

**Securities Commission  
Administrative Actions – Dec 2019**

No.	Nature of Misconduct	Parties Involved	Brief description of misconduct	Action Taken	Date of Action
1.	Breach of Section 356(1)(a) read together with Section 61(4) of the Capital Markets and Services Act 2007 (“CMSA”) for failure to comply with the conditions of Capital Markets Services Representative’s Licence (“CMSRL”) which require a CMSRL holder to remain fit and proper at all times, as provided under Paragraph 7.03(1) of SC’s Licensing Handbook.	Lau Min Thung (“Lau”)	<p>Lau had entered numerous large buy orders in the following counters (“relevant counters”) which were designed or intended not to be matched or traded, causing the bid size in the order book to be inflated substantially, and as a result, created a false or misleading appearance of active trading in respect of the shares in the relevant counters:</p> <ul style="list-style-type: none"> <li>• MACPIE Berhad, formerly known as Sterling Progress Berhad</li> <li>• MMAG Holdings Berhad, formerly known as Ingenuity Consolidated Berhad</li> <li>• Minetech Resources Berhad; and</li> <li>• OCR Group Berhad, formerly known as Takaso Resources Berhad</li> </ul>	Reprimand	9 Dec 19
2.	Breach of Section 354(1)(a) of the Capital Markets and Services Act 2007 (“CMSA”) read together with Section 25(4) Securities Industry (Central Depositories) Act 1991 (“SICDA”)	Tan Sri Dato’ Chua Ma Yu (“Tan Sri Chua”)	Tan Sri Chua was found to be the beneficial owner of the deposited securities, namely MBSB shares in the CDS account of Hawang Kim Lian and Lean Siew See.	Reprimand  Penalty of RM400,000	16 Dec 19

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3.	Breach of Section 354(1)(a) of the CMSA read together with section 29A of SICDA	Hawang Kim Lian (“Hawang”) and  Lean Siew See (“Lean”)	Hawang and Lean were found to have engaged in trading activities in relation to deposited securities, namely MBSB rights and shares in CDS accounts registered under their respective names while evidence showed that Tan Sri Chua was the beneficial owner.	Against Hawang and Lean  Reprimand  Penalty of RM54,000	16 Dec 19
4.	<p>Breach of section 356(1)(a) of the Capital Markets and Services Act 2007 (“CMSA”) read together with Paragraphs 11.1 and 11.4 of the Guidelines on Prevention of Money Laundering &amp; Terrorism Financing for Capital Market Intermediaries as at 15 January 2014 (“2014 AML Guidelines”) (“Breach 1”)</p> <p>Breach of section 356(1)(a) of the CMSA read together with Paragraph 7.1.1 of the Guidelines on Prevention of Money Laundering &amp; Terrorism Financing for Capital Market Intermediaries as at 1 August 2012 (“2012 AML Guidelines”) and Paragraph 6.0(a) of the Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives (“Breach 2”)</p>	PM Securities Sdn Bhd (“PM”), a holder of a Capital Market Services Licence (“CMSL”) for dealing in securities	<p><b>Breach 1</b> Failure to clarify the economic background and purpose of any transaction or business relationship in relation to multiple cash deposits amounting to RM145,000 made by one of PM’s Capital Markets Services Representative’s Licence holder (“CMSRL”) (“Unusual Cash Deposits”); and</p> <p>Failure to lodge a Suspicious Transaction Report on the Unusual Cash Deposits to the Financial Intelligence Enforcement Department of Bank Negara Malaysia.</p> <p><b>Breach 2</b> Failure to conduct ongoing due diligence and scrutiny of the identities and investment objectives of 5 clients (“5 Clients”) who made applications to increase their trading limits through the same CMSRL; and</p>	Reprimand for Breach 1; and  Reprimand for Breach 2	18 Dec 19

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			Failure to clarify the economic background and purpose for the increase in trading limits for the said 5 Clients.		
5.	Breach of section 356(1)(a) of the CMSA read together with Paragraphs 6.1, 6.2(a), 7.1.1 and 9.1 of the 2012 AML Guidelines	Mercury Securities Sdn Bhd, a holder of a CMSL for dealing in securities, advising on corporate finance and investment advice	<p>Failure to obtain satisfactory evidence on the identity of a person who purportedly acted as the authorised representative of 25 clients (“25 Clients”) when there were no discernible relationships between the parties; and</p> <p>Failure to clarify the purpose of the business relationships between the 25 Clients and the purported authorised representative.</p>	Reprimand	18 Dec 19

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