

**Administrative Actions by Securities Commission (SC)
May 2020 – Sep 2020**

No.	Nature of Misconduct	Parties Involved	Brief description of misconduct	Action Taken / Date
1.	<p>a. Breach of Section 356(1)(a) read together with Section 179 Capital Markets and Services Act ("CMSA"); and</p> <p>b. Breach of Section 356(1)(a) read together with Section 206 of the CMSA.</p>	Muhamad Nur Syafiq bin Mat Sari ("Syafiq")	<p>Syafiq had engaged in an act, practice or course of business which operated as a fraud directly in connection with the subscription, purchase or sales of securities and derivatives as per the following details:</p> <p>a. Syafiq had induced a Victim to execute an Agreement with him and to transfer RM30,000.00 into a Maybank Joint Account purportedly for an investment in equities and futures contracts, including investments in Gold and Silver derivatives; and</p> <p>b. Further, Syafiq had also received RM5,000.00 and RM10,000.00 from two other Victims through deposits made into the Maybank Joint Account for the purported investment in equities and futures contracts on their behalf.</p>	<ul style="list-style-type: none"> • Reprimand; • Requirement to make restitution, amounting to RM30,000; and • Penalty of RM17,500 <p>Date 3 Sep 2020</p>
2.	Breach of Section 354(1)(a) of the CMSA and read together with Section 246(1)(b) of the CMSA and Paragraph 1.06, Chapter 1, Part 1 of the Prospectus Guidelines.	Pasdec Holdings Berhad ("Pasdec")	<ul style="list-style-type: none"> • Pasdec, through its Board of Directors, have authorised the issuance of its Abridged Prospectus which contains information from which there is a material omission in respect of the pending approval from the Ministry of Finance ("MOF") for Perbadanan Kemajuan Negeri Pahang ("PKNP") to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share; and • Pasdec has failed to ensure the Abridged Prospectus contains the information that the MOF 	<p>Reprimand</p> <p>Date 22 Jul 2020</p>

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			approval for PKNP to subscribe for the PKNP Entitlement was still pending hence rendering the Abridged Prospectus incomplete and inaccurate.	
3.	Breach of Section 354(1)(a) of the CMSA and read together with Section 246(1)(b) and Section 367(1) of the CMSA.	<ul style="list-style-type: none"> • Dato' Dato' Sri DiRaja Haji Adnan bin Haji Yaakob; • Dato' Indera Haji Abdul Rahim bin Mohd Ali; • Dato' Sri Kamaruddin bin Mohammed; and • Dato' Sri Tew Kim Tin. <p><i>(Non-Independent Non-Executive Directors of Pasdec at the material time of the breach, collectively known as "NINED")</i></p>	<ul style="list-style-type: none"> • Pasdec's Board of Directors, have authorised the issuance of its Abridged Prospectus which contains information from which there is a material omission in respect of the pending approval from the MOF for PKNP to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share; and • As a director of Pasdec at the material time, pursuant to Section 367(1) of the CMSA, the NINEDs are deemed to have committed the breach with their consent or connivance and have failed prove that they have exercised all such diligence to prevent the commission of the breach. 	<ul style="list-style-type: none"> • Reprimand; and • Penalty of RM84,000 <p>Date 22 Jul 2020</p>
4.	Breach of Section 354(1)(a) of the CMSA and read together with Section 246(1)(b) and Section 367(1) of the CMSA.	<ul style="list-style-type: none"> • Dato' Ir. Noor Azmi bin Jaafar; • Dato' Majid bin Mohamad; • Sharina Bahrin; and • Teh Sew Hong. <p><i>(Independent Non-Executive Directors of Pasdec at the material time of the breach, collectively known as "INED")</i></p>	<ul style="list-style-type: none"> • Pasdec's Board of Directors, have authorised the issuance of its Abridged Prospectus which contains information from which there is a material omission in respect of the pending approval from the MOF for PKNP to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share; and • As a director of Pasdec at the material time, pursuant to Section 367(1) of the CMSA, the INEDs are deemed to have committed the breach with their consent or connivance and have failed 	<p>Reprimand</p> <p>Date 22 Jul 2020</p>

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			<p>prove that they have exercised all such diligence to prevent the commission of the breach.</p>	
5.	<p>Breach of Section 354(1)(a) of the CMSA and read together with Section 246(1)(b) and Section 367(1) of the CMSA.</p>	<p>Dato' Zuber bin Hj. Shamsuri <i>(Chief Executive Officer ("CEO") at the material time of the breach and Chairman of Pasdec's Due Diligence Working Group for the Rights Issue)</i></p>	<ul style="list-style-type: none"> • Pasdec has caused the issuance of its Abridged Prospectus which contains information from which there is a material omission in respect of the pending approval from the MOF for PKNP to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share; and • As the CEO of Pasdec at the material time, pursuant to Section 367(1) of the CMSA, the CEO is deemed to have committed the breach with his consent or connivance and has failed prove that he has exercised all such diligence to prevent the commission of the breach. 	<ul style="list-style-type: none"> • Reprimand; and • Penalty of RM94,500 <p>Date 22 Jul 2020</p>
6.	<p>Breach of Section 356(1)(a) of the CMSA and read together with Section 246(1)(b) and Paragraph 3.08 of the Guidelines on Due Diligence Conduct for Corporate Proposals.</p>	<p>RHB Investment Bank Berhad</p>	<ul style="list-style-type: none"> • RHB IB, as the Principal Adviser, had caused the issuance of the Abridged Prospectus which contains information from which there is a material omission in respect of the pending approval from MOF for PKNP to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share; and • RHB IB, despite being informed of the pending approval from MOF for PKNP to subscribe for the PKNP Entitlement at the issue price of RM0.35 per Rights Share, has failed to ensure that Pasdec's Abridged Prospectus dated 16 May 	<ul style="list-style-type: none"> • Reprimand; • Penalty of RM400,000; and • Directs RHBIB to conduct a comprehensive review and assessment for adequacy of all policies and processes relating to its role as principal adviser for corporate proposals (as defined in the DDGL) and ensure compliance with paragraph 3.14 of the Principal Adviser

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			2018 does not contain material omission with respect to this matter.	<p>Guidelines. Results of such review and assessment together with recommendations (if any) must be reported to the SC within three (3) months from the date of action.</p> <p>Date 22 Jul 2020</p>
7.	Breach of section 356(1) of the CMSA read together with Paragraphs 6.2(a) and (b) of the Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries (“AML Guidelines”)	Malacca Securities Sdn Bhd	Failure to respond in a timely manner to the respective law enforcement agencies’ Orders issued pursuant to Section 48(1) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.	<p>Reprimand; and</p> <p>Directs MSSB to allocate not less than RM200,000 for:</p> <p>The enhancement of MSSB’s compliance to AML/CFT system requirements including monitoring systems and control measures to ensure responses to the respective Orders are done in a timely manner; and</p> <p>Staff training or capacity building to ensure operational effectiveness of AML/CFT requirements and that staff are kept abreast of developments on AML/CFT</p>

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				<p>requirements, issues and trends.</p> <p>The SC expects MSSB's key management personnel including the Head of Compliance and all relevant operation officers to attend the aforementioned training.</p> <p>Date 06 Jul 2020</p>
8.	Revocation pursuant to Section 72(2)(a)(ii) of the CMSA	Etalage Sdn Bhd (Capital Market Services Licence Holder the regulated activity of financial planning, dealing in securities, dealing in securities restricted to unit trust and dealing in private retirement scheme)	Failed or ceased to carry on the business in all or any of the regulated activities for which the company was licensed for a consecutive period of three (3) months	<p>Revocation of licence</p> <p>Date 25 Jun 2020</p>
9.	Breach of section 354(1)(a) of the CMSA read together with section 29A of the Securities Industry (Central Depositories) Act 1991 ("SICDA")	Wong Shin Yih	Wong Shin Yih had allowed another person who is not the beneficial owner of her Central Depository System Account to dispose shares through the account	<ul style="list-style-type: none"> • Reprimand • Penalty of RM5,000 <p>Date 13 May 2020</p>
10.	Breach of section 354(1)(a) of the CMSA read together with section 29A of SICDA	Teh Bee Lee	Teh Bee Lee had allowed another person who is not the beneficial owner of her Central Depository System Account to dispose shares through the account	<ul style="list-style-type: none"> • Reprimand • Penalty of RM5,000 <p>Date 13 May 2020</p>

Source: <https://www.sc.com.my/regulation/enforcement/actions/administrative-actions/administrative-actions-in-2020>