

## Securities Commission

### Administrative Actions in 2019 – CIMB Investment Bank and Maybank Investment Bank

No.	Nature of Misconduct	Parties Involved	Brief description of misconduct	Action Taken	Date of Action
1.	<p>Breach of Section 356(1)(a) of the Capital Market and Services Act 2007 ("CMSA") read together with:</p> <ul style="list-style-type: none"> <li>• Paragraph 8.2.1(a) of the Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries ("AML Guidelines"); and</li> <li>• Paragraphs 11.3, 11.4, 11.5 and 11.6 of the AML Guidelines.</li> </ul>	<p>CIMB Investment Bank Berhad ("CIMB IB"), a holder of Capital Market Services License ("CMSL") for dealing in securities, advising on corporate finance and investment advice</p>	<ul style="list-style-type: none"> <li>• CIMB IB failed to conduct on-going due diligence and scrutiny on AXD System Global Sdn. Bhd. throughout the course of the business relationship; and</li> <li>• CIMB IB failed to detect suspicious transactions and immediately report the same to the FIED via lodgement of a Suspicious Transaction Report.</li> </ul>	<ul style="list-style-type: none"> <li>• Reprimand;</li> <li>• Directs CIMB IB to allocate not less than RM80,000.00 for staff training or capacity building to ensure operational effectiveness of AML/CFT requirements and that staff are kept abreast of developments on AML/CFT requirements, issues and trends.</li> </ul> <p>CIMB IB is required to report to the SC on the implementation within six (6) months from the date of the action.</p>	6 September 2019
2.	<p>Breach of Section 356(1)(a) of the CMSA read together with:</p>	<p>Maybank Investment Bank Berhad ("Maybank IB"), a holder of</p>	<ul style="list-style-type: none"> <li>• Maybank IB failed to enhance its Policies and Procedures on Regional Anti-Money</li> </ul>	<ul style="list-style-type: none"> <li>• Reprimand;</li> <li>• Directs Maybank IB to allocate not less than RM220,000.00 for:-</li> </ul>	6 September 2019

No.	Nature of Misconduct	Parties Involved	Brief description of misconduct	Action Taken	Date of Action
	<ul style="list-style-type: none"> <li>• Paragraph 13.1(c) of the AML Guidelines;</li> <li>• Paragraph 8.2.1(a) of the AML Guidelines; and</li> <li>• Paragraphs 11.1, 11.2, 11.3 and 11.4 of the AML Guidelines.</li> </ul>	CMSL for dealing in securities, clearing, dealing in derivatives, advising on corporate finance and investment advice	<p>Laundering/Counter Financing of Terrorism to incorporate the requirements of SC's AML Guidelines issued on 15 January 2014;</p> <ul style="list-style-type: none"> <li>• Maybank IB failed to have in place an adequate monitoring system to flag out transactions that raise AML/CFT issues for deposits made via online platform;</li> <li>• Maybank IB failed to conduct on-going due diligence and scrutiny of AXD System Global Sdn. Bhd.;</li> <li>• Maybank IB failed to detect suspicious transactions and immediately report the same to the FIED via lodgement of a Suspicious Transaction Report.</li> </ul>	<ul style="list-style-type: none"> <li>• The enhancement of Maybank IB's monitoring system and control measures to detect red flags from client's deposits, in particular deposits received from third parties; and</li> <li>• Staff training or capacity building to ensure operational effectiveness of AML/CFT requirements and that staff are kept abreast of developments on AML/CFT requirements, issues and trends. The SC expects Maybank IB's key management personnel including the Head of Compliance and all relevant operation officers to attend the aforementioned training.</li> </ul> <p>Maybank IB is required to report to the SC on the implementation of item (a) and (b) within six (6) months from the date of the action.</p>	

Source: <https://www.sc.com.my/regulation/enforcement/actions/administrative-actions/administrative-actions-in-2019>