Survey on Remuneration Practices of Stockbroking Companies

The SC conducted a review to assess the current standards and controls implemented by SBCs in maintaining appropriate remuneration structures with a view to uphold sound business ethics through remuneration practices.

Scope and findings of the survey







REMUNERATION FRAMEWORK

Framework and policy considers behavioural and conduct factors, in addition to financial KPIs

Most SBCs have a remuneration framework which is designed to promote a strong culture of ethical conduct and accountability as well as prudent risk-taking activities. Some SBCs have also implemented claw back arrangements for material misconduct.

GOVERNANCE

BODs and senior management have oversight over remuneration practices

Larger SBCs have a specific committee to support their BOD in overseeing the design and operations of the remuneration system. Larger SBCs have included input from control functions in the formulation of remuneration policy.

CONSEQUENCE MANAGEMENT

Processes in place to ensure consistent and transparent consequence management framework

Most SBCs have a consequence management framework in place as a guide for administering disciplinary actions for any contravention of the controls, processes and procedures proportionate to the nature and severity of the misconduct.

PERFORMANCE MANAGEMENT

Performance evaluation takes into consideration both financial and non-financial factors

SBCs have balanced remuneration structures which takes into account quantitative, qualitative, and behavioral factors for performance measurement and incentive decisions.

Outcome

The outcome of the review will contribute towards the SC's plan of developing a comprehensive and holistic guide on the drivers of good culture and conduct within a company.