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## SIDREC expands purview, can handle claims above RM250,000



The Securities Industry Dispute Resolution Center (SIDREC) chairman Datuk Ranita Mohd Hussein says the expansion of purview implemented in 2017 was one of the initiatives SIDREC had taken to remain relevant to market developments and the needs of investors. (Pic by SIDREC)

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**RECOMMENDED**

KUALA LUMPUR: The Securities Industry Dispute Resolution Center (SIDREC) recently expanded its purview, allowing it to offer its services to investors and capital markets services providers with disputes relating to claims exceeding RM250,000.

The new service, being a voluntary scheme, requires both parties to a dispute to agree to use SIDREC's alternative dispute resolution (ADR) services.

ADR refers to dispute resolution outside the courts.

This is unlike the mandatory scheme, which obliges capital markets services providers to participate in SIDREC's ADR process, if an investor submits a claim to SIDREC, of RM250,000 and under.

The mandatory scheme continues to be a key part of SIDREC's services and will remain a priority for SIDREC in ensuring that the smaller investor always has access to redress.

SIDREC chairman Datuk Ranita Mohd Hussein told the SIDREC 8th Annual General Meeting (AGM) recently that the expansion of purview implemented in 2017 was one of the initiatives SIDREC had taken to remain relevant to market developments and the needs of investors.

SIDREC has 184 members comprising commercial banks, Islamic banks, investment banks, specified development financial organisations (DFIs), fund managers, stockbrokers, derivatives brokers, unit trust management companies, and Private Retirement Scheme providers and distributors

"Under the voluntary scheme, both the claimant and member must agree to seek SIDREC's help; lawyers are permitted into the dispute resolution process, and both parties are charged a reasonable fee for the service. With the inclusion of this component, SIDREC is a step closer to its aim of becoming a one stop centre for capital market related disputes," Ranita said.

"In the coming year, more effort will be made to ensure there is greater awareness of the availability of this voluntary route.

"This is a natural precursor to ongoing discussions between SIDREC and Asian International Arbitration Centre's proposed collaboration to provide for specialist capital market arbitration in the near future.

"SIDREC has also positioned itself to provide mediation for cases referred to it by the courts within the Judiciary's court referred mediation scheme," she said.

Ranita said SIDREC's purview had over the last two years been expanded to reflect a more meaningful reach and accessibility.

SIDREC was set up by the Securities Commission as part of its investor protection framework.

Its first members were capital markets and services licence holders.

She said based on SIDREC's statistics in 2017, 22 per cent of the eligible claims registered in SIDREC relate to investments transacted with commercial and Islamic banks, and DFIs.

SIDREC reported receiving a total of 628 claims and enquiries in 2017, comprising 72 eligible disputes, 75 ineligible disputes and 481 enquiries.

Market conduct continued to be the leading issue in 2017 (as it was in 2016), making up 61.1 per cent (44 out of 72 eligible disputes) of total eligible disputes received in 2017. Of the disputes handled in 2017, 91.2 per cent were resolved through case management or mediation.