



Suruhanjaya Sekuriti
Securities Commission
Malaysia

ANNUAL REPORT 2024

SECURITIES COMMISSION MALAYSIA | 20 MARCH 2025



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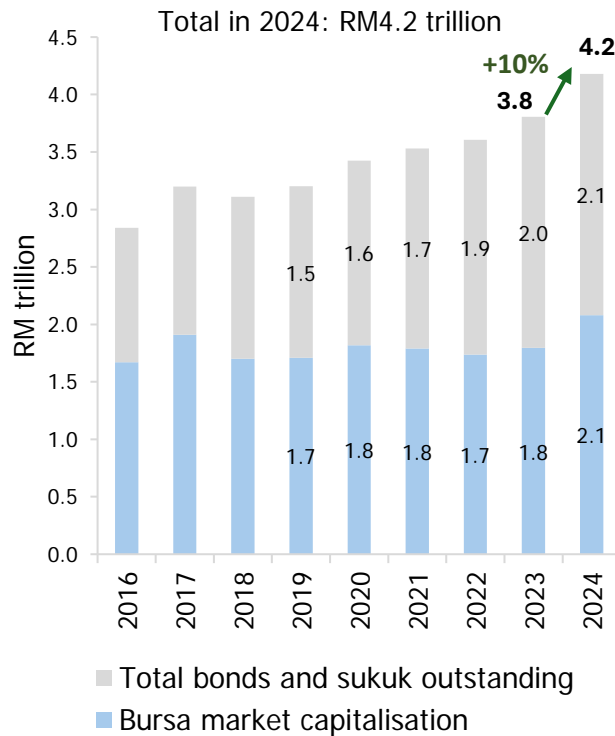
PART 1

2024 Capital Market Review

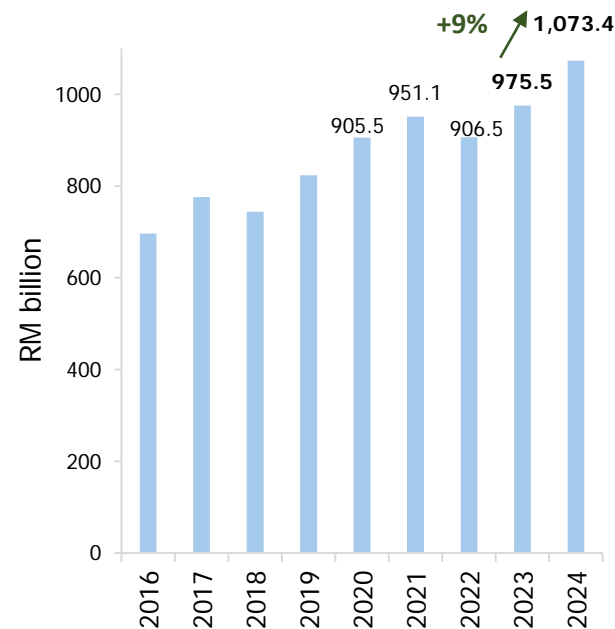
The Malaysian capital market remained resilient on the back of strong corporate earnings and promising economic growth – leading to heightened trading interest

The Malaysian capital market grew in 2024, while AUM breached the RM1 trillion mark

Malaysian capital market size



Total AUM

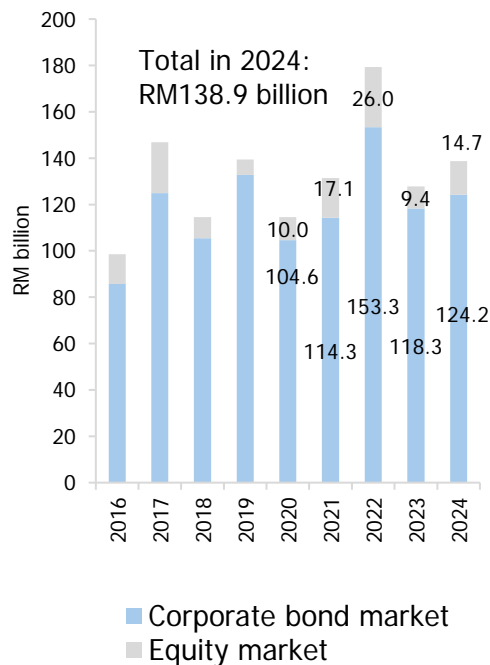


- Size of the capital market **rose 10% to RM4.2 trillion in 2024** (2023: RM3.8 trillion), driven by growth in market capitalisation, and bonds and sukuk outstanding.
- **AUM of the fund management industry expanded to a new high of RM 1.1 trillion** (2023: RM975.5 billion) driven by strong global equity market performance.

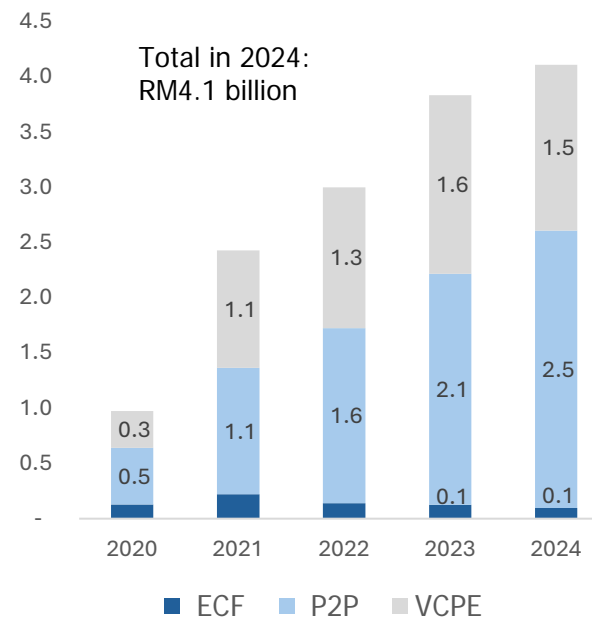
Fundraising grew in 2024 as the capital market continued to facilitate capital raising for economic and business activities

2024 saw higher fundraising activities in both the public and private market to support domestic financing needs

Total funds raised via capital market



Total Alternative Fundraising (RM billion)



- Total fundraising in the capital market grew 8.7% to RM138.9 billion in 2024 (2023: RM127.7 billion). Notably, there was a record 55 IPOs (2023: 32 IPOs) in the year which saw RM7.42 billion raised.
- Of this number, a steady increase was also recorded in **sustainability-related issuances to RM13.3 billion** (2023: RM8.7 billion) – in support of a greater national push for sustainability policies.
- 2024 also saw encouraging **growth in the alternative fundraising segment to RM4.1 billion**, a 7.1% growth from 2023.
- This was in complement to RM3.1 billion raised on LEAP and ACE, as we continued to implement measures to catalyse financing for small businesses. As at end 2024, RM7.2 billion was raised for MSMEs and MTCs.

The equity market outperformed regional peers in 2024, and corporate spreads narrowed on the back of resilient investor demand

Equity Market Performance

FBMKLCI 2024 Performance

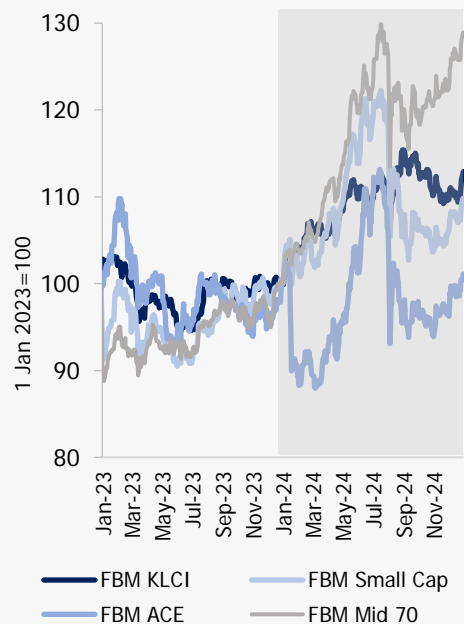
12.9%

(2023: -2.7%) ▲

Average Daily Trading Value

RM3.44 bil

(2023: RM2.29 bil) 49.8% ▲



- The FBMKLCI Index outperformed other regional markets. (MSCI Asia-Pac: 7.2%; MSCI ASEAN: 7.7%)
- All FBM indices gained in 2024, reflecting a broad improvement in all market segments.

Bond Market Performance

Total bonds and sukuk outstanding

RM2.1 trillion

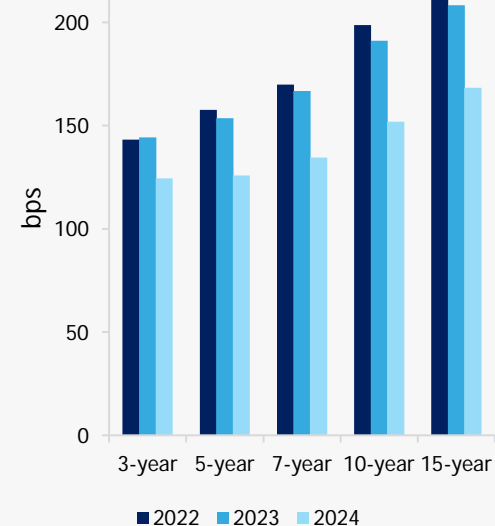
(2023: RM2.0 trillion) +5% ▲

Net Foreign Inflows

RM4.8 billion

(2023: RM23.7 billion) -80% ▼

Corporate bonds against MGS spread



- Malaysia continued to be the largest issuer of local currency denominated sukuk globally in 2024.
- The bond market recorded its second consecutive year of net foreign inflows



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PART 2

SC's 2024 Focus & Achievements

2024 Key Focus and Achievements

Shaping the Future: A Resilient and Inclusive Capital Market for Malaysia

Advancing a capital market that is future-ready, sustainable and accessible to all segments of the economy



Upholding a Fair and Orderly Market

Strengthened Risk-Focused Regulation

- Revised **Guidelines on Technology Risk Management & Guidelines on Conduct for Capital Market Intermediaries** to enhance market integrity

Proactive Measures for Market Integrity and Investor Protection

- **Enhanced corporate and market surveillance outcomes** by leveraging data analytics and automation
- Timely and proactive enforcement with **improved investigative capabilities** and close collaboration with peer regulators
- Amplified **financial literacy and scam prevention** efforts



Shaping a Competitive and Resilient Capital Market

Broadened Market Participation for Greater Vibrancy

- Launched the **Single Family Office scheme** to attract more family offices to Malaysia
- **Widened the sophisticated investor categorisation** to a more diversified pool of investors
- Introduced the **KL20 VC Golden Pass** to boost venture capital participation

Facilitative Gatekeeping and Product Approvals

- Introduced **expedited licensing and IPO processes** to shorten time-to-market.

Fostered Market Innovation

- **Regulatory Sandbox** launched to allow testing of new products in a controlled environment whilst ensuring adequate investor protection
- **FIKRA ACE** to catalyse fintech and Islamic capital market innovations.



Fostering an Inclusive and Sustainable Capital Market

Strengthened Fundraising Avenues for Inclusive Growth

- Launched the **MSME & MTC Roadmap** to catalyse capital market financing for Malaysia's economic backbone
- Proposed establishment of the **Social Exchange** to facilitate fundraising for projects with positive social outcome

Elevated Corporate Governance and Sustainability

- Launched the **National Sustainability Reporting Framework (NSRF)** to improve corporate sustainability disclosures

Nurtured a Sustainable Talent Pipeline

- **investED** continues to raise awareness of career opportunities within and attract talent into the capital market

The Malaysian capital market remained stable and resilient in 2024, with no systemic risk observed

Components	Observations in 2024
 Equity Market	<ul style="list-style-type: none"> The FBMKLCI increased year-on-year, driven by strong domestic economic fundamentals; credit and market risk management mechanisms were in place and no circuit breaker triggered in 2024
 Bond Market	<ul style="list-style-type: none"> MGS yields remained resilient in 2024 despite uncertainties over the Fed's monetary policy and the US presidential election; there were no defaults in corporate bonds and sukuk
 Derivatives Market	<ul style="list-style-type: none"> Exchange-traded derivatives market recorded a positive performance with an increase in open interest compared to 2023
 Digital Assets	<ul style="list-style-type: none"> Average daily trading value increased in 2024; however, it remained small compared to domestic equity market's trading value
 Investment Flows	<ul style="list-style-type: none"> Foreign holdings in equities recorded an increase, whereas those in bonds declined, albeit both changes were marginal
 Investment Management	<ul style="list-style-type: none"> AUM grew, driven primarily by market valuation gains; fund stress test results affirmed the resilience of investment funds to potential redemption shocks
 Broking Intermediaries	<ul style="list-style-type: none"> Stock and derivatives broking companies, as well as investment banks, remained resilient with sufficient capital buffers to manage their respective liquidity positions prudently
PLCs	<ul style="list-style-type: none"> PLCs showed earnings improvement, mainly contributed by the energy, property, and construction sectors

* As per the Capital Market Stability Review 2024

¹ PLCs' earnings was based on the latest available financials up to Q3 2024

Effective Regulation of Auditors and Schedule Funds

New registrations and recognition of individual auditors and audit firms

- 29 new individual auditors registered
- 1 new foreign audit firm and 5 new foreign individual auditors recognised

Risk-based inspections

- Inspected 13 firms, 40 individual auditors and 40 audit engagements

Deterrent enforcement

- An individual auditor imposed with monetary penalty and prohibited from accepting public interest entities (PIEs) and schedule fund clients
- Monetary penalties imposed on an audit firm and an individual auditor for issues relating to the key audit partner rotation requirement
- Reprimanded an audit firm and 2 individual auditors for failing to comply with relevant requirements of the ISA and ISQC 1
- Total monetary penalty of RM275,000 imposed

Capacity building efforts

- 100 accountants from AOB-registered firms subsidised for the GRI Professional Certification Programme

Regulatory Landscape



393 Registered individual auditors
42 Registered and recognised audit firms

Involved in...



Audits of **1,304** PIEs with
RM2,017b PLC market capitalisation



Audits of **1,380** Schedule Funds
 with
RM750b Net asset value



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PART 3

2024 SC Audited Financial Statements

Statement of Comprehensive Income for FYE 31 December 2024

Extract from Annual Report (page 183)

	Note	2024 RM'000	2023 RM'000
INCOME			
Levies		209,518	144,342
Fees and charges		27,472	16,576
License fees		4,132	3,215
Registration fees		3,296	3,144
Finance income		36,262	36,744
Other income		19,714	5,885
	17	<u>300,394</u>	<u>209,906</u>
LESS: EXPENDITURE			
Staff costs	18	210,062	209,664
Administrative expenses		53,227	41,879
Depreciation of property, plant and equipment	4	11,429	10,186
Amortisation of intangible assets	5	3,766	3,530
Depreciation of right-of-use assets	6	458	457
Rental expense		316	371
Finance cost on lease liabilities		439	274
		<u>279,697</u>	<u>266,361</u>

	Note	2024 RM'000	2023 RM'000
NET OPERATING SURPLUS/(DEFICIT)			
		20,697	(56,455)
Less: Funds to affiliates	19	<u>(6,700)</u>	<u>(10,500)</u>
Surplus/(Deficit) before tax for the financial year	20	13,997	(66,955)
Taxation	21	<u>-</u>	<u>(4,340)</u>
Surplus/(Deficit) after tax for the financial year		13,997	(71,295)
Other comprehensive loss:	22		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		<u>(16,110)</u>	<u>(36,566)</u>
Total comprehensive loss for the financial year		<u>(2,113)</u>	<u>(107,861)</u>

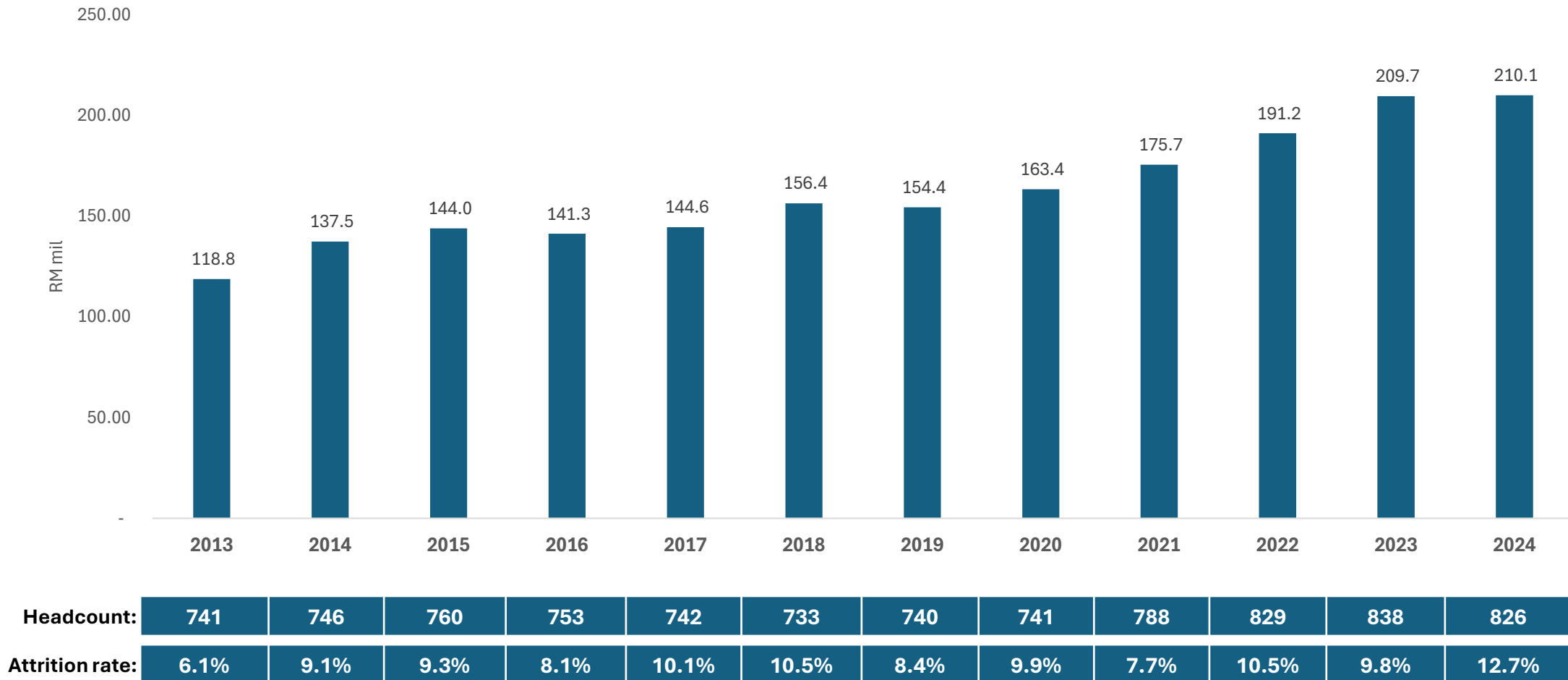
Statement of Financial Position for FYE 31 December 2024

Extract from Annual Report (page 182)

	Note	2024 RM'000	2023 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	140,679	141,568
Intangible assets	5	19,720	18,938
Right-of-use assets	6	6,746	6,838
Other receivables	8	1,176	1,814
Other investments	9	498,535	202,219
Tax recoverable		11,943	-
		<u>678,799</u>	<u>371,377</u>
CURRENT ASSETS			
Other investments	9	306,420	423,403
Tax recoverable		-	11,943
Trade and other receivables	10	31,726	35,384
Cash and cash equivalents	11	101,623	381,133
		<u>439,769</u>	<u>851,863</u>
TOTAL ASSETS		<u>1,118,568</u>	<u>1,223,240</u>

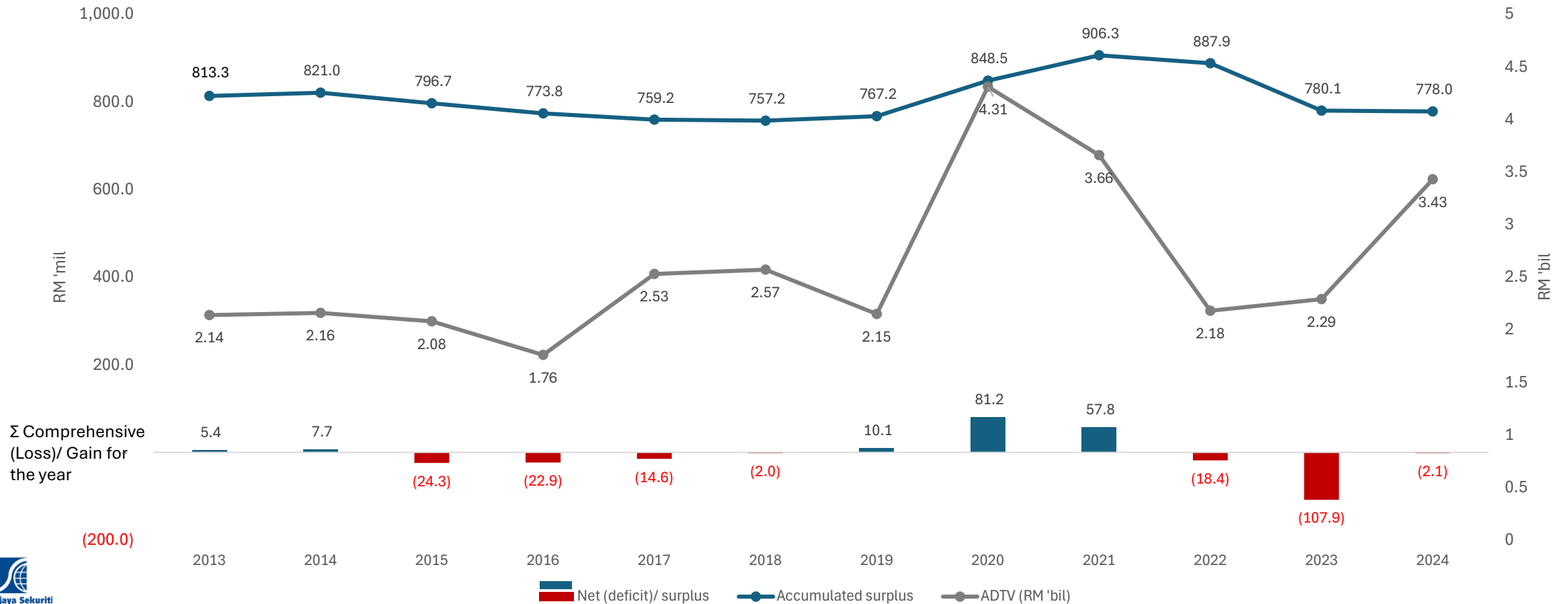
	Note	2024 RM'000	2023 RM'000
RESERVES			
Compensation fund reserve	12	100,000	100,000
Accumulated surplus		777,967	780,080
TOTAL RESERVES		<u>877,967</u>	<u>880,080</u>
NON-CURRENT LIABILITIES			
Post-employment benefits	13	123,174	233,455
Lease liabilities	14	4,734	6,186
		<u>127,908</u>	<u>239,641</u>
CURRENT LIABILITIES			
Lease liabilities	14	3,662	3,117
Other payables and accruals	15	105,222	95,265
Contract liabilities	16	3,809	5,137
		<u>112,693</u>	<u>103,519</u>
TOTAL LIABILITIES		<u>240,601</u>	<u>343,160</u>
TOTAL RESERVES AND LIABILITIES		<u>1,118,568</u>	<u>1,223,240</u>

Staff costs trend for the past 12 years with CAGR of ~5% p.a.



SC's Financial Sustainability

- 70% of SC's total income is derived from the equity levy with a 12-year average ADTV of RM2.61 billion, 12-year average ADTV (excluding 2020 & 2021) of RM2.37 billion.
- Since 2013, SC's financial position has led to a RM35.3 million reduction in reserves.



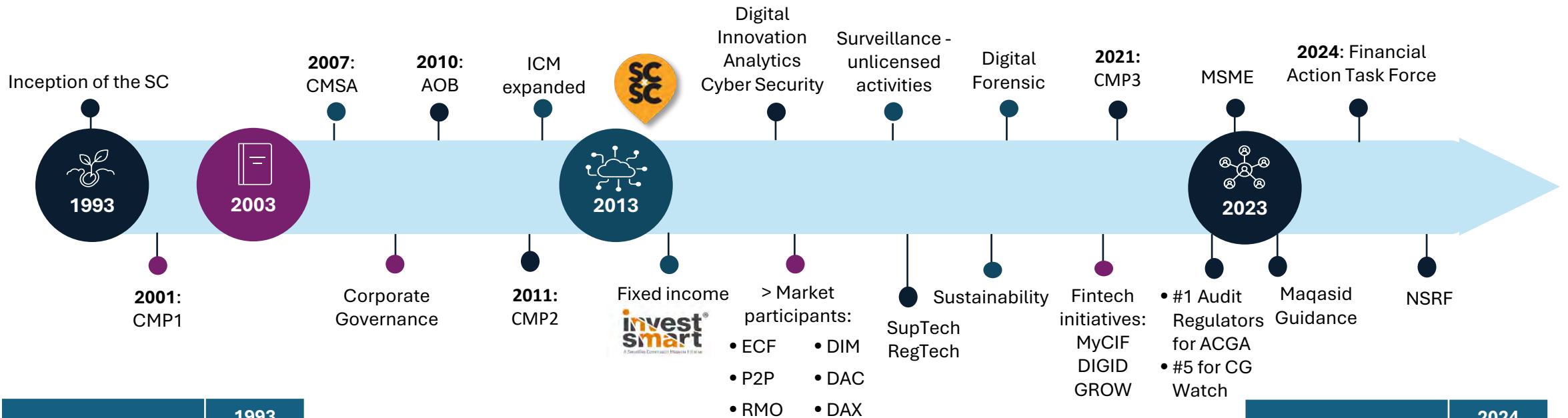
Fee Review: The complexity and breadth of the capital market has increased for the past 3 decades. In adapting to market evolution, the SC has broadened its duties to strengthen oversight

1 Increasing scope & complexity of the capital market

The Malaysian capital market has experienced substantial expansion, both in breadth and depth, while simultaneously evolving into a complex ecosystem.

2 Transition from subsidy-based to a market-based fee model

The SC has relied on a subsidy-driven funding model supported by levies. With the market's growth & maturity, a transition to market-based pricing is timely and necessary to ensure continued development & stability.



	1993
Market participants	<1,000
Listed corporations	413
Authorised Fund Products	<200

Partook in various international engagements such as ACMF, OECD, IOSCO, to, *among others*:

- Strengthen cross-border collaboration,
- Promote sustainable finance and corporate governance, and
- Advocate for Islamic capital market

	2024
Market participants	<11,000
Listed corporations	1,059
Authorised Fund Products	>1,000

Fee Review: Principles & Considerations

1

Proportionality and fairness

- Proposed fees are structured based on size, complexity and level of activity.
- An equitable contribution framework for all capital market participants and products.



2

Impact assessment and consideration

- Proposed fees are generally not expected to materially impact the market participants.
- Given market volatility, an interim position may be considered, with periodic reviews to ensure alignment with market needs and conditions.



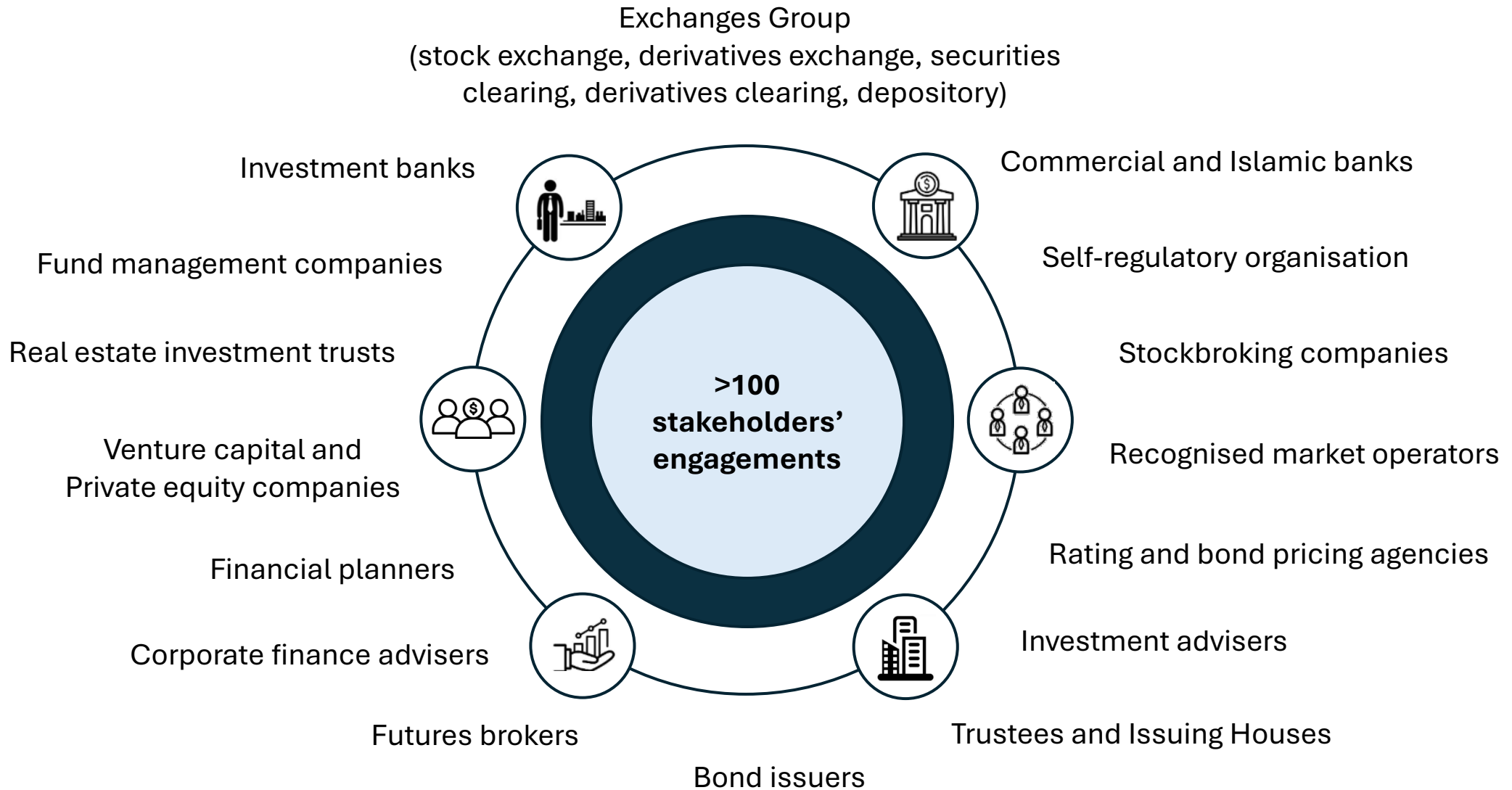
3

Stakeholders' engagement and feedback

- Maintain open and continuous engagement with market institutions and participants to ensure inclusivity and transparency.
- Consider stakeholders' input to refine the fee proposal and enhance fairness and effectiveness.
- The fee proposal will be submitted to the Ministry of Finance by the end of March 2025.



Fee Review: Continuous stakeholders' engagements





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PART 4

SC's 2025 Strategic Priorities

A major deliverable this year is Malaysia's chairmanship of ASEAN and SC of the ASEAN Capital Market Forum (ACMF)

SC as chair of the ASEAN Capital Market Forum (ACMF)



- SC will be **hosting 5 ACMF Meetings, 1 International Conference & 2 side events** in 2025
- To deliver on **2 Priority Economic Deliverables (PEDs)**

Developing the ACMF Action Plan
2026-2030

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

Penholder of the ACMF Action Plan 2026-2030

- Opportunities to **drive the key priorities and initiatives** for ASEAN capital markets for the next 5 years
- Crafting the strategic direction for **greater regional integration and accessibility**
- Strengthening **sustainability** practices across ASEAN

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

- To **drive adoption and acceptance of ASEAN's sustainability instruments/standards/guides**

1 Publication of the **ASEAN Taxonomy Version 4** for 3 final focus sectors (agriculture, water & waste mgmt and manufacturing)

2 Endorsement by the ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) of ACMF's **ASEAN Transition Finance Guidance Version 2**

3 Development and endorsement of the **ASEAN Simplified ESG Disclosure Guide (SEDG) for MSMEs**

4 **ASEAN Carbon Market Ecosystem Roadmap** study and VCM Guidelines

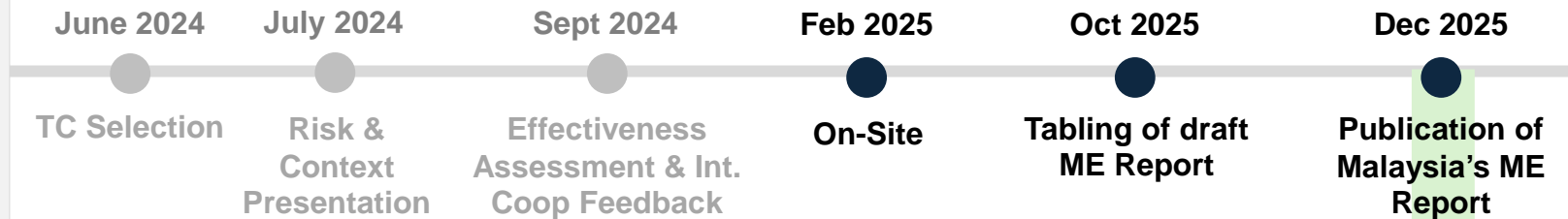
5 **Mitigation, Adaptation, Resilience and Sustainable Finance (MARS) Taxonomy & Framework**

Malaysia will also be undergoing the FATF Mutual Evaluation, an assessment on a country's compliance with FATF's Standards

Why a good ME rating matters for Malaysia?

- Ensures Malaysia remains perceived as a country with a **robust AML/CFT/CPF regime**
- Ensures we **stay off the Grey- List**, that could subject us to countermeasure or enhanced due diligence measures - **increasing compliance cost**
- Limit additional scrutiny by foreign financial institutions, allowing Malaysians easier access to foreign accounts and international transactions.

We have made significant progress in the past year...



Work will culminate into the publication of a **country Mutual Evaluation Report** that would highlight whether Malaysia has effectively implemented a robust system to combat AML/CFT/CPF

Capital Market Masterplan 4: Charting our 5-year strategy



CMP4 will be executed through a granular 5-year action plan, with key priorities on:



**Enhancing
financial security
for retirement**



**Advancing
sustainable
finance**



**Adopting
regulatory agility
and
proportionality**



**Leveraging
technology and
innovation**



**Promoting the
concept of
Maqasid Al-
Shariah**



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THANK YOU