

## SC REPRIMANDS, FINES EX-UNIT TRUST CONSULTANT FOR DEFRAUDING INVESTORS

Kuala Lumpur, 1 August 2024

The Securities Commission Malaysia (SC) has reprimanded and imposed a penalty of RM687,500 on Amran Bin Mohd Amin (Amran) for three breaches of the securities laws. The SC's decisions took effect on 26 June 2024.

Amran had between January 2022 and January 2023 misappropriated RM215,000 from four potential investors for purposes of investments in a unit trust fund with Kenanga Investors Berhad (KIB). The SC found that Amran had instead utilised the potential investors' funds by depositing them in his own unit trust investment account.

Amran had also provided falsified statements of accounts to two of the four investors, giving a false impression that the investments or purchases of unit trusts were made, when no such things happened.

Amran, who was attached to KIB at the material time as a unit trust consultant, committed the following breaches, which attracted administrative sanctions under section 354(3) of the Capital Markets and Services Act 2007 (CMSA):

- Section 92A(2)(a) of the CMSA;
- Paragraph 5.02(b) of the SC's Guidelines on Conduct for Capital Market Intermediaries; and
- Paragraph 4.1(a) of the Federation of Investment Managers Malaysia's Code of Ethics.

The SC's findings against Amran were made after according due process to him, including the opportunity to respond to the SC on the aforesaid breaches and SC's decision. Amran has not filed any review against the SC's decision within the prescribed time provided under the CMSA.

The sanctions imposed against Amran are the latest in the SC's enforcement action against unit trust consultants (UTCs) for misconduct. They also served as a strong message that any misconduct will not be tolerated. The SC views misconducts by UTCs in the capital market seriously.

Since 2020, the SC has taken administrative actions against nine for misconducts. These include accepting cash and having monies credited into their personal bank accounts from investors for purposes of investment in unit trusts, and also providing statements to clients which contained false or misleading information.

The SC reminds all UTCs to act with honesty, integrity and in the best interests of their clients, in order to safeguard the integrity of the capital market.

In addition, fund management and unit trust companies need to ensure their obligations in conducting ethical management, supervisory and oversight of their consultants. This includes conducting regular due diligence and greater scrutiny of sources of funds since they are responsible for managing investors' monies.

The SC also reminds the public to take precautions to avoid falling victims to rogue UTCs such as not transferring or depositing money for investment purposes to unauthorised/personal UTCs' bank accounts. They also need to be aware of clear identification of the monies transferred, such as writing their names at the back of their cheques.

Further details can be found at <https://www.sc.com.my/regulation/enforcement/actions/administrative-actions/administrative-actions-in-2024>

**SECURITIES COMMISSION MALAYSIA**

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### ABOUT THE SC

The Securities Commission Malaysia (SC) was established on 1 March 1993 under the Securities Commission Act 1993 (SCA). We are a self-funded statutory body entrusted with the responsibility to regulate and develop the Malaysian capital market.

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