

Concession on PRS Withdrawals

In line with the Government's efforts to alleviate Malaysians from facing financial constraints due to the impact of the health crisis, PRS members were permitted to withdraw up to RM1,500 from their sub-account B with each PRS provider without incurring a tax penalty. The withdrawal was permitted from April to end December 2020, to provide short-term financial relief for its members during the challenging economic environment.

CONTINUITY OF INTERMEDIARIES' OPERATIONS

Uninterrupted Operations Through Business Continuity Preparedness

To ensure the operational resiliency of market intermediaries, the SC outlined expectations on business continuity through its *Guiding Principles of Business Continuity* issued in 2019. This document outlines six principles including one that requires capital market entities to identify potential risks that may result in major operational disruptions. Any adverse impacts and implications from such disruptions should be thoroughly assessed and analysed. Risk mitigation and management plans should also be embedded within the respective business continuity approaches adopted by capital market entities. In view of the preparedness by market participants, they were able to adapt swiftly and reorganise operations effectively during the pandemic.

The SC also took steps to protect investors by ensuring that market intermediaries continued to operate in an orderly manner. In doing so, the SC proactively reviewed the firms' contingency plans for dealing with such disruptions, including the continuity of the intermediaries' operations and their ability to communicate with and support employees working remotely. The SC expects intermediaries to conduct frequent testing to ensure that essential business activities and resources continue to function effectively without compromising investors' interests. Intermediaries were reminded to promptly notify the SC if business continuity plans were activated.

Affected intermediaries were also required to provide the SC with periodic progress reports until normality returns.

The disruptions from movement restrictions and physical distancing necessitated many businesses to facilitate remote working arrangements for their employees. Intermediaries operating under such conditions were expected to have in place adequate policies and procedures on record keeping as well as controls over the security and confidentiality of clients' data and information.

Guidance for Market Participants to Operate During MCO

On 8 May 2020, the SC issued the *Guidance for Standard Operating Procedures on Health and Safety Measures Against COVID-19 Pandemic for Capital Market Participants* (Guidance). It outlined the health and safety measures in line with the Government's efforts to curb the spread of the virus, in addition to the steps to be taken in planning and managing the return to operations at full capacity. The Guidance was issued after the Government imposed the CMCO from 4 May 2020, and it was subsequently updated following the RMCO phase on 10 June 2020.

Based on the Guidance provided, market participants are required to develop and communicate clear internal standard operating procedures (SOPs) on health and safety measures at the workplace, particularly with regards to dealing with employees, agents and external parties. The Guidance was in addition to the SOPs and directives issued by the Malaysian National Security Council (MKN).

In adhering to the SOPs issued by the relevant authorities, market participants were advised to apply appropriate health and safety measures commensurate with the complexity and size of their business operations, number of branches and customers, governance structure and workplace setting. The measures were premised on the need to observe physical distancing, good hygiene practices and proper record keeping for contact tracing. Market participants were advised to monitor the developments and guidance issued by the World Health Organisation, MKN, Ministry of Health and other authorities, and where appropriate to reflect these in their SOPs.

MANAGEMENT OF COVID-19 AT THE SC

When domestic COVID-19 cases first surfaced in late January 2020, the SC promptly activated its business continuity plan. A taskforce was formed to formulate and implement mitigating measures, provide advice to the SC management as well as keep staff and stakeholders informed of pertinent developments in a timely manner.

The taskforce aims to centrally co-ordinate the SC's operations under a safe environment for its staff and stakeholders. The taskforce is also responsible for the identification of emerging threats and development of best practices in response to the rapid changes in circumstances and environment. This included daily briefings to the management on the COVID-19 situation focusing on Risk Assessment, People and Premises as well as Technology.



RISK ASSESSMENT

The taskforce developed potential scenarios and corresponding responses in terms of working arrangements and related SOPs. Expanding from the SC's enterprise business continuity strategy, changes in responses will be commensurate with varying alert levels based on the gravity of the pandemic situation. The structured approach to the type of responses and alert parameters provided clarity, leading to swift application of SOPs by its staff in accordance with the prevailing conditions. Continuous risk assessments were also carried out to ensure that key health and safety risks were identified and mitigated with appropriate measures.



TECHNOLOGY

In order to complement work from home (WFH) arrangements, additional equipment and applications were deployed. Strict protocols and procedures to ensure integrity of data and information were also imposed. Periodic advisories were issued to increase staff awareness and vigilance towards potential cyber threats related to remote access work environments.

The technology infrastructure was further enhanced and upgraded to accommodate a greater need for remote access and collaboration tools such as video facilities to support online meetings, webinars and other virtual events.



PEOPLE AND PREMISES

In order to manage density at the workplace and ensure physical distancing between staff members, the SC initially adopted tiered-team working arrangements based on the criticality of business functions. As conditions evolve, the arrangements matured to a flexible split-team working structure, with priority to WFH given to staff with young children or staying with elderly parents. Policies on home quarantine and COVID-19 swab test protocols were also developed.

Additionally, the SC facilitated the return of the SC's scholars studying abroad during the pandemic. Support was also given to ensure the safety and well-being of those who were not able to return home.

A two-way communication channel was created for all SC staff to be kept informed of developments, raise concerns, seek advice or report cases of close contact with COVID-19 positive cases. To mitigate the risk of front-facing staff being exposed to the virus, the SC ensured that such staff were trained on best practices when dealing with external parties during a pandemic situation, while maintaining a high degree of professionalism.

A *Return to Work Guide* was developed to help staff adjust and familiarise themselves with the return-to-work arrangements, including recommendations on safe and conducive work space arrangements. Reminders to observe physical distancing were also posted at common areas.