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ASCM Quarterly

Issue 4 of 2018

ASCM Major Activities in 4Q of 2018

1. Introducing ASCM Management Committee 2019

At the ASCM 32nd Annual General Meeting (AGM) on 6th December 2018, members have elected the following as the ASCM Management Committee for year 2019 :-

Management Committee	Position	Representing for:
1. Dato' Ahmad Azman Dato' Abdul Manaf	Chairman	SJ Securities Sdn Bhd
2. Encik Chew Sing Guan	President	Mercury Securities Sdn Bhd
3. Encik Louis Teh	Vice President	CIMB Investment Bank Bhd
4. Encik Mohamad Faizal Shamsul Annuar	Secretary	FA Securities Sdn Bhd
5. Encik R. Sundararajah	Treasurer	M&A Securities Sdn Bhd
6. Puan Azura Azman	Committee Member	RHB Investment Bank Bhd
7. Encik Tan Mun Choy	Committee Member	Inter-Pacific Securities Sdn Bhd
8. Puan Tan Swee Geok	Committee Member	UBS Securities Malaysia Sdn Bhd
9. Encik Wong Yoke Weng	Committee Member	AffinHwang Investment Bank Bhd

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2. Capital Gain Tax

There was a wide media speculation that the government may introduce Capital Gains Tax (CGT) on profit realized from the disposal of shares during 2019 Budget or in the near future.

In a letter to the Tax Reforms Committee (TRC) on 25 October 2018, ASCM stated that it strongly believes that the CGT will have very negative impact on the industry and the investors at large.

ASCM recommends caution in approaching further tax reforms on capital gains on share transactions. ASCM believes that extensive consultation and engagement with the industry is essential to ensure that there are no unintended consequences from the introduction of CGT tax proposal.

ASCM is delighted that the Ministry of Finance has not broached Capital Gains Tax on capital market in the recently tabled 2019 Federal Budget.

3. JP Morgan (Malaysia) Joins ASCM

On 18th December 2018, ASCM Management Committee has accepted an application from JP Morgan Securities (Malaysia) Sdn Bhd to become a member of ASCM.

ASCM warmly welcomes JP Morgan Securities (Malaysia) Sdn Bhd as a member of ASCM. The membership of JP Morgan Securities (Malaysia) will further strengthen the voice of the industry and adds resources to the Association to advocate for policies that protect and promote the securities industry.

4. ASCM – Bursa Securities Industry Seminar

On 27th October and 17th November 2018, ASCM had successfully organised the third and fourth series of the ASCM-Bursa Securities Industry Seminar 2018 at Sime Darby Convention Centre, Kuala Lumpur and Grand Paragon Hotel, Johor Bahru respectively.

The theme of these seminars is 'Differentiating Real vs. Fake Trading Activities through Technical Charting'. Topics of discussions at this seminar were presented by speakers from both market and regulatory backgrounds.

The seminars were organised in collaboration with Bursa where ASCM had managed to obtain a funding of RM150,000 from Bursa. This had enabled ASCM to charge a minimal fee to the participants.

The seminars which carried 10 CPE points (per seminar) were very well attended by participants from both securities and derivatives industries as well as from the general public.

Welcome remarks by ASCM Chairman, YBhg. Dato' Ahmad Azman

Some of the participants of the seminar

5. Cyber Risk Working Group

The Cyber Risk Working Group (CRWG) established by the SC in March 2018, aims to serve as an engagement platform between the SC and capital market entities in order to facilitate a harmonized cyber security environment.

A CRWG meeting for the fourth quarter of 2018 was held on 13th December 2018. Below are the salient matters discussed at the meeting :-

i. Cloud services need to be protected by brokers and not service providers or Data Centre.

ii. SC encouraged brokers to share cyber incidents to benefit the industry.

iii. Most of the non-bank back brokers were unable to rectify all the 12 core assessments during the cyber drill.

iv. It was raised that Linux platform was used during the cyber drill whereby most of the brokers (non-bank back brokers) are using Microsoft platform.

6. CMDF incentive on new BFE project

ASCM had initiated the sixth reimbursement process of CMDF incentive on the new BFE project in November 2018. We had received submission of claims from the participating members in early December 2018.

The combined claims on the new BFE project amounted to RM1.04 million. Subsequently, ASCM had verified the claims and submitted to the CMDF Secretariat on 17th December 2018 for the disbursement of the inventive. ASCM will keep members informed once the incentive has been received.

7. Brokerage Industry Consultative Committee

Subsequent to the SC Industry Dialogue 2018, SC has set up the Brokerage Industry Consultative Committee (BrICC) as an industry platform to discuss matters relating to development, regulations and cost efficiency of the stockbroking industry. ASCM is represented in this industry committee.

The first BrICC meeting was held on 5th October 2018 and the following issues were discussed at the meeting:

i. Industry cost issue

ii. Feedback on migration to T+2 settlement cycle.

iii. The systemic risk on relying on 2 major vendors for brokers front end systems.

8. Other Major Meetings/Events

- On 2 October 2018, representatives of ASCM Management Committee attended a dialogue session with Bursa’s Market Participants Committee (MPC).

- On 4 October 2018, ASCM Management Committee had a discussion with representative from Financial Planning Association Malaysia on their proposal for cross offering of service between DRs and Licensed Financial Planner.

- On 17 October 2018, ASCM representatives attended and engagement session with Bursa’s Market Surveillance Division.

- On 4th December 2018, representatives of ASCM Management Committee attended the Securities Market Operations Committee meeting at Bursa.