual asset service providers.

Nevertheless, the MER also identifies areas for further enhancement within the capital market sector, including improving the effectiveness of reporting of suspicious transactions and strengthening the verification of beneficial ownership information. Financial regulators are also encouraged to make full use of their supervisory and enforcement powers to promote effective compliance by the financial institutions and virtual assets service providers.

Following the publication of the MER, the SC will continue to enhance AML/CFT/CPF compliance standards among capital market intermediaries including virtual assets service providers¹. This will be pursued through the issuance of targeted guidance, ongoing supervisory engagement, and sustained outreach and awareness programmes focused on the areas identified for improvement. The SC will also continue to work through the National Coordination Committee to Counter Money Laundering to further strengthen the AML/CFT/CPF framework and its effective implementation in the capital market sector.



¹ Virtual asset service providers (VASP) refers to digital asset exchanges and digital asset custodians within the context of the capital market regulatory framework.

SPECIAL
FEATURE 2REFLECTIONS ON CAPITAL MARKET
MASTERPLAN 2021-2025 AND LAUNCH OF
CAPITAL MARKET MASTERPLAN 2026-2030

The *Capital Market Masterplan 2021-2025* (CMP3) was implemented during a period of elevated uncertainty, shifting global supply chains, and rapid technological change. It sets out to support Malaysia's structural transition by strengthening market depth, widening access to market-based financing, and embedding both innovation and sustainability into the fabric of intermediation while safeguarding investor protection and market integrity. The overarching intent was to maintain orderly and facilitative market conditions so that savings could be mobilised efficiently into productive investment, particularly for small- and mid-sized businesses with growth potential. In parallel, CMP3 emphasised supervisory agility and data-driven oversight so that innovation is powered by resilience. CMP3 aspired to a capital market that is **Relevant** (growing with the economy and its stakeholders), **Efficient** (mobilising capital with an evolved regulatory approach), and **Diversified** (competitive and differentiated to create value for diverse participants).

To organise this ambition into action, CMP3 was structured around six development and regulatory thrusts. The developmental agenda was to be driven through Catalysing Competitive Growth, Empowering Investors for a Better Future, and Shaping a Stakeholder Economy with Sustainable and Responsible Investment (SRI) and Islamic capital market (ICM) whilst the regulatory mandate would be powered by Embedding Shared Accountability, Prioritising Efficiency and Outcomes, and Embracing the Digital Age. Together, these thrusts would underpin an integrated delivery architecture, in which policy reforms, market infrastructure, supervision, and capacity-building would be sequenced thoughtfully and proportionally.

Headline outcomes over the CMP3 horizon point to a steady deepening and widening of our market. Total capital market size reached RM4.32 trillion at end-2025 compared with RM3.4 trillion in 2020, reflecting growth in both equity market capitalisation and bonds and sukuk outstanding. Equity primary activity strengthened, with 60 IPOs recorded in 2025 in comparison with 19 in 2020; the pipeline benefitted from improved issuer readiness and more supportive post-listing conditions. Fund management assets rose from RM905 billion in 2020 to RM1.14 trillion in 2025, signalling deeper intermediation and a broader product set. The Islamic capital market remained a core anchor, expanding from RM2.26 trillion to RM2.7 trillion over the same period, underpinned by active issuance and sustained investor confidence in Malaysia's ICM frameworks. These indicators are significant not only for their scale but because they reflect a system that has increasingly improved at matching risk with return, smoothing financing cycles, and absorbing external shocks.

Within the **Catalysing Competitive Growth** thrust, the SC streamlined listing and admission processes (beyond IPOs) to reduce time-to-market and improve certainty, while enhancing market-making and the SBL framework to deepen secondary-market liquidity. In addition, collaboration with government agencies and ecosystem partners expanded the supply of growth capital and reduced friction along the fundraising journey. Collectively, these measures strengthened the pipeline of credible issuers and improved price discovery and depth.

Under the **Empowering Investors for a Better Future** thrust, investor access was widened through a refined categorisation framework that balances inclusion with safeguards for the mass-affluent and retail segments. The SC phased the liberalisation for selected non-traditional products and enabled wealth-tech solutions to simplify onboarding, comparability, and ongoing suitability. Parallel evaluations of retirement-oriented options and alternative strategies focused on diversification benefits and preparedness. Targeted protections, especially for elderly and first-time retail investors, were reinforced via conduct expectations, education, and complaint-handling pathways.

Shaping a **Stakeholder Economy with SRI and ICM** remained central to Malaysia's proposition. The *Simplified ESG Disclosure Guide* (SEDG), developed to support smaller companies, improved the availability of decision-useful sustainability information, particularly for smaller companies seeking access to capital. In parallel, the SRI taxonomy provided a common reference to classify sustainable economic activities, reducing ambiguity for issuers and capital providers. These developments optimised the foundation for ICM-linked sustainable instruments by enabling funds to articulate mandates more precisely, issuers to frame credible use-of-proceeds, and investors to assess impact pathways and risk with greater clarity. The outcome was a more transparent and investable universe for Shariah-compliant sustainability strategies, reinforcing Malaysia's leadership while aligning with global expectations on disclosure and taxonomy.

Investor outcomes and market confidence were reinforced through the regulatory thrusts of **Embedding Shared Accountability and Prioritising Efficiency and Outcomes**. The SC embedded an upstream, lifecycle-based approach to product governance through the Suitability and Product Governance (SPG) framework, which emphasises responsibilities at the design, distribution and post-sale stages. In surveillance, the Digital Forensics Lab expanded capabilities to capture, preserve and analyse digital evidence, now essential given the prevalence of online channels and cross-border vectors. Enforcement remained risk-based and proportionate, with a focus on credible deterrence and swift intervention to address emerging risks. Across these activities, the SC consistently emphasised proactive risk surveillance as a means to prioritise resources where they matter most and to maintain orderly market conditions even as innovation advanced.

Embracing the Digital Age also covered technology risk and supervisory technology. The GTRM were issued on 1 August 2023 and revised on 19 August 2024, establishing a comprehensive baseline for governance, outsourcing, cyber security, and operational resilience across capital market entities, including clearer expectations on incident management and third-party dependencies. These expectations were complemented by investments in Suptech, notably PLC360, which provides data-driven, entity-level risk views to support earlier identification of emerging vulnerabilities and more targeted supervisory engagement. The combination of clearer expectations for the industry and better tools for the supervisor has increased the cost of poor practices while rewarding firms that invest in robust systems and transparent reporting. This balance, facilitated with discipline, has allowed innovation to proceed in a manner consistent with fair, efficient and secure markets.

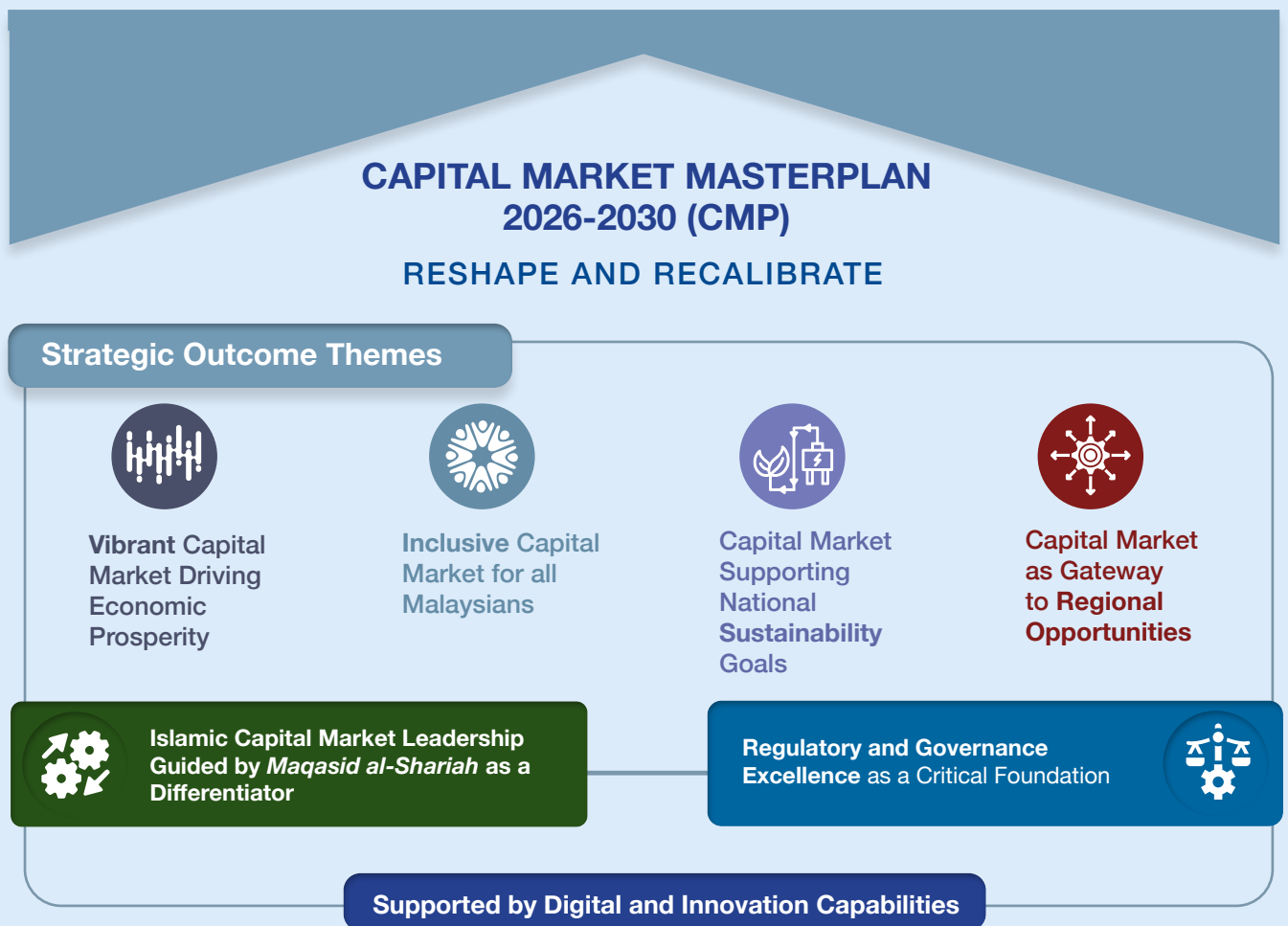
Several cross-cutting reflections from CMP3 are instructive for the period ahead. First, sequencing and capacity-building matter as much as policy ambition. CMP3's strongest outcomes were evident where reforms were paired with enabling infrastructure, guidance, and market readiness. The sustained improvement in listing activities, for example, followed not only from rules and gatekeeping but also from work on pipeline quality, research coverage, and post-listing support. Second, adoption improved with clear standards and facilitation. Digital and sustainability initiatives gained traction when rules were introduced with phased implementation, toolkits and supervisory engagement, an approach exemplified by the *National Sustainable Reporting Framework's* (NSRF) climate-first sequencing and transitional reliefs. Third, resilience underpins confidence. Investments in technology-risk oversight, product governance and data-driven supervision allowed the market to embrace new intermediation channels without eroding trust, reinforcing Malaysia's reputation as a well-regulated and internationally connected market.

From CMP3 Progress to CMP 2026-2030's 20-Year Vision: Reshaping Malaysia's Future Capital Market

Moving forward, further effort is required to strengthen market function and investor outcomes in the context of external megatrends that will shape intermediation over the next decade, including a higher-for-longer global interest-rate environment and periodic bouts of risk aversion; climate transition pressures and the push toward net-zero pathways; rapid digitalisation and AI adoption across finance and supervision; ongoing geopolitical fragmentation and supply-chain reconfiguration; ageing demographics and evolving household balance sheets; the expansion of private capital and alternative financing; and persistent cybersecurity and data-governance risks. These forces raise the bar for liquidity quality, price discovery, and disclosure comparability, and reinforce the need for robust technology-risk management and proportionate, data-driven supervision. It is against this backdrop that the next masterplan, the *Capital Market Masterplan 2026-2030* (CMP), will be implemented.

The intent of the CMP is to convert accumulated capability from CMP3 into competitiveness at scale. This entails channelling a greater share of domestic savings into high-productivity investments; enabling more mid-market champions to scale and internationalise; embedding digital rails that reduce friction in distribution while protecting investors; and mobilising credible transition finance by leveraging Malaysia's established strengths in the ICM. The CMP is a strategic blueprint that is defined over a longer-term vision of 20 years to chart the long-term direction of Malaysia's capital market with five-year strategic outcome themes and priority initiative areas, aligned with national priorities, to drive transformative change, address deep-rooted challenges, and deliver structural returns.

CMP Vision and Strategic Outcomes



The CMP is organised around four pillars and supported by two cross-cutting enablers. The first pillar, **Vibrancy**, will focus on enhancing the vibrancy of the capital market in driving economic prosperity through unlocking private credit to broaden funding options, introducing and scaling new alternative asset classes for investment diversification, tailoring interventions for different archetypes of PLCs to uplift valuation, and growing the venture capital/private equity industry to increase competitiveness. The second pillar, **Inclusivity**, will focus on enhancing the inclusiveness of the capital market for all Malaysians through democratising capital market products by leveraging AI to empower investor know-how, innovating products and services for stronger financial security in retirement, and strengthening the MSME/MTC fundraising ecosystem.

The third pillar, **Sustainability**, will enhance the capital market's role in supporting national sustainability goals through supporting capital formation for climate mitigation, adaptation, and resilience and social initiatives, and creating a robust ecosystem to support Malaysia's sustainability goals. The fourth pillar, **Regional Opportunities**,

will elevate the capital market's role as a gateway to regional opportunities through growing regional companies and expanding product offerings, leveraging Malaysia's differentiators to attract global capital, and establishing Malaysia as the preferred fundraising destination for regional needs.

The CMP will leverage **Malaysia's leadership in Islamic finance** as a differentiator to achieve the stated outcomes of all the pillars. This will broaden access to new investor segments, issuers, and capital pools, solidify Malaysia's global stature, and advance governance standards across both Islamic and conventional markets, anchored in values and guided by *Maqasid al-Shariah* principles.

Regulatory and Governance Excellence is the cross-cutting enabler underpinned by the SC's mandate in promoting and maintaining a fair, efficient, secure, and transparent securities and derivatives market, with the aim of becoming a globally trusted regulatory regime aligned with international standards.

The transition from CMP3 to CMP will be deliberate and smooth. Many initiatives started under CMP3 will continue as building blocks. Action plans under the CMP are expected to include the sequencing of MSME/MTC interventions and growth-stage capital measures, enhancements to market microstructure that support liquidity and research coverage, further interoperability in digital distribution and disclosures, and the deepening of transition finance with clearer expectations for credible transition plans and impact reporting. As with CMP3, stakeholder engagement will remain central to execution. Close partnerships with market participants, other domestic authorities, and international standard-setters will be critical to increase scale and resilience.

CMP3's legacy is a market that is larger, more diversified, and better tooled for the future. The gains are evident in the scale indicators at end-2025, as seen in strengthened issuer pipelines and in the embedding of standards that improve the quality of information on which investors rely. Looking ahead, the CMP will leverage Malaysia's ICM as a strategic differentiator, building on the country's scale, product innovation, and global credibility. This will be pursued in tandem with a regional agenda through deeper connectivity, pragmatic alignment of standards and mutual recognition to facilitate cross-border origination, distribution and investment across ASEAN and other priority markets. In this way, the CMP will scale the gains of CMP3, deepening competitiveness, widening inclusion, accelerating innovation and transition finance, and fortifying the regulatory and data foundations that underpin confidence. This will ensure Malaysia's capital market remains internationally connected yet domestically rooted, channelling savings productively and delivering long-term outcomes for investors and society at large.

SPECIAL
FEATURE 3

REVISION TO THE CAPITAL MARKETS AND SERVICES (FEES) REGULATIONS: A SHIFT FROM SUBSIDISED MODEL TO MARKET BASED MODEL

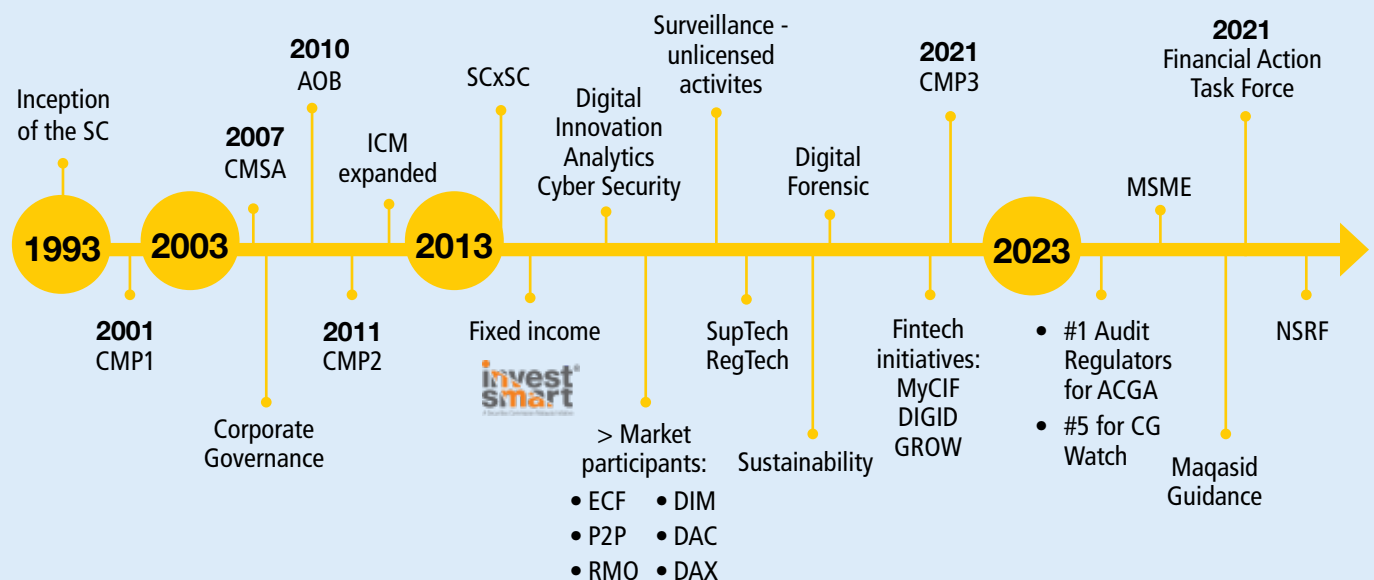
Significant Expansion of the Malaysian Capital Market

Since its establishment in 1993, the SC has been central to the development of the Malaysian capital market, while safeguarding its stability, transparency and investor confidence. Over three decades, the capital market has expanded remarkably, from RM700 billion in 1993 to over RM4 trillion today, which reflects the country's economic progress and the SC's role in fostering orderly growth.

This growth is not only in size but also in diversity and complexity. The number of companies listed on Bursa Malaysia has increased 2.5 times to 1,082, each requiring careful regulatory oversight. The SC now supervises over 11,000 entities and licensed or registered persons. The breadth of today's market spans corporate bonds and sukuk, collective investment schemes, structured products, and increasingly in areas such as venture capital and digital assets. This wider scope calls for stronger regulatory frameworks, modern infrastructure, and continuous market supervision. It is therefore imperative that the SC be equipped with the adequate resources in carrying out its regulatory and development mandate to effectively manage an increasingly complex and dynamic capital market, including the risks to investors and to ensure the stability of our capital market.

FIGURE 1

The capital market's increasing complexity and breadth over the past three decades



Why a Fee Review is Timely

The SC’s current fee structure has remained largely unchanged for 30 years. It was originally designed when the market was smaller and less complex, relying heavily on equity trading levies to underwrite regulatory costs. While effective at the time, this model no longer reflects the scale or nature of today’s market.

As the capital market has grown in breadth and complexity, so too has the SC’s mandate. The costs of maintaining effective oversight, ranging from surveillance and enforcement to professional expertise, have risen significantly. At the same time, reliance on equity trading levies has proven unsustainable, particularly in a market where activity levels can fluctuate.




Over the past decade, this funding imbalance has become more visible, with financial deficits recorded in most years. The exceptions were 2020 and 2021, when unusually high trading volumes during the COVID-19 period temporarily boosted revenues. Since then, rising costs, particularly professional services, have widened the gap between the SC’s resources and its responsibilities.

A review of the fee framework is, therefore, necessary as a proactive step to ensure that the SC continues to uphold its dual mandate by fostering a fair and orderly market that benefits all stakeholders, including investors, market institutions (i.e., Bursa Malaysia), and intermediaries (e.g., investment banks and fund management companies). Throughout this period, the SC has subsidised the capital market, relying primarily on equity trading levies to fund its operations.

As the Malaysian capital market has grown significantly in both breadth and depth, it has also become increasingly complex. Recognising this evolution, the SC believes that the market is now ready to transition from a subsidy-based pricing model to a pricing structure that is guided by principles of proportionality to ensure fairness and long-term sustainability.

The fee review is not merely about raising fees; instead, it is about establishing a sustainable framework that supports the SC’s expanded regulatory role. The SC’s responsibilities extend beyond gatekeeping to encompass enforcement, supervision, surveillance and market development, where each requires robust resources to support a dynamic and resilient capital market.

Under both the current and revised fee regulations, the fee imposed on these market participants and market institutions are classified into the following three broad categories:

	01	Admission <ul style="list-style-type: none"> • New licence • Variation of licence • Ad-hoc • Exemption/waivers
	02	Annual <ul style="list-style-type: none"> • Rulemaking • Supervisory • Developmental
	03	Transaction <ul style="list-style-type: none"> • Product • Ad-hoc • Exemption/waivers

Guiding Principles of the Fee Review

To balance growth and oversight, the SC has adopted the following guiding principles for the implementation of the revised fee structure:

1 Impact to End Investors

As part of our commitment to fostering a well-regulated and dynamic capital market, the revisions undertaken on the fee structure are carefully designed to ensure that end investors remain unaffected and this include not changing the current equity levies imposed on investors. The revised fees would apply only to market institutions and intermediaries such as investment banks, recognised market operators, stockbroking firms, fund management companies and any entities or individuals that are licensed by the SC to undertake regulated activities. The revised fee structure, which is linked either to the revenue generated from their capital market activities or to the assets under management, is not expected to materially impact these institutions.

2 Proportionality

The principle of proportionality will be applied across all fee types – admission, annual and transaction fees. The revised structure will align fees with the scale, complexity and nature of the product or regulated activity, reflecting the resources needed for effective regulation and market development. As capital market institutions and intermediaries play a crucial role in the ecosystem and derive significant benefits from a well-regulated capital market, it is appropriate that they contribute proportionally to the regulatory and supervisory costs.

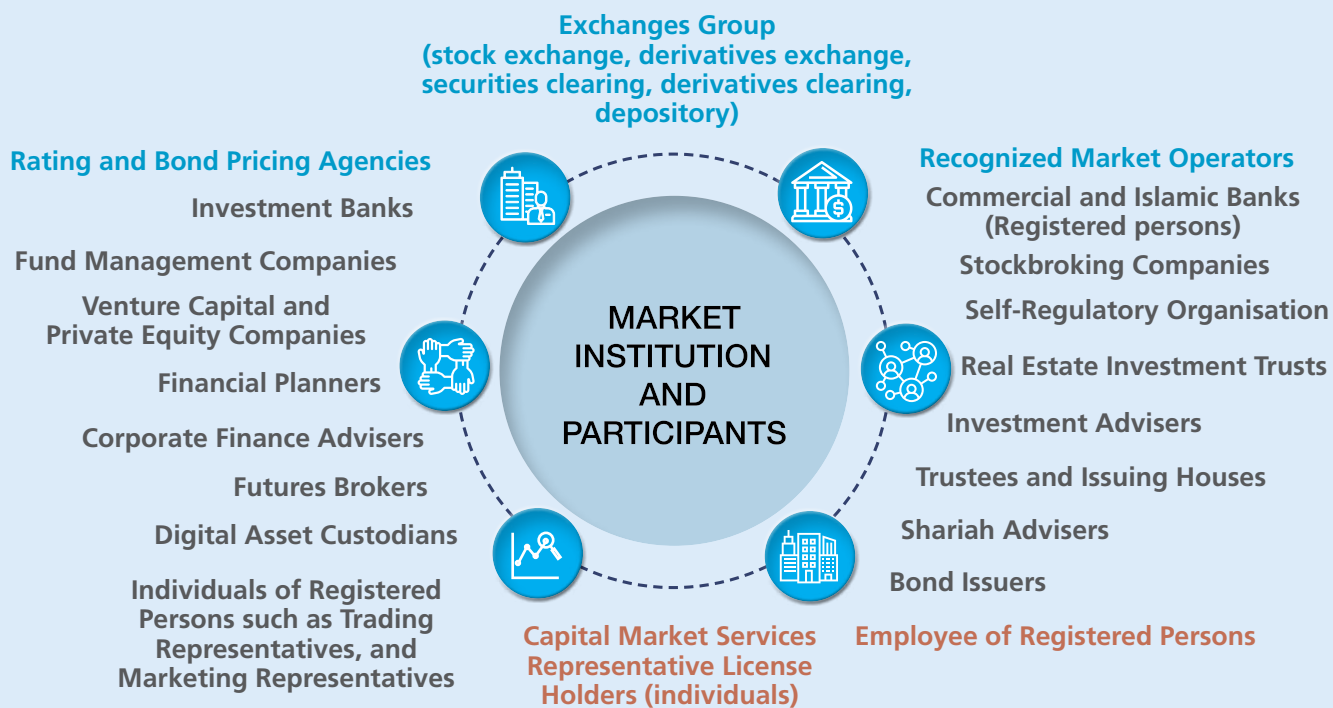
3 Operational independence

The revised fee structure will ensure that the SC remains financially independent and sustainable, without relying on government funding. This is in line with the IOSCO's¹ Objectives and Principles of Securities Regulation, which emphasise the need for regulators to maintain operational independence. Maintaining financial independence ensures that the SC can continue delivering effective oversight without placing an undue burden on public resources.

As part of this fee review, the SC engaged in extensive dialogues with relevant stakeholders of the capital market since March 2024. The feedback received from the stakeholders were considered through the implementation of reasonable adjustments to cushion the impact of the revised fee structure.

¹ The International Organisation of Securities Commissions (IOSCO) is an international body of the world's securities regulators. More info here: <https://www.iosco.org/>.

FIGURE 2
Stakeholders of the Capital Market



Legend:
Market institutions
Market participants
Individuals

The SC has implemented its revised fee regulations, effective 1 January 2026. Capital market stakeholders have also been granted a 50% concessionary reduction in variable annual fees as well as a 20% concessionary reduction on products, fund-raising activities and other product-related fees. These concessions are intended to cushion the impact of the fee revision and to facilitate an orderly transition to the revised fee framework.

CONCLUSION

With the implementation of the revised fee structure, the SC will continue to uphold market integrity, foster growth and build long-term confidence in the capital market, which will benefit all stakeholders.



**PART 3
ADVANCING A
VIBRANT, INCLUSIVE
AND SUSTAINABLE
CAPITAL MARKET WITH
REGIONAL AND ISLAMIC
LEADERSHIP**

PART 3 ADVANCING A VIBRANT, INCLUSIVE AND SUSTAINABLE CAPITAL MARKET WITH REGIONAL AND ISLAMIC LEADERSHIP

INTRODUCTION

In 2025, the SC continued to pursue initiatives to catalyse innovation, broaden inclusivity and embed sustainability across the ecosystem. Additionally, Malaysia's Chairmanship of ASEAN provided a platform to advance regional collaboration and shape a more connected and resilient capital market across the region. This year's initiatives focused on unlocking new pools of capital, facilitating responsible and sustainable innovation, and strengthening market structures to broaden participation and resilience.

In driving market vibrancy, the SC broadened opportunities for investors and innovators alike. The introduction of the Single Family Office (SFO) incentive framework and the regulatory sandbox expanded avenues for wealth management and responsible innovation. Concurrently, the SC strengthened the digital asset and tokenisation ecosystem through clearer regulatory frameworks, a dedicated sandbox, and enhanced market infrastructure, supporting innovation and greater responsiveness to evolving investor needs. Collectively, these initiatives strengthened Malaysia's value proposition as a progressive and forward-looking market.

The SC also advanced its inclusivity agenda to ensure that capital market growth remains broad-based and equitable. Efforts were centred on enhancing access to market-based financing for MSMEs and MTCs through targeted programmes such as the Capital Market Roadmap, Elevate Programme and TERAJU Cohort. In parallel, the rollout of SEDG and its ASEAN counterpart, the *ASEAN ESG Disclosure Guide* (ASEDG), enhanced sustainability readiness and disclosure practices among smaller enterprises across supply chains.

In promoting sustainability, the SC made tangible progress in translating policy frameworks into real-economy impact. Key milestones included the implementation of the NSRF and issuance of the public consultation paper

on the *Sustainability Assurance Framework*, the launch of the Social Exchange and issuance of the *Guidelines on Social Exchange Platforms*, and ongoing efforts under the Coastal Flooding Adaptation and Resilience (COFAR) initiative. These measures underscore the SC's commitment to mobilising capital towards sustainable and inclusive growth, while reinforcing Malaysia's standing as a regional leader in driving a resilient, innovative and responsible capital market.

In strengthening Malaysia's position as the global leader in Islamic finance, Malaysia's ICM agenda will continue to be guided by a heightened emphasis on *Maqasid al-Shariah*, the higher objectives of Shariah, to ensure that market development remains not only Shariah-compliant but also purposeful, inclusive, and sustainable. This paradigm shift following the issuance of the *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia* (Maqasid Guidance) in 2023 enhances the ICM's relevance in addressing emerging economic, social, and environmental challenges. The introduction of an industry taskforce was put in place to support adoption efforts with continued capacity building and thought leadership programmes in both domestic and international forums. This positioning Malaysia at the forefront of advancing a value-based financial ecosystem that supports shared prosperity and real economic impact.

FOSTERING MARKET VIBRANCY THROUGH INNOVATION AND PARTICIPATION

The SC continued to broaden access and drive competitiveness of the capital market. Key initiatives included deepening the wealth management base through the SFO framework, enhancing clarity for private market participants, improving liquidity and efficiency in the derivatives market as well as strengthening the digital asset and tokenisation ecosystem. Collectively, these measures aim to foster a more vibrant capital market that responds effectively to evolving investor needs and industry opportunities.

Deepening Malaysia's Wealth Management Investor Base through the Single Family Office Incentive Scheme

The SFO Incentive Scheme aims to unlock a new pool of long-term capital for Malaysia's financial markets. By consolidating family-controlled wealth that often sits in passive or closely-held assets, the framework

encourages families to shift from passive wealth preservation to strategic, purpose-driven investment.

Family offices are lean and agile, enabling faster investment decisions and longer-term planning compared with institutional investors. Their participation introduces a patient, stable investor base suited to projects with extended horizons such as infrastructure, sustainable finance and innovation.

To ensure tangible local benefits, each SFO must invest at least 10% of its AUM or RM10 million, whichever is lower, in Malaysian assets during its first 10 years, and 10% or RM10 million, whichever is higher, thereafter. These investments must be new in the first year of assessment, ensuring capital flows into productive domestic assets.

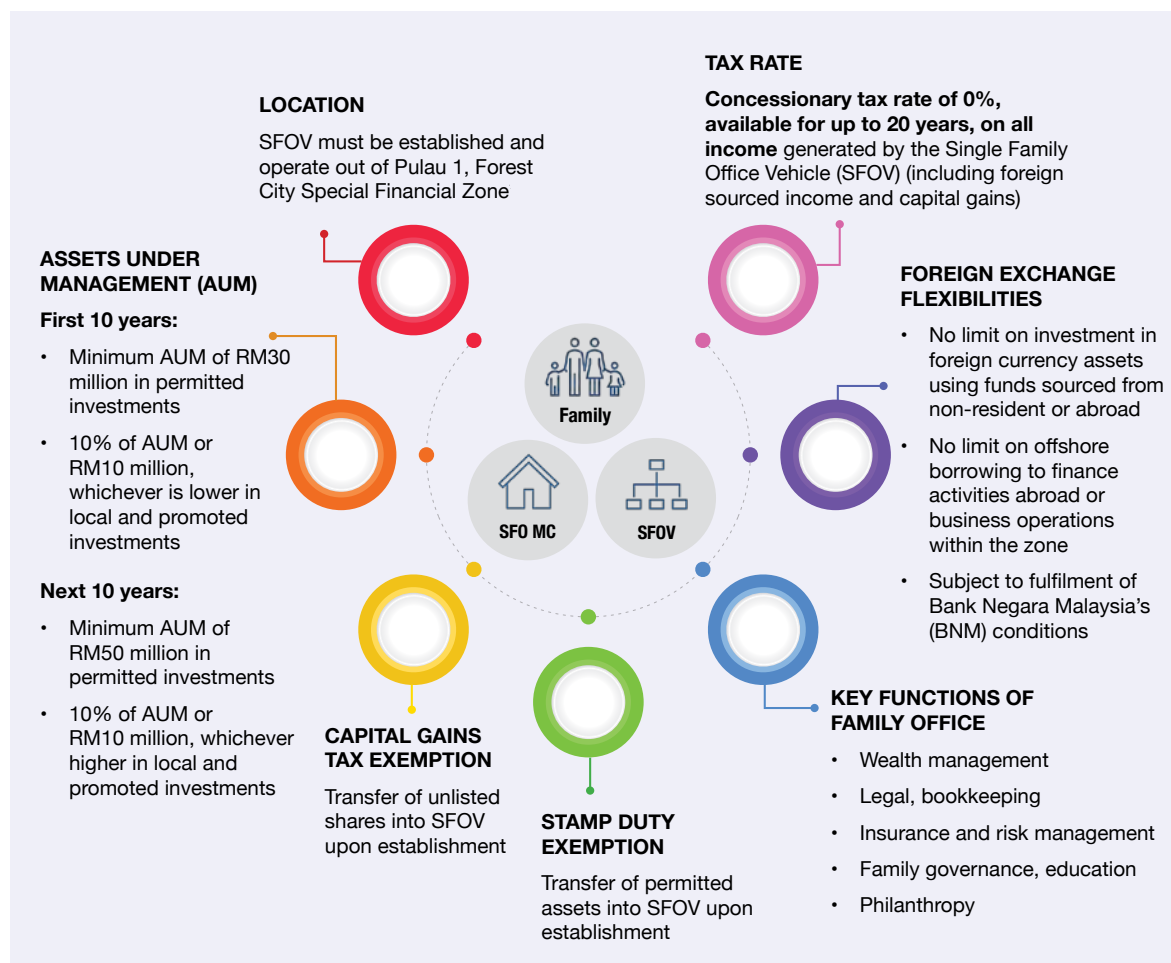
Investments in promoted sectors such as the *New Industrial Plan Master Plan 2030* (NIMP 2030), Johor–Singapore Special Economic Zone (JS-SEZ) and sustainability related investment that align with Malaysian or ASEAN standards, enjoy a 1.5x multiplier in AUM recognition, aligning family capital with national priorities and sustainable development goals.

STRENGTHENING MALAYSIA’S FAMILY OFFICE ECOSYSTEM

The SFO Incentive Scheme, launched in September 2024, marks an important milestone in Malaysia’s efforts to deepen its wealth management industry and strengthen the ecosystem for family capital and asset owners. Anchored within the Forest City Special Financial Zone (FC SFZ) in Johor, the initiative provides a facilitative framework for families to formalise their wealth management and governance structures in Malaysia.

The SFO Incentive Scheme offers a 20-year tax incentive horizon (10+10 years) that grants exemption on all income including interest income, capital gains and foreign-sourced income. Through a two-step certification process, which includes initial conditional approval and annual tax certification, families and their advisers can operate with clarity, oversight and confidence.

Key Requirements of the SFO Incentive Scheme



A key supporting measure is the Fast Track Resident Pass-Talent (FT RPT) visa, developed with the Ministry of Home Affairs, which provides 10+10-year residency for family principals and dependants. This visa enables families and their investment professionals to live, work and study in Malaysia, ensuring a long-term presence within the local ecosystem.

Since its launch, the SFO Incentive Scheme has received strong interest from both Malaysian and international families. To date, the SC has approved six conditional approvals, representing an indicative AUM of close to RM400 million. Over 40 Expressions of Interest (EOIs) have been received, reflecting growing confidence in Malaysia's transparent and cost-efficient framework.

This early success is supported by the SC's active engagement and promotional initiatives, including international roadshows to Taiwan and Oman, and continuous consultations with families, advisers and service providers. These efforts have enhanced awareness of Malaysia's family office proposition — one that blends robust governance, operational flexibility and competitive establishment costs, while fostering a culture of professional stewardship and intergenerational continuity.

LIST OF LOCAL ELIGIBLE AND PROMOTED INVESTMENTS

Eligible Local Investments

1. Securities listed on Bursa Malaysia Sdn Bhd
2. Islamic capital market products including Shariah-compliant equities, Islamic Collective Investment Schemes (ICIS) and sukuk issued by an entity incorporated in Malaysia
3. Ringgit-denominated debentures and Malaysian Government Securities
4. Exchange traded derivatives listed on Bursa Malaysia Derivatives Bhd
5. Private equity (PE) and venture capital (VC) funds managed by SC-registered PE and VC managers
6. Assets under a portfolio management mandate, where at least 70% of the underlying assets is in Malaysia and the mandate is carried out by a holder of a Capital Markets Services Licence (CMSL) for fund management undertaking portfolio management
7. Shares of companies incorporated in Malaysia that are under technology-based sectors or relating to sustainable and responsible investments (SRI)

Promoted Investments

These investments will count as 1.5x multiple towards the local AUM requirements

1. Sustainability funds, bonds and sukuk that align with Malaysian or ASEAN standards for underlying Malaysian projects
2. Islamic capital market funds under the *Waqf Featured Fund Framework*
3. ECF campaigns on SC-registered ECF platforms
4. P2P financing campaigns on P2P financing platforms regulated by the SC
5. Shares of companies approved by Malaysian Investment Development Agency (MIDA) to carry out approved projects under the Johor–Singapore Special Economic Zone (JS-SEZ) Tax Incentive Package
6. Shares of companies operating within NIMP 2030 prioritised sectors

BUILDING MOMENTUM THROUGH FACILITATION AND COLLABORATION

The *Income Tax (Single Family Office Incentive Scheme) (Pulau 1 Of Forest City Special Financial Zone) Rules 2025*, which was gazetted in October 2025, formalised Malaysia’s first long-term tax incentive framework for family offices, providing policy certainty and clarity for families and their advisers. Together with the SC’s one-stop facilitation platform, this milestone has streamlined processes and reduced complexity for families establishing operations in Malaysia.

A major highlight of 2025 was the inaugural Single Family Office Summit (SFO Summit) which received strong industry feedback, highlighting the appetite for continued dialogue and collaboration across the ecosystem. Moving forward, the SC will continue to host the SFO Summit as an annual flagship platform to promote knowledge exchange, highlight investment opportunities and strengthen Malaysia’s position as a trusted base for family office activity.

Complementing this, the SC will broaden its international outreach through upcoming promotional missions and partnerships to attract quality participation and deepen engagement with global families and advisers.

With these measures in place, the SC remains confident in achieving its target of RM2 billion in AUM by end-2026. This progress reflects not only strong market response but also the emergence of a vibrant, facilitative ecosystem that aligns family capital with Malaysia’s long-term growth and wealth-management ambitions.



“The *Income Tax (Single Family Office Incentive Scheme) (Pulau 1 Of Forest City Special Financial Zone) Rules 2025*, which was gazetted in October 2025, formalised Malaysia’s first long-term tax incentive framework for family offices, providing policy certainty and clarity for families and their advisers.”

Revised Edition of Practical Guide on Venture Capital and Private Equity in Malaysia

The SC is cognisant of the importance of regulatory clarity for private markets industry players, and strives to continuously improve the clarity of guidance intended for the Malaysian private markets. In this, the SC published the revised edition of the *Practical Guide on Venture Capital and Private Equity in Malaysia* (VC/PE Practical Guide) online on 30 May 2025. This VC/PE Practical Guide is intended to aid prospective venture capital (VC) and private equity (PE) fund managers, service providers and investors in navigating the Malaysian policy landscape critical to VC/PE fund management operations, including capital market regulations, fund structuring, taxation and foreign exchange policy.



▶ This revised edition is a result of collaboration between SC, BNM, Labuan FSA, Malaysian Venture Capital and Private Equity Association and service providers including law firms.

Among the key revisions made to the revised edition of the VC/PE Practical Guide include the recognition of Labuan structures in SC's VC/PE registration framework, and enhancements to BNM's foreign exchange policy (FEP) fund flow approval process for VC/PE managers based on total fund size mandate. The revisions made serve the dual purpose of providing regulatory clarity and fulfilling SC's role in facilitating conducive regulatory structures for VC/PE under the *Malaysia Venture Capital Roadmap*.

Enhancing Market Liquidity and Efficiency in the Derivatives Market

In 2025, the SC facilitated key market enhancements through initiatives that refined trading parameters and operational practices to promote a more active and well-functioning derivatives market. These enhancements sought to facilitate greater market vibrancy in line with market participants' needs.

Shortening of After-hours (T+1) Trading Session for Bursa Malaysia Derivatives' Agricultural Products

The SC facilitated Bursa Malaysia Derivatives' (BMD) initiative to shorten the after-hours (T+1) night trading session for agricultural products by 30 minutes, with the session now ending at 11.00pm instead of 11.30pm previously.

The alignment is expected to promote more concentrated trading activity, enhancing market liquidity and leading to higher trading volumes in agricultural derivatives contracts. The initiative received broad support from market participants, as reflected in engagement sessions conducted by the SC and BMD, underscoring industry consensus on the benefits of harmonising trading hours to strengthen Malaysia's position as a key global palm oil pricing centre.

The amended after-hours (T+1) trading session took effect on 12 January 2026.

Revision of FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures Contract's Position Limit

Introduced in 1995, the benchmark index futures, FKLI contract has demonstrated steady growth, accounting for 16% of the derivative exchange traded volume in 2024.

To accommodate the evolving needs of market participants, the position limit was increased to 15,000 contracts from its current threshold of 10,000 contracts. This strategic adjustment strengthens market participants' hedging capabilities and is expected to improve the efficiency of real-time trading executions by enabling participants to respond better to market opportunities.

The revision to the FKLI's position limit took effect on 1 December 2025.

Advancing the Digital Asset Frontier – Fostering a Competitive and Resilient Market

Malaysia's digital asset market continued to evolve in 2025, characterised by expanding opportunities and growing participation across the ecosystem. Globally,

regulatory developments and market adoption of digital assets gained momentum, alongside the increasing integration of blockchain technology within the financial sector.

In response to these parallel trends, the SC strengthened its strategic focus on digital assets through a two-pronged approach aimed at:

- 1  Ensuring responsible access to digital asset investments.
- 2  Facilitating meaningful tokenisation use cases within the capital market.

To advance these objectives, the SC issued two consultation papers, underscoring a market-driven and forward-looking approach to regulatory enhancement. These initiatives reflect the SC's openness to fostering innovation within a sound regulatory framework, ensuring that market development proceeds in a responsible and well-governed manner.

Complementing this, the SC's regulatory sandbox continued to serve as a controlled environment for testing innovative business models related to digital asset offerings and blockchain adoption.

Responsible Access towards Digital Asset Investment

Interest in digital assets continued to grow as trading activity across DAXs increased by 23% in 2025, rising from RM13.93 billion in 2024 to RM17.14 billion in 2025. This is attributed to global developments, including increased institutional adoption through ETFs and greater regulatory clarity in major jurisdictions such as the US. This is complemented by onshore developments with a total of 23 digital assets listed on RMO-DAX and the increase in number of investors by approximately 29% from 2024.

In 2025, the SC observed broader participation by other capital market intermediaries. Licensed stockbrokers offered access to digital asset futures while fund managers continued to offer digital asset exposure through variety of strategies to cater to the varying risk appetites and needs of investors.

These developments underscore the growing investor interest in digital assets and reflect the SC's continued commitment to developing a more competitive and resilient digital asset ecosystem. In support of this objective, the SC released a *Consultation Paper on the Proposed Amendments to the Guidelines on Recognised Markets – Digital Asset Exchange* in June 2025, setting out the key principles that will guide the next phase of digital asset market development. The proposals aim to:

- Encourage a more competitive digital asset market and onshore a wider range of crypto-asset activities within Malaysia by facilitating our regulated markets to offer greater selection of offerings.
- Enhance investor protection through stronger safeguards for clients' assets, enhanced internal governance frameworks as well as regulatory oversight.
- Strengthen the resilience and integrity of the digital asset market by raising the bar on prudential and operational requirements for DAX operators, thereby promoting confidence and promoting deeper integration with Malaysia's broader financial ecosystem.

Through these proposals, the SC aims to enhance the competitiveness of Malaysia's regulated digital asset market, improve investor protection, and strengthen the resilience and integrity of DAX operators. Collectively, these measures reflect the SC's commitment to fostering a well-regulated and forward-looking digital asset ecosystem that balances innovation with robust governance.

Facilitating Meaningful Tokenisation Use Cases within the Capital Market

The SC adopts the principle of regulatory neutrality in regulating the capital market, ensuring that similar products and services are subject to consistent regulatory treatment, regardless of the underlying technology. This approach reflects the SC's commitment to technology-agnostic regulation, designed to remain fair, relevant and adaptable in a rapidly evolving technology landscape.

Tokenisation presents new possibilities for capital market innovation, including the creation of programmable assets, fractional ownership of traditionally large ticket and illiquid instruments, and enhanced transparency and efficiency.

In view of the growing interest of existing capital market participants in exploring the use of blockchain technology and the issuance of tokens, through the *Capital Markets and Services (Prescription or Securities) (Digital Currency and Digital Token) (Amendment) Order 2025*, the SC has recognised and provided regulatory clarity that any tokenised securities shall be subject to the same underlying regulations applicable to conventional securities regardless of its technology.

Understanding the need for regulatory clarity to enable innovative adoption of blockchain technology while managing the regulatory expectations on risk management for investor protection, the SC published a *Consultation Paper on the Proposed Regulatory Framework for Offering and Dealing in Tokenised Capital Market Products* highlighting key risk areas for capital market participants to consider while exploring tokenisation of securities such as technology and cybersecurity risks, operational risks especially towards the record of ownership, legal risks towards the enforceability of rights and obligations and possible money laundering risks with the misuse of anonymity features.

Beyond regulatory clarity, the SC has been participating in various projects towards building a broader and deeper understanding within the industry and capital market participants through consultations and roundtable discussions.

Regulatory Sandbox: Enabling Responsible Innovation in Capital Market

Launched during the SCxSC Fintech Summit 2024, the SC introduced the Regulatory Sandbox to promote responsible innovation in the capital market. This initiative provides a controlled environment for testing new products and services, enabling market players to experiment while ensuring regulatory oversight. It also fosters collaboration between the SC and industry participants, helping to shape more effective and responsive regulatory frameworks.

In February 2025, the SC published the *Guidelines on Regulatory Sandbox*, detailing eligibility criteria and

application requirements. Operated on a cohort basis, the Regulatory Sandbox requires potential applicants to undergo a pre-consultation session with the SC to discuss their proposed business models and testing plans.

The initiative has garnered strong industry interest:



These participants are exploring innovations across several domains:



The successful participants will be provided with a testing period of approximately 12 months to deploy and assess their proposed solutions in accordance with the defined testing parameters and requirements.

BUILDING A MORE INCLUSIVE CAPITAL MARKET

In 2025, the SC intensified efforts to advance inclusivity across Malaysia's capital market, ensuring that opportunities for wealth creation and financing are accessible to a broader spectrum of participants. Initiatives focused on lowering entry barriers, empowering informed decision-making and strengthening participation among retail investors, MSMEs and underrepresented groups.

Key measures included introducing new access mechanisms in the securities and derivatives markets, enhancing advisory practices to incorporate sustainability preferences, expanding capital-raising avenues for MSMEs and MTCs, and scaling up ESG disclosure capabilities across local and regional SMEs.

Through these initiatives, the SC continues to build a more inclusive capital market that enables meaningful participation and supports Malaysia's long-term economic resilience.

Expanding Access and Participation Across the Securities and Derivatives Markets

Efforts to promote market inclusivity across the securities and derivatives markets centred on expanding access and participation across different segments of investors. The SC worked closely with market intermediaries and exchanges to introduce initiatives that lower entry barriers and encourage broader retail engagement. This included the introduction of the Bursa Malaysia Shares2U Scheme and Mini FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures (FKLM) Contract. Collectively, these measures aim to foster a more inclusive capital market by making investing more accessible, flexible and affordable.

Introduction of Bursa Malaysia Shares2U scheme

The Shares2U scheme was introduced as a new initiative to encourage greater retail participation in the Malaysian capital market by promoting investment in domestic shares. The scheme enables participating organisations (PO) to offer free Bursa-listed shares to their clients as marketing rewards, which may include campaigns for account openings, reactivation of accounts, fund deposits, trade executions, referral or loyalty programmes.

POs are required to establish a designated Investment Trading (IVT) account to purchase the shares intended to be gifted to their clients, coupled with a transfer limit of 1,000 units of shares per client account. These measures help maintain transparency and ensure the scheme effectively supports its objective of fostering greater retail engagement in the domestic securities market.

Shares2U was launched on 22 May 2025 with the initial participation of seven POs.

Introduction of Mini FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures (FKLM) Contract

In line with efforts to enhance retail participation and accessibility in the derivatives market, the SC has granted approval in principle for the introduction of FKLM on BMD. The FKLM is a smaller-sized version of the existing FKLI contract, with its contract size reduced to one-fifth of the FKLI. This proportional reduction in contract value and margin requirements lowers the capital outlay needed for participation, making derivatives trading more attainable for a wider segment of investors.

By offering a more flexible and cost-effective avenue for retail investors to participate in derivatives trading, its introduction therefore supports the broader goal of fostering a vibrant and inclusive derivatives marketplace by further democratising market access.

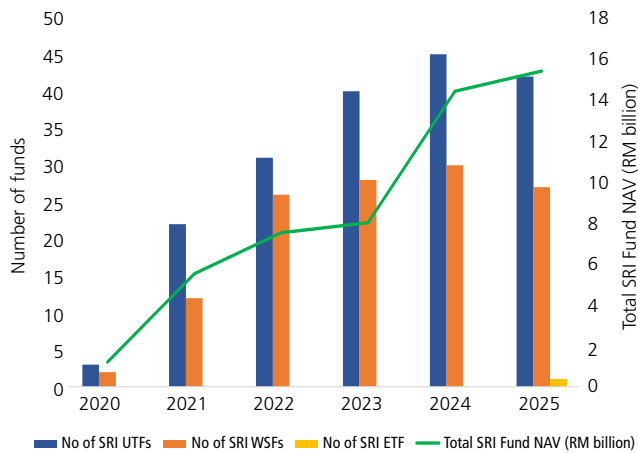
The contract is targeted to be introduced by 26 January 2026.

Incorporating Sustainable and Responsible Investment into Advisory Practices

The SC recognises that one of the key pathways to meaningful and inclusive participation is ensuring that investors are not only able to access opportunities, but also to make informed and purposeful decisions. This is especially evident among younger investors, who increasingly want their investments to reflect not only their financial goals, but also their values. Insights from the Institute for Capital Market Research (ICMR) show that over 70% of millennials and Gen Z investors are more likely to invest in products that promote sustainability and good causes.

This growing investor interest is reflected in the strong performance of Malaysia's SRI fund segment, which has expanded nearly tenfold between 2020 and 2024 from RM1.46 billion to RM14.44 billion in net asset value (NAV). As at 31 December 2025, there were 70 funds qualified as SRI funds, comprising 42 unit trust funds, 27 wholesale funds and one ETF with a total NAV as at 31 December 2025 of RM15.38 billion (2024: RM14.44 billion).

CHART 1
SRI Funds – NAV and no. of funds



Source: SC

Against this backdrop, unit trust and PRS consultants, as well as financial planners, play a transformative role in bridging investor intent and action. By helping clients navigate the growing range of sustainable and responsible investment options, consultants can ensure that portfolios reflect both financial aspirations and personal values. In doing so, they also strengthen their own value proposition, as the ability to serve clients with greater insight and relevance offers a distinct competitive edge.

Findings from a recent FIMM members survey highlighted that there is a need for a clear framework to incorporate sustainability preferences into client recommendations. Respondents also indicated that a structured reference guide would help them provide more consistent and informed advice to investors.

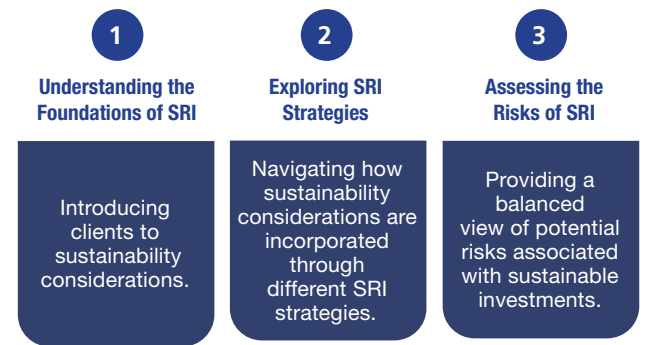
70% FIMM respondents surveyed indicated they do not have an existing guide to help incorporate sustainability preferences of investors

95% FIMM respondents surveyed indicated a guide would help Consultants provide better guidance to investors in making informed decisions in sustainable investing

To support consultants in providing values-aligned investment advice, the SC, in collaboration with FIMM, developed the *Guide for Assessing Investors' Sustainability Preferences for Sustainable and Responsible Investment (SRI) Funds in 2025*. The Guide offers a clear and practical framework to help

consultants incorporate sustainability considerations into advisory conversations, from understanding what clients value, to documenting their preferences and identifying suitable SRI fund options.

The Guide also introduces a structured approach to embed sustainability preferences within advisory practices. It outlines key steps to help consultants explain fundamental SRI concepts to clients, assess their sustainability motivations, recommend suitable SRI products, and formally record these preferences as part of advisory documentation. This ensures a consistent, transparent, and client-centric process that enhances advisory quality and strengthens investor confidence in sustainable investment decisions.

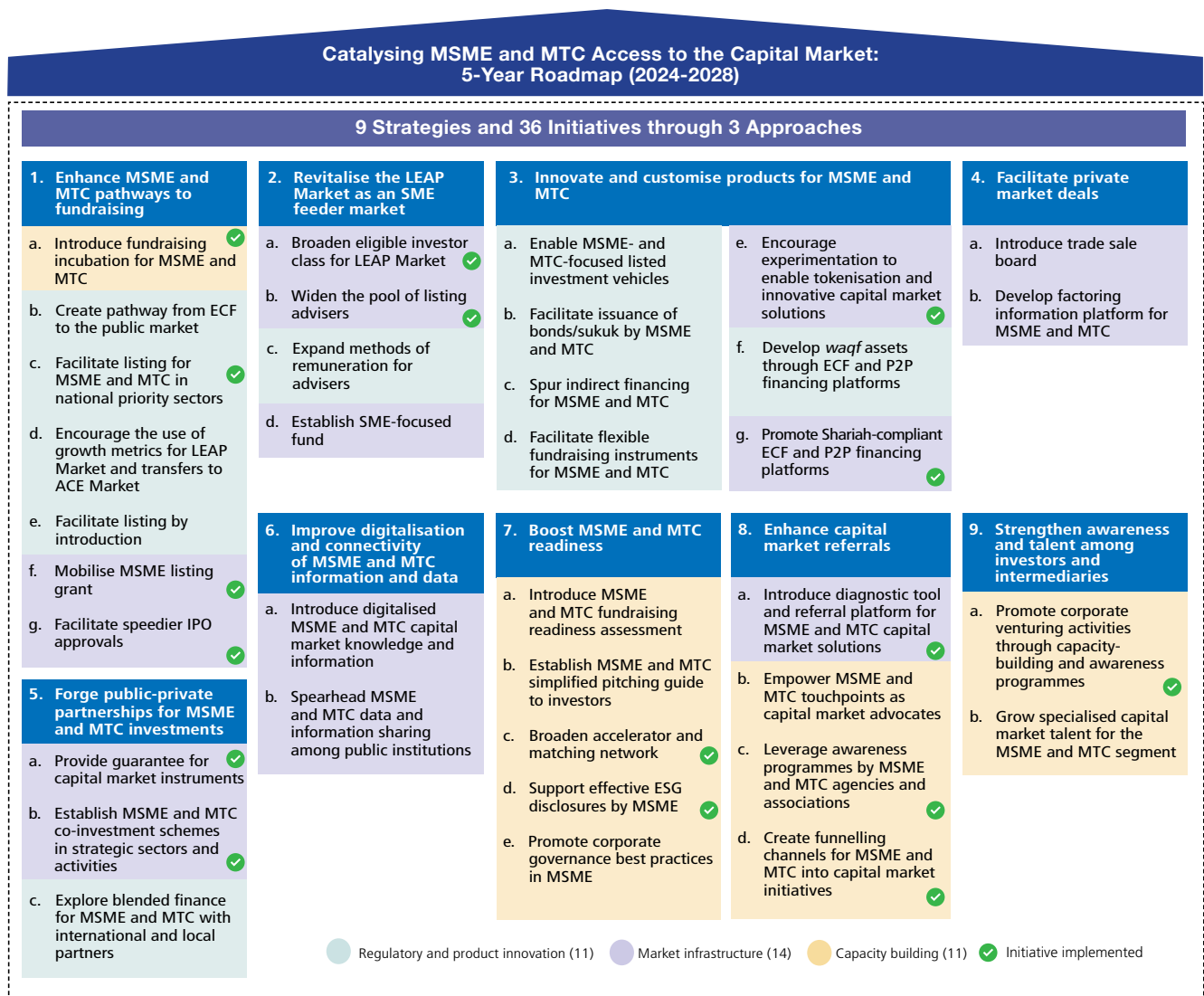


Broadening Capital Market Access for MSMEs and MTCs

Following the launch of the *Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap 2024-2028* (MSME and MTC Roadmap) in May 2024, the SC continued to strengthen efforts in 2025 to position the capital market as an attractive and viable source of financing for MSMEs and MTCs. The MSME and MTC Roadmap charts a five-year plan to mobilise RM40 billion in market-based financing for MSMEs and MTCs in 2028.

As of 31 December 2025, just under two years from the launch of the MSME and MTC Roadmap, 16 out of the 36 MSME and MTC Roadmap initiatives (44%) have been launched or implemented. Further, in 2025, RM10.4 billion has been fundraised, compared with RM7.2 billion in 2024.

Implementation of the MSME and MTC Roadmap's initiatives are organised across three key approaches, regulatory and product innovation, market infrastructure, and capacity building.



Scan QR code to access the MSME and MTC Roadmap

These categories reflect a holistic approach to enhancing the MSMEs and MTCs ecosystem, strengthening regulatory foundations, improving market connectivity, and building the readiness of MSMEs and MTCs, their touchpoints, investors and intermediaries.

Strengthening Market Infrastructure for MSMEs and MTCs

Capacity Building

To enhance MSMEs and MTCs readiness for fundraising, the SC focused on awareness, education and leadership development. Key programmes include:

- **Elevate Programme**

Capital Markets Malaysia (CMM) launched the Elevate Programme as an executive leadership initiative to strengthen the fundraising readiness of MTCs and high-growth SMEs. The four-month programme is structured across three phases, comprising 10 full days of training.

The key objective of the programme is to ensure that companies on a steady growth trajectory can successfully scale their businesses by equipping them with the necessary set of competencies and expertise required for sustainable business growth.

Recognising that taking a successful company to the next level of growth will require significant funding, the Elevate Programme supports the growth of these companies by enhancing their capabilities and readiness to access the capital markets, specifically equipping them with the guidance and preparation required for an IPO or private equity investment.

Since its inception, six cohorts comprising a total of 120 MTCs and medium sized companies have successfully completed the Elevate Programme. In 2025, the SC partnered with Khazanah Nasional and TERAJU Bumiputera Corporation (TERAJU) to scale up the Elevate Programme, enabling more companies to benefit from the programme.

- ***Bumiputera participation through the Elevate – TERAJU Cohort***

In October 2025, the SC signed an MOU with TERAJU to strengthen the fundraising readiness and leadership capacity of bumiputera companies, in line with efforts to enhance inclusivity within Malaysia's capital market.

Under this two-year collaboration, CMM will lead the implementation of targeted capacity-building initiatives, including the creation of the Elevate-TERAJU Cohort. The programme aims to build a pipeline of investment-ready bumiputera enterprises, improve access to equity and alternative financing, and encourage adoption of sustainability practices through the SC's SEDG.

On 25 September 2025, 20 bumiputera companies from the manufacturing, healthcare, engineering and technology sectors were selected for the inaugural Elevate-TERAJU Cohort, marking a milestone under this collaboration to expand bumiputera participation in Malaysia's capital market.

Simplified ESG Disclosure Guide for SMEs in Supply Chains

The SEDG for SMEs in Supply Chains, developed by CMM, continues to play a key role in promoting practical ESG reporting among SMEs in Malaysia. The guide helps SMEs track and disclose their sustainability practices in alignment with global frameworks such as the Global Reporting Initiative (GRI), and International Finance Reporting Standards (IFRS S1 and S2) by the International Sustainability Standards Board (ISSB

Standards), while also referencing Malaysian standards including Bursa Malaysia's Sustainability Reporting Guide, the FTSE4Good Index and the Malaysian Code on Corporate Governance (MCCG).

To further strengthen Malaysia's ESG disclosure ecosystem, CMM released Version 2 of the SEDG in July 2025. The revised SEDG expanded the total number of disclosures from 35 to 38, across 15 ESG topics, featuring clearer definitions, improved usability and alignment with global standards, while maintaining consistency with ASEAN sustainability frameworks.

Complementing the revised SEDG, CMM launched the SEDG GHG Emissions Calculator, a free digital tool that enables SMEs to estimate and report their greenhouse gas emissions using operational data in line with the Greenhouse Gas Protocol. The calculator provides a practical means for SMEs to report their carbon footprint, supporting Malaysia's broader efforts to strengthen climate data and disclosure readiness.

Since its introduction, the SEDG has gained strong traction with over 50 adopters and an estimated 5,000 SMEs are now using the SEDG to structure their ESG disclosures and strengthen their sustainability reporting practices.

investED: Building a Future-Ready and Inclusive Capital Market Workforce

The investED initiative is a key platform for strengthening Malaysia's capital market talent pipeline through two complementary pathways: the investED Capital Market Graduate Programme (2023 to 2025) which supports new fresh graduates as part of its objective to build future talent pool and investED for Returning Women (2025) which enables experienced women to re-enter the workforce.

investED Capital Market Graduate Programme 2023-2025

The investED Capital Market Graduate Programme 2023-2025 was officially launched by the Prime Minister of Malaysia, YAB Dato' Seri Anwar Bin Ibrahim. The initiative is implemented by the SC in collaboration with the Ministry of Higher Education (MOHE), key capital market players, and academic institutions, with strong support from the Ministry of Finance (MOF).

This programme reflects a national commitment to developing future-ready talent by bridging the gap between academic institutions and industry needs. It aims to enhance graduate employability and ensure a steady pipeline of skilled professionals for the capital market sector. Outcomes from the three-year programme are as in Table 1.

TABLE 1
Programme Outcomes by Year

Programme Component	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Total (3 Years)
Career Talks	24	21	6	51
Total Participants	8,586	4,945	729	14,260
Career Fairs	7	6	7	20
Total Attendees	38,631	58,506	78,380	175,517
Foundation Programme (enrolled)	809	1,013	896	2,718
Leadership Programme (trainees)	171	199	211	581

Empowering Women Returnees (2025)

Under Budget 2025, the SC introduced investED for Returning Women targeting mid-career women resuming employment after career breaks. The programme provides a structured pathway through two stages: a Refresh Phase to rebuild workplace confidence and readiness followed by a Reskill Phase providing technical upskilling and sector exposure. With a target of 100 participants and an expected placement rate of 60% to 70%, the programme is supported by key partners including the 30% Club, LeadWomen, PwC Malaysia, SIDC and TalentCorp.

Together these pathways reflect the SC’s commitment to a skilled, diverse and inclusive capital market workforce by preparing new graduates and re-engaging experienced women talent to support long-term industry capability.

CONTINUING AND EVOLVING SUCCESS IN CO-INVESTMENT FOR MSMEs AND MTCs

The mobilisation of risk capital remains crucial for broadening access to financing for micro, small and medium enterprises (MSMEs) and mid-tier companies (MTCs), which form the backbone of Malaysia’s economic growth. Against this backdrop, the Malaysia Co-Investment Fund (MyCIF), established in 2019, has established itself as a successful public-private partnership model that channels capital into these segments by co-investing alongside private investors on Equity Crowdfunding (ECF) and Peer-to-Peer (P2P) financing platforms.

Since its inception under Budget 2019, MyCIF has co-invested over RM1.5 billion in more than 11,500 MSMEs, helping to crowd in more than RM6 billion in private investment through more than 80,000 co-invested campaigns. This blended finance approach not only amplifies government support but also strengthens investor confidence, enhances market-based financing channels and addresses financing gaps for enterprises that may not have access to traditional bank lending.

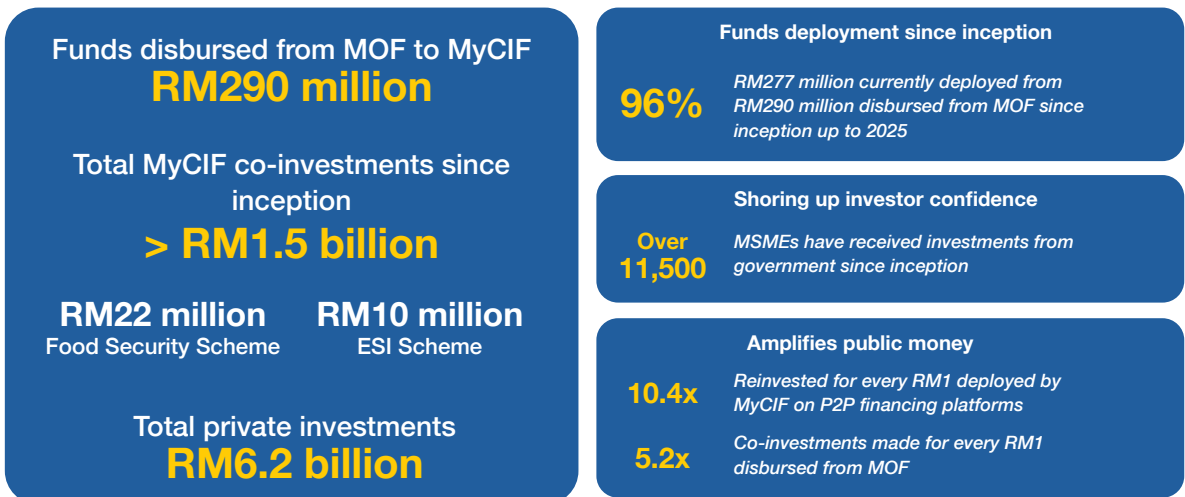
Building on this legacy of impact, 2025 saw the launch of the NIMP 2030 Strategic Co-Investment Fund (CoSIF) – a collaboration between the Ministry of Investment, Trade and Industry (MITI) and the SC. Designed as a government co-investment fund with an initial allocation of RM131.5 million, CoSIF adopts a similar public-private co-investment mechanism to support strategic and high-impact industrial projects and enterprises, particularly in manufacturing and priority sectors identified under the NIMP 2030 framework.



By co-investing alongside private investors at predetermined ratios through ECF and P2P financing platforms, CoSIF enhances the attractiveness of capital market financing for MSMEs and MTCs, which often face higher perceived risk due to limited financial track records or unfamiliar business models. In its first year of implementation, CoSIF disbursed RM30 million across 59 campaigns in 2025, supported by targeted roadshows in Penang, Johor and the Klang Valley to generate deal flow, engage industry clusters and raise awareness of capital-market-based financing alternatives.

The strategic alignment of CoSIF with the SC's *Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap 2024-2028* reflects a whole-of-nation approach that leverages structured co-investment to deepen access to market-based financing and promote broader participation in the capital market. Through sector-specific co-investment ratios, CoSIF supports a wide range of sectors, including NIMP 2030 priority sectors such as aerospace, chemicals, electrical and electronics, pharmaceuticals and medical devices, as well as new growth sectors such as advanced materials, electric vehicles, renewable energy, and carbon capture, utilisation and storage (CCUS).

MyCIF's continued track record and the introduction of CoSIF underscore how co-investment mechanisms can advance a more inclusive capital market by widening access to market-based financing. By crowding in private capital and lowering barriers for MSMEs and MTCs, particularly those that may face constraints in accessing traditional financing, these initiatives help democratise fundraising opportunities and broaden participation in the growth economy. The co-investment model also enables smaller investors to participate alongside government support through regulated ECF and P2P financing platforms, strengthening confidence and widening reach. As both funds scale and evolve, they will continue to support a more inclusive and accessible capital market ecosystem that enables a broader range of enterprises and communities to benefit from sustainable economic development.



SUPPORTING THE NATIONAL SUSTAINABILITY AGENDA VIA THE CAPITAL MARKET

Sustainability remained a central pillar in strengthening the long-term resilience and competitiveness of Malaysia's capital market. The SC continued to advance initiatives that embed sustainable practices across the ecosystem, enhance transparency, and mobilise capital towards projects with measurable social and environmental outcomes. Key developments included the establishment of Malaysia's Social Exchange framework to channel philanthropic and private capital for social good, and the advancement of the COFAR initiative to drive financing for climate adaptation.

In parallel, the Advisory Committee on Sustainability Reporting (ACSR) made headway in implementing the NSRF, conducted a public consultation on the proposed *Sustainability Assurance Framework*, and supported the formation of a professional body for sustainability practitioners. Through these initiatives, the SC reinforced its commitment to enhancing the capital market ecosystem to support the national sustainability initiatives.

Paving the way for the Establishment of Malaysia's First Social Exchange

According to the 2024 World Giving Index, Malaysia ranked 20th out of 142 countries with a score of 50, indicating a strong culture of generosity. This provides a good foundation for Malaysia to further unlock philanthropic giving in a more systematic manner. Towards this end, in 2024, the Prime Minister of Malaysia announced at the Global Islamic Economic and Finance Forum that the SC will facilitate the establishment of a Social Exchange as part of efforts to mobilise private and philanthropic capital to support social impact projects.

The Social Exchange will serve as a dedicated market based fundraising platform for projects with positive social outcomes through the mobilisation of private and philanthropic capital which will benefit entities such as non-profit organisations (NPOs), social enterprises and State Islamic Religious Councils.

In developing the Social Exchange, the SC launched a Social Exchange Pilot Programme (SEPP25) in January 2025, with participation from five NPOs showcasing social impact projects. The pilot phase provided an avenue to obtain a deeper understanding of critical components towards establishing the Social Exchange. During SEPP25, that ran for a period of six months, the five NPOs engaged closely with the SC to share data and provide input on key building blocks for the Social Exchange. SEPP25 also allowed SC to gather feedback for the development of the SC's regulatory framework for the Social Exchange.

Following the SEPP25, and various stakeholder engagements, the SC released its *Guidelines on Social Exchange Platforms* (SEP Guidelines) on 19 September 2025 which paves the way for the establishment of Malaysia's first Social Exchange to facilitate fundraising for social impact projects. The SEP Guidelines set out requirements for SEP operators and NPOs, covering eligibility, disclosure, and mandatory reporting, to assure donors on fund utilisation and project outcomes.

The development of the Social Exchange will be undertaken in phases, with the current phase involving the introduction of an SEP to facilitate eligible NPOs to raise cash donations for social impact projects listed on the SEP. While participation is voluntary, the ability to list projects on the SEP offers NPOs a credible fundraising avenue within a regulated framework. In the next phase, the Social Exchange will be expanded to include other types of instruments and participants, such as social enterprises and other NPOs.

In December 2025, the SC registered an SEP operator under section 76A of the CMSA. The registered SEP operator is responsible for establishing and operating Malaysia's first SEP, as well as onboarding eligible NPOs in accordance with the requirements set out in the SEP Guidelines.

In an effort to encourage NPO participation, one of the measures introduced as part of Budget 2026 was the establishment of a RM2 million government grant to assist NPOs to offset part of the fees charged by SEP operator when projects are listed by NPOs on the SEP. This reflects the government's commitment under the 13th Malaysia Plan (13MP) to foster a more resilient and impactful third sector in Malaysia.

The Social Exchange initiative marks an important step towards building a transparent, accountable, and inclusive fundraising ecosystem that supports meaningful social impact projects in Malaysia.

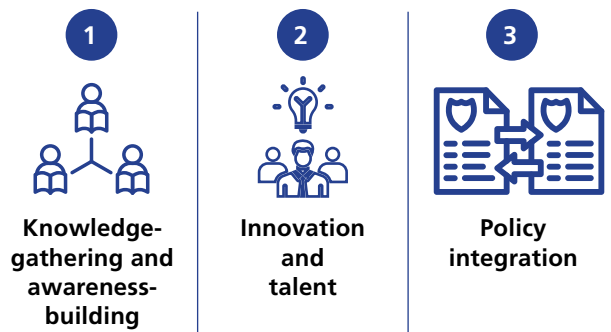
Driving Market-based Financing for Climate Adaptation and Resilience

Malaysia continues to face increasing climate risks, including water risks¹ and heat risks², which require substantial financing to address. Examples of adaptation projects include the building of seawalls or dikes in areas likely to be flooded and improving water management in areas prone to drought.

Given that climate change adaptation projects tend to be unbankable or marginally bankable, the SC intensified efforts to mobilise market-based financing, including through the private sector. These efforts are aligned with the SC’s CMP and supportive of the upcoming National Adaptation Plan (MyNAP).

In 2025, the SC launched its COFAR initiative. The COFAR initiative explores the capital market’s role in

financing climate adaptation and resilience activities through three strategic pillars:



Coastal Flooding Adaptation and Resilience (COFAR) Challenge and Climate Adaptation and Resilience (A&R) Conference

On 14 October 2025, the SC hosted the Climate Adaptation and Resilience (A&R) Conference, its first major platform dedicated to advancing Malaysia’s climate adaptation agenda. Held at the SC, the Conference saw over 400 participants from ministries and governmental agencies, financial institutions, climate experts and academia.

ENGAGEMENTS AND SITE VISITS WITH KEY STAKEHOLDERS AND PARTNERS

As part of the COFAR initiative, the SC undertook a series of engagements and site visits to deepen the understanding of local climate adaptation challenges, with a view to identifying potential capital market-based solutions.

The SC team visited three key locations in Malaysia, Singapore and Indonesia to observe adaptation measures such as bunds, tidal gates, and sea dikes that protect vulnerable coastal communities. These visits provided valuable insights into the financing needs and partnership opportunities for large-scale resilience infrastructure.

To strengthen collaboration within the resilience ecosystem, the SC also engaged with a wide range of stakeholders, including government ministries and agencies, foreign missions, engineering experts, listed companies, and climate researchers. Insights from these engagements will help shape practical frameworks to advance and scale adaptation finance in Malaysia.

¹ The National Water Research Institute of Malaysia projects sea-level rise of 0.11m to 0.62m by 2050.

² Malaysia’s Fourth National Communication Report (NC4) states that there has been a surface mean temperature increase of 0.13°C to 0.24°C per decade in the past 50 years.



The event was graced by YB Datuk Seri Johari Abdul Ghani, Minister of Plantation and Commodities, and Acting Minister of Natural Resources and Environmental Sustainability of Malaysia, who delivered a keynote address on 'Why Adaptation Can No Longer Wait'. The Conference was also attended by YAB Dato' Seri Amirudin Shari, Chief Minister of Selangor and YAM Tengku Zatashah Sultan Sharafuddin Idris Shah, Princess of Selangor, whose presence underscored the shared commitment across Royal, Federal and State levels in building national resilience.

Discussions centred on mobilising private capital for adaptation and resilience projects, and the policy enablers needed to finance scalable solutions. International and domestic experts also shared existing solutions that could be scaled within the nation to strengthen local resilience towards the changing climate. The SC also held an exhibition in conjunction with the Conference, with the theme 'The Rising Waters'. Designed to be interactive and engaging, the exhibition invited visitors to experience the escalating impacts of floods and to reflect on the urgency of financing solutions to address them.



Collectively, these efforts mark the SC's targeted steps in positioning the capital market as a catalyst for climate adaptation and resilience. By transforming research, innovation and partnerships into investable opportunities, the SC aims to unlock and mobilise the capital needed to support Malaysia in achieving its sustainability goals.

COASTAL FLOODING ADAPTATION AND RESILIENCE CHALLENGE



The SC, together with ICAEW Malaysia, SD Guthrie and SEADPRI-UKM, launched the COFAR Challenge to mobilise the next generation of leaders in tackling coastal flooding and sea-level rise. Some 220 students from 29 universities across Malaysia and abroad participated in the Challenge to develop practical, multidisciplinary solutions for Carey Island, a coastal community facing rising tides, saltwater intrusion and storm surges.

Their mission was to:



Protect communities and economic activities from saltwater intrusion, storm surge and sea-level rise.



Integrate both hard (e.g. seawalls, reservoirs) and soft (e.g. green infrastructure) engineering solutions.



Identify financing pathways for marginally bankable projects such as through green bonds, resilience bonds and public-private partnerships (PPP).

The winners of the COFAR Challenge received RM50,000 in total prizes, which was announced and awarded at the ACMF International Conference 2025. The COFAR Challenge reflects the SC's drive to foster technical, financial and collaborative innovation in building Malaysia's climate resilience.

Driving Adoption of the National Sustainability Reporting Framework

Following the launch of the NSRF in September 2024, the ACSR, chaired by the SC focused on facilitating timely and successful delivery of relevant Sustainability Reports by scoped-in entities in accordance with the established timeline. In contrast to many jurisdictions that focus solely on climate related reporting under IFRS S2, the NSRF phases in the adoption of IFRS S1 and IFRS S2, supported by a 'limited transition' approach that includes climate-first reporting and deferred Scope 3

emissions disclosures, enabling companies with varying levels of readiness to transition smoothly.

The majority of the efforts in 2025 have thus focused on implementation support to strengthen the overall state of readiness of companies.

To support the ACSR's initiatives, three separate working groups were formed:

- **PACE (Policy, Assumptions, Calculators, Education) Working Group** – responsible

for developing initiatives towards the NSRF implementation;

- **Implementation Working Group** – responsible for providing technical views and feedback on the use of the ISSB Standards; and
- **Sustainability Assurance Working Group (SAWG)** – responsible for developing the sustainability assurance framework.

The year commenced with the issuance of *Navigating the Transition: A Guide for Boards* (Guide), designed to provide directors with practical guidance to strengthen governance and oversight in sustainability reporting. Introduced in January 2025, the Guide supports boards in steering their organisations towards NSRF implementation. It offers practical direction on key areas such as governance, defining sustainability data boundaries, assessing the financial implications of climate and sustainability-related risks and opportunities, and integrating these considerations into enterprise risk management and reporting processes.

In June 2025, Malaysia's leadership in advancing high quality sustainability disclosures was further affirmed when the IFRS Foundation recognised Malaysia as the only ASEAN jurisdiction to adopt the ISSB Standards with limited transition provisions. This acknowledgement, published within the IFRS Foundation's inaugural cohort of 17 Jurisdictional Profiles, reflects the nation's unwavering commitment to strengthening transparency and corporate accountability in line with globally benchmarked reporting standards. Malaysia's steady advancement in sustainability disclosures has garnered attention from international regulatory and standard-setting counterparts, acknowledging our ability to share lessons learnt from early adoption, thus reflecting strong confidence in our approach. This recognition also underscores Malaysia's sustained efforts to elevate the integrity, comparability, and accountability of sustainability disclosures across the corporate sector.

In December 2025, the ACSR outlined its approach to non-compliance with sustainability reporting requirements. In essence, emphasis at the start will be placed on ensuring reporting entities make reasonable and meaningful progress and to allow for corrective action to be taken in the case of non-compliance generally. However, in situations of willful or serious non-compliance, relevant enforcement action may still be taken.

Initiatives under the PACE Working Group

Throughout the year, the ACSR also continued to develop several capacity building initiatives under PACE. In March 2025, the ACSR took a step forward in bridging global sustainability frameworks with the development of the GRI-ISSB Interoperability Module. What began as a technical alignment exercise, evolved into hands-on training programmes designed to help accountants and companies navigate the interplay between the GRI and the ISSB Standards. Through this initiative, participants gained a clearer understanding of how both frameworks can work together to strengthen the quality, consistency and comparability of sustainability disclosures.

The ACSR advanced its commitment to providing practical guidance with the release of the *Illustrative Sustainability Reports* (ISRs) in October 2025. The ISRs were developed to demonstrate to companies what comprehensive sustainability disclosures could look like in practice, translating technical standards into tangible examples. Recognising the urgent need for clearer guidance in Malaysia's high-emitting sectors, the ACSR focused its first two ISRs on the plantation and construction sectors. The ISRs help companies not only understand reporting requirements but also build confidence in producing transparent, decision-useful sustainability disclosures aligned with global best practices.

To support the effective use of the ISRs, the ACSR conducted three training sessions to familiarise preparers with the structure and application of the reports. These practical and hands-on sessions helped over 250 participants interpret the ISSB Standards and apply illustrative examples in preparing their own sustainability reports.

The ACSR continues to engage actively with stakeholders to understand the on-the-ground challenges faced in sustainability reporting and to address these gaps through targeted initiatives. In this regard, the Data to Disclosures Forum, held on 17 October 2025, was organised to bridge critical data gaps, featuring insights from key data custodians such as the National Water Research Institute of Malaysia (NAHRIM), the National Water Services Commission (SPAN) and Tenaga Nasional Bhd (TNB). The Forum recorded participation of close to 420 participants.



Complementing this, the ACSR also held dedicated engagement sessions with the plantation, construction, banking, and insurance sectors to gain a deeper understanding of sector-specific challenges in adopting the ISSB Standards. Feedback from these sessions continue to inform and refine future PACE initiatives, ensuring that the ACSR's efforts remain responsive, inclusive, and aligned with the needs of the market.

Public Consultation on the Sustainability Assurance Framework

As part of ongoing efforts to enhance the reliability and credibility of sustainability disclosures, the ACSR issued a public consultation paper during the year to seek feedback on the proposed *Sustainability Assurance Framework*. The consultation, which garnered 91 responses, provided valuable insights on key areas such as the adoption of international assurance, quality management and ethics standards, oversight of sustainability assurance providers, and the appropriate scope and level of assurance. In developing the framework, the ACSR continues to seek the right balance between robustness and practicality, ensuring that the assurance approach strengthens confidence in sustainability disclosures while remaining proportionate to the evolving maturity of the market. The aim is to mandate reasonable assurance on Scope 1 and Scope 2 GHG emissions to provide investors with the same level of trust and confidence akin to audited financial statements. Malaysia is one of the few countries globally which will be mandating reasonable assurance on Scope 1 and Scope 2 GHG emissions. It implies SC's commitments towards mandating corporate accountability in companies' sustainability practice. The finalised framework will be published following a comprehensive analysis of the consultation feedback.

Strengthening the Sustainability Profession through Establishment of Dedicated Association

Recognising the increasing importance of sustainability professionals in achieving sustainability commitments and targets of the capital market, the SC is facilitating the establishment of a dedicated association to support the development and institutionalisation of the sustainability profession.

In April 2025, the SC convened a closed-door Sustainability Officers' Dialogue (Dialogue), bringing together over 50 sustainability practitioners from public listed companies, institutional investors, consultants, and international organisations, among others. The Dialogue discussed required competencies and capabilities of existing and aspiring sustainability practitioners, particularly in the context of implementing the NSRF, and the merits of having a dedicated, structured and formal group for sustainability practitioners.

In July 2025, a Protem Committee was formed, supported by the SC as Secretariat, to lead the establishment of an association for sustainability practitioners (Association). The Association aims to enhance the credibility and professional standing of sustainability professionals, support the development and competency needs of the professionals, including supporting companies and professionals in complying with emerging frameworks such as the NSRF. The Association will also serve as a collective voice and sounding board for policy advocacy and engagements with regulators and authorities on sustainability matters.

Championing Financial Sector Response to Climate Change: Joint Committee on Climate Change

As Co-Chairs of the Joint Committee on Climate Change (JC3), the SC and BNM are committed to enhancing the financial sector's response of climate change. The SC continues to play a role in the Climate Finance Innovation Lab (CFIL), a collaborative platform to identify, develop and accelerate innovative climate solutions and mechanisms that mobilise private and public finance to support Malaysia's transition to net zero by 2050. Since its launch on 18 June 2025, CFIL has garnered strong interest, receiving more than

20 climate-related projects in its inaugural cohort with estimated funding needs of approximately RM3 billion. These projects address critical areas that significantly contribute to or are materially affected by climate change such as energy transition and green innovation; circular economy and sustainable cities; sustainable agriculture; and nature-based solutions and biodiversity.

To advance these priorities, CFIL rolled-out several inaugural programmes during the year, including the Impact Launchpad on 6 August, the Accelerator Programme on 21 October; and its very first Lab Session on 5 November. The SC will continue to provide direction and guidance to CFIL as part of efforts to foster public-private collaboration for climate and nature-related finance, and drive ecosystem development.

Strengthening Corporate Governance Ecosystem through Regulatory, Self and Market Discipline

In 2025, the SC continued to advance efforts to strengthen Malaysia's corporate governance ecosystem through the interplay between regulatory discipline, self-discipline and market discipline. While regulatory discipline, through rules and enforcement, plays an important role in shaping behaviour, the effectiveness of corporate governance depends on sustained behavioural and cultural shifts driven by the self-discipline exercised by boards and management, including the choices they make, the tone they set and the accountability they demonstrate. Market discipline exercised by investors and stakeholders is likewise critical in driving meaningful and sustained improvements in corporate conduct and accountability.

Discussion Paper on Corporate Governance Framework

In 2025, the SC issued a Discussion Paper to obtain feedback on potential enhancements to Malaysia's corporate governance framework, with the objective of strengthening governance outcomes and elevating standards of conduct in Corporate Malaysia. The Paper outlines the SC's perspectives on key focus areas and serves as a platform to gauge market sentiment and gather insights, to inform the next calibration of corporate governance reforms.

Among others, the proposals seek to place stronger emphasis on long-term value creation, decision-useful disclosures and strengthen board accountability, aligning with evolving investor expectations. Reflecting on lessons from the MCCG 2021, the Discussion Paper highlights emerging and thematic shifts reshaping the governance landscape, including digital transformation, the governance of technology and AI, cybersecurity and data governance as well as continued enhancements to audit and risk management processes, including auditors' independence and enhanced disclosures.

Revised MCCG is targeted for issuance in 2026.

Collaboration with the Organisation for Economic Co-operation and Development

As part of the MCCG review, the SC is collaborating with the Organisation for Economic Co-operation and Development (OECD) to benchmark Malaysia's Corporate Governance framework against the G20/OECD Principles of Corporate Governance (revised in 2023). The exercise will provide an independent assessment as well as recommendations to further strengthen the effectiveness of Malaysia's Corporate Governance ecosystem. This in turn enhances investor confidence, supports corporate valuations, corporate valuations, and reinforces Malaysia's position as a trusted investment destination.

Corporate Governance Monitor 2025

The *Corporate Governance Monitor 2025* (CG Monitor 2025), released on 14 November 2025, continues to track market adoption of the MCCG 2021 by PLCs based on disclosures in their Corporate Governance reports. The CG Monitor 2025 analyses adoption trends based on Corporate Governance Reports issued by PLCs for the financial year 2024.

Adoption momentum by PLCs remains positive, with many core practices now firmly embedded as market norms. A smaller set of practices continues to evolve at a slower pace, typically where behavioural shifts, enhanced transparency or stronger oversight structures are required.

KEY HIGHLIGHTS

**STRONG OVERALL ADOPTION**

Out of 48 MCGG best practices, 33 achieved adoption levels of 90% and above, reflecting continued progress in embedding good governance practices across PLCs.

WOMEN ON BOARDS (WOB)

Female participation continues to rise, with women holding 2,112 board positions (29%) across PLCs. 472 PLCs (45%) have met the 30% WOB target, though 30 of the Top 100 PLCs have yet to do so.

**COMMITTEE INDEPENDENCE**

Independent committee leadership improved, with 73% of boards ensuring the Chair is not a member of the Audit, Nomination or Remuneration Committees (up from 63%). Remaining gaps are mainly due to transition timing and reliance on the Chair's expertise, which should be addressed through succession planning and clearer committee mandates.

**SUSTAINABILITY GOVERNANCE**

Oversight structures have strengthened, though challenges persist in integrating sustainability into board and management evaluations, largely due to KPI design and data limitations. In line with the NSRF, companies are increasingly expected to disclose oversight structures and progress against sustainability targets.

**REMUNERATION DISCLOSURE**

Transparency on senior management remuneration remains low. PLCs are encouraged to adopt banded disclosures, articulate a clear pay philosophy linked to performance, and progressively move toward named disclosure as governance practices mature.

**RISK OVERSIGHT**

A dedicated Risk Management Committee remains uncommon, with many PLCs maintaining a combined Audit and Risk Committee, which may dilute focus on emerging risks such as sustainability, cyber resilience, and business continuity. Boards are urged to reassess their structures and demonstrate how non-financial risks receive sufficient specialist attention.

**ENHANCED EXPECTATIONS**

The Step-Up practices are reaffirmed as directional best practices for all PLCs. Where immediate adoption is not feasible, companies should disclose credible transition plans outlining scope, timelines and interim safeguards, enabling investors to track progress and understand risk management measures.



DEEPENING REGIONAL COOPERATION THROUGH MALAYSIA'S ASEAN CHAIRMANSHIP

Malaysia at the Helm: ASEAN Chair 2025

Centred around the theme of 'Inclusivity and Sustainability' across the Economic, Political-Security, Socio-Cultural pillars, Malaysia assumed Chairmanship of ASEAN in 2025, its fifth stint since ASEAN's establishment in 1967. Under the stewardship of Prime Minister Datuk Seri Anwar Ibrahim, ASEAN 2025 witnessed the introduction of new key initiatives including the ASEAN Community Vision 2045, which outlines a shared future for the next two decades as well as the formal accession of Timor-Leste as the eleventh member of ASEAN.

The SC championed Malaysia's ASEAN leadership through its Chairmanship of the ASEAN Capital Markets Forum (ACMF) as well as support for the MOF's leadership of the ASEAN Finance Track.

SC as Chair of the ASEAN Capital Market Forum

As Chair of the ACMF, SC had the opportunity to shape ACMF's focus and priorities in alignment with national development goals through the discourse and thought leadership at the ACMF meetings and events, as well as the development and delivery of Malaysia's Priority Economic Deliverables (PEDs) and other ACMF-related deliverables.

In 2025, the SC designed, curated and led discussions at four ACMF Deputies Meetings, three ACMF Chairs Meeting, two International Conference, and 14 technical workshops. Hosted across Malaysia and at the SC, these engagements provided not only vibrant platforms for learning and shared progress but also an appreciation for Malaysian culture and history.

SC's Priority Economic Deliverables – Supporting the Ministry of Finance's Leadership of the ASEAN Finance Track

PEDs are key actionable initiatives that are set by each ASEAN Chair. Under the Finance Track, led by the MOF, the SC produced four deliverables through two PEDs,

nestled within the Strategic Thrust of Fostering an Inclusive and Sustainable Future.

The two PEDs focused on Accelerating the Growth of a More Sustainable, Connected and Inclusive ASEAN Capital Market, and Catalysing Access to Financing for a Climate Resilient and Just Transition in ASEAN.

Accelerating the Growth of a More Sustainable, Connected and Inclusive ASEAN Capital Market

Charting the next five years for ASEAN capital markets

Aligned with the ASEAN Community Vision 2045 and the ASEAN Economic Community (AEC) Post-2025 Vision and in its role as ACMF Chair, SC led the development of the *ACMF Action Plan 2026–2030* (Action Plan) which highlights the critical role of capital markets in supporting the region's long-term economic resilience, competitiveness, and sustainability agenda. The Action Plan was successfully launched on 6 November 2025, signifying an advancement in ASEAN's journey towards building a more integrated, sustainable, and innovation-driven regional capital market, and strengthening the region's positioning within the global capital market and financial landscape.

The Action Plan also complements the SC's CMP 2026-2030, particularly its focus on strengthening Malaysia's regional connectivity. Through this alignment, the Action Plan reinforces Malaysia's commitment to advancing regional capital market development and supporting the internationalisation of Malaysian companies, while deepening Malaysia's role as a gateway for cross-border investment and fund-raising within ASEAN.

The Action Plan establishes five Strategic Thrusts that guide ASEAN's collective priorities. These thrusts are anchored by the strengthening of ACMF's institutional capacity and governance, advancing sustainable and resilient ASEAN, promoting inclusivity and financial empowerment, deepening regional integration and global positioning, and accelerating digitalisation and innovation across ASEAN markets. Together, these thrusts advance the region's objectives of fostering sustainable growth, deepening market integration, broadening investor participation, and harnessing technology to enhance the competitiveness and resilience of ASEAN capital markets.

The Action Plan further identifies 11 key priorities and 18 external-facing initiatives designed to deepen market connectivity, enhance sustainability, and promote inclusive growth across ASEAN capital markets. Among these are cornerstone initiatives such as supporting climate adaptation through the *mitigation co-benefit, Adaptation for Resilience Guide* (mARs Guide), promoting SME sustainability disclosures through the ASEDG, promoting ASEAN as a distinct asset class through the ASEAN Diamonds and ASEAN Indices initiatives, strengthening financial literacy and capacity building, and encouraging responsible use of AI in the capital market.

Catalysing Access to Financing for a Climate Resilient and Just Transition in ASEAN

Sustainability is a core priority, the following deliverables reflect the SC's commitment to shaping a climate-resilient, inclusive, and sustainable ASEAN capital market, aligned with Malaysia's leadership in regional financial integration and sustainable development.

Under this PED, development and publication of the *ASEAN Taxonomy for Sustainable Finance Version 4*, (ASEAN Taxonomy), through the ASEAN Taxonomy Board (ATB), was a deliverable as a tool to support ASEAN's decarbonisation efforts by completing the coverage of the ASEAN Taxonomy Plus Standard's six economic focus sectors and three enabling sectors. In addition, to support the transition of SMEs in ASEAN, the development and publication of the ASEDG for SMEs in supply chains was a deliverable through ACMF.

ASEAN Taxonomy for Sustainable Finance Version 4

The ASEAN Taxonomy is an overarching guide for the identification and classification of sustainable finance activities within the region. Its development is led by the ATB, which is comprised of the four sectoral bodies regulating ASEAN's capital markets, banking, and insurance sectors. The regulators comprising ATB members, from all 10 ASEAN countries, are developers of their own national taxonomies. This feature helps the ASEAN Taxonomy ensure its interoperability and alignment with other taxonomies, taking into consideration widely used taxonomies and international frameworks, while catering to ASEAN's specific needs.

The ASEAN Taxonomy Version 2 (March 2023) introduced Technical Screening Criteria (TSC) for the first focus sector, energy, and carbon capture, utilisation and storage, followed by Version 3 (March 2024) which introduced TSC for two focus sectors: (i) transportation and storage and (ii) construction and real estate. The ASEAN Taxonomy Version 4, which was launched in 2025 as one of Malaysia's PEDs under its chairmanship of ASEAN, covers TSCs for the three remaining focus sectors: (i) agriculture, forestry and fishing; (ii) manufacturing; and (iii) water supply, sewerage and waste management, and two enabling sectors: (i) information and communication; and (ii) professional, scientific and technical activities.

This year, the SC led the development of the agriculture, forestry, and fishing sector criteria, taking an inclusive and practical approach that reflects both regional and domestic ambitions alongside current conditions in the sector. Throughout the drafting stage, the SC via the ATB engaged various key stakeholders across the ASEAN member states for feedback and validation of the TSC.

Concurrently, the SC also held its own domestic engagements with Malaysian industry players, subject matter experts, and key government agencies involved in the agriculture sector while studying Malaysia's existing agricultural practices and sustainability standards. This was done to ensure a holistic approach that promotes a credible pathway towards better practices contributing to Malaysia's national sustainability agenda, while recognising current progress and transition efforts undertaken by companies both large and small in the agriculture sector today.

To date, feedback on the ASEAN Taxonomy has been largely positive, describing the framework as comprehensive, balanced, intellectually coherent, and beneficial for ASEAN. In 2026, the ASEAN Taxonomy Version 4 will undergo a period of public consultation, during which the criteria will have opportunity for further refinement. At the same time, the SC hopes to accelerate the adoption and implementation of the ASEAN Taxonomy, as a useful and credible tool for the transformation of Malaysian businesses towards greater sustainability.

Scaling Up ESG Disclosures of ASEAN SMEs

In April 2025, the SC, under its chairmanship of the ACMF, spearheaded the development of the ASEDG for SMEs in Supply Chains. This key initiative aims to strengthen the sustainability readiness of SMEs across all ASEAN Member States (AMS) by providing a practical and harmonised reference for ESG disclosures.

The ASEDG equips ASEAN SMEs operating within global or local supply chains with a framework to meet increasing data requests from investors, financiers and multinational customers. The guide aligns with leading global standards including the IFRS S1 and S2, GRI, CDP, and FTSE4Good, while referencing to related sustainability frameworks across ASEAN member states.

ASEDG Version 1 (V1): Building the foundation for regional alignment

Launched in April 2025 at the ASEAN Investment Conference held in Kuala Lumpur, the inaugural ASEDG V1 was officiated by the Prime Minister of Malaysia. Building on Malaysia's SEDG for SMEs in Supply Chains, it incorporated 35 disclosures from the national framework and introduced three ASEAN-specific disclosures to reflect regional priorities. Each disclosure was mapped against national frameworks and guidance from all ten ASEAN member states, creating a unified reference for SMEs to begin or strengthen their ESG reporting journey.

ASEDG Version 2 (V2): Strengthening regional consistency and usability

Following regional consultations, ASEDG V2 was launched in November 2025. The revised guide represents the refinement and enhancement of the regional framework, through 38 ESG disclosure indicators, under 15 topics across ESG pillars. Each topic is categorised into Basic, Intermediate, and Advanced levels, supporting SMEs at varying stages of sustainability maturity across the region.

Additional Deliverables under SC's ACMF Chairmanship

In addition to the PEDs, the SC through ACMF also championed initiatives which were aligned with Malaysia's Chairmanship theme of inclusivity and sustainability.

Encouraging climate adaptation finance within ASEAN

ASEAN is considered as a region most vulnerable to growing climate risks. In response, the region is beginning to prioritise climate adaptation in order to strengthen the region's resilience to these threats. However, climate adaptation financing remains significantly underfunded³, compared to climate mitigation. This underscores the need for guidance in the region to identify climate adaptation activities that are investable. As ACMF Chair for 2025 and the Co-Chair of the ACMF SFWG, the SC is spearheading the development of the mARs Guide.

The mARs Guide is intended to complement the ASEAN Taxonomy, in relation to the Environmental Objective 2 (EO2) on Climate Change Adaptation. While the ASEAN Taxonomy already sets out a robust and detailed framework for EO2, the mARs Guide will provide more detailed guidance on how to operationalise the EO2 assessment requirements and be considered eligible under the ASEAN Taxonomy. In other words, it will provide capital owners and users guidance in identifying climate adaptation-related technologies and approaches that capital should be oriented towards, aligning with the ASEAN Taxonomy.

The mARs Guide is being developed in phases for three years commencing in 2025, where the ACMF is collaborating with the United Nations Environment Programme Financial Initiatives (UNEP FI) to develop the mARs Guide. Ultimately, the mARs Guide will seek to identify key characteristics of adaptation technologies and solutions under a given activity (e.g. description, role in adaptation, status of the technology, scalability, target beneficiaries, sphere of influence, environmental,

³ Asian Development Bank (August 2023), *Climate Finance Landscape of Asia and the Pacific*.

social and economic benefits, and paradigm shift potential). In 2025, through ACMF, the SC together with UNEP FI and the Sustainable Finance Institute Asia (SFIA), with feedback from the ATB, developed a White Paper that seeks to inform the development of the mARs Guide over the next phases.

The White Paper confirms that adaptation finance is relatively low in ASEAN compared to other parts of Asia, which underscores the importance of the development of the mARs Guide within the ASEAN region. It maps out climate risks and adaptation financing needs across ASEAN and lays out the principles for development of the mARs Guide.

The mARs Guide itself is envisaged as a three-year project, spanning the ACMF chairmanships of the SC, the Securities and Exchange Commission of the Philippines in 2026 and the Monetary Authority of Singapore in 2027. Through an iterative process involving issuance of versions of the mARs Guide, stakeholder consultations and testing for implementation, the project is to be completed in 2027 and will further promote climate adaptation financing in the region.

Fostering a High-Integrity and Interoperable Carbon Market Ecosystem

As ASEAN accelerates its transition to low-carbon economies, carbon markets have emerged as a key mechanism to price greenhouse gas (GHG) emissions and fund sustainability projects within the region. ASEAN's diverse ecosystem offers significant potential to unlock carbon credits.

While ASEAN member states have been progressing at differing pace in developing their carbon markets, the growing interplay between the voluntary and compliance markets further underscores the need to strengthen governance and credibility in the carbon market space. It also underscores the importance of interoperability, and regional cooperation so that ASEAN's carbon credits are trusted and competitive globally.

Recognising the emerging importance of VCM and building on IOSCO's Report on *Voluntary Carbon Markets*⁴, the ACMF, through its SFWG and in collaboration with the Economic Research Institute for ASEAN and East Asia (ERIA) developed the *ACMF Voluntary Carbon Market Development Plan* and *ASEAN Voluntary Carbon Market Guidance* (VCM Guidance). The VCM Guidance was published and launched on 6 November 2025 at the ACMF International Conference 2025.

Designed as a multi-year initiative, the VCM Guidance provides practical measures for ASEAN member states to effectively manage and scale VCM, in alignment with financial market development and economic integration efforts. It aims to enhance integrity, transparency and orderly trading within the ASEAN VCM ecosystem by setting out principles and criteria tailored to the regional context, while aligned with international standards to ensure regional interoperability. In developing a well-functioning VCM, particular emphasis was given to the role of securities regulators in ensuring financial integrity; a core element alongside environment integrity.

Talent Development and Connectivity

To cultivate a pipeline of skilled talent and support the growth and stability of regional capital markets, the SC in collaboration with Durham University curated and launched the Young Regulators Development Programme (YRDP). The YRDP aims to enhance young regulators' competencies and aptitude by providing a strong foundation in capital market regulation and supervision, while keeping them updated on emerging trends and best practices.

The two-week intensive programme targets early-career capital market regulators with three-to-five years of work experience from ASEAN and IOSCO and will be held annually from 2025 to 2027. The 2025 iteration from 11 to 22 August included 17 participants from Malaysia, comprising officers from the SC, Bank Negara Malaysia and Bursa Malaysia, as well as 13 participants from other international regulators, the majority of which were from ASEAN.

⁴ *Voluntary Carbon Final Report*, <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD774.pdf>.

In collaboration with CGS International Securities, SC co-organised the ASEAN Investment Challenge 2025 - a specially designed trading competition for university students, focusing on stock trading across five ASEAN countries to develop financial skills and enhance understanding of regional markets.

The competition ran for seven months, with the official launch taking place at the ASEAN Investment Conference 2025 in April. More than 6,000 university students from Malaysia, Indonesia, Singapore, Thailand and the Philippines participated in the challenge, with the final assessment and awarding taking place at the ACMF International Conference on 6 November 2025.

Promoting Regional Corporate Champions – The MyABE Status

As announced in the Budget 2026, the SC, with the support of the government, introduced the MyABE Status to recognise Malaysian companies that exemplify regional leadership within ASEAN. The initiative seeks to establish a class of companies distinguished by their strong regional presence, adherence to high standards of governance and sustainability, and potential for further expansion across ASEAN.

The MyABE framework comprises two categories; for PLCs, the MyABE-PLC and for MTCs, the MyABE-MTC. The MyABE-PLC Status is intended to recognise Malaysian PLCs that have established a strong regional footprint, while the MyABE-MTC Status recognises the growth and regional expansion potential of Malaysian MTCs.

In conjunction with the ACMF International Conference held in November, the pilot MyABE Cohort 1 was announced by Prime Minister YAB Dato' Seri Anwar Ibrahim. The pilot cohort comprise the following companies:

MyABE-PLCs

- **CIMB Group Holdings Bhd** – a leading ASEAN bank serving millions of customers across the region.
- **IHH Healthcare Bhd** – one of the world's largest private healthcare groups.
- **Kuala Lumpur Kepong Bhd** – a century old Malaysian multinational with diversified global operations in plantations, manufacturing and resource-based industries.

MyABE-MTCs

- **Aonic Sdn Bhd** – a leading company in the drone technology ecosystem.
- **MECIP Global Engineers Sdn Bhd** – a multi-disciplinary oil and gas engineering consultancy firm.
- **NSW Automation Sdn Bhd** – which is one of the world's leading providers for precision dispensation system in the global microelectronics and semiconductor industries.

The MyABE Status accords participating companies with facilitative measures and incentives to support their regional expansion. The first incentive introduced focuses on skilled talent mobility, as well as funding support for the MyABE-MTCs, where qualifying MyABE-MTCs can tap on the NIMP CoSIF, under a priority investment ratio. This will help accelerate their growth, modernisation, and integration into regional supply chains.

SPECIAL FOCUS: OMAN AS A STRATEGIC PARTNER IN BRIDGING ASEAN AND GCC CAPITAL MARKET

As part of its broader internationalisation agenda, the SC deepened engagement with the Gulf Cooperation Council (GCC) in 2025 by advancing a strategic partnership with Oman's Financial Services Authority (FSA) as a pilot initiative to strengthen ICM collaboration with the GCC.

Beyond strengthening bilateral regulatory ties, this engagement is intended to serve as a practical bridge between ASEAN and GCC capital markets. Malaysia's comprehensive Shariah-compliant ecosystem, strong capital market infrastructure, and trusted regulatory environment position it well to channel Omani capital into ASEAN's long-term growth opportunities, particularly in sectors such as renewable energy, infrastructure, halal economy, and sustainable agriculture.

Meanwhile, Oman's emphasis on ethical, high-impact investments align closely with Malaysia's capability to structure solutions that meet both commercial and Maqasid-aligned objectives.

Laying the Groundwork

The engagements in Muscat, including the SC-IFN Business Forum and the Malaysia-Oman Investment Dialogue, advanced efforts to deepen Malaysia and ASEAN collaboration with GCC. The sessions strengthened regulatory cooperation, catalysed co-investment opportunities and explored product innovation to support greater bilateral and regional connectivity.

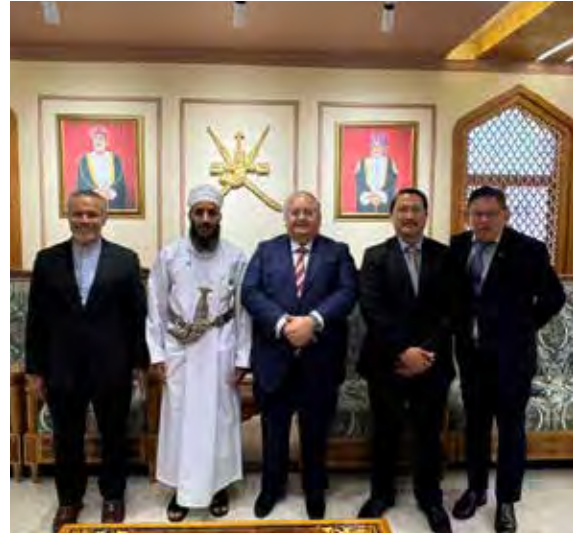
Joint Programme for Capital Market Development Cooperation

In pursuit of deeper bilateral and regional collaboration, the Joint Programme for Capital Market Development Cooperation was signed by Dato' Mohammad Faiz Azmi, Chairman of the SC, and H.E. Abdullah Salim Al Salmi, Executive President of the FSA Oman. This two-year collaboration focuses on joint capacity building, knowledge exchange and cross-market promotion to position both Malaysia and Oman as attractive investment destinations.

Key areas of cooperation include:

- Joint cross-market promotion of Malaysian and Omani investment opportunities to investors in both countries.
- Assessing the feasibility of mutual recognition arrangement between the SC and FSA Oman to promote cross or dual listings of products and listed companies.
- Joint development programmes, including staff secondments and other training programmes.
- Knowledge sharing on published capital market research, policy frameworks, and market development strategies.

Through this Joint Programme, the SC seeks to leverage Malaysia’s mature Islamic Capital Market to strengthen linkages between ASEAN and the GCC. By aligning regulatory practices, promoting cross-border investment opportunities and enhancing institutional capabilities, the programme provides a practical pathway for GCC investors to access opportunities in Malaysia and the wider ASEAN region, while enabling Malaysian and ASEAN market participants to tap into GCC capital pools. This structured collaboration supports greater regional connectivity, facilitates knowledge and talent exchange, and reinforces Malaysia’s position as a gateway for ASEAN–GCC capital market engagement.



Looking ahead, the SC will continue to strengthen engagements within the GCC, while progressively broadening collaborations with other regions. These efforts will remain anchored on the ICM as a platform for ethical finance, where internationalisation supports not only market connectivity and capital mobilisation, but also the *Maqasid al-Shariah* objectives of sustainable development, social equity, and long-term economic resilience. Through this approach, Malaysia seeks to position its capital market as a credible global hub for Islamic finance, that delivers both financial value and positive societal impact.

ENHANCING MALAYSIA'S ISLAMIC CAPITAL MARKET LEADERSHIP

The ICM remained a key pillar of Malaysia's capital market in 2025, reflecting the SC's long-standing commitment to market integrity, ethical stewardship, and sustainable development. Anchored by *Maqasid al-Shariah* principles – including the promotion of justice, the protection of wealth and the advancement of societal well-being – and supported by strong governance, robust regulatory framework, and an evolving ecosystem of Shariah-compliant products and services, the ICM plays a central role in supporting inclusive economic growth and strengthening investor confidence.

During the year, the SC advanced initiatives aimed at reinforcing transparency, accountability, and resilience across the ICM ecosystem.

Domestically, the introduction of an enhanced disclosure regime for Shariah screening reviews represented a decisive step towards strengthening accountability, improving data transparency, and reinforcing market discipline among PLCs. At the international level, the SC deepened engagement with global partners across academia, multilateral institutions, and the financial industry to advance thought leadership, facilitate knowledge exchange, and institutional capacity in Islamic finance. Collectively, these efforts support the continued evolution of the ICM and reinforce Malaysia's position as a credible and values-driven Islamic finance ecosystem.

In 2025, Malaysia's international profile and visibility is further bolstered through strategic dialogues, high-level engagements, and collaborations with global counterparts, positioning Malaysia as a capital market that supports long-term national priorities including sustainability, environmental stewardship, social equity, and inclusive economic development.

STRENGTHENING GLOBAL COLLABORATION AND THOUGHT LEADERSHIP IN ISLAMIC FINANCE

Beyond rules and supervision, a credible ICM is sustained by the quality of leadership and the institutions that shape how the market behaves. Anchored by the objectives of Shariah (*Maqasid al-Shariah*), the SC approaches market development with an emphasis on the substance of its market, ensuring that financial activity remains connected to real economic purpose, social well-being, and long-term resilience.

In this context, selected global collaborations play a vital role. They provide a platform to test ideas, develop talent, and strengthen institutional thinking, helping to ensure that Maqasid-based principles are not treated as abstractions, but are continually interpreted and applied in response to evolving economic and social challenges.

Academic and Thought Leadership Partnerships

Collaborations with Oxford Centre for Islamic Studies (OCIS)

The long-standing relationship between the SC and OCIS reflects a sustained effort to ground Islamic finance discourse, in both intellectual rigour and contemporary relevance. In 2025, the **SC-OCIS 16th Roundtable** was held on 30 September in Kuala Lumpur and focused on the theme 'Guardians of the Earth: Climate Action through the Lens of *Maqasid al-Shariah*'. Rather than treating sustainability as an external overlay, discussions during the Roundtable centered on how environmental stewardship naturally follows from Islamic conceptions of responsibility, trust, and intergenerational justice. The Roundtable brought together scholars, policymakers, and practitioners to examine how these principles can meaningfully inform investment decisions, governance standards, and market conduct, particularly as climate risks become more financially material.



Additionally, the SC-OCIS Scholar-in-Residence Programme and the Sultan Nazrin Shah Fellowship continued to drive research, innovation, and thought leadership in Islamic finance.

The 2025 SC-OCIS Scholar-in-Residence Programme attracted 28 applications from Southeast Asia, the Middle East, Europe, and the Americas, with the selected scholars taking residence at OCIS from October 2025 for the 2025/2026 academic year. Meanwhile, the Sultan Nazrin Shah Fellowship Programme, jointly organised by the SC and OCIS, will consist of extensive activities encompassing research and development, thought leadership and branding and profiling, focusing on key areas within the ICM.

Talent Development and Capacity Building

SC–Durham Islamic Capital Market Summer School

A values-based market ultimately depends on people who are able to exercise sound judgment, not just technical competence. With this in mind, the SC launched the inaugural **SC–Durham Islamic Capital Market Summer School** following the signing of a memorandum of understanding with Durham University in 2025. The programme was designed to provide participants with exposure to both academic perspectives and regulatory realities, with a focus on how ethical considerations, risk awareness, and long-term thinking are applied in practice, and ultimately, shape a new generation of ‘Maqasid ambassadors’.

Jointly developed with the Durham Centre for Islamic Economics and Finance and the Durham University Business School, the one-month blended programme combined three weeks of online learning with an intensive in-person masterclass at Durham University from 8 to 12 September 2025. The inaugural cohort of 15 participants from diverse backgrounds, underscores the SC's commitment to building a future-ready talent pipeline anchored in the principles of *Maqasid al-Shariah* for the Islamic finance ecosystem.



Multilateral and Development Partnerships

Islamic Development Bank (IsDB)

The SC's collaboration with the IsDB focuses on exploring opportunities to support productive economic activity and social development through the ICM. Following the MOU signed in 2024, the SC embarked on numerous initiatives to catalyse partnerships across the 57 IsDB member countries, promoting the use of ICM instruments to support private sector growth.

A key milestone was the SC–IsDB Reverse Linkages Programme, held on 29 April 2025 in Kuala Lumpur. It focused on mobilising ICM instruments such as sukuk, ECF, and P2P financing, while exploring cross-border opportunities, particularly within the halal economy and mid-tier corporate segments. The event resulted in two companies pledging over RM175 million in prospective cross-border initiatives, signalling tangible outcomes for future ICM-driven fundraising.

In addition, the SC and IsDB jointly organised the **Awareness Programme on the IsDB Awqaf Properties Investment Fund (APIF)** on 2 December 2025. The session brought together over 40 participants from State Islamic Religious Councils (SIRCs), waqf corporations, Islamic financial institutions, and ecosystem partners under the theme *Funding Economic Development through Waqf*. The discussions moved beyond conceptual models, focusing on practical considerations such as project structuring, governance, and eligibility. The level of engagement reflected a growing willingness among institutions to adopt market-based approaches in advancing social objectives, consistent with the broader aims of Islamic finance.

In practice, market outcomes are shaped by both decision-making behaviour and the regulatory frameworks within which they operate. By engaging selectively with global partners, the SC seeks to ensure that the objectives of Shariah remain embedded in market practice, informing judgement, strengthening capability, and anchoring the ICM to real economic and social purpose as it continues to evolve.

Revised Approach to Shariah Screening Review for Public Listed Companies

In a sustained pursuit to foster the advancement of ICM in Malaysia, the SC has been mandated, since 1997, by the Shariah Advisory Council (SAC) of the SC to conduct Shariah screening review for securities listed on Bursa Malaysia. To enable a democratised access for the industry in managing Shariah-compliant investment mandates, the SC issues a bi-annual *List of Shariah-Compliant Securities by the SAC* of the SC that is published on the final Friday of the May and November.

After nearly three-decades and various efforts demonstrated by stakeholders, Shariah-compliant securities listed on Bursa Malaysia have shown significant growth that represents more than two-fold increase, from 371 Shariah-compliant securities in 1997 to 859 Shariah-compliant securities as at 25 November 2025. This reflects the vibrancy of ICM and an upward trajectory of Shariah-compliant securities within the broader securities market in Malaysia.

In charting the way forward for the ICM ecosystem, the SC recognises the importance of sustaining investors' confidence and to progressively optimise efficiency in an ever-evolving market landscape. Underpinned by this commitment, the SC has embarked into a refined approach for Shariah screening review through the introduction of an enhanced disclosure regime, mandated via Bursa Malaysia's Listing Requirements. The requirement entails disclosure on additional financial information in a prescribed format, as part of the breakdown of the annual audited figures, relating to Shariah non-compliant components within the business activities of the PLCs.

The enhanced disclosure aims to foster greater transparency and in turn, strengthen accountability amongst PLCs, as the board of directors are aware that their decisions and outcomes are subject to closer scrutiny. By continuing to provide comprehensive, timely and accurate financial data, public listed companies allow stakeholders to better assess their performance and risk exposure.

As the market evolves, PLCs now operate across multiple sectors with diverse financial disclosures. This has created data intricacies that renders screening assessments increasingly complex as the assessment needs to rely on the unstructured data format in the

disclosure published by the public listed companies. With the enhanced disclosure approach, it enables a more seamless data extraction flow for purpose of Shariah screening review undertaken by the SC.

In order to facilitate effective implementation of the new requirement, the SC has rolled out an awareness programme to enhance PLCs' understanding of the additional financial disclosures. This is achieved through series of webinars that aim to provide guidance on regulatory expectation of the enhanced disclosure. Following the awareness phase, the SC continued its engagement through ongoing email support and the publication of video tutorials and frequently asked questions as reference materials for PLCs.

The SC also remains committed to anchor market's practices with values derived from *Maqasid al-Shariah*. With the enhanced transparency in the disclosure attributed from the additional information provided by the PLCs, this resonates well with the SC's *Maqasid al-Shariah Guidance Islamic Capital Market Malaysia* (Maqasid Guidance), particularly through Aspiration 3 in fostering clarity and transparency of information to stakeholders. Clearer disclosure cultivates and facilitates well-guided and informed decision-making by investors, upholding public interest and promoting a harmonious and ethical society.

Whilst the existing approach has catalysed the growth of Shariah-compliant equities market, the enhanced disclosure regime envisages a more proactive and adaptive information architecture available to investors with an emphasised transparency. This gears the market's landscape forward, with long-term value created and continues to cement Malaysia's leadership foresight in elevating the standard upward to preserve investors' confidence and access to material information.

Maqasid al-Shariah Task Force for Islamic Capital Market

In charting the future development of ICM in Malaysia, the SC recognises the adoption of Maqasid Guidance issued in November 2023, as a critical enabler. This groundbreaking principle-based document reaffirms that the higher objectives of Shariah which encompasses justice, social well-being, sustainability, and ethical stewardship, should serve as the guiding foundation for ICM activities going forward.

Market adoption of the Maqasid Guidance has exceeded initial expectation. As of 31 December 2025, the SC has received 42 sukuk submissions that are aligned with the Maqasid Guidance, which represents 78% of the total sukuk submissions received in 2025. While adoption of the Maqasid Guidance is voluntary, this level of uptake reflects the industry’s increasing understanding, awareness and commitment to purpose-driven finance.

To sustain the relevance and accelerate the adoption of the Maqasid Guidance across ICM ecosystem, the SC has established the *Maqasid al-Shariah* Task Force for ICM (MaTF) on 26 May 2025. The MaTF serves as a coordinated platform bringing together key stakeholders including financial institutions, regulatory authorities, academicians, and market participants to drive collective actions towards embedding Maqasid Guidance in ICM. Beyond domestic implementation, the MaTF also aspire to position Malaysia’s Maqasid Guidance as a reference point globally.

The MaTF plays a pivotal role in fostering alignment, identifying opportunities for strategic collaboration and innovation between regulators and industry players, and providing leadership amid increasing interest and diverse initiatives to introduce Maqasid-

aligned frameworks and stewardship across the capital market.

Anchored by three core mandates, the MaTF seeks to:

1. Promote and harmonise the adoption of the Maqasid Guidance across the ICM landscape.
2. Develop stewards and champions among industry participants to advocate greater awareness, understanding, and practical implementation of the Maqasid Guidance.
3. Facilitate innovation in financial products and solutions that are aligned with the spirit and objectives of the Maqasid Guidance.

The inaugural meeting of the MaTF was convened on 13 November 2025 and chaired by the SC Chairman. The meeting deliberated and agreed on key priorities and considerations to guide the MaTF in driving the adoption and implementation of the Maqasid Guidance in ICM. Through coordinated initiatives, the MaTF aims to embed the objectives of Shariah and the ethical values aligned with the Maqasid Guidance at the core of the ICM’s growth, thereby ensuring its continued relevance, purposeful and positive societal impact.

FIGURE 1
Maqasid al-Shariah Task Force Members



40 Hadith Series Publication: Advancing Thought Leadership in the Islamic Capital Market

In 2025, the SC embarked on the publication of the 40 Hadith Series comprising a collection of five thematic volumes based on authentic hadiths as part of its ongoing thought leadership initiatives. The publication series commenced when the SC published two of five volumes planned namely *40 Hadiths on Sustainability* and *40 Hadiths on Ethical Sales Transactions*.

Inspired by the esteemed legacy of Imam al-Nawawi, who meticulously gathered forty authentic hadiths in response to the Prophet Muhammad's s.a.w. encouragement to preserve the core teachings of Islam, this initiative reflects the SC's aspiration to integrate knowledge between the traditional method and modern application for the ICM.

The 40 Hadith Series serves as an ethical and intellectual reference for Shariah advisers, industry practitioners, policymakers, academicians, and other stakeholders of the ICM. These publications articulate on the enduring ethical principles in commercial dealings and sustainability in Islam across four thematic dimensions: (i) Humans as Khalifah (Stewards of the

Earth); (ii) Humanity; (iii) Social Responsibility; and (iv) Compassionate Stewardship.

The publication also reflects the SC's continued commitment to integrating Shariah principles into market practices, particularly in promoting ethical conduct, sustainability, good governance, and Islamic social finance. Through this initiative, the SC aims to strengthen the alignment between Islamic ethical values and modern financial practices, fostering a more responsible, inclusive, and resilient ICM environment.

This initiative complements the Maqasid Guidance, which serves as an essential reference for Shariah advisers in aligning ICM products and services with the Maqasid Guidance. It further facilitates broader industry adoption of the Maqasid Guidance while enhancing the quality, consistency, and credibility of Shariah decision-making process across the ICM.

Through this initiative, the SC continues to demonstrate thought leadership in shaping the development of the ICM, reinforcing Malaysia's position as a global centre of excellence in Islamic finance, and upholding its commitment to aligning market practices with the Maqasid Guidance.



PART 4
STRATEGIC
ENGAGEMENTS WITH
STAKEHOLDERS

PART 4 STRATEGIC ENGAGEMENTS WITH STAKEHOLDERS

INTRODUCTION

The continuous development of the Malaysian capital market is an endeavour that depends on strong collaboration and synergy across multiple stakeholders. In this spirit, the SC remained steadfast in 2025 in its commitment to strategic and inclusive stakeholder engagements, ensuring the formulation of policies and implementation of developmental initiatives considered the diverse needs and perspectives of all stakeholders.

The SC deepened engagements with a broad network of stakeholders in Malaysia and beyond, including market participants, financial intermediaries, regulatory authorities, government agencies, investors, academia, and the media. Guided by a structured stakeholder-mapping process, the SC continued to apply a facilitative and responsive approach in addressing market developments and challenges. Engagements were conducted through consultations, dialogues, briefings, and forums, ensuring consistent communication and collaboration. These efforts were anchored on the belief that facilitative and effective regulation stems from a deep understanding of the industry and a shared responsibility among all parties in the ecosystem.

In 2025, the SC advanced several flagship initiatives to strengthen market resilience, innovation, and investor empowerment. Through these engagements, the SC reaffirmed its role as a proactive and collaborative regulator, committed to cultivating a fair, efficient, and transparent capital market that underpins Malaysia's long-term sustainable and inclusive growth.

FACILITATIVE AND INCLUSIVE ECOSYSTEM

The SC continued to build a facilitative and inclusive ecosystem for Malaysia's corporate bond and sukuk market through digital innovation, strengthened governance and close collaboration with industry stakeholders. In 2025, the SC explored the use of blockchain and tokenisation to enhance market infrastructure, broaden accessibility and uphold strong regulatory and investor protection standards.

As part of this effort, the SC and Khazanah Nasional announced a Bond Pilot to tokenise bond and sukuk, serving as a preliminary exploration of how blockchain can support more transparent, efficient and scalable bond market processes. The Bond Pilot aims to

provide operational insights into the opportunities and challenges of applying blockchain solutions across the bond lifecycle.

To support ecosystem readiness, the SC engaged closely with industry stakeholders throughout the year. Roundtable sessions were held in June and July with investment banks and other market intermediaries to gather feedback on the SC's regulatory corporate bond and sukuk frameworks. Discussions focused on improving distribution channels, strengthening governance and investor protection and addressing accessibility constraints to encourage greater retail participation in the market.

Further capacity building was undertaken through the SC's Bond Tokenisation Workshop on 7 August 2025. This half-day workshop had convened 133 participants

from regulatory bodies, issuers, intermediaries and technology providers. The sessions outlined Malaysia's regulatory approach, introduced blockchain fundamentals and highlighted international experiences in digital bond issuance.

Regional collaboration was further strengthened through the Asian Bond Pricing Forum 2025, held on 21 October. The event was jointly organised by the SC, the Bond Pricing Agency Malaysia (BPAM) and the Thai Bond Market Association (ThaiBMA). The forum brought together regional policymakers, regulators and market practitioners to promote transparency, innovation and sustainability in ASEAN bond markets.

In addition, the SC hosted PT Penilai Harge Efek Indonesia (PHEI) and the Indonesia Hajj Fund Management Agency (BPKH) on 29 October 2025. The engagement focused on sukuk market development, valuation approaches, regulatory considerations and Shariah aspects related to securitisation structures.

Together, these initiatives demonstrated the SC's commitment to enabling a more accessible, resilient and innovation-ready corporate bond and sukuk market. By combining preliminary insights from the sukuk tokenisation pilot with broad-based stakeholder engagements, the SC continues to lay the foundation for a more inclusive and future-ready capital market.

STRENGTHENING SHARIAH GOVERNANCE AND ETHICAL STEWARDSHIP

The SC continued to strengthen Malaysia's ICM governance ecosystem through applied Shariah discourse and mentorship. These initiatives reinforced the SC's role as facilitator and guardian of principled, *Maqasid*-aligned market conduct.

Third Nadwah of Shariah Advisers in Islamic Capital Market 2025

The SC Nadwah of Shariah Advisers in Islamic Capital Market 2025, held on 26 May 2025, in collaboration with Bursa Malaysia, focused on the critical themes of climate change, sustainable climate policies, and the integration of Shariah perspectives in addressing environmental and sustainability challenges. The event drew nearly 300 participants, featured several key

highlights, the launch of two in-house publications – *40 Hadiths on Sustainability* and *40 Hadiths on Ethical Sales Transactions*. It also marked the establishment of the MaTF, reinforcing the SC's commitment to drive adoption of the Maqasid Guidance across market practices.

The Closed-Door Shariah Discourse 2025 led by Dr. Sheikh Nizam Yaquby brought together key Shariah leaders and industry representatives for an in-depth discussion on Malaysia's Shariah screening methodology and other emerging Shariah issues.



Shariah Mentorship Connect 2025

The Shariah Mentorship Connect 2025, held on 13 October 2025 in collaboration with Standard Chartered Saadiq, further deepened global-local engagement by fostering collaboration between renowned Shariah scholars and Malaysia's emerging Shariah talent. The initiative promoted intergenerational learning and professional exchange, underscoring the SC's commitment to developing future Shariah leaders.

The closed-door session brought together Standard Chartered Saadiq's global Shariah Scholars to share their experiences with more than 30 participants of the SC's Shariah Mentorship Programme (SMP), a flagship

programme launched in 2023 (to date, three cohorts have completed this programme). Distinguished scholars in attendance included Sheikh Nizam Mohammed Yaquby, Dr. Mohamed Ali Elgari, Professor Dato' Dr. Aznan Hasan, Dr. Ahcene Lahsasna and Mufti Muhammad Abdul Mubeen, among others.

Driving Islamic Finance Innovation and Inclusion through Digitalisation under FIKRA ACE

FIKRA ACE continues to serve as the SC's flagship initiative, driving Islamic fintech innovation and fostering a more inclusive capital market. FIKRA Ace initiative is anchored on three strategic pillars: FIKRA Accelerator, FIKRA Excel, and FIKRA Circle. These pillars aim to promote innovation development, talent cultivation and ecosystem collaboration to support sustainable growth in Islamic fintech. In 2025, FIKRA ACE further strengthened regional collaboration and deepened market engagement through a series of high-impact initiatives.

FIKRA Accelerator

Under FIKRA Accelerator 2025, the programme spearheaded the Islamic fintech agenda at MyFintech Week (MyFW) 2025, held from 4 to 7 August 2025 at Sasana Kijang. As Malaysia's flagship finance and innovation event, MyFW was jointly organised by BNM, the SC, the Asian Institute of Chartered Bankers (AICB), the Fintech Association of Malaysia (FAOM) and the Malaysia Digital Economy Corporation (MDEC). FIKRA Accelerator featured a thought-provoking panel session on 'The Social Exchange – Empowering Impact Projects through Tech' and an interactive workshop on 'Maqasid al-Shariah x Islamic Fintech – Linking Purpose with Impact'. These discussions explored how technology and *Maqasid*-aligned innovation can drive meaningful inclusion and sustainability through technology and digitalisation in the ICM.

FIKRA Excel

Through FIKRA Excel, the SC partnered with Universiti Malaya (UM) and Universiti Sains Malaysia (USM) to host two major hackathons, UMHackathon 2025 and VHack 2025. These events engaged over 1,500 students from local and international universities, positioning them as Malaysia's largest and second-

largest hackathons of the year. Participants developed fintech solutions addressing real world challenges in Islamic social finance, charity digitalisation and financial inclusion.

FIKRA Circle

FIKRA Circle extended its cross-border reach in Indonesia through the FIKRAtech Roundtable Jakarta 2025, building on the success of its London editions in 2023 and 2024. In collaboration with MDEC and supported by Islamic Finance News (IFN), the roundtable brought together 50 key participants from Malaysia and Indonesia, including regulators, fintech firms and venture capital representatives. A key highlight was the signing of an MoU between FAOM and the Asosiasi Fintech Syariah Indonesia (AFSI), witnessed by the SC, Otoritas Jasa Keuangan (OJK) Indonesia and MDEC.

Over its three-year journey, FIKRA ACE has set a benchmark as a regulatory-driven catalyst for ecosystem development in Islamic fintech. The programme has supported over 60 fintech startups, including internationally recognised alumni such as MADCash, GoBarakah and Global Psytech, engaged more than 2,400 students from 100 universities worldwide, and facilitated new bilateral fintech linkages between Malaysia and regional markets notably the United Kingdom and Indonesia. As the initiative concludes, the SC will build on its successes and lessons to shape a refreshed approach for its Islamic fintech strategy and initiative under the CMP – one that deepens impact, scales innovation and enhances ICM's value proposition to create a more dynamic, inclusive and purpose-driven capital market.



Expanding Malaysia's Global Footprint in Islamic Finance

As part of its internationalisation agenda, the SC has advanced efforts to strengthen Malaysia's global connectivity and strengthen cross-border capital market linkages. In 2025, the Malaysia-Oman Engagement Outreach Programme, held in Muscat, marked a pivotal step in deepening Malaysia's strategic engagements globally, starting with the GCC region. Through high-level dialogues and targeted business forums, the programme reinforced Malaysia's position as a resilient, Shariah-governed market and a trusted gateway to ASEAN, underpinned by strong governance, innovation and a mature ICM ecosystem.

IFN Oman Forum 2025 and Inaugural SC-IFN Business Forum

At the IFN Oman Forum 2025, SC Chairman Dato' Mohammad Faiz Azmi delivered a keynote address, highlighting the pivotal role of Islamic finance in addressing global challenges through climate action, digital inclusion and Islamic innovation. This was followed by the inaugural SC-IFN Business Forum, which convened over 150 regulators, market intermediaries, corporates and investors. Malaysian corporates showcased investment prospects aligned with Oman Vision 2040, spanning agribusiness, renewable energy and smart infrastructure. The forum also laid the groundwork for future collaboration in dual listings, sukuk and fixed-income connectivity, and sustainability-linked innovation.



Malaysia – Oman Investment Dialogue

The second flagship event, the Malaysia–Oman Investment Dialogue, gathered 75 representatives from regulators, family offices, ultra-high-net-worth investors, fund managers and corporations for targeted discussions on investment opportunities and regulatory facilitation. Presentations by Standard Chartered Bank Oman, Bursa Malaysia, and the SC highlighted how Malaysia's Islamic capital market ecosystem and ASEAN connectivity can translate Oman Vision 2040's priorities into actionable investments, particularly in energy transition, logistics, agribusiness, real estate and smart infrastructure. The dialogue fostered meaningful investor–issuer connections, enhanced awareness of Malaysia's SFO framework and strengthened channels for structured co-investment between Malaysia and the GCC, reinforcing Malaysia's position as a gateway for Islamic finance and sustainable investment.



BUILDING TRANSPARENCY, TRUST AND SUSTAINABLE CHANGE FOR MALAYSIA

Mobilising Resources Towards Meaningful Social Impact

With the launch of the Social Exchange Pilot Programme 2025 (SEPP25), the SC organised five knowledge-sharing sessions for the wider NPO community. These sessions covered essential topics such as organisational governance, internal controls, fostering and data management for effective storytelling. Prominent speakers included leaders from Yayasan MySDG, Khazanah Nasional, Yayasan Chow Kit, Global Environment Centre and Thoughts In Gear. In collaboration with the Malaysian Institute of Accountants (MIA), the SC also hosted two additional

sessions – one closed-door engagement for SEPP25 pilot partners and selected NPOs and a public session with the wider community. Topics shared include bookkeeping, governance and tax related matters.

These engagements also generated valuable data to support the development of the SEP Guidelines, which were published on 19 September 2025. To complement these engagements, the SC conducted surveys and the feedback provided critical insights into the current state of NPOs, highlighting key challenges and capacity gaps. These findings reaffirm the importance of the SC’s role in driving institutional development and underscores the need to equip NPOs with stronger governance, compliance and reporting capabilities for the forthcoming Social Exchange.

Concurrently, the SC undertook strategic engagements with key ecosystem stakeholders, including the MOF, Lembaga Hasil Dalam Negeri Malaysia (LHDNM), MIA, Registry of Societies (ROS), World Bank India and major foundations and funders. These engagements have been pivotal in informing the framework and forthcoming launch of Malaysia’s first Social Exchange – a landmark initiative designed to strengthen the social finance ecosystem and advance the nation’s sustainability objectives.

Deepening Cross Agency Collaboration on Risk Governance and Market Resilience

The SC further collaborated closely with BNM through various targeted platforms aimed at strengthening joint oversight and enhancing risk preparedness across the financial system. These engagements complement the SC’s macro-level work under the MRFG and support deeper coordination on crosscutting risks, operational resilience and emerging vulnerabilities. Within this broader collaborative framework, the SC and BNM also convened dedicated bilateral sessions to advance shared priorities in risk management and regulatory alignment.

BNM visited the SC on 19 June 2025, providing a platform for both organisations to engage in focused dialogue on enterprise risk management and operational resilience.

Throughout the session, both organisations deliberated on key priorities, including improving risk governance, enhancing organisational resilience and strengthening

the risk culture within their institutions. Discussions also covered critical areas such as data security, technology adoption, governance frameworks, talent development and the incorporation of emerging risks into organisational practices. The session concluded with a mutual commitment to sustain collaboration and knowledge sharing, reinforcing the SC’s role in driving regulatory coordination and supporting the long-term stability of Malaysia’s financial system.



ERM Roundtable Strategic Insights

The SC participated in BNM’s Enterprise Risk Management (ERM) Roundtable on 8 October 2025, demonstrating the SC’s commitment to strengthening risk management through focused and collaborative engagement. Senior representatives from the SC’s Risk Management functions joined regulators and industry practitioners in a structured half-day programme centred on data protection, operational resilience and strategic risk alignment.

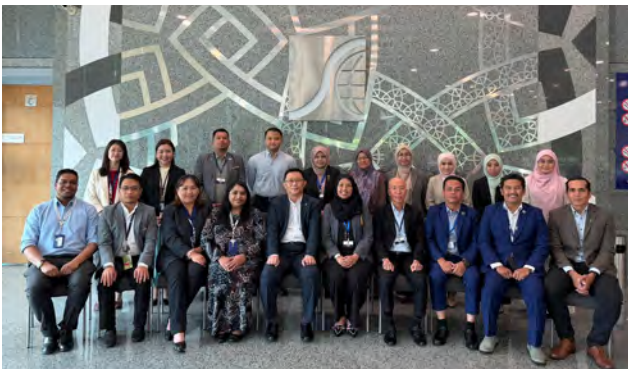
- The roundtable opened with a strong focus on technology solutions for data privacy and protection, where participants examined best practices for safeguarding customer data, mitigating privacy risks and meeting regulatory expectations in an increasingly digital environment. The session underscored the importance of robust data governance and proactive risk mitigation.
- The second key area of discussion addressed the integration of business continuity management (BCM) with operational resilience, highlighting the need for adaptive strategies to sustain critical operations during disruptions.

- The final session concentrated on aligning enterprise risk management with organisational strategy, emphasising the importance of embedding risk considerations into planning and decision-making processes.

Through its participation, the SC reaffirmed its commitment to regulatory integrity, operational resilience and the continuous enhancement of its risk management practices. The engagement concluded with a shared commitment among participants to ongoing collaboration and knowledge sharing to strengthen the stability of Malaysia's financial sector.

SC-Lembaga Hasil Dalam Negeri Malaysia Working Visit on Risk Governance, Integrity Management and Resilience Frameworks

On 16 December 2025, the Risk Management Department hosted a working visit by LHDNM's Integrity and Risk Management Department. The programme featured detailed presentations on enterprise risk management, business continuity management and occupational safety, health and environment, followed by a dedicated session on whistleblowing management. The sharing sessions provided opportunities for new ideas and reference points for assessing and planning the suitability for implementation of Enterprise Risk Management. Both organisations reaffirmed the benefits of the collaboration and knowledge exchange.



Enhancing Stakeholder Collaboration for Sustainable Finance

In 2025, the SC continued to enhance stakeholder engagement through the Joint Committee on Climate Change (JC3), and international and national-level platforms to advance Malaysia's sustainable finance agenda.

JC3 Engagements and Plenary Meetings

In 2025, JC3 held two plenary meetings to drive regulator-industry collaboration to strengthen climate resilience within the Malaysian financial sector.

The 14th JC3 Plenary held on 22 January 2025 reaffirmed JC3's commitment to building climate resilience through three strategic priorities: addressing data challenges, facilitating SMEs' transition and designing climate finance solutions with a focus on sectors aligned with the National Energy Transition Roadmap (NETR) and NIMP.

A key deliverable was the publication of the Application Handbook for Issuances of SRI-Linked *Sukuk* and *Sustainability-Linked Bonds for the Malaysian Capital Market*, developed under JC3 Sub-Committee 3 with support from RAM Sustainability. The Handbook provides clear guidance and practical steps for issuance of sustainability-linked fixed income instruments. To enhance its utility and encourage adoption, the SC conducted targeted outreach sessions in collaboration with JC3's Sub-Committee 4 on Engagement and Capacity Building. These sessions engaged potential issuers and advisers, reinforcing market readiness for sustainability-linked fixed income instruments and promoting broader participation in sustainable finance.

The 15th JC3 Plenary Meeting held on 7 August 2025, welcomed nine new member institutions, including three asset management entities. A key outcome was the announcement of the development of the Malaysia Taxonomy on Sustainable Finance, a unified national taxonomy designed to align with the ASEAN Taxonomy for Sustainable Finance. The Taxonomy will incorporate science-based technical screening criteria and embed quantitative thresholds to enhance accuracy and quality of assessment.

To facilitate the adoption of NSRF, JC3 is exploring the development of a guidance document or use cases for the financial sector to assist financial institutions in meeting NSRF disclosure expectations.

International Committees and Organisations

The SC continues to drive and actively participate in various international fora and task forces:

- **COMCEC CMR Forum Sustainability Taskforce (COMCEC STF)**

The SC chairs the Sustainability Taskforce (STF) under the Capital Market Regulators Forum of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Cooperation (COMCEC CMR Forum), which was established in 2024 as a platform for capital market regulators to collaborate and identify common drivers for sustainable finance and sustainability reporting.

Following the 2024 baseline survey which assessed the state of members' sustainable finance ecosystem, the COMCEC STF organised two capacity building sessions on sustainable fixed income instruments and the implementation of the ISSB Standards.

- **IOSCO Sustainable Finance Task Force (STF)**

The SC is also a member of the IOSCO Sustainable Finance Task Force (STF), which drives sustainability-related policy work in the capital market. In 2025, the IOSCO STF Green Finance Innovation workstream examined key characteristics and trends of green products and proposed regulatory considerations. Recently, the SC contributed to the drafting of two IOSCO Reports; namely the Sustainable Bonds Report and the ESG Benchmarks Report.

- **Global Islamic Finance Program (GIFP)**

The SC serves as an Advisory Committee member of the Global Islamic Finance Program (GIFP) for Climate, Nature, and Development, which aims to mobilise Islamic capital through blended finance solutions to support nature-based solutions.

Regional Workshop and Summits

Fourth Roundtable of the ADBI-ADB Asian Climate Finance Dialogue

From 11 to 12 March 2025, the SC represented Malaysia at the Asian Development Bank Institute-Asian Development Bank (ADBI-ADB) Asian Climate Finance Dialogue in Tokyo, Japan, highlighting Malaysia's efforts in managing climate-related risks through national policies and strategies vis-à-vis progress towards Net Zero by 2050. The presentation illustrated the SC's role in scaling up sustainable finance through issuances of SRI-Sukuk and SRI-linked Sukuk Framework and other key initiatives relating to NSRF and carbon markets.

International Carbon Market Summit and Closed-door Roundtable on Voluntary Carbon Markets

Complementary to our work on Voluntary Carbon Markets in the ASEAN region, the SC spoke at the International Carbon Market Summit and the closed-door roundtable on Voluntary Carbon Markets, held on 15 April 2025 in Hong Kong. The summit examined the role of policymakers, financial regulators, trading venues, market intermediaries and technology solution providers in scaling high-integrity carbon markets and cross-border trading in the Asia Pacific and beyond. A closed-door regulatory roundtable was also held during the summit, involving relevant policy makers, financial regulators and trading venues.

Regional Workshop on the Issuance of Sovereign and Private Sector Green and Sustainability Bonds: Lessons from ASEAN

To strengthen Malaysia's international profile in sustainable finance, the SC spoke at the Regional Workshop on the Issuance of Sovereign and Private Sector Green and Sustainability Bonds: Lessons from ASEAN, held in Ulaanbaatar, Mongolia from 19 to 20 May 2025. The SC also shared on ASEAN's journey in developing the ASEAN Sustainability-Linked Bond (SLB) Standards, and how complementary regional tools such as the ASEAN Taxonomy and ASEAN Transition Finance Guidance can support credible, outcome-driven transition pathways across the region. The SC also showcased Malaysia's alignment of national frameworks with international and regional standards.

To further bolster sustainability-related thought leadership, the SC continued to actively engage with international organisations such as the World Bank, Bloomberg and Climate Bonds Initiative. These engagements focus on key priorities, trends and forward-looking outlook such as scaling up of global/regional carbon markets, climate adaptation and resilience, climate-related disclosures and increasing climate data availability. Such engagements ensure that Malaysia's capital market initiatives remain informed by global developments and aligned with international best practices.

National-level Technical Working Groups

The SC actively contributes to Ministry-led initiatives and engages closely with relevant Ministries, and agencies, to ensure that capital market inputs are incorporated into the development of national sustainability policies. As a member of the Partnership for Market Implementation Steering Committee and Technical Working Group, the SC provides feedback to MOF and the World Bank on the policy and market design framework for potential carbon pricing mechanism.

In addition, the SC serves as technical committee member for both the 'Rang Undang-undang Perubahan Iklim Negara' (RUUPIN)¹ and 'Kajian Dasar Pasaran Karbon Kebangsaan' (KDCK)², providing relevant inputs towards the finalisation of these policies under the purview of the Ministry of Natural Resources and Environmental Sustainability (NRES).

Beyond these roles, the SC has provided insights on several strategic initiatives including:

- the ASEAN Climate Change Strategic Action Plan 2035 led by NRES;
- the National ESG Strategic Plan and the Circular Economy Framework led by Ministry of Economy; and
- The Climate Adaptation Framework for the Water Sector by the Ministry of Energy Transition and Water Transformation.

¹ National Climate Change Act.

² National Carbon Market Policy.

Study Visit to Chitose Carbon Capture Central Sarawak

A study visit was conducted to the Chitose Carbon Capture Central (C4) Sarawak in Kampung Geobilt, Kuching as part of the SAC of the SC's strategic offsite meeting, with participation from representatives of the SC's Environmental Department. This visit focused on gaining in-depth insights into Malaysia's first industrial-scale microalgae production facility, which captures carbon dioxide (CO₂) emissions from a coal-fired power plant to cultivate microalgae biomass for biofuel and other high value products.



Engagements with Corporate Governance Stakeholders

The SC continued to collaborate actively with key stakeholders to encourage best practices and to enhance the effectiveness of Malaysia's corporate governance ecosystem. In 2025, the SC held over 60 engagement sessions with regulators, institutional investors, professional bodies and market participants to drive stewardship accountability, promote market discipline and ensure alignment with evolving sustainability and governance expectations.

Corporate Governance Council

Chaired by the SC, the Corporate Governance Council (CG Council) serves as a strategic platform for discussion and coordination on Corporate Governance matters. It comprises representatives from regulators, industry associations, institutional investors and other market participants, providing a forum to deliberate on policy developments, current issues, and key priorities in strengthening Malaysia's Corporate Governance landscape.

The CG Council focused on the upcoming revisions of the MCCG, reviewed adoption trends and explored opportunities to further enhance governance practices among listed companies. The Council also discussed emerging governance challenges such as sustainability integration, board diversity, stewardship expectations and the creation of long-term value, ensuring Malaysia's Corporate Governance framework remains progressive, relevant and robust.

Engagement with Institutional Investors

The SC continued its active engagement with the Institutional Investors Council and its members. Regular dialogues were held to stay informed of evolving stewardship approaches and to encourage continued advocacy for market discipline, transparency and accountability in corporate conduct. Through these engagements, the SC sought to improve alignment between regulatory expectations and stewardship practices, reinforcing the role of institutional investors as key agents of good governance in Malaysia's capital market.

Engagement with Other Key Stakeholders

The SC continued to work closely with the Institute of Corporate Directors Malaysia (ICDM) and the Minority Shareholders Watch Group (MSWG) to strengthen Malaysia's Corporate Governance ecosystem. In partnership with ICDM, efforts focused on enhancing director professionalism, improving board effectiveness and building a diverse, sustainable pipeline of board-ready talent. Further, collaboration with the MSWG provided valuable insights from minority shareholders, ensuring their perspectives are reflected in Corporate Governance policies and market initiatives.

Engagements with Corporate Leaders to Strengthen Conduct and Drive Value Creation

Building on its ongoing engagement with key Corporate Governance stakeholders, the SC continued to engage corporate leaders through targeted dialogue aimed at strengthening governance practices and supporting the sustainable development of Malaysia's capital market.

On 7 March 2025, the SC held a dialogue with the Chairmen of Nomination Committees to discuss strategies for promoting gender diversity on corporate boards. This initiative supports the government's Budget 2025 commitment for the top 100 listed companies to achieve at least 30% women board representation by 2027. The session provided valuable insights into current challenges and highlighted the availability of a strong pipeline of Board-ready women talent, with inputs from the 30% Club Malaysia and the ICDM.



Subsequently, on 8 August 2025, the SC convened a dialogue with the Chairmen of selected PLCs to exchange views on ways to enhance market vibrancy, competitiveness and long-term growth. The session gathered feedback to inform the formulation of the SC's CMP and emphasised the importance of long-term value creation, transparency, sustainability and balanced remuneration practices to strengthen market performance. Through these engagements, the SC reaffirmed its commitment to advancing sound governance, inclusivity and sustainable market growth, working closely with industry participants to build a resilient and competitive capital market.

Participation in Regional and International Meetings

At the regional and international front, the SC actively contributed to shaping global and regional Corporate Governance standards.

Through its participation in the OECD Corporate Governance Committee meetings in April and October 2025, the SC helped advance discussions on emerging trends and implications for CG frameworks, ensuring Malaysia's perspectives and regulatory experiences were represented in shaping these global benchmarks.

In addition, the SC engaged with the Asian Corporate Governance Association (ACGA) to exchange perspectives on Corporate Governance developments in the region. The ACGA also serves as a key platform for gathering feedback from stakeholders and institutional investors, fostering more inclusive and informed policy discussions.

On 24 November 2025, the SC and Bursa Malaysia participated in a closed-door roundtable discussion with the ACGA and its investor members to discuss Malaysia's planned regulatory and Corporate Governance initiatives and to gain insights into investor expectations and stewardship practices.

FINTECH ECOSYSTEM ENGAGEMENT

Malaysia Co-investment Fund (MyCIF)

Introduction of the MyCIF Advocacy Fund

The Malaysia Co-Investment Fund (MyCIF) has set aside an advocacy fund to offset costs of outreach and advocacy initiatives by ECF and P2P financing platform operators. This initiative aims to increase awareness of ECF and P2P financing, while expanding access to financing for MSMEs and MTCs.

This incentive will run for two years (2025–2026) or until the fund is fully utilised, whichever occurs earlier. Eligible projects are divided into two categories: micro projects, with funding capped at RM10,000 per project, and macro projects, capped of RM100,000 per project. All recipients are required to submit reports to ensure accountability and proper use of funds.

In 2025, the MyCIF advocacy fund supported five outreach programmes led or participated in by ECF and P2P financing platform operators, reaching nearly 600 participants.

MyCIF Roadshows

In addition to supporting industry-led outreach efforts through the MyCIF Advocacy Fund, several nationwide roadshows were organised to raise awareness of MyCIF, ECF and P2P financing as alternative funding avenues for MSMEs.

The inaugural MyCIF Nationwide Roadshow took place in Penang on 18 February 2025 organised by the SC in collaboration with the Northern Corridor Implementation Authority (NCIA) under the theme Empowering Financing, Advancing Growth. The event targeted entrepreneurs and executives of MSMEs across Kedah, Penang, Perlis, and Perak.



Close to 400 participants had the opportunity to network with ECF and P2P platform operators and government agencies with targeted sessions and exhibitions designed to address MSMEs' fundraising needs through alternative financing solutions.

The second roadshow was held in Sabah on 31 July 2025, supported by Invest Sabah as the regional partner. Former state Minister of Industrial Development and Entrepreneurship, Datuk Phoong Jin Zhe officiated the one-day roadshow themed Empowering Financing, Advancing Growth in Kota Kinabalu. It featured networking sessions, breakout discussions and exhibitor booths where participants engaged with ECF and P2P financing platform operators and heard first-hand success stories from companies funded through MyCIF. Approximately 300 representatives from business associations, government agencies, venture capital, private equity and MSMEs attended the event.

Following these two roadshows, 47 campaigns successfully raised a total of RM74 million through ECF and P2P financing platforms.



GROW: Supporting the Food Security National Agenda via Alternative Financing

Strengthening Strategic Collaboration on National Food Security Agenda

The SC continued to foster strategic collaborations under the Malaysia Innovation Agri-Financing Steering Committee (MIAF), working with key partners such as the Ministry of Agriculture and Food Security (KPKM), Agrobank and the MDEC, to enhance access to alternative financing and technology within the agriculture sector. The second MIAF meeting, held on 4 March 2025, focused on advancing initiatives to strengthen the agriculture financing ecosystem.



MIAF members also reaffirmed their commitment to driving more co-ordinated outreach and capacity building initiatives to strengthen the agriculture financing ecosystem. This includes supporting SC-led programmes such as GROWMatch and bridging ECF and P2P financing platforms to promising agribusinesses. These collaborative efforts aim to deliver greater impact by widening access to innovative financing solutions for agribusinesses and startups in support of Malaysia's broader food security agenda.

GROWMatch 2025

The SC continued to support the nation's food security agenda through GROWMatch, a flagship initiative designed to connect promising agri-business ventures with alternative financing and business development opportunities. Under the theme 'Tackling Industry Challenges to Strengthen Malaysia's Food Security with Alternative Financing GROWMatch 2025' attracted over 70 applications. In 2025, GROWMatch expanded its finalists to 50 (from 20 previously), significantly broadening visibility and creating opportunities for a more geographically diverse group of agribusinesses.

The programme is supported by key partners, including KPKM, MDEC and Invest Sabah. These partners provide participants with expert guidance to refine business models, enhance investment readiness and gain greater exposure to Malaysia's alternative financing ecosystem.

In 2025, GROWMatch evolved from a mentorship-focused programme into a comprehensive platform for capacity building and alternative financing awareness. Key activities included the GROWMatch Workshop on alternative financing held on 17 July 2025 and a two-day capacity building workshop sponsored by MDEC from 28 to 29 August 2025, aimed at equipping participants with the knowledge and skills to become more investment-ready and educating early stage MSMEs on alternative financing opportunities.

The GROWMatch Pitch Day, held on 18 September 2025, brought together over 300 participants to witness innovative solutions that range from climate-resilient farming solutions, soil degradation to sustainable feed and livestock health. Several potential matches have been identified between GROWMatch applicants and interested investors, with discussions underway to secure financing. The event was officiated by Dato' Sri Norazman Ayob, Deputy Secretary-General (Policy), KPKM, with Loi Tuan Ee, Group Managing Director and Group Chief Executive Officer of Farm Fresh Bhd as the guest speaker.



Industry Development: ECF and P2P financing Annual Roundtable

On 30 June 2025, the SC organised the Annual Roundtable Discussions with ECF and P2P financing platform operators to discuss key challenges, emerging opportunities and the overall outlook for both market segments.

The discussions highlighted the need for co-ordinated efforts to increase investor awareness through targeted outreach programmes and broaden participation in support of sustainable market growth. Participants also emphasised the importance of improving market transparency and liquidity, strengthening credit risk assessment practices and attracting a more diverse and sophisticated investor base.

In response, the SC continued to review and explore measures to address these priorities, including recommendations to facilitate greater liquidity and promote wider investor participation. These efforts are complemented by initiatives to showcase successful outcomes and strengthen long-term confidence in the ECF and P2P financing markets.

Engaging the Innovation Ecosystem

SCxSC at MyFintech Week 2025: Ideate, Innovate, Co-create: Shaping the Future of Finance

MyFintech Week 2025, held from 4-7 August 2025 marked a milestone as Malaysia's first-ever multi-agency collaboration for a national fintech event. Co-organised by the SC alongside with BNM, AICB, FAOM, and MDEC, the event underscored a shared commitment to fostering a unified innovation ecosystem. It brought together visionary leaders, decision-makers and innovators to explore the next frontier of finance and technology.

Featuring over 200 local and international speakers, the event was anchored around three core pillars:

- **Finance for the Future:** Exploring emerging technologies like AI, blockchain, open finance, and the establishment of a robust digital asset ecosystem.

- **Finance for Change:** Focusing on inclusive, Islamic and sustainable finance; social impact, climate finance and expanding access through fintech.
- **Finance for a Resilient Ecosystem:** Addressing cybersecurity, fraud prevention, digital talent development, operational resilience and cross-sector collaboration.

In addition to conducting seven SCxSC Focus Series Sessions across the event, the SC has put forward thought leadership conversations to the main event by introducing key topics on capital market innovation. These included institutional digital asset investment and its potential for portfolio diversification, the role of social exchanges in empowering impact-driven initiatives and unlocking financing for MSMEs through market-based alternative models. These discussions reinforced SC’s commitment to advancing inclusive, resilient and forward-looking financial solutions within Malaysia’s fintech ecosystem.

SCxSC Focus Series 2025: Driving Purposeful Innovation in Capital Market

The SC continued its flagship fintech initiative, SCxSC, held in conjunction with My Fintech Week. The summit served as a platform to advance purposeful innovation in the capital market, bringing together regulators, innovators, financial institutions and investors and exploring how industry is adapting to a rapidly evolving landscape through tokenisation, inclusive finance, and digital resilience.



Day 1: Unlocking Value Through Tokenisation and Digital Assets

Day 1 workshops explored the emerging landscape of tokenisation, emphasising the need for regulatory clarity and investor-centric innovation to address real-world challenges such as like fractionalising high-value assets. Digital assets were positioned as tools for portfolio diversification, with cryptocurrencies offering unique value propositions, such as monetising cultural assets in the Web3 space. The discussions also highlighted growing presence of unregulated players, including unlicensed DAXs, underscoring the importance of robust governance and due diligence.



Day 3: Fighting Scams and Coordinated Takedown

The final day addressed the growing threat of AI-powered, industrial-scale scams. Experts called for a multi-pronged response, including real-time detection using AI bots, enhanced cross-border coordination among regulators and platforms, and stronger accountability from technology companies. A proposed digital financial insurance pool was also discussed as a mechanism to compensate scam victims, reinforcing the need for industry-wide safeguards to protect market integrity and customer trust.

Day 2: Innovation with Social Impact

Day 2 spotlighted the role of the capital market as enablers of social good. Retirement planning sessions explored opportunities within the Silver Economy and the use of behavioural nudges to improve savings outcomes. In Islamic finance, discussions focused on the shift from Shariah-compliant to Shariah-driven principles, alongside the role of digital tools in enhancing social finance. The Social Exchange segment showcased how technology can bridge funding gaps for NGOs by improving transparency and impact measurement, positioning them as viable investment partners.

Engaging in Regional Fintech Dialogues and Innovation Ecosystems

In 2025, the SC actively participated in regional fintech events as part of its ongoing commitment to engaging with the broader innovation ecosystem. These platforms provided valuable opportunities to exchange insights with industry leaders, policymakers and innovators on emerging trends such as blockchain, AI, Web3, and digital asset regulation. Through these engagements, the SC contributed to shaping regional discourse on the future of financial innovation, while strengthening its connections across the fintech landscape.



INTERNATIONAL PROFILING

International Organization of Securities Commissions, ASEAN Capital Markets Forums and International Trade

The SC continues to demonstrate its commitment to global regulatory policy making and international standard-setting by being actively involved in the International Organization of Securities Commissions (IOSCO), the leading international standard-setter for securities regulation. IOSCO's membership regulates more than 95% of the world's capital markets in more than 130 jurisdictions.

In IOSCO, the SC is a member of the Board and also a members of the Fintech Task Force (FTF) and Sustainable Finance Task Force (STF). In 2025, the SC contributed to FTF's work relating to developments in financial markets on the areas of AI and financial asset tokenisation. In the STF, the SC continues to actively participate in efforts to monitor implementation of the ISSB standards, on work relating to International Ethics Standards Board for Accountants (IAASB) and International Ethics Standards Board for Accountants' (IESBA) standards for assurance and ethics, sustainable bond markets and ESG benchmarks, among others.

The SC is also a leading member of IOSCO's Growth and Emerging Markets Committee (GEMC), which comprises 80% of IOSCO's overall membership. As a GEM Steering Committee member and a member of the GEMC's Market Development Working Group, the SC also profiled the SC's Roadmap for catalysing SME access to the capital market in Malaysia to help shape future GEMC agenda and discussions on market development at the GEMC annual meeting that took place in December.

The SC is also actively involved in the Asia Pacific Regional Committee (APRC) especially within the APRC Scams Online Working Group's Platform Providers' Engagement Sub-Group, which actively engaged platform providers such as Google, Meta and Tencent to exchange experiences and jointly address regional and national issues and challenges in efforts to mitigate scams and online harms.

During the annual EU-Asia Pacific Regulatory Forum held in February 2025 in conjunction with the APRC meeting, senior policymakers from the European Commission and Asia Pacific securities regulators

discussed key policy and market developments within the respective regions. This included areas relating to fintech (crypto assets, operational resilience and AI) and sustainable finance (ESG disclosure, taxonomy and transition finance).

The SC is also a key member of IOSCO's various committees such as the Committee on Emerging Risks, Assessment Committee, Committee on Secondary Market Regulation and Committee on Retail Investors. The SC was involved in the development of the IOSCO Risk Outlook 2026 that reviewed emerging global risks, trends and vulnerabilities and their implications for global capital markets for the year. Within IOSCO's Committee of Retail Investors, the SC is involved in the work relating to investor resilience and relationship investment scams.

The SC also participates actively in the various IOSCO networks to gain useful insights, share and tap into the relevant experience and expertise of regulators. These networks include the IOSCO's Primary Markets Network, Diversity Network, Anti Money Laundering Network, the IOSCO APRC's Supervisory Directors' Network and IOSCO APRC's Enforcement Directors' Network.

International Co-operation on Cross-border Enforcement, Supervision and Surveillance

An important priority area for the SC has been to strengthen cross-border co-operation in the areas of enforcement and supervision. As a signatory to the IOSCO Multilateral Memorandum of Understanding (MMOU) on co-operation and exchange of information, the SC can obtain valuable information and evidence to support our enforcement actions.

The SC is also signatory to the IOSCO APRC Multilateral Memorandum of Understanding for Supervisory Cooperation (Supervisory MMOU). With the signing of this Supervisory MMOU (since 2022), the SC now has a co-operative arrangement on supervisory matters with its regional regulatory counterparts, including in Australia, Hong Kong, Japan, Korea, New Zealand, Singapore and Thailand.

In May 2025, the SC successfully became a signatory to the IOSCO EMMoU. The EMMoU avails signatories expanded forms of assistance abbreviated as 'ACFIT' which includes the ability to obtain (A) audit papers,

(C) compel attendance for testimony, (F) freeze assets, and obtain (I) internet service provider and (T) telephone records and follows from IOSCO's first Multilateral Memorandum of Understanding (MMOU). To date, SC continues to actively and successfully collaborate with other signatories under the MMOU and EMMoU framework.

Recognising the importance of experience-sharing in the areas of cross-border supervision, enforcement and surveillance, the SC participated in the APRC Supervisory Directors' meetings and Enforcement Directors' meetings held in Q1 2025.

In October 2025, SC also hosted a one-day IOSCO APRC Supervisory Directors Network Meeting. The meeting was joined by APRC participants from various jurisdictions such as Australia, Bangladesh, Cambodia, Hong Kong, India, Japan, Malaysia, Pakistan, Singapore and Thailand where participants engaged in robust discussions on the broader topics of cybersecurity and influencers with a focus on emerging threats, trends, challenges and measures being undertaken to ensure investor protection.

Widening Global Regulatory Impact through the IOSCO Asia-Pacific Hub

Established in Kuala Lumpur in 2017, the IOSCO Asia-Pacific Hub (Hub) continues to strengthen regulatory capacity through high-impact programmes for securities regulators in the region. Hosted by the SC, the Hub is IOSCO's only presence outside its Madrid headquarters, serving as a key platform for building regulatory capabilities across the Asia-Pacific region while supporting IOSCO's broader global priorities.

Since its inception, more than 3,500 participants from IOSCO member jurisdictions have benefited from the Hub's initiatives, with two-thirds from the Asia Pacific region.

The Hub delivered six programmes covering emerging regulatory risks, climate and sustainability reporting, scams and online fraud, market supervision and AI and its implications for capital markets, among others. The Hub also worked closely with APRC workstreams, including the Scams Working Group and the Supervisory Directors Network, ensuring close alignment between regional priorities and the IOSCO's NextGEN capacity-building agenda.

The Hub has been staffed by secondees from the SC, the Japan Financial Services Agency, and, from 2026, the Securities and Futures Commission (SFC) of Hong Kong – reflecting strong regional ownership and collaboration.

Its management committee comprises the IOSCO Secretary General, the SC's Chairman and Managing Director, the Chair of IOSCO's APRC (Chief Executive, Hong Kong's SFC), and the Chair of IOSCO's GEMC (Chairman, Egypt's Financial Regulatory Authority). This governance structure reinforces alignment with IOSCO's NextGEN strategy and the Hub's mission to strengthen regulatory resilience across both developed and emerging markets.

Looking ahead to 2026, the Hub will deepen collaboration with international partners and focus on programmes addressing emerging cross-border risks, supervisory and technological developments, and sustainability-related priorities, ensuring its work remains responsive, relevant, and impactful for regulators in the region and across the IOSCO community.

The SC spoke at the IOSCO Asia Pacific Hub Webinar on Combating the Next Wave of Fraud & Scams, titled 'Staying Ahead of Scams: Smarter Tools, Stronger Coordination'. Malaysia presented alongside five other regulators from New Zealand, India, Singapore, Australia and Hong Kong:

**Over
300 attendees**
from
**over
50 jurisdictions**
worldwide participated

The SC's presentation focused on early-warning systems and fraud risk indicators, demonstrating how regulators can shift from reactive to proactive approaches

This engagement positioned Malaysia as a regional leader in investor protection, contributed to global best practices on investor education and facilitated knowledge transfer that will strengthen the SC's domestic capabilities – demonstrating that Malaysia is not merely implementing international standards but actively shaping them.

Driving Initiatives for ASEAN Capital Markets

In 2025, the SC resumed its leadership role as Chair of the ASEAN Capital Markets Forum (ACMF), aligned with Malaysia's ASEAN Chairmanship. This marked the SC's third term³ as ACMF Chair since the ACMF's inception in 2004. Throughout the year, the SC played a central role in strengthening regional regulatory cooperation and advancing key capital market initiatives.

Coinciding with the SC's Chairmanship was the development of the ACMF Action Plan 2026-2030, a strategic roadmap to chart the development of ASEAN capital markets for the next five years, continuing from the ACMF's 2021-2025 Action Plan and aligned with the ASEAN Community Vision 2045. The development of the Action Plan involved extensive consultation with stakeholders in all ASEAN member states.

A major focus of the Chairmanship year was the development of the ACMF Action Plan 2026-2030, a forward-looking roadmap to guide the next phase of ASEAN capital market integration. Building on the 2021-2025 Action Plan, this new framework sets strategic priorities in areas such as sustainable finance, digitalisation, market connectivity and capacity building. The Action Plan was developed through extensive consultations with stakeholders from all ASEAN member states, ensuring alignment with regional needs and the ASEAN Community Vision 2045.

The SC continued to play a vital role in guiding the ACMF's sustainable finance agenda through its role as co-Chair of the ACMF SFWG, as well as Chair of the Working Group on Market Facing and Resourcing (WG-MFR) of the ATB.

In 2025, the SC continued its contribution towards the field of ASEAN Sustainable Finance through its work on the following initiatives in which publications were produced:

1. *Phase 1 White Paper on Key Principles and Methodological Approaches: For the development of the mARs Guide in support of the ASEAN Taxonomy for Sustainable Finance;*
2. *The Voluntary Carbon Market Development Plan and ASEAN Voluntary Carbon Market Guidance*, jointly developed with the Economic Research Institute for ASEAN and East Asia (ERIA) to enhance transparency, integrity, and interoperability in regional carbon markets;
3. The ASEAN Taxonomy Version 4, which provided the technical screening criteria for the remaining three focus sectors and two enabling sectors of the ASEAN Taxonomy's Plus Standard, completing full coverage of Plus Standard. The SC lead the sub-working groups responsible for developing the criteria for the Agriculture, Forestry and Fishing as well as the Grandfathering Rules. As Chair of the WG-MFR, the SC also coordinated all communications for the ATB and organised a series of webinars and workshops on the ASEAN Taxonomy in April and October, which dealt with the key features of the ASEAN Taxonomy Version 4 ahead of its November publication.

In parallel, the SC contributed to the deliverables of ACMF's Disclosures Working Group by developing the ASEDG V1 for SMEs in Supply Chains, which serves to provide guidance to SMEs in preparing their ESG disclosures. Following the release of ASEDG V1 in April and a five-month public consultation, a refined ASEDG V2 incorporating stakeholder feedback was launched on 6 November 2025.

To support these wide-ranging initiatives, the SC facilitated over 270 engagements with regulators, industry players and regional stakeholders. These interactions included weekly technical meetings, external consultations, in-person workshops and a series of key ACMF meetings held across ASEAN.

³ The SC has previously chaired the ACMF from August 2006 to August 2008 and September 2014 to October 2018.

The SC hosted the ACMF Deputies Meeting in Melaka in January and the first ACMF Chairs Meeting in Penang in February, followed by subsequent meetings in Kuala Lumpur, Jakarta and Kuching. Final deliverables for the Chairmanship year were confirmed through an inter-sessional meeting in October, culminating in the concluding ACMF Chairs Meeting on 5 November. More details of initiatives and events for the ASEAN Chairmanship year can be found in Part 3 of this Annual Report.

In November, the SC handed over ACMF leadership to the Securities and Exchange Commission of the Philippines for 2026. As the region enters the implementation phase of the ACMF Action Plan 2026–2030, the SC remains committed to supporting a more interconnected and sustainable ASEAN capital market.

ASEAN Investment Conference 2025: Advancing ASEAN as an Asset Class

Held from 8 to 9 April 2025 at the Kuala Lumpur Convention Centre, the ASEAN Investment Conference convened 1,250 participants from ASEAN+3, including investors, regulators, corporates and policymakers. Organised in conjunction with the ASEAN Finance Ministers and Central Bank Governors Meetings, the conference promoted ASEAN as an asset class under the theme ‘Inclusivity and Sustainability’.

The Prime Minister of Malaysia delivered the keynote address and chaired a private roundtable with investors representing approximately US\$8 trillion in AUM. The Ministerial Dialogue underscored ASEAN’s commitment to coordinated, constructive responses to global trade tensions, particularly US tariffs, and identified tourism as a key growth sector.

Three strategic initiatives were launched during the conference: the SEDG V1, the ASEAN Investment Challenge, and the rollout of fractional share trading. Breakout sessions featuring 12 leading ASEAN corporates provided an opportunity for enhanced investor engagement and visibility.

A closed-door regulatory dialogue also explored climate adaptation finance and carbon market development, featuring insights from Dr. Parag Khanna (designation / details of expertise). The conference received extensive media coverage through strategic partnerships with Bloomberg, BERNAMA and Astro AWANI while social media engagement surpassed

130,000 impressions, reflecting strong regional and international interest.

ACMF International Conference

In conjunction with the 43rd ACMF Chairs Meeting, the SC also hosted the ACMF International Conference the following day on 6 November at the SC Building, Kuala Lumpur. The event was officiated by Datuk Seri Amir Hamzah Azizan, Minister of Finance II, on behalf of Prime Minister Datuk Seri Anwar Ibrahim. The event brought together more than 560 delegates comprising ACMF Chairs and senior capital market regulators; business leaders, investors and intermediaries; ambassadors and trade commissioners, as well as representatives from international organisations.

Sessions throughout the day focused on cross-border fundraising, climate transition finance, voluntary carbon markets and the use of AI in regulatory supervision, underscoring ASEAN’s growing leadership in sustainable finance and digital innovation.

At the Conference, a series of key initiatives were launched and published, namely:

1. the ACMF Action Plan 2026–2030 – a forward-looking roadmap to guide ASEAN’s capital market development over the next five years;
2. ASEDG V2 for SMEs in Supply Chains which serves to provide guidance to SMEs in preparing their ESG disclosures;
3. A White Paper for the mARs Guide developed with the UNEP FI in partnership with SIFA, in close consultation with the ATB;
4. VCM Development Plan and ASEAN VCM Guidance; jointly developed with the ERIA to enhance transparency, integrity and interoperability in regional carbon markets; and
5. ASEAN Taxonomy Version 4, which included the technical screening criteria for the remaining three focus sectors and two enabling sectors of the ASEAN Taxonomy’s Plus Standard, allowing complete coverage of Plus Standard.

In addition, the ACMF International Conference highlighted the next generation of changemakers through prize-giving ceremonies of two high-impact

competitions, underscoring Malaysia's commitment to nurturing innovation, climate resilience, and investment literacy. The ASEAN Investment Challenge 2025 engaged 6,000 young participants from five ASEAN countries, empowering them to develop responsible and impactful investment strategies. Team Rever from the International Islamic University Malaysia emerged as champion, with ABM Quant (Polytechnic University of the Philippines), ICU Associates (Mahidol University International College, Thailand), Retirement by 30 (Ngee Ann Polytechnic, Singapore), and Liquid (Petra Christian University, Indonesia) securing the other top prizes. Meanwhile, the COFAR Challenge brought together over 200 students from 24 universities to design finance-backed coastal resilience solutions for Carey Island.

COMMUNICATION AND OUTREACH

Batik Lestari 2025: Empowering Sustainability and Expanding Market Access

Now in its second year, Batik Lestari continues as a strategic initiative to elevate Malaysian batik through a sustainability-driven approach, in alignment with Malaysia's ASEAN Chairmanship 2025. Building on the success of its inaugural festival in 2024, the programme advances the preservation of heritage, artisan empowerment and broader market integration. To date, the programme has engaged 69 artisans and 51 registered vendors, contributing to increased visibility and commercial viability.

The artisans and batik entrepreneurs were provided with a platform to promote and at the time to generate economic value having access to capital market and be part of ASEAN Capital Market Forum meetings that were organised throughout 2025 in Kuala Lumpur, Melaka, Penang and Kuching. Further institutional support was established with the launch of the Batik Lestari Sales Gallery at the SC premises in May 2025, providing a dedicated platform to connect artisans with corporate and public audiences.

The annual anchor event, the Batik Lestari Festival 2025 (5-7 November), was held coinciding with the final set of ACMF meetings hosted by Malaysia. The three-day festival featured artisan showcases, retail activations, business dialogues and a fashion presentation highlighting contemporary interpretations

of batik. A special gala show on 6 November celebrated batik's evolution across past, present, and future. On 7 November, Kraftangan Malaysia was formally appointed as the SC's strategic partner, reinforcing national-level collaboration and MSME development.

In parallel, the development of the Sustainable Batik Disclosure Guide (SBDG) was initiated to promote ESG principles across the batik value chain for adoption among batik Malaysia practitioners.

Advancing the Market through Industry Engagements

In line with SC's commitment to foster market development and accessibility, the SC continues to engage with industry stakeholders to gain comprehensive insights from market participants, intermediaries, exchanges and peer regulators. These engagements served as a collaborative avenue to align expectations and identify emerging opportunities for the betterment of the industry, as well as inform policymaking.

Discussions centred around exploring regional opportunities, encouraging trading participation of our youths and augmenting the stockbroking industry, among others.

Through these collaborative dialogues, the SC remains committed to facilitating constructive industry feedback and integrating relevant enhancements to support the development of Malaysia's capital market.

VC/PE CFO Conference

The SC also works closely with stakeholders to reduce operational friction for VC/PE industry players and ensure a smoother experience for VC/PE managers in setting up their Malaysian operations. On 25 August 2025, the SC participated as a panelist in the VC/PE CFO Conference 2025, co-organised by Gobi Partners, China Venture Capital Finance Organization and Sunwising Insurance Brokers (Hong Kong) Limited. The conference delved into key discussions on enhancing operational efficiency for VC/PE industry players and navigating the evolving financial landscape for VC/PE firms. Other topics covered included fund formation, fund administration, regulatory and compliance landscape for VC/PE in Malaysia, insurance solutions

for VC/PE, as well as issues on audit, tax and valuation. Through its participation in the conference as panelist, the SC effectively conveyed information on the current VC/PE landscape in relation to regulatory and compliance aspects, including types of regulated activities, fund structures and registration requirements. The sessions in the conference were instrumental in enhancing awareness among VC/PE managers on the need to adhere to all relevant regulatory requirements while operating in Malaysia.

Audit Oversight Board's Conversation with Audit Committees

In line with efforts to foster confidence in the quality and reliability of audited financial statements of public interest entities (PIEs) and schedule funds in Malaysia, the AOB conducts regular conversations with the ACs of PLCs annually. The financial reporting ecosystem is made up of many moving parts and the ACs are pivotal in ensuring its effectiveness.

The AOB's Conversation with ACs has been focused on communicating the inspection findings and regulatory updates and discussing emerging audit risks to better equip the ACs in their role of overseeing the auditors and audit process.

The ongoing conversations keeps the ACs informed of new developments and have a positive impact to all the parties involved – the ACs, the independent auditors, and the management – in discharging their respective duties. This in turn, improves the integrity of the financial reporting ecosystem.

Additional efforts to disseminate crucial information to the ACs are also made via the e-circularisation of the periodic publication titled the AOB Alert which provides more targeted information and compliments the key reminders in the AOB's AIRs. Besides the AOB's Conversation with ACs which was held on 25 November 2025, the AOB also collaborated with the ICDM on dialogue sessions for board members, especially the ACs, to enhance their governance capabilities.

Workshop on the Future Direction of the Private Retirement Scheme Industry

As part of the SC's ongoing efforts to engage with industry stakeholders, the SC hosted a roundtable on 8 October 2025 to discuss the future direction of

Malaysia's PRS industry. The session brought together PRS providers, distributors, including digital platform providers and the PPA for an open dialogue on how the PRS framework can evolve to better serve Malaysians' long-term retirement needs.

At the roundtable, the SC hosted the Guy Opperman, former UK Minister for Pensions and Josef Pilger, a globally recognised adviser on retirement systems. Both shared international perspectives on pension reforms, behavioural nudges and innovations that enhance value for savers.

An SC presentation outlining PRS' growth journey and future direction, including ideas to enhance value and flexibility through an account-based structure.

Expert presentations by Josef Pilger and Guy Opperman, drew on global case studies from the UK, Australia, and Singapore to illustrate how pension and retirement reforms can deepen capital markets, strengthen long-term savings and improve retirement adequacy. Both emphasised the importance of auto-enrolment, well-designed default options and behavioural nudges to drive participation alongside sound governance and sustainable investment performance.

Discussions centred on how the PRS framework could evolve to deliver better value, lower costs and greater flexibility for investors.



The workshop underscored the importance of continuous engagement between regulators and the industry in shaping the next phase of Malaysia's voluntary retirement framework. Insights gathered from both local and international experts will inform the SC's ongoing efforts to strengthen PRS and support the transition towards a more inclusive, flexible and investor-oriented retirement ecosystem.

Labuan Fund Structuring Workshop with the Labuan Financial Services Authority and Malaysia Venture Capital and Private Equity Association

On 2 September 2025, the SC organised a workshop on VC/PE Fund Structuring in Labuan to facilitate a deeper understanding of the fund structuring process involving Labuan entities managed by SC-registered VC/PE firms. The session provided a platform for VC/PE firms to engage with the SC and the Labuan FSA to address challenges shared by industry players, assess the current regulatory framework and highlight action items to enhance clarity and improve their overall experience of using Labuan structures for VC/PE fund

establishment. It was also highlighted in the workshop that the revised Practical Guide on Venture Capital and Private Equity in Malaysia issued on 5 May 2025 clarifies current capital market regulations, fund structuring practices, taxation and foreign exchange policy.

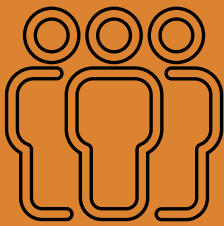
The workshop was attended by a total of 60 participants comprising representatives from Labuan FSA, Jelawang Capital and its VC fund managers from Emerging Fund Managers Programme, the Malaysia Venture Capital and Private Equity Association (MVCA), Kumpulan Wang Persaraan (KWAP) and VC/PE managers selected under KWAP's Dana Pemacu programme. During the workshop, various feedback, challenges and queries were shared by MVCA members on the Labuan fund setup process, taxation and incentives available, as well as clarity on the foreign exchange policy and approvals required by BNM. The workshop also had participants share their experience on the process of setting up Labuan fund structures and perspectives on measures that may strengthen Labuan and Malaysia as-a-whole value proposition.

INVESTOR EDUCATION INITIATIVES UNDER INVESTSMART®

In 2025, the SC continued to empower investors through its InvestSmart® initiatives, enabling Malaysians to make informed and confident investment decisions. This year's efforts were characterised by extensive nationwide outreach, targeted programmes for underserved communities and strategic use of digital platforms to ensure investor education remained relevant, accessible and impactful.

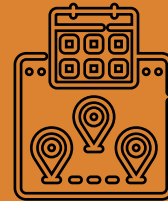
As the Co-Chair of the Financial Education Network (FEN), the SC's investor education initiatives throughout 2025 remained focus on enhancing Malaysians' financial capability across key areas including financial knowledge, saving and budgeting, readiness for unexpected life events, and retirement planning. The SC's programmes complemented FEN's broader efforts to equip Malaysians with the knowledge and skills to make informed financial decisions and foster responsible financial behaviour.

2025 at a Glance



7M+
persons reached

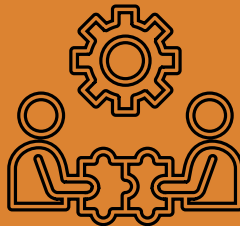
39K+ visitors
at InvestSmart® flagship events
(record high)



58 events
across
13 states



97 partner organisations
across government,
industry and
community sectors



72% collaborative initiatives
with
key partners;
28% InvestSmart®-led events



36K+ students
engaged through AR
Financial Literacy
Programme across 5
university campuses

Nationwide Engagement

The SC maintained a strong on-ground presence throughout 2025, demonstrating commitment to investor education across Malaysia:

Northern Region

Perlis

- Ajen Bijak Labor Desa (ABJAD)
- PKD Kuala Perlis Jelajah 2025

Penang

- InvestSmart® x University
- Minggu Perpaduan Peringkat Kebangsaan Tahun 2025
- Karnival Celik Kewangan Penang
- My Money & Me
- Ajen Bijak Labor Desa (ABJAD)

Kedah

- Karnival Saham Kedah MITRA 2025
- FEN TTT for Teachers
- Ajen Bijak Labor Desa (ABJAD) Karnival Saham Kedah MITRA 2025
- Program Pencegahan Jenayah Kewangan dan Kempen Kesedaran Mengenai Penipuan Dalam Talian (Online Scam)

East Coast

Pahang

- Bersama InvestSmart®
- InvestSmart® @ University
- My Money & Me
- Ajen Bijak Labor Desa (ABJAD)

Terengganu

- FEN TTT for Teachers
- Ajen Bijak Labor Desa (ABJAD)

Kelantan

- Ajen Bijak Labor Desa (ABJAD)



Southern Region

Melaka

- Ajen Bijak Labor Desa (ABJAD)
- My Money & Me
- InvestSmart® x GRAB

Johor

- My Money & Me
- InvestSmart® x GRAB
- Ajen Bijak Labor Desa (ABJAD)

Central Region

Klang Valley

- InvestSmart® Fest
- InvestSmart® x GRAB
- My Money & Me
- Collaborative events
- InvestSmart® @ JAIS/MAB/PSN
- Ajen Bijak Labor Desa (ABJAD)

Perak

- Karnival Saham Bersama Bursa - Perak
- InvestSmart® x GRAB
- My Money & Me
- Ajen Bijak Labor Desa (ABJAD)

Negeri Sembilan

- Ajen Bijak Labor Desa (ABJAD)

East Malaysia

Sabah

- Karnival Celik Kewangan Tawau
- Seminar Kesejahteraan: Smart Financial Management for Future Security
- My Money & Me
- FEN TTT for Teachers
- Ajen Bijak Labor Desa (ABJAD)

Sarawak

- My Money & Me
- FEN TTT for Teachers
- Ajen Bijak Labor Desa (ABJAD)

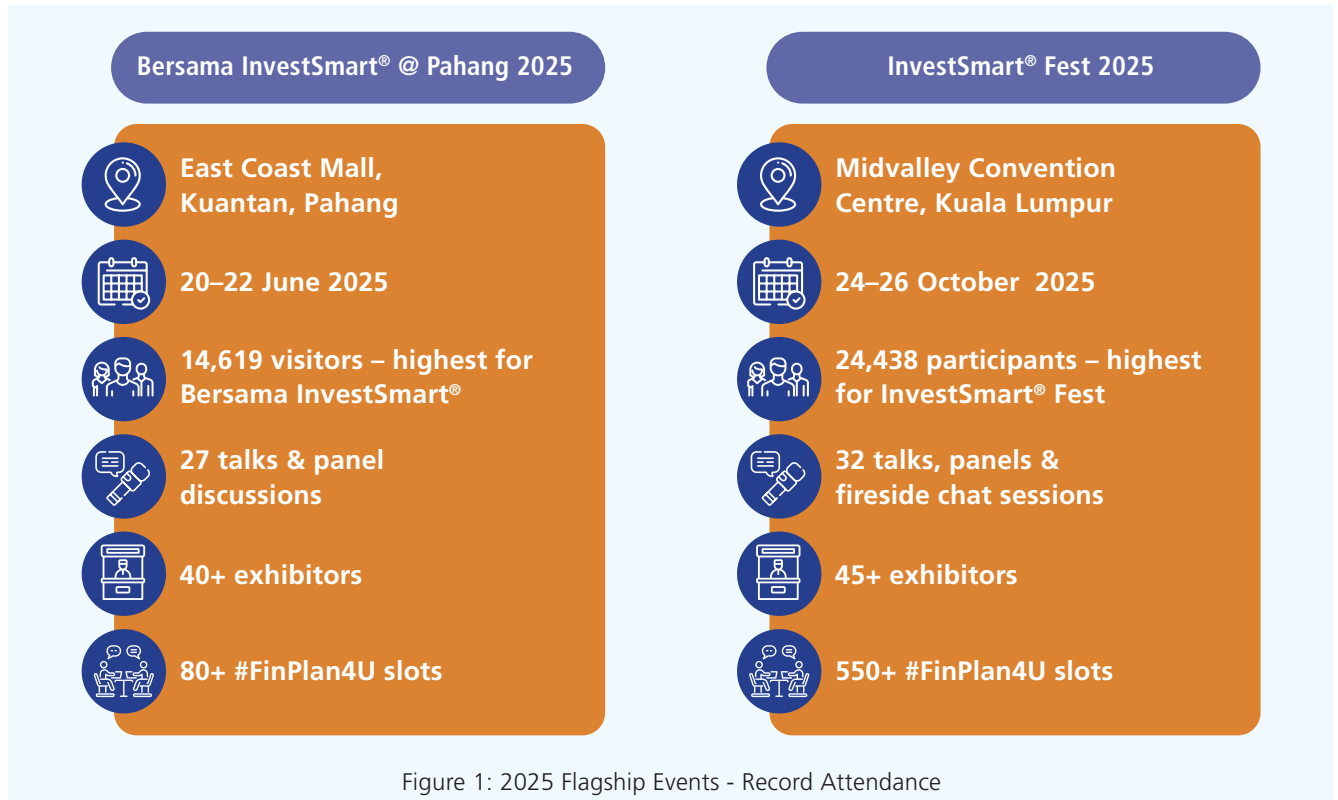
Target audiences included youths, gig workers, non-urban communities, persons with disabilities, religious groups and retirees. These engagements ranged from financial literacy workshops and investment clinics to scam awareness talks and retirement planning seminars, ensuring that diverse segments of Malaysian society had access to essential investment knowledge and tools for financial decision-making regardless of location, background, or circumstance.

Building on this broad geographic coverage, the SC's flagship events served as anchor platforms for large-scale public engagement.

InvestSmart® Led Programmes

Flagship Events

The SC's flagship investor education events anchored the 2025 outreach strategy, serving as comprehensive platforms where investors could access the full spectrum of capital market education under one roof.



Bersama InvestSmart® @ Pahang 2025 marked a strategic expansion to the East Coast region, validating the SC's commitment to reaching Malaysians beyond urban centres. Officiated by Dato' Mohamad Nizar Dato' Sri Mohamad Najib, Pahang State Executive Council and Chairman of Investment, Industrial Development, Science, Technology and Innovation Committee for the state of Pahang, the event demonstrated strong commitment from the state on financial literacy recognising that regional communities have distinct financial education needs that require localised approaches.



InvestSmart® Fest 2025 achieved record attendance in the Klang Valley, with the surge reflecting both the event's growing reputation and heightened public concern about financial security in an increasingly complex landscape. Strategically timed with FEN's Financial Literacy Month, the event aligned with the newly launched National Strategy for Financial Literacy 2026-2030, particularly its priority on encouraging investment for wealth creation. This positioning reinforced the SC's leadership role in the national financial literacy ecosystem while capitalising on elevated public attention during the month-long campaign.



Across both events, visitors were exposed to the full spectrum of capital market investment opportunities, from traditional instruments like stocks, bonds and unit trusts to innovative platforms including Digital Investment Manager (DIM) and DAX. By presenting these options side-by-side with clear regulatory context, the events helped visitors understand that wealth-building opportunities exist across risk profiles and investment amounts, breaking down the misconception that capital market participation requires significant wealth or sophisticated knowledge.

Panel discussions and expert sessions addressed diverse investor needs, from Islamic investing and fintech innovations to retirement planning and dispute resolution. Topics were deliberately designed to be relevant to both regional and Klang Valley audiences, addressing practical concerns Malaysians face when navigating investment decisions.

The Anti-Scam Zone featuring the #JanganKenaScam initiative by the Association of Banks in Malaysia (ABM) and Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), and the National Scam Response Centre (NSRC) provided practical, hands-on education on scam tactics, while the #FinPlan4u[®] service offered personalised financial planning consultations in collaboration with the Financial Planning Association of Malaysia (FPAM), Malaysian Financial Planning Council (MFPC), and Association of Financial Advisers Malaysia (AFA).



Gamified activities including investment games, quizzes and booth-based challenges-helped sustain engagement and made financial learning approachable. The record turnout for both events reaffirmed that accessible, engaging and credible financial education continues to resonate strongly with Malaysians.

Targeted Community Outreach

While flagship events provided mass reach, targeted programmes ensured depth of engagement with specific communities facing unique financial challenges.

Gig Economy Workers

Recognising the unique financial vulnerabilities faced by Malaysia's growing gig economy workforce, InvestSmart[®] partnered with Grab to deliver investor education at four key Grab centres in Kuala Lumpur, Melaka, Johor Bahru and Ipoh. These sessions featured speakers from licensed intermediaries providing a holistic view of their investment journey, while InvestSmart[®] addressed investment scams and unlicensed activities.



Persons with Disabilities

InvestSmart[®] employed both digital and experiential learning approaches to reach persons with disabilities. On 19 March 2025, InvestSmart[®] partnered with the Malaysia Independent Living Association for Disabled (MILAD) to conduct a webinar titled 'Investment Scams: Learn How', ensuring digital accessibility for participants to learn from the safety of their homes. Building on this, an in-person session on 24 May 2025 in collaboration with the Malaysian Association of Blind (MAB) combined *Silap Labur Duit Lebur*⁴ presentations

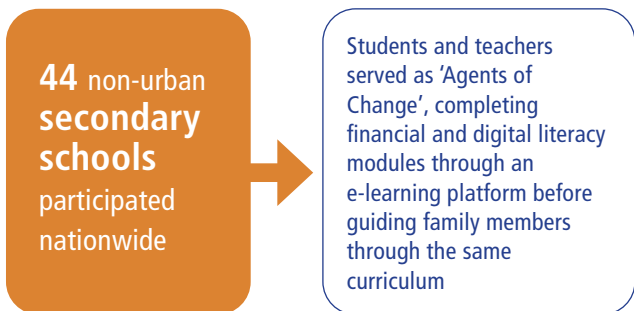
⁴ *Silap Labur Duit Lebur* equips participants with practical skills to identify common investment scam tactics and protect themselves from fraudulent schemes.

with interactive roleplay exercises where participants took on scammer and victim roles to better understand manipulation tactics demonstrating how experiential learning can make scam awareness more effective than passive information delivery.



Non-Urban Communities

The **Ajen Bijak Labor Desa (ABJAD)** programme's Phase 2, conducted in collaboration with the Ministry of Education (MOE) and Kementerian Kemajuan Desa dan Wilayah (KKDW), was completed by October 2025.



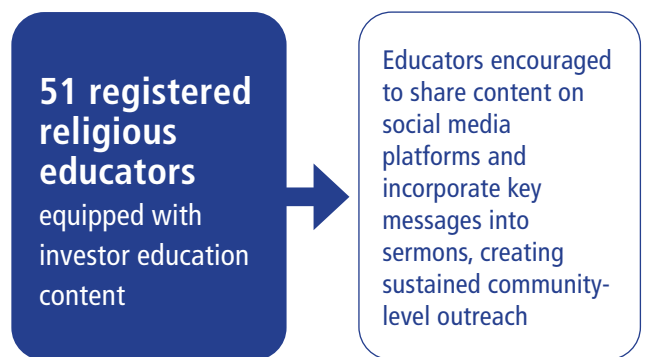
This cascade model amplified the programme's impact exponentially, with each trained student potentially influencing multiple family members and creating lasting behavioural change across generations. The programme was completed by 8,076 students, teachers and adults.



Religious Communities

On 28 April 2025, InvestSmart® collaborated with Jabatan Agama Islam Negeri Selangor (JAIS) through a Train-the-Trainer approach.

The initiative culminated in InvestSmart®'s *Silap Labor Duit Lebur* content being featured in Friday sermons on 3 October 2025, reaching congregations across Selangor state. By partnering with religious leaders who already have established relationships and credibility within their communities, this approach ensured investor education messages reached audiences who might be sceptical of government communications, particularly in addressing the prevalence of religiously themed investment scams.



To ensure inclusivity across all faith communities, InvestSmart® also reached out to the Malaysian Consultative Council of Buddhism, Christianity, Hinduism, Sikhism and Taoism (MCCBCHST), sharing materials for dissemination at their respective places of worship.

Youth and University Engagement

A landmark initiative in 2025 was the UnBound Advanced by InvestSmart® x SC Augmented Reality (AR) Financial Literacy Programme, representing a paradigm shift in how the SC engages digital-native youths.

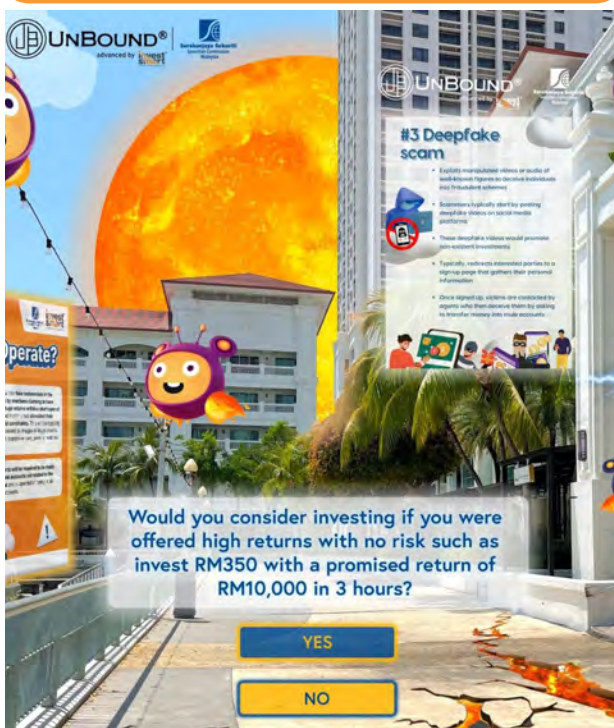
This collaboration embedded AR-powered storytelling and interactive game-based modules into UnBound’s learning management system across Malaysian universities. By allowing students to experience scam scenarios in immersive, consequence-free environments, the programme achieved significantly higher engagement and knowledge retention than traditional lecture formats.



Beyond the AR programme, InvestSmart® continued traditional university engagement. On 20 March 2025, in conjunction with OECD’s Global Money Week, InvestSmart® organised a public webinar titled Secure Your Financial Wellbeing – Learn How to Avoid Scams, raising awareness among youths and the public. On 14 November 2025, InvestSmart® conducted a *Silap Labur Duit Lebur* webinar with Universiti Sains Malaysia (USM) School of Management, reaching students beyond the Klang Valley.

Pilot phase
(May-June)

Total reach:
2 universities,
5 campuses, over
36,000 students



SECURE YOUR FINANCIAL WELLBEING

LEARN HOW TO AVOID SCAMS

20 MARCH 2025

1:00PM - 2:00PM

Siti Sara Taufik

Securities Commission Malaysia

LIVE Webinar

SCAN ME

Join this webinar to learn how to spot red flags, avoid common investment scams, and protect your money.

IN SUPPORT OF

Furthermore, on 29 November, Bursa Malaysia invited the SC to speak at the Bursa’s Skuad ANTI-SCAM Bootcamp creating awareness to over 115 students from University Sultan Zainal Abidin (UniSZA) Terengganu.



Digital Engagement and Social Media Campaigns

Complementing on-ground programmes, digital platforms multiplied the SC’s reach exponentially.

Social Media

InvestSmart® leveraged social media platforms Facebook, Instagram, X (formerly Twitter), and TikTok to deliver bite-sized, accessible content on capital market products, investment fundamentals and scam awareness. InvestSmart® has reached over 7 million users, providing trustworthy financial information amid growing scam concerns.

A significant innovation in 2025 was the launch of *Duit Diaries*, a new content series designed to demystify investing and combat common misconceptions. Each post employs a myth-busting format, presenting a widespread misconception such as ‘All investments are high risk’ followed by factual clarification. This approach directly addresses psychological barriers to investment participation, particularly fear and perceived complexity, gradually reshaping public perceptions through relatable storytelling.



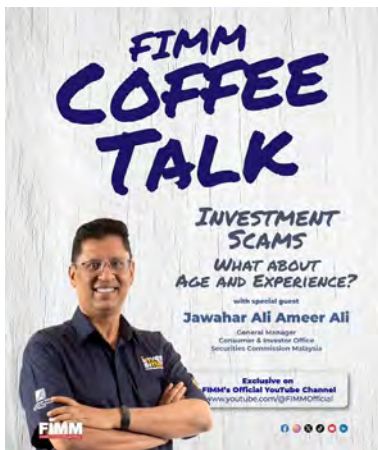
Podcast and Radio

InvestSmart® expanded its digital reach through strategic podcast partnerships. In collaboration with the FIMM, InvestSmart® was featured on The FIMM Coffee Talk podcast series, discussing common scam tactics, red flags, and insights from complaints and inquiries received by the SC.

On 3 November 2025, InvestSmart® launched the InvestSmart® Podcast, a series featuring 90-minute sessions with representatives from registered market operators, combining expert insights with practical guidance on investing safely through legitimate channels. The inaugural episode, 'Nak Melabur? Senang je!', introduced listeners to fundamental investment concepts and safe investing practices.

InvestSmart® partnered with radio stations including Selangor FM and Hot FM to share key scam awareness messages and investor education messages while also promoting FEN's Financial Literacy Month and the launch of National Strategy 2.0 (NS 2.0) through trusted local media channels.

Collaboration with Pahang FM extended radio-based financial education to non-urban and remote areas with limited digital access, recognising that traditional broadcast media remains crucial for reaching populations who may not be active on digital platforms.



Communications and Publications

InvestSmart® developed a full-page poster for SUARA Police Administrative and Civilian Staff Union (PACSU) special edition no. 128, published in conjunction with the 218th Police Day celebrations. The poster showcased different types of investment scams, warning signs, and information about the SC's investment checker tool strategically placing investor education content where it would reach law enforcement officers who often serve as community first responders to fraud complaints, multiplying the impact of scam awareness messaging.



Collaborative Programmes

The SC's investor education impact in 2025 was significantly amplified through strategic partnerships across multiple sectors, enabling broader reach, diverse expertise and more effective delivery of financial literacy programmes.

Shaping National Financial Literacy Policy

On 3 October 2025, Prime Minister Dato' Seri Anwar Ibrahim officially launched the *National Strategy for Financial Literacy 2026-2030* (NS2.0) and the Financial Literacy Month (FLM) 2025 at Sasana Kijang. The launch was attended by Minister of Education, YB Fadhlina Sidek; BNM Governor, Dato' Sri Abdul Rasheed Ghaffour; SC Chairman, Dato' Mohammad Faiz Azmi and members of the FEN High-Level Inter-Agency Steering Committee (HLSC) demonstrating the highest level of government commitment to advancing financial literacy as a national priority.

NS2.0 sets a renewed direction for advancing financial literacy, building on the foundation of the first *National Strategy 2019-2023*. Drawing from past lessons, NS2.0 adopts a more adaptive approach in responding to diverse target segments and emerging challenges shaped by digitalisation, economic shifts and changing lifestyles. The strategy promotes a whole-of-nation approach to equip Malaysians with strong financial capabilities for resilience and well-being.



In collaboration with FEN members, the SC contributed to the development of the NS2.0 which has the following five strategic priorities:

Five Strategic Priorities (SP) for 2026 – 2030

<p>SP1 Promote wise financial planning and preparation for retirement</p>	<p>SP2 Foster smart and responsible debt management</p>	<p>SP3 Secure financial future with risk protection</p>	<p>SP4 Promote safe, confident and meaningful usage of digital financial services</p>	<p>SP5 Encourage investments for wealth creation</p>
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The SC will contribute to the success of all five strategic priorities, with particular focus on Strategic Priority 5 - Encourage investments for wealth creation, given the SC's role and mandate as the capital market regulator.

To enhance awareness and visibility, FEN set up a booth with participation from BNM, SC, Pertubuhan Keselamatan Sosial (PERKESO), Employees Provident Fund (EPF), Agensi Kaunseling & Pengurusan Kredit (AKPK), Financial Markets Ombudsman Service (FMOS), Ministry of Education (MOE) and Perbadanan Insurans Deposit Malaysia (PIDM) at Parliament from 1-3 December during the parliamentary sitting, engaging with over 90 Members of Parliament.

Expanding Geographical Reach

Several collaborative initiatives extended investor education beyond urban centres to underserved communities. BNM organised the Karnival Celik Kewangan series at two locations; Tawau, Sabah (5-6 July) and George Town, Penang (14-16 November)-as part of the FEN Street initiative. InvestSmart® maintained dedicated presence at both locations, reaching over 37,000 visitors in regions where access to financial services and information is typically limited.

The Ministry of Rural and Regional Development (KKDW) organised the 'Program Pusat Komuniti Desa (PKD) Mobile Kuala Perlis Tahun 2025', aimed at creating awareness on government services, women empowerment, and community wellbeing. InvestSmart® participated as an exhibitor, extending investor education to populations often overlooked by mainstream financial literacy efforts.



Targeting Underserved Segments

Civil Service Financial Literacy

InvestSmart® worked closely with government agencies to enhance financial resilience among public sector employees, recognising the importance of financial wellbeing to workforce productivity and public service delivery.

These collaborations demonstrated growing recognition across the government that employee financial wellness is not merely a personal concern but an organisational priority. By strengthening the capacity of civil servants across diverse functions from audit and customs to enforcement and development agencies, the SC ensured that public sector employees could recognise scam red flags, guide their communities as trusted intermediaries and safeguard their own financial wellbeing.



Inclusive Community Engagement

InvestSmart® partnered strategically with organisations representing diverse segments of Malaysian society to ensure financial literacy reached those who might otherwise be overlooked by mainstream programmes.

These partnerships expanded the SC's presence across demographic groups who may have accumulated savings but limited experience with digital investment platforms and emerging fraud tactics. Through these diverse touchpoints, InvestSmart® reinforced that financial literacy is a shared national agenda, ensuring all Malaysians have equitable access to trustworthy financial education regardless of background, circumstance, or stage of life.



Building Industry Capability and Youth Engagement

Capital Market Industry Partnerships

Collaborations with industry bodies strengthened the professional capacity of financial intermediaries while expanding public investor education.

These partnerships demonstrated the SC's ecosystem approach in working with stock exchanges, fund management bodies and financial planning councils to reach investors at multiple touchpoints. The Karnival Saham series brought stock market education to diverse communities nationwide, with collaborations addressing financial inclusion gaps within ethnic communities and Bumiputera investors.

World Investor Week (WIW) 2025 showcased InvestSmart®'s commitment to international best practices. The 'Ring the Bell' panel garnered significant media coverage, while webinars with Bursa Young Investor Club (BYIC) engaged university students to build the next generation of informed investors. InvestSmart® supported the IOSCO global campaign on Relationship Investment Scams through daily social media content, demonstrating active participation in the IOSCO Working Group. FIMM's annual convention addressed unit trust safety concerns, rebuilding trust amid rising scam awareness, while MFPC's My Money & Me series reached communities across eight states with hands-on financial planning education.



Professional Development for Educators

Under FEN's Train-the-Trainer Programme for Personal Financial Management, conducted in collaboration with Financial Industry Collective Outreach (FINCO) and MOE, 209 master trainers were equipped to cascade training to approximately 10,080 teachers across five states (Sarawak, Kuala Lumpur, Kedah, Terengganu, and Sabah), ultimately reaching an estimated 292,320 students nationwide. This multiplier model positioned teachers as financial literacy role models while embedding investor education within Malaysia's formal education system.



Media Professional Training

The Malaysian Press Institute (MPI) invited InvestSmart® to deliver training for 20 to 25 media professionals, strengthening journalists' understanding of investment scams, rising trends and red flags. By enhancing the quality of financial journalism, this initiative recognised that media serves as a critical bridge between regulators and the public, where accurate reporting can prevent victimisation.



INTERNAL ENGAGEMENTS TO DRIVE VALUE

Business Planning – Townhall and Staff Engagements

Building on the three-year Business Plan 2023-2025, the SC convened its townhall on 17 April 2025 to brief staff on key enterprise developments and priorities for the final year of the plan. The SC Management provided an overview of progress achieved over the past two years, reaffirming strong delivery on transformational initiatives and highlighting the focus areas required for the successful completion of Business Plan 2025. The session also outlined the Corporate Scorecard for 2025, which continues to emphasise outcome-based performance and alignment with the SC's strategic objectives.

The townhall served as a platform to communicate the SC's regulatory and developmental priorities for the year, including major institutional initiatives such as Malaysia's ASEAN Chairmanship, preparations for the FATF Mutual Evaluation, and the rollout of the SFO framework. These initiatives were presented within the broader context of strengthening Malaysia's capital market, advancing sustainability and supporting national economic aspirations. Staff were also updated on cross-organisational programmes aimed at enhancing operational resilience and sustaining momentum from the earlier years of the Business Plan.

Complementing the townhall, subsequent staff engagements throughout the year supported effective implementation of the Business Plan and Corporate Scorecard. These sessions reinforced organisational alignment, deepened understanding of strategic priorities and strengthened the SC's performance culture. Together, the townhall and related engagements continued to foster transparency, shared purpose and collaboration across the organisation, ensuring the SC remains well-positioned for the next strategic planning cycle.



STRATEGIC COMMUNICATION INITIATIVES 2025

In 2025, the SC maintained a high level of media engagement, prioritising technical authority and thought leadership across key regulatory and developmental themes. Media efforts centred on delivering technical clarity, particularly in the areas of sustainability, MSME growth and ASEAN capital market integration. As a result, the SC generated 3,075 news clippings by year end.

Key media activities include:

- **95 media releases** issued announcing regulatory and market development updates, enforcement actions and strategic milestones.
- **16 media engagements** comprising technical and background briefings as well as visits to media houses were held to ensure accurate reporting on complex regulatory topics while maintaining good rapport.

- **15 media interviews** were conducted involving various leadership figures.
- **Nine Op-eds** published in major outlets primarily focused on sustainability and the ASEAN capital markets.

ASEAN Capital Markets Forum Chairmanship

As Chair of the ACMF, the SC directed its communication towards strengthening regional collaboration, corporate governance and sustainable development. Media engagement related to ACMF initiatives generated over 1,000 articles across local and international platforms, balancing policy messaging with community-centred narratives to reflect the diversity of the ASEAN capital market ecosystem.

Regional Leadership and Policy Direction

Media coverage highlighted Malaysia's leadership role within ASEAN through flagship events such as the ASEAN Investment Conference and the ACMF International Conference. A key milestone was the introduction of the ACMF Action Plan 2026-2030, which outlined a collective path forward for the region. Media reporting on the plan, supported by the presence of Finance Minister II Datuk Seri Amir Hamzah Azizan, highlighted the strategic priorities of sustainability, financial inclusion and digital transformation, illustrating the steps being taken to strengthen ASEAN as an investment hub.

Advancing Corporate Governance Standards

Corporate governance remained a prominent theme, with the ASEAN Corporate Governance Conference and Awards (CGCA) garnering the highest media coverage for the year. Reporting highlighted the achievements of public-listed companies across the region, particularly in Indonesia, reinforcing ASEAN's

shared commitment to stronger governance standards and the SC's ongoing reform agenda.

Talent Development and Community Engagement

The SC also prioritised talent development and public engagement. Media coverage of the ASEAN Investment Challenge highlighted its expansion to include the Philippines and Malaysia's continued success, with local students securing top honours for the third consecutive year. These efforts, supported by industry partners such as CGS International, reinforced the SC's commitment to building future-ready, financially literate investors.

Additional initiatives, including the Young Regulators Development Programme, Batik Lestari Festival, investED for Returning Women and COFAR Challenge, broadened engagement across youth, professionals and communities. Digital-first content amplified messages on climate adaptation, culture and sustainability, extending reach beyond traditional policy audiences.

The SC also coordinated targeted media interviews and engagements to strengthen public awareness of investment scams and reinforce investor education efforts.

Media Outreach and Digital Presence

The SC maintained consistent engagement with international, regional and local media, complemented by an active digital presence. More than 250 social media posts related to ACMF initiatives were published across LinkedIn, TikTok and Instagram generated over 112,000 views and nearly 120,000 engagements, supporting wider dissemination of key messages.

Collectively, these efforts underscored the SC's execution of its communications mandate in 2025, supporting its role as ACMF Chair and advancing a resilient, inclusive and forward-looking capital market.

THE OTHER SIDE OF ACMF: BEHIND THE SCENES WITH THE WORKING TEAM

When you think of ASEAN, what springs to mind? Perhaps the aromatic spices of a bustling night market in Thailand, the stunning beaches of the Philippines, or the world's largest flower – the Rafflesia – blooming in Malaysia. But there is a lot more going on beneath the surface, especially when it comes to one of the largest emerging market blocs in the world, with a combined stock market worth more than US\$3 trillion.

The ASEAN Capital Markets Forum (ACMF), which brings together regulators from ten – now eleven with the addition of Timor-Leste – ASEAN countries, unites with a common goal: to strengthen connectivity, inclusivity, and resilience in regional capital markets. In 2025, the SC was the proud chair of the ACMF held in Malaysia.



Behind the scenes of the various ACMF-related deliverables, meetings and events, was a team comprising 150 staff members from across different SC departments.

At the front line, ACMF delegates were welcomed and supported by 29 Liaison Officers (LO), each assigned to a country or organisation. Reuben Varughese, who supported the Singaporean delegation, said he was initially a little hesitant about undertaking the role. "However, I took it on as a challenge. There were so many good moments that I shared but being part of the ACMF Conference was indeed a great experience." For him, showcasing Malaysia to others gave him the opportunity to know Malaysia better himself, while building connections with fellow regulators.

Others recalled how quickly the team bonded under pressure. Muhd Haziq Aiman (Cambodia LO), reflected, "I didn't expect the level of teamwork, trust, and openness that everyone had in ensuring the objective of the day was achieved." Tee Jin Wei (Thailand LO) added, "Seeing colleagues from different departments come together and work so cohesively, even though most of us had not met before, was the most memorable part of the Chairmanship for me.



For Kaveena Maniam, who served as Chief Rapporteur and helped organise two ASEAN conferences, the highlight was scale: "Walking into a room where we had a breakfast roundtable with the Prime Minister of Malaysia and international investors... and realising it

was not just full, but oversubscribed – that really stayed with me.” She remembered standing at the back of the hall, looking at the packed crowd, and thinking, “Okay, this is real, we’ve actually done it.”

But it wasn’t only the SC staff who gave their all to ensure that the ACMF meetings and initiatives were a success. The ACMF, which has been in existence for over 20 years, has attracted dedicated individuals passionate about furthering its objectives and enriching the capital market landscape in ASEAN.



This year saw the added bonus of Malaysia’s customary durian diplomacy and the showcase of batik at each and every ACMF event. Participants received specially crafted batik garments designed by Malaysian artisans, which were worn during meetings, enhancing the vibrancy of each ACMF gathering. These events culminated in the ASEAN International Capital Market Conference, which welcomed some 300 participants from across the region and beyond.

In the spirit of unity and to close off a successful year, ACMF members, led by their respective Chairs, collaborated on a single batik piece to symbolise their shared journey. This commemorative piece will serve as a lasting reminder of the members’ dedication, creativity, and collective spirit, embodying the values that will continue to guide ACMF into the future.

The SC’s chairmanship closed with a gala dinner themed *Old Malaya*, complete with music, a batik fashion show, and spontaneous performances.

Liyana Nadhirah Mohd Nazmi recalled being pulled into a group rendition of singer Ella’s *Standing in the Eyes of the World*, together with SC Executive Chairman Dato’ Mohammad Faiz Azmi and members of the Executive Team. “I was honestly so nervous. But with all of us singing together like that, it really felt like all the exhaustion from the entire year just melted away. It was unforgettable!”

Our chairmanship of the ACMF ended on the best kind of note, with good food, good music, and good company. But above all else, we stand tall that it produced four PED-related deliverables, four non-PED related deliverables, three ACMF Chairs Meetings, four ACMF Deputies Meetings, two international conferences and 11 workshops. The work does not stop there – with a new Action Plan in place and initiatives on adaptation and voluntary carbon markets still underway, there are many exciting things in store for the ACMF.

For now, the SC passes the Chairmanship to our colleagues at the Securities and Exchange Commission of the Philippines. Though the baton is passed, the mission remains the same: building sustainable markets, advancing regional integration, and empowering investors across ASEAN.



Fun Facts: Did You Know?

- The ASEAN and ACMF logos feature ten stalks of rice, representing the 10 original member countries, tied together in solidarity and friendship.
- One of the Bruneian delegates is an identical twin, whose sister works for the Brunei Darussalam Central Bank (BDCB).
- The Securities and Exchange Regulator of Cambodia (SERC) Director-General and Otoritas Jasa Keuangan (OJK) Deputy Commissioner celebrated their birthdays during the ACMF this year. They were, of course, treated to cake and a birthday song by the meeting delegates and Secretariat teams.
- Laos is Southeast Asia's only landlocked country but it is also known as the 'Land of a Million Elephants'.
- Myanmar is one of the few places in the world where Irrawaddy dolphins are found, and fishermen traditionally cooperate with them to catch fish.
- Lim Tuang Lee, Monetary Authority of Singapore (MAS) Assistant Managing Director for the Capital Markets Group, is a fantastic singer!
- Thailand holds the record for the world's longest city name: Bangkok's ceremonial name has 168 letters in Thai.
- Timor-Leste has two official languages: Portuguese and Tetum, the latter is an Austronesian language spoken primarily in Timor-Leste.
- Fried durian is a popular snack in Vietnam, known locally as *sau rieng chien gion*.



PART 5
ORGANISATION
INFORMATION

BOARD MEMBERS



**DATO' ALIZATUL
KHAIR OSMAN
KHAIRUDDIN**



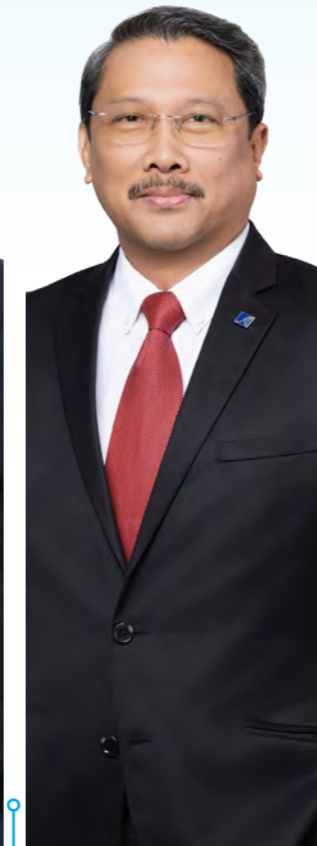
**TAN SRI
WEE HOE SOON
@ GOOI HOE
SOON**



**DATUK DR. ZUNIKA
MOHAMED**



**DATO' MOHAMMAD
FAIZ AZMI**



**KEMAL RIZADI
ARBI**



**DATUK DR.
SHAHRAZAT
HAJI AHMAD**



**DATUK NIK
MOHD
HASYUDEEN
YUSOFF**

Note:

- The line-up of Board Members as at 31 December 2025.
- Datuk Dr. Shahrazat Haji Ahmad completed her board member tenure on 14 February 2026.
- Tuan Kamal Azira Hassan (*not in picture*) was appointed Board Member on 15 February 2026.
- Adnan Zaylani Mohamed Zahid (*not in picture*) was appointed Board Member on 15 February 2026.



Scan QR code
for more details on
Board Members

DATO' MOHAMMAD FAIZ AZMI

Appointed 16 June 2024



DATO' MOHAMMAD FAIZ AZMI, FCA was appointed the Executive Chairman of the Securities Commission Malaysia (SC) in June 2024 by the Minister of Finance. He was appointed as Board member of the SC in August 2023. He was the Chairman of PwC Malaysia for 11 out of his 30 years with the firm. He has over 38 years of experience in the audit and business advisory services in Malaysia and the UK. He was the leader of PwC's Global Islamic Finance Team practice from 2007 to September 2012. He was also PwC's Malaysia's Financial Services Leader and joint Head of Audit and led the ESG and Shariah Investing as part of PwC's Sustainability and Climate Change practice in Malaysia. He retired as a partner and the Executive Chairman of PwC Malaysia in June 2023.

Dato' Faiz has advised the government on accrual accounting, financial restructurings, and investigations, and has acted as an administrator for several entities. Notably, he was also involved in the Federal Government National COVID-19 vaccine rollout.

A Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and a member of the Malaysian Institute of Accountants (MIA), he has served as President of the MIA, Chairman of the Malaysian Accounting Standards Board, and President of the Kuala Lumpur Business Club. He is an elected member of the ICAEW Council and was appointed Chairman of the ICAEW Malaysia Advisory Group. He is a member of the Worshipful Company of Chartered Accountants England and Wales. In 2024, Dato' Faiz was appointed an Honorary Chartered Membership by Chartered Institute of Islamic Finance Professionals.

He studied law at Durham University, was called to the English Bar, and holds Honorary Doctor of Laws degrees from the University of Nottingham and Durham University. He is an alumnus of Lincoln's Inn, a member of the Inns of Court Malaysia and, in 2025, appointed as an Honorary Bencher of the Honourable Society of the Inner Temple. He was conferred the Darjah Kebesaran Sultan Sharafuddin Idris Shah (DSIS), which carries the title Dato', by the Sultan of Selangor in 2013. In 2025, Dato' Faiz was also named CEO Champion for the Public Sector at the LIFE AT WORK Awards organised by Talent Corporation Malaysia Bhd.

DATO' ALIZATUL KHAIR OSMAN KHAIRUDDIN

Appointed 1 January 2019



DATO' ALIZATUL KHAIR OSMAN KHAIRUDDIN graduated with a Bachelor of Laws (Honours) from the University of Malaya in 1976 and a Master of Laws from

the London School of Economics, University of London, UK, in 1982.

Dato' Alizatul Khair has extensive experience in the legal and judicial fields since 1976. Among the posts she held were Legal Advisor to the Ministry of Education, Deputy Head of the Civil Division of the Attorney General's Chambers and State Legal Advisor of Penang at the Penang State Legal Advisor's Office in 1995.

Dato' Alizatul Khair was later appointed a Judicial Commissioner at the Shah Alam High Court (2003), Judge at the Shah Alam High Court (2004), Judge at the Kuala Lumpur High Court (2008) and Judge of the Court of Appeal (2011).

In 2017, Dato' Alizatul Khair was appointed to the Federal Court where she served until her retirement in 2019. On 18 December 2025 Dato Alizatul was appointed as Hakim Mahkamah Utama Syariah, Negeri Perak for a period of three years.

TAN SRI GOOI HOE SOON @ GOOI HOE SOON

Appointed 1 January 2019



TAN SRI GOOI HOE SOON has over 35 years of experience in the fields of accounting and corporate finance. He was instrumental in the successful implementation of several corporate exercises, which include mergers and acquisitions and corporate debt restructuring exercises by PLCs.

He is a member of the EPF Investment Panel and currently sits on the board of directors of JaGaSolution Bhd (formerly known as Red Ideas Holdings Bhd), AIA Bhd, and Hydropipes Bhd. Tan Sri Gooi was the former Chairman of the Board of EON Bank Bhd from 2009 to 2012, Chairman of Amity Bond Sdn Bhd and Deputy Chairman of Avenue Capital Resources Bhd. He was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd, and was previously director at Yinson Holdings Bhd, Perusahaan Sadur Timah Malaysia (PERSTIMA) Bhd, and LMS Compliance Ltd. Tan Sri Gooi is a Member of the Malaysian Association of Certified Public Accountants and Malaysian Institute of Accountants.

DATUK DR. ZUNIKA MOHAMED

Appointed 1 June 2020



DATUK DR. ZUNIKA MOHAMED is currently the Deputy Secretary General (Policy), Ministry of Economy. She joined the civil service in 1994 and spent most of her career at the Economic Planning Unit (EPU, Prime Minister's Department). At EPU, she held various positions and portfolios including macroeconomic, agriculture and infrastructure planning as well as distribution and regional development. In late 2018, she had a one-year stint in the Ministry of Agriculture

and Agro-based Industries (MOA), covering policy and strategic planning, business development and investment, agriculture modernisation and international co-operation. She is a trained economist. In her current position at the Ministry of Economy, she led the preparation and conceptualisation of the 12th Malaysia Plan, 2021-2025, and the 13th Malaysia Plan, 2026-2030. She also oversees national policy formulation and development of strategic programmes in a various sectors related to health, human capital, housing, regional balance and socioeconomic aspects.

She received her Doctorate in Economics from the University of Putra Malaysia (UPM) and obtained her postgraduate and undergraduate economics degrees at the International Islamic University (IIU), Malaysia and the University of North Texas, US, respectively. She also holds a diploma in Public Administration from the National Institute of Public Administration (INTAN) Malaysia. Currently she also sits on several boards of government statutory bodies namely the Halal Development Corporation Bhd (HDC), Rubber Industry Smallholders Development Authority (RISDA), Selangor State Development Corporation (PKNS), and Permodalan Darul Ta'zim (PDT).

KEMAL RIZADI ARBI

Appointed 15 January 2024



KEMAL RIZADI ARBI has 30 years of global experience in the financial services and corporate sector involved in Islamic finance, investment banking, corporate finance, fund management, sustainable finance, fintech, virtual assets, and as a regulator, policymaker and strategic developer of capital markets (including the Islamic capital market) in the Middle East and Asian region.

He is currently an Advisor with the government of Oman and has been with the Executive President and Vice President's Office at the Financial Services Authority (Oman FSA) since 2013, which regulates and develops the financial industry relating to the capital market and insurance sectors (both conventional and Islamic). He has been involved in the development of the Islamic capital market in Oman from the very beginning since the introduction of Islamic finance.

Prior to joining the Oman FSA, he had established initiatives for the development of the Malaysian and ASEAN+3 capital markets (including Islamic capital markets), through various senior positions at the SC. He was also a Member of the Malaysian Audit Licensing Interview Panel Committee of the Ministry of Finance Malaysia.

He had advised the Board of Directors of PLCs in various industries on corporate transactions, while working as a senior corporate and investment banker at the Maybank group and another investment bank previously owned by the Minister of Finance (Incorporated) Malaysia. In addition, he had been a Board Member of an asset management company previously co-owned by the Johor Corporation involved in fund management. He has also been appointed as a Professor of Practice by the INCEIF University Malaysia, and elected as President of the Chartered Institute of Islamic Finance Professionals (CIIF) where he is a Fellow chartered member (F.CPIF). He is also a Fellow of the Institute of Corporate Directors Malaysia ICDM(F) and Fellow of the Malaysian Institute of Management, FMIM.

Kemal graduated with a Bachelor of Science degree in Actuarial Science from the University of Iowa, US as a JPA scholar. He also holds an MBA (Finance) from the International Islamic University Malaysia and Chartered Islamic Finance Professional (CIFP) master's degree from the INCEIF University, Malaysia.

DATUK DR. SHAHRAZAT HAJI AHMAD

Appointed 15 February 2024



DATUK DR. SHAHRAZAT HAJI AHMAD is currently the Deputy Secretary General of Treasury (Investment) with the Ministry of Finance (MOF).

She graduated from the MARA Institute of Technology (ITM) in 1993 with an Advanced Diploma in Accounting and later attained both her Masters and Doctorate in Social Sciences in International Economics from the International University of Japan and The University of Kitakyushu, Japan, respectively.

Datuk Dr. Shahrazat began her service with the government at the MoF in January 1995 at the Government Investment Company Division. First as Assistant Secretary then later as Principal Assistant Secretary. Subsequently in April 2010, she joined the

DATUK DR. SHAHRAZAT HAJI AHMAD (continued)

Implementation Co-ordination Unit (ICU) in the Prime Minister's Department, where she served for 11 years until November 2021. She started with the position of Deputy Director of Infrastructure Division, before being promoted as Director in several different divisions such as Economic, Social and Outcome Evaluation divisions.

Datuk Dr. Shahrazat was later appointed as Deputy Director General of Development, the last post she held in the ICU, Prime Minister's Department before being

transferred to the Ministry of Defence in November 2021. She held the position of Deputy Secretary General of Development for two years before being transferred to MoF with her current position as Deputy Secretary General of Treasury (Investment). She is currently a director of the the National Trust Fund of Malaysia (KWAN), Armed Forces Fund Board (LTAT) and Telekom Malaysia. She also serves as director in private companies under the purview of MOF Inc.

DATUK NIK MOHD HASYUDEEN YUSOFF

Appointed 15 January 2025



DATUK NIK MOHD HASYUDEEN YUSOFF has over 30 years of experience in the accounting and regulatory fields; and has held leadership roles across various organisations. He currently sits on the boards of Lembaga Tabung Haji, Petron Malaysia Refining &

Marketing Bhd and Bank Islam Malaysia Bhd. Previously, he was Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji, the SC's Executive Director in charge of Market and Corporate Supervision and the Executive Chairman of the Audit Oversight Board.

He was also the President of the Malaysian Institute of Accountants and a member of the Malaysian Accounting Standards Board.

Datuk Nik Hasyudeen is also an Adjunct Professor at the Faculty of Business and Economics, University of Malaya.

He is a member of the Malaysian Institute of Accountants and a fellow of the CPA Australia. He holds a degree in Business from Curtin University, Perth, Western Australia.

EXECUTIVE MEMBERS

MEHA KASBUN Executive Director Enterprise	BUDIMAN LUTFI MOHAMED Executive Director Enforcement	DR. WONG HUEI CHING Executive Director Digital Strategy & Innovation	YEW YEE TEE Executive Director and General Counsel	SHARIFATUL HANIZAH SAID ALI Executive Director Islamic Capital Market	DATO' MOHAMMAD FAIZ AZMI Chairman	DATIN PADUKA AZALINA ADHAM Managing Director	DATO' ZAIN AZHARI MAZLAN Executive Director Corporate Finance & Investments	ALEX OOI THIAM POH Executive Director and Head Audit Oversight	DATUK SERI ABDUL JALIL HAMID Special Adviser & Chairman's Office	NEETASHA RAUF Chief Sustainability Officer	SHAHRUL AMRY ABD MALEK Director Market Development
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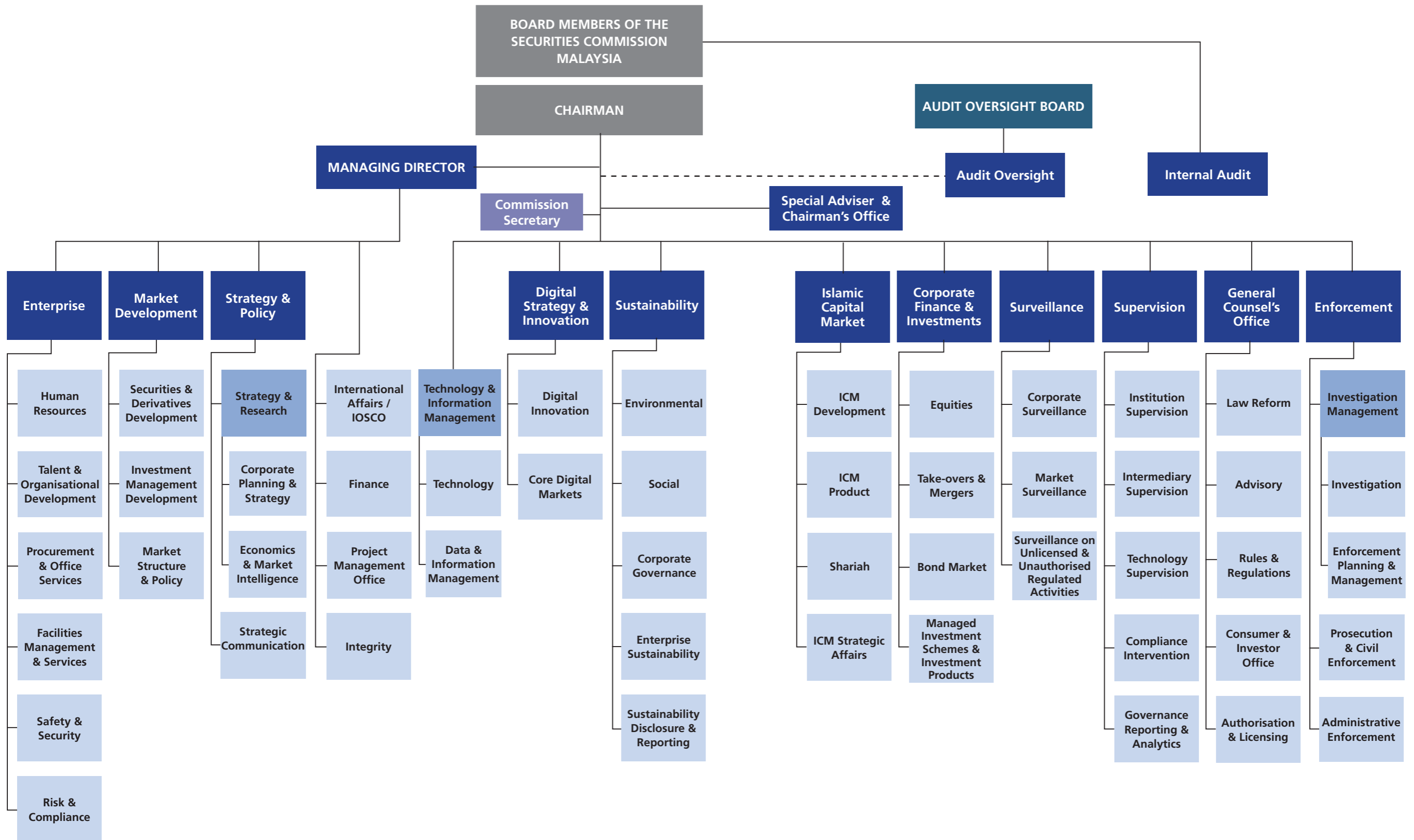
Note:

- Meha Kasbun was appointed as Executive Director of Enterprise on 1 February 2026.
- Shahrul Amry Abd Malek was appointed as Director of Market Development on 3 November 2025.
- Salmah Bee Mohd Mydin retired as Executive Director of Market Development on 31 December 2025.



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Management Directory

ORGANISATION STRUCTURE



SHARIAH ADVISORY COUNCIL MEMBERS



**PROFESSOR DATO'
DR. AZNAN HASAN**
Chairman



**PROFESSOR DR. ENSKU
RABIAH ADAWIAH ENSKU ALI**
Deputy Chair



**PROFESSOR DATO'
DR. ASHRAF MD HASHIM**



**SAHIBUS SAMAHAH
PROFESSOR DATO' DR. ASMADI
MOHAMED NAIM**



**ASSOCIATE PROFESSOR
DR. MOHAMED FAIROOZ
ABDUL KHIR**



**SAHIBUS SAMAHAH
DATO' SETIA
DR. HAJI ANHAR HAJI OPIR**



DR. MARJAN MUHAMMAD



**ASSISTANT PROFESSOR
DR. AKHTARZAITE
HAJI ABDUL AZIZ**



BURHANUDDIN LUKMAN

STATEMENT ON GOVERNANCE

The Securities Commission Malaysia (SC) is a statutory body established under the *Securities Commission Malaysia Act 1993* (SCMA) to regulate and develop the Malaysian capital market. SC's mission is to promote and maintain fair, efficient and transparent securities and derivatives markets and to facilitate the orderly development of an innovative and competitive capital market. It is committed to ensure investor protection, fair and orderly markets, and monitor, mitigate and manage systemic risks arising from the capital market. SC's responsibilities, powers and authorities are clearly defined and transparently set out in securities laws, namely the SCMA, *Capital Markets and Services Act 2007* (CMSA) and *Securities Industry (Central Depositories) Act 1991* (SICDA).

ABOUT THE COMMISSION

Board Members

The Board is responsible for the overall governance of the SC. The Minister of Finance appoints Board members. The Board comprises a Chairman, a Deputy Chief Executive and seven other members who may include persons representing the government and private sector. The Chairman is entrusted with the day-to-day administration of the SC as provided by section 4B(1) of the SCMA.

Dato' Mohammad Faiz Azmi was appointed as the SC Chairman on 16 June 2024, following his appointment as a Board member on 15 August 2023. A profile of Board members is featured on pages 164 to 169 and their involvement in the various committees established by the Board is provided on page 177.

The Chairman is appointed for a term of three years and is eligible for reappointment upon completion of his or her term. Other Board members are appointed for a term of two years and are eligible for reappointment upon completion of the term.

A person is disqualified from holding the office of a Board member if he or she holds a full-time office in any public-listed company, becomes a member of either Houses of

Parliament, or becomes an officer or director of an entity that is regulated by the Commission. Similarly, a Board member shall not hold office if he or she:

- is convicted of a criminal offence involving fraud, dishonesty, corruption or violence;
- is declared a bankrupt;
- is not capable of discharging his or her duties;
- fails to attend three consecutive meetings of the Board without leave;
- conducts himself in such a way as to bring disrepute to the Commission;
- fails to disclose his or her interests; or
- becomes involved in any activity which may interfere with his or her independence in discharging his or her functions.

The SCMA requires a Board member to manage conflicts of interest by disclosing his or her interest in any matter under discussion by the Board or any of its committees. Once a disclosure is made, he or she:

- shall neither take part nor be present in any deliberation or decision of the Board or its committees; and
- shall be disregarded for the purposes of constituting quorum of the Board or its committees, relating to the matter.

Functions of the Commission

The functions of the Commission are:

- to advise the Minister on all matters relating to the capital market;
- to regulate all matters relating to the capital market;

- to ensure that the provisions of the securities laws are complied with;
- to regulate the take-overs and mergers of companies;
- to promote and regulate all matters relating to fund management, including unit trust schemes and private retirement schemes;
- to be responsible for supervising and monitoring the activities of any exchange holding company, stock exchange, derivatives exchange clearing house and central depository;
- to take all reasonable measures to maintain the confidence of investors in the capital market by ensuring adequate protection for such investors;
- to promote and encourage proper conduct amongst participating organisations, participants, affiliates, depository participants and all licensed or registered persons of an exchange, clearing house and central depository, as the case may be;
- to suppress illegal, dishonourable and improper practices in the capital market, and in the provision of investment advice or other services relating to the capital market;
- to consider and make recommendations for the reform of the securities laws;
- to encourage and promote the development of the capital market in Malaysia, including research and training in connection thereto;
- to encourage and promote self-regulation by professional associations or market institutions in the capital market;
- to license, register, authorise, approve and supervise all persons engaging in regulated activities or providing capital market services as may be provided for under the securities laws;
- to promote and maintain the integrity of all licensed persons, registered persons, approved persons and participants in the capital market;
- to register or recognise all auditors of public interest entities or schedule funds, and to exercise oversight over any person who prepares a report in relation to financial information of public interest entities or schedule funds, in relation to capital market activities;
- to promote confidence in the quality and reliability of audited financial statements in Malaysia, and to promote and develop an effective and robust audit oversight framework in Malaysia;
- to take all reasonable measures to monitor, mitigate and manage systemic risks arising from the capital market;
- to promote and regulate corporate governance and approved accounting standards of listed corporations; and
- to set and approve standards for professional qualification for the capital market.

The Commission also has the functions and powers conferred upon it by or under the securities laws.

Board Meetings

Eleven Board meetings were held in 2025, with a quorum requirement of five members. The attendance record is set out in Table 1.

The Board's governance of the SC is supported by the various board committees established under section 18 of the SCMA, as listed in Table 2.

TABLE 1
Attendance at Board meetings

Board Member	Number of meetings attended
Dato' Mohammad Faiz Azmi	11/11
Tan Sri Gooi Hoe Soon	10/11
Datuk Dr. Zunika Mohamed	8/11
Dato' Alizatul Khair Osman Khairuddin	11/11
Kemal Rizadi Arbi	11/11
Datuk Dr Shahrazat Ahmad	8/11
Datuk Nik Mohd Hasyudeen Yusoff ¹	10/11

Note:

¹ Appointed to the Board on 15 January 2025.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) comprises non-executive members of the SC as shown in Table 2, who are appointed by the Board. The purpose, authority and responsibilities of the ARC are set out in the Audit and Risk Committee Charter as approved by the Board.

Essentially, the ARC provides oversight of the SC's governance, risk management and internal control practices.

The ARC has an oversight role over the internal audit function, including reviewing the outcome of audits and approving the annual internal audit plan.

TABLE 2
Board Committees

Committee	Key responsibility	Board Members
1. Audit and Risk Committee (ARC)	Review the effectiveness of the SC's governance, risk management and internal control systems, and review the annual financial statements.	<ul style="list-style-type: none"> Tan Sri Gooi Hoe Soon (Chairman) Datuk Dr. Zunika Mohamed Dato' Alizatul Khair Osman Khairuddin Datuk Nik Mohd Hasyudeen Yusoff¹
2. Issues Committee	Review and decide on primary listings of corporations and business trusts on the Main Market; acquisition of assets which results in a significant change in business direction or policy of a corporation or business trust listed on the Main Market; and secondary or cross listings of foreign corporations or foreign business trusts on the Main Market.	<ul style="list-style-type: none"> Dato' Mohammad Faiz Azmi (Chairman) Tan Sri Gooi Hoe Soon Dato' Alizatul Khair Osman Khairuddin Datuk Dr Shahrazat Ahmad Datuk Nik Mohd Hasyudeen Yusoff¹
3. Take-overs and Mergers (TOM) Committee	Review take-over and merger-related applications of a novel and/ or complex nature and matters relating to national policy.	<ul style="list-style-type: none"> Dato' Mohammad Faiz Azmi (Chairman) Kemal Rizadi Arbi Datuk Dr Shahrazat Ahmad Datuk Nik Mohd Hasyudeen Yusoff¹
4. Licensing Committee	Review and decide on applications for the grant of a new Capital Markets Services Licence (CMSL), new licensed representatives, appointments of directors, key management or compliance officers that are submitted together with a new CMSL application, and to consider any policy recommendations relating to licensing issues.	<ul style="list-style-type: none"> Dato' Mohammad Faiz Azmi (Chairman) Dr. Zunika Mohamed Kemal Rizadi Arbi
5. Nomination and Remuneration Committee (NRC)	Assess and formulate the remuneration of the Chairman and Deputy Chief Executive (DCE) and make appropriate recommendations to the Minister of Finance	<ul style="list-style-type: none"> Tan Sri Gooi Hoe Soon (Chairman) Dr. Zunika Mohamed Dato' Alizatul Khair Osman Khairuddin
6. Sustainability Committee	Provide oversight on the formulation of SC's internal policy positions as well as policy positions to regulate and develop the capital market on sustainability and ESG-related strategies.	<ul style="list-style-type: none"> Dato' Mohammad Faiz Azmi (Chairman) Tan Sri Gooi Hoe Soon Datuk Dr. Zunika Mohamed
7. Regulatory Strategy and Advisory (RSAC) ²	Provide holistic and strategic advice (Advice) to the SC Chairman and the SC Board regarding the regulatory landscape across various SC business functions. These functions include Surveillance, Authorisation and Supervision, the General Counsel's Office and Enforcement business groups (the Relevant Business Groups).	<ul style="list-style-type: none"> Dato' Alizatul Khair Osman Khairuddin (Chair) Dato' Dr. Nik Ramlah Nik Mahmood Dato' Ishak Mohd Yusoff

Note:

¹ Appointed to the Board on 15 January 2025.

² In June 2025, the RSAC fulfilled its mandate and was dissolved.

The ARC reviews the suitability, independence and performance of external auditors and makes recommendations to the independent non-executive Board members for the annual appointment/reappointment of the external auditors. The ARC is also responsible for the review of the external auditors' proposed audit scope, audit approach, audit fee and audit outcome, including reviewing all significant matters relating to the financial statements with Management and the external auditors. For the financial year of 2025, the ARC had convened six meetings.

SHARIAH ADVISORY COUNCIL

The Shariah Advisory Council (SAC) is mandated to ascertain the application of Shariah principles on any matter relating to the ICM and plays an important role in the development of Malaysia's ICM. It advises the Commission on any Shariah issue relating to the ICM and issues rulings on the ICM which are published for the benefit of the industry. The nine SAC members as listed in Table 3 serve for a three-year period commencing 1 July 2023, as assented by the Yang di-Pertuan Agong under section 31ZK of the *Securities Commission Malaysia Act* (SCMA).

TABLE 3
Shariah Advisory Council Members

SAC members
1. Professor Dato' Dr. Aznan Hasan (Chairman)
2. Professor Dr. Engku Rabiah Adawiah Engku Ali (Deputy Chair)
3. Professor Dato' Dr. Ashraf Md Hashim
4. Sahibus Samahah Professor Dato' Dr. Asmadi Mohamed Naim
5. Associate Professor Dr. Mohamed Fairouz Abdul Khir
6. Sahibus Samahah Dato' Setia Dr. Haji Anhar Haji Opir
7. Dr. Marjan Muhammad
8. Assistant Professor Dr. Akhtarzaite Haji Abdul Aziz
9. Burhanuddin Lukman

AUDIT OVERSIGHT BOARD

The Audit Oversight Board (AOB) was established under Part IIIA of the SCMA and its mandate is to assist the SC in discharging its regulatory function in respect of developing an effective audit oversight framework, promoting confidence in the quality and reliability of audited financial statements and regulating auditors of PIEs and scheduled funds.

The AOB also exercises oversight over any person who prepares a report relating to the financial information of PIEs and schedule funds, in relation to capital market activities. The AOB members are appointed by the Board (Table 4).

TABLE 4
Audit Oversight Board members

AOB members
1. Dato' Seri Ahmad Johan Mohammad Raslan ¹
2. Tan Sri Abu Samah Nordin ²
3. Alex Ooi Thiam Poh
4. Salmah Bee Mohd Mydin
5. Hong Chin Pheng
6. Datuk Nor Azimah Abdul Aziz
7. YM Tunku Afwida binti Tunku Abdul Malek ³
8. Dato' Noorazman Abd Aziz ⁴
9. Seri Izriana Melani Mohtar ⁵

Note:

1. Re-designated as Non-Executive Chairman on 5 January 2026
2. Completed his term as Non-Executive Chairman on 4 January 2026
3. Appointed on 1 August 2025
4. Retired on 31 July 2025
5. Appointed on 6 February 2026

RISK MANAGEMENT AND INTERNAL CONTROLS

Board and Management Responsibility

The Board acknowledges its overall responsibility for maintaining a sound and effective system of risk management and internal control to safeguard the

integrity, assets and reputation of the SC. This system is designed to manage risks that may hinder the achievement of the SC's strategic and operational objectives, while recognising that it cannot completely eliminate risks. Accordingly, it provides reasonable, though not absolute, assurance against material misstatement, loss, or failure.

In accordance with Section 4(3)(c) of the SCMA, the Board is ultimately responsible for establishing, reviewing and maintaining effective systems and processes to manage enterprise risks across the organisation.

In discharging its governance responsibilities, the Board continues to ensure that the SC discharges its regulatory role effectively, independently and in the public interest. During the year, amongst others, the Board has approved enhancement to the governance framework to strengthen oversight over enforcement-related matters such as no further action cases by management and policy on handling of external influence.

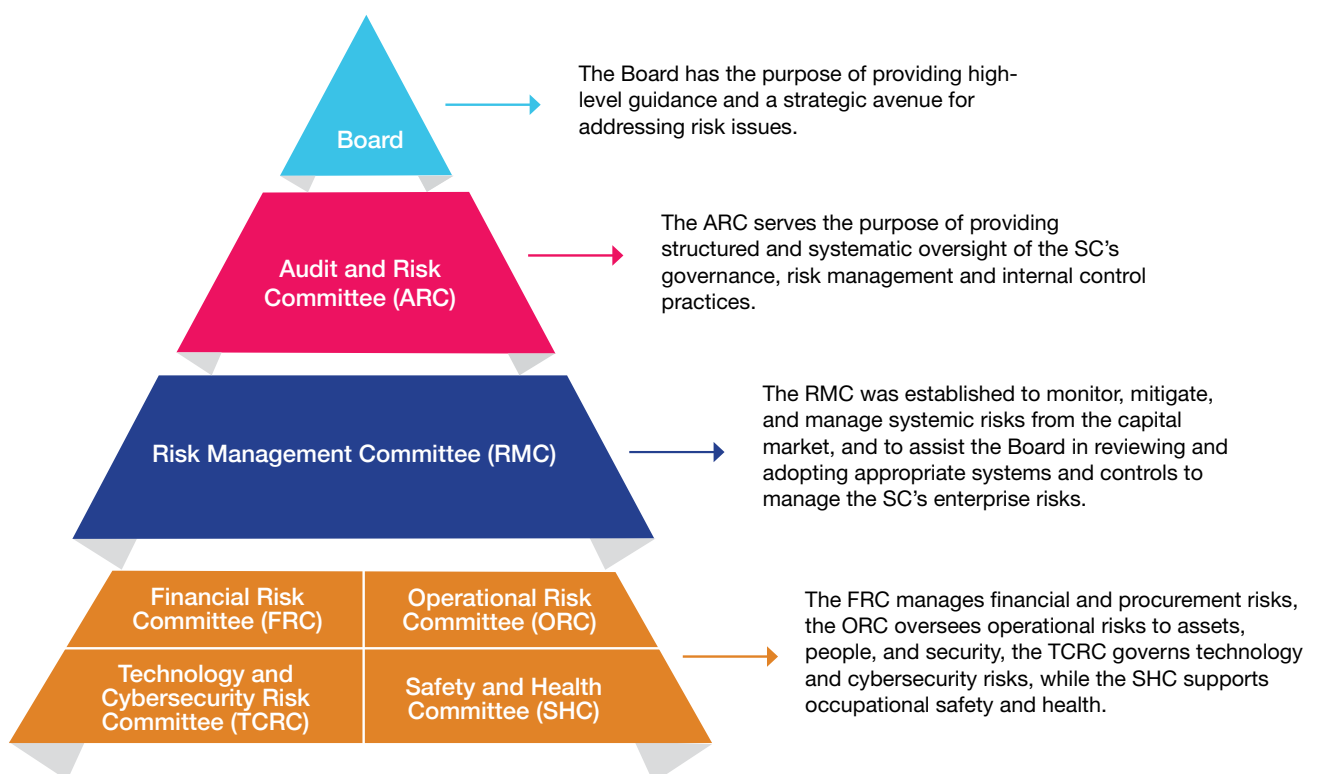
In addition, the Board maintained oversight of the whistleblowing framework (including against the SC and SC's personnel), ensuring such matters are assessed objectively, escalated appropriately and addressed

without undue influence. These measures reinforce the SC's robust governance architecture and its commitment to transparency, accountability and regulatory integrity.

In addressing the potential conflict arising from the SC appointing external auditors who are regulated by its AOB, the Board ensures that independence, integrity and transparency are preserved through a clear governance separation between the SC Management and the final decision-making authority. Oversight of auditor performance and appointment is exercised by the ARC comprising non-executive Board members, who undertake an independent assessment separate from the SC Management's inputs. Final approval rests with non-executive Board members, thereby ensuring that the SC Management has no influence over the appointment of external auditors including those registered with the AOB.

To discharge this responsibility, the Board provides direction and oversight through the ARC as illustrated in Figure 1. The Risk Management Committee (RMC), comprising of senior management, assists the Board in ensuring that the risk management framework and internal control policies remain sound, comprehensive and responsive to evolving circumstances.

FIGURE 1
The SC's Internal Risk Governance Structure



The ARC provides structured and systematic oversight of governance, risk management and internal control practices, while the RMC, comprising senior management of the SC, oversees the implementation of the SC’s enterprise risk management framework, ensuring that risks are identified, assessed, monitored and managed in alignment with the organisation’s approved risk appetite. The SC Management is responsible for the effective execution of these frameworks and for inculcating a strong risk-aware culture throughout the organisation. It ensures that appropriate policies, procedures and control measures are in place and that remedial actions are promptly undertaken where weaknesses or vulnerabilities are identified.

Risk Governance Structure

The SC’s governance structure is underpinned by the Three Lines of Defence model as shown in Figure 2, which clearly delineates responsibilities for managing and overseeing risk. The first line of defence consists of risk owners, risk officers, business groups and line departments that own and manage risks within their daily operations. The second line of defence comprises oversight and governance functions including Risk

Management and Integrity & Compliance functions. The second line of defence monitors adherence to risk policies, procedures and the SC’s defined risk appetite. The third line of defence, represented by the Internal Audit Department, provides independent assurance on the adequacy and effectiveness of the risk management and internal control systems.

The SC’s risk governance structure is designed to provide clear lines of accountability and ensure effective oversight of the risk management and internal control system. At the apex, the Board provides strategic direction, sets the tone for sound risk management practices and ensures that appropriate systems and controls are in place. The ARC plays a key role in reviewing the adequacy and effectiveness of these systems.

The RMC ensures that day-to-day risk management activities are properly coordinated and aligned with the SC’s objectives. The RMC is supported by management-level committees responsible for monitoring the adequacy of the SC’s enterprise risk management processes, including the identification, assessment, mitigation and reporting of both financial and non-financial risks. These committees provide regular updates to the RMC, which in turn reports to the ARC and the Board.

FIGURE 2
Three Lines of Defence Model



The SC's governance and oversight approach is anchored on the Three Lines of Defence model as shown in Figure 2, which establishes a clear delineation of roles and responsibilities across the organisation:

- First Line of Defence – Risk Ownership:** Consists of risk owners, risk officers and business groups who are directly responsible for identifying, assessing and managing risks within their day-to-day operations. They ensure that internal controls are properly applied and that risks are managed at the source. Their risks are being reported to the Second Line of Defence for review.
- Second Line of Defence – Risk and Compliance Oversight:** Comprises the Risk Management, Integrity and Compliance functions, which provide oversight, guidance and challenge to the first line. This line develops risk policies, facilitates risk assessment processes and ensures adherence to established governance and regulatory requirements. This line will report the risk exposure to the management and Board.
- Third Line of Defence – Audit Assurance:** Represents the independent assurance provided by the Internal Audit Department, which evaluates the adequacy and effectiveness of both the first and second lines. It reports directly to the ARC, ensuring independence and objectivity in its assessments.

This model ensures that risk management and internal control processes are robust, transparent and integrated throughout the organisation, supporting informed decision-making and safeguarding the SC's mandate.

Risk Appetite

The SC's Risk Appetite Statement, approved by the RMC, outlines the level and type of risks the organisation is prepared to accept in pursuit of its strategic objectives. It serves as a guiding framework for all major decisions and activities, ensuring that risk acceptance remains aligned with the SC's mandate and values.

The statement is reviewed annually to ensure its continued relevance, taking into account changes in the internal and external environment. It establishes clear tolerance levels for financial and non-financial exposures, allowing the SC to maintain an appropriate balance between risk acceptance and risk mitigation.

The SC maintains a prudent and measured approach to risk, remaining cautious in areas that could affect governance, financial integrity, or stakeholder confidence, while supporting opportunities that enhance efficiency, innovation and capital market development.

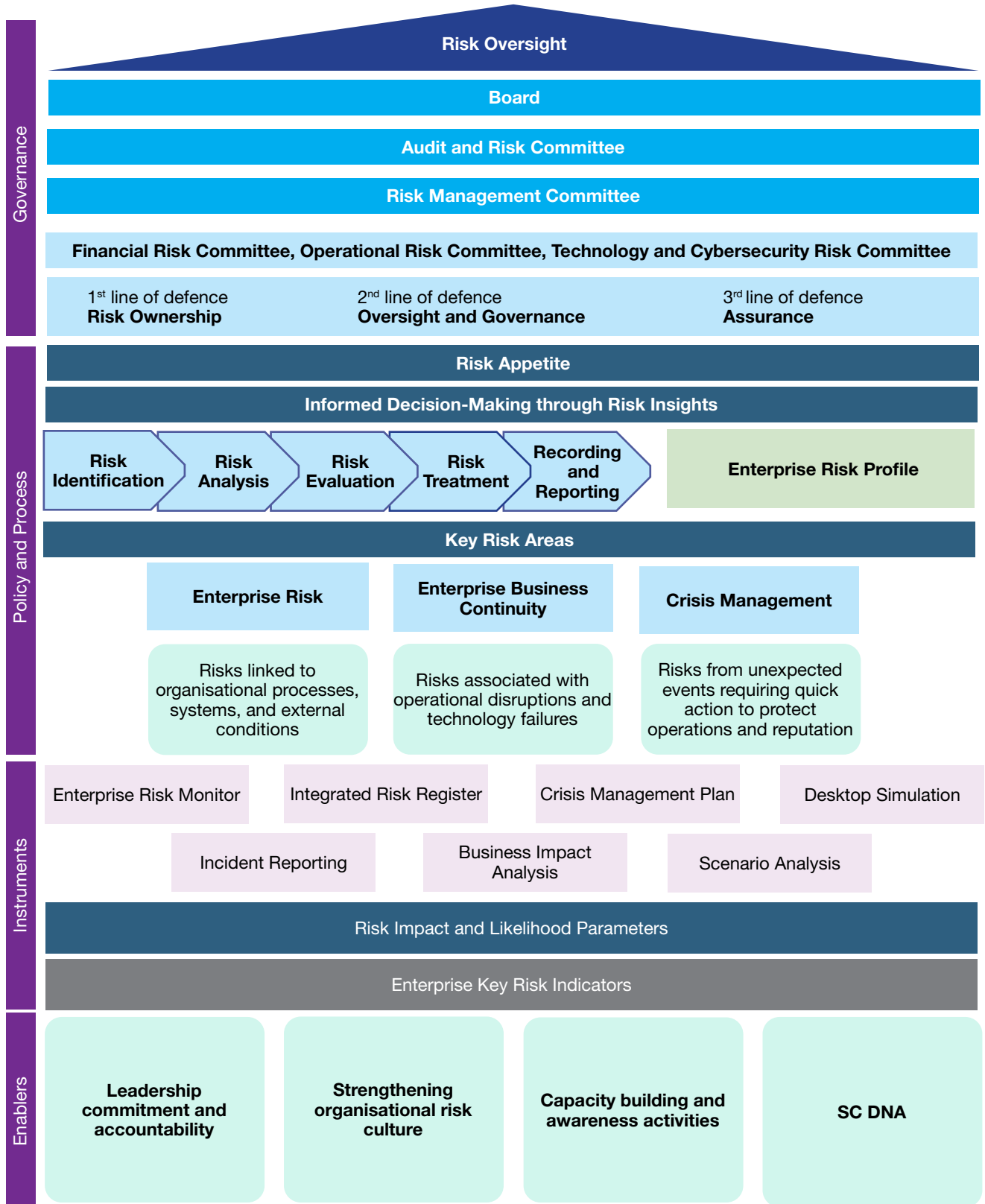
FIGURE 3
The SC's Enterprise Risk Appetite Statement



Risk Management Framework

The SC's Enterprise Risk Management (ERM) Framework, as shown in Figure 4, forms the foundation of its risk governance structure. Developed in accordance with the ISO 31000:2018 Risk Management Principles and Guidelines, the framework ensures a systematic and consistent approach to identifying, evaluating, mitigating and monitoring both financial and non-financial risks across the organisation.

FIGURE 4
SC's Enterprise Risk Management Framework



The framework is supported by the Enterprise Risk Management Policy and Standard Operating Procedures (SOPs), which define clear accountabilities for risk ownership at every level. The risk management process involves continuous identification and assessment of emerging issues that may affect the SC's ability to achieve its mandate. Each department maintains and reviews its risk registers periodically to ensure accuracy, completeness and integrity.

The framework promotes proactive risk awareness and informed decision-making across all levels. It ensures that risk management remains a continuous, adaptive process that evolves with changes in the regulatory, technological and economic environment.

Emerging Risks

In an ever-changing environment, organisations that embrace innovation and operate within a highly interconnected landscape are exposed to new and evolving risks. These emerging risks often carry uncertainty in both their likelihood and potential impact on business operations.

To stay resilient, the SC adopts a forward-looking approach to risk management by actively monitoring emerging risks, even when they do not pose immediate threats. In 2025, technology and data-related developments continued to feature prominently in the SC's emerging risk landscape. Similarly, we also maintain a dedicated focus on sustainability-related risks and opportunities, integrating these considerations into the risk management processes. Evolving cybersecurity threats, potential system obsolescence and increasing reliance on digital infrastructure underscore the importance of maintaining robust controls and operational resilience. The growing use of automation and AI-driven tools also introduces new dependencies that require strengthened data governance and assurance mechanisms. To address these, the SC continues to reinforce its technology and cybersecurity safeguards, enhance real-time monitoring capabilities and ensure that innovation is pursued responsibly with transparency and accountability.

An established internal process supports the annual identification and assessment of emerging risks. This involves analysing data from key risk indicators, engaging with risk officers and relevant stakeholders and conducting environmental scans to detect new trends. Insights from this process shape the SC's risk outlook,

informing both business planning and strategic decision-making.

Early identification of emerging risks enables the SC to develop proactive mitigation and response strategies, as illustrated in Figure 5.

FIGURE 5
Emerging risks identification process



Governance, Integrity and Anti-corruption Initiatives

Internal Controls

The SC's system of internal controls is designed to ensure operational effectiveness, credible financial and management reporting and compliance with laws, regulations and internal policies. These controls cover both financial and non-financial areas and are integrated into the SC's operational and decision-making processes.

The internal control environment is built upon strong ethical standards, accountability and professionalism. Policies and procedures governing key functions such as financial management, procurement, human capital and information governance, provide clear direction and oversight.

Further, the SC's *Organisational Anti-Corruption Plan (OACP) 2024-2026* was developed with multiple initiatives to address organisational issues in relation to governance, integrity and corruption. SC *Jawatankuasa Tatakelola* (SC JTK) approves the SC OACP and serves as a platform focused on addressing organisational issues pertaining to governance, integrity and anti-corruption measures. SC OACP 2024 – 2026 initiatives are closely monitored and reported to the SC JTK to ensure timely delivery and maintaining accountability on the outcomes. Amongst others the initiatives are:

- Organisation structure review on conflicting functions within selected Business Groups was undertaken for improved segregation of functions. This initiative noted restructuring of Business Groups within the SC with movement of functions/ departments to achieve independence in the functions undertaken.
- The culture of integrity, transparency and accountability is the bedrock of SC's organisational values. In order to achieve this culture, creating a safe avenue for employees and external stakeholders to raise concerns and report in good faith any improper conduct is important. The Whistleblowing Policy and Procedure was amended to achieve a more open and centralised framework for concerned parties to highlight any concerns related to improper conduct of SC employees or on SC as an organisation.
- A *Policy on Handling External Influence* was established to set out the approach for managing external influence to safeguard the independence and impartiality of the SC in discharging its statutory responsibilities. In relation to the oversight by external auditors, independence is further reinforced through a multi-layered governance arrangement whereby the SC has no authority over auditor appointment or performance decisions, which rest with the ARC and non-executive Board members. The SC does not yield to external influence in the execution of its mandate. All regulatory and developmental functions must be carried out free from undue

interference, with decisions based on independent and objective assessments.

- Following the establishment of e-procurement for selected purchases and centralised Vendor Management Unit, in 2025 the SC strengthened its procurement governance through the centralisation of sourcing activities under the Procurement and Office Services Department, which now serves as a single point of contact for all procurement-related matters. To address potential conflict of interest risks arising from this arrangement, layered controls and clear segregation of duties are in place, including independent review and differentiated technical and commercial evaluation roles to ensure no single function exercises end-to-end decision-making. This initiative enhances transparency, consistency and accountability in procurement processes as well as promoting efficiency, cost-effectiveness and risk mitigation. The Department has also initiated a spend analysis to identify opportunities for consolidation and long-term value creation.
- The SC Anti-Bribery and Corruption (ABC) Policy is being developed to provide a more structured and focused approach to managing risk of bribery and corruption, ensuring consistent standards of ethical conduct across all operations within the SC. The Policy represents the SC's firm commitment to ensure the adoption of ethical standards, integrity, accountability and the zero-tolerance policy against corruption across the organisation.
- The authority matrix is currently being revised to ensure relevance. The delegation of authority further delineates roles, responsibilities and approval limits across the organisation to ensure effective segregation of duties and decision-making.

The SC also enhanced its internal control environment through strengthened technology and cybersecurity governance. Proactive system monitoring, infrastructure upgrades and enhanced operational resilience measures were implemented to safeguard critical systems, strengthen defences against evolving threats and ensure continuity of operations. The SC Enterprise Data Governance Framework continued to guide data quality and compliance, while enabling the responsible integration of AI-driven capabilities across regulatory and supervisory functions. Collectively, these

developments ensure that technological innovation is embedded within the organisation with robust safeguards, transparency and accountability.

The *Authorisation for Disclosure of Information Policy* governs the release of material non-public information to external parties. Any request for disclosure is referred to a Special Committee comprising senior members of the SC's management for deliberation and decision.

Enhancing Integrity and Compliance Culture

Fostering a culture of integrity and compliance is paramount to maintaining the SC's reputation as a trustworthy organisation. The SC recognises that in addition to clear policies and procedures and strong leadership, maintaining the culture of integrity and compliance requires ongoing education in compliance and ethics.

An example is the Compliance and Ethics programme which is conducted on a biennial basis focused on the SC's governance framework, *Code of Conduct* and whistleblowing policies and procedures. The mandatory programme was conducted this year and serves to reinforce the SC employee's understanding of integrity values and promote responsible behaviour across the SC.

The mandatory training programme that was initiated in 2024 till 2025 to build awareness and understanding about the importance of governance, integrity and anti-corruption is near its completion.

SC-wide Townhalls are conducted periodically which had helped to promote transparency and alignment with the SC's strategic initiatives and SC values.

Other periodic reminders were sent to SC employees focusing on the importance of timely declarations of conflicts of interest and the importance of safeguarding sensitive or confidential information.

Operational Resilience

The SC remains fully committed to strengthening organisational resilience through the implementation of a comprehensive *Business Continuity Management (BCM) Policy and Standard Operating Procedure*, in alignment with the ISO 22301:2019 Security and Resilience Business Continuity Management System (BCMS) requirements. This reflects the organisation's

continued efforts to ensure the sustainability of its operations, even in the event of crises or disruptions.

An annual BCM programme is conducted to enhance awareness, training, review and validation of the efficiency and effectiveness of the BCM framework. The outcomes of this programme are reported to the RMC for oversight and review.

Crisis Management

Crisis management forms an integral part of the SC's Enterprise Risk Management framework, ensuring preparedness and resilience in the face of unforeseen events. A Crisis Management Policy and Standard Operating Procedure are in place to enable the prompt identification, assessment and response to crises, thereby minimising disruptions to operations and safeguarding the interests of stakeholders.

The crisis management plan is continuously reviewed and refined to address emerging risks, enabling the SC to respond swiftly and effectively to any crisis. Proactive communication and decisive action remain central to maintaining stability and protecting strategic priorities.

INTERNAL AUDIT

The SC's Internal Audit Department (IAD) assists the ARC in discharging its duties and responsibilities. IAD reports directly to the ARC, which determines the adequacy of scope and function of the department as set out in the Internal Audit Charter. IAD accomplishes its objectives to strengthen the SC's ability to create, protect, and sustain value by providing the Board/ARC and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

IAD carries out its responsibilities by conducting reviews based on the Annual Audit Plan as approved by the ARC and the *Global Internal Audit Standards* as issued by The Institute of Internal Auditors.

The 2025 Annual Audit Plan was developed by considering both key and emerging organisational risks, together with the SC's strategic objectives. While developing the Annual Audit Plan, IAD gathered insights from key stakeholders, including selected line departments and Senior Management as well as the ARC, which helped shape the audit priorities and scope of coverage.

The main activities of IAD in 2025 included performing predominantly risk-based audits for the areas identified in the Annual Audit Plan. IAD also performed independent ad-hoc reviews at the request of Management. The results of the audits and activities performed by IAD were presented to the ARC for its review and deliberation. Where applicable, IAD conducted follow-up enquiries to ensure that Management's corrective actions were implemented appropriately and provided periodic updates on the status or progress of the key actions to the ARC. In addition, IAD played an advisory role in the course of discharging its responsibilities.

IAD had also reviewed the Internal Audit Charter to ensure it remains relevant and aligned with the new *Global Internal Audit Standards*, and had sought the ARC's feedback and approval, with the IA Charter subsequently tabled to the Board.

EXTERNAL STAKEHOLDER AND PUBLIC COMMUNICATION (FMOS)

Following the successful consolidation of the Ombudsman for Financial Services (OFS) and the Securities Industry Dispute Resolution Center (SIDREC) in January 2025, the Financial Markets Ombudsman Service (FMOS) now serves as a single, independent, and impartial avenue for financial consumers and investors to resolve monetary disputes efficiently and fairly.

The establishment of FMOS marks a significant milestone in Malaysia's financial and capital market landscape, strengthening investor and consumer protection and enhancing operational efficiency through an integrated dispute resolution framework. The expanded FMOS

membership encompasses commercial banks, Islamic banks, investment banks, digital banks, development financial institutions, insurance companies, takaful operators, fund management and asset management companies, stockbroking companies, e-money issuers, insurance and takaful brokers and financial advisors.

FMOS handles monetary disputes not exceeding RM250,000 involving financial and capital market products and services, providing redress through case management and adjudication in line with global best practices.

In 2025, FMOS received a total of 11,431 complaints and enquiries, of which 4,158 were registered as eligible disputes (inclusive of 18 capital market disputes). A total of 1,656 disputes were brought forward from 2024, comprising 1,630 disputes registered under the OFS predecessor scheme and 26 disputes under the SIDREC predecessor scheme. During the period, 3,185 disputes were successfully resolved, including 25 capital market cases under the SIDREC predecessor scheme and two cases under the FMOS scheme.

Beyond dispute resolution, FMOS promotes financial literacy and awareness of FMOS as an alternative redress avenue through outreach initiatives including *Bersama InvestSmart*[®] organised by the SC and *Karnival Celik Kewangan* by the Financial Education Network under BNM.

FMOS also collaborates closely with the Regulators, members, industry associations, and government agencies to share insights from dispute resolution, highlighting systemic trends and providing valuable feedback that supports sound industry practices and continuous market improvement.

ENTERPRISE SUSTAINABILITY

Enterprise sustainability remains an important aspect for the SC. Guided by its decarbonisation commitments to be Carbon Neutral by 2040, and Net Zero by 2050, the SC embeds environmental, social and governance considerations across its operations and activities, through its Sustainability First Initiative (SFI). Aimed at supporting the SC's transition into a sustainable organisation, the SFI sets out strategies to be implemented by the SC in the short to medium-term.

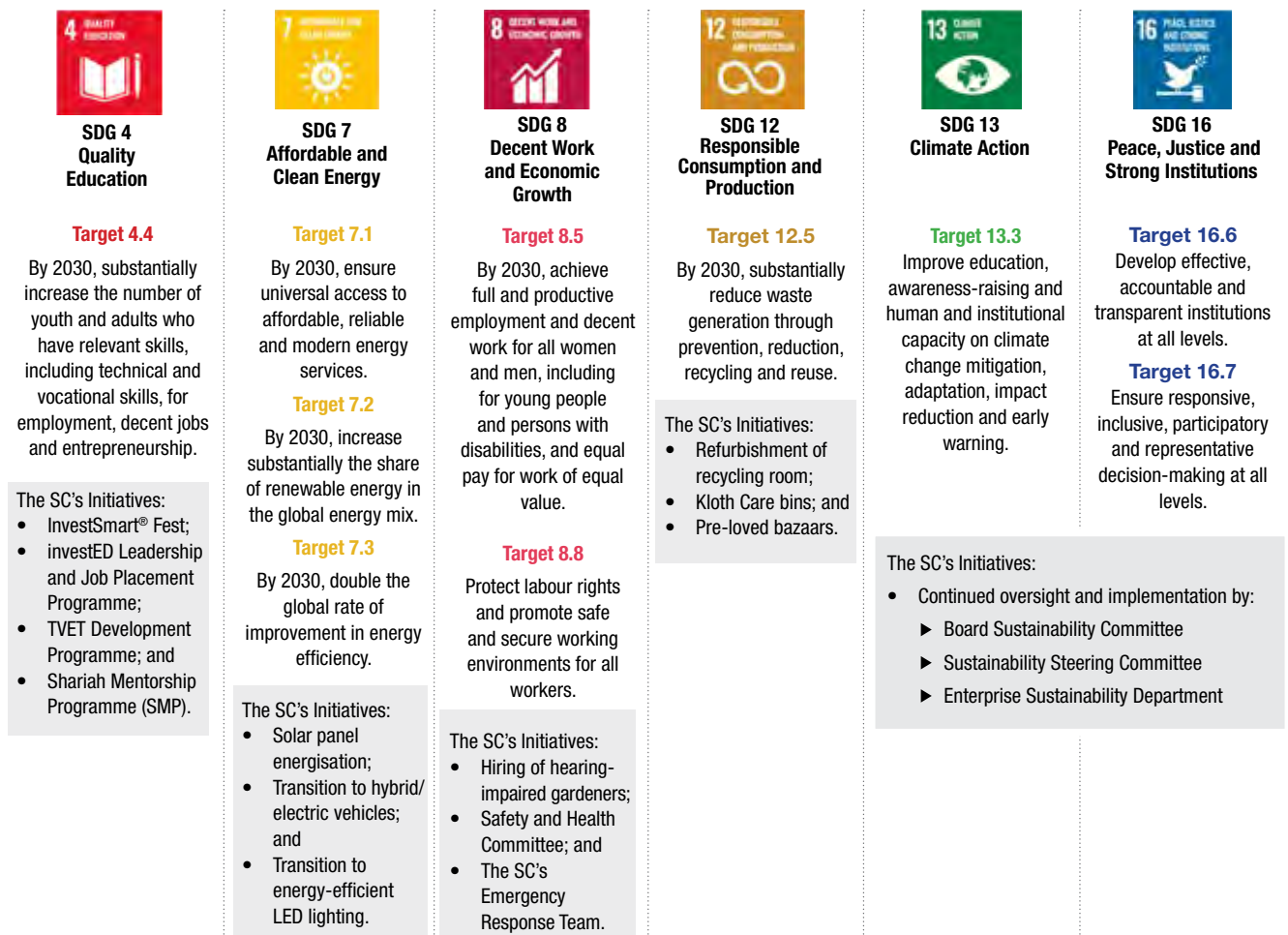
In 2025, the SC completed Phase 1 of the SFI. Through efforts to reduce the SC's Greenhouse Gas (GHG) emissions, enhance workforce culture and staff well-being, and strengthening sustainability governance via the establishment of a dedicated Sustainability Business

Group, the SC continues to build a resilient organisation progressing towards a sustainable future.

The SC's Commitment to the UN SDGs

Anchored through its commitment to the United Nations Sustainable Development Goals (SDGs), the SC strives to support six key SDGs it has identified as strategically important, taking into account their connection to enterprise values and day-to-day operations. The following outlines the relevant SDGs and the SC's contributions to their specific targets (Figure 1).

FIGURE 1
Alignment of organisational achievements with SDG targets



Environmental

The SC continues to monitor its GHG emissions across its operations, particularly Scopes 1 and 2.

Under Phase 1 of the SFI, the SC has implemented a range of abatement levers to reduce emissions, including energy efficiency measures and sustainable workplace practices, reaffirming the SC's commitment to manage environmental impact and meet national climate ambitions. Looking ahead to 2030, the SC will explore additional decarbonisation strategies — such as renewable energy adoption and enhanced green procurement — to accelerate progress toward its Net Zero commitments and reinforce its leadership in sustainability.

The SC's Scope 1 emissions arise from stationary combustion through generator use, mobile combustion from fleet operations, and the occasional release of fugitive emissions. In line with the SFI, a key abatement lever identified for Scope 1 emissions is the transition to a lower-emission vehicle fleet.

To operationalise this, the SC has undertaken a vehicle transition initiative, which includes replacing older petrol vehicles with hybrid models and converting fossil fuel-powered shuttle vans to electric alternatives. This initiative introduced three electric vehicles (EVs) into the SC fleet, supporting the broader adoption of EVs while reducing Scope 1 emissions. The transition decreases reliance on fossil fuels and delivers measurable emission reductions from mobile combustion sources.



Scope 2 emissions, which arise from the consumption of purchased electricity, represent the largest component of the SC's overall carbon footprint. Given this impact, the SC has adopted targeted abatement strategies

aimed at reducing electricity consumption and progressively shifting from brown energy sources to renewable alternatives.

As part of these efforts, the SC completed its lighting transition initiative in 2025, replacing more than 14,000 conventional light bulbs with energy-efficient LED fittings.



The solar panels installed on the SC's rooftop were fully energised in 2025, marking an important milestone in the organisation's transition from carbon-intensive, fossil fuel-based electricity to renewable energy. This shift contributes directly to reducing emissions at the point of generation while enhancing environmental sustainability and improving long-term cost efficiency. Solar power is projected to reduce the SC's overall electricity consumption by approximately 10%, supporting continued reductions in Scope 2 emissions.



Following the energy audit conducted by the SC to better understand the building's energy distribution and identify opportunities for energy efficiency, the SC pilot tested the efficacy of solar films to minimise building heat and lower reliance on the SC's air handling units. Other energy efficiency measures are being explored to further reduce the SC's overall environmental impact, including addressing foreseeable rising temperature concerns and the need to optimise heat management and operational efficiencies.

The SC is also cognisant of Scope 3 emissions which comprise other indirect emissions arising from activities not directly controlled by the SC but linked to its value chain. Key contributors for the SC's Scope 3 emissions include Category 5: Waste Generated in Operations and Category 6: Business Travel.

Waste within operations is actively managed through a dedicated recycling room, while food and horticultural waste is diverted to seven compost bins on the SC's compound, each generating approximately 60 kg of usable soil conditioning for the SC's gardens or for distribution to staff. Kloth Care textile and clothing recycling bins have also been strategically placed across the SC's premises to promote zero-waste practices among staff, diverting over 1,100 kg of used and unwanted clothes from landfills.

Additionally, while business travel emissions are monitored, the data collection processes are being enhanced to improve overall measurement and accuracy. This will enable the SC to better identify opportunities for optimisation and areas for further reduction.

Social

Overview

The SC remains committed to advancing social wellbeing within the organisation and across the broader community.

FIGURE 2
The SC's social themes



Internally, the SC prioritised staff development and welfare, while externally, initiatives focused on enhancing financial literacy across the capital market and supporting underserved communities through both philanthropic and non-philanthropic programmes.

Employer of Choice

The SC's commitment to being an employer of choice is underpinned by a holistic approach that prioritises employee health, safety, and wellbeing; embeds a sustainability-driven culture across the organisation; and strengthens talent attraction and retention. These efforts reflect the SC's focus on building a resilient, future-ready workforce that supports organisational excellence and long-term value creation.



This commitment was recognised at the 2025 LIFE AT WORK Awards (LAWA), where the SC won under Employee Care and Well-being (Public Sector), CEO Champion (Public Sector), and was the first runner-up for Best Organisation (Public Sector).

In supporting health and wellbeing, the SC provides comprehensive coverage encompassing both physical and mental health. Employees have access to over 7,000 authorised clinics and hospitals nationwide, complemented by mental health resources such as professional counselling and psychiatric services.

In 2025, the SC strengthened its employee well-being efforts by upgrading its fitness centre and multipurpose hall to support and facilitate a healthier lifestyle for its staff. Additionally, the Safety and Health Committee (SHC) organised multiple events this year, including a Safety and Health Week in October that provided comprehensive health screenings for staff. There was also a blood donation drive, on-site massage therapy and Influenza vaccination sessions.

Further, the SC launched its newly renovated crèche facility, reinforcing the organisation’s commitment to supporting working parents and fostering a family-friendly work environment. Officiated by the Minister of Women, Family and Community Development, YB Dato’ Sri Hajah Nancy binti Shukri, the purpose-built childcare centre provides a safe, nurturing, and development-focused setting for employees’ children, enabling employees to better balance professional and family responsibilities.



The SC’s Sports and Recreation Club (KSRSS) also continues to play a pivotal role in supporting employee health and wellbeing by fostering engagement and camaraderie. A range of activities — including the Bazaar Ramadan and Fruit Fest — were organised in 2025 to strengthen the bond among employees and promote a vibrant workplace culture.



On safety, the SC strengthened emergency preparedness and response through training and refresher sessions for the 81 Emergency Response Team (ERT) members, to ensure a prompt and effective response in the event of an emergency, alongside the conduct of evacuation drills. Safety and Self Protection mandatory training sessions for employees were also conducted to empower staff and promote resiliency.

To inculcate and embed a sustainable culture within the SC, the Enterprise Sustainability Department organised targeted environmental and social initiatives, including a Pasar Pre-Loved to promote zero-waste practices and support local social enterprises that empower communities. Staff awareness was strengthened through a series of circulars highlighting key priorities such as the reduction of single use plastic (Plastic Free July), reduction in electricity consumption (World Energy Saving Day), and climate adaptation and coastal protection (International Day for the Conservation of the Mangrove Ecosystem). A private screening of the *Ocean with David Attenborough* documentary was also held to deepen understanding on marine conservation and preservation. To promote sustainable food practices and greener workspaces, the SC further rolled out a small-scale hydroponic planting initiative in the later part of the year.



In its efforts to strengthen talent attraction and retention, the SC prioritises employee development. Key initiatives include scholarships to enhance professional and specialised skills, comprehensive training programmes to support career growth, and job rotation opportunities to broaden expertise and foster leadership capabilities.

Fostering Financial Literacy

As the capital market regulator, the SC plays a pivotal role in protecting investors and promoting market integrity. Investor protection is a core mandate that aligns with the SFI's social theme of financial literacy, aimed at improving awareness and empowering stakeholders to make informed financial decisions.

In 2025, the Consumer and Investor Office advanced this agenda through flagship initiatives such as InvestSmart® Fest, Bersama InvestSmart®, and #FinPlan4U®, which provided complimentary one-to-one financial planning sessions with licensed financial planners and more recently, provided investors access to the SC's Malaysia Adaptation Game to better understand the growing impact of climate change. Collectively, these programmes engaged over 100,000 participants nationwide. The SC will continue to broaden its outreach through targeted programmes to further strengthen financial literacy and investor confidence across diverse communities.

Responsible Corporate Citizen

The SC, as a responsible corporate citizen, remains committed to creating a positive impact, beyond its regulatory mandate, by uplifting underserved and vulnerable communities. Through both philanthropic and non-philanthropic initiatives, the SC seeks to provide meaningful support that enhances society wellbeing.

Through the issuance of the Social Exchange Platform Guidelines and the establishment of a Social Exchange, the SC will enable Non-Profit Organisations (NPOs) to scale impactful initiatives, reinforcing the SC's commitment to social wellbeing and supporting underserved communities.

Further, the SC's investED Leadership and Graduate Programme continues to build capacity and create career opportunities for young graduates, from diverse and underserved backgrounds, in the capital market. Now in its third year, the programme has successfully trained and placed 211 graduates in capital market-related roles, contributing to the nation's long-term talent pipeline. Complementing these efforts, the SC launched investED for Women in 2025, recognising the importance of supporting women returning to the workforce.



The SC also progressed with the Shariah Mentorship Programme (SMP), which nurtures young talent in Islamic finance by equipping them with practical exposure and mentorship from industry leaders. To date, the SMP has engaged 45 mentees and 59 mentors, advocating knowledge transfer, professional development, and capacity building in Shariah and Islamic finance.

In collaboration with the Baju Raya Project, the SC brought joy to underprivileged individuals by providing them with clothing during the festive season. SC employees collectively donated a total of 297 pieces of clothing through this Project.



These programmes demonstrate the SC’s holistic approach to community upliftment via philanthropic and non-philanthropic activities. Through these

sustained efforts, the SC continues to strengthen its role as a responsible corporate citizen, championing both social inclusion and human capital development.

Governance

Overview

The SC is committed to strengthening its sustainability governance framework, with the Board Sustainability Committee (BSC) providing relevant oversight of sustainability and ESG-related strategies, and the Sustainability Steering Committee (SSC) guiding and monitoring the progress of key internal and external-facing sustainability initiatives.

As part of this commitment, the SC has appointed a Chief Sustainability Officer (CSO), effective January 2025. The SC also established a Sustainability Business Group (BG) to facilitate thought leadership and enhance execution capacity. The Sustainability BG comprises four specialised departments covering Environmental, Social, Corporate Governance, and Enterprise Sustainability working together to support the integration of sustainability in the strategy and governance of the SC and the capital market. This structure allows the SC to take a holistic view on sustainability, ensuring that environmental protection, social development, governance integrity, and enterprise-wide practices are embedded into both the wider capital market agenda and the SC’s internal operations.

The enhanced governance structure underscores the SC’s commitment to advancing ESG principles and driving sustainable development in a comprehensive and holistic manner.

OUR PEOPLE

HUMAN CAPITAL DEVELOPMENT AND ORGANISATIONAL CAPABILITY 2025

In 2025, the SC advanced its human capital strategy to build a future-ready and resilient workforce, aligned with the organisation's regulatory mandate and strategic priorities. Through digital transformation, talent optimisation and progressive workplace practices, the SC delivered key initiatives that strengthened efficiency, enhanced employee experience and positioned the SC as a leading employer in the public sector.

Strengthening HR Efficiency Through System Automation

The SC achieved a major milestone in its digital roadmap with the deployment of an upgraded Human Resources Management System (HRMS) in Quarter 3 enabling near-full automation of multiple HR transactions, reducing manual processes. The department focused on streamlining HR operations to support the organisation's evolving workforce needs and to provide a more efficient, transparent and employee-centred experience. The enhanced system seamlessly integrates with a third-party administrator's medical database and the internal financial platform, ensuring real-time data transfer, faster turnaround times and a more consistent employee experience, aligning HR operations with the organisation's strategic priorities and future workforce requirements. This achievement reflects the SC's commitment to operation excellence and a more technology-driven HR function.

Data-Informed Workforce Optimisation

As an effort to ensure the organisation's agility in evolving market complexities, the SC implemented the Business-As-Usual Full-Time Equivalent (BAU-FTE) Assessment, a data-driven initiative mapping workforce skills, workload distributions and capacity. The assessment resulted in a comprehensive inventory of workforce skills through validated job skill profiling and assessment, analysing job profiles, competencies, and role alignments to ensure the organisation has the right number of staff with the right skills in the right roles.

Complementing this, the BAU-FTE assessment evaluated workload distribution and resource utilisation across departments to identify overlaps, capacity imbalances, and operational pressures. Overall, the assessment provided data-driven insights into workforce strengths, capability gaps, and utilisation levels, forming a strong foundation for effective manpower planning, targeted capability development, and enhanced organisational agility and future readiness.

Sustaining Talent Pipelines and Workforce Capacity

As at 31 December 2025, the SC successfully maintained its headcount at 871, reflecting disciplined workforce planning and effective resource management. In addition, 83 promotions were awarded to recognise consistently high-performing employees, reinforcing the SC's strong merit-based culture and commitment to talent development.

Developing Early Talent: Internships and Placements

In the same vein, the SC continued to nurture early talent through internships and industrial placements, hosting a total of 49 undergraduates and seven vocational trainees within the organisation. The programme aimed to provide practical learning opportunities for youth by giving them working knowledge and experience working in a regulatory setting.

Expanding the Capital Market Talent Pool: investED

Further to developing undergraduates, the SC continued its efforts to raise awareness of the diverse career opportunities and address the young talent gap in the capital market by continuing to spearhead the investED Talent Inculcation programme. Now in its third year, investED recruited 212 trainees who completed one month of classroom learning at the Asia School of Business before being placed at 46 participating organisations within the capital market ecosystem.

These trainees have been given the opportunities to explore career options within the capital market based on their skills/experience and will be considered for roles within their host organisations upon programme completion.

Championing Inclusion: investED for Returning Women

October 2025 saw the launch of the investED for Returning Women programme, a structured training and re-entry programme designed to support women returning to the capital market workforce after a career break. The programme, supported by the 30% Club Malaysia, LeadWomen Sdn Bhd, SIDC, PwC Malaysia and TalentCorp, reflects a strong multi-stakeholder commitment to advancing gender diversity and inclusion. The initiative received over 600 applications in 2025, demonstrating strong market demand. Selected applicants were provided a variety of learning opportunities to refresh their CV and skills before being considered for roles in participating organisations.

Secondments: Strengthening Talent Mobility and Strategic Exposure

Additionally, the SC continued to strengthen its Talent Mobility programme with secondments and attachment programmes with key agencies, including the Ministry of Finance, the Consumer Credit Oversight Board (CCOB), Capital Markets Malaysia (CMM), World Bank, and the IOSCO Asia-Pacific Hub. The programmes enabled 11 employees to broaden their regulatory exposure, enhance skills and build cross-agency networks throughout their secondment experience. To complement the outgoing secondments, the SC also hosted four secondees from Bank Negara Malaysia, Polis Diraja Malaysia and Japan's Financial Services Agency (FSA), fostering inter-agency collaboration and knowledge exchange.

The SC Capability and Development Highlights

The SC adopts a targeted, outcomes-driven approach to learning. 2025 saw the completion of approximately 88,895 training hours, reflecting sustained investment in priority regulatory capabilities rather than volume-

driven training. These efforts reflect the SC's commitment to cultivating a skilled, ethical and future-ready workforce aligned with the evolving needs of Malaysia's capital market.

In 2025, the SC continued to strengthen organisational capabilities through targeted learning which included integrity and safety initiatives. The Governance, Integrity and Anti-Corruption (GIC) Awareness Programme continued to emphasise the SC's code of conduct, gifting policy and anti-corruption requirements. Delivered in both Bahasa Malaysia and English, the programme supports ongoing efforts under the Organisational Anti-Corruption Plan (OACP) 2024-2026 to embed a culture of transparency, accountability and responsibility across the organisation.

Furthermore, the SC established a structured case study and internal knowledge-sharing series to further safeguard institutional memory and foster a culture of continuous learning. These initiatives focused on documenting pivotal regulatory cases and initiatives, specifically within the Equities and Take-overs and Mergers departments. These initiatives facilitated the transfer of specialised expertise and operational insights, enhanced understanding of the SC's regulatory role, and captured decision rationales, regulatory considerations, and lessons learned. This approach ensures that 'lessons learned' from past initiatives are integrated into the SC's ongoing regulatory functions, supporting long-term institutional excellence. The series was further complemented by the SC's New Manager Development Programme and Middle Management Development Programme, to help leaders build the skills they need for the future of capital market regulation. Beyond presentation design and delivery skills, the programme continued to enhance innovation and strategic thinking skills within the organisation.

Extending capacity building from 2024, the SC continued to upskill staff ahead of emerging market changes in 2025. The SC strengthened its technical depth in fraud detection and investigative work by supporting staff to pursue the Certified Fraud Examiner (CFE) qualification, a unique global certification that helps regulators address the complexities of financial crime in both private and public sectors. This reinforces the organisation's capability to undertake complex investigations and enhances staff credibility as expert witnesses when required. Capacity building in areas of sustainability continued to carry weight as 20 staff

pursued the completion of the ICAEW Sustainability Accelerator Programme in 2025. The programme equipped staff with practical skills and strategic insight to integrate sustainability into business, managing risks, creating business cases, and leading ESG initiatives, and helping organisations achieve long-term profitability and compliance with evolving standards.

The SC also continued to invest in developing internationally attuned regulators. One of these initiatives included participation in the ASEAN Young Regulators Development Programme delivered in collaboration with Durham University. SC officers joined peers from the ASEAN and Gulf regions to explore regulatory fundamentals, supervisory approaches and emerging issues in capital markets. The programme deepened expertise in adaptation finance and Islamic capital markets while fostering international regulatory exchanges. This sharpened cross-border insights and cemented the SC's reputation as a respected regional partner. Moreover, two officers were awarded scholarships to pursue master's degrees at leading international institutions, strengthening the SC's pipeline of future regulatory leaders. These opportunities equip recipients with advanced knowledge, global perspectives, and specialised expertise that will be applied upon their return to service.

Strengthening Safety Awareness and Operational Readiness

As a capital market regulator, the SC and all its staff are exposed to some level of risk in their function. As such, the SC continued to prioritise staff safety awareness across a broad range of functions, including those operating in higher-risk environments. Staff are equipped with foundational knowledge in personal safety, situational awareness and practical self-protection techniques to help address the risks they face in their roles. To further support operational readiness, specialised firearms handling exposure was also introduced for relevant functions, focusing on understanding firearm-related risks and appropriate usage in emergency procedures. These initiatives reinforce the SC's commitment to employee well-being and risk-preparedness.

Enhancing Knowledge Continuity and Organisational Capability

The approval and implementation of the Enterprise Records Management Policy and Procedures in 2025 established a standardised, organisation-wide framework to managing institutional records. By adopting a uniformed reference numbering and filing practices in accordance with the *National Archives Act 2003*, the SC has significantly strengthened regulatory compliance, records integrity, and enhanced information accessibility and traceability across all departments. This

THE SC TRIUMPHS AT LIFE AT WORK AWARDS 2025

In 2025, the SC received national recognition for its progressive workplace culture, employee well-being, and diversity and inclusion practices at the LIFE AT WORK Awards (LAWA) 2025, organised by TalentCorp. The awards celebrate employers who foster inclusive, equitable and future-ready work environments. The SC's achievement across multiple categories reflects its long-standing commitment to creating a people-centred workplace and a holistic ecosystem where employees can thrive both personally and professionally. It further reflects not only strong leadership and sound human resource frameworks, but the collective spirit of the SC community.

CEO Champion (Public Sector) – Dato' Mohammad Faiz Azmi

The SC's Chairman, Dato' Mohammad Faiz Azmi, was named CEO Champion (Public Sector) in recognition of his strategic leadership and commitment to advancing employee well-being and organisational excellence. Under his stewardship, the SC has strengthened its workplace ecosystem through enhanced facilities, collaborative spaces and flexible working arrangements, while expanding learning opportunities including postgraduate, international and regional exposure for staff. His emphasis on mental health, regular engagement with employees and supportive work policies have further reinforced a strong culture of care within the organisation.

Dato' Faiz has also championed inclusivity, particularly supporting the advancement of women in the capital market, and has helped elevate Malaysia's global standing in Islamic finance and regulatory excellence through strategic partnerships and educational programmes. This award underscores the important role of leadership in shaping workplace culture and affirms his commitment to fostering an environment where employees feel valued, supported and empowered.

Employee Care and Well-Being (Public Sector) – Winner

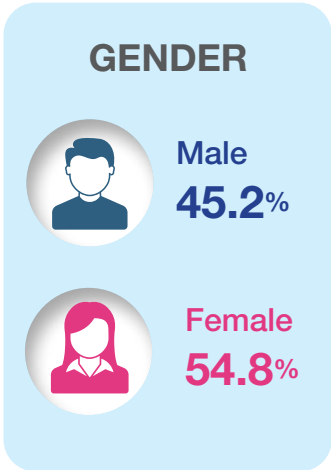
The SC was named the Winner for Employee Care and Well-Being (Public Sector) for its comprehensive approach to cultivating a healthy, supportive and resilient workforce. This recognition reflects the SC's deliberate and sustained efforts to embed holistic well-being into its organisational culture, guided by five core pillars: mental and emotional health, financial well-being, family support and work-life integration, and social connectedness and community engagement.

Overall Best Organisation (Public Sector) – Runner-Up

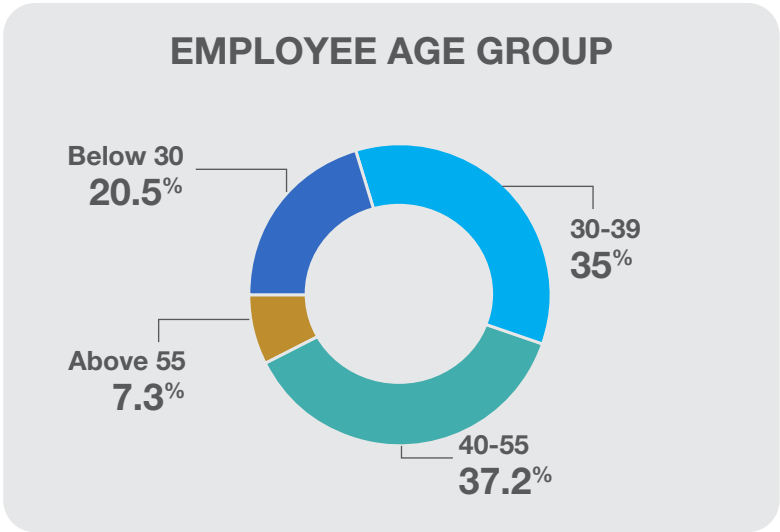
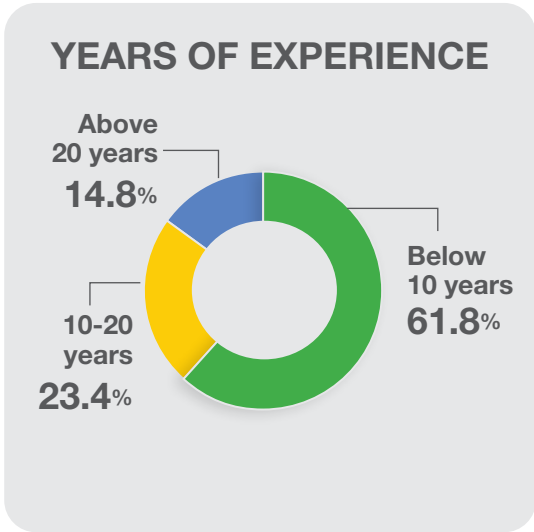
Furthermore, the SC was named Runner-Up for the Overall Best Organisation (Public Sector), placing it among Malaysia's most progressive and people-centric public sector institutions. This recognition reflects the SC's consistent investment in people development, commitment to equitable and inclusive workplace practices, progressive HR policies, agility in adapting to evolving workforce needs, particularly in the post-pandemic landscape, and its strong organisational culture rooted in trust, respect and shared purpose.

These awards reinforce the SC's Care Beyond Compliance philosophy, demonstrating that employee well-being is not merely a policy, but a lived organisational value.

HEADCOUNT: 877 As at 31 December 2025



POSITIONS %	MALE %	FEMALE %
2.2% Top Management	47.4%	52.6%
9.8% Senior Management	51.2%	48.8%
55.1% Middle Management	39.1%	60.9%
14.0% Executive	40.7%	59.3%
18.9% Support	62.7%	37.3%



SECURITIES COMMISSION MALAYSIA

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	140,463	140,679
Intangible assets	5	16,330	19,720
Right-of-use assets	6	7,860	6,746
Other receivables	8	787	1,176
Other investments	9	494,443	498,535
Tax recoverable		11,899	11,943
		<u>671,782</u>	<u>678,799</u>
CURRENT ASSETS			
Other investments	9	258,756	306,420
Trade and other receivables	10	33,037	31,726
Cash and cash equivalents	11	121,885	101,623
		<u>413,678</u>	<u>439,769</u>
Non-current assets classified as held for sale	12	267	-
		<u>413,945</u>	<u>439,769</u>
TOTAL ASSETS		<u>1,085,727</u>	<u>1,118,568</u>
RESERVES			
Compensation fund reserve	13	100,000	100,000
Accumulated surplus		692,107	777,967
TOTAL RESERVES		<u>792,107</u>	<u>877,967</u>
NON-CURRENT LIABILITIES			
Post-employment benefits	14	142,509	123,174
Lease liabilities	15	6,114	4,734
		<u>148,623</u>	<u>127,908</u>
CURRENT LIABILITIES			
Lease liabilities	15	3,942	3,662
Other payables and accruals	16	135,813	105,222
Contract liabilities	17	5,242	3,809
		<u>144,997</u>	<u>112,693</u>
TOTAL LIABILITIES		<u>293,620</u>	<u>240,601</u>
TOTAL RESERVES AND LIABILITIES		<u>1,085,727</u>	<u>1,118,568</u>

The notes on pages 204 to 234 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
INCOME			
Levies		164,821	209,518
Fees and charges		23,853	27,472
License fees		4,113	4,132
Registration fees		3,304	3,296
Finance income		36,385	36,262
Other income		19,272	19,714
	18	<u>251,748</u>	<u>300,394</u>
Less: EXPENDITURE			
Staff costs	19	242,294	210,062
Administrative expenses		57,620	53,227
Depreciation of property, plant and equipment	4	11,966	11,429
Amortisation of intangible assets	5	3,916	3,766
Depreciation of right-of-use assets	6	699	458
Rental expense		1,497	316
Finance cost on lease liabilities		367	439
		<u>318,359</u>	<u>279,697</u>
NET OPERATING (DEFICIT)/SURPLUS		(66,611)	20,697
Less: Funds to affiliates	20	(2,700)	(6,700)
(Deficit)/Surplus before tax for the financial year	21	<u>(69,311)</u>	<u>13,997</u>
Taxation	22	-	-
(Deficit)/Surplus after tax for the financial year		(69,311)	13,997
Other comprehensive loss:	23		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	14	<u>(16,549)</u>	<u>(16,110)</u>
Total comprehensive loss for the financial year		<u>(85,860)</u>	<u>(2,113)</u>

The notes on pages 204 to 234 are an integral part of these financial statements.

STATEMENT OF CHANGES IN RESERVES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<u>Compensation fund reserve</u>	<u>Accumulated surplus</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 January 2024	100,000	780,080	880,080
Surplus for the financial year	-	13,997	13,997
Remeasurement of defined benefit liability	-	(16,110)	(16,110)
Total comprehensive loss for the financial year	-	(2,113)	(2,113)
At 31 December 2024/1 January 2025	100,000	777,967	877,967
Deficit for the financial year	-	(69,311)	(69,311)
Remeasurement of defined benefit liability	-	(16,549)	(16,549)
Total comprehensive loss for the financial year	-	(85,860)	(85,860)
At 31 December 2025	100,000	692,107	792,107
	Note 13		

The notes on pages 204 to 234 are an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/Surplus before tax		(69,311)	13,997
Adjustments for:			
Depreciation of property, plant and equipment	4	11,966	11,429
Amortisation of intangible assets	5	3,916	3,766
Depreciation of right-of-use assets	6	699	458
Loss/(Gain) on disposals of property, plant and equipment		49	(198)
Loss on property, plant and equipment written off	4	11	70
Impairment loss on property, plant and equipment	4	-	1,559
Loss on intangible assets written off	5	1,033	802
Impairment loss on intangible assets	5	1,776	3,359
Reversal of liabilities due to post-employment benefits voluntary buy-out scheme	14	-	(9,874)
Net fair value gain on financial asset at fair value through profit or loss (FVTPL)		(3,141)	(923)
Finance income		(36,385)	(36,262)
Finance cost on lease liabilities		367	439
Current service cost and interest expense on post-employment benefits	14	6,966	6,600
OPERATING DEFICIT BEFORE WORKING CAPITAL CHANGES		(82,054)	(4,778)
Changes in working capital:			
Trade and other receivables		(2,508)	(1,692)
Other payables and accruals		32,024	9,087
CASH (USED IN)/FROM OPERATION		(52,538)	2,617
Tax refund		44	-
Benefit payout from post-employment benefits	14	(4,180)	(4,927)
Settlement of post-employment benefits voluntary buy-out scheme	14	-	(118,190)
NET CASH USED IN OPERATING ACTIVITIES		(56,674)	(120,500)
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturity of investments in Government Guaranteed Bonds		-	5,000
Withdrawal of quoted unit trusts		22,016	30,000
Acquisition of discretionary mandate		-	(300,000)
Movement in deposits placed with licensed bank		53,664	105,947
Finance income received		17,188	22,435
Proceeds from disposal of property, plant and equipment		103	215
Acquisition of property, plant and equipment*		(8,513)	(9,824)
Acquisition of intangible assets	5	(3,335)	(8,810)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		81,123	(155,037)

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of lease liabilities**		(4,187)	(3,973)
NET CASH USED IN FINANCING ACTIVITY		<u>(4,187)</u>	<u>(3,973)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		20,262	(279,510)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		101,623	381,133
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u>121,885</u>	<u>101,623</u>

* Reconciliation of cash payment for acquisition of property, plant and equipment to the addition of property, plant and equipment during the financial year

	2025 RM'000	2024 RM'000
Net cash payment for purchase of property, plant and equipment	8,513	9,824
Add:		
Acquisition of computer hardware under finance lease	3,667	2,261
Additions for the financial year (Note 4)	<u>12,180</u>	<u>12,085</u>

** Reconciliation of liabilities arising from financing activities

	2025 RM'000	2024 RM'000
At 1 January	8,396	9,303
<u>Non-cash changes</u>		
Addition of lease	5,480	2,627
Finance cost on lease liabilities	367	439
<u>Cash flow from financing activity</u>		
Repayment of lease liabilities	<u>(4,187)</u>	<u>(3,973)</u>
At 31 December (Note 15)	<u>10,056</u>	<u>8,396</u>

The notes on pages 204 to 234 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Securities Commission Malaysia (SC) is a statutory body established under the *Securities Commission Malaysia Act 1993* (SCMA) for the regulation and development of capital markets. The SC has direct responsibility for supervising and monitoring the activities of market institutions including the exchanges and clearing houses and regulating all persons licensed under the *Capital Markets and Services Act 2007* (CMSA). The address of the SC is at:

3, Persiaran Bukit Kiara,
Bukit Kiara,
50490 Kuala Lumpur, Malaysia.

These financial statements were authorised for issue by the Board Members on 29 January 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the SC have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS).

(i) Amendments to published standards that are effective

The SC has applied the following amendments to published standards for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

(ii) New standard and amendments to published standards that have been issued but not yet effective

New standard, amendments to published standards and annual improvements that are effective for financial year beginning on or after 1 January 2026 are set out below:

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments', Amendments to MFRS 9 and MFRS 7 'Contracts Referencing Nature-dependent Electricity' (effective 1 January 2026).
- Annual Improvements to MFRSs (Amendments to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards', Amendments to MFRS 7 'Financial Instruments: Disclosures', Amendments to MFRS 9 'Financial Instruments', Amendments to MFRS 10 'Consolidated Financial Statements' and Amendments to MFRS 107 'Statement of Cash Flows') (effective 1 January 2026).
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027).
- Amendments to MFRS121 'Translation to a Hyperinflationary Presentation Currency' (effective 1 January 2027).

These new standard, amendments to published standards and annual improvements will be adopted on the respective effective dates. The SC has started a preliminary assessment on the effects of the above new standard, amendments to published standards and annual improvements and the impact is still being assessed.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than those as disclosed in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the SC's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the followings:

(i) Post-employment benefits

For the annual actuarial valuation, the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, medical inflation rate and life expectancy. As such, the estimated provision amount is subject to significant uncertainty. The assumptions used to estimate the provision are as disclosed in Note 14.

(ii) Capitalising of expenditure in technology related assets

The SC has undertaken the technology transformation plan which involves the purchase of computer hardware, software and developing applications. The development costs that were directly attributable to bringing the asset to its intended use is capitalised whereas the expenses incurred during the research stage were expensed off accordingly.

(iii) Estimated useful lives of identified assets

In view of the phased implementation of the technology transformation plan, the estimated useful lives of the newly acquired computer hardware and its related application system are disclosed in Note 3(b)(iii).

(iv) Assessment of impairment of non-financial assets

The SC assesses impairment of the non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount of an asset is measured at the higher of the fair value less cost to sell (FVLCTS) for that asset and its value-in-use (VIU). The VIU is the net present value of the projected future cash flows derived from the cash generating units (CGU) discounted at an appropriate rate.

Projected future cash flows are based on the SC's judgements in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The assumptions used and results of the impairment assessment of non-financial assets are disclosed in Note 27.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the SC, unless otherwise stated.

(a) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the SC becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the SC changes its business model for managing financial assets and the contractual term of the cash flows in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model. SC classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVTPL).

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding (SPPI). Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Finance income and impairment loss are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Finance income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(g)(i)) where the effective interest rate is applied to the amortised cost.

Fair value through profit or loss (FVTPL)

Financial assets that do not satisfy the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL.

Subsequent measurement

Changes on fair value of investments in fixed income securities that are subsequently measured at FVTPL are recognised in profit or loss in the period in which they arise.

Financial assets designated at FVTPL are remeasured at each reporting date. The fair values are determined by reference to observable market prices provided by independent pricing sources.

Financial liabilities**Amortised cost**

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Finance cost is recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the SC currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(b) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts, if any, of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within 'other income' or 'administrative expenses' respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the SC and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives are as follows:

Buildings	50 years
Office equipment, furniture and fittings	3-10 years
Motor vehicles	5 years
Computer hardware and its related application systems	3-7 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

(c) Intangible assets

Computer software

Computer software is initially measured at cost. Costs recognised are costs (including staff costs) directly associated with identifiable software controlled by the SC that will generate probable future economic benefits. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Included in the computer software costs are the costs related to the technology transformation plan undertaken by the SC. The expenses incurred during the research stage were expensed off accordingly.

The useful lives of computer software are assessed to be finite. Computer software is amortised over their estimated useful lives of three to seven years and assessed for impairment whenever there is an indication that they may be impaired.

The amortisation periods and methods are reviewed at least at each financial year end. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation periods or methods, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with

finite lives is recognised in profit or loss. Projects-in-progress are not amortised as these computer softwares are not yet available for use.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(d) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the SC assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- as a lessee, it has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- as a lessee, it has the right to direct the use of the asset. The SC has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the SC has the right to direct the use of the asset if either the SC has the right to operate the asset; or the SC designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the SC allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the SC is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The SC recognises a right-of-use asset and a lease liability at the commencement date of the contracts for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The SC has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The SC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment and intangible asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

If the lease transfers ownership of the underlying asset to SC by the end of the lease term or if the cost of the right-of-use asset reflects that the SC will exercise a purchase option, the SC depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, SC depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the SC's incremental borrowing rate. Subsequent to the initial recognition, the SC measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with licensed banks which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the SC in the management of its short term commitments.

Included in deposits with licensed banks are reserved deposits amounts held on behalf of stockbroking industry development, brokers' security deposits and government agencies or funds.

(f) Non-current assets classified as held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

(g) Impairment

(i) Financial assets

The SC recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The SC measures loss allowances at an amount equal to lifetime expected credit loss, except for Government Investment Issues and Government Guaranteed Bonds that are determined to have low credit risk at the reporting date, cash and cash equivalents for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the SC considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the SC's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the SC is exposed to credit risk.

The SC estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the SC assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the SC determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the SC's procedures for recovery of amounts due.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment.

(ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

(h) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer, excluding amounts collected on behalf of third party. The SC recognises income when (or as) it transfers control over a service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The SC transfers control of services at a point in time unless one of the following over-time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the SC performs;
- (b) the SC's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the SC's performance does not create an asset with an alternative use and the SC has an enforceable right to payment for performance completed to date.

(i) Levies

Levies represent a percentage of the consideration for every purchase and sale of securities recorded on Bursa Malaysia Securities Berhad (Bursa) in respect of different classes of securities as specified in Section 24 of the SCMA and the *Securities Commission (Levy on Securities Transactions) (Amendment) Order 2009*.

The SC recognises levies from Bursa as income at point in time on an accrual basis.

(ii) Fees and charges

The SC records fees and charges as income over time when the services are performed. The SC records the fees and charges received in advance as a contract liability.

(iii) License fees

License fees are recognised as income as the services are performed over time. The SC records the license fees received in advance as a contract liability.

(iv) Registration fees

Registration fees are recognised at a point in time upon registration of auditors.

(i) Finance income

Finance income is recognised as it accrues using the effective interest method in profit or loss. It comprises:

- (a) interest earned on bank deposits and fixed income securities;
- (b) the amortisation of premiums or discounts on purchases of fixed income measured at amortised cost.

(j) Other Income

Included in other income are, among others:

- (i) Penalty income on auditors for failing to comply with any provisions or condition imposed under Part IIIA – Audit Oversight Board of the SCMA. Penalty income is recognised at a point in time pursuant to Section 31Z of SCMA. The penalty amount is restricted and shall be utilised for planning and implementing capacity building programmes in relation to the accounting and auditing profession.
- (ii) Recovery of investigation and proceeding costs that is recognised at a point in time. According to Section 200 and 201 of the CMSA, the SC can recover an amount from person who has contravened Section 175, 176, 177, 178, 179 and 181 as well as 188 of the CMSA where any amount recovered by the SC can be firstly reimburse to the SC for all costs of the investigation and proceedings in respect of the contravention.
- (iii) Residual sum that is recognised at a point in time where Section 200 and 201 of the CMSA states that to the extent that any amount obtained has not been distributed to persons who have suffered loss or damage as a result of the contravention, such sum shall either be paid to the Capital Market Compensation Fund or retained by the SC to defray the cost of developing and facilitating educational programmes for capital market investors and professionals or the cost of regulating the capital market, with the approval of the Finance Minister.
- (iv) For net gain/ loss on financial assets at FVTPL, the change in fair value or disposal of the financial assets are recognised in profit or loss as they arise.

(k) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave, contribution to social security organisation (SOCSO), Employees Provident Fund (EPF) or Private Retirement Scheme (PRS) are measured on an undiscounted basis and are expensed off as the related service is provided.

A liability is recognised for the amount expected to be paid if the SC has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined benefit plans

Post-employment benefits

The SC provides post-employment medical coverage to eligible employees engaged prior to 1 January 2003.

The SC's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the SC, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The SC determines the net finance cost or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Costs and expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The SC recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(I) Deferred taxes

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Funds to affiliates

The SC provides funds to eligible affiliates to undertake capital market activities. These funds are recognised in profit or loss when payments have been made.

(n) Provisions

Provisions are recognised when the SC has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the best estimate (including risks and uncertainties) of the expenditure required to settle the present obligation and reflects the present value of expenditures required to settle the obligation where the time value of money is material.

(o) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the SC uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the SC can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The SC recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM'000	Office equipment, furniture and fittings RM'000	Computer hardware RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Cost						
At 1 January 2024	232,162	110,612	20,400	1,792	136	365,102
Additions	-	473	2,330	1,706	7,576	12,085
Disposals	-	(384)	(24)	(965)	-	(1,373)
Write off	-	-	-	-	(70)	(70)
Reclassification from intangible assets	-	-	593	-	-	593
Transfer to/(from)	-	6,152	213	-	(6,365)	-
At 31 December 2024/1 January 2025	232,162	116,853	23,512	2,533	1,277	376,337
Additions	-	1,029	686	201	10,264	12,180
Disposals	-	(501)	(1,595)	(387)	-	(2,483)
Write off	-	(14,930)	(352)	-	(11)	(15,293)
Reclassification to non-current asset classified as held for sale	(508)	-	-	-	-	(508)
Transfer to/(from)	-	7,666	-	-	(7,666)	-
At 31 December 2025	231,654	110,117	22,251	2,347	3,864	370,233
Less: Accumulated depreciation and impairment loss						
At 1 January 2024						
Accumulated depreciation	113,855	98,768	9,236	1,566	-	223,425
Accumulated impairment loss	109	-	-	-	-	109
	113,964	98,768	9,236	1,566	-	223,534
Depreciation for the financial year	4,643	2,694	3,788	304	-	11,429
Reclassification from intangible assets	-	-	492	-	-	492
Disposals	-	(371)	(20)	(965)	-	(1,356)
Impairment loss	-	-	1,559	-	-	1,559
At 31 December 2024/1 January 2025						
Accumulated depreciation	118,498	101,091	13,496	905	-	233,990
Accumulated impairment loss	109	-	1,559	-	-	1,668
	118,607	101,091	15,055	905	-	235,658
Depreciation for the financial year	4,642	3,701	3,248	375	-	11,966
Reclassification to non-current asset classified as held for sale	(241)	-	-	-	-	(241)
Disposals	-	(490)	(1,594)	(247)	-	(2,331)
Write off	-	(14,930)	(352)	-	-	(15,282)
At 31 December 2025						
Accumulated depreciation	122,899	89,372	14,798	1,033	-	228,102
Accumulated impairment loss	109	-	1,559	-	-	1,668
	123,008	89,372	16,357	1,033	-	229,770

	Buildings RM'000	Office equipment, furniture and fittings RM'000	Computer hardware RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
<u>Carrying amounts</u>						
At 1 January 2024	118,198	11,844	11,164	226	136	141,568
At 31 December 2024/1 January 2025	113,555	15,762	8,457	1,628	1,277	140,679
At 31 December 2025	108,646	20,745	5,894	1,314	3,864	140,463

Impairment assessment has been performed as disclosed in Note 27.

5. INTANGIBLE ASSETS

	Computer softwares RM'000	Capital work-in progress RM'000	Total RM'000
<u>Cost</u>			
At 1 January 2024	32,064	10,293	42,357
Additions	-	8,810	8,810
Write off	-	(802)	(802)
Transfer to/(from)	4,460	(4,460)	-
Reclassification to property, plant and equipment	(593)	-	(593)
At 31 December 2024/1 January 2025	35,931	13,841	49,772
Additions	-	3,335	3,335
Write off	(32)	(1,033)	(1,065)
Transfer to/(from)	1,025	(1,025)	-
At 31 December 2025	36,924	15,118	52,042

	Computer softwares RM'000	Capital work-in progress RM'000	Total RM'000
<u>Less: Accumulated amortisation and impairment loss</u>			
At 1 January 2024			
Accumulated amortisation	23,419	-	23,419
Accumulated impairment loss	-	-	-
	23,419	-	23,419
Amortisation for the financial year	3,766	-	3,766
Reclassification to property, plant and equipment	(492)	-	(492)
Impairment loss	-	3,359	3,359
	26,693	3,359	30,052
At 31 December 2024/1 January 2025			
Accumulated amortisation	26,693	-	26,693
Accumulated impairment loss	-	3,359	3,359
	26,693	3,359	30,052
Amortisation for the financial year	3,916	-	3,916
Write off	(32)	-	(32)
Impairment loss	-	1,776	1,776
	30,577	5,135	35,712
At 31 December 2025			
Accumulated amortisation	30,577	-	30,577
Accumulated impairment loss	-	5,135	5,135
	30,577	5,135	35,712
<u>Carrying amounts</u>			
At 1 January 2024	8,645	10,293	18,938
At 31 December 2024/1 January 2025	9,238	10,482	19,720
At 31 December 2025	6,347	9,983	16,330

Impairment assessment has been performed as disclosed in Note 27.

6. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Building RM'000	Computer hardware RM'000	Motor vehicle RM'000	Office equipment RM'000	Total RM'000
Cost						
At 1 January 2024	9,154	179	549	-	-	9,882
Additions	-	94	272	-	-	366
At 31 December 2024/1 January 2025	9,154	273	821	-	-	10,248
Additions	-	92	260	1,129	332	1,813
At 31 December 2025	9,154	365	1,081	1,129	332	12,061
Less: Accumulated depreciation						
At 1 January 2024	2,679	90	275	-	-	3,044
Depreciation	92	92	274	-	-	458
At 31 December 2024/1 January 2025	2,771	182	549	-	-	3,502
Depreciation	92	51	281	220	55	699
At 31 December 2025	2,863	233	830	220	55	4,201
Carrying amounts						
At 1 January 2024	6,475	89	274	-	-	6,838
At 31 December 2024/1 January 2025	6,383	91	272	-	-	6,746
At 31 December 2025	6,291	132	251	909	277	7,860

The SC leases two leasehold land for 99 years which expire in 2094 and 2096, respectively.

Impairment assessment has been performed as disclosed in Note 27.

7. DEFERRED TAX ASSET

In prior financial year, the SC was granted a 5-year tax exemption from Year of Assessment (YA) 2022 until YA 2026. Accordingly, the utilisation of the unabsorbed capital allowance and unutilised tax losses against SC's business income is not probable.

The amounts of unabsorbed capital allowance and unutilised tax losses for which no deferred tax asset is recognised in the statement of financial position are as follows:

	2025 RM'000	2024 RM'000
Unabsorbed capital allowance	69,707	56,188
Unutilised tax losses	148,418	146,880
	<u>218,125</u>	<u>203,068</u>
Deferred tax assets not recognised at 24% (2024: 24%)	<u>52,350</u>	<u>48,736</u>

The unutilised tax losses of RM148.4million (2024: RM146.9 million) will expire in the following YA:

<u>YA</u>	2025 RM'000	2024 RM'000
2028	11,060	11,060
2033	44,474	44,474
2034	91,346	91,346
2035	1,538	-
	<u>148,418</u>	<u>146,880</u>

8. OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Staff financing	1,215	1,947
Less: Unearned profit		
– Islamic financing on housing and motor vehicles	(26)	(41)
	<u>1,189</u>	<u>1,906</u>
Less: Amount due within 12 months (Note 10)	(402)	(730)
Amount due after 12 months	<u>787</u>	<u>1,176</u>

The rates and tenure of staff financing are as follows:

	Rate charged (per annum)	Maximum repayable period
Islamic financing and conventional housing loans	2%	25 years
Islamic financing and conventional motor vehicle loans	4%	7 years
Study loans	-	5 years
Computer loans	-	4 years

The Islamic and conventional housing and motor vehicle financing are secured over the properties and motor vehicles of the borrowers, respectively. The SC considers probability of default as remote since both financing is supported by collateral, as described in Note 26.3(c).

The maturity structure of the financing to staff as at the end of the financial year is as follows:

	2025 RM'000	2024 RM'000
Within 1 year	402	730
More than 1 year and up to 5 years	691	970
More than 5 years	96	206
	<u>1,189</u>	<u>1,906</u>

9. OTHER INVESTMENTS

	Non-current		Current		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Fair value through profit or loss:</u>						
– Investment in quoted unit trust	112,189	128,334	-	-	112,189	128,334
– Investment in discretionary mandate	332,316	314,268	-	-	332,316	314,268
<u>Amortised costs:</u>						
– Government Investment Issues and Government Guaranteed Bonds	49,938	49,933	-	-	49,938	49,933
– Deposits placed with licensed banks	-	6,000	258,756	306,420	258,756	312,420
	<u>494,443</u>	<u>498,535</u>	<u>258,756</u>	<u>306,420</u>	<u>753,199</u>	<u>804,955</u>

Included in deposits placed with licensed banks is an amount reserved for planning and implementing capacity building programmes in relation to the accounting and auditing profession of RM1.5 million (2024: RM1.9 million).

Government Investment Issues and Government Guaranteed Bonds will mature in 2029 and 2038, respectively. The weighted average yield to maturity of Government Investment Issues and Government Guaranteed Bonds was 4.59% per annum (2024: 4.59% per annum).

Deposits placed with licensed banks have maturity period ranging from 4 months to 15 months (2024: 6 months to 15 months) and earned income at rates ranging from 2.60% to 4.00% per annum (2024: 2.50% to 4.20% per annum).

10. TRADE AND OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Levies receivable	16,613	16,665
Finance income receivable	6,098	8,154
Other receivables	3,904	1,077
Deposit	1,212	1,120
Prepayments	4,808	3,980
Short term staff financing (Note 8)	402	730
	<u>33,037</u>	<u>31,726</u>

11. CASH AND CASH EQUIVALENTS

	2025 RM'000	2024 RM'000
Cash and bank balances	25,911	40,118
Deposits placed with licensed banks	95,974	61,505
	<u>121,885</u>	<u>101,623</u>

Deposits placed with licensed banks have maturity period of 1 month to 3 months (2024: 1 month) and earned income at rates ranging from 1.80% to 3.35% per annum (2024: 2.30% to 3.40% per annum).

Included in deposits placed with licensed banks are amounts reserved for stockbroking industry development of RM16.6 million (2024: RM16.1 million), amounts reserved for brokers' security deposits of RM0.3 million (2024: RM0.3 million) and funds held in trust of approximately RM55.5 million (2024: RM45.1 million).

The bank balances are placed with licensed banks.

12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The details of the non-current assets classified as held for sale are as follows:

	2025 RM'000	2024 RM'000
Property, plant and equipment	267	-
	<u>267</u>	<u>-</u>

The movements during the financial year relating to non-current assets classified as held for sale are as follows:

	2025 RM'000	2024 RM'000
At 1 January	-	-
Reclassification from property, plant and equipment (Note 4)	267	-
	<hr/>	<hr/>
At 31 December	267	-
	<hr/> <hr/>	<hr/> <hr/>

13. COMPENSATION FUND RESERVE

This represents an amount allocated from the accumulated surplus for the Capital Market Compensation Fund Corporation.

14. POST-EMPLOYMENT BENEFITS

The defined benefit plan is an unfunded post-employment medical plan, which provides medical benefits for participants and their eligible dependents after retirement age until the death of the participant or spouse, or for child dependents up to age 18 or age 24, if they are still studying.

As such, the ultimate cost of the plan depends on the longevity of the retirees and their eligible dependents, the incidence and cost of events resulting in claims under the plan, and the inflation of such costs in the future.

Funding

The plan is unfunded. Employer contributions to the plan refer to the medical claim amounts paid directly by the SC. The SC expects to pay approximately RM3.3 million in contributions to its defined benefit plan in 2026.

Post-employment benefits voluntary buy-out scheme

During the previous financial year, the Board Members approved the voluntary buy-out scheme for active and retired members of the post-employment benefits who opted to give up their future rights to the post-employment benefits in return for a cash settlement. The SC Board Members approved a final payout of RM118.2 million based on the final number of applicants who signed the buyout agreement for the voluntary buy-out scheme. The settlement resulted in the reversal of liabilities of RM9.9 million which is recognised in the statement of comprehensive income in the previous financial year.

Movement in net defined benefit liability

	2025 RM'000	2024 RM'000
Net defined benefit liability at 1 January	123,174	233,455
<u>Included in profit or loss</u>		
Current service cost	1,354	1,306
Interest expense	5,612	5,294
Reversal of liabilities due to post-employment benefits voluntary buy-out scheme	-	(9,874)
	<u>6,966</u>	<u>(3,274)</u>
<u>Others</u>		
Benefits paid	(4,180)	(4,927)
Settlement of post-employment benefits voluntary buy-out scheme	-	(118,190)
Remeasurement of defined benefit liability	16,549	16,110
Net defined benefit liability at 31 December	<u><u>142,509</u></u>	<u><u>123,174</u></u>

Defined benefit obligation actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2025	2024
Discount rate	4.3%	4.6%
Medical cost inflation	10%, reducing to 6% in 4 years	10%, reducing to 6% in 4 years
Normal retirement age	60 years	60 years

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2025, the weighted-average duration of the defined benefit obligation was 17 years (2024: 18 years).

Sensitivity analysis

The sensitivity analysis is based on a change in a significant assumption while holding all other assumptions constant. The sensitivities have been assessed by:

	<u>Defined benefit obligation</u>	
	Increase RM'000	Decrease RM'000
<u>2025</u>		
Discount rate (1% movement)	(20,949)	26,364
Medical cost inflation rate (1% movement)	24,797	(20,094)
<u>2024</u>		
Discount rate (1% movement)	(18,107)	22,910
Medical cost inflation rate (1% movement)	21,432	(17,368)

15. LEASE LIABILITIES

	2025 RM'000	2024 RM'000
Non-current	6,114	4,734
Current	3,942	3,662
	<u>10,056</u>	<u>8,396</u>

16. OTHER PAYABLES AND ACCRUALS

	2025 RM'000	2024 RM'000
Funds held in trust	61,016	42,593
Regulatory settlements	7,520	17,015
Deposits received		
– License fees	1,556	1,266
– Registration fee	504	672
– Others	-	5
Accruals	58,255	16,663
Other payables	6,962	27,008
	<u>135,813</u>	<u>105,222</u>

17. CONTRACT LIABILITIES

	2025 RM'000	2024 RM'000
Fees and charges	3,749	2,287
License fees	1,493	1,522
	<u>5,242</u>	<u>3,809</u>

The fees and charges are in relation to fees and charges received in advance for proposals submitted to the SC and will be recognised as income when the performance obligation is satisfied over time.

The license fees are in relations to license fees that are paid to the SC annually in advance by the license holders and will be recognised as income over time upon the respective license holders' anniversary date.

18. INCOME

	Note	2025 RM'000	2024 RM'000
Revenue	18.1	196,091	244,418
Finance income			
– fixed deposit		12,874	14,237
– bond		2,258	2,386
– quoted unit trust		4,957	5,290
– discretionary mandate		16,296	14,349
Other income	18.2	36,385	36,262
		<u>19,272</u>	<u>19,714</u>
Total income		<u>251,748</u>	<u>300,394</u>

18.1 Nature of revenue

The following information reflects the transactions of the SC:

<u>Nature of services</u>	<u>Significant payment term</u>	<u>Timing of recognition or method used to recognise revenue</u>
Levies	30 days	Revenue is derived from Malaysia and recognised at a point in time.
Fees and charges	Not applicable	Revenue is derived from Malaysia and recognised over time.
License fees	Not applicable	Revenue is derived from Malaysia and recognised over time.
Registration fees	Not applicable	Revenue is derived from Malaysia and recognised at a point in time.

18.2 The nature of other income are as follows:

<u>Nature of services</u>	<u>Significant payment term</u>	<u>Timing of recognition or method used to recognise income</u>
Penalty income	Not applicable	Income is derived from Malaysia and recognised at a point in time.
Recovery of investigation and proceeding costs	Not applicable	Income is derived from Malaysia and recognised at a point in time.
Residual sum	Not applicable	Income is derived from Malaysia and recognised at a point in time.
Net fair value gain and loss on financial asset at FVTPL	Not applicable	Gain or loss from a change on fair value of financial asset.

18.3 The table below provides information about contract liabilities from contracts with customers:

	Note	2025 RM'000	2024 RM'000
Contract liabilities	17	5,242	3,809
Income recognised during the financial year that was included in the contract liabilities balance at the beginning of the financial year		3,809	5,137

19. STAFF COSTS

	2025 RM'000	2024 RM'000
Remuneration, bonus, staff medical, staff training and overtime	204,299	179,927
Defined contribution plan	29,046	29,521
Other employees benefits	1,982	3,888
Post-employment benefits	6,967	(3,274)
	<u>242,294</u>	<u>210,062</u>

20. FUNDS TO AFFILIATES

The SC provides funds to various entities involved in projects and programmes that develop, promote and enhance the well-being of the Malaysian capital market. Four of the entities are related parties to the SC as disclosed in Note 24.

21. (DEFICIT)/SURPLUS BEFORE TAX

	Note	2025 RM'000	2024 RM'000
(Deficit)/Surplus before tax is arrived at after charging/(crediting):			
Auditors' remuneration		184	180
Executive members' emoluments		2,729	3,839
Non-executive members' allowance		1,434	1,413
Rental expense:			
Plant and equipment		1,487	316
Depreciation of property, plant and equipment	4	11,966	11,429
Loss/(Gain) on disposals of property, plant and equipment		49	(198)
Loss on property, plant and equipment written off	4	11	70
Loss on intangible assets written off	5	1,033	802
Impairment loss on property, plant and equipment	4	-	1,559
Impairment loss on intangible assets	5	1,776	3,359
Net fair value gain on financial assets at FVTPL		(3,141)	(923)
Amortisation of intangible assets	5	3,916	3,766
Depreciation of right-of-use assets	6	699	458
Finance cost on lease liabilities		367	439
Repair and maintenance		6,059	13,413
Communication and online resources		4,882	5,170
Reversal of liabilities due to post-employment benefits voluntary buy-out scheme	14	-	(9,874)
		<u> </u>	<u> </u>

22. TAXATION

The SC was granted approval from the Minister of Finance to be exempted from taxation with effect from Year Assessment (YA) 2022 until YA 2026.

23. OTHER COMPREHENSIVE LOSS

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
<u>2025</u>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	(16,549)	-	(16,549)
<u>2024</u>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	(16,110)	-	(16,110)

24. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the SC if the SC has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the SC and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the SC either directly or indirectly. The remuneration of the key management personnel is disclosed in Note 21 under the heading of "Executive members' emoluments".

- 24.1** The SC has related party relationship with Securities Industry Development Corporation (SIDC), as the Chairman of the SC is also the Chairperson of SIDC, and one of the SIDC Board Members is also a member of the Senior Management in the SC.

Significant related party transactions

The significant related party transactions with SIDC is shown below:

	2025 RM'000	2024 RM'000
Funding to SIDC	2,700	4,000
Management fee paid by the SIDC	516	516
Training provided by SIDC	582	1,073

- 24.2** The SC has a related party relationship with the Capital Market Compensation Fund Corporation (CMC) as CMC was established under the CMSA, the SC may provide monies to the CMC as stated in Section 159(a) of CMSA, the CMC is required to consult the SC where there is an event of default of the Relevant Persons, the CMC is required to submit its annual regulatory report and audited financial statements to the SC as required by the provision of CMSA, and one of the CMC Board Members is also a member of the Senior Management in the SC.

Significant related party transactions

The significant related party transactions with the CMC is shown below:

	2025 RM'000	2024 RM'000
Management fee paid by the CMC	158	158

- 24.3** The SC has a related party relationship with the Capital Markets Promotion Council (CMPC), as the Chairman of the SC is also the Chairperson of CMPC, and one of the CMPC Board Members is also a member of the Senior Management in the SC.

Significant related party transactions

The significant related party transaction with the CMPC is shown below:

	2025 RM'000	2024 RM'000
Funding to the CMPC	-	500

- 24.4** The SC has a related party relationship with the IOSCO Asia Pacific Hub (Hub), as the two Directors of the Hub are also members of the Senior Management in the SC.

Significant related party transactions

The significant related party transaction with the Hub is shown below:

	2025 RM'000	2024 RM'000
Funding to the Hub	-	200

25. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	2025 RM'000	2024 RM'000
Property, plant and equipment	1,124	7,410
Intangible assets	6,390	12,659

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The following tables provide an analysis of financial instruments categorised as follows:

- i. Amortised cost (AC); and
- ii. FVTPL

	AC RM'000	FVTPL RM'000	Carrying amount RM'000
2025			
<u>Financial assets</u>			
Other receivables – long term	787	-	787
Other investments	308,694	444,505	753,199
Trade and other receivables*	27,017	-	27,017
Cash and cash equivalents	121,885	-	121,885
	<u>458,383</u>	<u>444,505</u>	<u>902,888</u>
<u>Financial liabilities</u>			
Other payables and accruals*	(133,753)	-	(133,753)
Lease liabilities	(10,056)	-	(10,056)
	<u>(143,809)</u>	<u>-</u>	<u>(143,809)</u>
2024			
<u>Financial assets</u>			
Other receivables – long term	1,176	-	1,176
Other investments	362,353	442,602	804,955
Trade and other receivables*	26,626	-	26,626
Cash and cash equivalents	101,623	-	101,623
	<u>491,778</u>	<u>442,602</u>	<u>934,380</u>
<u>Financial liabilities</u>			
Other payables and accruals*	(103,279)	-	(103,279)
Lease liabilities	(8,396)	-	(8,396)
	<u>(111,675)</u>	<u>-</u>	<u>(111,675)</u>

* Exclude non-financial instruments

26.2 Financial risk management

The SC has policies and guidelines on the overall investment strategies and tolerance towards risk. Investments are managed in a prudent manner to ensure the preservation and conservation of the fund.

The SC has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Price risk

26.3 Credit risk

Credit risk is the risk of a financial loss to the SC if a counterparty to a financial instrument fails to meet its contractual obligations. The exposure to credit risk arises principally from the individual characteristics of each customer. There are no significant changes as compared to prior periods.

Receivables

Risk management objectives, policies and processes for managing the risk

The SC has a formal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

In managing credit risk of receivables, the SC manages its debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, receivables will be collected within 30 days.

Recognition and measurement of impairment loss

The SC uses an allowance matrix to measure Expected Credit Loss (ECL) of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

The following table provides information about the exposure to credit risk and ECLs for receivables as at 31 December:

	Gross carrying amount	Loss allowance	Net balance
	RM'000	RM'000	RM'000
2025			
Not past due	27,383	-	27,383
Past due 1 – 30 days	250	-	250
Past due 31 – 60 days	46	-	46
Past due 61 – 90 days	7	-	7
Past due more than 90 days	118	-	118
	<u>27,804</u>	<u>-</u>	<u>27,804</u>

	Gross carrying amount	Loss allowance	Net balance
	RM'000	RM'000	RM'000
<u>2024</u>			
Not past due	27,702	-	27,702
Past due 1 – 30 days	98	-	98
Past due 31 – 60 days	2	-	2
	<u>27,802</u>	<u>-</u>	<u>27,802</u>

Receivables above has not recognised any loss allowance comprise receivables from:

- (a) Bursa which has no history of default and has been remitting levies to the SC within the stipulated timeframe;
- (b) Financial institutions and debt issuers who have no history of default;
- (c) Staff financing are supported by collateral in the form of residential properties and motor vehicles with its respective fair value exceeding its outstanding debts. The fair value of the collateralised properties is determined using the comparison method based on professional valuation. The fair value of the collateralised motor vehicles is determined using the comparison method based on available market data.

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These licensed banks and financial institutions have low credit risk. In addition, some of the bank balances are insured by government agencies. Consequently, the SC is of the view that the loss allowance is not material and hence, it is not provided for.

The SC's investments are mainly in fixed deposits with approved financial institutions and bonds issued by the Government and other government agencies.

Investments and other financial assets

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the SC has holdings in debt securities that are managed internally with holdings in Malaysian Government Investment issues (GII) and Guaranteed bonds. Additionally, the debt securities that are managed by external fund managers have a minimum rating of A and above, with an oversight by the Investment Advisory Panel.

26.4 Liquidity risk

Liquidity risk is the risk that the SC will not be able to meet its financial obligations as they fall due. The SC monitors and maintains a level of cash and cash equivalents deemed necessary by the SC to finance its operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the SC's financial liabilities as at the end of the reporting period. There is no contractual interest rate for other payables and accruals.

	<u>Carrying amount</u> RM'000	<u>Contractual cash flow</u> RM'000	<u>Under 1 year</u> RM'000	<u>Over 1 year</u> RM'000
<u>2025</u>				
<u>Financial liabilities</u>				
Other payables and accruals*	133,753	133,753	133,753	-
Lease liabilities	10,056	10,768	4,275	6,493
	<u>143,809</u>	<u>144,521</u>	<u>138,028</u>	<u>6,493</u>
<u>2024</u>				
<u>Financial liabilities</u>				
Other payables and accruals*	103,279	103,279	103,279	-
Lease liabilities	8,396	8,928	3,974	4,954
	<u>111,675</u>	<u>112,207</u>	<u>107,253</u>	<u>4,954</u>

* Exclude non-financial instruments

26.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the amount SC invested in fixed deposits, quoted unit trust and discretionary mandate. Such risks will be reflected in the price and the carrying value of the financial assets.

26.5.1 Interest rate risk

The SC's interest-bearing assets mainly comprise fixed deposits with banks and bank balances.

The interest rate profile of the SC's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM'000	2024 RM'000
<u>Fixed rate instruments</u>		
Financial assets	<u>404,668</u>	<u>423,858</u>

Interest rate risk sensitivity analysis*Interest rate risk sensitivity analysis for floating rate instruments*

The SC does not have any floating rate financial assets at amortised cost. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

26.5.2 Price risk

Price risk arises from the movement in price of the quoted unit trust and discretionary mandate. Performance on the quoted unit trust and discretionary mandate are regularly updated to Management.

26.6 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of fixed deposits is assumed to reasonably approximate their fair values.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2025					
<u>Non-current</u>					
<u>Financial assets</u>					
Long term receivables Government Investment	-	-	787	787	787
Issues and Government Guaranteed Bonds	-	52,996	-	52,996	49,938
	<u>-</u>	<u>52,996</u>	<u>787</u>	<u>53,783</u>	<u>50,725</u>
2024					
<u>Non-current</u>					
<u>Financial assets</u>					
Long term receivables Government Investment	-	-	1,176	1,176	1,176
Issues and Government Guaranteed Bonds	-	52,072	-	52,072	49,933
	<u>-</u>	<u>52,072</u>	<u>1,176</u>	<u>53,248</u>	<u>51,109</u>

Level 1 fair value

Level 1 fair value is derived from unadjusted quoted price in active markets for identical financial assets that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets.

Financial instruments not carried at fair value

Type**Description of valuation technique and input used**

Long term receivables	Discounted cash flows using a rate based on the current market rate of borrowing.
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Financial instruments carried at fair value

Investment in quoted unit trust is categorised at Level 1 while investment in discretionary mandate is categorised at Level 2.

27. IMPAIRMENT ASSESSMENT ON ASSETS

During the financial year, impairment assessment has been performed on property, plant and equipment, intangible assets and rights-of-use assets. The recoverable amounts are determined based on value in use (VIU) method. The key assumptions used in the VIU calculations are as follows:

	2025	2024
Discount rate	3.49%	3.82%
Growth rate	2.75%	3.00%

Based on the impairment assessment, there is no impairment loss recognised in this financial year.

28. RESERVES MANAGEMENT

The SC's financial management objective is to maintain adequate reserves to safeguard the SC's ability to perform its duties and functions independently and effectively. Management monitors the long-term capital commitments to ensure that sufficient funds are available to meet the obligations. The SC's investments are managed in a prudent manner to ensure the preservation of the funds.


29. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2025 were authorised by the Board Members of SC for issuance and signed by the SC's Board Members on 29 January 2026.

SECURITIES COMMISSION MALAYSIA STATEMENT BY BOARD MEMBERS

In the opinion of the Board Members, the financial statements set out on pages 199 to 234 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Securities Commission Malaysia as of 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Board Members:



DATO' MOHAMMAD FAIZ BIN MOHAMMAD AZMI
CHAIRMAN



WEE HOE SOON @ GOOI HOE SOON
MEMBER

Kuala Lumpur
29 January 2026

SECURITIES COMMISSION MALAYSIA STATUTORY DECLARATION

I, Nur Fatin binti Abdul Aziz, the officer primarily responsible for the financial management of the Securities Commission Malaysia, do solemnly and sincerely declare that the financial statements set out on pages 199 to 234 are, to the best of my knowledge and belief, correct and I make this solemn declaration believing the declaration to be true, and by virtue of the *Statutory Declarations Act, 1960*.



NUR FATIN BINTI ABDUL AZIZ
OFFICER

Subscribed and solemnly declared by the abovenamed Nur Fatin binti Abdul Aziz, at Kuala Lumpur in the Federal Territories on 29 January 2026.

Before me:



220 JALAN TUN SAMBANTHAN
50470 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS OF THE SECURITIES COMMISSION MALAYSIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Securities Commission Malaysia (SC), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 199 to 234.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SC as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the SC in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* (By-Laws) and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Board Members for the Financial Statements

The Board Members are responsible for the preparation of financial statements of the SC that give a true and fair view in accordance with MFRS and IFRS. The Board Members are also responsible for such internal control as the Board Members determine is necessary to enable the preparation of financial statements of the SC that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the SC, the Board Members are responsible for assessing the SC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the SC or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the SC as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISA will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

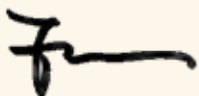
As part of an audit in accordance with approved standards on auditing in Malaysia and ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the SC, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the SC or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the SC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the SC, including the disclosures, and whether the financial statements of the SC represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the Board Members, as a statutory body and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Forvis Mazars PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants



Chong Fah Yow
03004/07/2026 J
Chartered Accountant

Kuala Lumpur
29 January 2026

ID_7232



PART 6
MARKET STATISTICS

CORPORATE PROPOSALS

EQUITY

Approved applications

In 2025, the SC approved 21 equity applications of which 16 were for IPO on the Main Market of Bursa Malaysia with a total market capitalisation of RM82.88 billion. The estimated amount of funds raised from these IPOs is around RM20.40 billion (Table 1). The remaining applications approved include 1 proposed acquisition resulting in a significant change of business direction or policy and 4 transfers of listing from the ACE Market to the Main Market.

New listings

There were a total of 60 new listings in 2025, of which 11 were on the Main Market, 44 were on the ACE Market and the remaining five were on the LEAP Market with a total market capitalisation of RM27.42 billion. The total amount of funds raised from these new listings in 2025 was approximately RM5.96 billion.

CORPORATE BONDS AND SUKUK

The Malaysian corporate bonds and sukuk market reported total issuances of RM176.78 billion in 2025, representing a 42.39% increase from RM124.15 billion issued in 2024. Foreign currency-denominated issuances amounted to US\$1.36 billion.

Ringgit-denominated corporate bonds and sukuk facilities* continued to form the majority of the proposals approved by/lodged with the SC with a total nominal value of RM257.06 billion, of which 40.91% or RM105.15 billion were sukuk (Table 2).

The total number of ringgit-denominated corporate bonds and sukuk facilities approved by/lodged with the SC with tenures of one to 7 years and more than 15 years decreased by 34.78% and 3.45% respectively. There was an increase of 140% in the total number of ringgit-denominated corporate bonds and sukuk facilities with tenures ranging from eight to 15 years (Chart 1).

TABLE 1
Equity applications approved by type of proposals

Type of proposals	2025		2024	
	No. of proposals approved	Estimated amount to be raised (RM million)	No. of proposals approved	Estimated amount to be raised (RM million)
IPO on Main Market:				
- Domestic companies	14	20,200.23	10	4,696.78
- Secondary Listing	2	198.00	-	-
Restructuring / Mergers and acquisitions	1	34.80	1	-
Transfer from ACE Market to Main Market	4	-	10	-
TOTAL	21	20,433.03	21	4,696.78

* Facilities may refer to programmes or one-off issuances.

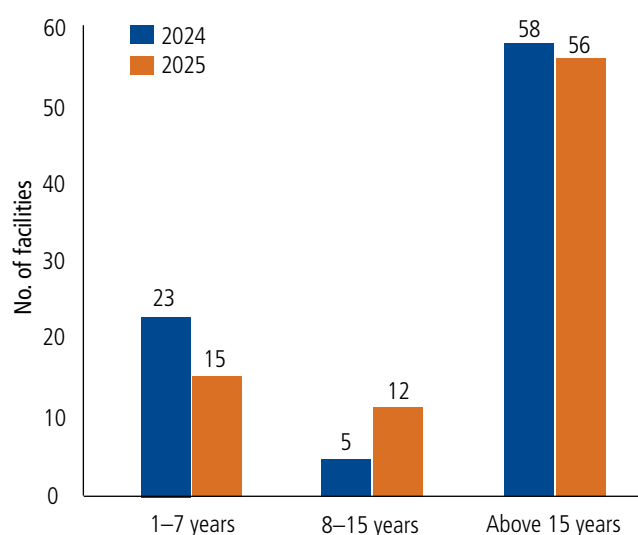
TABLE 2
Lodged/approved ringgit-denominated corporate bonds and sukuk facilities

Type of facilities	2025		2024	
	No. of facilities	Nominal amount (RM million)	No. of facilities	Nominal amount (RM million)
Corporate bonds				
– Commercial papers/Medium-term notes/Bonds	25	63,226.00	22	48,450.00
– Loan stocks	2	1,192.41	1	354.00
Subtotal	27	64,418.41	23	48,804.00
Sukuk				
– Islamic commercial papers/Islamic medium-term notes/Islamic bonds	49	102,645.00	61	115,585.00
– Islamic loan stocks	1	2,500.00	-	-
Subtotal	50	105,145.00	61	115,585.00
Combination of corporate bonds and sukuk				
– Medium-term notes/Islamic medium-term notes	4	82,500.00	2	1,500.00
– Commercial papers/Islamic commercial papers	2	5,000.00	-	-
Subtotal	6	87,500.00	2	1,500.00
TOTAL	83	257,063.41	86	165,889.00

In 2025, a total of 54 ratings were assigned by credit rating agencies to ringgit-denominated corporate bonds and sukuk facilities lodged with the SC, as compared to 56 ratings assigned in 2024. The number of unrated facilities has increased by 1.96% as compared to 2024 (Chart 2).

There were four foreign currency-denominated corporate bonds facilities with a total nominal value of US\$22 billion and RMB10 billion and one foreign currency-denominated sukuk facility with a total nominal value of US\$45 billion lodged with the SC in 2025, as compared to one foreign currency - denominated sukuk facility with a total nominal value of US\$35 billion lodged in 2024.

CHART 1
Tenure of lodged/approved ringgit-denominated corporate bonds and sukuk facilities

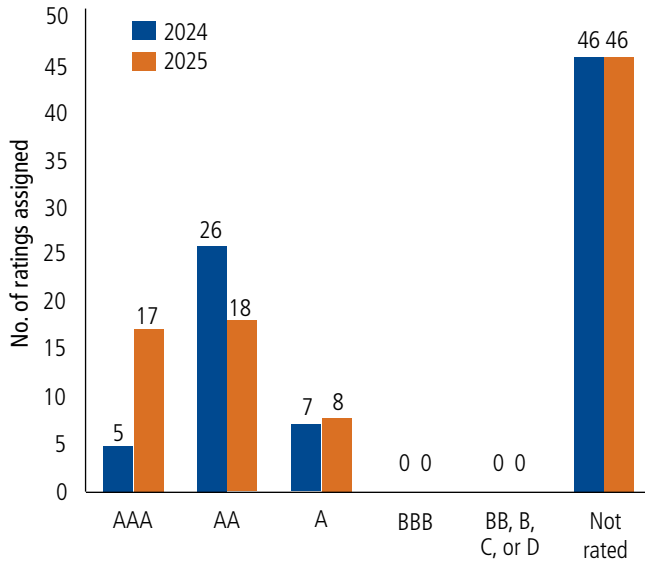


Note:
Tenure of facility, and not the respective notes or papers under the facility.

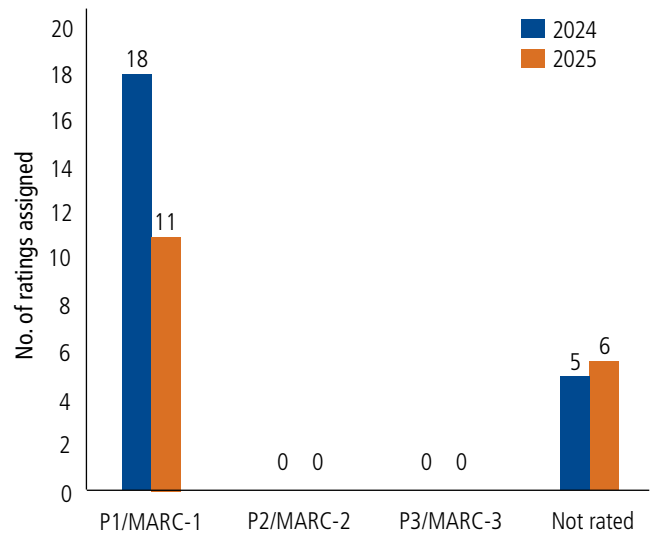
CHART 2

Rating summary of lodged/approved ringgit-denominated corporate bonds and sukuk facilities

Long-term rating



Short-term rating



Note:

A corporate bond or sukuk facility may be assigned with more than one credit rating (e.g. for commercial papers/medium-term notes programmes, both short-term rating accorded for commercial papers and long-term rating for medium-term notes are taken into account).

INVESTMENT MANAGEMENT

FUND MANAGEMENT

The total AUM of licensed FMCs in Malaysia increased by 6.92% to RM1,143.04 billion as compared to RM1,069.07 billion in 2024. In 2025, top 5 FMCs contributed to 53.66% of total AUM as compared to 53.83% in 2024 (Chart 1).

Sources of funds under management were largely from unit trust funds (UTFs), EPF, corporate bodies, and wholesale funds (WFs) (Table 1). The funds were allocated in various asset classes and locations, of which, investment inside Malaysia by FMCs amounted to RM748.69 billion, representing 65.50% of the total AUM as at end of 2025 (Chart 2). The bulk of investment was allocated in equities with 49.67% at end of 2025, as compared to 50.23% in 2024 (Chart 3). The asset allocation for investment inside Malaysia continued to focus on equities, fixed income and money market placement, trend is similarly observed last year (Chart 4).

TABLE 1
Source of clients' funds under management

Source of funds	2025 (RM billion)	2024 (RM billion)
UTF	580.17	546.08
EPF	228.33	208.30
Corporate bodies	126.52	122.03
WF	99.29	82.60
Statutory bodies and government agencies	56.59	54.00
Individuals	19.49	24.99
Others	23.85	23.46
PRS	8.80	7.61
TOTAL	1,143.04	1,069.07

CHART 1
Asset managed by FMCs (%)

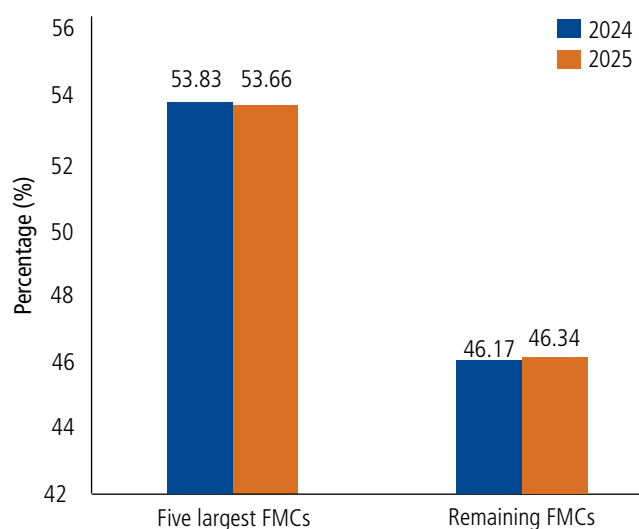


CHART 2
Assets invested inside and outside of Malaysia (RM billion)

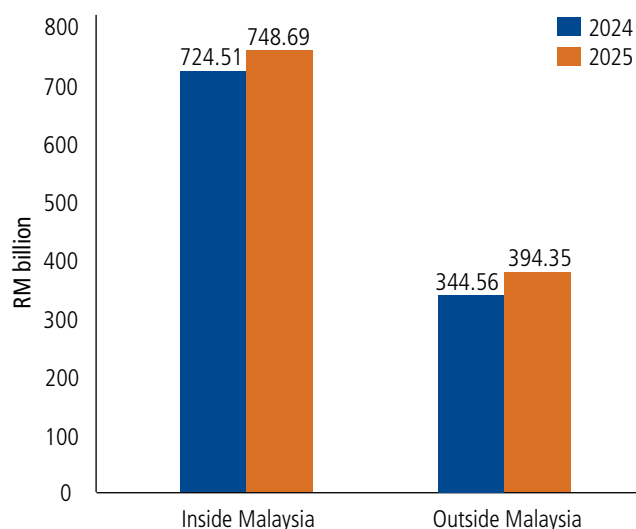


CHART 3
Asset allocation (%)

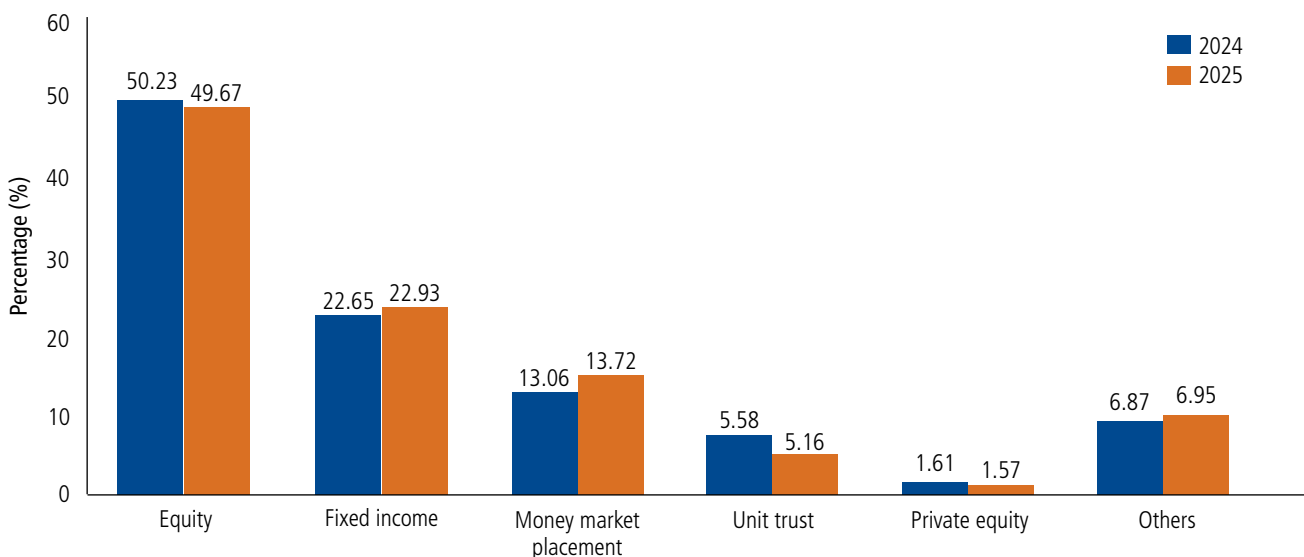
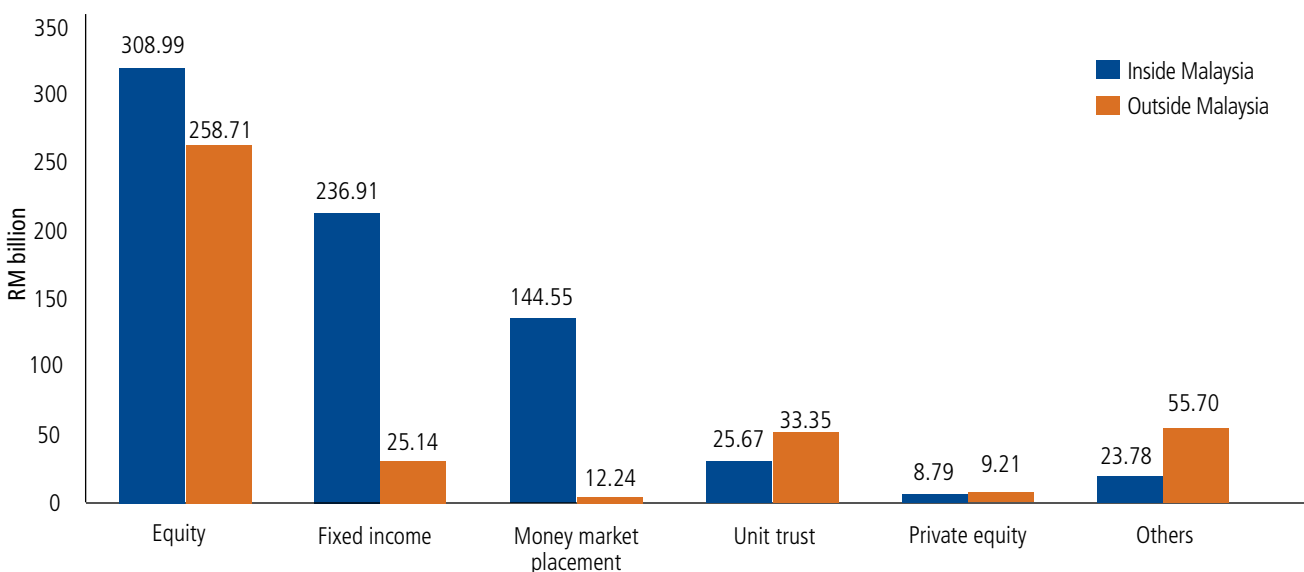


CHART 4
Asset allocation inside and outside of Malaysia as at 31 December 2025 (RM billion)



COLLECTIVE INVESTMENT SCHEMES AND PRIVATE RETIREMENT SCHEMES

Unit Trust Funds

Unit trust funds continued to be the largest component of the Malaysian CIS industry with a total NAV of RM580.17 billion recorded as at 31 December 2025 (2024: RM546.08 billion). The percentage of the total NAV of the unit trust fund industry against Bursa Malaysia

Securities Bhd’s (Bursa Malaysia) market capitalisation was 28.10% (2024: 26.25%). In 2025, a total of 25 unit trust funds were launched while 26 funds were terminated and 7 funds matured, which brought the total number of unit trust funds offered by 39 locally-incorporated unit trust management companies to 767 funds as at 31 December 2025 (Table 2).

The unit trust fund industry recorded total gross sales (excluding reinvestment of distribution) of RM323.02 billion (2024: RM283.54 billion), the majority of which were distributed by unit trust management companies

with total gross sales of RM165.89 billion (Chart 5). Overall, the unit trust funds industry recorded net sales (excluding reinvestment of distribution) of RM2.27 billion in 2025 (2024: -RM8.59 billion).

Wholesale Funds

In the wholesale funds segment, a total NAV of RM99.29 billion was recorded as at 31 December 2025 (2024: RM82.60 billion). A total of 67 funds were launched under the Lodge and Launch (LOLA) Framework to sophisticated investors while 31 funds were terminated, 8 funds matured and 6 funds were converted to unit trust fund in 2025, which brought the total number of wholesale funds offered by 57 fund management companies to 498 funds as at 31 December 2025 (2024: 476 funds).

Real Estate Investment Trusts

With the listing of Paradigm Real Estate Investment Trust in 2025, the total number of real estate investment trusts (REITs) listed on the Main Market of Bursa Malaysia as at 31 December 2025 was 20 with a total market capitalisation (including a stapled group) of RM59.32 billion (2024: RM48.93 billion). The total asset size grew from RM69.97 billion as at 31 December 2024 to RM77.92 billion as at end of 2025. There are 2 unlisted REIT offered to sophisticated investors as of 31 December 2025.

CHART 5
Distribution channels

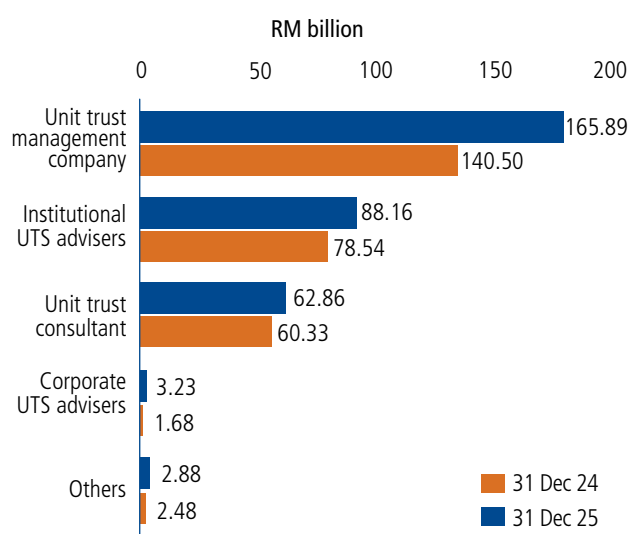


TABLE 2
Overall status of UTF industry

	31 December 2025	31 December 2024
No. of funds offered	767	775
– Conventional	465	476
– Shariah-compliant	302	299
Units in circulation (billion units)	775.06	757.38
No. of accounts (million)*	28.45	27.39
Total NAV (RM billion)	580.17	546.08
– Conventional (RM billion)	448.11	423.86
– Shariah-compliant (RM billion)	132.06	122.22
% of NAV to Bursa Malaysia market capitalisation [^]	28.10	26.25

Note:

* No. of accounts include number of unit holders accounts with institutional Unit Trust Schemes (UTS) advisers that operate nominee account systems.

[^] The comparison made between the total NAV of the unit trust funds industry and Bursa Malaysia's market capitalisation is not an indication of the actual amount invested in Bursa Malaysia by the unit trust funds.

Exchange-Traded Funds

With the delisting of TradePlus MSCI Asia ex Japan REITs Tracker, TradePlus DWA Malaysia Momentum Tracker and Principal FTSE ASEAN 40 Malaysia ETF in 2025, the total number of exchange-traded funds (ETFs) listed on the Main Market of Bursa Malaysia as at 31 December 2025 was 13 (2024: 16) with a total market capitalisation of RM2.85 billion (2024: RM2.36 billion).

SRI Funds

As at 31 December 2025, there were 70 funds offered to investors which have been qualified as sustainable and responsible investment (SRI) funds under the Guidelines on Sustainable and Responsible Investment Funds (2024: 75 funds). The 70 funds comprised 42 unit trust funds, 27 wholesale funds and one ETF with a total NAV as at 31 December 2025 of RM15.38 billion (2024: RM14.44 billion).

Closed-End Fund

As at 31 December 2025, there continued to be only one closed-end fund (CEF) listed on the Main Market of

Bursa Malaysia with a market capitalisation of RM367 million (2024: RM405 million).

Private Retirement Schemes

As at 31 December 2025, there were 14 private retirement schemes (PRS) offered by 9 PRS providers. One new private retirement fund was launched in 2025, which brought the total number of private retirement funds in operation as at 31 December 2025 to 79

(2024: 78). The total NAV grew by 15.64% to RM8.80 billion as at 31 December 2025 (2024: RM7.61 billion). Contributions from members during the year continued to be steady with RM1.12 billion invested into PRS (2024: RM1.09 billion) while redemptions in the year were RM 534.09 million (2024: RM 528.50 million). The total number of members as at 31 December 2024 increased by 8.83% to 671,736 (from 617,289 as of 31 December 2024), with key PRS demographics as indicated in Chart 6-8.

CHART 6
PRS members by age group

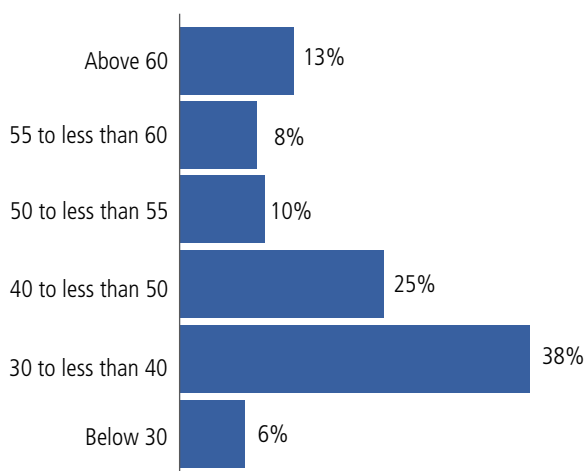


CHART 7
PRS members by gender

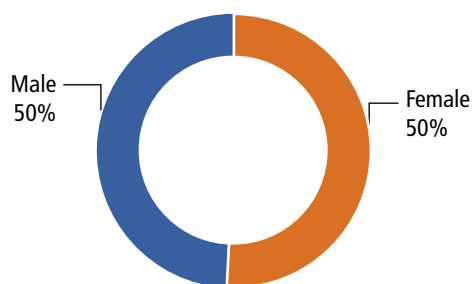
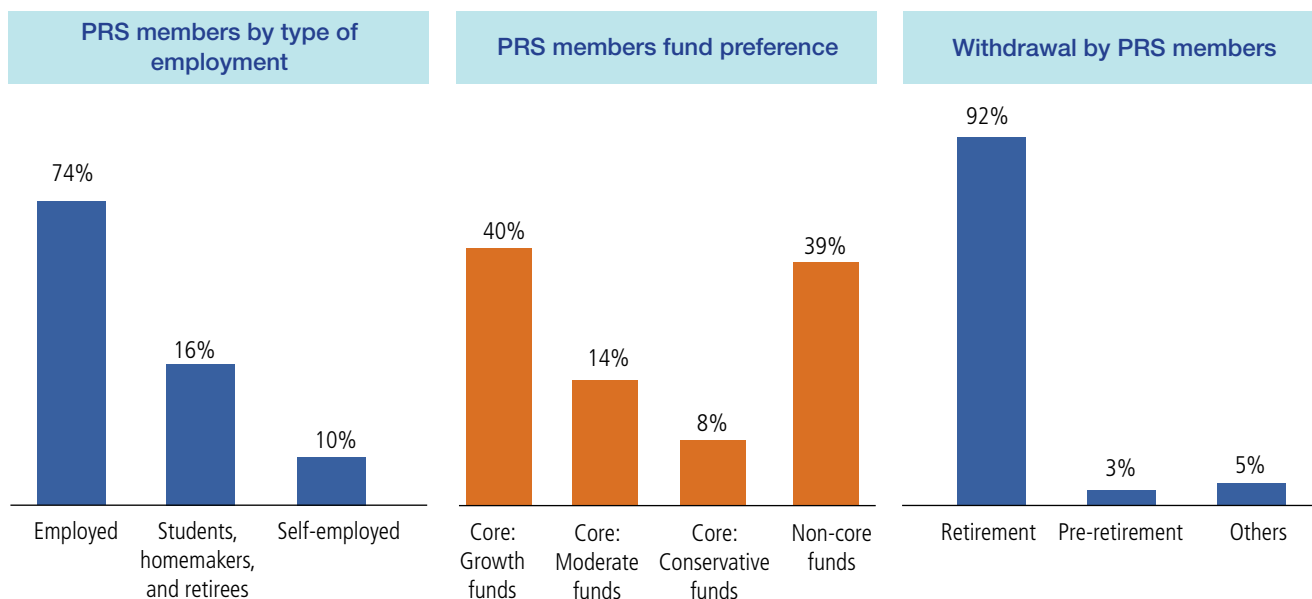


CHART 8



INVESTMENT PRODUCTS

Structured Warrants

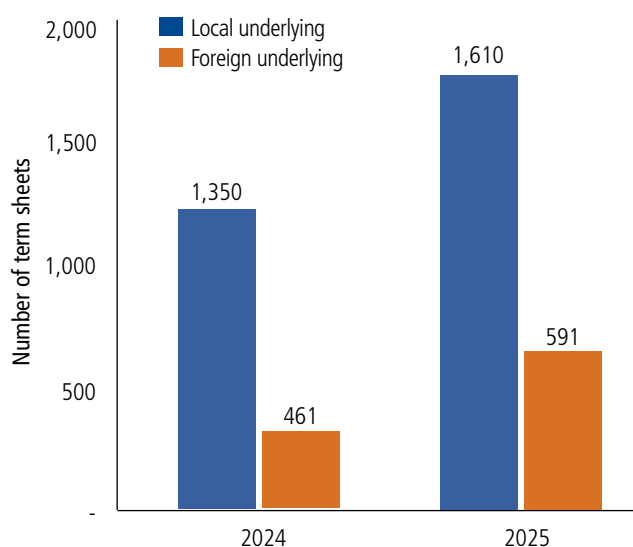
In 2025, the SC registered 2,201 term sheets for the offering of structured warrants, an increase of 22% as compared to 2024 where 1,811 term sheets were registered.

The number of structured warrants term sheets with local underlying has expanded in 2025 with 1,610 term sheets registered, representing an increase of 19% compared to 2024 (2024: 1,350 term sheets). A total of 591 term sheets with foreign underlying were registered in 2025 as compared to 461 term sheets in 2024.

In 2025, the number of registered structured warrants term sheets with index as an underlying increased by 28% (2025: 536 term sheets, 2024: 419 term sheets). Structured warrants over foreign underlying indices increased by 34% compared to 2024, driven primarily by a considerable growth in structured warrants over the Hang Seng Index. Other foreign indices include structured warrants over the Nikkei Stock Average (Nikkei 225) Index, Hang Seng Tech Index, S&P 500 Index, NASDAQ-100 Index and Hang Seng China Enterprises Index.

CHART 9

Structured warrants term sheets registered by listing domicile of underlying



Structured Products

In 2025, a total of 11 issuers lodged 21 new structured product programmes with the SC under the LOLA Framework for unlisted capital market products. These programmes comprised a variety of underlying references and had an aggregate size of RM105 billion with each programme having a size limit of up to RM5 billion (Table 3).

TABLE 3
Structured product programmes

New programmes lodged	2025		2024	
	No. of programmes	Size (RM billion)	No. of programmes	Size (RM billion)
Principle				
– Conventional	18	90	40	200
– Islamic	3	15	5	25
TOTAL	21	105	45	225

Structured Product Series

The Malaysian structured product market reported a decrease of 5% of total new issuances in 2025 compared to 2024.

High-net-worth individuals (HNWIs) continued to form the majority of investors accounting for 93.1% of investors in structured product. The balance of 6.9% of investors is comprised of high-net-worth entities and accredited investors and persons who acquire the unlisted capital market product for a consideration of not less than RM250,000 per transaction category (Chart 10).

Conventional structured products continued its market domination accounting for 92.4% of issuance in 2025 (Chart 11). The issuance of Islamic structured products increased by 15% in 2025.

In 2025, a total of 138 structured product series were lodged under the LOLA Framework for the offering to sophisticated investors (2024: 186), representing a decrease of 26%.

Contracts for Difference

In 2025, there were 2 CFD providers offering CFD in Malaysia based on shares, indices and commodities under the *Guidelines on Contracts for Difference*.

CHART 10
Breakdown by investor type

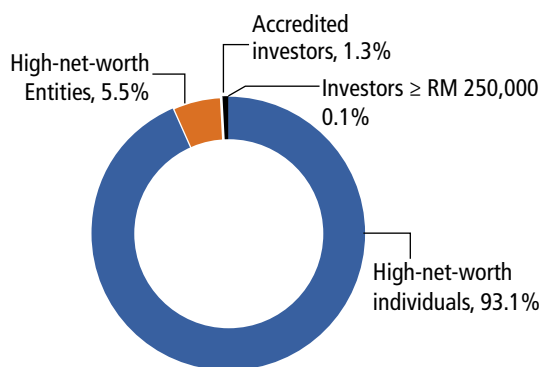
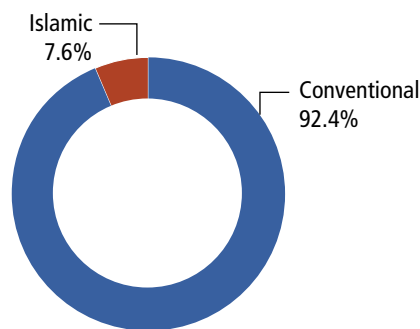


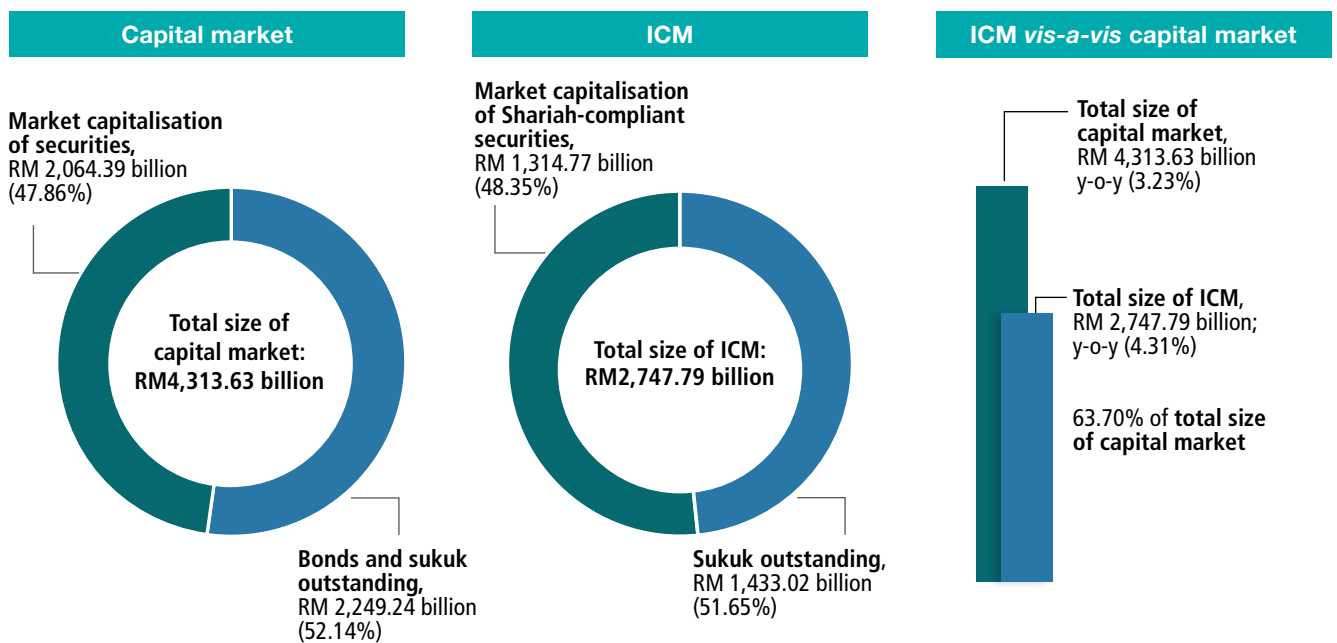
CHART 11
Breakdown by principle



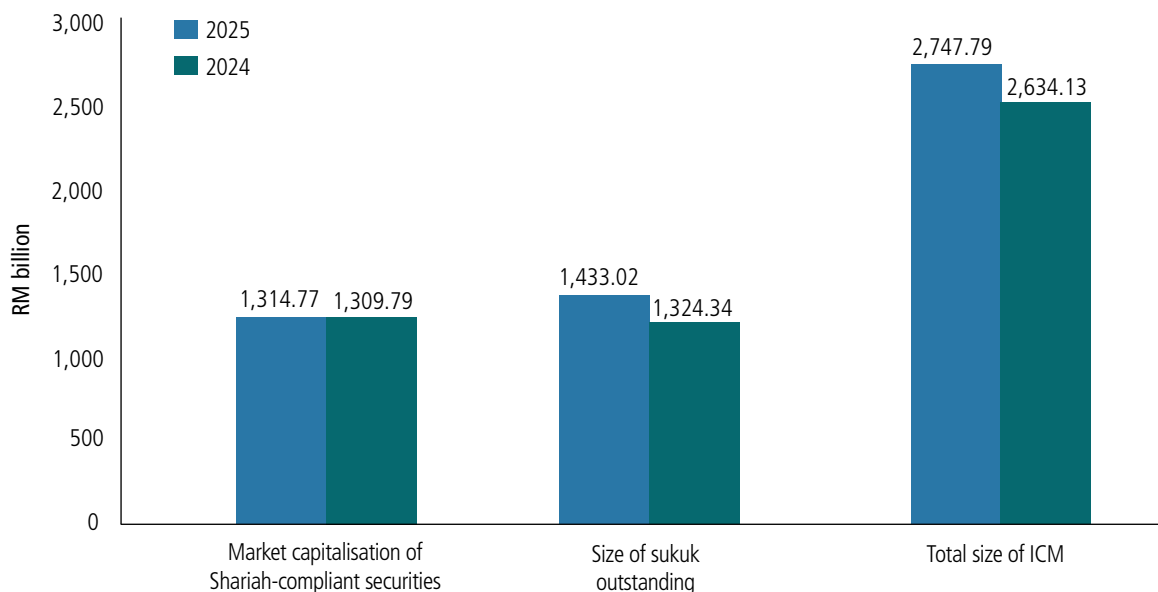
ISLAMIC CAPITAL MARKET

The ICM maintains a substantial contribution, accounting for 63.70% of the overall capital market. Demonstrating steady growth, the ICM expanded by 4.31% year-on-year, increasing from RM2,634.13 billion in 2024 to RM2,747.79 billion as at end 2025. The ICM comprises of Shariah-compliant securities, with total market capitalisation of RM1,314.77 billion, and sukuk, with total amount outstanding of RM1,433.02 billion (Chart 1).

CHART 1
ICM as at December 2025



Size of ICM

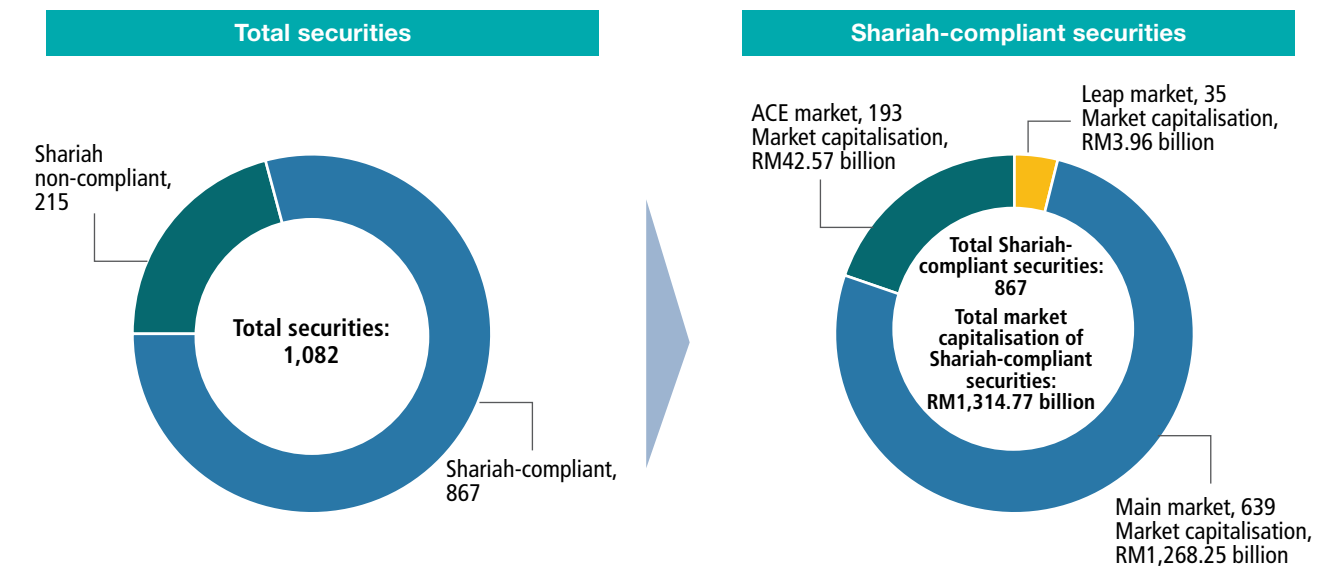


SHARIAH-COMPLIANT SECURITIES

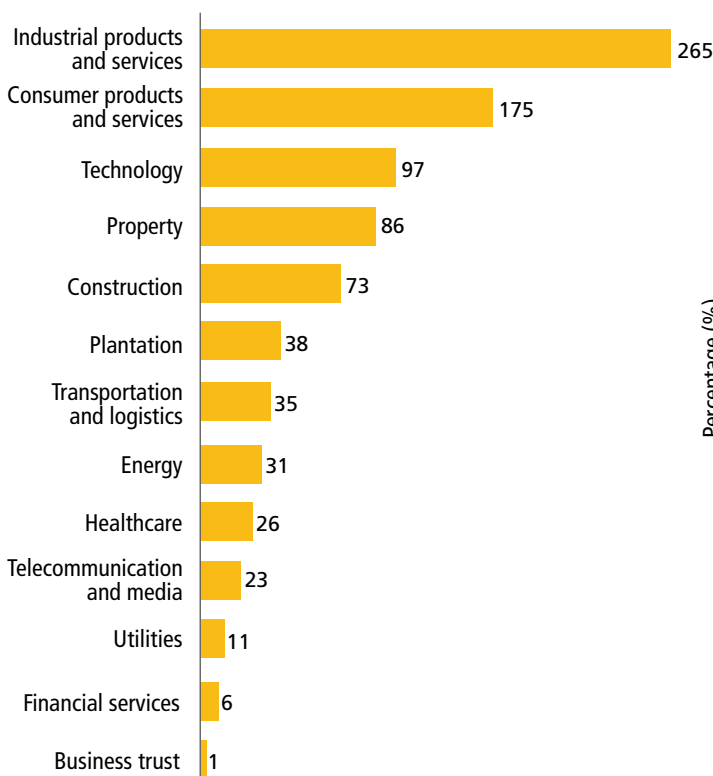
As of end-2025, the number of Shariah-compliant securities increased from 822 to 867, constituting 80.13% of the total 1,082 listed securities on Bursa

Malaysia. The market capitalisation of Shariah-compliant securities registered an increase to 0.38% as compared to end-2025, standing at RM1,314.77 billion or 63.69% of the total market capitalisation by December 2025, (Chart 2).

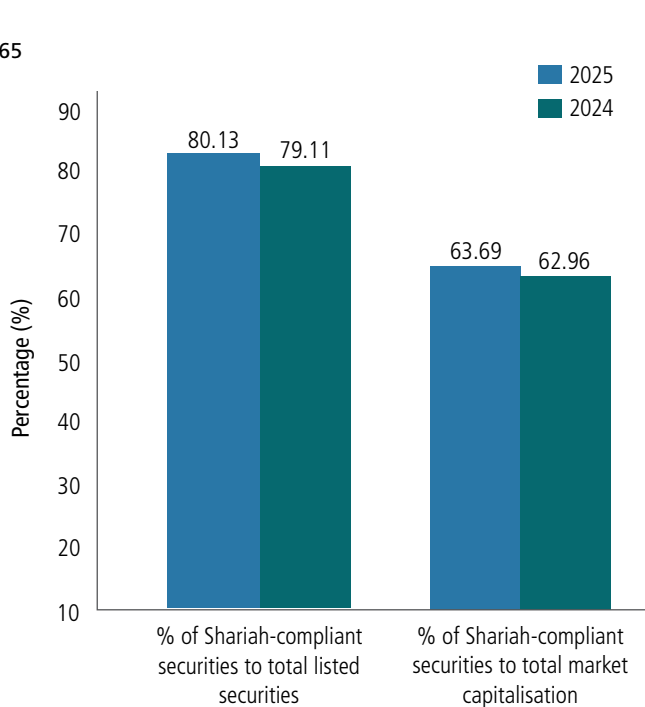
CHART 2
Shariah-compliant securities as at December 2025



Breakdown by sectors for Shariah-compliant securities



Percentage of number and market capitalisation of Shariah-compliant securities



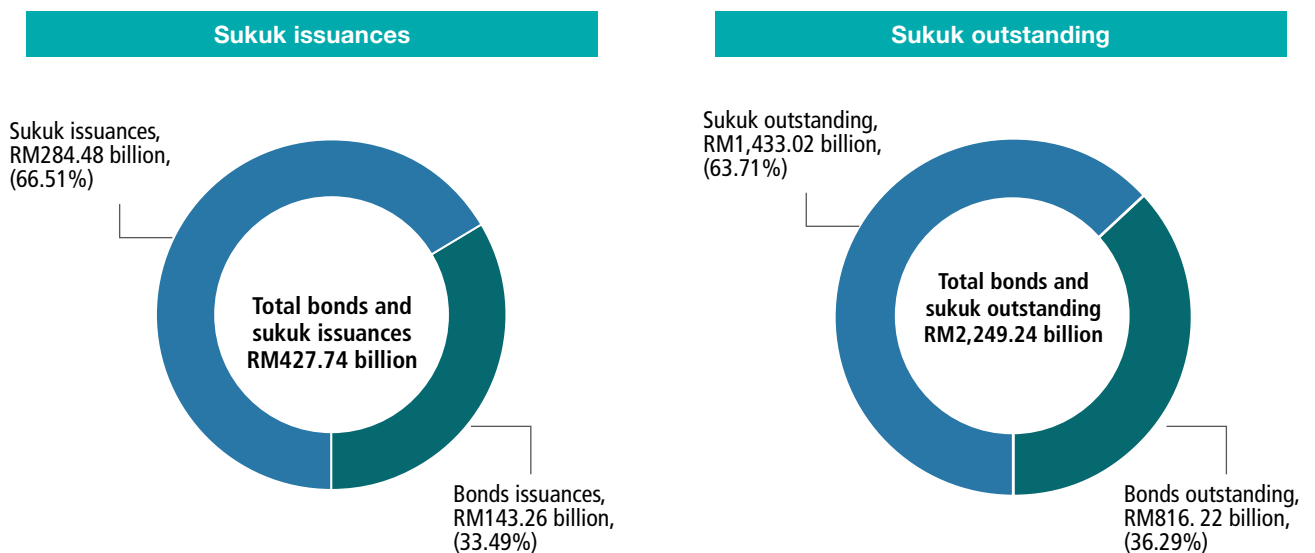
SUKUK

In the sukuk market, corporate sukuk issuances represented 79.30% (2024: 74.36%) of total corporate bonds and sukuk issuances while corporate sukuk outstanding accounted for 85.06% (2024: 84.58%) of total corporate bonds and sukuk outstanding (Table 3).

The total sukuk issuances in 2025 represented 66.51% (2024: 62.56%) of total bonds and sukuk issuances whereas total sukuk outstanding represented 63.71% (2024: 63.12%) of total bonds and sukuk outstanding (Chart 3 and Table 4).

A total of 24 issuers issued SRI Sukuk and SRI Sustainability-Linked Sukuk in 2025, bringing the cumulative number of SRI Sukuk issuers to 57 since its inception in 2015. Corporate SRI sukuk issuances in 2025 amounted to RM25.95 billion, which was 18.51% of total corporate sukuk issuances for the year, while corporate SRI sukuk outstanding increased to RM52.34 billion as at December 2025 (2024: RM34.46 billion), constituting 6.48% of total corporate sukuk outstanding.

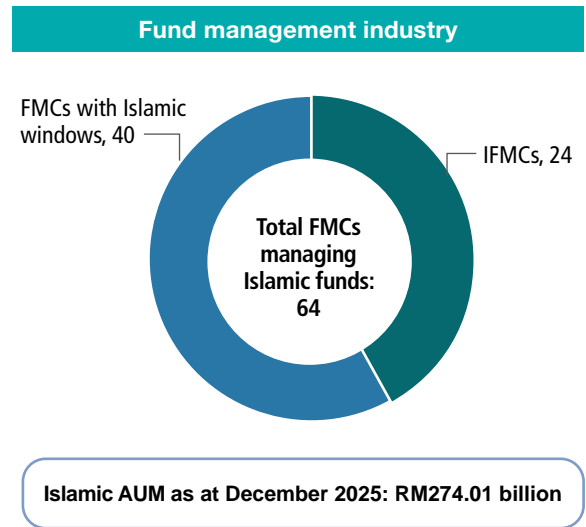
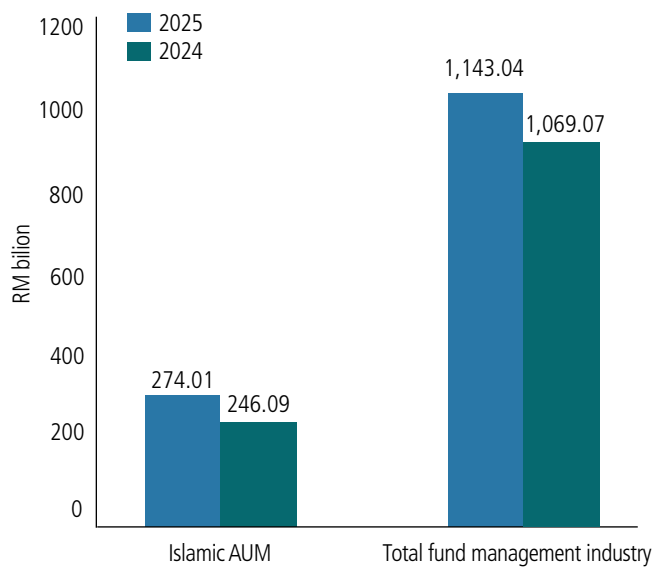
CHART 3
Sukuk as at December 2025



ISLAMIC FUND MANAGEMENT

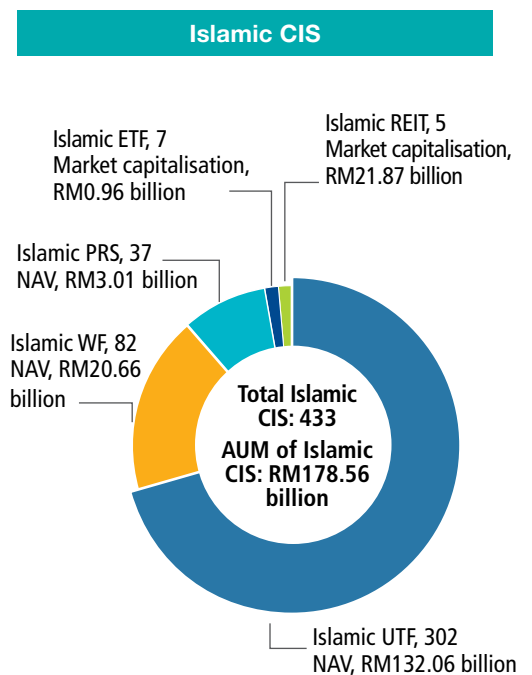
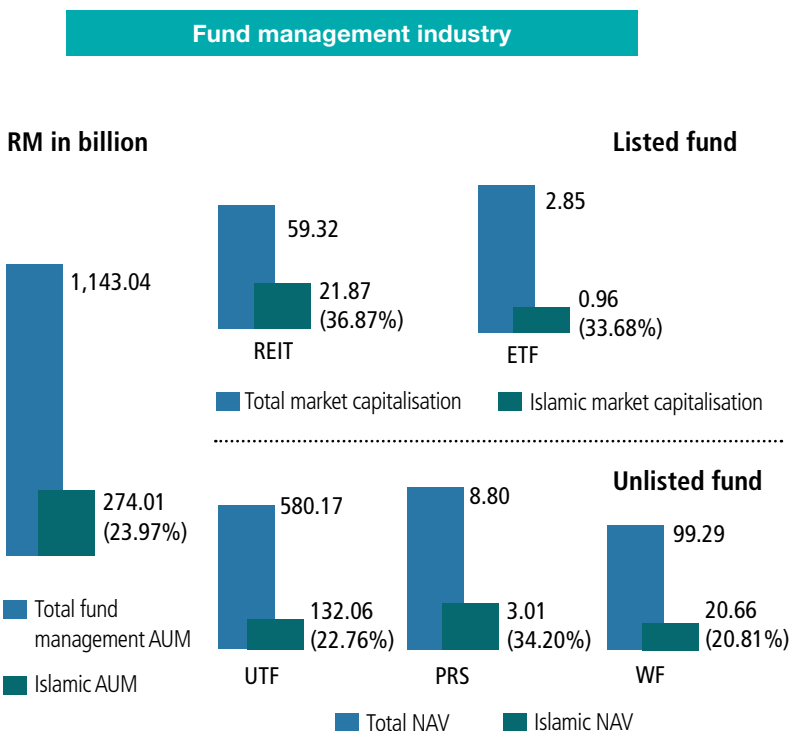
As at December 2025, Islamic AUM stood at RM274.01 billion, a year-on-year increase of 11.35% from RM246.09 billion as at end-2025 (Chart 4). Total number of Islamic CIS (UTF, WF, PRS, REIT and ETF) amounts to 433 as of December 2025, which includes 29 Islamic SRI funds. Additionally, there were a total of 64 fund management companies overseeing Islamic funds, comprising 24 full-fledged Islamic fund management companies and 40 conventional fund management companies with Islamic windows as at December 2025.

CHART 4
AUM of Islamic fund management



Note:
AUM is sourced from CIS and private mandates.

Islamic fund management as at December 2025



KEY STATISTICS

TABLE 1
Size of ICM

	2025 RM billion	2024 RM billion
Market capitalisation of Shariah-compliant securities	1,314.77	1,309.79
Size of sukuk outstanding	1,433.02	1,324.34
Total size of ICM	2,747.79	2,634.13
% ICM to total capital market	63.70%	63.04%

TABLE 2
Shariah-compliant securities

	2025	2024
Number of securities:		
Shariah-compliant securities	867	822
Total listed securities	1,082	1,039
% of Shariah-compliant securities to total listed securities	80.13%	79.11%
Market capitalisation (RM billion):		
Shariah-compliant securities	1,314.77	1,309.79
Total market capitalisation	2,064.39	2,080.51
% of Shariah-compliant securities to total market capitalisation	63.69%	62.96%

TABLE 3
Corporate sukuk

	2025	2024
Total issuance (RM billion)		
Sukuk issuance	140.18	92.32
Total corporate bonds and sukuk issuances	176.78	124.15
% of sukuk to total corporate bonds and sukuk issuances	79.30%	74.36%
Total outstanding (RM billion)		
Sukuk outstanding	807.72	725.68
Total corporate bonds and sukuk outstanding	949.58	858.00
% of sukuk to total corporate bonds and sukuk outstanding	85.06%	84.58%

TABLE 4
Total sukuk

	2025	2024
Total issuance (RM billion)		
Sukuk issuance	284.48	273.66
Total bonds and sukuk issuance	427.74	437.41
% of sukuk to total bonds and sukuk issuances	66.51%	62.56%
Total outstanding (RM billion)		
Sukuk outstanding	1,433.02	1,324.34
Total bonds and sukuk outstanding	2,249.24	2,098.06
% of sukuk to total bonds and sukuk outstanding	63.71%	63.12%

TABLE 5
Islamic AUM

	2025	2024
Islamic AUM (RM billion)	274.01	246.09
Total fund management industry (RM billion)	1,143.04	1,069.07
% Islamic AUM to total fund management industry	23.97%	23.02%

TABLE 6
Islamic UTF

	2025	2024
Islamic UTF	302	299
Total industry	767	775
NAV of Islamic UTF (RM billion)	132.06	122.22
NAV of total industry (RM billion)	580.17	546.08
% NAV of Islamic UTF to total industry	22.76%	22.38%

TABLE 7
Islamic WF

	2025	2024
Islamic WF	82	74
Total industry	498	476
NAV of Islamic WF (RM billion)	20.66	15.80
NAV of total industry (RM billion)	99.29	82.60
% NAV of Islamic WF to total industry	20.81%	19.13%

TABLE 8
Islamic PRS funds

	2025	2024
Islamic PRS	37	37
Total industry	79	78
NAV of Islamic PRS (RM billion)	3.01	2.55
NAV of total industry (RM billion)	8.80	7.61
% NAV of Islamic PRS to total industry	34.20%	33.44%

TABLE 9
Islamic REIT

	2025	2024
Islamic REIT	5	5
Total industry	20	19
Market capitalisation of Islamic REIT (RM billion)	21.87	20.29
Market capitalisation of total industry (RM billion)	59.32	48.93
% market capitalisation of Islamic REIT to total industry	36.87%	41.47%

TABLE 10
Islamic ETF

	2025	2024
Islamic ETF	7	7
Total industry	13	16
Market capitalisation of Islamic ETF (RM billion)	0.96	0.50
Market capitalisation of total industry (RM billion)	2.85	2.36
% market capitalisation of Islamic ETF to total industry	33.68%	21.19%

TABLE 11
Registered Shariah advisers

	2025	2024
Individual	109	82
Corporation	19	19
Total registered Shariah advisers	128	101

VENTURE CAPITAL AND PRIVATE EQUITY

Total committed funds in the industry increased by 21.66% to RM30.05 billion as compared to RM24.70 billion in 2024. As at the end of 2025, total committed funds stood at RM23.95 billion and RM6.10 billion for private equity (PE) and venture capital (VC) respectively (Table 1).

TABLE 1
Industry key statistics
Figures in RM million

	2025		2024	
	Private equity	Venture capital	Private equity	Venture capital
Total committed funds under management [1]	23,949.50	6,102.44	18,005.63	6,698.07
Total drawn capital [2]	11,937.66	3,717.26	10,689.09	4,227.86
Estimated capital available for investment [3]=[1]-[2]	12,011.84	2,385.18	7,316.54	2,470.21
Total no. of investee companies	120	419	88	437

Note:

The statistics are based on self-reported figures by registered VC/PE firms. Y-o-y movements may vary. Totals may not add up due to rounding.

TABLE 2
Statistics of industry participants

	2025	2024
Number of registered corporations	155	145
Number of registered VCMCs and VCCs	107	115
Number of registered PEMCs and PECs	48	30
Number of VC and PE professionals ¹	356	278

Note:

¹ Professionals with at least four years of experience.

The total number of registered corporations stood at 155 as at 31 December 2025 (Table 2). The venture capital segment accounted for 107 registered corporations (venture capital management corporation (VCMC) and venture capital corporation (VCC)), while

the private equity segment consisted of 48 registered corporations (private equity management corporation (PEMC) and private equity corporation (PEC)).

As at end-2025, the number of professionals employed by the industry with at least four years experience stood at 356.

For private equity, commitments are sourced largely from corporate investors (28.11%), pensions and provident funds (20.73%) and financial institutions (19.58%) (Chart 1).

For venture capital, government agencies and investment companies (40.08%), corporate investors (28.22%) and individuals and family offices (17.64%) make up the top three sources of funding (Chart 2).

The top three registered corporations by amount of investor commitments as at end-2025 were Creador, Gaia Investment Partners and Bee Alternatives.

CHART 1
Sources of funds, private equity (2025: RM23.95 billion)

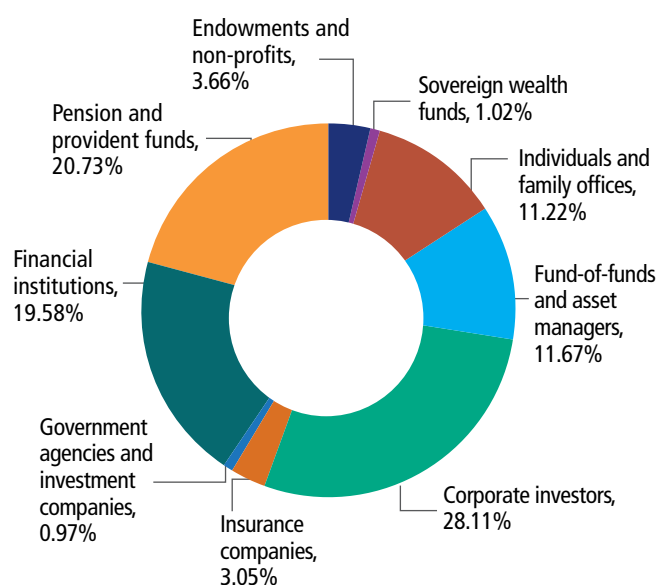
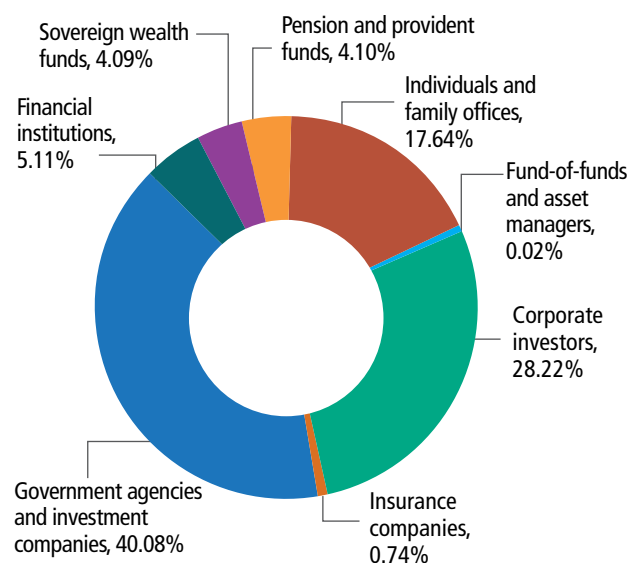


CHART 2
Sources of funds, venture capital (2025: RM6.10 billion)



Note:

Government agencies and investment companies: Includes ministerial investment companies (e.g. Minister of Finance (Incorporated)), government agencies, statutory bodies and government-linked investment companies established for the purpose of managing investments of public funds.

TABLE 3
Investments during 2025

Business Stage	New investments (RM '000)	% of segment	No. of companies
Venture Capital			
Seed	1,600.00	0.37%	1
Start-up	34,150.91	7.83%	18
Early stage	38,629.98	8.86%	13
Growth	134,576.34	30.87%	21
Bridge/Mezzanine/Pre-IPO	224,498.86	51.50%	12
Turnaround/Restructuring	2,466.09	0.57%	4
Private Equity			
Early stage	128,903.93	5.40%	7
Growth	1,788,737.08	74.93%	37
Bridge/Mezzanine/Pre-IPO	42,610.90	1.79%	2
Buyout	426,821.40	17.88%	2
Total	2,822,995.49	100.00%	117
Venture Capital	435,922.18	15.44%	69
Private Equity	2,387,073.31	84.56%	48

VC investments in 2025 concentrated on the bridge/mezzanine/pre-IPO stage (51.50%), followed by the growth stage (30.87%) and early stage opportunities (8.86%). PE investments were primarily channelled into growth stage (74.93%), with some investments made in turnaround/restructuring opportunities (17.88%). In total, 117 VC and PE deals were recorded in 2025 (Table 3).

In terms of target industries, construction (31.61%) saw the highest share of VC investments in 2025, followed by manufacturing (21.39%), and waste management (7.11%).

As for PE, investments were largely channelled into wholesale and retail trade (34.68%) in 2025, followed by education (17.46%) and financial and insurance/takaful activities (16.49%) (Chart 3).

CHART 3
Investments during 2025, top 5 target industries

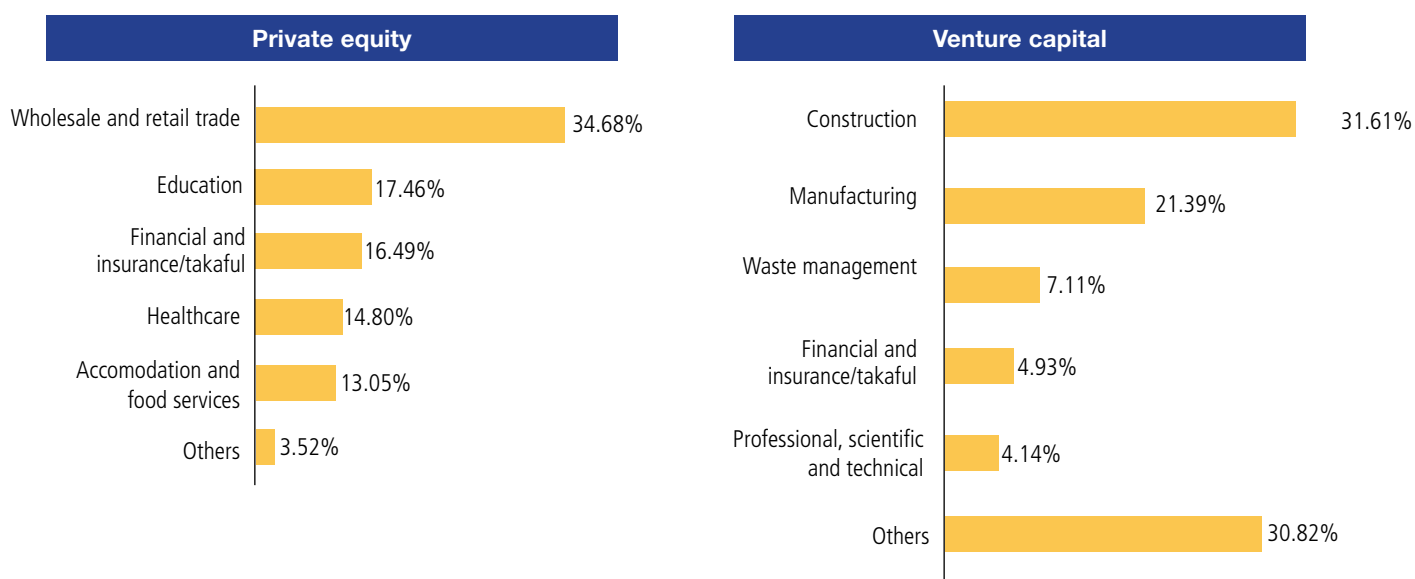


TABLE 4
Divestments during 2025

Business Stage	Divestments (RM '000)	% of segment	No. of companies
Venture Capital			
Seed	20,714.66	1.12%	11
Start-up	407,171.73	22.11%	41
Early stage	177,866.03	9.66%	62
Growth	868,259.08	47.14%	172
Buyout	31,565.26	1.71%	9
Bridge/Mezzanine/Pre-IPO	260,050.11	14.12%	15
Turnaround/Restructuring	76,352.81	4.14%	62
Private Equity			
Early stage	31,904.81	2.36%	2
Growth	1,275,772.67	94.44%	52
Buyout	40,138.14	2.97%	1
Bridge/Mezzanine/Pre-IPO	1,764.49	0.13%	3
Turnaround/Restructuring	1,307.71	0.10%	3
Total	3,192,867.49	100.00%	433
<i>Venture Capital</i>	<i>1,841,979.68</i>	<i>57.69%</i>	<i>372</i>
<i>Private Equity</i>	<i>1,350,887.82</i>	<i>42.31%</i>	<i>61</i>

Note:
Figures measured at cost.

Divestments in PE portfolios during 2025 were mainly exits in the growth stage, while the majority of divestments in VC were from the growth stage, followed

by start-up positions (Table 4). Exits in 2025 were primarily through IPO or sale to public markets.

EQUITY CROWDFUNDING¹

CAMPAIGNS

Since its inception, ECF has garnered a total fundraising amount of RM917.51 million across 445 campaigns, with Shariah-compliant campaigns contributing 4.1% of the total funds raised.

As shown in Chart 1, total funds raised in 2025 increased markedly by 42.4% to RM139.34 million, compared with RM97.84 million in 2024. A similar upward trend is observed in the number of successful campaigns, which increased from 35 in the previous year to 42 in 2025. The growth in funds raised was primarily attributed by a significant increase in larger-sized campaigns, raising funds exceeding

RM3 million. These campaigns constituted 45% of the total campaigns in 2025, up from 34% in 2024 (Chart 2).

Agriculture, forestry, and fishing received the highest funding in 2025, amounting to RM26.7 million, while the Manufacturing sector recorded notable growth, with the total amount raised increasing five-fold to RM13.6 million in 2025 (Chart 3). In contrast, the wholesale and retail trade sector, which typically accounts for a substantial share of the total fundraising, experienced a significant decline, with funds raised falling to RM9.8 million in 2025.

Seed-stage and Series A-stage campaigns remained the main fundraising stage in 2025. At the same time, new fundraising activity was observed at the post-Series A stage (Chart 4).

CHART 1
Total funds raised

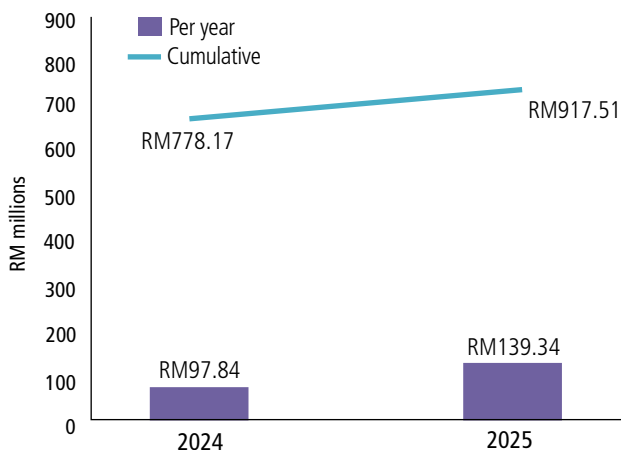


CHART 2
Campaign sizes

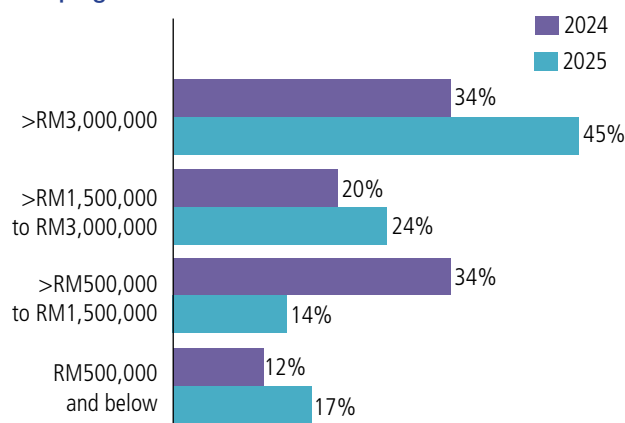


CHART 3
Top sectors by total funds raised

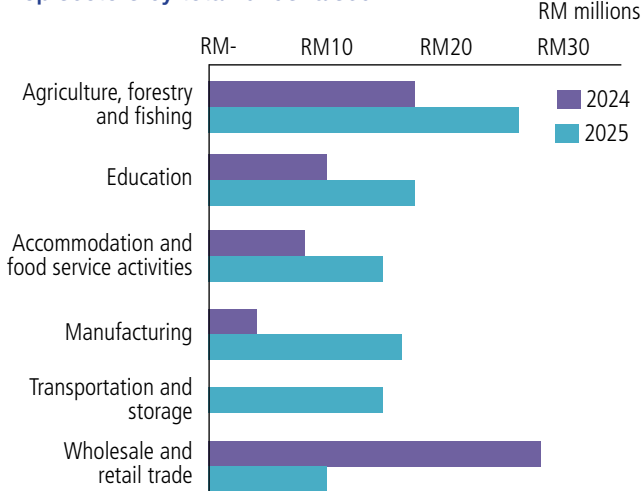
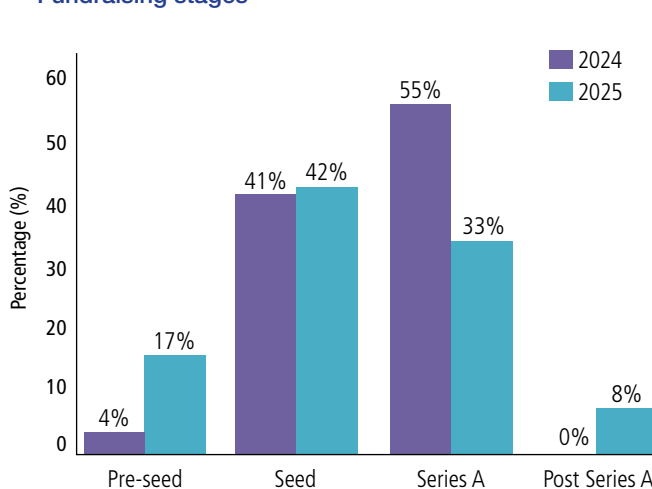


CHART 4
Fundraising stages



¹ Previously reported statistics have been adjusted according to the latest reported numbers.

ISSUERS

Since the introduction of ECF, the total number of issuers has reached 445². Issuer participation increased in 2025, with 42 issuers recorded during the year, compared with 35 in 2024. While 82% of ECF issuers were based in Selangor and Kuala Lumpur, growing interest was observed among issuers outside the Klang Valley, including those from Pulau Pinang and Sarawak (Chart 5).

A notable shift in ECF issuer composition was observed, as the share of technology-focused issuers declined to 31% in 2025 from 49% in the previous year (Chart 6). A similar trend was recorded among younger issuers, as the share of issuers operating for less than three years decreased to 26% in 2025, compared with 41% in 2024 (Chart 7). These developments reflect changes in the profile of issuers participating in the ECF market.

CHART 6

Technology-focused issuers

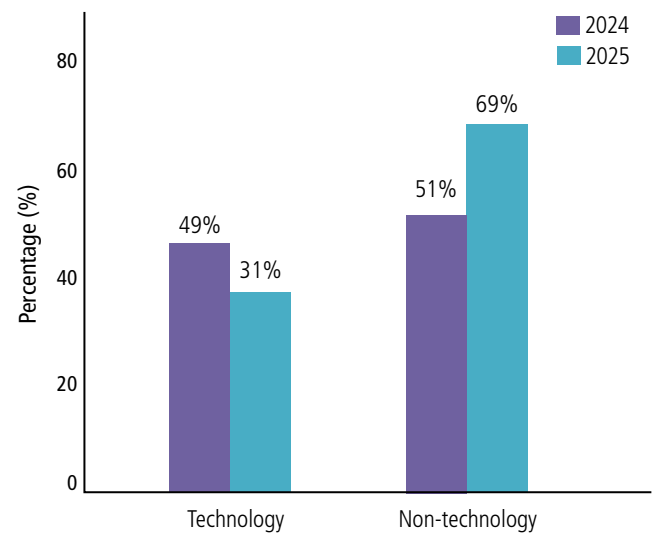


CHART 5

Issuer: Business location

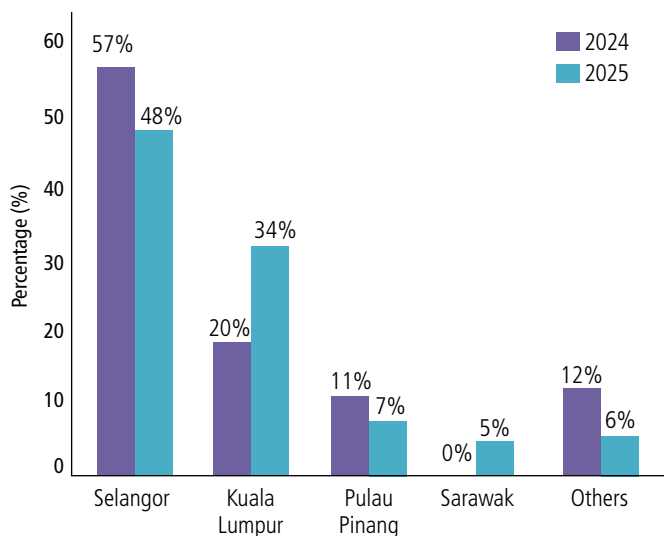
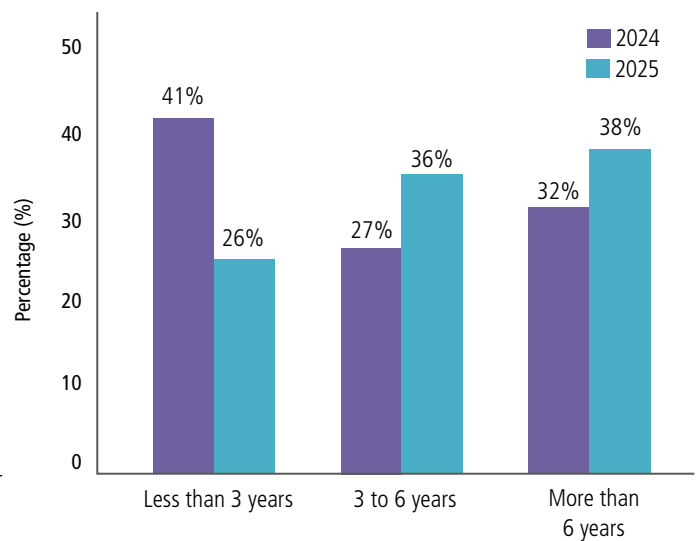


CHART 7

Issuer: Years in business



² Include returning issuers.

INVESTORS

Since inception, the total number of participating investors has exceeded 22,000. Nevertheless, in 2025 alone, the total number of investors decreased by 36% to 1,979, from 3,099 in the previous year (Chart 8). First-time investors comprised 71.5% of ECF investors in 2025.

CHART 8
Investor participation³

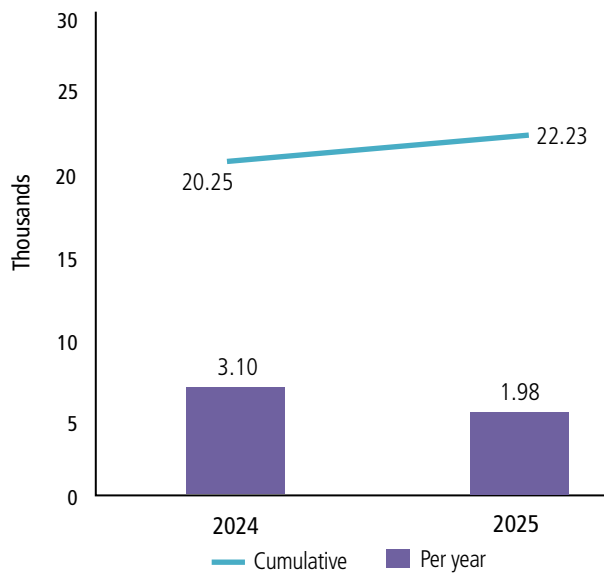


TABLE 1
Investor demographics

		2025	2024
Nationality	Malaysian	98%	98%
	Foreign	2%	2%
Gender	Female	30%	23%
	Male	70%	77%
Age	Below 35	32%	44%
	35 to 45	42%	33%
	>45 to 55	16%	16%
	Above 55	10%	7%
Type	Retail	59%	72%
	Angel	25%	15%
	Sophisticated – HNWI	10%	7%
	Sophisticated – HNWE and Accredited	5%	5%
	Non-Sophisticated Entity	1%	1%

³ Investor participation refers to investors who have invested in a campaign.

PEER-TO-PEER FINANCING¹

CAMPAIGNS

Since its inception, P2P financing has raised a total of RM11.32 billion via 154,283 campaigns, with 26% of the total funds raised contributed by Shariah-compliant campaigns (2024: 19%). In 2025, the total funds raised increased by 13% to RM2.83 billion from RM2.51 billion in 2024 (Chart 1). In contrast, the total number of campaigns recorded a marginal decline, decreasing to 33,913 in 2025 from 34,512 in 2024.

Campaign sizes in 2025 continued to comprise of smaller fundraising amounts, with 62% of campaigns raising RM50,000 and below (Chart 2). Wholesale and retail trade; repair of motor vehicles and motorcycles remained the largest sector served in 2025, raising RM1.44 billion and contributing 51% of the total fundraising for the year (Chart 3).

CHART 1
Total funds raised

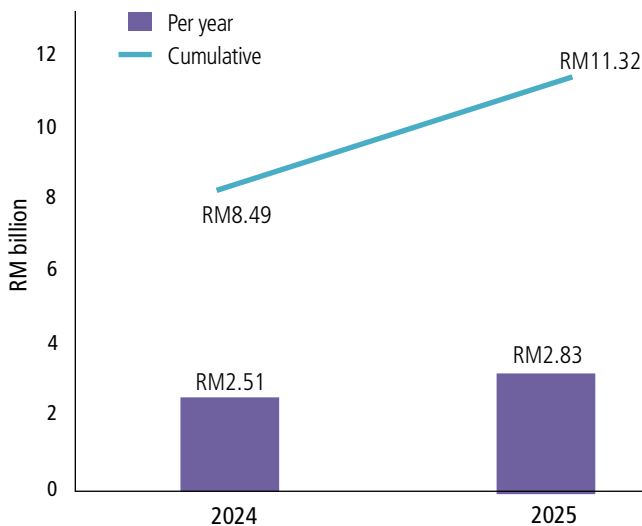


CHART 2
Campaign sizes

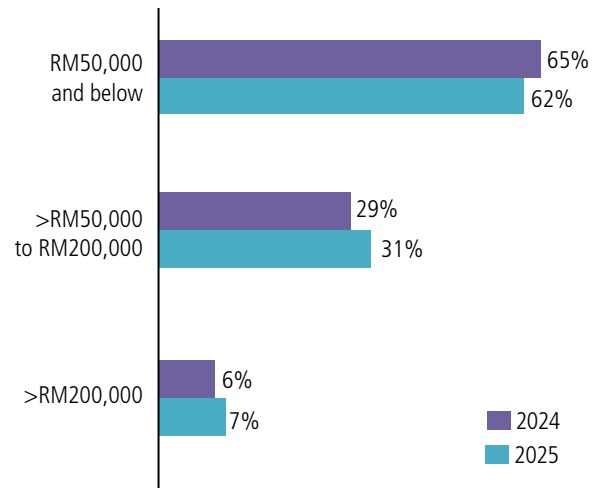
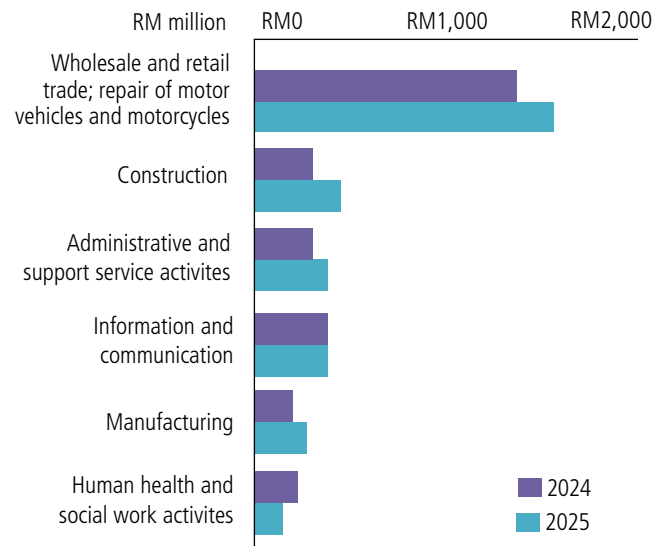


CHART 3
Top five sectors by total funds raised



¹ Previously reported statistics have been adjusted according to latest reported numbers.

CHART 4
Financing types

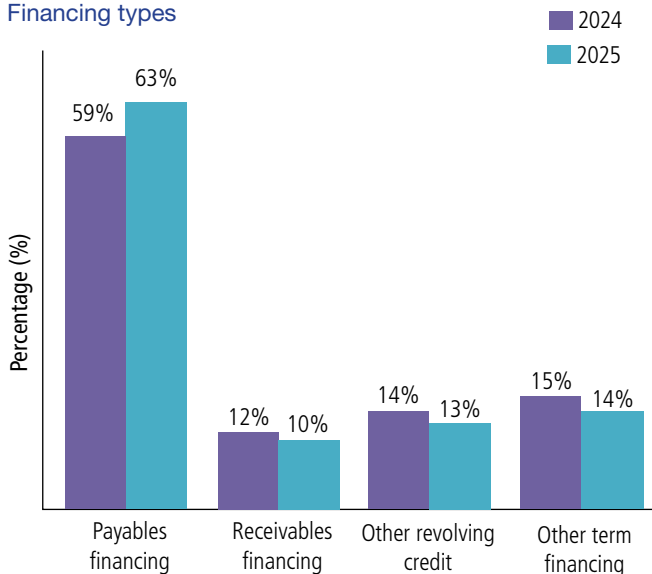


CHART 6
Fundraising purposes

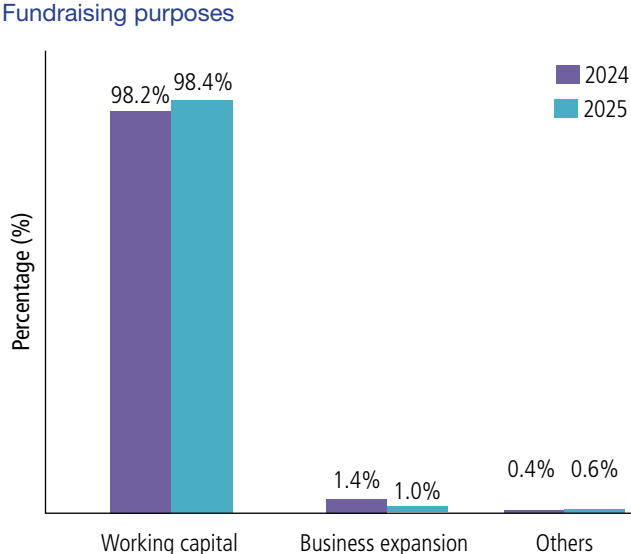


CHART 5
Tenure types

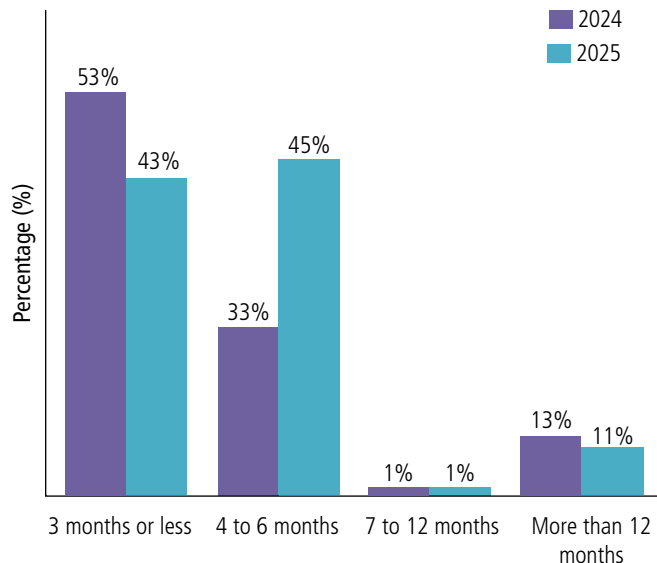
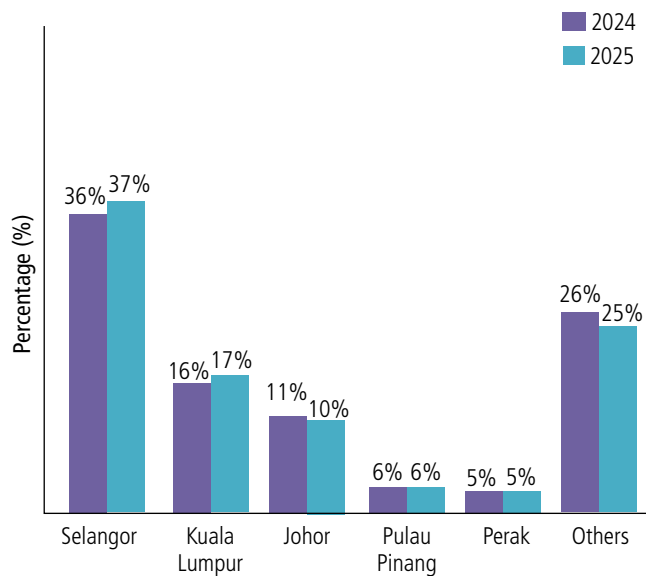


CHART 7
Issuer: Business location



In Chart 4, the majority of investment notes issued were for payable financing, representing 63% of the total campaigns this year. Campaigns with short-term investment notes comprising tenures of six months or less remain the most (88%) funded campaigns in 2025 (Chart 5). The purpose of fundraising in 2025 continued to be predominantly (98%) for working capital (Chart 6).

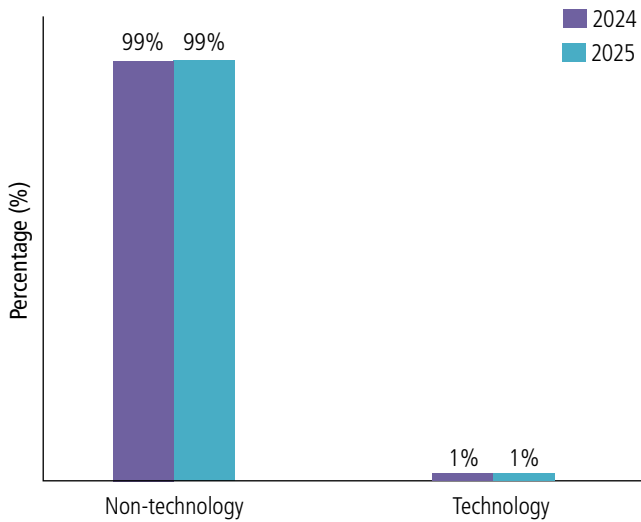
ISSUERS

As of end-2025, the total number of issuers stood at 24,683². In 2025, the total number of issuers decreased by 9% to 4,730 from 5,206 in 2024. In terms of business location, issuers based in Selangor and Kuala Lumpur continued to be the most served by P2P financing in 2025 at 54% (Chart 7). Non-technology focused issuers formed 99% of total issuers (Chart 8). As shown in Chart 9, issuers that have been in operation for six years or more continued to account for the majority of P2P financing in 2025, comprising 49% of issuers, compared with 43% in 2024.

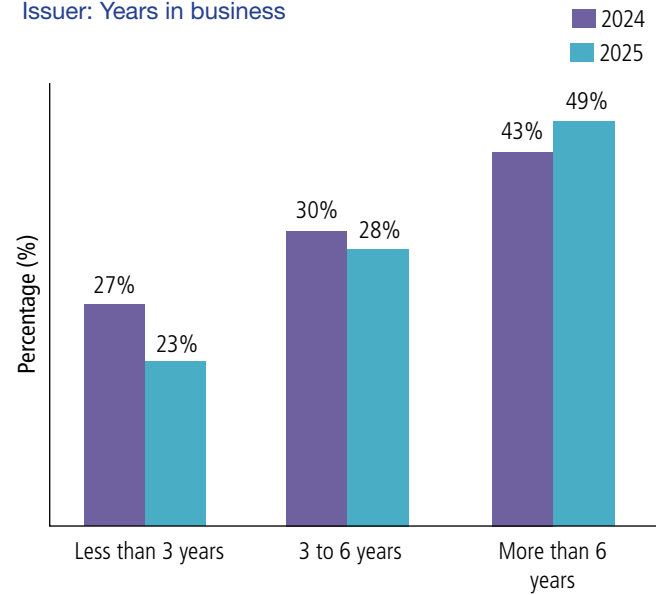
² Includes returning issuers.

CHART 8

Technology-focused issuers

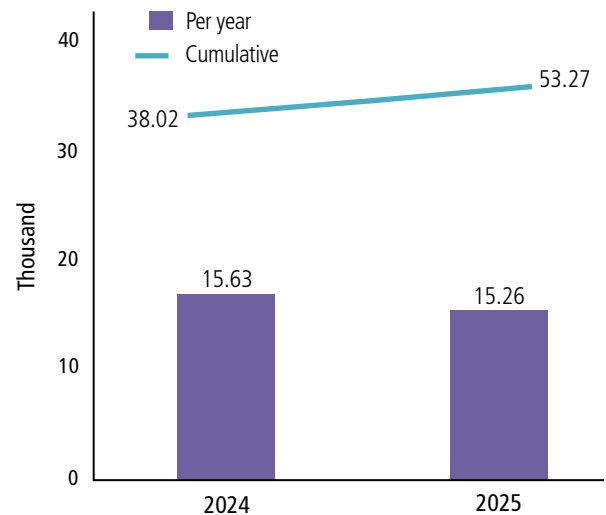
**CHART 9**

Issuer: Years in business



INVESTORS

As shown in Chart 10, the total number of participating investors has exceeded 53,000 since P2P financing was first introduced. In 2025, there was a slight decrease of 2% in the total number of investors to 15,257 from 15,628 in 2024. There were 20% of new investors participating in P2P in 2025.

CHART 10Investor participation³

³ Investor participation refers to investors who have invested in a campaign.

TABLE 1
Investor demographics

		2025	2024
Nationality	Malaysian	99%	97%
	Foreign	1%	3%
Gender	Female	29%	29%
	Male	71%	71%
Age	Below 35	33%	41%
	35 to 45	39%	34%
	>45 to 55	18%	16%
	Above 55	11%	9%
Type	Retail	89%	89%
	Angel	4%	4%
	Sophisticated – HNWI	5%	5%
	Sophisticated – HNWE and accredited	1%	1%
	Non-sophisticated entity	1%	1%

ACRONYMS AND ABBREVIATIONS

ABJAD	<i>Agen Bijak Labor Desa</i>
ABM	The Association of Banks in Malaysia
ACGA	Asian Corporate Governance Association
ACMF	ASEAN Capital Markets Forum
ACSR	Advisory Committee on Sustainability Reporting
ADB	Asian Development Bank
AI	artificial intelligence
AGM	annual general meeting
AMLATFPUAA	<i>Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</i>
AMLCFT/PF	Anti-Money Laundering, Countering Financing of Terrorism/Proliferation Financing
AOB	Audit Oversight Board
APAC	Asia-Pacific
APRC	Asia-Pacific Regional Committee
ARC	Audit and Risk Committee
ASB	Asia School of Business
ASEAN	Association of Southeast Asian Nations
ASEAN SRF	ASEAN Sustainable and Responsible Fund
ASEAN Taxonomy	<i>ASEAN Taxonomy for Sustainable Finance</i>
ATCM	Association of Trust Companies Malaysia
AUM	assets under management
BCM	Business Continuity Management
BCX	Bursa Carbon Exchange
BIX	Bond + Sukuk Information Exchange
BMD	Bursa Malaysia Derivatives
BNM	Bank Negara Malaysia
BSC	Board Sustainability Committee
CAGR	compound annual growth rate
CCOB	Consumer Credit Oversight Board
CFD	contract for difference
CFD Guidelines	<i>Guidelines on Contracts for Difference</i>
CIS	collective investment schemes
CMC	Capital Market Compensation Fund Corporation
CME	capital market entities
CMM	Capital Markets Malaysia
CMP3	<i>Capital Market Masterplan 3</i>
CMP	<i>Capital Market Masterplan 2026-2030</i>
CMPC	Capital Markets Promotion Council
CMSA	<i>Capital Markets and Services Act 2007</i>
CMSL	Capital Markets Services Licence
CMSR	<i>Capital Market Stability Review</i>
CMSRL	Capital Market Services Representative's Licence
COFAR	Coastal Flooding Adaptation Resilience
CoSIF	Strategic Co-Investment Fund
CPI	Consumer Price Index
CRA	credit rating agency
CVC	corporate venture capital

DAC	Digital Asset Custodians
DAX	digital asset exchange
DeFi	decentralised finance
DF	Digital Forensics
DIM	digital investment management
DOSM	Department of Statistics Malaysia
ECF	equity crowdfunding
EPF	Employees Provident Fund
ERMC	Executive Risk Management Committee
ESG	environmental, social and governance
ETF	exchange-traded fund
EU	European Union
FBMKLCI	FTSE Bursa Malaysia KLCI
FCO	Forest Carbon Offset
FCNH	Mini United States Dollar/Chinese Offshore Renminbi
	Futures Contract
FCSEFZ	Forest City Special Financial Zone
FEN	Financial Education Network
FIMM	Federation of Investment Managers Malaysia
FMC	Fund Management Company
FMOS	Financial Markets Ombudsman Service
FPAM	Financial Planning Association of Malaysia
FRC	Financial Risk Committee
FSA	Focused Scope Assessment framework
FSI	Financial Stress Index
FSOY	soybean oil futures contract
FTSE	Financial Times Stock Exchange
FVTPL	fair value through profit or loss
GDP	gross domestic product
GHG	greenhouse gas emissions
GIFF	Global Islamic Finance Forum
GIFP	Global Islamic Finance Program
GIP	Greening Industrial Park
GLIC	government-linked investment company
GMCR	<i>Guidelines on Management of Cyber Risk</i>
GRI	Global Reporting Initiative
GTRM	<i>Guidelines on Technology Risk Management</i>
GVC	Greening Value Chain
HNW	high-net-worth
HNWE	high-net-worth entities
HNWI	high-net-worth individual
IAD	Internal Audit Department
IAASB	International Auditing and Assurance Standards Board
ICDM	Institute of Corporate Directors Malaysia
ICM	Islamic capital market
ICMR	Institute for Capital Market Research Malaysia
IEO	initial exchange offering
IMF	International Monetary Fund
IFRS	<i>International Financial Reporting Standards</i>
Impact Framework	Impact Investment Framework
INCEIF	International Centre for Education in Islamic Finance
IOSCO	International Organization of Securities Commissions
IPO	initial public offering
ISF	InvestSmart® Fest

ISSB	International Sustainability Standards Board
JAKIM	Jabatan Kemajuan Islam Malaysia
JC3	Joint Committee on Climate Change
KKDW	Ministry of Rural and Regional Development (<i>Kementerian Kemajuan Desa dan Wilayah</i>)
KPI	key performance indicator
Labuan FSA	Labuan Financial Services Authority
LEA	Law Enforcement Agencies
LOLA Framework	Lodge and Launch Framework for Unlisted Capital Market Products
MAS	Monetary Authority of Singapore
MCCG	<i>Malaysian Code on Corporate Governance</i>
MCMC	Malaysian Communications and Multimedia Commission
MDEC	Malaysia Digital Economy Corporation
MFRS	<i>Malaysian Financial Reporting Standards</i>
MGS	Malaysian Government Securities
MIA	Malaysian Institute of Accountants
MIBA	Malaysian Investment Banking Association
MIFC	Malaysia International Islamic Financial Centre
MITI	Ministry of Investment, Trade and Industry
MMOU	Multilateral Memorandum of Understanding
MOE	Ministry of Education
MOF	Ministry of Finance
MOHE	Ministry of Higher Education
MOU	memorandum of understanding
MR	marketing representative
MRC	Market Risk Committee
MSME and MTC Roadmap	<i>Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)</i>
MSMEs	micro, small and medium-sized enterprises
MTCs	mid-tier companies
MVCR	<i>Malaysia Venture Capital Roadmap 2024-2030</i>
MyCIF	Malaysia Co-Investment Fund
NAV	net asset value
NDC Roadmap	Nationally Determined Contribution Roadmap
NRA	<i>National Risk Assessment 2023</i>
NETR	<i>National Energy Transition Roadmap</i>
NIMP 2030	<i>New Industrial Master Plan 2030</i>
NSRC	National Scam Response Centre
NSRF	National Sustainability Reporting Framework
OACP	<i>Organisational Anti-Corruption Plan</i>
OECD	Organisation for Economic Co-operation and Development
OFS	Ombudsman for Financial Services
OPR	Overnight Policy Rate
ORC	Operational Risk Committee
P2P financing	peer-to-peer financing
PA	principal advisers
PE	private equity
PIE	public-interest entity
PLC	public-listed company
PLI	poverty line income
PNB	Permodalan Nasional Malaysia
Prescription Order	<i>Capital Markets and Services (Securities Regulations) (Digital Currencies and Digital Tokens) Prescription Order 2019</i>
PRS	private retirement scheme

RA	regulatory assessment
REIT	real estate investment trust
RIA	Retirement Income Adequacy
RM	Ringgit Malaysia
RMC	Risk Management Committee
RMO	recognized market operator
SAC	Shariah Advisory Council
SC	Securities Commission Malaysia
SCXSC	Synergistic Collaboration by Securities Commission Malaysia
SCMA	<i>Securities Commission Act 1993</i>
SC-OCIS	Securities Commission Malaysia-Oxford Centre for Islamic Studies
SEDG	<i>Simplified ESG Disclosure Guide</i>
SFI	Sustainability First Initiative
SFO	Single Family Office Tax Incentive Scheme
SFOV	Single Family Office Vehicle
SFWG	Sustainable Finance Working Group
SHC	Safety and Health Committee
SIA	<i>Securities Industries Act 1983</i>
SICDA	<i>Securities Industry (Central Depositories) Act 1991</i>
SIDC	Securities Industry Development Corporation
SIDREC	Securities Industry Dispute Resolution Center
SME	small and medium-sized enterprise
SMP	Shariah Mentorship Programme
SRI	sustainable and responsible investment
SRI Roadmap	<i>Sustainable and Responsible Investment Roadmap for the Malaysian Capital Market</i>
SRI Taxonomy	<i>Principles-Based SRI Taxonomy for the Malaysian Capital Market</i>
SRO	self-regulatory organization
SROC	Systemic Risk Oversight Committee
SSC	Sustainability Steering Committee
SSF	Single Stock Futures
SSM	Companies Commission of Malaysia
SUA	Surveillance of Unlicensed Activities
SupTech	Supervisory Technology
Take-overs Rules	<i>Malaysian Code on Take-overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions</i>
TAAM	<i>Technology and Analytics Masterplan</i>
TCRC	Technology and Cybersecurity Risk Committee
TSC	technical screening criteria
TVET	technical and vocational education and training
UAE	United Arab Emirates
UHNW	ultra-high-net-worth
UiTM	Universiti Teknologi MARA
UN	United Nations
UPC	unlisted public company
US	United States of America
UTF	unit trust fund
UTS	unit trust scheme
VASP	Virtual Assets Service Providers
VC	venture capital
WQ-FF	Waqf-Featured Fund Framework
YA	Year Assessment
y-o-y	year-on-year

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