



ANNUAL REPORT
2023

Forging Synergies,
Resolving as One



Vision

To be the preferred one-stop independent and impartial avenue for the resolution of disputes involving monetary claims relating to capital market products and services.



Mission

To provide the investing public and SIDREC Members with a specialised capital market dispute resolution service through a trusted, independent and impartial platform that contributes towards enhancing investor confidence to participate in the capital market.

“We work with investors and capital market intermediaries who have eligible disputes related to investments.

We provide case management, mediation and adjudication services to both parties to achieve a resolution in an independent, impartial and effective manner.”

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Part 1

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Chairman's Message



Dato' Mah Weng Kwai

“Tough times never last, but tough people do.” - Robert Schuller

In a financial landscape characterised by intricate complexities that can give rise to multifaceted disputes, this year SIDREC has adopted the theme of ‘Forging Synergies, Resolving as One.’ This motto reflects our unwavering commitment to facilitating dispute resolution through collective efforts. It signifies our belief that by working together as a unified team internally and in collaboration with our stakeholders, we can effectively address the evolving needs of investors, SIDREC Members, and the broader financial community. ‘Forging Synergies, Resolving as One’ encapsulates our firm conviction that unity, co-operation, and a shared dedication to achieving fair and equitable resolutions are fundamental to our mission.

SIDREC received 266 claims and enquiries in 2023, out of which 49 were eligible disputes. SIDREC continues to adopt a mediative approach towards resolution of cases. Nearly 73% (40 out of 55) of the resolved cases were resolved through case management and mediation without having to proceed to adjudication.

Integrated Dispute Resolution Scheme (IDRS)

In response to the joint announcement by Bank Negara Malaysia (BNM) and Securities Commission Malaysia (SC) regarding the impending merger between Ombudsman for Financial Services (OFS) and SIDREC, a Merger Steering Committee (MSC) and three Sub-Committees have been formed. These dedicated teams have united under a common vision: to not only effectively oversee the merger process but also to cultivate a culture of co-operation and solidarity between the two entities. They are resolute in ensuring a seamless integration that will not disrupt regular operations or ongoing awareness initiatives. The MSC is fully committed to completing the merger by the target date of 1 January 2025, and to ushering in a promising future for both organisations.

The MSC is fully committed to completing the merger by the target date of 1 January 2025

Co-hosting INFO Network Conference 2023

The International Network of Financial Services Ombudsman Schemes, known as the INFO Network, serves as the global association for financial services ombudsmen and other independent, non-judicial entities dedicated to resolving consumer complaints against banks, insurers, and financial service providers. Its overarching mission is to enhance the dispute resolution capabilities of its member schemes and offices through the exchange of experiences, knowledge, and ideas.

From 24 to 27 September 2023, OFS and SIDREC jointly hosted the INFO Network Conference 2023 in Kuala Lumpur, Malaysia. This event brought together ombudsmen from around the world, facilitating connections and enabling the exchange of valuable insights. The conference was a tremendous success, characterised by the sharing of experiences and the exchange of innovative ideas.

The conference discussions were wide-ranging and dynamic, encompassing topics such as the potential integration of artificial intelligence into the dispute resolution process, the definition of fairness in dispute resolution, and the unique challenges faced by different jurisdictions. I extend my heartfelt gratitude to the dedicated teams at OFS and SIDREC for their immense efforts in ensuring the conference's success.

Becoming a vigilant investor

A substantial portion of the eligible disputes primarily revolve around market conduct matters, especially those tied to sales practices. This emphasizes the significance of investors taking a proactive approach when making investment decisions. It is crucial for investors to exercise a high level of vigilance and diligence in aligning their investment selections with their individual risk profiles and risk tolerances. By doing so, investors not only protect their own financial interests but also play a role in upholding the overall integrity and stability of the financial markets. In this constantly changing landscape, staying well-informed and attuned to market dynamics becomes an essential tool for prudent and successful investing.

Furthermore, this also acts as a call to action for SIDREC's Members to undergo a rigorous review and ongoing enhancement of their sales processes within the capital market

sector. Emphasizing transparency, ethical conduct, and a profound comprehension of clients' requirements should be the focal point of their endeavours. By elevating sales practices and upholding the utmost standards of professionalism, SIDREC's Members not only bolster investor confidence but also fortify the bedrock of the entire financial ecosystem, ultimately benefiting all stakeholders involved.

Investor awareness and education

SIDREC is committed to raising awareness and promoting financial education through a multifaceted strategy that embraces both online and physical initiatives. This comprehensive approach is designed to instil greater confidence among investors within the financial market. A recent article in the esteemed BERNAMA newspaper has highlighted SIDREC's crucial role in championing investor rights and promoting transparency in the financial landscape.

To advance its mission, SIDREC actively engages in virtual webinars, such as the Bursa Investor Education Series 2023, where it not only educates participants but also introduces its essential role in the resolution of financial disputes. In parallel, SIDREC extends its commitment to a physical presence at notable events like the Bersama InvestSmart® @ Penang 2023, Minggu Saham Amanah Malaysia 2023, and PJ Startup Festival 2023. These in-person interactions facilitate direct engagement with investors and stakeholders, offering valuable insights and reinforcing its unwavering dedication to achieving fair and impartial financial dispute resolution.

Appreciation

In fulfilling its mission, SIDREC has received tremendous support from the SC. We extend our sincere gratitude to the Chairman and the SC for their invaluable assistance.

I would also take this opportunity to record my appreciation for everyone in the MSC including representatives from BNM, SC, SIDREC and OFS for their dedication in propelling the merger.

As Chairman, I would like to acknowledge and express my gratitude to my esteemed colleagues on the Board, including Dato' Mohd Nizam Zainordin, who has retired from the Board, Encik Mahadzir Azizan, Ms Angelia Chin-Sharpe, Ms Pushpa Nair, Encik Nasution Mohamed, and Ms Ruzi Ajith.

This year, SIDREC received two appeals against the adjudication awards. It marks the first time where an eligible dispute went through the entire appeal process at SIDREC. I take this opportunity to express my heartfelt appreciation for SIDREC Appeal Committee known as SIAC, chaired by Dato' John Louis O'Hara, and comprise of Tan Sri Aziah Ali, Ms Yew Yee Tee, Cik Hasnah Omar, Encik Mahadzir Azizan (whose term has ended in SIAC) and Mr Lee Siew Thong who has been appointed as a SIAC member, for their contribution in the hearing of the two appeals.

**This year, SIDREC
received two appeals
against the adjudication
awards.**

Let's not forget the unwavering support provided by the esteemed members of the SIDREC's Panels of Mediators and Adjudicators, who have conscientiously mediated, adjudicated, and successfully resolved disputes.

To all SIDREC Members, we thank you for your dedication and co-operation throughout the process in providing redress to investors' grievances and re-instilling confidence in the investors.

Lastly, I want to extend my gratitude to SIDREC's Chief Executive Officer (CEO), Ms Sharmila Sharma, the management and staff for their professionalism, unwavering commitment, and dedication to advancing SIDREC's vision, mission, and above all, the core objective of strengthening avenues for redress and investor protection in Malaysia.

Dato' Mah Weng Kwai
Chairman

CEO's Report



Sharmila Sharma

Forging Synergies, Resolving as One

In 2023, SIDREC concentrated on enhancing and elevating its initiatives in three key strategic areas:

- Fulfilling its role as an impartial and effective body for resolving monetary disputes related to the capital market between investors and SIDREC Members;
- Continuing to prioritise the development and organisational capabilities and ensuring sustainability;
- Advancing the work on the consolidation with OFS to form a one-stop centre where financial consumers can seek redress for monetary disputes related to the financial market.

Additionally, to maintain visibility among investors, SIDREC continued to boost public awareness of the dispute resolution services it provides.

Dispute Resolution: Year in Review

In 2023, SIDREC received a total of 266 claims and enquiries, comprising 49 eligible disputes and 217 enquiries. This represents an 11% increase in the total number of claims and enquiries received compared to the previous year. In 2022, SIDREC received a total of 239 claims and enquiries, comprising 72 eligible disputes and 167 enquiries. From 2011 to 2023, SIDREC received a total of 3,692 claims and enquiries, comprising 709 eligible disputes and 2,983 enquiries.

During the year, SIDREC managed a total of 95 eligible disputes, of which 55 were successfully resolved. Out of these resolved disputes, 20 (36%) reached resolution at the case management stage, 20 (36%) through mediation, 14 (25%) through adjudication and one (2%) through an appeal. This indicates that 73% of eligible disputes were resolved without resorting to adjudication, as compared to 81% in 2022. From 2011 to 2023, out of the 485 eligible disputes resolved at SIDREC, 425 or 88% were resolved before reaching the adjudication stage.

In 2023, three key themes emerged concerning the nature of claims. First, the analysis of managed cases highlighted opportunities to enhance investment suitability assessments, particularly in the context of structured product sales. Second, they underscored the importance of strengthening oversight of personal investment accounts held by unit trust consultants within the unit trust management companies to which they are associated to enhance the protection of clients' assets. Third, the managed cases also brought attention to the need for clearer explanations or alerts regarding migrations,

limitations, or glitches in online platforms, which investors rely on to trade or invest in capital market products like listed shares or derivative products.

From a dispute resolution perspective, two additional observations can be made. First, following the trend in 2022, SIDREC mediated yet another record number of disputes, totalling 32. The 20 disputes successfully mediated in 2023 represent the highest number in any given year since SIDREC's inception, surpassing the previous high of 13 in 2022.

Second, while the majority of disputes were successfully resolved without proceeding to the adjudication stage, there was a continued decline in the rate of disputes being resolved through a mediative approach in 2023, echoing a trend observed in 2022. The 73% of cases resolved before reaching the adjudication stage during the year marked one of the lowest percentages experienced by SIDREC in any given year, with the lowest being 67% in 2013. This trend in turn led to a record number of adjudication awards being issued for 14 eligible disputes during the year.

The 20 disputes successfully mediated in 2023 represent the highest number in any given year since SIDREC's inception

The lower rate of cases being resolved through a mediative approach in 2023 may be influenced by the evolving complexities in disputes that have been observed in recent years. It also potentially underscores the need for increased awareness and familiarity with the mediation process and its benefits among the parties involved, particularly

following the changing of guards in a number of SIDREC Members.

Outreach

SIDREC's awareness initiatives for 2023 extended beyond the Klang Valley, with a focus on participation in stakeholder events both within and outside the region. Concurrently, efforts were made to strengthen SIDREC's online presence, aiming to broaden the visibility of the dispute resolution services offered, particularly beyond the Klang Valley.

During the year, SIDREC participated in 23 industry events as an exhibitor and speaker, and supported the Bursa Investment Quiz 2023 (BIQ2023). Additionally, it leveraged the resources and network of its partners, such as the SC, BNM and Bursa Malaysia to expand its investor outreach. In March 2023, SIDREC was also presented with the unique opportunity to address a segment of the Perak state civil service at the invitation of the Office of the Secretary to the Perak State Government.

SIDREC's Online Members' Briefing (OMB) in 2023 was held on 22 November and focused on SIDREC's dispute resolution process and case studies. It was attended by 217 participants from 116 Members from various states and cities throughout Malaysia. SIDREC also continued with the Virtual Coffee with SIDREC programme that was instituted in 2022 but in a less aggressive manner given time constraints. The Virtual Coffee with SIDREC Programme is a one-on-one online engagement between SIDREC and its Members. Through the Virtual Coffee initiative, SIDREC reached out to two Members (2022: 16).

SIDREC's awareness initiatives for 2023 extended beyond the Klang Valley, with a focus on participation in stakeholder events both within and outside the region.

Organisational Development

SIDREC's capacity-building programmes for 2023 sought to build upon the programmes instituted since 2020. The programmes continued to focus on initiatives with the following goals, but were conducted in a more elevated manner:

- Safeguarding and enhancing the credibility and sustainability of SIDREC's dispute resolution services;
- Further enhancing internal corporate governance expertise; and
- Continuous staff development, upskilling and reskilling.

The dispute resolution capacity-building initiatives included another engaging Roundtable Discussion (RTD) for SIDREC's Panel of Mediators & Adjudicators and the Appeals Committee. The Capital Market Training Programme which was instituted in 2022 and is designed to deepen the understanding of capital market activities was conducted in collaboration with Bursa Malaysia and an Initial Exchange Offering Operator.

SIDREC's internal corporate governance initiatives included the third Annual Board Assessment and the organisation of SIDREC's

Conduct Week for its staff. SIDREC also continued to implement its Organisational Anti-Corruption Development Plan (OACP) from 2020 to 2023.

Monthly staff activities continued to be carried out to further strengthen teamwork and spirit among SIDREC team members. These activities ranged from cultural and sports-related events to informative talks.

Appreciation

I would like to thank the Board of Directors of SIDREC for their guidance throughout the year. I would also like to express my sincere gratitude to Dato' Mohd. Nizam Zainordin who retired as an industry member of the Board at the end of 2023.

A special note of appreciation to the SC for its continuing support in all of SIDREC's endeavours. In addition, thank you to BNM, Bursa Malaysia and all other stakeholders and media outlets for their steadfast support of SIDREC's awareness initiatives throughout the year as part of their own respective corporate social responsibility initiatives.

My sincere thanks to the Panel of Mediators & Adjudicators of SIDREC for their generous sharing of expertise. I would also like to welcome Mr Lee Siew Thong, a new member of SIAC in 2023, and to thank all members of SIAC for their unwavering commitment to SIDREC's work. It has certainly been a milestone year for the Committee.

I also take this opportunity to thank all SIDREC Members for their commitment to working alongside SIDREC to facilitate the resolution of monetary disputes in the capital market.

Last but not least, to all my colleagues in the SIDREC team, past and present, thank you for working with great fortitude and teamwork and for helping to build an impartial and independent platform that contributes to the enhancement of the trust needed to instil investor confidence to participate in the Malaysian capital market.

As the integration efforts between SIDREC and the OFS unfold and we navigate this transitional period, I am confident that SIDREC will continue to have a positive impact on investor protection in Malaysia.

Sharmila Sharma

Chief Executive Officer

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About SIDREC

Officially launched on 19 January 2011, SIDREC is a body approved by the SC pursuant to Section 379 of the Capital Markets and Services Act 2007 (CMSA) and Capital Markets and Services (Dispute Resolution) Regulations 2010 (“Regulations”) to handle capital market-related monetary disputes between individual investors or sole proprietors and SIDREC Members.

SIDREC Members are Capital Markets Services Licence (CMSL) holders or Registered Persons under the CMSA who are authorised to deal in securities, derivatives and private retirement schemes (PRS) as well as fund management services. They include banks, brokers, unit trust management companies (UTMCs), fund managers [excluding real estate investment trusts (REITs) managers who only manage listed REITs], PRS providers and distributors and two development financial institutions (DFIs).

SIDREC resolves disputes in an independent and impartial manner through mediation and adjudication based on the principles of fair and reasonableness. Its dispute resolution services are free for investors with claims that do not exceed RM250,000.

SIDREC provides investors in Malaysia with an avenue alternative to the courts to seek redress for monetary claims that they may have against their capital market intermediaries who are SIDREC Members. It is central in providing investors in the Malaysian capital market who are legitimately aggrieved with an avenue for recourse. In the course of its work, it also produces positive externalities such as:

- Promoting investor confidence and participation in the Malaysian capital market;
- Facilitating the development and implementation of best practice standards in dispute resolution in the market; and
- Contributing towards the improvement of market discipline, including providing early detection of potential issues such as serious misconduct or breach of securities laws that may result in erosion of public confidence in the integrity of the Malaysian capital market.

SIDREC's operations have been funded by the SC since its inception. As at 31 December 2023, it has 200 Members.

200 Members




licensed by or
registered with the
SC

(As of 31 December 2023)

SIDREC's Purview

-  **Securities**
e.g. stocks or shares
and unit trusts
-  **Fund Management**
-  **Derivatives**
-  **Private Retirement
Schemes (PRS)**

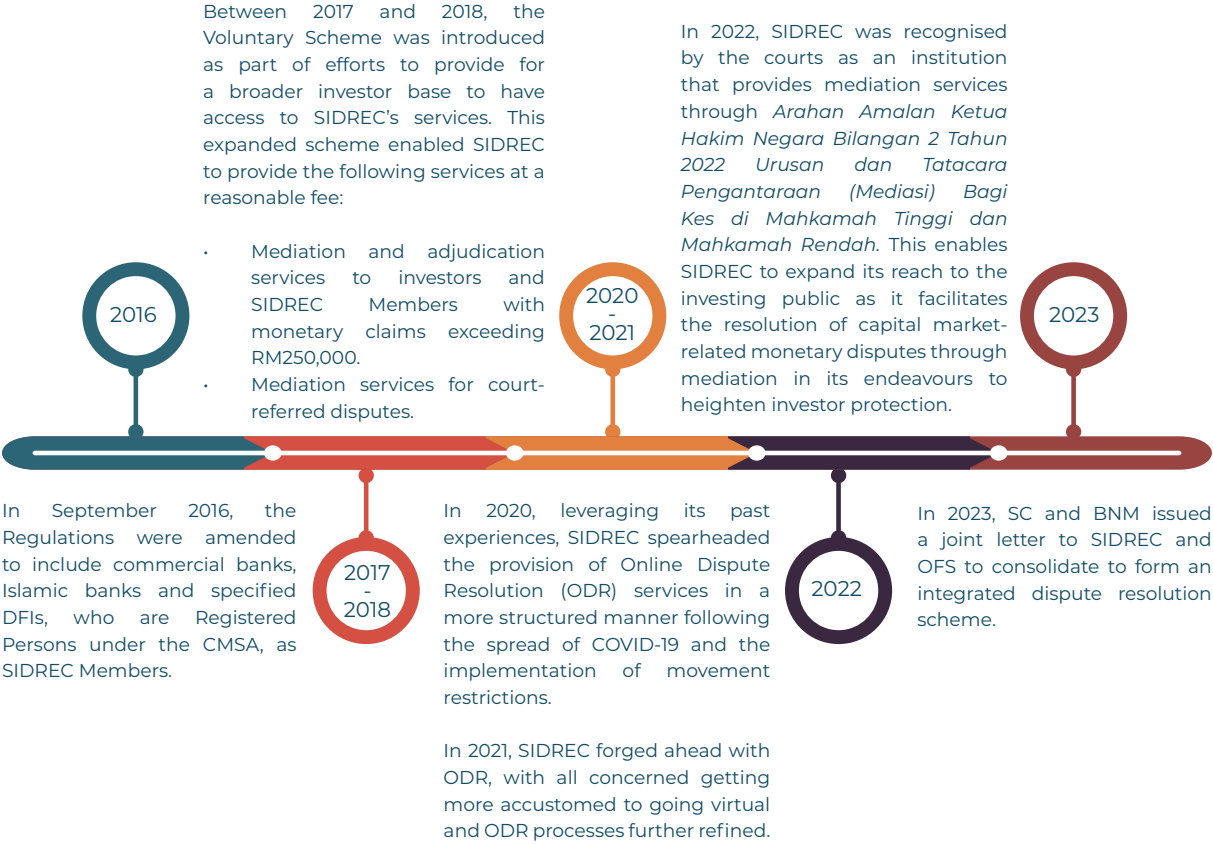
SIDREC's Dispute Resolution Process

-  **Case Management**
-  **Mediation**
-  **Adjudication**

**Dispute resolution
services are free for
investors with claims
up to RM250,000.**

Milestones

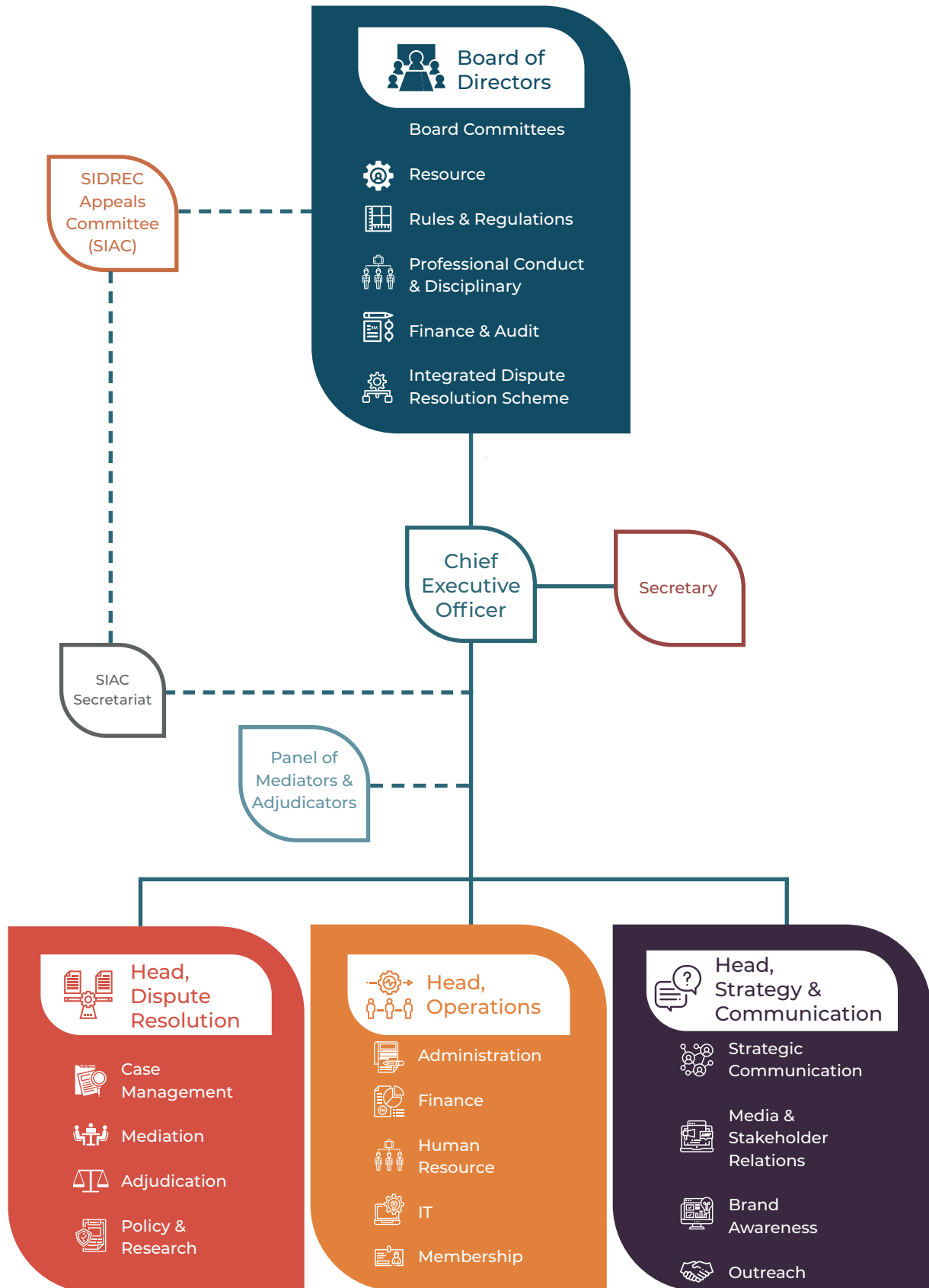
Below are some of SIDREC’s milestones:



Accessibility

- Under its Mandatory Scheme, SIDREC’s dispute resolution services are free for investors with monetary claims of up to RM250,000.
- Under its Voluntary Scheme, SIDREC accepts disputes involving monetary claims above RM250,000 provided both parties agree to use SIDREC’s services. In addition, SIDREC accepts court-referred mediation under this scheme. A reasonable fee is chargeable under the Voluntary Scheme.
- SIDREC’s dispute resolution services to investors are nationality neutral. As such, they are available to both Malaysian and foreign clients/customers of SIDREC Members.
- SIDREC’s office is at Menara UOA Bangsar, Kuala Lumpur. It is conveniently connected to the Bangsar Light Rail Transit (LRT) station, a stop away from KL Sentral, a major transportation hub for the country.
- SIDREC accepts claims and enquiries at its office (walk-ins), as well as through the telephone, post, email, fax and its website.
- SIDREC’s ODR services and online presence increase investors’ accessibility to its services across the country and also globally.

Organisational Chart

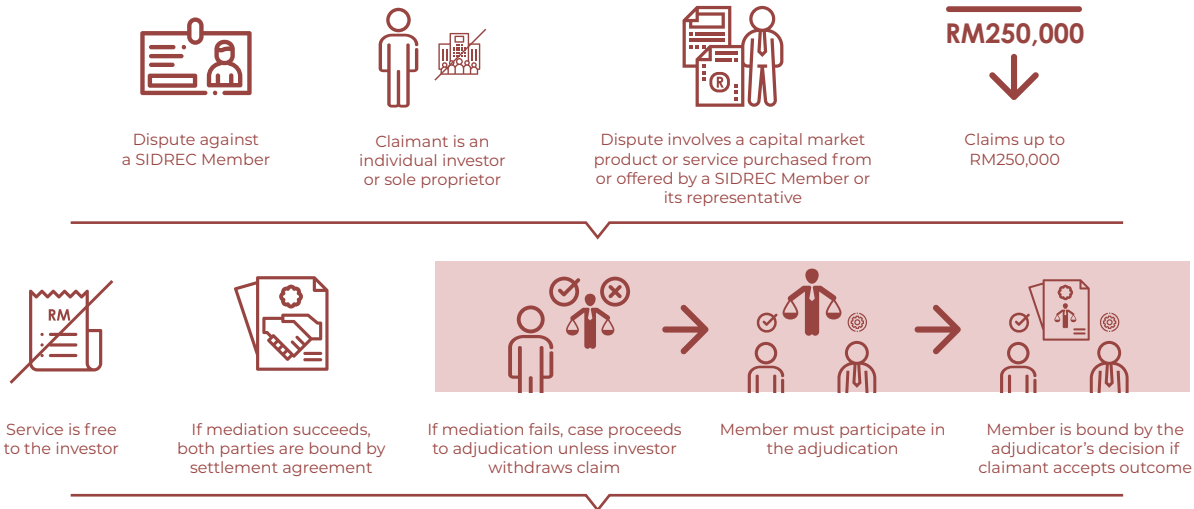


Dispute Resolution Schemes

SIDREC manages two dispute resolution schemes – Mandatory Scheme and Voluntary Scheme.

Mandatory Scheme

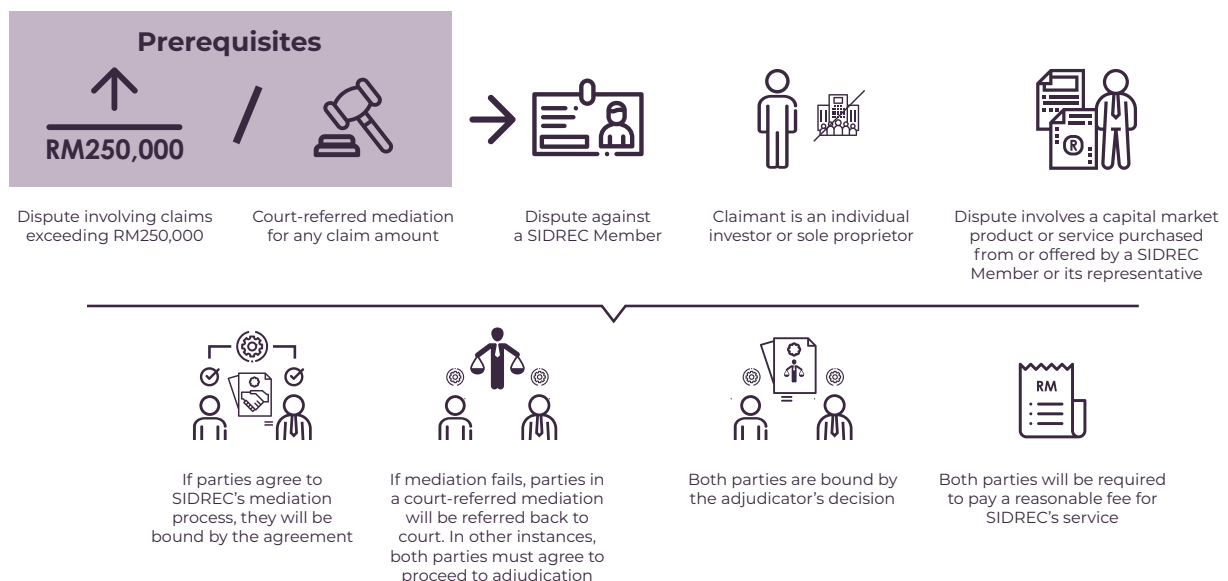
A SIDREC Member is obligated to participate in SIDREC's Mandatory Scheme if the dispute meets the following criteria:



The claimant has the choice to reject the adjudicator's decision and pursue other legal recourse. However, once the claimant accepts the decision and enters into a settlement agreement, the claimant is bound by the decision.

Voluntary Scheme

SIDREC may also mediate and/or adjudicate disputes under its Voluntary Scheme. Unlike the Mandatory Scheme, the Member is not required to participate unless they wish to. SIDREC will only accept a case under this Scheme if both the claimant and Member agree to seek SIDREC's help.



Limited Appeal

While an award by the adjudicator is final, a limited avenue for appeal in the Mandatory Scheme was introduced in November 2015. An appeal may be made if the appealing party can meet either one of the following grounds of appeal:

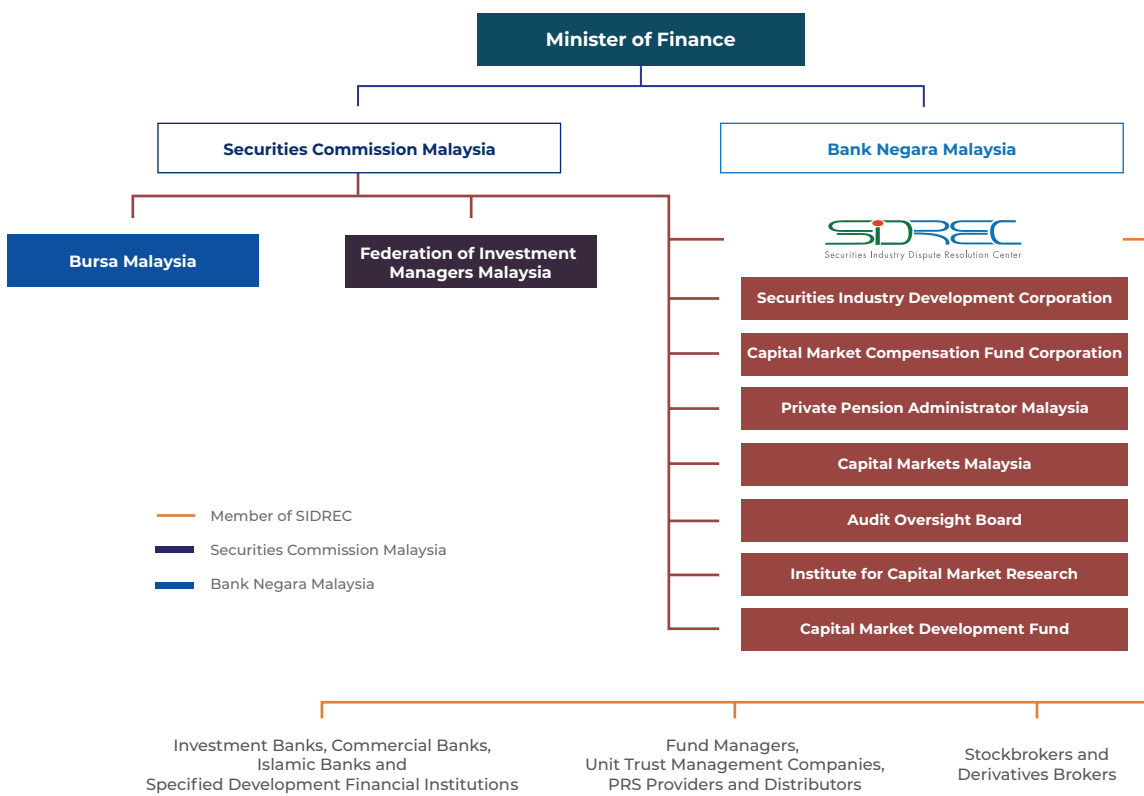
- A serious error of law or fact in the award; or
- The production of new evidence, that could not, with reasonable diligence, have been produced during the adjudication.

The grounds upon which the appealing party relies must materially affect the award.

Relationship Building

SIDREC believes in working together with its Members and other industry stakeholders for the benefit of the capital market as a whole. It works with the SC, BNM, Bursa Malaysia, self-regulatory organisations, industry associations, OFS and other alternative dispute resolution (ADR) bodies, the Malaysian Bar Council, the media and other domestic and international stakeholders to bring about greater awareness of SIDREC.

SIDREC in the Capital Market Institutional Framework



International Participation

SIDREC has been a member of the INFO Network since 2013. INFO Network was established to enable ADR schemes for financial services around the world to collectively enhance their expertise in dispute resolution through the exchange of experiences and information in a wide array of areas. These areas include functions and governance models, handling of systemic issues, cross border referral of complaints and capacity building. From 24-27 September 2023, SIDREC had the privilege of co-hosting the 2023 INFO Network Members Conference with OFS at the Grand Hyatt, Kuala Lumpur.

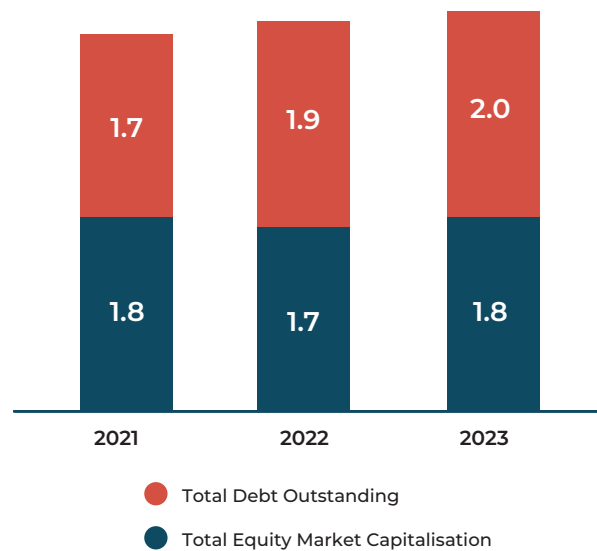
The Malaysian Capital Market 2023¹

The Malaysian capital market remained resilient during the year despite challenges. The total size of the capital market for 2023 was RM3.8 trillion (2022: RM3.6 trillion), where RM2.0 trillion (2022: RM1.9 trillion) was contributed by debt securities outstanding and the remaining RM1.8 trillion (2022: RM1.7 trillion) contributed by equity market capitalisation.

During the year, total funds raised in the bond and equity markets as well as alternative fundraising avenues amounted to RM129.9 billion (2022: RM181.0 billion). Of the RM129.9 billion raised, RM118.3 billion (2022: RM153.3 billion) was raised in the corporate bond market, RM9.4 billion (2022: RM26.0 billion) in the equity market and RM2.2 billion (2022: RM1.7 billion) raised through alternative fundraising avenues i.e. equity crowd funding and peer-to-peer financing. Of the RM9.4 billion raised through the equity market, RM3.6 billion (2022: RM3.5 billion)

was raised via new equity listings through a total of 32 (2022: 35) initial public offerings (IPOs) and RM5.8 billion (2022: RM22.6 billion) was raised via secondary fundraising.

Size of Malaysian Capital Market, RM trillion, 2021-2023

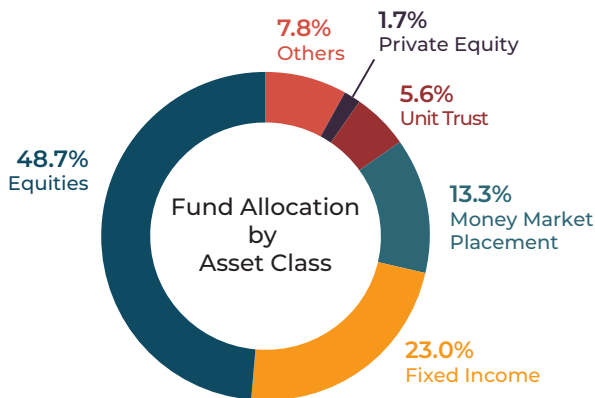


The fund management industry in 2023 recorded total assets under management (AUM) of RM975.5 billion compared to RM906.5 billion in 2022. The largest source of funds towards the AUM came from the unit trust industry with a net asset value (NAV) of RM499.9 billion (2022: RM487.9 billion), representing about 27.8 percent of Bursa Malaysia's market capitalisation (2022: 28.1 percent). This is followed by Employees Provident Fund (EPF) (RM186.9 billion), corporate bodies (RM107.8 billion) and wholesale funds (RM77.2 billion).

Funds were invested in various asset classes locally and outside Malaysia. As at 31 December 2023, about 48.7 percent (2022: 47.6 percent) of total investment was allocated in equities, followed by fixed income: 23.0 percent (2022: 23.3 percent) and investment in money market placements: 13.3 percent (2022: 14.8 percent). A similar trend was observed on assets allocation inside and outside Malaysia.

¹ The source for the capital market information and statistics — SC

Fund Allocation by Asset Class as at 31 December 2023



Total gross sales value of the unit trust funds industry in 2023 was about RM228.7 billion (2022: RM222.9 billion). UTMCs continued to be the major distributors, recording RM129.4 billion or 56.6 percent of total gross sales (2022: RM118.0 billion or 52.9 percent), followed by institutional unit trust advisers at RM53.0 billion or 23.2 percent (2022: RM51.6 billion or 23.1 percent) and unit trust consultants (UTCs) at RM43.9 billion or 19.2 percent (2022: RM50.5 billion or 22.7 percent).

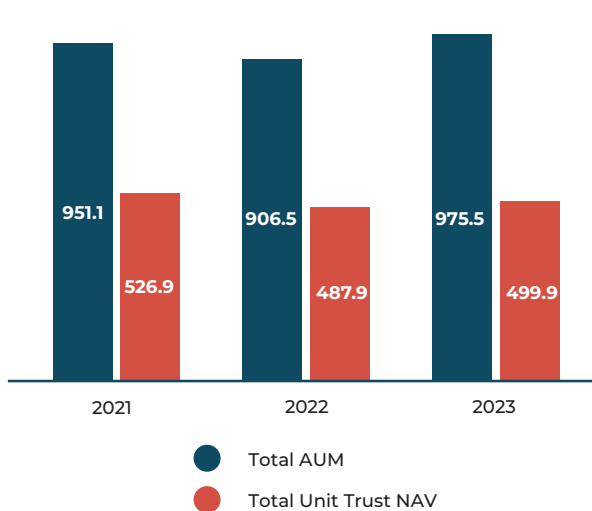
For wholesale funds, a total of 465 wholesale funds were in operation in 2023 with an NAV

of RM77.2 billion as at 31 December 2023 (2022: 437 funds, RM76.5 billion). In the REITs segment, 19 REITs (2022: 19) were listed on the Main Market of Bursa Malaysia with a total market capitalisation of RM41.8 billion (2022: RM39.1 billion) and total asset size of RM66.9 billion (2022: RM61.5 billion) as at 31 December 2023. Two unlisted REITs were offered to sophisticated investors during the year.

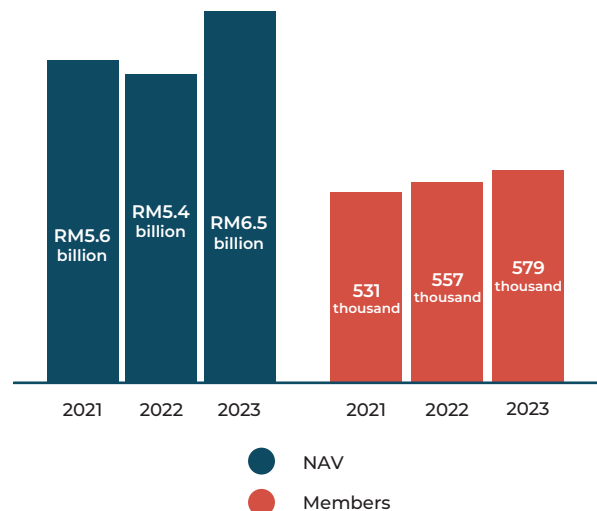
For other investment products, in 2023, there were seven eligible structured warrants issuers and 1,515 term sheets registered with the SC (2022: seven structured warrants issuers, 1,456 registered term sheets). In the same year, 20 new structured product programmes with a variety of underlying references that had an aggregate size of RM100.0 billion with each programme having a size limit of up to RM5.0 billion were lodged by 12 issuers (2022: 22 new programmes, RM110.0 billion aggregate size, up to RM5.0 billion size limit, nine issuers).

On the PRS front, the total NAV for PRS funds as at 31 December 2023 was RM6.5 billion (2022: RM5.4 billion). As at 31 December 2023, there were 579,000 PRS members.

Total AUM and Unit Trust NAV, RM billion, as at 31 December 2023



Private Retirement Schemes: NAV & No. of Members, 2021-2023



SIDREC in the Capital Market²

As at 31 December 2023, SIDREC's membership stood at 200, comprising 156 CMSL holders and 44 Registered Persons. In addition, in delivering their services to the investing public, SIDREC Members are supported by their distribution channel. As at 31 December 2023, there were 10,272 Capital Markets Services Representative's Licence (CMSRL) holders, the majority of whom were involved in dealing in securities, dealing in derivatives and fund management. In addition to these CMSRL holders, SIDREC Members were supported by 56,443 unit trust scheme consultants and 27,943 PRS consultants who are registered with Federation of Investment Managers Malaysia (FIMM).

Integrated Dispute Resolution Scheme for Financial Services in Malaysia

At present, SIDREC and OFS are the two ADR bodies with a regulatory mandate to facilitate the resolution of monetary disputes in the capital and financial markets in Malaysia. SIDREC, under the SC, was established to provide investors with access to redress for monetary disputes relating to a capital market product or service that they may have with their licensed market intermediary who is a SIDREC Member. OFS, under BNM, was established to provide financial consumers with access to redress for monetary disputes relating to banking, insurance and payment systems that they may have with their licensed financial services provider who is a member of OFS. Both bodies have been set up as non-profits, have a focus on smaller investors and financial consumers and utilise a

SIDREC Members as at 31 December 2023



² Note: The sources for the capital market information and statistics — SC and FIMM.

Serving the Different Market Segments



SIDREC
Securities Industry Dispute Resolution Center



OFS
OMBUDSMAN FOR FINANCIAL SERVICES
OMBUDSMAN PERKHIDMATAN KEWANGAN

Who can lodge a dispute at SIDREC or OFS?

SIDREC and **OFS** help **claimants/complainants** with disputes against **capital market intermediaries / financial service providers** who are their respective Members.

Claimants: Individual investors and sole proprietors. **Complainants:** Individual consumers and small-to-medium businesses.

Companies licensed or registered with the **Securities Commission Malaysia** to deal in:

- **Securities**
e.g. stocks, bonds and unit trusts
- **Fund Management**
- **Derivatives**
- **Private Retirement Schemes**

You may refer your case to **SIDREC** if you have lodged a dispute with the Member and you are dissatisfied with the response received or you did not receive a response.

Case Management
A case manager will handle the claim to confirm eligibility, obtain necessary information and documentation and facilitate resolution.

Mediation
If eligible, the case may proceed to mediation between the claimant and Member.

Adjudication
If parties are unable to come to an agreement at mediation, the case may proceed to adjudication. The Adjudicator will make a decision, which the claimant may choose to accept or reject. Where the claimant accepts the decision, the Member is bound by such decision.

SIDREC's services are free for eligible claims of RM250,000 and below.

Claims above RM250,000 will incur a reasonable fee.

Companies licensed, approved or prescribed by **Bank Negara Malaysia** for the following:

- **Banks and Islamic Banks**
- **Insurers and Takaful Operators**
- **Development Financial Institution**
- **Payment Instrument Issuers**
- **Financial Advisers**
- **Insurance / Takaful Brokers**

You may refer your case to **OFS** if you have lodged an official complaint with the Member which yielded an unsatisfactory outcome or no response.

The stages are as follows:

Case Management
If the dispute is eligible, a case manager will facilitate resolution through mediation for a mutual settlement and / or issue a recommendation which the complainant may choose to accept or reject.

Adjudication
If the complainant does not accept the recommendation, the complainant may refer the dispute to the Ombudsman for adjudication and a final decision, which the complainant may choose to accept or reject. The decision of the Ombudsman is binding against the Member if the complainant accepts the decision.

OFS' services are free for eligible complainants.

mix of ADR tools when facilitating the resolution of a dispute. SIDREC's dispute resolution process (DRP) involves case management, mediation and adjudication. OFS' DRP involves case management and adjudication.

The Financial Sector Blueprint, 2022-2026 launched by BNM on 24 January 2022 included an announcement that SIDREC and OFS will be consolidated into an integrated dispute resolution scheme. This was followed-up by a joint letter issued by SC and BNM dated 11 January 2023 to SIDREC and OFS directing the two organisations to consolidate.

The SIDREC-OFS consolidation seeks to promote a consistent approach in investor or consumer protection and to enhance operational synergies of the two ADR bodies given the increasing complexity of financial solutions and blurring of lines between capital and financial market activities conducted by market intermediaries and financial services providers.

Concerted efforts are underway to complete the integration. SIDREC looks forward to laying a solid foundation for continued efforts in enhancing investor and financial consumer protection in Malaysia.

SIDREC Board

Dato' Mah Weng Kwai
Chairman & Independent Director



Mahadzir Azizan
Independent Director



Angelia Chin-Sharpe
Industry Director



Pushpa Nair
Independent Director



Nasution Mohamed
Independent Director



Ruzi Ajith
Industry Director



SID
Boa
&
Tea

SIDREC Team



Sharmila Sharma
Chief Executive Officer



Bama Gobaloo
*Head of Operations (Acting) &
Case Manager*



Winnie Chan
Senior Case Manager



Fairbarns Anthony
Case Manager



Nurani Zahidi
Case Manager



Low Kar Yeen
Case Manager



Chai Meng Yih
Case Manager



Mazni Abdullah
Finance Manager



Ashriff Shahanoor
*Corporate
Services Officer*



Atiqah Zainol
*Corporate
Communication Officer*



Patricia Thomas
*Corporate
Services Manager*



Azlina Abdul Wahab
Secretary to the CEO



Geetha Krishnen
Administrative Assistant

Board of Directors

Dato' Mah Weng Kwai
*Chairman &
Independent Director*

Dato' Mah Weng Kwai was called to the English Bar as a Barrister-at-Law of the Honourable Society of Lincoln's Inn, London in 1971 and to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in July 1972. He obtained his Master of Laws (LLM) degree with Honours in 1985 from the University of Sydney, Australia and was appointed a Fellow of the Senate of the University of Sydney in 1999.

Dato' Mah joined the Judicial and Legal Services of Malaysia in 1973 and held various positions as a Magistrate, President of the Sessions Court and Senior Assistant Registrar of the High Court. He also served as a Deputy Public Prosecutor, Senior Federal Counsel and Senior Assistant Parliamentary Draughtsman in the Attorney General's Chambers.

Dato' Mah is a Member of the Advisory Panel of the Faculty of Syariah and Law of the Islamic Science University of Malaysia (USIM) and also a member of the Industry Advisory Board at HELP University. He serves on the Board of Directors of Assunta Hospital and as a Legal Consultant to St. John Ambulance of Malaysia.

Upon leaving the Judicial and Legal Services in 1985, Dato' Mah commenced private practice as an advocate and solicitor at MahWengKwai & Associates. He is a past President of the Malaysian Bar and of LAWASIA (the Law Association for Asia and the Pacific). He was also a member of the Legal Profession Qualifying Board and the Advocates and Solicitors Disciplinary Board, both established under the Legal Profession Act 1976.

Dato' Mah was appointed a Judicial Commissioner of the High Court of Malaya in January 2010 and in August 2011, a Judge of the High Court of Malaya in Kuala Lumpur. He was elevated to the Court of Appeal, Malaysia in September 2012.

Upon his retirement as a Court of Appeal Judge in February 2015, Dato' Mah returned to MahWengKwai & Associates as a Consultant. He is certified as a Mediator by the Malaysian Mediation Centre and is currently on the panel of arbitrators and mediators of the Malaysian Bar and the Asian International Arbitration Centre (AIAC). He is also an arbitrator with the Singapore International Arbitration Centre (SIAC).

Dato' Mah was a Commissioner of the Human Rights Commission of Malaysia (SUHAKAM), from 2016 to 2022. Following the 14th Malaysian General Election in 2018, he was appointed a member of the Institutional Reforms Committee Malaysia. Between September 2018 and 2020, he was appointed a member of the Judicial Appointments Commission (JAC). Dato' Mah was also a Commissioner of the Malaysian Aviation Commission (MAVCOM) from 2016 to 2022. He is currently Chairman of the Securities Industry Dispute Resolution Center (SIDREC), a company limited by guarantee under the Securities Commission of Malaysia.

Dato' Mah is an accredited Arbitrator with AIAC and with the Singapore International Arbitration Center (SIAC) on an ad hoc basis. He often sits as a sole arbitrator and on panels of arbitrators in building and construction, energy and telecommunications disputes.

Mahadzir Azizan

Independent Director

Mahadzir Azizan has held key positions both in the private and public sectors. He joined the Judicial and Legal Service of the Malaysian Government as a Deputy Public Prosecutor and Federal Counsel upon completing his legal training as a Barrister-at-Law from Lincoln's Inn in London, and was called to the English Bar in 1978.

He subsequently ventured into the private sector and served Malaysian International Shipping Corporation Bhd and Island & Peninsular Bhd, the property arm of Permodalan Nasional Bhd for the next 24 years. Whilst in the private sector, he also served as a MARA Council Member in addition to various other directorships in government-linked companies.

In addition to sitting on the SIDREC Board, Mahadzir also sits on the Board of ECM Libra Group Bhd. He has previously held directorships in Syarikat Takaful Malaysia Keluarga Bhd (2007-2020), Syarikat Takaful Malaysia Am Bhd (2017-2020), Asian Healthcare Group Bhd (2014 to 2016) and Libra Invest Bhd (2007 to 2019).

Angelia Chin-Sharpe

Industry Director

Angelia Chin-Sharpe is a veteran in the financial services industry, and has over 20 years of experience in banking, capital markets and asset management. Since joining BNP Paribas Asset Management in 2007 as Head of the Malaysia business - an entity she set up and developed then - she also led the Southeast Asia Institutional Sales team between 2010 and 2012 from the Singapore office; before moving back to Malaysia as CEO of the local business.

As BNP Paribas Asset Management's Singapore CEO, she is responsible for accelerating and strengthening the firm's Southeast Asia business interests, while driving its sustainable solution offerings across the market's clients' groups; and ensuring continuity and maintaining focus on delivering sustainable investment returns for clients in the targeted region.

Angelia holds a Bachelor of Commerce, majoring in Accounting from Curtin University of Technology, Western Australia. She completed her Chartered Islamic Finance Professional exams with INCEIF and is registered as a Chartered Professional in Islamic Finance (CPIF) with The Chartered Institute of Islamic Finance Professionals.

Angelia was awarded JC3 Leader in Climate Change by the Joint Committee on Climate Change (JC3) Malaysia in 2023 and was named CEO of the Year for Malaysia by Asia Asset Management "2021 Best of the Best Awards". She was one of the most influential women in Islamic banking and finance in the WOMANi2022, WOMANi2020 and WOMANi2019 reports.

Angelia has also received the Community Achievement Award 2017 from the Malaysia Australian Alumni Council for her social work at The Lost Food Project – a not-for-profit organisation dedicated to providing food for the needy.

Pushpa Nair
Independent Director

Pushpa Nair was called to the Malaysian Bar in 1986 and since then has had a varied career. She started as a legal practitioner with Messrs Zain & Co before moving on to teach at the Faculty of Law, Universiti Malaya for three years. Thereafter, she joined Fraser & Neave (M) Sdn Bhd as the first Legal Adviser based in Malaysia. She subsequently joined the Usaha Tegas group and amongst others, was involved in the initial stages of the establishment of Maxis and Astro.

After leaving Usaha Tegas, she ventured into the field of telecom regulation as the first Legal Adviser of the then newly set up Malaysian Communications and Multimedia Commission (MCMC) in 1999. She served in the MCMC in various capacities including Head, Monitoring and Compliance and Head, Economic Regulations which saw her participating in World Trade Organisations negotiations as the MCMC representative.

In 2007, she left for the United Arab Emirates (UAE) to take up the post of Director, Licensing at the Telecom Regulatory Authority (TRA). At the TRA, she was tasked with drafting the Licensing

Regulations and operationalising the licensing framework for telecoms in the UAE. Her scope of work was subsequently widened to include e-commerce related matters. On her return to Malaysia, Pushpa acted as an independent consultant on legal and regulatory matters plus part-time academic in Universiti Malaya while furthering her studies in the field of Competition Law at King's College, London.

Subsequently in 2014, Pushpa took up the position of Director, Regulatory Affairs in Ooredoo Myanmar Limited, one of the two new telecom licensees in Myanmar. She returned to Malaysia upon completing her term in Myanmar. With her exposure to both the regulator and operator world views of telecom regulations, Pushpa was appointed as a member of the MCMC in September 2018. Her tenure ended in April 2020.

Pushpa is a member of LeadWomen and The 30% Club, both of which advocate gender diversity in corporate boards.

Pushpa graduated in 1985 from Universiti Malaya with an LLB (Hons) First Class and has a Master's degree in law from the University of Cambridge. She also has a Post Graduate Diploma in Competition Law and in Economics for Competition Law from King's College London. She has completed a Certificate in The Circular Economy and Sustainability Strategies by the Cambridge University Judge Business School and is a Global Reporting Initiative (GRI) Certified Sustainability Professional.

Nasution Mohamed
Independent Director

Nasution Mohamed has 30 years of wide business experience in Malaysia and overseas. He started his career with KPMG in Australia and subsequently joined the Corporate Finance Division of Amanah Merchant Bank Berhad before moving on to Pengurusan Danaharta Nasional Berhad (Danaharta). Subsequent to Danaharta, Nasution joined KPMG Malaysia where he was Head of an audit department. Thereafter, he was appointed Executive Director at UDA Holdings Berhad and subsequently he took on the helm as Managing Director/CEO of Penerbangan Malaysia Berhad (PMB). From PMB, Nasution joined Maxis as Chief Financial Officer and was later redesignated as Chief Financial and Strategy Officer. He is currently the Chief Operating Officer of Digital Nasional Berhad, a position he held since July 2022.

Nasution holds a Bachelor of Commerce degree from University of New South Wales, Australia and is a Fellow of Chartered Accountants Australia and New Zealand.

Ruzi Ajith

Industry Director

Ruzi is currently the Head of Equities at CIMB Investment Bank Bhd and Chief Executive Officer for CIMB Securities Sdn Bhd. Prior to her current role, she served as the Chief Executive Officer of CGS-CIMB Securities Sdn Bhd as part of the joint venture collaboration between CIMB Group and China Galaxy Securities. Ruzi has served the organization in various capacity over the past 24 years. She has consistently been featured in Asiamoney' Brokers Poll as the top 3 salesperson for Malaysia from 2003 to 2005. Before joining CIMB, she was with Affin Investment Bank for three years as a Fund Manager.

Ruzi graduated from Ohio University with a Bachelor's (Honors) in Business Administration in 1991 and a MBA (General Major) in 1993. She is also a Certified Financial Planner (CFP) professional of the Financial Planning Association of Malaysia.

Management

Sharmila Sharma

Chief Executive Officer

Sharmila Sharma was appointed as SIDREC CEO effective 2 December 2019. She practised as an advocate and solicitor for a short period before working in human rights for five years with the Human Rights Commission of Malaysia (SUHAKAM) and the United Nations High Commissioner for Refugees (UNHCR). Since then, she has had over 10 years of experience in Sustainable Finance / Investments having worked as an analyst, researcher and manager in corporate, financial and investment strategy with several organisations.

She was a key member of the Secretariat to the Financial Services Professional Board (FSPB) in 2014 / 15 where she led the development of the FSPB Code of Ethics for the Financial Services Industry.

Prior to joining SIDREC, she was the Head of Strategy, Mergers & Acquisitions of Cenergi SEA Sdn Bhd, a subsidiary of Khazanah Nasional Berhad that invests in and develops renewable energy and energy efficiency projects.

Sharmila holds a Bachelor of Arts degree in Economics and Law from the University of Durham. She has been called to the Bar of England & Wales and the Malaysian Bar. She has also completed all three levels of the Chartered Financial Analyst (CFA) examinations.

SIDREC Appeals Committee (SIAC)

All eligible appeals are heard by SIAC. The committee comprises a mix of independent and industry members, as well as senior representatives of the SC and SIDREC.

Dato' John Louis O'Hara

*Chairman &
Independent
Member*

Dato' John Louis O'Hara is the Chairman and Independent Member of SIAC. He has extensive experience in the judicial and legal service.

Dato' O'Hara obtained his Bachelor of Laws with Honours from King's College University of London in 1974. He was called to the English Bar in 1976 as a Barrister of Lincoln's Inn. He also attended the Post Finals Practical Training Course at the Council of Legal Education in 1976.

Dato' O'Hara joined the Judicial and Legal Service on 9 September 1976 and served in numerous areas such as a Magistrate, Sessions Court Judge, Deputy Public Prosecutor, Senior Federal Counsel, Industrial Court Chairman and Advisory Board Chairman.

Dato' O'Hara served as a Magistrate in the Sessions Court, Kuala Lumpur between 1976 and 1977. From 1982 to 1988, he served in various roles such as Deputy Public Prosecutor in the Attorney General's Chambers, Royal Customs Department, State Legal Adviser's Office Perak and State Legal Adviser's Office Johor. He served as Senior Federal Counsel, Advisory and International Division of the Attorney General's Chambers from 1982 to 1988.

Dato' O'Hara served as Legal Advisor with the Ministry of Defence between 1988 and 1992 and with the Ministry of Foreign Affairs between 1994 and 1999. Also in 1999, he was the Deputy Head of Litigation Division in the Attorney General's Chambers.

In 2000, Dato' O'Hara was appointed Chairman of the Industrial Court, Ministry of Human Resources. From 2002 to 2003, he was the Chairman of the Advisory Board in the Prime Minister's Department. From 2003 to 2005, he was Head of International Affairs Division in the Attorney General's Chambers. He was a Judicial Commissioner of the Penang High Court in 2005, Judge in the Penang High Court in 2007 and Judge in the Kuala Lumpur High Court from 2011 to 2017.

In 2020, Dato' O'Hara was appointed by Kebawah Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong as a Commissioner of the Enforcement Agency Integrity Commission for a term of three years, which expired in July 2023.

On 12 March 2021, Dato' O'Hara was empanelled as Arbitrator with the Asian International Arbitration Centre, Kuala Lumpur for the term 2021 to 2024.

Yew Yee Tee

*Representative
from Senior
Management
of the SC*

Yew Yee Tee graduated and obtained her degree in Bachelors of Law [LLB (Hon.)] from University of Malaya, Malaysia. She practised as an Advocate and Solicitor of the High Court of Malaya in Messrs. Skrine and was involved in both corporate and litigation work before joining the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Berhad) as a legal manager.

In Bursa Malaysia, she held various roles including Head, Enforcement and subsequently, as the Chief Regulatory Officer. During her approximately 20-year tenure in Bursa Malaysia, she was responsible for all regulatory matters under the purview of Bursa Malaysia ranging from regulatory strategies and policies, listing, market and corporate surveillance, corporate governance, participant supervision, investigation, and enforcement.

Thereafter, she joined the Securities Commission Malaysia in 2020 and held the role as the Executive Director, Intermediary and Fund Supervision responsible for authorisation, licensing as well as supervision of intermediaries and funds before taking on the role of General Counsel. As the General Counsel, she is currently involved in law reform, rules and regulations, legal and regulatory advisory as well as consumers and investors matter.

Tan Sri Aziah Ali

*Independent
Member*

Tan Sri Aziah Ali is an Independent Non-Executive Director of Boustead Plantations Berhad where she is also the Chairman of the Risk Committee and Sustainability Committee and the Alternate Chairman of the Due Diligence Working Group. She is also a Member of the Nominating & Remuneration Committee, Audit Committee as well as the Board Tender and Procurement Committee.

Tan Sri Aziah is also an Independent Non-Executive Director for Boustead Heavy Industries Corporation Berhad where she is also the Chairman of the Nominating & Remuneration Committee and also a Member of the Audit Committee and Sustainability Committee. She is also the Director of Wasiyyah Shoppe Berhad and a Member of Audit & Risk Committee. She has also been appointed as a Non-Independent Non-Executive Director of Boustead Naval Shipyard Sdn Bhd and Chairman of the NRC and Member of Oversight Committee.

Tan Sri Aziah is a Non-Independent Non-Executive Director and Chairman of BHIC Submarine Engineering Services Sdn Bhd.

Tan Sri Aziah was appointed by Kebawah Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong as a Commissioner of the Enforcement Agency Integrity Commission in 2020. Her tenure ended in July 2023.

Tan Sri Aziah has a vast experience in law and served the government of Malaysia for over 40 years in various positions in the judiciary including as State Legal Advisor, Judicial Commissioner, High Court Judge and Court of Appeal Judge. She was elevated as Federal Court Judge in 2016 and retired in 2018.

Tan Sri Aziah obtained a Bachelor of Law with honours from University of Malaya in 1976.

Hasnah Omar
*Industry
Member*

Cik Hasnah graduated and received her BA (Hons) from University of Malaya in 1981 and holds a Masters in Public Administration from Harvard University, USA in 1991. Cik Hasnah also holds a Masters in Banking Law Executive (Islamic and Conventional) from International Islamic University of Malaysia in 2010. She also completed Banking School II and III Training for Bank Examiners, Federal Reserve Banking System, DC, USA in 1989.

Cik Hasnah has vast experience in finance, banking and capital market having worked in various capacities with Bank Negara Malaysia (BNM), Securities Commission (SC), and the Asian Development Bank (ADB), Manila, Philippines.

In 1981, Cik Hasnah joined BNM, where she largely worked in the Bank Examination Department of BNM which was responsible for the examinations of commercial banks, merchant banks, discount houses and finance companies then. She led the examinations of a number of financially distressed banks during the mid-1980s. She was also involved in the rescue exercises of cooperative societies during the cooperative debacle. For about one and the half years, she served as the Head of Public Affairs Unit of the Bank, among others, assisting the Governor and Senior Management in managing the press and public perception of BNM's policies.

Cik Hasnah worked with SC from 1991 until 2013, culminating her career in SC as the Director of Market Oversight Business Group. She was actively involved in the Brokers Monitoring System/Brokers' solvency during the Asian Market Crisis 1997/1998. She was largely responsible for the formulation and implementation of the Compliance Function Framework for the equities/stockbrokers, derivatives and fund management industry and the formulation of Risk-based Capital for stockbroking companies. She was primarily responsible for the formulation and implementation of Brokers' Consolidation Policy and

provided input to BNM in the formulation of regulatory framework for Investment Banks. Cik Hasnah represented SC as a member of Financial Stability Committee of Financial Services Authority of Labuan (FSA) and as a Board Member of Capital Market Compensation Fund which she helped established. Cik Hasnah also participated as a resource person for the various regional financial regulators seminars organised by the Asia Pacific Economic Cooperation (APEC) including in Beijing, Shanghai, and Kuala Lumpur.

Cik Hasnah spent two years, from January 2009 to December 2010 with the Asian Development Bank (ADB) in Manila on a secondment basis. Among others, she advised ADB on Islamic finance matters, she was a Mission Leader for the Financial Sector and Capital Markets Sovereign Loan Program and Technical Assistance (TA) for Vietnam, and involved as a Mission Member in the sovereign loan programmes and TA for Thailand, Indonesia, Philippines and Brunei (initial mission). She was a Co-Mission Leader for the ASEAN Regional Capital Markets Integration TA. She returned to serve the SC in January 2011 until May 2013.

Cik Hasnah is currently the Chairman and Independent Non-Executive Director of both Zurich Takaful Malaysia Berhad and Zurich General Takaful Malaysia Berhad. She is also the Chairman and Independent Non-Executive Director of MIDF Amanah Assets Management Berhad. She also sits on the Board of Malaysian Industrial Development Finance Berhad (MIDF) and Bond Pricing Agency Malaysia Sdn Bhd. Cik Hasnah has been a member of the Appeals Committee of the Securities Industry Dispute Resolution Centre (SIDREC) since 2015.

Cik Hasnah also serves as a Mentor for the Institute of Corporate Directors Malaysia's Aspiring Directors Immersion Program (ADIP), a program that aims, among others, to develop the next generation of governance leaders.

Lee Siew Thong
*Independent
Member*

Lee Siew Thong is an accountant by profession, graduated with the Association of Chartered Certified Accountants ("ACCA"), United Kingdom. He started his career as an auditor with the Public Practice Firms of Accountants in Malaysia and London for 6 years. Thereafter, he joined KLSE in 1993 and retired from Bursa Malaysia in 2023.

During his 30 years in Bursa Malaysia, he held various roles in the Regulation and Market Operations; including as the Head of Participants Supervision, Head of Market Surveillance, and Head/Senior Executive Vice President of Trading Operations & Market Control. He was responsible to monitor/supervise the business conduct of the intermediaries, particularly the securities and derivatives brokers and their representatives to ensure a secure, fair and orderly

trading environment; to undertake the frontline market surveillance functions for both the equities and derivatives markets to ensure the market operates in a fair and orderly manner so as to promote efficient price discovery and investor protection; and to maintain an efficient and effective trading operations, procedures, relevant market control safeguards to support the functioning and product development for both the equities and derivatives markets.

Panel of Mediators & Adjudicators

Shanti Abraham Mathew

Shanti Abraham of Messrs Shanti Abraham & Associates has been called to the Singapore and Malaysian Bars and has been in practice for over 25 years. She is a litigator, arbitrator, adjudicator and mediator. Her areas of practice include corporate and restructuring work, contractual, commercial and construction disputes as well as healthcare and private wealth management.

Shanti is the chair of the International Mediation Institute Investor-State Mediation Taskforce and a mediator of the Global Mediation Panel at the Office of the Ombudsman for United Nations Funds and Programmes.

She is a SIMI (Singapore International Mediation Institute) Certified Mediator (Level 4) and has a public profile on the SIMI Mediator website. She is a mediator on the panels of SIDREC, Malaysian Mediation Centre (MMC) and the Singapore Mediation Centre (SMC) and is an ambassador of Singapore International Mediation Centre. She is also on the panel of arbitrators, adjudicators and mediators with AIAC and the American Arbitrators Association (AAA) – ICDR (inaugural panel of International Mediators).

She completed the Programme on Mediation and Advanced Mediation training – Mediating Complex Disputes at Harvard Law School and Investor-State Mediation by the Department of Justice of Hong Kong and the International Centre for Settlement of Investment Disputes.

She has trained a broad range of professionals in mediation skills including the Brunei and Myanmar judiciary. She regularly mediates both in Malaysia and in Singapore in many industries and has conducted technology-enabled crossborder / online mediations.

Nahendran Navaratnam

Nahendran Navaratnam is the principal partner at Navaratnam Chambers. He is a Chartered Arbitrator and a Fellow of the Chartered Institute of Arbitrators and the Malaysian Institute of Arbitrators. He is also a trained and accredited mediator and adjudicator.

Nahendran has over 30 years of experience as a trial and appellate lawyer. He currently handles only advocacy work in corporate, commercial and administrative law disputes for private and public

listed companies, major international and Malaysian financial institutions, multinational corporations and professional practices. He also acts in professional liability, tax, and securities case and in commercial arbitration disputes.

Nahendran holds a BSc (Materials Science) and LLB from Australia's Monash University. He was called to the Malaysian Bar in 1988.

Wong Lu Peen

Wong Lu Peen is a lawyer practising as a Consultant with Wong Lu Peen & Tunku Alina. Her practice areas include mergers, acquisitions and investments by foreign parties into and out of Malaysia. She sits on the Arbitration & Alternative Dispute Resolution Committee of the Bar Council. She also occasionally sits as chairperson of the disciplinary committee for disciplinary proceedings brought by the Bar Council Disciplinary Board.

Lu Peen is an Accredited Mediator on the panel of Malaysian International Mediation Center (MIMC) and trains and assesses candidates for accreditation with the MIMC. Additionally, she is an associate accredited mediator with the Singapore Mediation Centre (SMC). She has trained judges, lawyers and other professionals in mediation and has been invited to assess students for their mediation credits in University Malaya. She obtained her LLB (Hons) degree from the University of Reading in 1978, was called to the English Bar in 1979 and admitted to the Malaysian Bar in 1983. She obtained a Master's in Business Administration from University Malaya in 2014.

Christopher Leong

Christopher is a Partner at Chooi & Company. Christopher has more than 33 years of experience in corporate and commercial litigation, shareholders' disputes, and banking and securities litigation. In addition, he acts as counsel in domestic and international arbitrations, both locally and overseas, and presides as an arbitrator in arbitrations. Christopher is an inductee of the Dispute Resolution Hall of Fame in Malaysia by The Legal 500 Asia Pacific.

Over the years, Christopher has received legal accolades and awards including being ranked by Chambers Asia Pacific since 2009 to date; named an Elite Practitioner by Asialaw Leading Lawyers for Dispute Resolution since 2020 to date, named as a Leading Lawyer from 2008 to 2016, and a Market Leading Lawyer from 2017 to 2019; named as one of Malaysia's Top 100 Lawyers since 2020 to 2022; as a Litigation Star by Benchmark Litigation Asia-Pacific since 2021 to date; and has been included in The Legal 500 Private Practice Powerlist (Arbitration): Southeast Asia from its inception in 2022 to date.

Christopher was the President of the Malaysian Bar (2013-2015) and was the President of LAWASIA, the Law Association for Asia and the Pacific (2017-2019).

Christopher is empanelled as an arbitrator of the Asian International Arbitration Centre (AIAC). He is a member of the Panel of Mediators and Adjudicators of the Securities Industry Dispute Resolution Center (SIDREC). He has previously served on the Advisory Council of the AIAC.

He is a member of the Taylor's University Law School Legal Profession Advisory Panel; a member of the Industry Advisory Board Monash University Bachelor of Politics, Philosophy and Economics (PPE); a member of the Board of Directors of the Institute for Democracy and Economic Affairs (IDEAS), a non-profit public policy research institute in Malaysia; and is a specialist participant of the All-Party Parliamentary Group on Integrity, Governance and Anti-Corruption (APPG-IGAC).

Christopher is the recipient of the University of Nottingham Alumni Laureate Lifetime Achievement Award 2018. Christopher was also recognised as one of Monash University's 60 most accomplished alumni from Monash Arts, Humanities, Social Sciences and Performing Arts.

Jas Bir Kaur

Jas Bir Kaur has over 30 years of financial services and capital market experience through her work at the SC.

While with the SC, Jas Bir was involved in many areas of oversight including supervision, authorisation and licensing, product development and the formulation of policies for the capital market, particularly in investment management and stockbroking. Her last position at the SC was as Deputy Director.

Jas Bir holds a BEcons (Business Administration) degree from University of Malaya and an MSc in Finance degree from Scotland's University of Strathclyde. In addition, she has a Master's degree in Managerial Psychology from HELP University College. She is an accredited mediator on the panel of MMC.

Foo Joon Liang

Foo Joon Liang spent the past 20 years building upon an active dispute resolution practice in arbitration, litigation and more recently in adjudication. He regularly appears as counsel in arbitration as well as at all levels of the Malaysian courts. He has advised and acted in a broad spectrum of disputes, from engineering, construction, power, contract, securities, to company and shareholder disputes.

Foo spent a significant number of years of his practice in advisory, defense and recovery dispute resolution work in the securities and banking industries, and continues to maintain this portfolio as part of his broader practice. He was also involved in the mergers of financial and insurance institutions.

In the past several years, Foo's focus has increasingly been in engineering related incidents in construction projects. Amongst the more notable matters that he was involved in include the highly publicised failure of a hill slope in Penang, Malaysia, a bridge collapse in the Klang Valley where bridge experts from Asia and Europe testified, the first Construction Industry Payment & Adjudication Act 2012 (CIPAA) matter heard at the Federal Court in Malaysia, the first constitutional challenge to the adjudication regime under CIPAA and AIAC in Malaysia which is now pending before the Court of Appeal in Malaysia.

**Tan Sri David
Wong Dak Wah**

Tan Sri David Wong Dak Wah has had an illustrious legal and judicial career. He graduated with degrees in accountancy and law from Australia's University of New South Wales in 1976 and 1977 respectively. Prior to being admitted as a barrister-at-law of the New South Wales Supreme Court in 1979, he was attached to a public accounting firm in Sydney as a qualified auditor. He was admitted to the Sabah Bar in 1980 and practised as an advocate and solicitor in Sandakan until 1992 before returning to Sydney to practise law there until 1996. Upon his return to Sandakan in 1997, Wong continued practising as an advocate and solicitor until 2005 when he was appointed as Judicial Commissioner of the High Court of Sabah and Sarawak in Kuching.

Tan Sri Wong was elevated as a Judge of the High Court of Sabah and Sarawak in 2007, Court of Appeal in 2013 and the Federal Court of Malaysia in 2018. On 18 July 2018, he was sworn in by Yang Di-Pertuan Agong as the fifth Chief Judge of the High Court of Sabah and Sarawak, a position he held until he officially retired on 19 February 2020 upon reaching the mandatory retirement age. A firm believer that the legal fraternity must embrace technology in its work, Wong was largely credited for his role in the digitisation of the courts in Sabah and Sarawak.

Presently, Tan Sri Wong is a consultant in the legal firm of Chang and Wong Partners, Kota Kinabalu, Sabah. He is a CIPAA qualified adjudicator and a member of AIAC panel of arbitrators. He is a fellow member of the Malaysia Institute of Chartered Arbitrators. He also helms the Borneo International Centre for Arbitration and Mediation (BICAM) as the Chairman.

**Datuk Joy
Appukuttan**

Datuk Joy is a partner at Messrs KH Lim & Co. He has over 33 years of legal experience having been called to the English Bar (Middle Temple) in 1989, the Malaysian Bar in 1990 and the Singapore Bar in 1996. He is an accredited mediator with the Malaysian Mediation Centre and a member of the AA-ADR Chambers (Arbitration and Mediation Centre). He is also an adjudicator & mediator at the Borneo International Centre for Arbitration and Mediation (BICAM). He appears and conducts matters at all levels of the courts in Peninsular Malaysia as well as in arbitration and mediation.

His areas of practice include, civil, banking, corporate and commercial litigation and securities law. He also represents the Malaysian Bar in various disciplinary matters.

Datuk Joy has appeared both locally and internationally, as a speaker, moderator and panellist in various seminars/forums held by local and foreign organisations, institutions of higher learning and others. He has written various articles that have been published in inter alia law journals. More recently, he has been the review author of the Law of Evidence, Advocacy & Professional Ethics and editor of inter alia Civil Procedure, Criminal Procedure, Practical Conveyancing & Islamic Banking & Law Practice, Legal Remedies, Company Law, Constitution Law & University Cum Court Annexed Arbitration of the Janab Law Books series.

Goh Keng Tat

Goh Keng Tat is the principal partner of Messrs Goh Keng Tat & Co. He obtained his LLB with Honours from the University of London in 1998 and his Certificate in Legal Practice in 1999 and was called to the Malaysian Bar in August, 2000 and has been in practice since then.

The core focus of Keng Tat's practice is in the areas of corporate and commercial litigation. He also handles 3 specific areas of litigation, that is, industrial relations disputes, defamation and matrimonial disputes.

Keng Tat has appeared at all levels in the West Malaysian Courts, leading trials and interlocutory applications in both the High Court and Subordinate Courts and leading appeals and motions in the Federal Court and in the Court of Appeal. He has also appeared as Counsel for various other law firms in the Appellate and High Courts of West Malaysia and has also appeared as instructing counsel for various other law firms and as solicitor for matters in the High Courts of Sabah and Sarawak.

Apart from dispute resolution, Keng Tat has also been invited to provide lectures to various government linked agencies including the

Royal Malaysian Navy and the combined armed forces. He has also conducted training for news and media agencies including Oriental Daily News, The Borneo Post and See Hua Daily News in respect of the laws of defamation. Keng Tat is also an Independent Director of a public listed company and is also a Committee Member of the Legal, Regulatory & Dispute Resolution Committee of the Malaysian Aviation Commission (MAVCOM).

Louise Azmi

Louise Azmi was a Barrister in the UK from 2004 until she relocated to Malaysia in 2015. Louise was subsequently called to the Malaysian Bar, and is now a partner at Skrine, Kuala Lumpur, and is a door tenant at 2 King's Bench Walk, London. Louise has extensive experience as a trial and appellate lawyer in Malaysia and the UK. She is a Fellow of the Chartered Institute of Arbitrators, and is on the panel of arbitrators at Singapore International Arbitration Centre and the Asian International Arbitration Centre. She is also a qualified adjudicator and mediator.

Louise is the co-author of Practice and Procedure of Mediation (Thompson Reuters 2020), and a contributor to Practice and Law of Construction Law Malaysia (Sweet and Maxwell 2021).

Petra B. A. Oon

Legal Practitioner & Accredited Mediator with her own legal practice at Petra B.A. Oon, Advocates & Solicitors in Penang with her career spanning over 30 years in diverse legal domains.

A graduate holding a Bachelor of Arts (Hons) in Law & Economics from Bournemouth University, UK, Petra was called to the English Bar in 1985, followed by admissions to the Malaysian Bar in 1986 and the Singapore Bar in 1994.

With accreditation as a mediator by the Malaysian International Mediation Centre (MIMC) since 2002 and the Asian International Arbitration Centre (AIAC) since 2013, Petra's mediation proficiency encompasses a wide spectrum, notably in Contractual, Joint Ventures, Partnerships, Land & Estate disputes and Private Wealth Management. Her role extends beyond mediation as she actively contributes to the Malaysian Bar Council's Mediation Committee and serves as an accredited mediation trainer, advocating for the progression of mediation practices.

Petra's career includes her active involvement within the legal and community spheres. Her leadership roles include serving as Chairman of the Penang Bar (2002-2004) and as a Bar Council Representative from the Penang Bar (2004-2006), showing her commitment to the legal community.

In addition, Petra was actively engaged in community service as President of the National Council of Women's Organisation (NCWO) Penang Branch (2007-2009) and at the Federation of Women Lawyers, Penang (1994-2000; 2006-2010, 2012-2021), passionately advocating for women's rights and legal representation in various fields.

Petra B.A. Oon's extensive legal experience, coupled with her commitment to community service and fostering amicable resolutions, reflects her dedication to the legal profession and the pursuit of equitable resolutions.

Samrith Kaur

Samrith Kaur, is an advocate and solicitor and the Managing Partner at Messrs. Samrith Sanjiv & Partners in Kuala Lumpur. She graduated with a Bachelor's degree in law from the University of Coventry, United Kingdom and secured her Certificate of Legal Practice at the University of Malaya. She also holds a Master degree in Law from University of Malaya where one of her areas of interest was in Alternative Dispute Resolution (ADR).

She is a Fellow of the Chartered Institute of Arbitrators, United Kingdom and with the Malaysian Institute of Arbitrators. She was past Vice Chairman of the Chartered Institute of Arbitrators, Kuala Lumpur Branch (2012-2014), Past President of Sports Law Association Malaysia (SLAM) (2020-2023) and currently the Vice President of Malaysian Society of Adjudicators. She was appointed as a panel of three-member arbitrators for the first time in the history of the SEA Games during the 29th SEA Games in Kuala Lumpur in 2017.

Samrith is a Certified Mediator and is on the panel of Bar Council Malaysian Mediation Centre (MMC) and as Arbitrator, Mediator and Adjudicator on the panel of Asian Institute of Alternative Dispute Resolution (AIADR), Asian International Arbitration Centre (AIAC), SIDREC, Singapore International Arbitration Centre (SIAC) (Reserve Panel), Thai Arbitration Institute (Office of the Judiciary), Thai Arbitration Centre, Brunei Darussalam Arbitration Centre and recently a panellist with Borneo International Centre for Arbitration and Mediation (BICAM). She is also a Domain Name Dispute Resolution Panellist with AIAC and Asian Domain Name Dispute Resolution Centre in Hong Kong.

Besides actively employing her mediation skills in her legal practise, Samrith frequently delivers talks and lectures to professional bodies and at international conferences. She is also actively involved in providing training to several professional bodies on ADR. She has co-authored a handbook on Practice & Procedure of Mediation and published several articles in law journals.



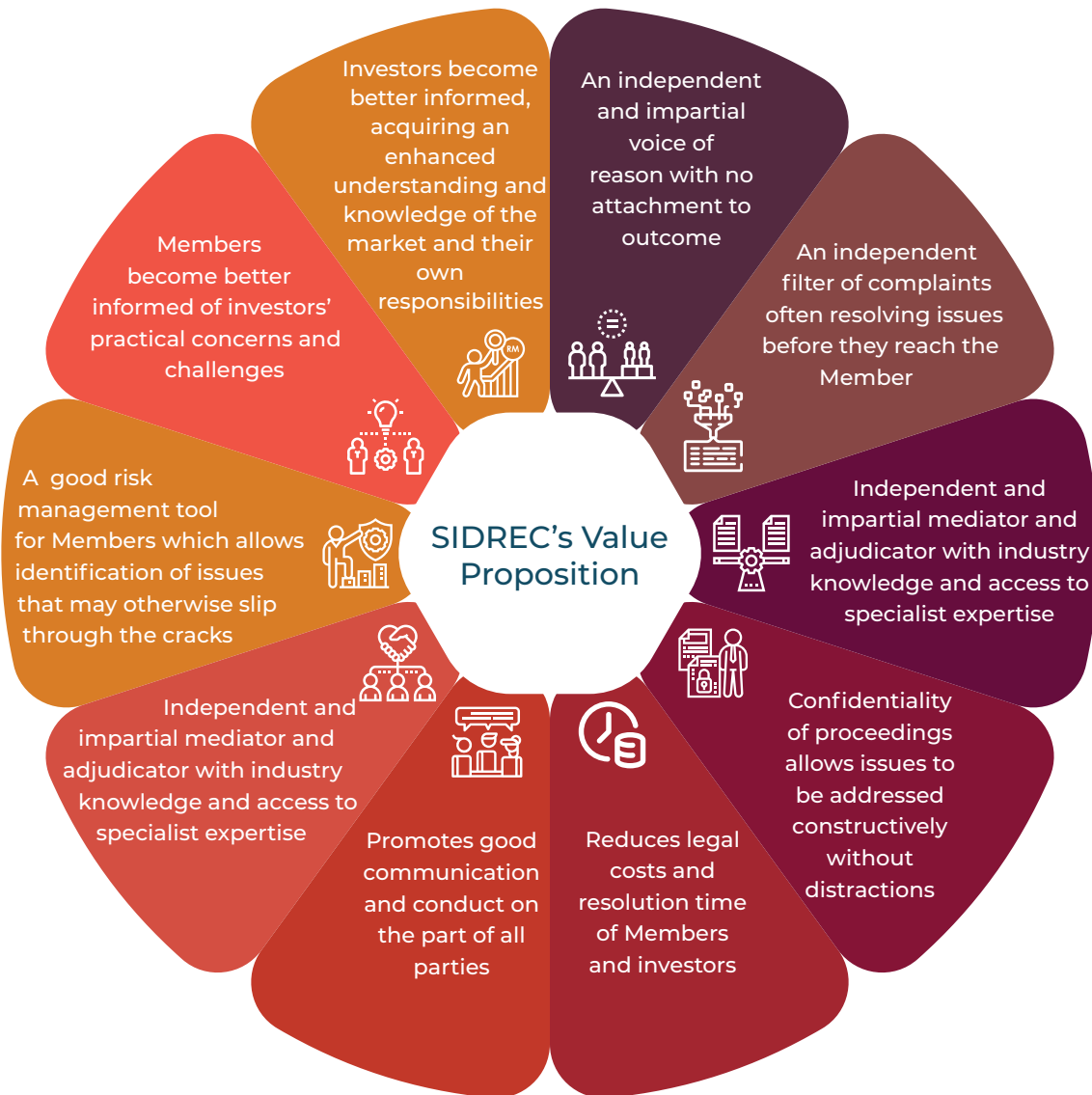
Part 2

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Leveraging SIDREC's Dispute Resolution Process

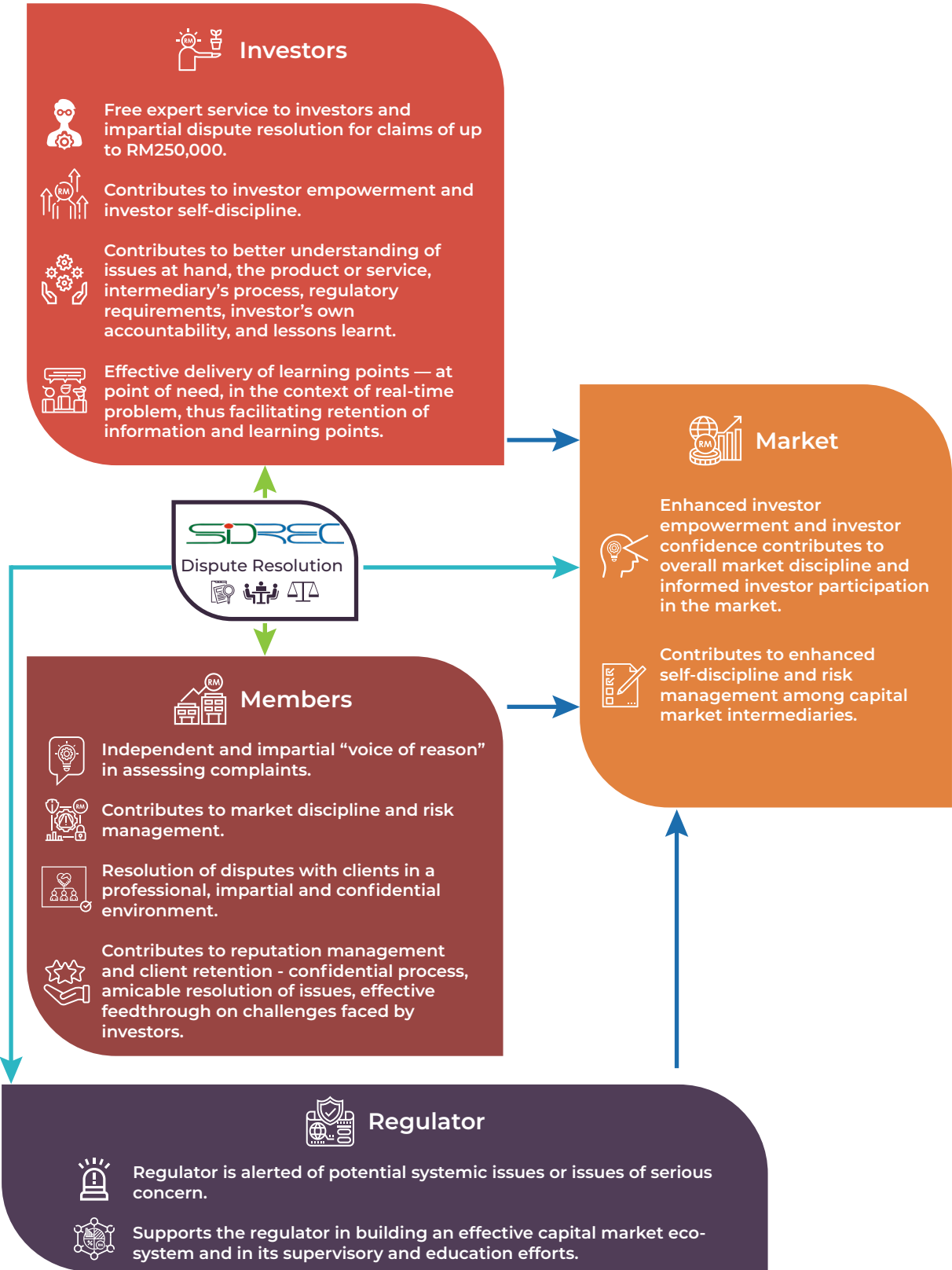
SIDREC's preferred approach to dispute resolution is inclusive, balanced and anchored in a process where confidentiality, openness and trust are observed at all times.



SIDREC's dispute resolution process is a continuation of the one initiated through a Member's in-house complaints management system but with the intervention of an independent and impartial body. It has a singular goal of resolving disputes based on facts, appreciation of the differing perspectives of each party and clarity as regards merits of each case.

Communication by Members to their clients or customers about SIDREC is an assurance, especially to retail investors, that Members are confident enough in their products and services to offer their clients or customers an independent and impartial avenue for redress, should a dispute arise.

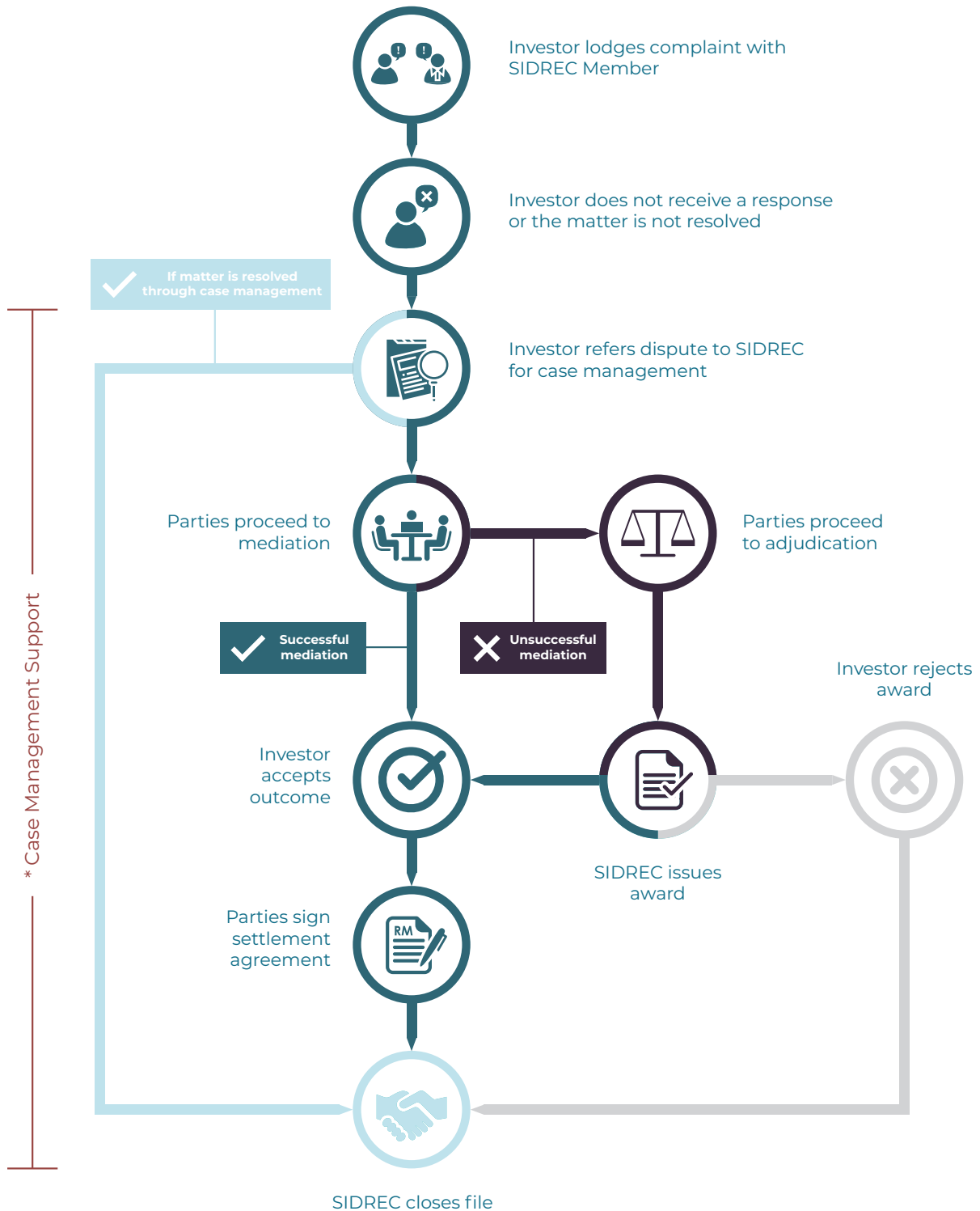
How SIDREC Benefits the Capital Market



How SIDREC Works

Mandatory Scheme

For Claims up to RM250,000

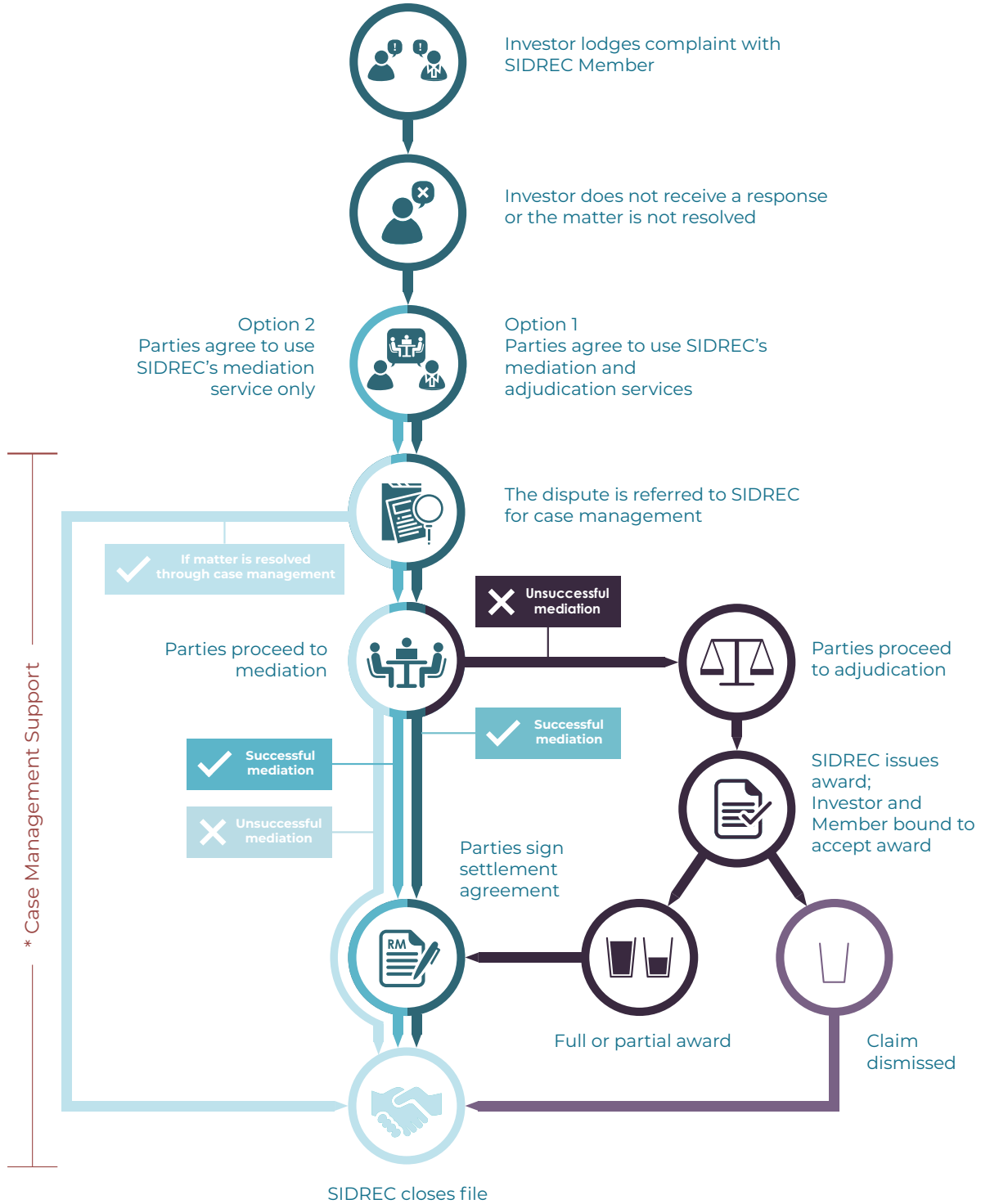


* Case Management Support
SIDREC's case managers assess the eligibility of disputes, review them and procure and verify the necessary information to facilitate a better understanding of the issues by both parties. The case manager also provides administrative support to all parties and is the point of contact and communication throughout the process. The mediative approach adopted by SIDREC makes it possible for parties to resolve their disputes and reach a settlement at any point before the issuance of an award.

How SIDREC Works

Voluntary Scheme

For Claims above RM250,000

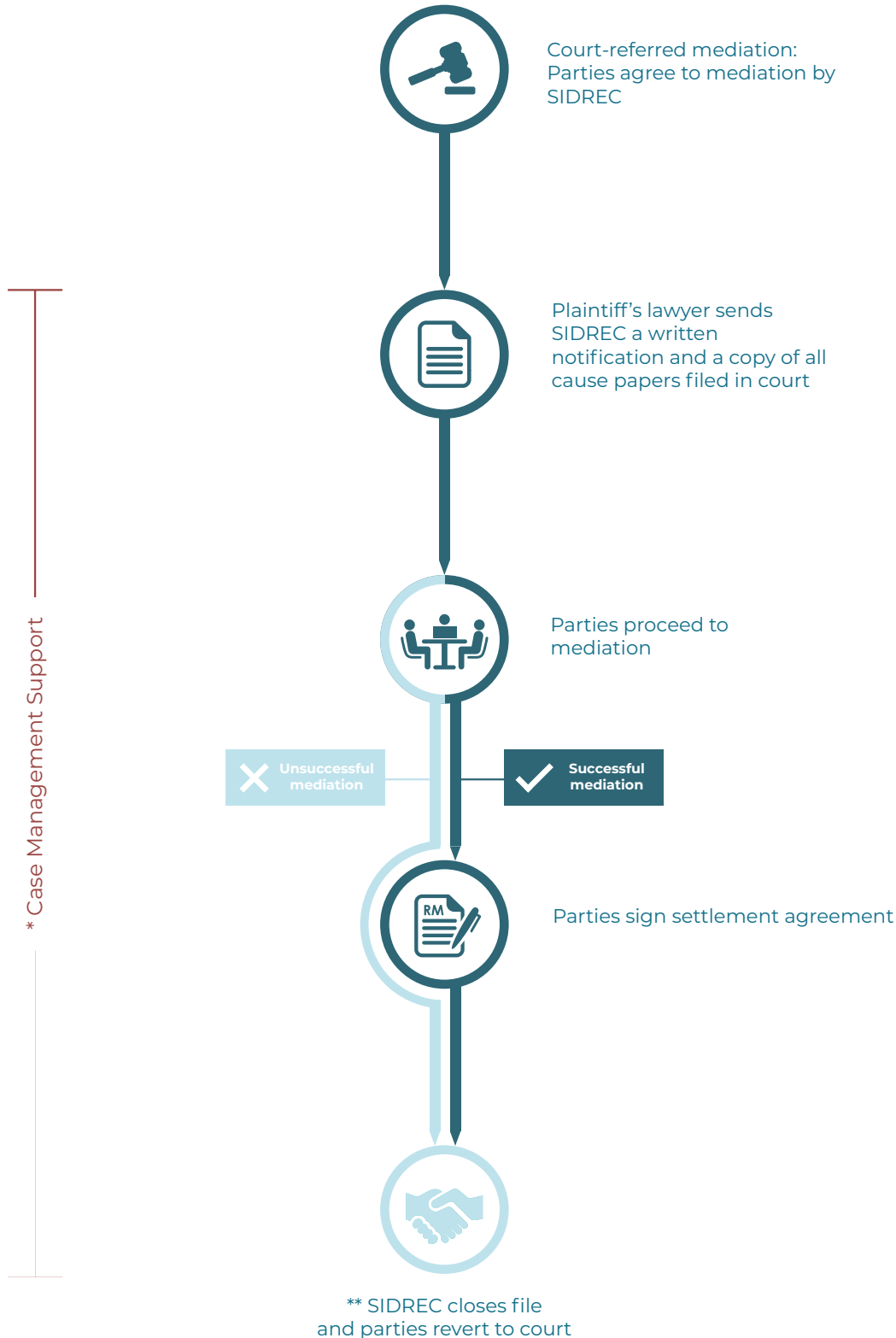


* Case Management Support
SIDREC's case managers assess the eligibility of disputes, review them and procure and verify the necessary information to facilitate a better understanding of the issues by both parties. The case manager also provides administrative support to all parties and is the point of contact and communication throughout the process. The mediative approach adopted by SIDREC makes it possible for parties to resolve their disputes and reach a settlement at any point before the issuance of an award.

How SIDREC Works

Voluntary Scheme

Court-Referred Mediation

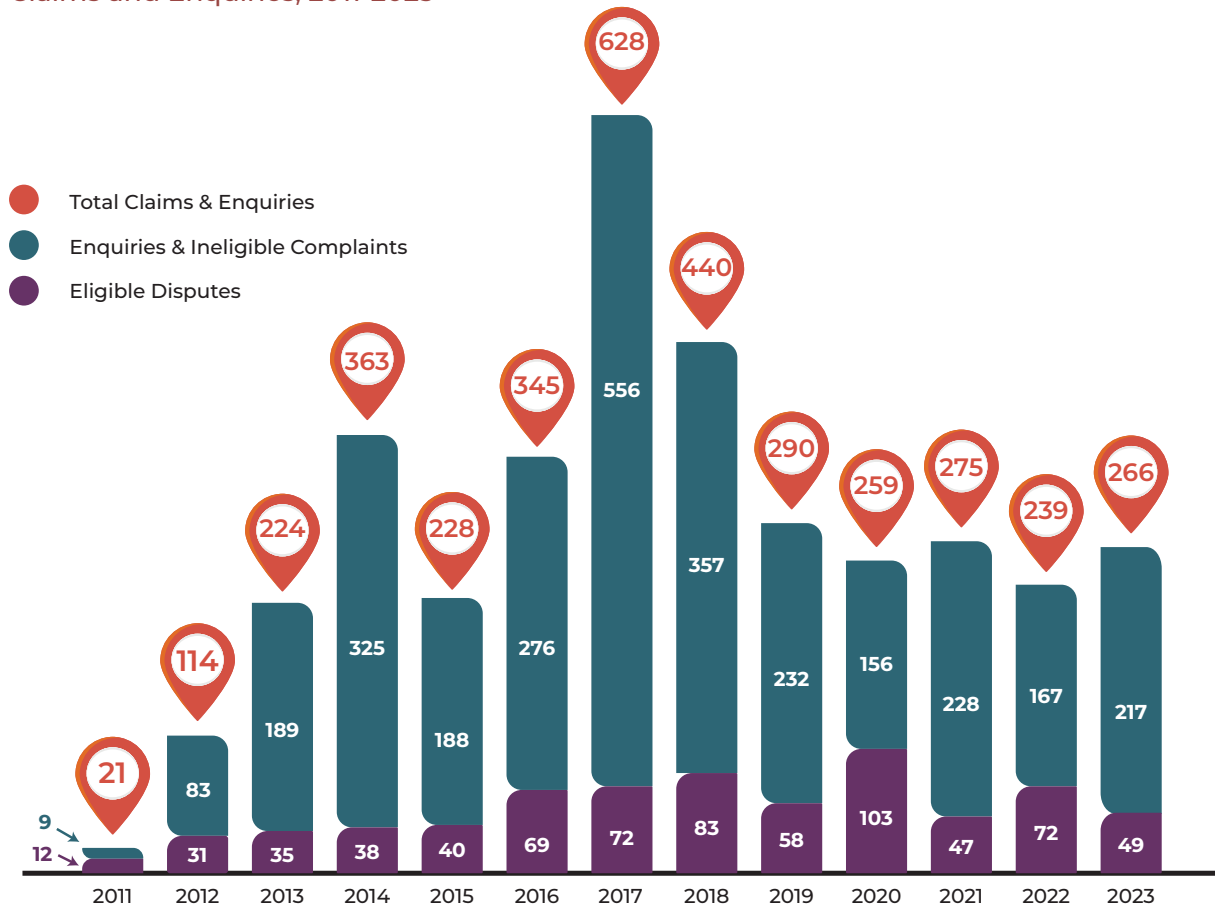


* Case Management Support
SIDREC's case managers provide administrative support to all parties and are the point of contact and communication throughout the process.

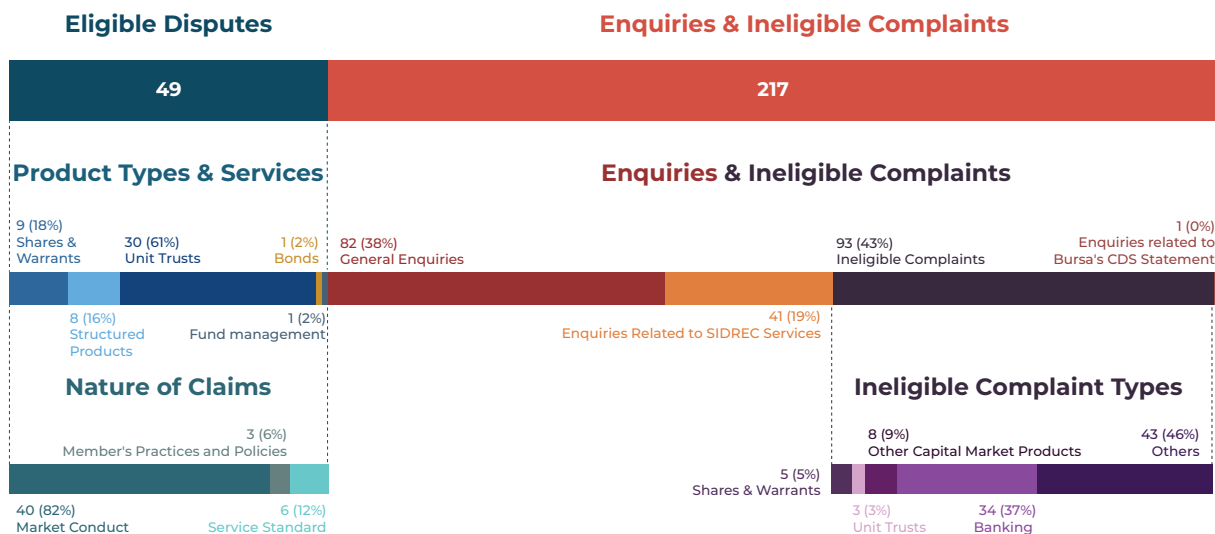
** SIDREC will be guided by the requirements set out in Practice Direction No. 4 of 2016 (Practice Direction on Mediation).

Dispute Resolution: Year in Review

Claims and Enquiries, 2011-2023



Claims and Enquiries, 2023



Overview

In 2023, SIDREC received a total of 266 claims and enquiries, comprising 49 eligible disputes and 217 enquiries. This marked an 11% increase in the overall number of claims and enquiries compared to the previous year. In 2022, SIDREC received a total of 239 claims and enquiries, which comprised 72 eligible disputes and 167 enquiries. Since its establishment to 2023, SIDREC has received a cumulative total of 3,692 claims and enquiries, comprising 709 eligible disputes and 2,983 enquiries.

Noteworthy observations that can be drawn from the total claims and enquiries received by SIDREC in 2023 include the following:

- The majority of eligible disputes were lodged during the first two quarters of 2023, maintaining the momentum from the increased number of disputes received in the last quarter of 2022; and
- In a significant development, the percentage of disputes filed by claimants residing outside of the Klang Valley exceeded those lodged by claimants within the Klang Valley for the first time since SIDREC's inception. This shift could possibly be due, in part, to SIDREC's focus on expanding its outreach activities beyond the Klang Valley during the year, facilitating connections with investors across Malaysia.

Who are SIDREC Members?

SIDREC Members are holders of a CMSL or Registered Persons under the CMSA who are authorised to carry out dealings in securities, derivatives and PRS as well as fund management services. They include banks, brokers, fund managers, unit trusts management companies, PRS providers and distributors and two specified DFIs.

SIDREC Members are obligated to participate in SIDREC's dispute resolution process for monetary claims not exceeding RM250,000.

What is an eligible dispute?

On receipt of a complaint, SIDREC's case managers will first consider whether it is an eligible dispute. A complaint is an eligible dispute if:

- It is made against a SIDREC Member;
- It involves a capital market product or service under SIDREC's purview;
- It is brought by an individual investor or sole proprietor; and
- It involves a monetary claim.

An eligible dispute will progress through SIDREC's dispute resolution process, comprising case management, mediation and adjudication.

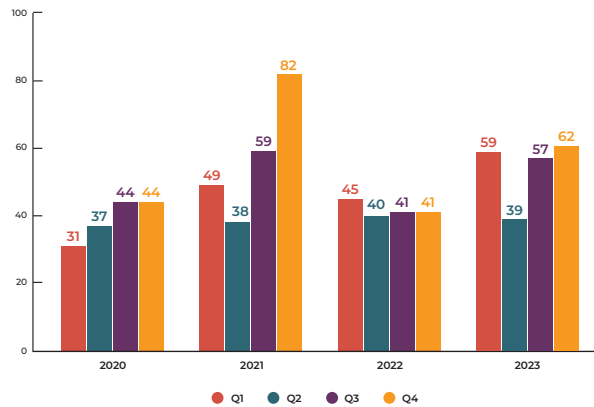
What are enquiries?

SIDREC receives enquiries from members of the public on various matters, including:

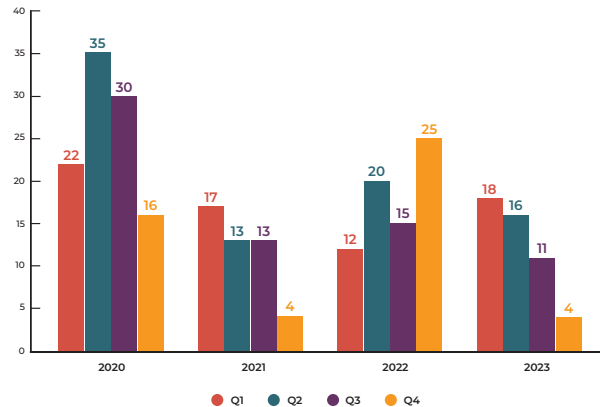
- SIDREC's dispute resolution services;
- Issues they may be experiencing regarding their investment(s); or
- Miscellaneous matters relating to the financial market or other unrelated matters.

In the event that the enquiry is not within SIDREC's purview, where appropriate, SIDREC will refer the inquirer to the relevant authority, agency or other points of help. SIDREC also takes these instances as opportunities to raise public awareness about the dispute resolution services it provides to investors, particularly retail investors.

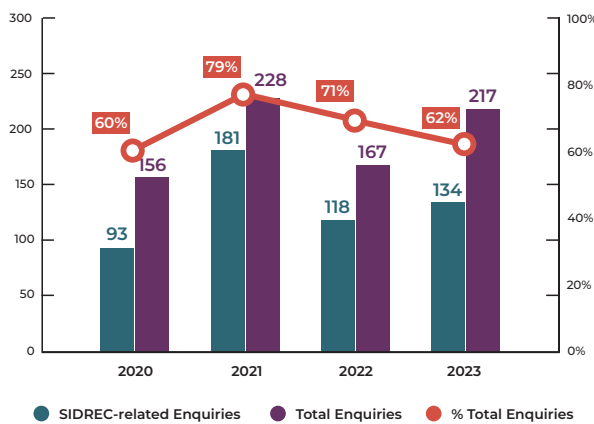
No. of Enquiries Received by SIDREC by Quarter, 2020-2023



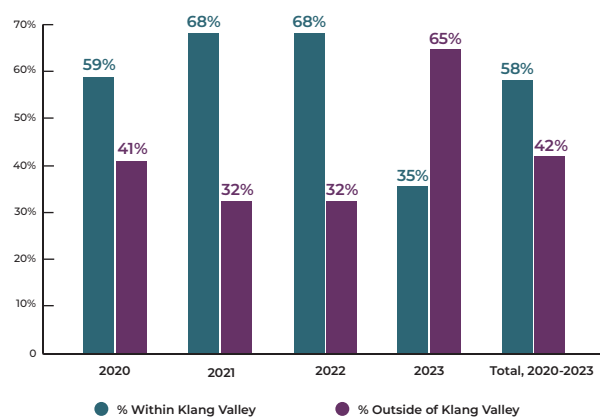
No. of Eligible Disputes Received by SIDREC by Quarter, 2020-2023



SIDREC-Related Enquiries, 2020-2023



Eligible Disputes Received by Geographic Location of Claimants, 2020-2023



Eligible Disputes by Type of Product or Service

In 2023, out of the 49 disputes received by SIDREC, 30 related to unit trusts, nine to shares and warrants, eight to structured products, one to bonds and one to fund management service.

Four notable observations can be made regarding the eligible disputes received by SIDREC in 2023 by product or service:

- **Unit Trust:** Disputes relating to unit trusts experienced a 25% increase from 24 disputes in 2022 to 30 in 2023 resulting in

such disputes accounting for 61% of the total eligible disputes received during the year;

- **Shares and Warrants:** Conversely, disputes related to shares and warrants demonstrated a downtrend in 2023, declining by 61% from 23 in 2022 to nine in 2023. Despite historically forming a substantial portion of received disputes, this category comprised only 18% of the total in 2023.
- **Structured Products:** Following a marked increase in the previous year, disputes linked to structured products

Eligible Disputes Received by Nature of Claim & Type of Product or Service, 2023

		Shares & Warrants	Structured Products	Unit Trusts	Derivatives	Bonds	Private Retirement Schemes	Fund Management	Total
Market Conduct	Fraud, defalcation or misappropriation	1	0	2	0	0	0	0	3
	Sales practices (includes mis-selling, bad advice, product unsuitability, inadequate disclosures)	0	8	25	0	1	0	0	34
	Unauthorised transactions or non-compliance with client instructions	2	0	0	0	0	0	0	2
	Others	1	0	0	0	0	0	0	1
	Sub-total	4	8	27	0	1	0	0	40
Service Standard	Delays, errors or glitches of online systems	0	0	0	0	0	0	0	0
	Delays, errors or lapses in disclosure	0	0	0	0	0	0	0	0
	Other delays or errors in process	3	0	2	0	0	0	1	6
	Sub-total	3	0	2	0	0	0	1	6
Member's Practices & Policies	Fees and charges	1	0	1	0	0	0	0	2
	Disclosure policy	0	0	0	0	0	0	0	0
	Product development and sales policy	0	0	0	0	0	0	0	0
	Others	1	0	0	0	0	0	0	1
	Sub-total	2	0	1	0	0	0	0	3
Total	9	8	30	0	1	0	1	49	

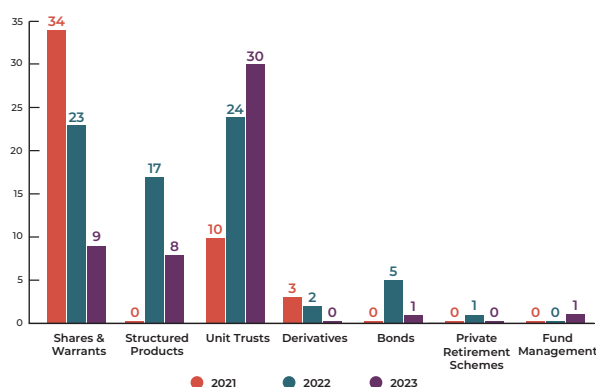
saw a decline of 53% from 17 disputes in 2022 to eight in 2023. This shift suggests a potential stabilisation after a period of heightened activity.

- **Fund Management:** A notable addition to the dispute landscape in 2023 was the emergence of a fund management-related dispute, marking the first instance of such a case since SIDREC's inception.

These observations reflect an apparent changing profile of disputes received by SIDREC, potentially mirroring shifts in Malaysia's retail capital markets. Traditionally, shares and warrants dominated the dispute landscape, while disputes regarding more complex products remained relatively

stable. However, the dynamics appeared to have evolved, with unit trusts now taking centre stage and new categories of disputes emerging.

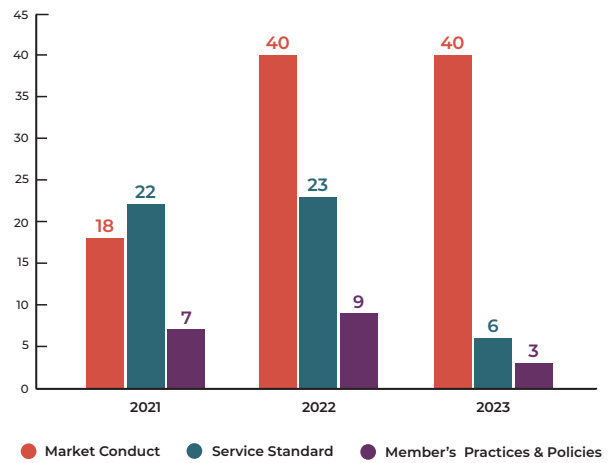
Eligible Disputes by Type of Product & Service, 2021-2023



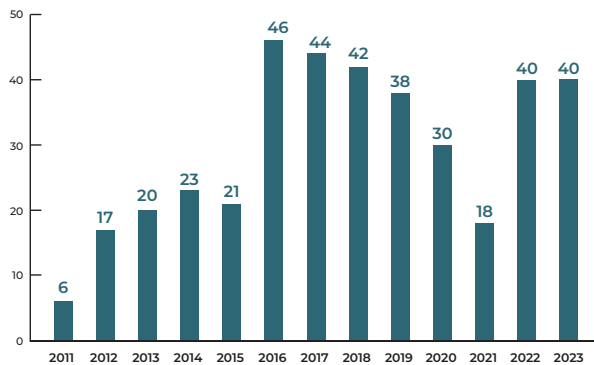
Eligible Disputes by Nature of Claims

In 2023, of the 49 eligible disputes received by SIDREC, 40 or 82% of the total disputes received focused on market conduct issues, six or 12% concerned service standards and the remaining three or six percent related to the practices and policies of SIDREC Members. This trend reinforces the indication of a return to the pre-COVID-19 pandemic pattern, where market conduct consistently emerged as the primary issue in disputes received by SIDREC in any given year.

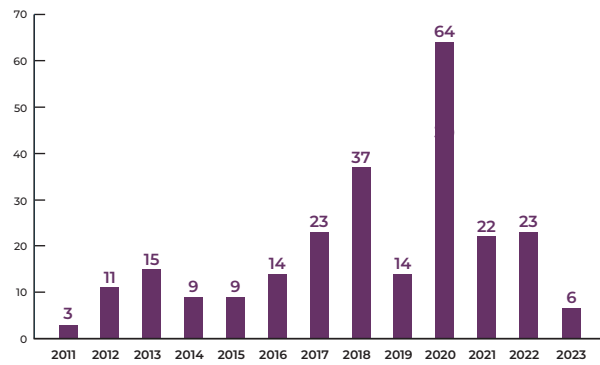
Eligible Disputes by Nature of Claim, 2021-2023



Market Conduct-Related Eligible Disputes, 2011-2023



Service Standard-Related Eligible Disputes, 2011-2023



Nature of Eligible Disputes

Eligible disputes are classified according to the nature of the issues raised. The following are the three main categories of eligible disputes, including specific examples of issues that fall under each category:

Market Conduct

- Fraud, defalcation or misappropriation
- Sales practices such as mis-selling, bad advice, product suitability, inadequate disclosures
- Unauthorised transactions or non-compliance with client instructions
- Others

Service Standard

- Delays, errors, or glitches in online system
- Delays, errors or lapses in disclosure
- Other delays or errors in process

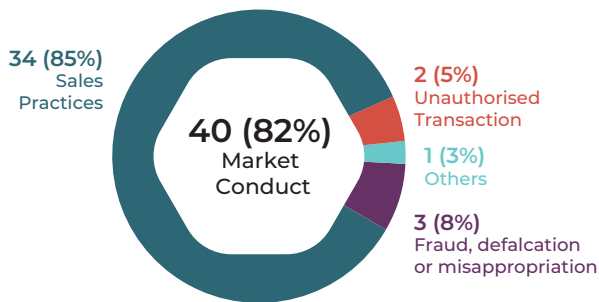
Member's Practices/Policies

- Fees and charges
- Disclosure policy
- Product development and sales policy
- Others

Eligible Disputes Relating to Market Conduct

Out of the 40 market conduct-related disputes received by SIDREC in 2023, 34 pertained to sales practices, three to fraud, defalcation, or misappropriation, two to unauthorised transactions or non-compliance with instructions, and one related to another conduct-related issue. Notably, sales practices-related disputes increased by 17% in 2023 from 29 disputes in 2022.

Eligible Disputes Relating to Market Conduct, 2023

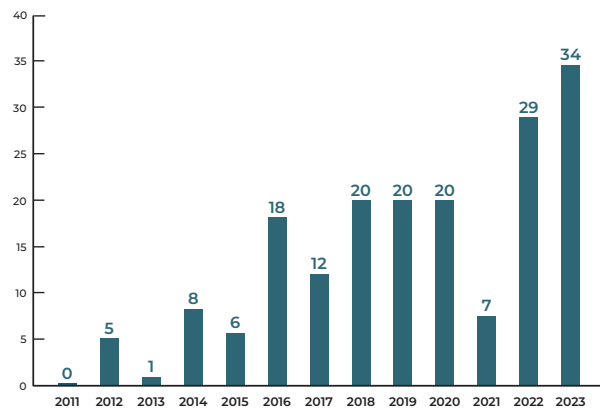


Consistent with previous trends, a significant number of the sales practices-related disputes received by SIDREC involved allegations of mis-selling, bad advice, inadequate disclosures, and unsuitability of investment products. As outlined in SIDREC's Annual Report 2022, these disputes predominantly stemmed from:

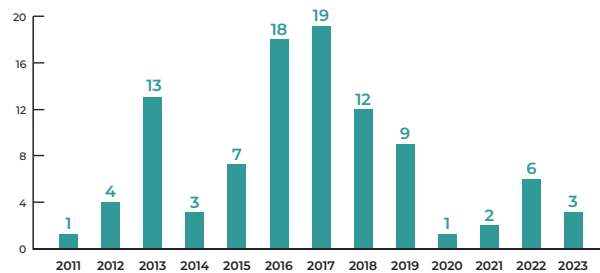
- Alleged misalignments between the risk profile of an investment and that of the investor; and
- Alleged misrepresentations of key features of an investment product, such as guaranteed principal protection or rate of return, potentially due to the overzealous promotion of a product.

These disputes underscore the importance of maintaining prudent and ethical sales

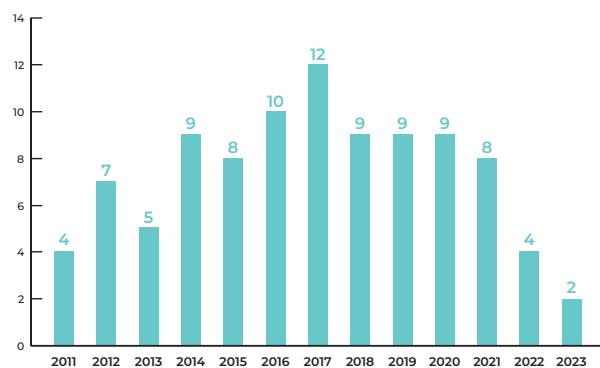
Eligible Disputes Related to Sales Practices, 2011-2023



Eligible Disputes Related to Fraud, Defalcation & Misappropriation, 2011-2023



Eligible Disputes Related to Unauthorised Transactions or Non-Compliance with Client Instruction, 2011-2023



practices among SIDREC Members. Similarly, investors are urged to diligently understand their investments, particularly the associated risks.

Of particular concern are disputes related to fraud, defalcation, or misappropriation. It is noteworthy that there was a 50% decrease in such disputes received by SIDREC in 2023 compared to the six in 2022. However, during his special address at the 30th Anniversary Dinner of FIMM on 29 November 2023, the SC Chairman, Dato' Seri Dr. Awang Adek Hussin, emphasised that any fraud by capital market players should not be tolerated.

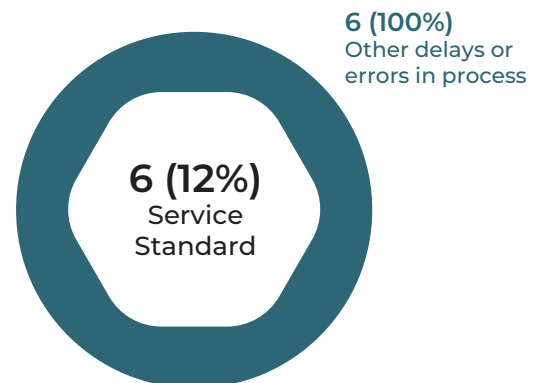
As highlighted by the SC Chairman, fraudulent activities can undermine trust and reputation within the capital market industry, hindering market development efforts as loss of investor confidence in the market and the safety of their investments can impede market growth. Therefore, SIDREC Members are urged to be extra vigilant in monitoring the emergence of fraudulent activities within their respective spheres.

Eligible Disputes Relating to Service Standards

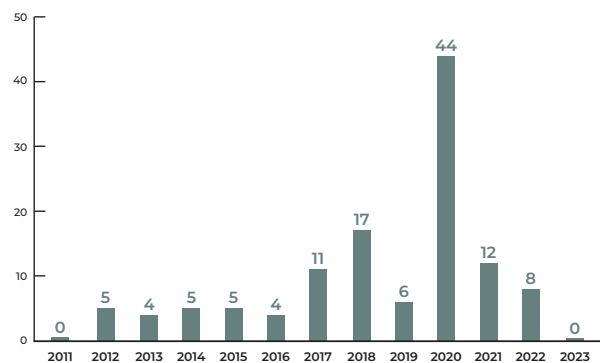
In 2023, there was a notable 74% decrease in the number of service standard-related eligible disputes received, dropping from 23 disputes in 2022 to six in 2023. This decline reinforces the trend of reducing disputes concerning online trading or investment platform glitches, with no disputes in this area received by SIDREC during the year. However, the received disputes underscore the potential necessity for clearer communication between SIDREC Members and their clients regarding periods of upgrades or maintenance as well as the

general limitations of online platforms offered – whether via the website or mobile applications. Ensuring clients are well-informed about these issues as a routine practice is crucial, particularly given the increasing digitalisation of finance and the corresponding rise in online scams. Equally important, while no disputes relating to online platform glitches were received in 2023, it remains crucial for SIDREC Members to maintain vigilance in ensuring the reliability, efficiency, accuracy, and security of their online platforms provided to investors.

Eligible Disputes Relating to Service Standards, 2023



Eligible Disputes Arising from Delays, Errors or Glitches with an Online Trading Platform, 2011-2023

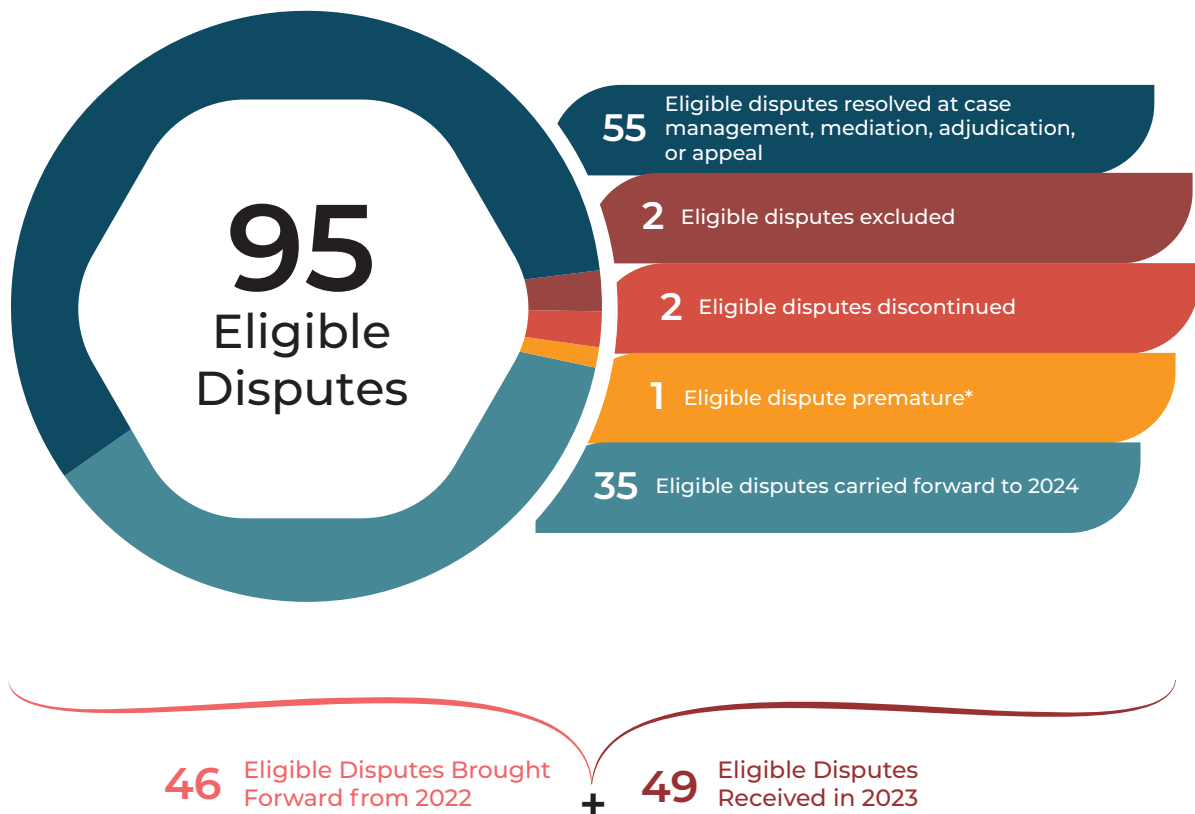


Resolution of Eligible Disputes, 2023

In 2023, SIDREC managed a total of 95 eligible disputes – 46 eligible disputes brought forward from 2022, and 49 eligible disputes received in 2023. The status of these eligible disputes is depicted in the diagram below:

SIDREC’s DRP includes case management, mediation and adjudication. Usually, a dispute can be resolved at any stage in the DRP. Additionally, SIDREC usually adopts a mediative approach in resolving disputes from the beginning until the close of a case. In 2023, this approach, along with capital market knowledge and expertise continued to be somewhat effective, as 73% (40 out of 55) of the eligible disputes in 2023 were resolved during the case management stage or through mediation.

Eligible Disputes Managed, 2023



* Under SIDREC’s TOR, one of the pre-conditions for filing a claim with SIDREC is that an investor must have filed a complaint against the relevant Member for the latter to first try to resolve the dispute via their internal dispute resolution process. Therefore, if a dispute is submitted “prematurely” to SIDREC, we will refer the claimant to the relevant Member in order to provide an opportunity for the parties to resolve their dispute without third-party intervention.

Defining Excluded Disputes

A claim initially assessed as an eligible dispute by SIDREC may be classified as an excluded dispute after receiving more information and documents from the parties to a dispute during the dispute resolution process. SIDREC's TOR* states that certain eligible disputes are outside the scope of SIDREC even though they meet the eligibility requirements.

The following is a condensed version of the relevant provisions in the TOR. The full TOR is available on SIDREC's website:

- i. Disputes involving a Member against which a winding up order has been made, or where the Member has been declared insolvent, or is a subject of a declaration of an event of default pursuant to the Rules of the Capital Market Compensation Fund Corporation;
- ii. Disputes arising from a commercial decision by the Member, e.g. product pricing, fees and charges or rejection of credit or margin applications;
- iii. Disputes related to product or investment performance (except for alleged non-disclosure or misrepresentation in relation to such product or investment);
- iv. Disputes that have been referred to a court or for arbitration, and the case has been decided or is pending in the court or arbitration unless the matter is stayed for the purpose of referral to SIDREC;
- v. Disputes involving matters under investigation by the SC or other enforcement authority, where SC has issued a direction to SIDREC not to proceed with its dispute resolution process; and
- vi. Any claim that is time barred under the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap. 72) or Limitation Ordinance (Sarawak) (Cap. 49).

**The relevant rules on Excluded Disputes as defined in SIDREC's TOR:*

Section A of SIDREC's TOR for Mandatory Scheme: Rule 8

Section B of SIDREC's TOR for Voluntary Scheme: Rule 44

Section C of SIDREC's TOR for Voluntary Scheme (Court-referred mediation): Rule 69

Discontinuance of SIDREC's Dispute Resolution Process

SIDREC may discontinue a dispute if a party fails to comply with SIDREC's request within the timeframe specified without reasonable excuse.

Rule 15.12 (Mandatory Scheme) and Rule 51.12 (Voluntary Scheme) of SIDREC's TOR

Where a Member or Eligible Claimant without reasonable excuse fails to provide or procure information or to take any other step requested by SIDREC within the timeframe specified, SIDREC may take the steps it considers reasonable in the circumstances.

This may include:

- i. proceeding with the resolution of the Eligible Dispute on the basis that an adverse inference may be drawn from that party's failure to comply with SIDREC's request; or
- ii. discontinuing the Dispute Resolution Process in the event that the Eligible Claimant fails to comply with SIDREC's request.

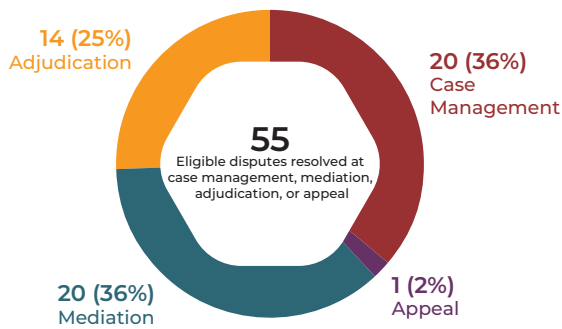
Dismissal of Disputes

Rule 15.2 (Mandatory Scheme) and Rule 51.2 (Voluntary Scheme) of SIDREC's TOR

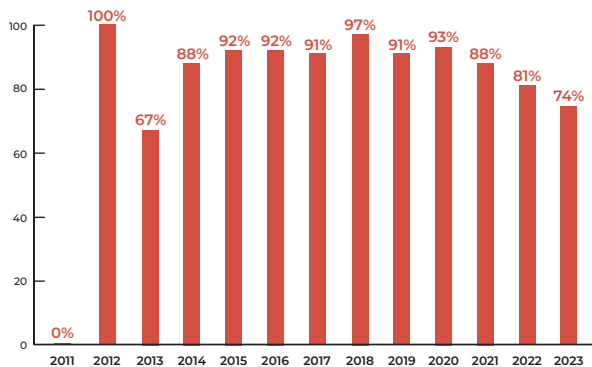
SIDREC may dismiss the dispute at any stage in the Dispute Resolution Process, where:

- i. there are compelling reasons why it is inappropriate for the dispute to be dealt with by SIDREC;
- ii. the claim is frivolous and vexatious; or
- iii. the claim is clearly unsustainable against a Member

Resolution of Eligible Disputes, 2023



Percentage of Disputes Resolved at SIDREC Prior to Adjudication Stage, 2011-2023



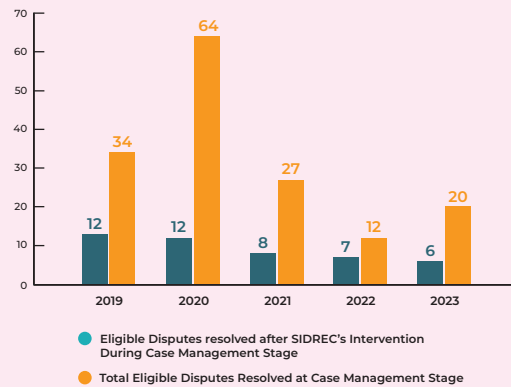
Resolution at Case Management

When a claimant files a claim with SIDREC, it is assigned to a case manager who assesses the eligibility of the claim. The case manager then reviews the facts of the claim and communicates with the claimant to understand their perspective. The case manager may also request for additional relevant documents or information from the claimant that has not been provided to SIDREC. Meanwhile, the case manager contacts the SIDREC Member concerned to obtain their response to the claim and any relevant documents or information to better understand the case.

Eligible Disputes Resolved After SIDREC's Intervention At Case Management

In 2023, a total of six eligible disputes, or 30% of the claims resolved at the case management stage, were settled after SIDREC intervened or provided a satisfactory explanation of the relevant issues to the parties involved.

Eligible Disputes Resolved after SIDREC's Intervention During Case Management Stage, 2019-2023



During case management, SIDREC's case managers thoroughly review available information to gain a better understanding of the issues from both parties' perspectives and then try to bridge the gap between them.

SIDREC has found that parties are more likely to settle a claim when they have a better understanding of the surrounding issues. To achieve this, SIDREC's case managers will first gather information and seek clarification from the parties to understand the facts involved. They will then help the parties to gain a clearer understanding of the relevant issues and facilitate communication between them, with the goal of reaching a mutually acceptable settlement.

The successful resolution of an eligible dispute during the case management stage can be attributed to the co-operation received from the parties and their willingness and ability to view the issues from each other's perspectives, with the assistance of SIDREC's case managers.

In 2023, 20, or 36% of the resolved eligible disputes, were resolved during the case management stage. The following table outlines the circumstances under which they were resolved or withdrawn:

Circumstances in the Resolution of the Eligible Disputes During Case Management	Number of Eligible Disputes
Resolved after SIDREC's intervention or claimant accepted SIDREC's explanation	6
Resolved without further intervention by SIDREC	0
Claimant decided to forgo claim	5
Claimant decided to pursue another avenue	5
Complaint deemed withdrawn; no response from claimant	0
Claim dismissed	4
Total Eligible Disputes Resolved during Case Management	20

Resolution at Mediation

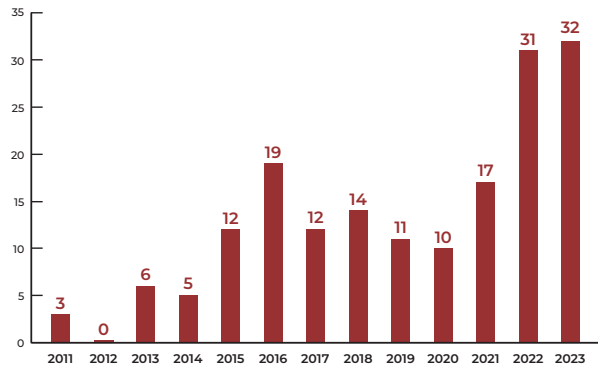
Mediation is a process in which a neutral third-party, known as a mediator, helps the claimant and the SIDREC Member to reach an agreement to settle their dispute. The mediation session is an informal discussion where both parties can ask questions and clarify any points, with the mediator facilitating the process but not making a decision. If a resolution is reached, a settlement agreement is signed by both parties.

In 2023, SIDREC achieved another record having mediated 32 eligible disputes, with 31 of them being mediated under the Mandatory Scheme and the remaining one under the Voluntary Scheme.

SIDREC successfully mediated 20 eligible disputes where 17 were settled at mediation,

and three were settled post mediation prior to adjudication.

Eligible Disputes Mediated at SIDREC, 2011-2023

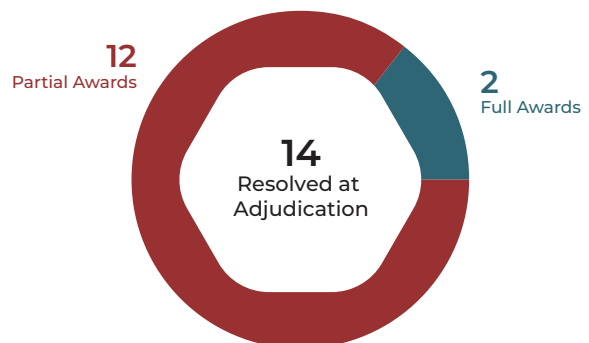


Resolution at Adjudication

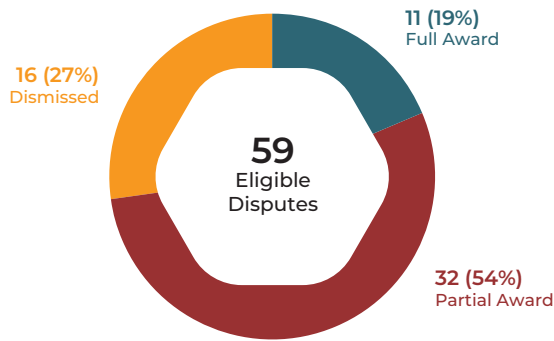
When parties are unable to resolve a dispute at the case management stage or through mediation, the case proceeds to adjudication if submitted under the Mandatory Scheme. Under the Voluntary Scheme, progression to adjudication occurs only if both parties agree to use SIDREC's adjudication services.

In 2023, in another record for SIDREC, 14 eligible disputes were resolved through adjudication, with 11 under the Mandatory Scheme and the remaining three under the Voluntary Scheme. Out of these 14 disputes, two resulted in full awards, while the remaining 12 were partial awards favouring the claimants.

Resolution at Adjudication, 2023

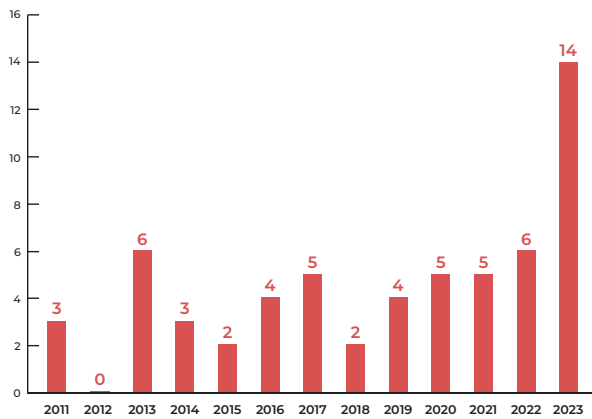


Adjudication Awards, 2011-2023



Timelines	Number of Claims
Within 90 working days	37
Between 91 and 120 working days	0
Over 120 working days	18

Eligible Disputes Resolved at Adjudication, 2011 - 2023



Of the 55 resolved eligible disputes, 67% (37 out of 55 eligible disputes) were resolved within the mandated timeline of 90 working days. The remaining 18 disputes took longer to resolve due to several factors including a lack of co-operation from the parties and the complexity of the cases. Parties are reminded to submit requested information and documentation within the time stipulated time to enable better efficiency and effectiveness in the management of claims lodged with SIDREC.

Conclusion

In 2023, SIDREC embarked on its consolidation journey with OFS while remaining steadfast in its commitment to fulfil its mandate of providing effective, impartial, and independent dispute resolution services to SIDREC Members and investors. These efforts, aligned with the DRP outlined in SIDREC’s current TOR, are anticipated to continue into 2024, albeit with a heightened focus on completing the consolidation process. Although the DRP of the new entity is expected to differ from that of SIDREC, the consolidation aims to forge synergies and establish a comprehensive one-stop dispute resolution centre for financial markets. As such, the entity is poised to continue positively impacting investor protection in Malaysia by delivering uninterrupted dispute resolution services for participants in the capital market.

Appeal to SIDREC Appeals Committee (SIAC)

In 2023, SIAC received two appeals. During the year, SIAC issued a decision for one appeal, while the decision for the second appeal is pending.

Efficiency and Effectiveness of SIDREC’s Dispute Resolution Process

SIDREC manages eligible disputes based on the overarching principles of fairness and reasonableness. It also aims to resolve disputes within 90 working days from the receipt of complete documentation and information from disputing parties.

Awareness and Capacity Building

In 2023, SIDREC continued its in-person awareness initiatives, building on the efforts that took place in the second half of 2022 following the gradual opening of the Malaysian economy. These initiatives aimed to boost visibility for SIDREC’s mediation and adjudication services as alternatives to court litigation in resolving capital market-related monetary disputes. Furthermore, efforts to enhance internal capacity for dispute resolution in the evolving capital market continued, along with initiatives to foster collaboration among SIDREC, SC, and OFS teams, following the disruptions caused by the COVID-19 pandemic in the previous years and the impending SIDREC/OFS consolidation.

Awareness

SIDREC’s awareness initiatives continued to be focused on the following three strategies:

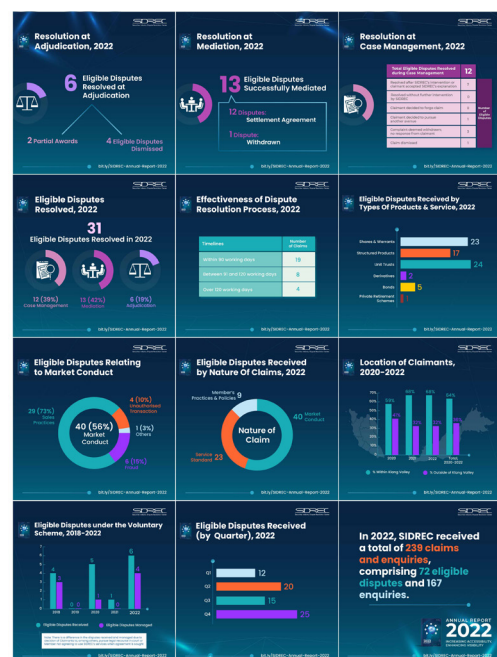
- SIDREC’s online presence;
- Engagements with SIDREC stakeholders; and
- Media exposure.

Additionally, in collaboration with the SC’s International Affairs Division, SIDREC shared its expertise with capital market regulators in different jurisdictions.

SIDREC’s online presence

SIDREC recognises the need for a robust online presence to engage with its audience in the digital age. As such, SIDREC has been utilising social media platforms to share information and updates with its stakeholders, a practice that continues in 2023.

Throughout the year, SIDREC’s social media posts covered a range of topics, including its dispute resolution services for the capital market, cautionary tales from cases, scam alerts, highlights from the 2022 Annual Report, and announcements of events and talks.



Social Media Series: SIDREC Annual Report 2022



Social Media Series: Investment Tips



Social Media Series: Fun Facts about SIDREC

In addition to these efforts, SIDREC supported four international social impact initiatives in 2023:

- International Women's Day (IWD) on 8 March:** SIDREC celebrated the contribution of women in finance, embracing the theme #EmbraceEquity and acknowledging the role men play in supporting the advancement of women in the field.
- World Telecommunication Day (WTD) on 17 May:** SIDREC contributed to raising awareness about the use of the internet and other forms of information and communication technologies to empower and improve the lives of various societal segments.
- Global Money Week (GMW) from 20-26 March:** SIDREC participated in this global campaign promoting financial awareness among young people. During GMW, SIDREC collaborated with OFS and The Simple Sum to create a comic titled "Red Flags to Watch Out for to
- World Investor Week (WIW) from 3 to 9 October:** In alignment with IOSCO's key messages for WIW 2023, SIDREC focused on investor education in Sustainable Finance, Fraud and Scam Prevention, and Crypto Assets.



Social Media posting on IWD



Social Media posting on GMW



PSA in conjunction with GMW



Social Media posting on WIW



Social Media posting on WTD

Engagements with SIDREC stakeholders

In 2023, SIDREC built upon its 2022 initiatives to boost awareness by striving to engage with a wider array of stakeholders. This included extending outreach beyond the Klang Valley to connect with investors throughout Malaysia, widening the channels of Members engagements and intensifying the number of engagements with a broader network of stakeholders.

Investor engagements

In 2023, SIDREC actively engaged in 23 investor outreach initiatives, conducted in-person (seven) and online (16), while also supporting the BIQ2023.

To begin its investor engagements for the year, on 22 February, in collaboration with the SC InvestSmart® team, SIDREC was interviewed by Dr. Adam Zubir on its role in the capital market and the dispute resolution services it provides investors. The interview was uploaded on Dr Adam's YouTube channel on 23 March and has since garnered nearly 5,000 views.



SIDREC's CEO with Dr. Adam Zubir

On 21 March, SIDREC spoke at the "Investing Responsibly and with Confidence" online financial literacy programme organised by FIMM in conjunction with GMW. The programme aimed to arm investors with knowledge of the types of investor protection

mechanisms available in the Malaysian capital market.



SIDREC on Investing Responsibly and with Confidence

On 1 and 2 April, SIDREC participated as an exhibitor at the PJ Startup Festival. The annual festival features start-up companies, government agencies, venture capital partners, private equity firms, banks and technology providers and seeks to enhance public awareness of the domestic start-up eco-system. The 2023 festival was held at Dewan Sivik MBPJ. SIDREC also spoke at a "pocket talk" session on 2 April regarding its dispute resolution services.



SIDREC at PJ Startup Festival 2023

From 11 May to 7 December, SIDREC partnered with Bursa Malaysia in the Bursa Investor Education Series 2023. The series offer an informal yet comprehensive learning experience covering equities — both conventional and Islamic — as well as derivatives. It is a learning resource that is open and free to all, with content structured and presented in English, Bahasa Malaysia, and Mandarin. SIDREC spoke briefly to participants about its role in the capital

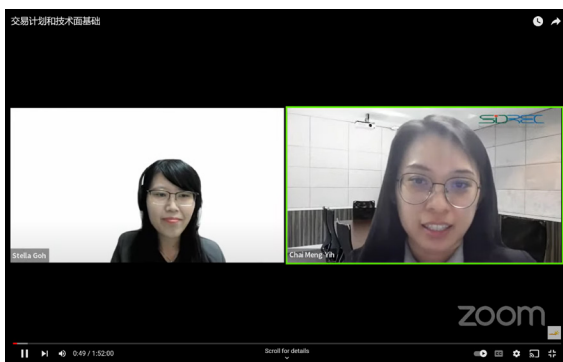
market at the start of a webinar. Throughout the year, SIDREC spoke in a total of 13 slots.

SIDREC also partnered with Bursa Malaysia for the BIQ2023 from 23 May to 6 June. With the aim of enhancing financial literacy among the nation's youth, the BIQ reaches out to youths between 18 to 25 years of age to increase their knowledge and understanding of the capital market, its products, and the availability of investor protection mechanisms. The preliminary round of the BIQ2023 took place on 23 May, the semi-finals on 30 May and the grand finale on 6 June. SIDREC played a role in contributing questions to the quiz for both secondary and university students.

From 26 to 28 May, SIDREC participated as an exhibitor at the SC's Bersama InvestSmart® @ Penang 2023. Held at Queensbay Mall, Penang, the event sought to empower investors and financial consumers to make more informed financial decisions and raise awareness about scams and illegal investment schemes. SIDREC was also a speaker at the event, sharing how its services can benefit investors.

On 5 July, SIDREC spoke at the webinar on the SC Guidelines on Conduct for Capital Market Intermediaries for Good Business Conduct and Corporate Culture organised by the Securities Industry Development Corporation (SIDC).

On 5 August, SIDREC participated as an exhibitor at the Bursa Marketplace Fair 2023. Held in Johor, this annual event aims to educate and enhance investors' understanding and knowledge of the capital market.



SIDREC on Bursa Investor Education Series 2023



SIDREC at Bersama InvestSmart® @ Penang 2023



SIDREC at Bursa Marketplace Fair 2023



SIDREC at MSAM2023



SIDREC at FIMMAC2023



SIDREC at KCK



SIDREC at InvestSmart Fest

In October, SIDREC participated in a number of outreach programmes organised in conjunction with the Financial Literacy Month 2023 (FLM2023). From 2 to 8 October, SIDREC returned to the north of Peninsular Malaysia when it participated in PNB's Minggu Saham Amanah Malaysia (MSAM). PNB, the Government of Malaysia's largest fund management company, organises this programme with the objective of educating and enhancing the public's understanding of savings and investment while showcasing the fund's portfolio of companies and their business operations. The MSAM2023 was held in Bertam, Penang. SIDREC partnered with the SC at this event to provide visitors to the event with information on SIDREC and its services.

On 17 October, SIDREC participated as an exhibitor at FIMM's Annual Convention 2023 (FIMMAC2023) before heading back to the south of Peninsular Malaysia to participate as an exhibitor, in the Karnival

Celik Kewangan (KCK) organised by BNM in collaboration with Financial Education Network (FEN) members and partners from 27 to 29 October. Held in AEON Kulajaya Mall, the KCK Johor marked the finale of the FLM2023.

To conclude the year, from 17 to 19 November, SIDREC exhibited at the SC InvestSmart Fest 2023 held in the KL Convention Centre.

Members' engagements

In 2023, SIDREC continued to encourage its Members to share information about SIDREC on their websites and display it at their premises. SIDREC appreciates the co-operation of all Members in responding to this initiative. Additionally, SIDREC maintained direct engagement with Members through various channels.

On 15 March, SIDREC served as a guest speaker at the "A Day Out with the Experts"



SIDREC as speaker at AFFIN Bank programme

programme, organised by Affin Bank Berhad in collaboration with Agensi Kaunseling dan Pengurusan Kredit (AKPK) and OFS. The event, held at Menara AFFIN@TRX, Kuala Lumpur, focused on promoting financial education and increasing awareness about independent redress mechanisms for addressing disputes with financial service providers. SIDREC provided insights, shared information about its services, and presented a case study to the target audience.

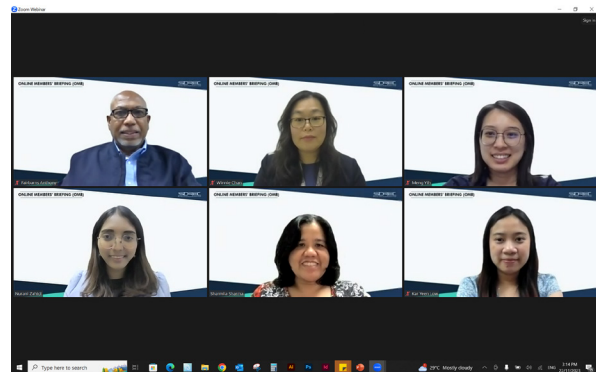
On 18 April, SIDREC conducted its 13th Annual General Meeting (AGM) in person at the SC Conference Hall 2. The key agenda of the AGM was to provide updates to SIDREC Members regarding the ongoing consolidation with OFS. Attended by 78 Members, the AGM saw active participation from corporate representatives whose queries included the potential impact of the SIDREC/OFS consolidation on SIDREC Members.

On 24 November, SIDREC held its Members briefing for the year. The Members' briefing took place virtually via Zoom. Attended by 217 participants from 116 Members, the briefing was well received with Members inviting SIDREC to hold engagement sessions, particularly with their sales teams.

In addition to direct group engagements with SIDREC Members, SIDREC conducted



SIDREC's 13th AGM



SIDREC's Online Members' Briefing

two Virtual Coffee with SIDREC sessions during the year. The Virtual Coffee with SIDREC initiative involves one-on-one online engagements between SIDREC and its Members. Initiated in 2022, this effort aimed to reconnect with Members after more than two years of operating in a pandemic environment. In 2023, the initiative served as a platform for engaging with Members who actively sought to enhance their understanding of SIDREC's role in the capital markets.

Other stakeholder engagements

In 2023, building on the momentum of 2022, SIDREC continued to intensify its outreach to a broader network of stakeholders by participating in 13 key initiatives.



1st UM Outreach Initiative Programme



SIDREC at #NoFOMO Social Wellness Challenge 2022/23



Outreach Initiative with MITI and Angkasa



CGC Developmental Programme

On 13 January, SIDREC collaborated with the Law Faculty of the Universiti Malaya (UM) to provide students from various semesters with deeper insights into alternative dispute resolution as well as the opportunity to gain valuable knowledge from the first-hand experiences of industry practitioners. SIDREC’s Chairman, Dato’ Mah Weng Kwai, delivered the speech during the event titled “Alternative Dispute Resolution: The Appropriate Means to An End”. The programme received positive feedback from the students, who appreciated the insights shared by a reputable figure in the legal industry.

On 31 January, SIDREC participated as a speaker and an exhibitor in the programme titled “Penyelesaian Pertikaian Alternatif dalam Pasaran Modal” at the Program Kesedaran Pemilikan Saham Khas Bumiputera untuk Koperasi dengan Kerjasama MITI dan Suruhanjaya Koperasi Malaysia (SKM).

On 8 February, SIDREC participated in the #NoFOMO Social Wellness Challenge 2022/23, organised by the Life Insurance Association of Malaysia (LIAM), a partner of the FEN. Targeting tertiary students nationwide, the initiative sought to promote financial wellness habits, creativity and innovation while emphasising the importance of financial planning and protection.

On 21 February, SIDREC participated in the CGC Developmental Programme - Networking Session, organised by Credit Guarantee Corporation Malaysia Berhad (CGC) as part of its FEN initiative. At the networking session, SIDREC took the opportunity to distribute its brochures and spoke briefly about its services, alongside OFS.

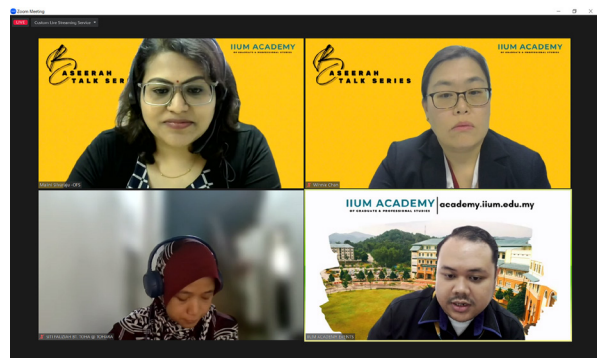
On 14 March, SIDREC hosted a visit from the Islamic Banking and Finance Institute Malaysia (IBFIM) that had the aim of



SIDREC at Program Kerjasama Korporat anjuran Bahagian Pengurusan Sumber Manusia



2nd UM Outreach Initiative Programme



IUM Baseerah Talk Series

increasing the co-operation between IBFIM and SIDREC.

On 16 March, SIDREC participated as a speaker and an exhibitor at the *Program Kerjasama Korporat Anjuran Bahagian Pengurusan Sumber Manusia, Pejabat Setiausaha Kerajaan Negeri Perak* alongside OFS and AKPK.

On 9 June, SIDREC held a second engagement with the UM Law Faculty through the organisation of a workshop in collaboration with OFS. The programme, titled “Market Marvel: Fascinating Insights into Capital Markets, Dispute Resolution & Financial Services Ombudsman”, provided UM law students with practical exposure to cases handled by SIDREC and OFS and offered a unique perspective on alternative dispute resolution by ADR bodies.

On 15 June, SIDREC attended the International Institutional Investor Series 2023 titled “Beyond the Norm: Embracing

New Opportunities for Resilient Returns” organised by the Malaysian Association of Asset Managers (MAAM). The event aimed to provide Malaysian investors, fund managers, bankers, and brokers with updated information on new developments in the fund management industry.

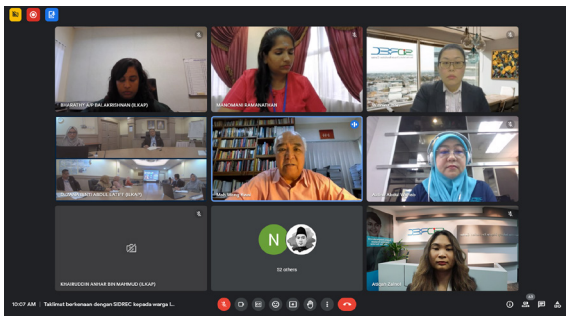
On 27 July, SIDREC collaborated with another educational institution, International Islamic University Malaysia (IIUM), in a virtual event. The programme, titled “The Alternative Financial Dispute Resolution Avenue” by OFS and “Alternative Dispute Resolution in the Capital Market” by SIDREC, offered participants the opportunity to gain greater insight into ADR and basic understanding of the capital market. Senior Case Managers from both organisations had an opportunity to share insights into cases they have handled. The participants included students from various stages of the undergraduate and post-graduate programmes as well as faculty members.



SIDREC at MITI Day



SIDREC on ADR Week 2023



Outreach Initiative with ILKAP

On 5 August, as part of its engagement with MITI, SIDREC exhibited at MITI Day that was held at Dewan Raja Muda Musa, Shah Alam. The objective of the event was to encourage Bumiputra investors to invest through MITI's *Saham Khas Bumiputra*. SIDREC also had the opportunity to give a talk to the audience during the event with titled "*Saham oh Saham... ke mana tempatku untuk mengadu oleh SIDREC*".

On 22 August, SIDREC continued its outreach programme in collaboration with Institut Latihan Kehakiman dan Perundangan (ILKAP). The objective of this programme was to create awareness among the ILKAP community about SIDREC's alternative dispute resolution services. During the virtual event, SIDREC's Chairman, delivered the welcome remarks, and a Senior Case Manager from SIDREC presented a talk titled "*Penyelesaian Pertikaian Alternatif dalam Pasaran Modal*."

From 25-26 August, SIDREC participated in the Asia ADR Week 2023 as a Supporting Organisation. The ADR Week featured the

captivating theme, "PRISM: The Spectrum of ADR" and provided insightful discussions in the field of ADR.

Media exposure

The media plays for a crucial role as a stakeholder, and SIDREC expresses gratitude to members of the media for their assistance in highlighting SIDREC and alternative dispute resolution through their editorial and news publications. In 2023, SIDREC received coverage in prominent outlets such as BERNAMA, MalayMail, Business Today, Buletin TV3 and StarBiz.

Moreover, in collaboration with the SC, SIDREC developed a Public Service Announcement (PSA) crawler for television and radio broadcasts. Under the supportive auspices of the Ministry of Communications and Digital, the crawler was featured on all national TV channels during the news segments and aired on radio stations for a duration of three months, from 26 June to 22 September 2023.

International Engagements

In 2023, SIDREC co-hosted the 2023 INFO Network Members Conference with OFS at the Grand Hyatt, Kuala Lumpur after three postponements since 2020 due to the COVID-19 pandemic. The Conference was a tremendous success with participation from financial-related ADR bodies within financial services from around the world.



**Suruhanjaya Sekuriti
Securities Commission
Malaysia**

SC CONTINUES EFFORT IN PROTECTING INVESTORS WITH HOLISTIC PRONGED APPROACH

KUALA LUMPUR, March 27 (Bernama) – The Securities Commission (SC) continued its holistic multi-pronged approach in protecting and enhancing investor confidence in the capital market.

The Chairman of the SC, Datuk Seri Ahmad Ibrahim, said the SC set up an internal task force to accelerate investigations and actions against potential financial perpetrators.

"The SC employed a three-pronged approach including representing investors as well as taking them directly to the court. As an enforcement agency, the SC has a wide range of tools at its disposal and employs them effectively taking into account the interests of investors, possibility of recovery of monies, time and cost involved," said the report.

In addition, to combat the growth of investment scams and clone firms, the SC set up an internal task force to accelerate investigations and actions against potential financial perpetrators.

Meanwhile, the Securities Industry Dispute Resolution Centre (SIDREC), an independent and impartial dispute resolution body for the SC, has taken the resolution of monetary disputes between retail investors and market intermediaries in an accessible, efficient and effective manner to address the investor protection by affording investors access to settlement of disputes through case manager assistance without the need to initiate expensive litigation.

In 2022, SIDREC received 239 claims and enquiries, out of which 72 were eligible disputes (30.1%) claims and enquiries, of which 47 cases (64.9%) were resolved (65.4% of 72) of the eligible disputes resolved in 2022 were resolved through case management and mediation with 46.1% cases resolved through arbitration.

—BERNAMA

The screenshot shows an article from Malay Mail dated 27 March 2023. The headline is "SIDREC provides alternative dispute resolution services for investors". The article states that investors can now access alternative dispute resolution services to help settle monetary disputes with their licensed capital market providers through the Securities Industry Dispute Resolution Centre (SIDREC). It highlights that SIDREC is an independent body established for the resolution of disputes between investors and licensed capital market providers, and that it offers various services including mediation, arbitration, and conciliation. The article also notes that SIDREC is a member of the International Network of Financial Dispute Resolution Centres (INFODREC).

SIDREC provides alternative dispute resolution services for investors

KUALA LUMPUR: Suruhanjaya Sekuriti (SC) membolehkan peminat berkecuali untuk menyelesaikan masalah mereka dengan penyedia perkhidmatan pasaran modal yang berlesen melalui perkhidmatan penyelesaian pertikaian alternatif yang disediakan oleh SIDREC.

Dalam Laporan Tahunan 2022 yang dikeluarkan hari ini, SC berkata ia juga memuncak usahanya untuk mempercepatkan proses penyelesaian pertikaian pelabur yang baik, serta mengawal risiko.

"SC terus giatkan pendekatan tiga fasa yang meliputi: menyalut, menegakan dan memulihkan secara berseparai untuk meningkatkan keyakinan pelabur dalam pasaran modal.

"Sebagai salah satu agensi pengawalaturan, SC mempunyai peranan yang penting dalam memastikan bahawa pasaran modal Malaysia beroperasi dengan adil dan berkeadilan. Sebagai penyedia perkhidmatan penyelesaian pertikaian alternatif, SIDREC memainkan peranan yang penting dalam memastikan bahawa proses penyelesaian pertikaian pelabur yang baik, serta mengawal risiko.

Dalam mempromosikan penyelesaian pertikaian alternatif, SIDREC telah mengadakan seminar dan bengkel kepada pelabur dan penyedia perkhidmatan pasaran modal. SIDREC juga telah mengadakan bengkel kepada pelabur dan penyedia perkhidmatan pasaran modal untuk meningkatkan pemahaman mereka mengenai penyelesaian pertikaian alternatif.

Sementara itu, SIDREC telah memperkenalkan perkhidmatan penyelesaian pertikaian alternatif yang berkesan dan efisien. Perkhidmatan penyelesaian pertikaian alternatif ini membolehkan penyelesaian pertikaian berseparai antara pelabur dan penyedia perkhidmatan pasaran modal dengan lebih pantas dan berkesan.

Kelompok SIDREC membolehkan bank perantara pelabur dengan membuat akaun kepada pelabur dengan lebih pantas yang membolehkan penyelesaian pertikaian berseparai yang berkesan, tanpa memerlukan proses penyelesaian pertikaian yang mahal.

Pada 2022, SIDREC menerima 239 tuntutan dan pertanyaan, di mana 72 adalah pertikaian yang layak (30.1%) tuntutan dan pertanyaan, di mana 47 kes (64.9%) telah diselesaikan (65.4% of 72) of the eligible disputes resolved in 2022 were resolved through case management and mediation with 46.1% cases resolved through arbitration.

"SIDREC adalah agensi penyelesaian pertikaian alternatif yang berkesan dan efisien. SIDREC memainkan peranan yang penting dalam memastikan bahawa proses penyelesaian pertikaian pelabur yang baik, serta mengawal risiko."

Monday, 27 Mar 2023 5:39 PM MYT

KUALA LUMPUR, March 27 — Investors have access to alternative dispute resolution services to help settle monetary disputes with their licensed capital market provider through the Securities Industry Dispute Resolution Centre (SIDREC).

Set up by the Securities Commission (SC), SIDREC is an independent body established for the settlement of disputes between investors and its members dealing in securities, derivatives, unit trusts, private retirement schemes and fund management.

SIDREC's exposure in the media



SIDREC at INFO Network 2023



SIDREC with the State Securities Commission of Vietnam

Additionally, SIDREC, in collaboration with the SC's International Affairs Division, shared its expertise and experience in dispute resolution within the capital market with regulators from other jurisdictions. On 18 May, SIDREC engaged in a knowledge-sharing session with the Securities and Exchange Commission of Nigeria, followed by another insightful session with the State Securities Commission of Vietnam on 6 December.

During these engagements, SIDREC disseminated valuable insights and practical

experiences related to effective dispute resolution mechanisms in the realm of capital markets. The engagements were marked by a dynamic exchange of ideas and constructive queries between parties, thus enhancing the understanding of the retail investor experience in the various jurisdictions. The interactions not only showcased SIDREC's commitment to fostering international co-operation but also underscored the significance of shared knowledge in advancing the field of dispute resolution within the global and regional capital market landscape.

Capacity Building

In 2023, SIDREC intensified team capacity building, focusing on operational and dispute resolution skills. The programmes aimed to solidify SIDREC’s foundation, foster teamwork, and, notably, ensure the preservation of the interest of the capital market in the impending consolidation with OFS.

Safeguarding SIDREC’s dispute resolution services

In 2023, SIDREC continued with the implementation of three key capacity building programmes to enhance its internal capabilities for navigating the complexities of dispute resolution in the evolving capital market.

First, continuing the robust execution of the structured competency framework for SIDREC’s case managers throughout the year. Case managers were actively encouraged to complete relevant SIDC examination modules and accredited mediation courses offered by the Malaysian International Mediation Centre.

Second, building on the success of the 2022 Capital Market Training Program (CMT), SIDREC introduced two specialised in-house training programmes. The first, “Master Class on Resolving Structured Products Disputes,” occurred on 28 February and 6 September. The second involved a Luncheon Talk by Bursa Malaysia and Kapital DX Sdn Bhd, with both organisations providing insights into their innovative offerings to individual investors. These programmes were aimed at ensuring that SIDREC continuously enhance its knowledge and expertise against the backdrop of a dynamic capital market landscape.

Lastly, SIDREC hosted its flagship Annual Roundtable Discussion (RTD) on 25 July, themed “Embracing Change.” The RTD serves to create a secure platform for members of the SIDREC Appeals Committee and Panel, along with SIDREC Case Managers, to exchange experiences, discuss improvements, and strategies for the future in view of the imminent consolidation of SIDREC and OFS.



SIDREC’s Luncheon Talk

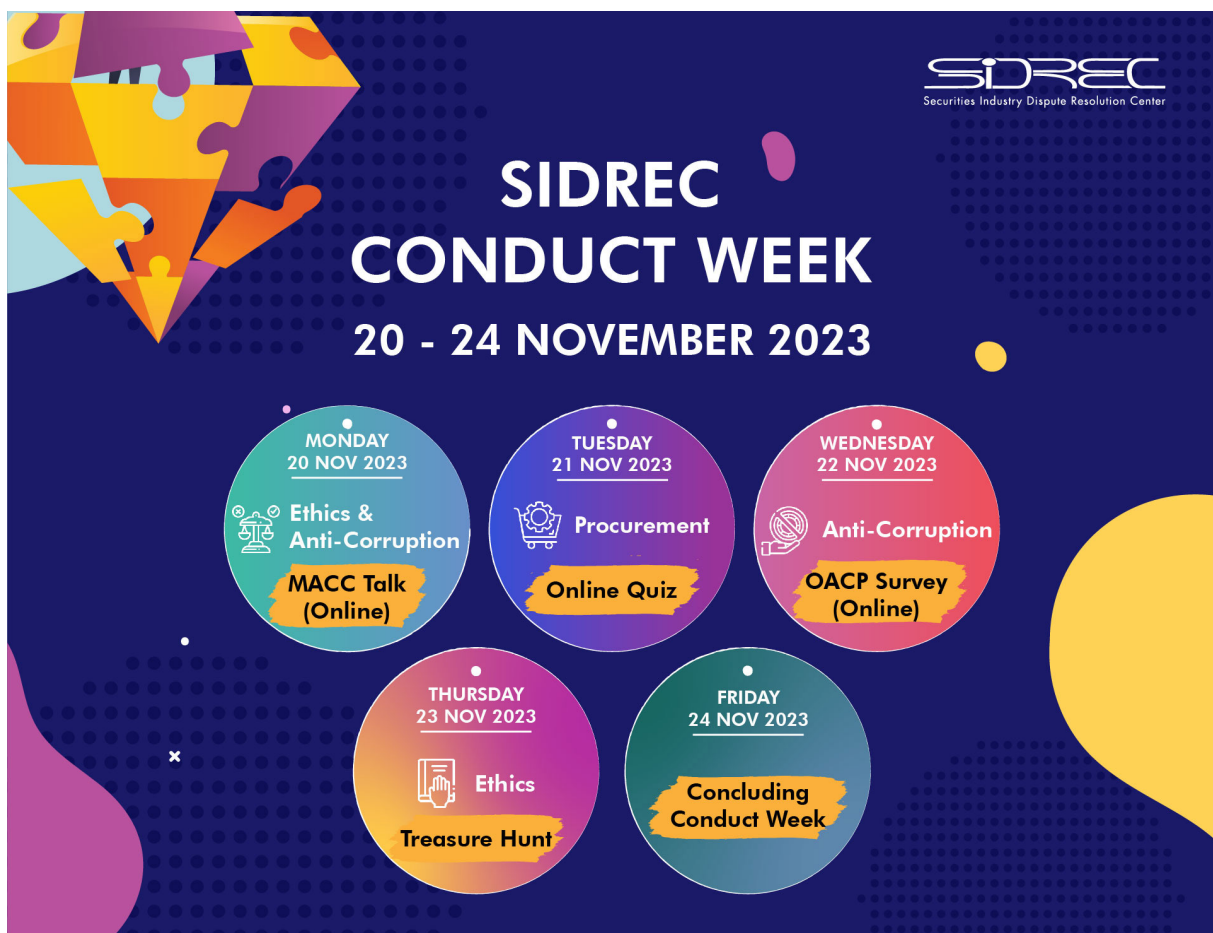


SIDREC’s Annual Roundtable 2023

Enhancing Internal Corporate Governance Expertise

Throughout 2023, SIDREC remained dedicated to carrying out efforts to further enhance its internal corporate governance and expertise. The key initiatives included:

- On 18 April, SIDREC participated in the Human Capital Conference & Exhibition 2023 Northern Region. This event served as a platform for the SIDREC to engage with industry experts, obtaining insights, and gather knowledge related to human capital management. By participating, SIDREC aimed to bolster its internal governance practices by staying updated on the latest trends and strategies in this field;
- In October, SIDREC conducted its third Annual Board Assessment;
- From 20 to 24 November, SIDREC hosted its second Staff Conduct Week. The week-long programme featured online quizzes, an insightful talk by the Malaysian Anti-Corruption Commission (MACC), and an energetic treasure hunt. SIDREC's Staff Conduct Week serves as a dedicated platform to infuse fun into the continuous awareness and reinforcement of SIDREC's conduct-related codes, policies, and procedures.
- In December, SIDREC completed the implementation of the Organisational Anti-Corruption Plan that was developed in 2020.



Enhancing *esprit de corp*

In 2023, SIDREC continued its endeavours to enhance teamwork among team members, especially in light of the impending consolidation with OFS. The objective was not only to navigate the consolidation seamlessly but also to maintain a high level of professionalism within the organisation.

The year commenced with a festive New Year & Lunar New Year lunch on 17 January, where the SIDREC Board and Team gathered to set the tone for the year. The spirit of camaraderie persisted through a diverse array of engaging activities:

- On 11 April, a briefing on staff insurance was conducted by SIDREC’s insurance agent;
- 27 April brought an enlightening Mental Health Talk titled “You Are Not Alone: Understanding & Managing Stress” by Mr. Gary Yap from MyPsychology;
- 20 June featured a Motivational Talk by the dynamic duo, Ms Elena Tong and Ms Cordelia Lee from Speaker Hub, infusing positivity into the working environment;

- 26 July brought a strike of fun with a staff bowling outing at Cosmic Supreme Bowl, Mid Valley Megamall;
- 8 August marked a crucial Staff Meeting with the SIDREC Chairman and Directors discussing the intricacies of the SIDREC/OFS consolidation; and
- 13 September saw Malaysia Day @ SIDREC, a themed get-together celebrating Malaysia Day.

To conclude the year, the SIDREC team enjoyed a festive Year-End Lunch on 13 December, bringing the curtains down on a year of monthly staff activities.

Beyond the organisation of SIDREC staff’s monthly activities, concerted efforts were made to strengthen the bonds between SIDREC and the SC. The SIDREC team enthusiastically took part in a range of events organised by the SC as well as the Sports and Recreation Club (KSRSS) throughout the year. These included highly engaging conferences, lively sports activities and the annual dinner hosted by the KSRSS.



CNY Luncheon



SIDREC on Mental Health Talk



SIDREC on Motivational Talk



Malaysia Day @ SIDREC



SIDREC Staff Bowling Outing



SIDREC Christmas Lunch

2023 in Brief

January

11 January

SC and BNM issues joint letter to SIDREC and OFS on the formation of an IDRS



13 January

SIDREC 1st Outreach Initiative with UM



17 January
SIDREC CNY Lunch



31 January
SIDREC Outreach Initiative with MITI and Angkasa

February

8 February

#NoFOMO Social Wellness Challenge 2022/23

9 February

Virtual Coffee with SIDREC Member

13 February

First Merger Steering Committee comprising SC, BNM, SIDREC and OFS



21 February

CGC Developmental Programme Networking Session



22 February

SIDREC CEO's interview with Dr. Adam Zubir

28 February

SIDREC 1st Structured Products Training

March



8 March

International Women's Day

14 March

Engagement with IBFIM

15 March

Affin Group's A Day Out with the Experts together with AKPK and OFS

16 March

Engagement with *Pejabat Setiausaha Kerajaan Negeri Perak*, Perak together with OFS

17 March

Visit to OFS office by SIDREC Board



21 March

FIMM Webinar on Investing Responsibly and with Confidence

22 March

Publication of Comic with OFS titled "Red Flags to Watch Out for to Avoid Being Scammed"



27 March

SIDREC releases Annual Report 2022

27 March

SIDREC Chairman's interview with BERNAMA

April



1-2 April

PJ Startup Festival 2023

5 April

IDRS Funding Survey issued to SIDREC Members



18 April

SIDREC 13th Annual General Meeting



18 April

SIDREC Buka Puasa with SC



27 April

SIDREC Mental Health Talk: You Are Not Alone

May



11 May - 7 December

Bursa Investor Education Series 2023



17 May

World Telecommunication & Information Society Day

18 May

Briefing to SEC Nigeria

23 May - 6 June

Bursa Investment Quiz 2023



26-28 May

Bersama InvestSmart@ Penang 2023

31 May - 1 June

Human Capital Conference & Exhibition 2023 Northern Region (Levy)

June



8 June

BNM Sasana Symposium 2023



9 June

SIDREC 2nd Outreach Initiative with UM

15 June

MAAM's International Institutional Investors Series 2023

20 June

SIDREC Motivational Talk on Positivity in a Working Environment

26 June - 22 September

SC/SIDREC PSA Crawler on TV and Radio

July

5 July

SIDC Webinar on Guidelines on Conduct for the Capital Market Intermediaries for Good Business Conduct and Corporate Culture



25 July
SIDREC 3rd Annual Roundtable



26 July
IIUM Baseerah Talk together with OFS

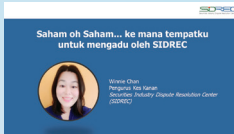


26 July
SIDREC Staff Bowling Outing

August



5 August
Bursa Marketplace Fair 2023, Johor



5 August
MITI Day

22 August
Engagement with ILKAP



23 August
FPAM's Annual Signature Financial Planning Symposium 2023 and Networking Evening



24-26 August
AIAC Asia ADR Week

September

6 September

SIDREC 2nd Structured Products Training



13 September
SIDREC Malaysia Day Celebration



24-27 September
INFO Network 2023



30 September - 8 October
Minggu Saham Amanah Malaysia, Penang

October



2-8 October
Social Media Series: World Investor Week 2023



11 October
SIDREC Luncheon Talk with Bursa Malaysia and KLDX



17 October
FIMMAC 2023

25 October
Official Launch of Jelajah Bijak Wang (JBW)



27-29 October
Karnival Celik Kewangan, Johor

November

2 November
Virtual Coffee with SIDREC Member



17-19 November
InvestSmart@ Fest 2023



20-24 November
SIDREC ConducT Week



20 November - 5 December
Social Media Series: Investment Tips



22 November
SIDREC's Online Members' Briefing

December



6 December
Briefing to the State Securities Commission of Vietnam



13 December
SIDREC Christmas Lunch



18-22 December
Social Media Series: Fun Facts about SIDREC



31 December
SIDREC thanks Dato' Mohd Nizam Zainordin for his service as Industry Director

Members

SIDREC Members comprise entities who are either licensed or registered by the SC pursuant to the CMSA to carry out dealings in securities, derivatives and PRS as well as fund management services.



Members include investment banks, commercial banks, Islamic banks, stockbrokers, derivatives brokers, fund management companies, UTMCS, institutional unit trust advisers, corporate unit trust advisers and PRS advisers, providers and distributors.



The following are the lists of Members as at 31 December 2023 according to these categories:

- a. Capital Markets Services Licence holders; and
- b. Registered Persons

Type of Regulated Activities

Capital Markets Services Licence Holders		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
1	A.D. Financial Sdn Bhd		●			●
2	abrdr Islamic Malaysia Sdn Bhd	●	●			
3	abrdr Malaysia Sdn Bhd	●				
4	AE Research Management Sdn Bhd	●				
5	Affin Hwang Investment Bank Berhad			●	●	
6	AHAM Asset Management Berhad	●	●			●
7	AIA Pension and Asset Management Sdn Bhd	●				●
8	AllMAN Asset Management Sdn Bhd	●	●			
9	AIMS Asset Management Sdn Bhd	●				
10	Akru Now Sdn Bhd	●				
11	Alpha REIT Managers Sdn Bhd	●				
12	Alpine Advisory Sdn Bhd		●			●
13	Amanah Saham Nasional Berhad		●			
14	Amanah Saham Sarawak Berhad		●			
15	Amanahraya Investment Management Sdn Bhd	●	●			
16	Amara Investment Management Sdn Bhd	●				
17	AmFunds Management Berhad	●	●			●
18	AmInvestment Bank Berhad	●		●	●	
19	AmIslamic Funds Management Sdn Bhd	●				
20	Amundi Aalam Sdn Bhd	●				
21	Amundi Malaysia Sdn Bhd	●				

Type of Regulated Activities

Capital Markets Services Licence Holders		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
22	Apex Securities Berhad			●	●	
23	Arcus South East Asia Sdn Bhd	●				
24	Areca Capital Sdn Bhd	●	●			
25	Assar Asset Management Sdn Bhd	●				
26	Astute Fund Management Berhad	●	●			
27	ATM Capital Management Sdn Bhd	●				
28	Avian Capital Sdn Bhd	●				
29	Bill Morrisons Wealth Management Sdn Bhd		●			●
30	BIMB Investment Management Berhad	●	●			
31	BIMB Securities Sdn Bhd		●			
32	Blueprint Planning Sdn Bhd		●			●
33	BNP Paribas Asset Management Malaysia Sdn Bhd	●				
34	BNP Paribas Asset Management Najmah Malaysia Sdn Bhd	●				
35	BOS Wealth Management Malaysia Berhad	●	●			
36	CC Advisory Sdn Bhd		●			●
37	Capital Dynamics Asset Management Sdn Bhd	●	●			
38	CGS-CIMB Futures Sdn Bhd				●	
39	CGS-CIMB Securities Sdn Bhd			●		
40	CGS-CIMB Wealth Management Sdn Bhd	●				
41	CIMB Investment Bank Berhad			●		
42	Citigroup Global Markets Malaysia Sdn Bhd			●		
43	CLSA Securities Malaysia Sdn Bhd			●		
44	Corston-Smith Asset Management Sdn Bhd	●				
45	CP Global Fintech Solution Sdn Bhd	●				
46	Cross Light Capital Sdn Bhd	●				
47	Eastspring Al-Wara' Investments Berhad	●				
48	Eastspring Investments Berhad	●	●			
49	ET Smart Wealth Sdn Bhd	●				
50	Ethereal Capital Sdn Bhd	●				
51	Excellentte Consultancy Sdn Bhd		●			●
52	FA Advisory Sdn Bhd		●			●
53	FA Securities Sdn Bhd			●		
54	Fedrums Sdn Bhd				●	
55	Finwealth Management Sdn Bhd			●		●
56	Fin Freedom Sdn Bhd		●			●
57	Fortress Capital Asset Management (M) Sdn Bhd	●				
58	Franklin Templeton Asset Management (Malaysia) Sdn Bhd	●				
59	Franklin Templeton GSC Asset Management Sdn Bhd	●	●			
60	GAX MD Sdn Bhd	●				
61	Genexus Advisory Sdn Bhd		●			●
62	Golden Touch Asset Management Sdn Bhd	●				

Type of Regulated Activities

Capital Markets Services Licence Holders		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
63	Guidance Investments Sdn Bhd	●				
64	Halogen Capital Sdn Bhd	●				
65	Harveston Wealth Management Sdn Bhd		●			●
66	Hong Leong Asset Management Bhd	●	●			●
67	Hong Leong Investment Bank Berhad			●	●	
68	Hong Leong Islamic Asset Management Sdn Bhd	●				
69	I REIT Managers Sdn Bhd	●				
70	iFAST Capital Sdn Bhd	●		●		●
71	Inter-Pacific Asset Management Sdn Bhd	●	●			
72	Inter-Pacific Securities Sdn Bhd			●	●	
73	i-VCAP Management Sdn Bhd	●				
74	JIA Asset Management Sdn Bhd	●				
75	J.P. Morgan Securities (Malaysia) Sdn Bhd			●	●	
76	KAF Investment Funds Berhad	●	●			
77	KAF Equities Sdn Bhd			●		
78	Kedah Islamic Asset Management Berhad	●	●			
79	Kenanga Futures Sdn Bhd				●	
80	Kenanga Investment Bank Berhad	●		●		●
81	Kenanga Investors Berhad	●	●			●
82	Kenanga Islamic Investors Berhad	●				
83	Kumpulan Sentiasa Cemerlang Sdn Bhd	●				
84	Legacy Advisory Sdn Bhd		●			●
85	Level 17 Capital Sdn Bhd	●				
86	M & A Securities Sdn Bhd			●		
87	Macquarie Capital Securities (Malaysia) Sdn Bhd			●		
88	Magnisave Group Sdn Bhd		●			●
89	Malacca Securities Sdn Bhd			●		
90	Manulife Investment Management (M) Berhad	●	●			●
91	Maybank Asset Management Sdn Bhd	●	●			
92	Maybank Investment Bank Berhad			●	●	
93	Maybank Islamic Asset Management Sdn Bhd	●				
94	Mercury Securities Sdn Bhd	●		●		
95	MIDF Amanah Asset Management Berhad	●	●			
96	MIDF Amanah Investment Bank Berhad			●		
97	MTC Asset Management (M) Sdn Bhd	●				
98	Muamalat Invest Sdn Bhd	●	●			
99	Navis Management Sdn Bhd	●				
100	Nomura Asset Management Malaysia Sdn Bhd	●	●			
101	Nomura Islamic Asset Management Sdn Bhd	●	●			
102	Nomura Securities Malaysia Sdn Bhd			●		
103	Opus Asset Management Sdn Bhd	●	●			

Type of Regulated Activities

Capital Markets Services Licence Holders		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
104	Opus Islamic Asset Management Sdn Bhd	●				
105	OUA Asset Management Sdn Bhd	●				
106	PCB Asset Management Sdn Bhd	●				
107	Pelaburan Hartanah Nasional Berhad	●				
108	Pengurusan Kumipa Berhad	●	●			
109	Permodalan BSN Berhad	●	●			
110	Permodalan Nasional Berhad	●				
111	PHEIM Asset Management Sdn Bhd	●				
112	PHEIM Islamic Asset Management Sdn Bhd	●				
113	PHEIM Unit Trusts Berhad		●			
114	Phillip Capital Management Sdn Bhd	●				
115	Phillip Capital Sdn Bhd			●	●	
116	Phillip Mutual Berhad		●			●
117	Pinebridge Investments Malaysia Sdn Bhd	●				
118	PM Securities Sdn Bhd			●		
119	PMB Investment Berhad	●	●			
120	Principal Asset Management Berhad	●	●			●
121	Principal Islamic Asset Management Sdn Bhd	●				
122	PTB Unit Trust Berhad	●	●			
123	Public Investment Bank Berhad			●		
124	Public Mutual Berhad	●	●			●
125	Raiz Malaysia Sdn Bhd	●				
126	Rakuten Trade Sdn Bhd			●		
127	Redvest Wealth & Asset Management Sdn Bhd	●	●			●
128	Resolute Planning Sdn Bhd		●			●
129	RHB Asset Management Sdn Bhd	●	●			●
130	RHB Investment Bank Berhad			●	●	
131	RHB Islamic International Asset Management Berhad	●	●			
132	Saham Sabah Berhad		●			
133	Saturna Sdn Bhd	●	●			
134	Singular Asset Management Sdn Bhd	●				
135	SJ Securities Sdn Bhd			●		
136	SP Investment Management Sdn Bhd	●				
137	StashAway Malaysia Sdn Bhd	●				
138	TA Futures Sdn Bhd				●	
139	TA Investment Management Berhad	●	●			●
140	TA Securities Holdings Berhad			●		
141	Taurus Investment Management Berhad	●	●			
142	Terasek One Sdn Bhd		●			
143	Tradeview Capital Sdn Bhd	●				
144	UBS Securities Malaysia Sdn Bhd			●		

Type of Regulated Activities

Capital Markets Services Licence Holders		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
145	UOB Asset Management (Malaysia) Berhad	●	●			
146	UOB Islamic Asset Management Sdn Bhd	●				
147	UOB Kay Hian Securities (M) Sdn Bhd			●	●	●
148	UOB Kay Hian Wealth Advisors Sdn Bhd	●	●			●
149	Value Partners Asset Management Malaysia Sdn Bhd	●				
150	VKA Wealth Planners Sdn Bhd		●			●
151	VSG Fides Capital Sdn Bhd	●				
152	Wahed Technologies Sdn Bhd	●				
153	Wealth Vantage Advisory Sdn Bhd		●			●
154	Whitman Independent Advisors Sdn Bhd		●			●
155	YES Financial Sdn Bhd		●			●
156	Yutaka Shoji Malaysia Sdn Bhd				●	

Type of Regulated Activities

Registered Persons		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
1.	Affin Bank Berhad		●	●	●	●
2.	Affin Islamic Bank Bhd	●	●	●	●	●
3.	Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	●	●	●	●	●
4.	Alliance Bank Malaysia Berhad		●	●	●	●
5.	Alliance Islamic Bank Berhad	●	●	●	●	●
6.	AmBank (M) Berhad		●	●	●	●
7.	AmBank Islamic Berhad	●	●	●	●	●
8.	Bangkok Bank Berhad		●	●	●	●
9.	Bank Islam Malaysia Berhad	●	●	●	●	●
10.	Bank Kerjasama Rakyat Malaysia Berhad		●		●	●
11.	Bank Muamalat Malaysia Berhad	●	●	●	●	●
12.	Bank of America Malaysia Berhad		●	●	●	●
13.	Bank of China (Malaysia) Berhad		●	●	●	●
14.	Bank Simpanan Nasional		●		●	●
15.	BNP Paribas Malaysia Berhad		●	●	●	●
16.	China Construction Bank (Malaysia) Berhad		●	●	●	●
17.	CIMB Bank Berhad		●	●	●	●
18.	CIMB Islamic Bank Berhad	●	●	●	●	●
19.	Citibank Berhad		●	●	●	●
20.	Deutsche Bank (Malaysia) Berhad		●	●	●	●
21.	Hong Leong Bank Berhad		●	●	●	●
22.	Hong Leong Islamic Bank Berhad	●	●	●	●	●

Type of Regulated Activities

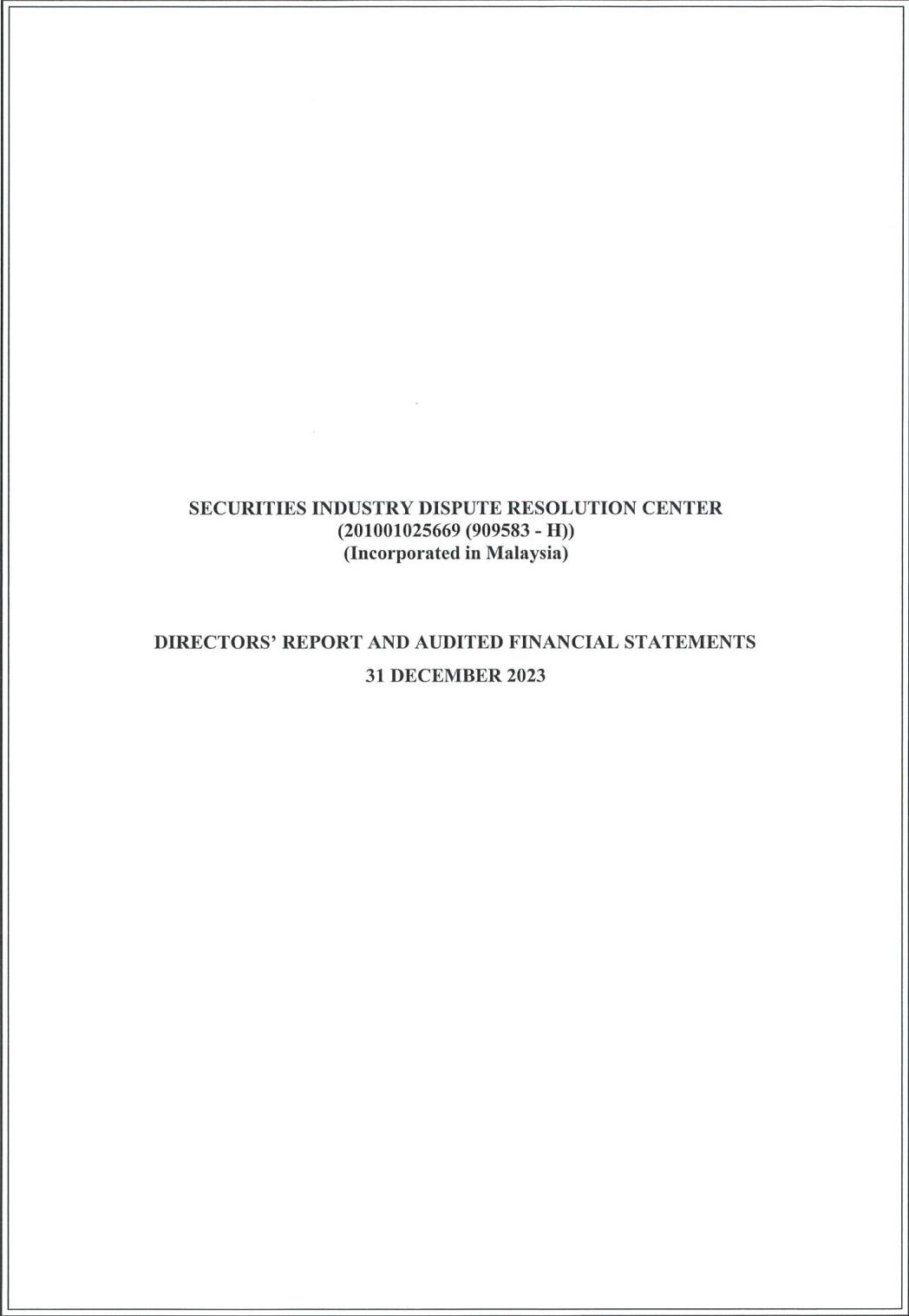
Registered Persons		Fund Management	Securities (Unit Trust)	Securities	Derivatives	Private Retirement Scheme
23.	HSBC Amanah Malaysia Berhad	●	●	●	●	●
24.	HSBC Bank Malaysia Berhad		●	●	●	●
25.	India International Bank (Malaysia) Berhad		●	●	●	●
26.	Industrial and Commercial Bank of China (Malaysia) Berhad		●	●	●	●
27.	J.P. Morgan Chase Bank Berhad		●	●	●	●
28.	Kuwait Finance House (Malaysia) Berhad	●	●	●	●	●
29.	Malayan Banking Berhad		●	●	●	●
30.	Maybank Islamic Berhad	●	●	●	●	●
31.	MBSB Bank Berhad	●	●	●	●	●
32.	Mizuho Bank (Malaysia) Berhad		●	●	●	●
33.	MUFG Bank (Malaysia) Berhad	●	●	●	●	●
34.	OCBC Al-Amin Bank Berhad	●	●	●	●	●
35.	OCBC Bank (Malaysia) Berhad		●	●	●	●
36.	Public Bank Berhad		●	●	●	●
37.	Public Islamic Bank Berhad	●	●	●	●	●
38.	RHB Bank Berhad		●	●	●	●
39.	RHB Islamic Bank Berhad	●	●	●	●	●
40.	Standard Chartered Bank Malaysia Berhad		●	●	●	●
41.	Standard Chartered Saadiq Berhad	●	●	●	●	●
42.	Sumitomo Mitsui Banking Corporation Malaysia Berhad		●	●	●	●
43.	The Bank of Nova Scotia Berhad		●	●	●	●
44.	United Overseas Bank (Malaysia) Berhad		●	●	●	●



Part 3

90 Directors' Report & Audited
Financial Statements

Center No:
(201001025669 (909583 - H))



Center No:
201001025669 (909583 - H)

SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
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Center No:
201001025669 (909583 - H)

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of Securities Industry Dispute Resolution Center ("the Center") for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Center are to act as an alternative dispute resolution body for investors in relation to claims involving capital market services and products that an investor may have against capital market intermediaries and to resolve such claims in a fair, reasonable, timely, efficient and accessible manner. In this regard, the Center promotes, encourages and facilitates the satisfactory resolution, mediation or withdrawal of such complaints, disputes and claims. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

RM

Surplus for the financial year

-

DIVIDEND

In accordance with the Constitution, no dividends are payable to the members of the Center.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

- Dato' Mah Weng Kwai
- Mahadzir bin Azizan
- Chin Tsun Ping
- Pushpa A/P S K Nair
- Nasution bin Mohamed
- Ruzi Rani binti Ajith (appointed on 29 March 2023)
- Dato' Mohd Nizam bin Zainordin (resigned on 31 December 2023)

Center No:
201001025669 (909583 - H)

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DIRECTORS' INTERESTS

None of the Directors holding office at the end of the financial year held any interest in ordinary shares in the Center or ordinary shares of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit by reason of a contract made by the Center or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Center is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Center or any other body corporate.

DIRECTORS' MEETING ALLOWANCE

Meeting allowance paid and payable to the Directors of the Center for the financial year ended 31 December 2023 amounted to RM172,000. Included is RM4,000 for SIDREC Appeal Committee ('SIAC') meeting allowance to a certain director.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Center effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Center against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium effected for any Director and officer of the Center was RM13,260.

No indemnity was given to or insurance effected for the auditors of the Center.

OTHER STATUTORY INFORMATION REGARDING THE CENTER

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Center were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Center during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Center No:
201001025669 (909583 - H)

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OTHER STATUTORY INFORMATION REGARDING THE CENTER (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Center;
 - (ii) which would render the values attributed to current assets in the financial statements of the Center misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Center misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Center for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Center to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Center which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Center which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Center misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Financial Sector Blueprint, 2022-2026 launched by Bank Negara Malaysia ("BNM") on 24 January 2022 included an announcement that the Center and the Ombudsman for Financial Services ("OFS"), an operator of the Financial Ombudsman Scheme ("FOS") approved by BNM, will be consolidated into an Integrated Dispute Resolution Scheme ("IDRS"). In January 2023, both BNM and SC instructed the Center and OFS to establish an IDRS.

A Merger Steering Committee and three sub committees have been formed with representation from Board members of both the Center and OFS. The plan is to have the merged entity in operation by 1 January 2025 with the commencement of the Center dissolution process thereafter.

Center No:
201001025669 (909583 - H)

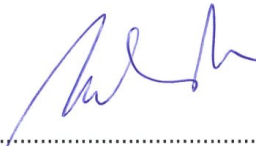
4

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Center for the financial year ended 31 December 2023 amounted to RM11,000.

Signed on behalf of the Board in accordance with a resolution of the Directors.



.....
Dato' Mah Weng Kwai
Director



.....
Nasution bin Mohamed
Director

Kuala Lumpur, Malaysia
7 March 2024

Center No:
201001025669 (909583 - H)

SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 10 to 26 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Center as at 31 December 2023 and of the financial performance and cash flows of the Center for the financial year then ended.

On behalf of the Board,


.....
Dato Mah Weng Kwai
Director


.....
Nasution bin Mohamed
Director

Kuala Lumpur, Malaysia
7 March 2024

STATUTORY DECLARATION

I, Sharmila Kumari Sharma, being the officer primarily responsible for the financial management of Securities Industry Dispute Resolution Center, do solemnly and sincerely declare that the financial statements set out on pages 10 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
7 March 2024)


Sharmila Kumari Sharma

Before me:



22A, LORONG ARA KIRI 2
LUCKY GARDEN, BANGSAR
59100 KUALA LUMPUR

Center No:
201001025669 (909583 - H)

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Tel : +603 2616 2888
Fax : +603 2616 3190 / 3191
www.bdo.my

Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Securities Industry Dispute Resolution Center ('Center'), which comprise the statement of financial position as at 31 December 2023 of the Center, and the statement of profit or loss and other comprehensive income and statement of cash flows of the Center for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 10 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Center as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Center in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Center are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Center and our auditors' report thereon.

Our opinion on the financial statements of the Center does not cover the other information and we do not express any form of assurance conclusion thereon.

Center No:
201001025669 (909583 - H)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (continued)**
(Incorporated in Malaysia)

**Information Other than the Financial Statements and Auditors' Report Thereon
(continued)**

In connection with our audit of the financial statements of the Center, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Center or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Center are responsible for the preparation of financial statements of the Center that give a true and fair view in accordance with MFRS, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Center that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Center, the Directors are responsible for assessing the ability of the Center to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Center or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Center as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (continued)**
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Center, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Center.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Center to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Center or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Center to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Center, including the disclosures, and whether the financial statements of the Center represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (continued)**
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Center, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Ng Soe Kei'.

Ng Soe Kei
02982/08/2025 J
Chartered Accountant

Kuala Lumpur
7 March 2024

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property and equipment	4	32,009	84,563
Right-of-use asset	5	221,920	225,775
		253,929	310,338
Current assets			
Receivables	6	137,436	165,964
Current tax asset		-	9,924
Cash and bank balances	7	6,127,507	4,743,169
		6,264,943	4,919,057
LIABILITIES			
Current liabilities			
Payables	8	433,202	178,094
Lease liability	5	223,434	226,473
Current tax liabilities		5,585	-
		662,221	404,567
Net current assets		<u>5,602,722</u>	<u>4,514,490</u>
		<u>5,856,651</u>	<u>4,824,828</u>
Represented by:			
Contribution from members	9	-	-
Non-current liability			
Deferred income	10	<u>5,856,651</u>	<u>4,824,828</u>
		<u>5,856,651</u>	<u>4,824,828</u>

The accompanying notes form an integral part of the financial statements.

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
Revenue	11	105,000	51,500
Income			
Other income	12	<u>3,414,164</u>	<u>3,387,834</u>
		3,519,164	3,439,334
Expenditure			
Staff costs	13	(2,151,202)	(2,473,334)
Auditors' remuneration		(11,000)	(10,000)
Tax agent fees		(2,755)	(2,957)
Office and equipment rental		(32,845)	(40,111)
Professional fees		(97,998)	(44,693)
Depreciation of property and equipment	4	(63,514)	(47,772)
Depreciation of right-of-use asset	5	(257,478)	(258,029)
Directors' meeting allowances		(172,000)	(157,000)
Education and Awareness		(94,764)	(72,307)
Other expenses	14	(599,932)	(312,044)
Interest expense	5	<u>(7,648)</u>	<u>(7,013)</u>
		<u>(3,491,136)</u>	<u>(3,425,260)</u>
Surplus before taxation		28,028	14,074
Tax expense	15	<u>(28,028)</u>	<u>(14,074)</u>
Net surplus for the financial year, representing total comprehensive income		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form an integral part of the financial statements.

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		28,028	14,074
Adjustments for:			
Depreciation of property and equipment	4	63,514	47,772
Depreciation of right-of use asset	5	257,478	258,029
Amortisation of grants received	10	(3,168,177)	(3,247,775)
Interest expense	5	7,648	7,013
Interest income from deposits with licensed banks	12	<u>(242,487)</u>	<u>(125,359)</u>
Operating loss before working capital changes		(3,053,996)	(3,046,246)
Decrease in receivables		45,816	8,967
Increase/(Decrease) in payables		<u>255,108</u>	<u>(10,351)</u>
Cash used in operations		(2,753,072)	(3,047,630)
Interest received		225,199	162,972
Tax paid		<u>(12,519)</u>	<u>(42,757)</u>
Net cash used in operating activities		(2,540,392)	(2,927,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(10,960)	(29,214)
Placement of deposits with licensed banks with original maturity of more than three (3) months		(341,157)	(1,287,282)
Net cash used in investing activities		(352,117)	(1,316,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liability		(264,310)	(265,042)
Proceeds from grants	10	4,200,000	4,100,000
Net cash from financing activities		<u>3,935,690</u>	<u>3,834,958</u>

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	2023 RM	2022 RM
Net increase/(decrease) in cash and cash equivalents	1,043,181	(408,953)
Cash and cash equivalents at beginning of financial year	<u>672,320</u>	<u>1,081,273</u>
Cash and cash equivalents at end of financial year	<u>1,715,501</u>	<u>672,320</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	2023 RM	2022 RM
Cash and bank balances	368,025	220,984
Deposits placed with licensed banks	<u>5,759,482</u>	<u>4,522,185</u>
	6,127,507	4,743,169
Less:		
Placement of deposits with licensed banks with original maturity of more than three (3) months	<u>(4,412,006)</u>	<u>(4,070,849)</u>
	<u>1,715,501</u>	<u>672,320</u>

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
 (Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

(i) *Cash outflows for leases as a lessee*

	2023	2022
	RM	RM
Included in net cash from financing activities		
Payment of lease liabilities	256,662	258,029
Interest paid in relation to lease liabilities	<u>7,648</u>	<u>7,013</u>
Total cash outflows for leases	<u>264,310</u>	<u>265,042</u>

(ii) *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	2023	2022
	RM	RM
At 1 Jan 2023/1 Jan 2022	226,473	226,473
Additions	253,623	258,029
Net changes from financing cash flows	(264,310)	(265,042)
Finance cost	<u>7,648</u>	<u>7,013</u>
At 31 December 2023/31 December 2022	<u>223,434</u>	<u>226,473</u>

The accompanying notes form an integral part of the financial statements.

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

1. CORPORATE INFORMATION

Securities Industry Dispute Resolution Center ('the Center') was incorporated on 28 July 2010 and is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office of the Center is located at 20th Floor, Ambank Group Building, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of the Center is located at Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 7 March 2024.

2. PRINCIPAL ACTIVITIES

The principal activities of the Center are to act as an alternative dispute resolution body for investors in relation to claims involving capital market services and products that an investor may have against capital market intermediaries and to resolve such claims in a fair, reasonable, timely, efficient and accessible manner. In this regard, the Center promotes, encourages and facilitates the satisfactory resolution, mediation or withdrawal of such complaints, disputes and claims. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Center have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ('RM'), which is the Center's functional currency.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 19 to the financial statements.

The financial statements of the Center have been prepared under the historical cost convention except as otherwise stated in the financial statements and on the basis of accounting principles applicable to a going concern.

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3. BASIS OF PREPARATION (continued)

Making reference to Note 20 on Significant Event During The Financial Year And Subsequent To The End Of The Reporting Period, the Directors are of the view that it is appropriate for the financial statements to be prepared on a going concern basis and to honour its financial obligations and commitments in the next twelve months from the balance sheet date due to the following:

- i. The Center has cash and bank balances as at 31 December 2023 amounting to RM6,127,507;
- ii. The Securities Commission Malaysia ("SC") has approved a grant of RM2,000,000 for the Center's working capital purposes in 2024; and

4. PROPERTY AND EQUIPMENT

2023	Balance as at 1.1.2023 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
Carrying amount				
Computer equipment	48,954	10,960	(38,797)	21,117
Renovation	13,676	-	(7,246)	6,430
Furniture and fittings	18,020	-	(14,622)	3,398
Office equipment	3,913	-	(2,849)	1,064
	<u>84,563</u>	<u>10,960</u>	<u>63,514</u>	<u>32,009</u>
			[----- At 31.12.2023 -----]	
		Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment		636,570	(615,453)	21,117
Renovation		454,655	(448,225)	6,430
Furniture and fittings		124,525	(121,127)	3,398
Office equipment		42,494	(41,430)	1,064
		<u>1,258,244</u>	<u>(1,226,235)</u>	<u>32,009</u>

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4. PROPERTY AND EQUIPMENT (continued)

2022	Balance as at 1.1.2022 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount				
Computer equipment	55,007	27,926	(33,979)	48,954
Renovation	20,106	-	(6,430)	13,676
Furniture and fittings	21,507	-	(3,487)	18,020
Office equipment	6,501	1,288	(3,876)	3,913
	<u>103,121</u>	<u>29,214</u>	<u>(47,772)</u>	<u>84,563</u>

	[----- At 31.12.2022 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	625,610	(576,656)	48,954
Renovation	454,655	(440,979)	13,676
Furniture and fittings	124,525	(106,505)	18,020
Office equipment	42,494	(38,581)	3,913
	<u>1,247,284</u>	<u>(1,162,721)</u>	<u>84,563</u>

After initial recognition, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. During the financial year, the Directors have accelerated the depreciation rate of property and equipment after taking into account that the Center will commence dissolution after 1 January 2025 as disclosed in Note 20. The principal depreciation period is as follows:

	Accelerated depreciation	As per previous years
Computer equipment	1 year	3 years
Renovation	1 year	5 years
Furniture and fittings	1 year	10 years
Office equipment	1 year	5 years

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5. LEASES

Right-of-use asset

	Balance as at 1.1.2023 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
Carrying amount				
Building	225,775	253,623	(257,478)	221,920

Lease liability

	Balance as at 1.1.2023 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2023 RM
Carrying amount					
Building	226,473	253,623	(264,310)	7,648	223,434

Right-of-use asset

	Balance as at 1.1.2022 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount				
Building	225,775	258,029	(258,029)	225,775

Lease liability

	Balance as at 1.1.2022 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
Carrying amount					
Building	226,473	258,029	(265,042)	7,013	226,473

Represented by:

	2023 RM	2022 RM
Current liability	223,434	226,473
Non-current liability	-	-
	<u>223,434</u>	<u>226,473</u>

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5. LEASES (continued)

- (a) The right-of-use asset is initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated on a straight-line basis over its lease term of one (1) year.

- (b) The Center has elected not to recognise right-of-use asset and lease liability for a short-term lease that has a lease term below twelve (12) months and leases of low-value assets. The Center recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (c) The following are the amounts recognised in profit or loss:

	2023	2022
	RM	RM
Depreciation charge of right-of-use asset	257,478	258,029
Interest expense on lease liability	7,648	7,013
Expense relating to leases of low-value assets	<u>32,845</u>	<u>40,111</u>
	<u>297,971</u>	<u>305,153</u>

- (d) At the end of the financial year, the Center had total cash outflow for leases of RM RM264,310 (2022: RM265,042).
- (e) The following table sets out the carrying amounts, the weighted average incremental borrowing rate and the remaining maturities of the lease liability of the Center that are exposed to interest rate risk:

31 December 2023	Weighted average incremental borrowing rate per annum %	Within one year RM	One to five years RM	Total RM
Lease liability				
Floating rate	6.65	<u>223,434</u>	-	<u>223,434</u>

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5. LEASES (continued)

- (e) The following table sets out the carrying amounts, the weighted average incremental borrowing rate and the remaining maturities of the lease liability of the Center that are exposed to interest rate risk: (continued)

31 December 2022	Weighted average incremental borrowing rate per annum %	Within one year RM	One to five years RM	Total RM
Lease liability				
Floating rate	5.40	226,473	-	226,473

- (f) The table below summarises the maturity profile of the lease liability of the Center at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

31 December 2023	On demand or within one year RM	One to five years RM	Total RM
Lease liability	230,630	-	230,630
31 December 2022			
Lease liability	231,362	-	231,362

6. RECEIVABLES

	2023 RM	2022 RM
Mediation fee receivables	5,000	-
Other receivable	1,955	1,955
Interest receivable	37,353	20,065
Advances to INFO 2023	-	54,589
Deposits	79,914	79,914
Prepayments	13,214	9,441
	<u>137,436</u>	<u>165,964</u>

- (a) Receivables excluding prepayments classified as financial assets are measured at amortised cost.
- (b) During the financial year, the INFO conference advances were utilised as registration fees for the Center's participation in the 2023 INFO Network Members Conference ("INFO 2023") that was jointly organised and hosted by the Center and OFS.
- (c) Receivables are denominated in Ringgit Malaysia.

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6. RECEIVABLES (continued)

- (d) There is no expected credit loss recognised during the financial year on receivables as it is negligible.

7. CASH AND BANK BALANCES

	2023 RM	2022 RM
Cash and bank balances	368,025	220,984
Deposits with licensed banks	<u>5,759,482</u>	<u>4,522,185</u>
	<u>6,127,507</u>	<u>4,743,169</u>

- (a) Included in deposits with licensed banks is a deposit amounting to RM30,000 pledged to a licensed bank as a security for banking facility (Visa Corporate Card Facility) granted to the Center.
- (b) Bank balances earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one (1) day and twelve (12) months, depending on the immediate cash requirements of the Center, and earn interest at respective short term deposits rates between 2.6% and 3.85% per annum (2022: 2.45% to 3.70% per annum).
- (c) There is no expected credit loss recognised during the financial year arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.
- (d) Cash and bank balances are denominated in Ringgit Malaysia.

8. PAYABLES

	2023 RM	2022 RM
Payables	207,771	55,701
Accruals	21,631	122,393
Provision for restoration costs	<u>203,800</u>	<u>-</u>
	<u>433,202</u>	<u>178,094</u>

- (a) Payables are classified as financial liabilities measured at amortised cost.
- (b) Payables are denominated in Ringgit Malaysia.
- (c) Included in payables is security deposit of RM54,928 refundable to a member of the Center.
- (d) The maturity profile of the Center's liabilities at the end of the reporting period based on contractual undiscounted repayment obligation is within one (1) year.

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9. CONTRIBUTION FROM MEMBERS

Every member of the Center undertakes to contribute, not exceeding RM1,000, to the assets of the Center in the event of the Center being wound up.

10. DEFERRED INCOME

	2023 RM	2022 RM
At 1 January	4,824,828	3,972,603
Received during the financial year	4,200,000	4,100,000
Amortised to profit or loss	<u>(3,168,177)</u>	<u>(3,247,775)</u>
	<u>5,856,651</u>	<u>4,824,828</u>

The Center received a grant from the Securities Commission Malaysia ("SC"), a statutory body established under Securities Commission Act 1993, for working capital purposes.

11. REVENUE

Revenue from mediation and adjudication fees charged is recognised at a point in time upon rendering of services.

12. OTHER INCOME

	2023 RM	2022 RM
Amortisation of grants	3,168,177	3,247,775
Interest income from deposits with licensed banks	242,487	125,359
Other income	<u>3,500</u>	<u>14,700</u>
	<u>3,414,164</u>	<u>3,387,834</u>

Grants that compensate the Center for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grant that compensates the Center for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

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13. STAFF COSTS

	2023 RM	2022 RM
Salaries and bonuses	1,707,461	1,965,994
Statutory contribution to Employees Provident Fund and social security	265,276	305,712
Other allowances	178,465	201,628
	<u>2,151,202</u>	<u>2,473,334</u>

14. OTHER EXPENSES

	2023 RM	2022 RM
Communication and utilities	55,525	54,354
Entertainment	3,848	7,722
External mediator and adjudicator fees	168,500	88,500
Filing, stamping and disbursements	13,667	15,770
Maintenance	58,746	79,412
Meeting expenses	1,194	4,071
Online journals and equipment rental	1,100	879
Restoration cost expenses	203,800	-
Stationeries, printing and sundry expenses	27,345	21,470
Appeals committee meeting allowances	24,000	-
Subscription and membership fees	12,316	10,606
Others	29,891	29,260
	<u>599,932</u>	<u>312,044</u>

15. TAX EXPENSE

	2023 RM	2022 RM
Current tax expense based on surplus for the financial year	28,028	20,314
Over-provision in prior year	-	(6,240)
	<u>28,028</u>	<u>14,074</u>

On 19 December 2019, the Ministry of Finance ("MOF") has granted the Center an extension to the tax exemption status which is applicable from the year of assessment 2020 up to year of assessment 2022, for income arising from grant received from SC. However, a graduated scale of rates of tax is applied to income other than income arising from grant received from SC.

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15. TAX EXPENSE (continued)

On 15 December 2022, MOF has further granted the Center an extension to the tax exemption status which is applicable from the year of assessment 2023 up to year of assessment 2027, for 50% of its taxable income except for any dividend income received.

16. FAIR VALUES

The fair values of all financial assets and financial liabilities approximate their carrying amounts due to their relative short term maturities.

17. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Center if the Center has the ability, directly or indirectly, the control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Center and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Center include key management personnel who are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Center either directly or indirectly. The key management personnel comprise the members of the Board of Directors of the Center.

(b) Significant related party transaction

There is no transaction with related parties during the financial year other than those disclosed in the notes to the financial statements.

(c) The remuneration of Directors during the financial year was as follows:

	2023 RM	2022 RM
Directors of the Company:		
Meeting allowance	<u>172,000</u>	<u>157,000</u>

18. CAPITAL MANAGEMENT

The Center manages its capital by following the Center's policies and guidelines and also seeks approval from the Board of Directors with regard to all capital management matters. Presently, the Center's activities are entirely funded via grants.

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19. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

19.1 New MFRSs adopted during the financial year

The Center adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Center.

19.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Center is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

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20. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Financial Sector Blueprint, 2022-2026 launched by Bank Negara Malaysia ("BNM") on 24 January 2022 included an announcement that the Center and the Ombudsman for Financial Services ("OFS"), an operator of the Financial Ombudsman Scheme ("FOS") approved by BNM, will be consolidated into an Integrated Dispute Resolution Scheme ("IDRS"). In January 2023, both BNM and SC instructed the Center and OFS to establish an IDRS.

A Merger Steering Committee and three sub committees have been formed with representation from Board members of both the Center and OFS. The plan is to have the merged entity in operation by 1 January 2025 with the commencement of the Center dissolution process thereafter.

21. MATERIAL LITIGATION

Case No.: 21/4-394/22: Poh Kee Cheng v. Securities Industry Dispute Resolution Center
(Kuala Lumpur Industrial Court)

The case is in the Kuala Lumpur Industrial Court with regard to a suit by a former employee against the Center for alleged unfair dismissal. The amount claimed is RM401,700. The case will be heard on 25 June 2024 and 31 July 2024, by which the Center is expected to close its case. The Directors are of the opinion that there is a reasonable chance of success for the Center and as such, no provision has been made in the financial statements. Be that as it may, the maximum potential liability of this matter is approximately RM401,700.00 (RM15,450.00 per month x 24 months') + (RM15,450.00 per month x 2 (for every year in service)).

Judicial Review Application No.: WA-25-335-10/2023 Rakuten Trade Sdn Bhd v. Securities Industry Dispute Resolution Center
(High Court of Malaya in Kuala Lumpur (Special Powers Division))

The case is in the High Court of Malaya in Kuala Lumpur (Special Powers Division) with regard to a judicial review application by a member against the Center for an order to quash the decision by the Appeals Committee of the Center in a dispute between a claimant and the member. This being a judicial review application, there is no amount in issue as far as the Center is concerned. The Court has scheduled the next case management on 18 March 2024 for further directions to be given after the exchange of affidavits is completed. The Directors are of the opinion that the Center has a reasonable chance in resisting the application for judicial review. As the Center is not expected to pay any damages should the member be successful in its application, no provision has been made in the financial statements.



Appendix

Acronyms & Abbreviations

ADR	Alternative dispute resolution
AGM	Annual General Meeting
AIAC	Asian International Arbitration Centre
AKPK	Agensi Kaunseling dan Pengurusan Kredit
AUM	Asset under management
BIQ2023	Bursa Investment Quiz 2023
BNM	Bank Negara Malaysia
CEO	Chief Executive Officer
CGC	Credit Guarantee Corporation Malaysia Berhad
CMSA	Capital Markets and Services Act 2007
CMSL	Capital Markets Services Licence
CMSRL	Capital Markets Services Representative's Licence
DFI	Development financial institution
DRP	Dispute resolution process
EPF	Employees Provident Fund
FEN	Financial Education Network
FIMM	Federation of Investment Managers Malaysia
FIMMAC2023	FIMM's Annual Convention 2023
FLM2023	Financial Literacy Month 2023
FPAM	Financial Planning Association of Malaysia
GMW	Global Money Week
IBFIM	Islamic Banking and Finance Institute Malaysia
IDRS	Integrated Dispute Resolution Scheme
IUUM	International Islamic University Malaysia
ILKAP	Institut Latihan Kehakiman dan Perundangan
INFO Network	International Network of Financial Services Ombudsman Schemes
IPO	Initial public offering
IWD	International Women's Day
KCK	Karnival Celik Kewangan
KSRSS	Kelab Sukan dan Rekreasi Suruhanjaya Sekuriti
LIAM	Life Insurance Association of Malaysia
LRT	Light Rail Transit
MAAM	Malaysian Association of Asset Managers
MITI	Ministry of International Trade and Industry
MSAM	Minggu Saham Amanah Malaysia
MSC	Merger Steering Committee
NAV	Net asset value
OACP	Organisational Anti-Corruption Development Plan
ODR	Online dispute resolution
OFS	Ombudsman for Financial Services

OMB	Online Members' Briefing
PNB	Permodalan Nasional Berhad
PRS	Private retirement schemes
PSA	Public Service Announcement
Regulations	Capital Markets and Services (Dispute Resolution) Regulations 2010
REIT	Real estate investment trust
RTD	Annual Roundtable Discussion
SC	Securities Commission Malaysia
SIAC	SIDREC Appeals Committee
SIDREC	Securities Industry Dispute Resolution Center
SKM	Suruhanjaya Koperasi Malaysia
TOR	Terms of Reference
UM	Universiti Malaya
UTC	Unit trust consultant
UTMC	Unit trust management company
WIW	World Investor Week
WTD	World Telecommunication Day



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