

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 26 August 2025

No.: G 22 of 2025

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad

26 August 2025

BURSA MALAYSIA SECURITIES PUBLICLY REPRIMANDS, FINES AND ORDERS TO STRIKE OFF LIM KOW KIA @ LIM THIAN SIANG FOR MISCONDUCTS AND VIOLATION OF RULES

Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)] (**Bursa Malaysia Securities**) has publicly reprimanded, imposed a fine of RM309,000 and ordered to strike off Lim Kow Kia @ Lim Thian Siang (**LKK**) from the Register as a Registered Person (notwithstanding that he had ceased to be a Registered Person of Bursa Malaysia Securities) for various misconducts including dishonest and fraudulent conducts of opening and operating false account(s) and use the accounts of his family members as secret accounts for his personal trades.

LKK, who was at the material time of the breach, a Commissioned Dealer's Representative (**CDR**) of Innosabah Securities Bhd (**Innosabah Securities**) at its Principal Office and thereafter, a CDR of CIMB Investment Bank Berhad (**CIMB-IB**) and CGS-CIMB Securities Sdn Bhd (**CGS-CIMB**) at Kota Kinabalu Branch Office, had contravened and triggered the provisions of: -

- (a) Rules 404.3(1)(a) & (b) and 1302.1(1)(g) of the Pre-Revamped Rules of Bursa Malaysia Securities (for breaches which occurred prior to 2 May 2013); and
- (b) Rules 3.14(d) & (f), 5.01(a) and 15.09(g) of the Revamped Rules of Bursa Malaysia Securities and Paragraph 1.1(1)(e) of Directives No. 5-001 of the Participating Organisations' (**POs**) Directives and Guidance (**POs' Directives**) (for breaches which occurred from 2 May 2013 onwards).

Bursa Malaysia Securities views seriously any misconducts that compromise investors' protection and impinge on the professional conduct and integrity of Registered Persons as such misconducts may adversely affect and damage market integrity and public confidence. Bursa Malaysia Securities will not hesitate to take appropriate actions against anyone who engages in such misconducts, including striking off a Registered Person from the Register and imposing a fine that commensurate with the severity of the breach.

BACKGROUND

The finding of breach and imposition of the sanctions on LKK were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to LKK and taking into consideration all facts and circumstances, including the following: -

- (1) LKK had submitted false/falsified/forged account opening documents to the PO for the purpose of opening the trading and CDS (Central Depository System) accounts under his deceased father's name and concealed his father's demise from the PO which led to the opening of false account(s) [**False Account(s)**].
- (2) LKK had operated and allowed his younger brother (both of LKK and his younger brother were executors of his late father's estate) to operate and use the False Account(s) to undertake trading activities for convenience purpose with numerous trades being carried out in the False Account(s) over a period of more than 10 years.
- (3) LKK had, over the years, submitted several forged/falsified documents (**Falsified Documents**) which misled the PO into believing that the documents were completed and/or signed by his late father.
- (4) In addition, LKK also had control of and operated his wife's and mother's accounts with significant trades being undertaken in his wife's account. In this regard, LKK had: -
 - (a) used the accounts of his wife and mother for his personal trades and operated these accounts as secret accounts to conceal his personal trades from the PO, and to circumvent or avoid the approval, reporting and declaration requirements imposed by the PO and the Rules of Bursa Malaysia Securities (**Monitoring Rules**); and
 - (b) engaged in discretionary trading in his wife's and mother's accounts which was not permitted by the PO (**Prohibited Discretionary Trading**).
- (5) LKK had misled the PO and provided false declarations to the PO by declaring that he had no control or influence over another person's trading account opened with the PO despite being in control of his wife's and mother's accounts.
- (6) LKK had also shared/allowed his registered and email addresses to be used by his clients and hence, shared common address with his clients.
- (7) By engaging and participating in the aforesaid acts or arrangements which were unlawful or irregular or unhealthy practices, LKK had failed to observe professional conduct, standards of integrity and fair dealing and failed to act/perform his duties honestly.
- (8) As an experienced Dealer's Representative (**DR**), LKK knew or ought to have known that he must refrain from engaging in, and must not facilitate or participate in, any unlawful, irregular or unhealthy practices including the arrangement of: -
 - (a) opening and operating False Account(s) by anyone including the executor of a deceased person;
 - (b) having secret account(s) in another person(s)' name to conceal his own trades from the PO and to circumvent the Monitoring Rules; and
 - (c) submission of falsified documents and false declarations to the PO.

In this regard, the knowledge or consent of the family members for LKK to use their accounts for LKK's personal trades or the prohibited discretionary trading activities and that there was no dispute from the family members or the beneficiaries of his father's estate would not absolve LKK from the breaches or mitigate/derogate from the severity of the breaches.

- (9) The sanctions were imposed on LKK having considered factors including: -
- (a) The severity and extent of breaches that involved multiple misconducts over many years.
 - (b) The profits generated and commissions earned by LKK arising from the breaches by him.
 - (c) The striking off was imposed having considered the aggravating factors and LKK's misconducts of opening the Falsified Account(s) using false/unlawful/dishonest means, concealment of his father's death, operating secret accounts and submitting the Falsified Documents and the false declarations to PO, as well as the extensiveness of the breaches by LKK committed and concealed over an extended period of about 15 years before his unlawful or irregular activities were uncovered, and all these impinged on his integrity and honesty as a RP and brought into question as to whether he was a fit and proper person to be in the industry.
- (10) The public reprimand was imposed to serve as a deterrence to other Registered Persons and create awareness on the serious view taken by Bursa Malaysia Securities against such unlawful or irregular or unhealthy practices involving operation of secret accounts by Registered Persons to circumvent the provisions of the Rules. It further underlines the importance of the Registered Person's duty to act honestly and observe professional conduct and standards of integrity at all times.
- (11) As a Registered Person acting in the capacity of a DR, LKK must, at all times: -
- (a) observe professional conduct, standards of integrity and fair dealing;
 - (b) act honestly and in the best interest of the Client and the PO;
 - (c) perform his duties efficiently, honestly and fairly;
 - (d) exercise proper skill, care and diligence; and
 - (e) not engage in any unlawful or irregular or unhealthy practice.

-End-

Investigation and Enforcement Department

ADDENDUM

Rules 404.3(1)(a) & (b) & 1302.1(1)(g) of the Pre-Revamped Rules of Bursa Malaysia Securities provided, that: -

- Every PO and every DR employed or engaged by the PO shall at all times –
 - (a) observe professional standards of integrity and fair dealing; and
 - (b) act honestly and in the best interest of their clients.
- Any Participant (**Defaulting Participant**) who, in any circumstances, directly or indirectly, fails to perform his duties efficiently, honestly or fairly, shall be liable and be dealt with in accordance with the provisions of the Rules relating to the same.

Rules 3.14(d) & (f), 5.01(a) & 15.09(g) of the Rules of Bursa Malaysia Securities and Paragraph 1.1(1)(e) of Directives No. 5-001 of the POs' Directives provide, amongst others, that: -

- Throughout the term of a Registered Person's (**RP**) registration, a RP must:
 - (a) observe professional conduct, standards of integrity and fair dealing; and
 - (b) act honestly and in the best interest of the Client and the PO.
- A PO and RP must, in the conduct of the PO's business, adhere to just and equitable principles and act with due skill, care and diligence and with due regard for the integrity of the market.
- Any Defaulting Participant, which includes a RP who, in any circumstances, directly and indirectly fails to perform his duties efficiently, honestly or fairly will be in breach of the Rules and be dealt with in accordance with the provisions of the Rules relating to the disciplinary proceedings.
- A PO and RP must not engage in any unlawful or irregular or unhealthy practice and must not participate in any operation by others that might have the same result.