

## Administrative Actions by Securities Commission (SC) Against BIMB Investment Management Berhad (“BIMB”)

Sep 2020

No	Nature of Misconduct	Brief description of misconduct	Action Taken / Date
1.	<p><b>Breach 1*</b> Failure to supervise and ensure compliance with relevant guidelines and failure to exercise reasonable care and diligence.</p> <p><b>Breach 2*</b> Failure to supervise and ensure compliance with relevant guidelines and ensuring actions by Referrer/Marketing Representatives are within permitted referral and marketing activities.</p> <p><b>Breach 3*</b> Failure to have proper policies and procedures (P&amp;P) to monitor its Referrer/ Marketing Representative.</p> <p><b>Breach 4*</b> Failure to ensure proper training of its Marketing Representative.</p> <p><b>Breach 5*</b> Inadequate compliance monitoring on its Marketing Representative.</p> <p><b>Breach 6*</b> Failure to conduct suitability assessment</p> <p><b>Breach 7*</b> Failure to conduct proper screening of its Marketing Representative.</p>	<p><b>Breach 1</b> Failure to supervise and ensure compliance with relevant guidelines and failure to exercise reasonable care and diligence.</p> <p><b>Breach 2</b> Failure to supervise and ensure compliance with relevant guidelines and ensuring actions by Referrer/Marketing Representatives are within permitted referral and marketing activities.</p> <p><b>Breach 3</b> Failure to have proper policies and procedures (P&amp;P) to monitor its Referrer/ Marketing Representative.</p> <p><b>Breach 4</b> Failure to ensure proper training of its Marketing Representative.</p> <p><b>Breach 5</b> Inadequate compliance monitoring on its Marketing Representative.</p> <p><b>Breach 6</b> Failure to conduct suitability assessment</p> <p><b>Breach 7</b> Failure to conduct proper screening of its Marketing Representative.</p>	<ul style="list-style-type: none"> <li>• Reprimand for all the breaches; and</li> <li>• In respect of breaches 1, 2, 3, 5 and 6 - Directs BIMB to utilize not less than <b>RM500,000.00</b> for enhancement of policies, procedures, controls and system(s) by appointing independent consultant(s) to review and enhance the company’s policies, procedures and internal control, for example, but not limited to:             <ul style="list-style-type: none"> <li>○ Review and enhance the controls in place in relation to opening of account (for example to ensure there is appropriate checker maker and proper record keeping of suitability assessment performed); and</li> <li>○ Review and enhance the effectiveness of compliance function especially in relation to opening of account, on-going monitoring of clients’ transactions and monitoring of marketing/ distribution activities (including individuals involved in the activities).</li> </ul> </li> </ul> <p style="text-align: right;"><b>Date of Action : 29 September 2020</b></p>

No	Nature of Misconduct	Brief description of misconduct	Action Taken / Date
* <b>Provision/ Requirement</b>			
<b><u>Breach 1</u></b>			
Section 356(1)(a) of the CMSA read together with:			
<ul style="list-style-type: none"> <li>• Paragraph 7.02(7) of Licensing Handbook (“LH”);</li> <li>• Paragraph 7.05 of Guidelines for Marketing Representative (“MR Guidelines”);</li> <li>• Paragraph 4.01 of the MR Guidelines; and</li> <li>• Paragraph 3.05(a) of Guidelines on Unit Trust Funds (“GUTF”).</li> </ul>			
<b><u>Breach 2</u></b>			
Section 356(1)(a) of the CMSA read together with:			
<ul style="list-style-type: none"> <li>• Paragraph 7.02(7) of the LH;</li> <li>• Paragraph 3.05(a) of the GUTF; and</li> <li>• Paragraphs 4.03, 4.05 and 7.05 of the MR Guidelines.</li> </ul>			
<b><u>Breach 3</u></b>			
Section 356(1)(a) of the CMSA read together with:			
<ul style="list-style-type: none"> <li>• Paragraph 2.02 of Guidelines on Sales Practices of Unlisted Capital Market Products (“SP Guidelines”); and</li> <li>• Paragraph 7.04 of the MR Guidelines.</li> </ul>			
<b><u>Breach 4</u></b>			
Section 356(1)(a) of the CMSA read together with:			
<ul style="list-style-type: none"> <li>• Paragraph 7.07 of the MR Guidelines; and</li> <li>• Paragraph 7.08 of the MR Guidelines.</li> </ul>			
<b><u>Breach 5</u></b>			
Section 356(1)(a) of the CMSA read together with paragraph 7.06 of the MR Guidelines.			
<b><u>Breach 6</u></b>			
Section 356(1)(a) of the CMSA read together with paragraph 4.05 of the SP Guidelines.			
<b><u>Breach 7</u></b>			
Section 356(1)(a) of the CMSA read together with paragraph 7.01(a) of the MR Guidelines.			

Source: <https://www.sc.com.my/regulation/enforcement/actions/administrative-actions/administrative-actions-in-2020>