

**MEMORANDUM**

TO : ALL DEALER'S REPRESENTATIVES (DRs),  
FROM : THE MANAGEMENT  
DATE : 21 SEPTEMBER 2018

**MISCONDUCTS / BREACHES RELATING TO PERSONAL / UNAUTHORISED TRADES IN CLIENT ACCOUNT AND MISAPPLICATION OF CLIENT'S MONIES**

Reference is made to Participating Organisations' (PO) circular No G20/2018 dated 01 August 2018 on enforcement action by Bursa Malaysia Securities Berhad (BMSB) against a Commissioned DR of another broker for the above-mentioned misconducts / breaches. The circular is available in the TCPro system.

The Management wish to remind DRs of the importance of carrying out their business activities with integrity and in accordance with the BMSB Rules and Regulations. DRs must at all times:

- (a) observe professional conduct and standards of integrity;
- (b) act honestly and in the best interest of her client; and
- (c) not abuse/misuse client's account and monies.

The Management take a very serious view on any misconducts/breaches and will not hesitate to take disciplinary action against the DR including suspension of the DR trading.

BMSB and the Securities Commission also views seriously such misconducts/breaches and may take further action against the DR including revocation of the DR's Capital Markets Services Representative's Licence.

The extracts of the Rules of BMSB and Directives on DR conduct is attached herewith for your information.

Please be guided accordingly.

Thank You.





# TA SECURITIES

A MEMBER OF THE TA GROUP

## Extract of Rules of BMSB and Directives on DR Conduct

Rules 3.14(d), (e), (f), (h) & (i), 3.47(1)(m)(i) and 15.09(a), (g), (i)(iii) & (i)(vi) of the Rules of Bursa Malaysia Securities and Paragraphs 1.1(1)(e) and 11.2(a) of Directives No. 5-001 of the POs' Directives provide, amongst others, that:

- throughout the term of a Registered Person (RP)'s registration, a RP must:-
  - observe professional standards of integrity and fair dealing;
  - exercise proper skill, care and diligence;
  - act honestly and in the best interest of the Client and the (PO);
  - effectively discharge the RP's duties while in office;
  - not act in a manner that may compromise the RP's function and position;
- throughout the term of a DR's registration with the Exchange, the DR must not apply any amount paid or securities deposited by a Client to any person not entitled;
- 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;
  - being a DR:-
    - unlawfully transacts on another person's account;
    - applies any amount paid or securities deposited by a Client to any person not entitled thereto or for payment other than the said Client's trading account;

will be liable and be dealt with in accordance with the provisions of the Rules relating to the same;

- a PO and RP must not engage in any unlawful or irregular or unhealthy practice; and
- a PO, Head of Dealing (HOD) and DR must not execute the personal trades of the PO's HOD or DR (as applicable) in the Client's account.