

Securities Commission

Role & Functions



The SC was established in 1993 :

- The establishment of *"a single regulatory body to promote the development of the capital market"*
- It is intended that the SC *"will be given the responsibility to streamline the regulations of the securities market and speed up the processing and approval of transactions..."*



Mission Statement

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



Regulatory Purview

- Issue and offer of securities
- Designation of futures contracts
- Take-overs and mergers
- Unit trust schemes
- Supervise exchanges, clearing houses and central depositories
- Licensing
- Enforcement and Prosecution



Regulatory Principles and Objectives

- Create commercial and legal certainty for each person's functions and responsibilities
- Ensure adequate investor protection
- Promote a flexible regulatory framework



Regulatory Principles and Objectives

- Encourage competition among market intermediaries based on efficiency and professionalism
- Promote operational efficiency
- Uphold market integrity
- Enhance market transparency



Acts of Parliament

The Securities Commission administers the following Acts :

- Securities Industry Act 1983
- Securities Industry (Central Depositories) Act 1991
- Futures Industry Act 1993
- Securities Commission Act 1993



Characteristics of the SC

- Statutory body
- Has powers of investigation and enforcement
- Funded by levy on transactions and filing fees
- Responsible to the Minister of Finance
- Tables Annual Report to Parliament

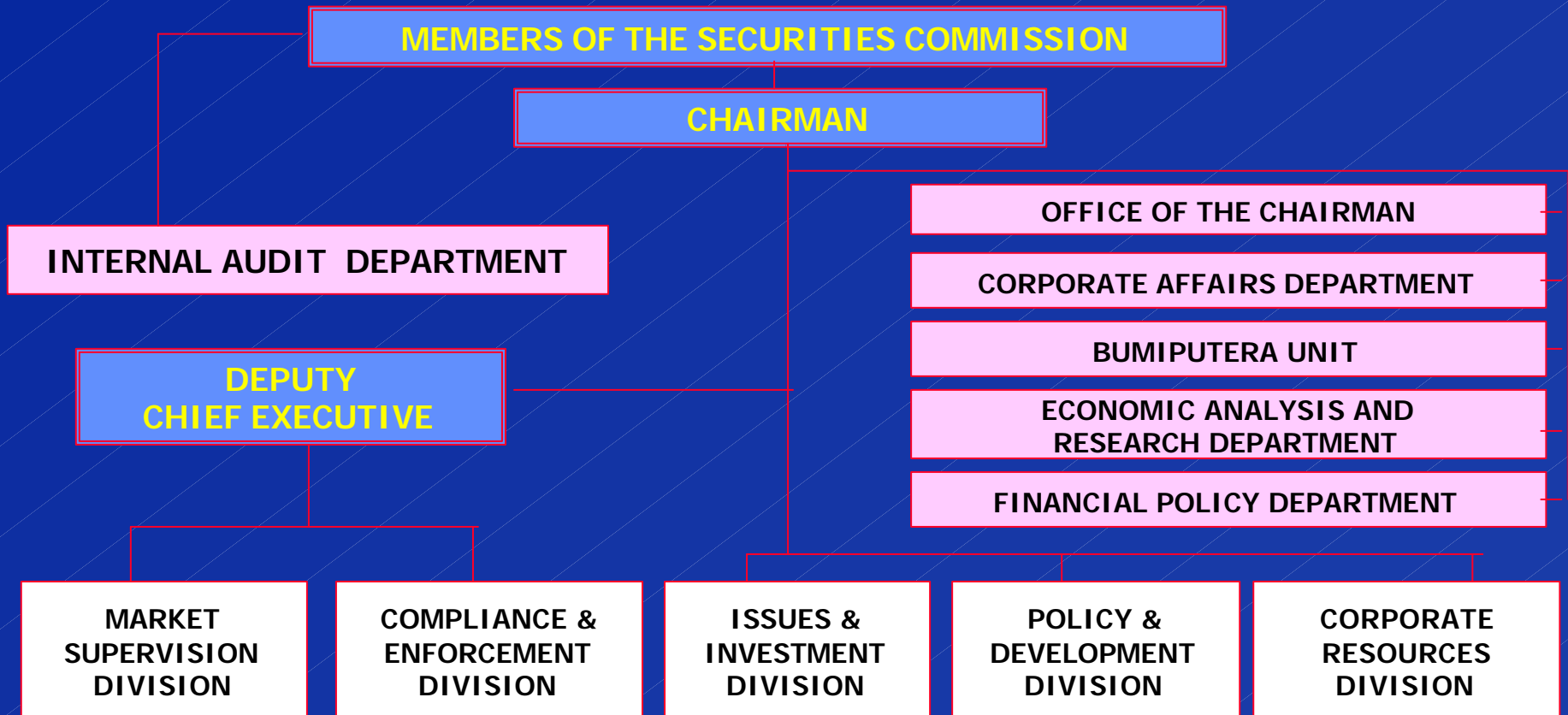


Members of the Securities Commission

- 9 members of the Commission
 - 1 Executive Chairman
 - 1 Deputy Chief Executive
- Appointed by the Minister for a period of up to 3 years



SC Organisation Structure



SC Organisation Structure

- Internal Audit Department
- Office of the Chairman
 - > Corporate Affairs Department
 - > Bumiputera Unit
 - > Economic Analysis & Research Department
 - > Financial Policy Department



SC Organisation Structure

- Market Supervision Division
- Compliance and Enforcement Division
- Issues and Investment Division
- Policy and Development Division
- Corporate Resources Division



Market Supervision Division

- Market Surveillance Department
- Intermediary Examination and Supervision Department
- Licensing Department



Market Supervision Division

- Monitors and detects irregularities in trading patterns that may breach trading rules or legal requirements
- Assesses, appraises and audits market institutions, brokers, dealers and other intermediaries
- Formulates licensing policies and handles licensing applications for brokers, advisers and their representatives, as well as applications for licences by fund management and asset management companies



Compliance & Enforcement Division

- Financial Reporting Surveillance and Compliance Department
- Investigation Department
- Prosecution Department
- Complaints Unit



Compliance & Enforcement Division

- Ensures financial reporting complies with the standards required
- Investigates possible contravention of securities laws
- Conducts prosecution of securities offences, initiates administrative hearings and carries out disciplinary proceedings against licensed persons
- Handles public complaints on improper conduct and other irregularities in the securities and futures industries



Issues & Investment Division

- Securities Issues Department
- Take-overs and Mergers Department
- Trust & Investment Management Department
- Asset Valuation Audit Department



Issues and Investment Division

- Regulates the issue, offer and / or listing of securities
- Regulates the take-overs and mergers of companies
- Regulates unit trusts and other collective investment schemes
- Examines all asset valuations that form part of corporate proposals



Policy and Development Division

- Regulations and Law Reform Department
- Product Development Department
- Information Technology Department
- Securities Industry Development Centre (SIDC)
- Islamic Capital Market Unit
- Share Recovery Unit (SRU)



Policy and Development Division

- Makes policy regulation and recommendations to legislative and regulatory reforms
- Initiates and facilitates the development of new products for the capital market
- Develops and implements information systems to support SC's objectives and operations
- Facilitates the development of the Islamic Capital Market in Malaysia
- Assist investors to recover ownership of their shares which have been deposited into the Minister of Finance securities account



Policy and Development Division

Securities Industry Development Centre (SIDC)

Facilitates education and research in the development of the Malaysian capital market

- Information Resource Centre
- Publication Unit



Corporate Resources Division

- Finance and Accounts Department
- Human Resources Department
- Administration and Property Department
- Security Department
- New Building Project Unit



Corporate Resources Division

- Handles the payroll, placing and monitoring of investments, cash management, tax and budget
- Keeps the SC manned and the staff developed to meet the increasingly challenging demands of the work of the SC
- Looks into the maintenance of office premises and assets, as well as the provision of supplies and services
- Provides a safe and secure working environment for SC staff
- Monitors the design and construction of the SC Building, and its maintenance



Thank You

