

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 7 January 2019

No. : G 1 of 2019

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad**7 January 2019****BURSA MALAYSIA SECURITIES REPRIMANDS, FINES AND SUSPENDS MUN SZU MAE FOR MISCONDUCT/VIOLATION OF RULES**

Bursa Malaysia Securities Berhad (635998-W) (Bursa Malaysia Securities) has publicly reprimanded, imposed a fine of RM8,000 and suspended/restricted (as the case may be) Mun Szu Mae (Mun) for 3 months as/from being a Registered Person of Bursa Malaysia Securities which is deferred for 2 years (Deferred Suspension), for misconducts of using the personal information of her client (Client A) and impersonating/identifying herself as Client A to obtain a temporary new password for Client A's online trading account.

In addition, Mun was required to undergo training on conduct or professionalism of Dealer's Representatives (DRs)/market offences.

Mun, who was at the material time of the breach a Commissioned Dealer's Representative of RHB Investment Bank Berhad (RHBIB) at its Principal Office, had contravened and/or triggered the provisions of Rules 3.14(d), (e) & (f) and 15.09(a) & (g) of the Rules of Bursa Malaysia Securities.

The finding of the breach and imposition of the sanctions on Mun were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to Mun and taking into consideration all facts and circumstances, including Mun's co-operation with Bursa Malaysia Securities in the enforcement action against her by admitting/not disputing the breach, hence resulting in earlier resolution of the case. In this regard, in determining the sanctions to be imposed, Bursa Malaysia Securities will take into account the extent of co-operation by the errant party (including admission of the breaches/timing of the initiation of settlement by the errant party).

Bursa Malaysia Securities views seriously misconducts that impinge on the professional conduct of Registered Persons and compromise clients' protection as such misconducts may adversely affect and damage market integrity or public confidence. In this regard, Bursa Malaysia Securities will not tolerate/condone any misconduct involving impersonation of client(s) for any reasons whatsoever and use of client(s)' personal

information (regardless whether the information was obtained from the client(s) or third party) in light of the element of dishonesty involved vis-à-vis the impersonation and the potential for abuse which may be detrimental to client(s). Bursa Malaysia Securities will not hesitate to take appropriate action against anyone who engages in such misconducts, including imposition of fines and suspension/restriction/striking off a Registered Person from the Register commensurate with the severity of the breach.

BACKGROUND

- (1) Mun had called RHBIB's Call Centre to obtain a temporary new password for Client A's online trading account with RHBIB, where she had used Client A's personal information to answer RHBIB's challenge questions in its verification process and impersonated/identified herself as Client A.
- (2) Mun's claim that she had acted based on Client A's request/instruction and Client A had provided her personal information to Mun did not absolve Mun from liability for the breach.
- (3) As a Registered Person acting in the capacity of a DR, Mun must at all times observe professional conduct, standards of integrity and act honestly in the best interest of her client and her Participating Organisation. In this regard, as an experienced DR, Mun:-
 - (a) should not have acceded to Client A's purported request/instruction and/or should have advised Client A to obtain the temporary new password on her own; and
 - (b) knew/ought to have known that the confidentiality of client(s)' personal information was of utmost importance, must be protected at all times and should not be compromised in any way.
- (4) The imposition of the sanctions on Mun had taken into account various factors including:-
 - (a) The severity, extent and impact of the breach which involved/exhibited the element of dishonesty vis-à-vis Mun impersonating/identifying herself as Client A.
 - (b) There was no evidence of ill-intention/bad faith/ulterior motive on Mun's part or that she had committed the breach for her own benefit/to Client A's detriment.

- (c) Mun had been suspended by RHBIB for a period of time for, amongst others, impersonating Client A.
- (5) The Deferred Suspension imposed on Mun was to ensure that she does not commit similar breach(es) relating to the use of client(s)' information/accounts. Thus, the 3 months suspension is deferred and will be waived if there is no commission of similar breach(es) by Mun within 2 years.

-End-

Senior Vice President/Head,
Enforcement

ADDENDUM

Rules 3.14(d), (e) & (f) and 15.09(a) & (g) of the Rules of Bursa Malaysia Securities state, amongst others, that:-

- throughout the term of a Registered Person's registration, a Registered Person must:-
 - observe professional conduct, standards of integrity and fair dealing;
 - exercise proper skill, care and diligence;
 - act honestly and in the best interest of the Client and the Participating Organisation; and

- any Defaulting Participant who, in any circumstances, directly or indirectly–
 - commits a breach of or violates any of the Rules;
 - fails to perform his duties efficiently, honestly or fairly;will be liable and be dealt with in accordance with the provisions of the Rules relating to the same.