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ASCM Quarterly

Issue 1 of 2018

ASCM Major Activities in 1Q of 2018

1. ASCM Sub-Committees of 2018

At the First ASCM Management Committee Meeting of 2018 held on 18 January 2018, the Management Committee resolved to establish the following Sub-Committees for 2018:-

Market Development Sub-Committee

1. Chew Sing Guan (Chairman)
2. Dato' Ahmad Azman
3. Azura Azman
4. Wong Yoke Weng
5. Choong Yat Weng
6. Chong Sze Yew
7. Yee Meng Phang

Market Operations Sub-Committee

1. Paul Gui (Chairman)
2. Dato' Ahmad Azman
3. Chew Sing Guan
4. R. Sundararajah
5. Chan Tuck Kiong
6. Tan Swee Geok
7. Lee Cheng Wah

Regulations Sub-Committee

1. Wong Yoke Weng (Chairman)
2. Dato' Ahmad Azman
3. Chew Sing Guan
4. Paul Gui
5. Tan Swee Geok
6. Justhinderpal Kaur
7. Leo Ong Chin Liang

SIDC and Training Sub-Committee

1. Azura Azman (Chairperson)
2. Mohd Faizal Shamsul Annuar
3. Chan Tuck Kiong
4. Kamaruzaman Abdullah
5. Rashid Ismail
6. Ridzuan Ishak

Finance Sub-Committee

1. R. Sundararajah (Chairman)
2. Paul Gui
3. Mohd Faizal Shamsul Annuar
4. Tan Ming Lock
5. Lim Geok Lian
6. Jonathan Ooi
7. Ridzuan Ishak

ASCM Management Committee 2018

1. *Dato' Ahmad Azman –Chairman*
2. *Chew Sing Guan – President*
3. *Paul Gui – Vice President*
4. *Mohd Faizal Shamsul Annuar – Secretary*
5. *R. Sundararajah – Treasurer*
6. *Azura Azman*
7. *Chan Tuck Kiong*
8. *Tan Swee Geok*
9. *Wong Yoke Weng*

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2. Initiatives announced by Prime Minister at WCMS 2018

At the World Capital Market Symposium (WCMS) organized by SC on 6th February 2018, the Prime Minister announced several initiatives to further enhance the equity market vibrancy. The initiatives are summarized as follows:

i. Waive stamp duty fee for mid and small companies.
ii. Implement fee waiver for first time individual investors for 6 months.
iii. Liberalize rules to scale up margin financing.
iv. Allow intra-day short selling (IDSS) for all investors.
v. Introduce Trading Specialist, a new category of investors for qualified individuals.
vi. Introduce a volume-based incentive program/rebate
vii. Establish Bursa-SGX trading link.

Following this announcement, ASCM Management Committee had met up with SC and Bursa on 9th February 2018 to seek clarifications on these initiatives.

A follow up meeting with Bursa was subsequently held on 13th February 2018 to seek further clarifications and sharing the views of the stockbroking industry on these initiatives.

In ASCM's press release, ASCM commented that the initiatives announced by the Prime Minister as a tremendous leap forward towards improving market performance. This will boost trading velocity in terms of volume and turnover, expand the investor base and push the index to new heights.

On the various announcements, ASCM commented that:

- IDSS will increase daily transactions as we will now have a long/short market. With adequate and effective controls, IDSS will enable investors to trade both ways. IDSS will also have a stabilizing effect on market prices.

- The liberalization of rules governing margin trading will accord the industry additional flexibility in managing their business.

- The exemption of stamp duty on mid and small size PLCs should further encourage investors' attention to this segment which has long been below their radar.

- New entrants to the market will enjoy 6 months waiver of trading and clearing fees is a positive incentive to rejuvenate the market by attracting new players.

- The volume-based incentive program and the introduction of Trading Specialist would further enhance investors' participation alongside the other measures.

- The planned linkage between Bursa and SGX will create a new symbiotic relationship between the two Exchanges. ASCM will provide inputs to help facilitate a win-win outcome for both Exchanges.

ASCM added that these developments will greatly benefit all participants of the capital market and ASCM will provide full support to both Bursa and SC and work with both regulators to expedite the introduction of these new measures.

3. Cyber Security Insurance Scheme

With the challenges facing the capital markets today, stockbroking community is under pressure to formulate key strategic goals to keep the business going uninterrupted by cyber attacks and other security incidents.

ASCM had taken the initiative to put in place a Cyber Security Insurance Scheme for its members who are in need of the insurance scheme. ASCM had issued a Request for Proposal (RFP) on Cyber Security Insurance to the following insurance brokers:-

i. Aon (Malaysia)
ii. Jardine Llyod Thompson (Malaysia)
iii. Marsh (Malaysia)
iv. Minaris Risk Management
v. Willis (Malaysia)

The insurance brokers had submitted a number of questions to ASCM requesting some information of the members in assisting them to formulate a Cyber Security Insurance Scheme for the industry. In facilitating the RFP exercise, ASCM had gathered the requested information from the members and then reverted to the insurance brokers.

Subsequently, the insurance brokers will revert to ASCM with their proposals. We will keep the members posted on the development of this initiative from time to time.

4. Cyber Risk Working Group

Another development on cyber security is the establishment of the Cyber Risk Working Group (CRWG) by the SC in March 2018. The CRWG aims to serve as an engagement platform between the SC and capital market entities in order to facilitate a harmonised cyber security environment.

The CRWG commits to achieve the following:

i. Provide a platform for the industry to voice and discuss on policy and regulatory issues related to cyber security;

ii. Encourage the sharing of cyber security experiences and techniques among capital market entities;

iii. Raise cyber security awareness amongst the industry;

iv. Provide industry feedback to the SC on the implementation of Guidelines on Management of Cyber Risk;

v. Understand global perspectives on emerging cyber threats and their implications to financial services;

vi. Exchange views on issues affecting cyber security as well as insights on best practices in cyber security strategies.

In the CRWG, ASCM is represented by Mr. Choong Yat Weng of Malacca Securities and Mr. Chong Sze Yew of TA Securities.

5. Other Major Meetings/Events

- On 29 January 2018, ASCM representatives attended Bursa's industry briefing on T+2 Settlement Cycle, Multi-Currency Framework and Order Types & Validities.

- On 22 February 2018, ASCM representatives attended an industry briefing by Bursa on the Measures to Stimulate Vibrancy in the Market.

- On 23 March 2018, representatives of ASCM Management Committee attended the First Securities Market Operations Committee of 2018 at Bursa.