

ASCM Secretariat
Tel: +603-77327768
secretariat@ascm.org.my
www.ascm.org.my

ASCM Quarterly

Issue 3 of 2019

ASCM Major Activities in 3Q of 2019

1. Comprehensive Crime and Professional Indemnity Insurance (CCPI)

At the Ninth ASCM Management Committee Meeting held on 27th September 2019, the Management Committee had agreed to retain Marsh Insurance Brokers (Malaysia) for the renewal of the CCPI Insurance Policy for year 2019/2020. The policy expires on 12th December 2019.

Marsh had agreed to maintain the No Claim Bonus at 15% and to continue the 5% prompt payment discount for those members who make payments to Marsh by 20th December 2019. All other terms and conditions of cover shall remain unchanged.

For those POs who participated in ASCM's managed CCPI scheme, kindly observe the following timelines to ensure that you are on time to renew the CCPI Policy and claim for the 5% prompt payment discount:

Activity	Timeline
Renewal Notice with Proposal Form	Marsh to send to members by <u>14th October 2019</u>
Renewal Submission & Proposal Form from members	Members to send to Marsh latest by <u>28th October 2019</u>
Quotation Slip to members	Marsh to email to members latest by <u>8th November 2019</u>
Members to return the Quotation Slip with signed acceptance	Members to send to Marsh by <u>13th November 2019</u>
Policy Expiry Date	<u>12th December 2019 (12.01 am)</u>
Premium Invoice to members	Marsh to courier and email to members by <u>3rd December 2019</u>
Payment of Premium by members	Members to make payment to Marsh by <u>20th December 2019</u>

ASCM Management Committee 2019

1. Dato' Ahmad Azman – Chairman
2. Chew Sing Guan – President
3. Louis Teh – Vice President
4. Mohd Faizal Shamsul Annuar – Secretary
5. R. Sundararajah – Treasurer
6. Azura Azman
7. Tan Mun Choy
8. Tan Swee Geok
9. Wong Yoke Weng

Inside this issue:

1. Comprehensive Crime & Professional Indemnity Insurance
2. ASCM-Bursa Malaysia Securities Industry Seminar
3. Proposed Integrated Dispute Resolution Scheme
4. Trading of MGS and GII
5. Bursa's MOPTI project
6. Other major meetings/events

2. ASCM-Bursa Malaysia Seminar 2019

On 10th August and 7th September 2019, ASCM had successfully organised the second and third of the four series of the ASCM-Bursa Malaysia Securities Industry Seminar 2019 at Grand Paragon Hotel, Johor Bahru and Jen Hotel, Penang respectively.

The theme of ASCM-Bursa Malaysia Securities Industry Seminar 2019 is ‘Fintech and Algorithmic Trading’. Topics of discussions at this seminar were presented by speakers from both market and regulatory backgrounds.



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

The seminar aims to enlighten participants with the knowledge on the concepts of FinTech and algorithmic trading, the evolution of algorithmic and high-frequency trading, trading platforms, technologies and strategies as well as robot advisors.

The second and third series of the seminar had been well attended by more than 150 participants at each seminar. Most of the participants were from the members as well as organisations from the derivatives industry.



Participants of the Seminar in Jen Hotel, Penang

3. Proposed Integrated Dispute Resolution Scheme

On 19th September 2019, Securities Industry Dispute Resolution Centre (SIDREC) and Ombudsman for Financial Services (OFS) sought public feedback on the joint Consultation Paper on the Proposed Integrated Dispute Resolution Scheme for Financial Services in Malaysia.

Currently, the alternative dispute resolution avenues with regulatory mandate for disputes relating to the financial services sector in Malaysia is provided by OFS and SIDREC.

OFS was launched as an alternative dispute resolution (ADR) channel to resolve financial disputes relating to banking, insurance and payment systems between the financial consumers and their financial services providers (FSPs). Whereas, SIDREC operates an alternative dispute resolution avenue for capital market related disputes.

In its response to SIDREC, ASCM stated that on the whole, the Association is supportive on the proposed merger of SIDREC and OFS provided that the funding structure to be based on the principles of equitable and fair apportionment of any levy/fee imposed.

ASCM added that SIDREC members are small users as compared to OFS members using the dispute resolution scheme currently undertaken independently by SIDREC and OFS. From the 2018 Annual Report of SIDREC, it was noted that there were only 83 disputes received in the year. Whereas in OFS 2018 Annual Report, OFS handled 10,178 enquiries and complaints from the public in the same year.

ASCM further stated that out of the 143 SIDREC members (Capital Markets Service License Holders), the equity brokers are required to pay SC levy unlike the rest of the members and thus due considerations must be taken when considering to impose levy/fee on the equity brokers.

4. Trading of MGS and GII

On 3rd September 2019, Bursa sought public feedback on the proposed amendments to the Rules and Directives of Bursa Malaysia Securities and the Rules of Bursa Malaysia Depository in relation to the trading of Malaysian Government Securities (MGS) and Government Investment Issues (GII) on the Exchange.

Bursa proposed to make available MGS and GII for secondary trading and investing by all investors on the Exchange. This will be implemented via a new framework, which allows for the automatic admission of MGS and GII as prescribed by the Exchange, for trading without a listing and quotation on the Exchange.

The current framework on the trading of the Exchange Traded Bonds (ETB) will be expanded to include MGS and GII whilst the current framework for clearing and settlement of securities shall similarly apply to MGS and GII traded on the Exchange.

In relation to the depository framework, modifications will be made to the existing framework for ETB to facilitate the deposit and withdrawal of MGS and GII by the bondholders directly into or from their securities accounts maintained with Bursa Depository.

Since the trading of MGS and GII may require enhancement to the PO's Back Office, ASCM informed Bursa to provide a detailed implementation schedule, including interim milestones and dependencies in advance and to monitor progress and keep on track the implementation of this initiative. ASCM also requested Bursa to notify the POs on the update of any new MGS and GII listing from time to time.

5. Bursa's multi-year Modernisation of Post Trade Infrastructure ("MOPTI") Project

Bursas' MOPTI Project is a multi-year Post Trade transformation strategic project to enhance efficiency and future proofing perspectives on post-trade services for the industry, which involves the replacement of the legacy Clearing, Settlement and Depository related systems for both the Equities and Derivatives markets.

The new post-trade systems will provide amongst others, new capabilities such as multi-asset, multi-currency, multi-settlement cycle and API enabled.

MOPTI is a strategic and transformational project that is envisaged to :-

- Strengthen the business and developmental agility for the industry by shortening time to market and enabling cross-border connectivity;

- Drive greater operational efficiencies and effectiveness for the industry as a whole;
- The new capabilities and functions of the post trade systems will enable easier adoption of international best practices and international messaging standards, enabling greater Straight-Through-Processing (“STP”) amongst others; and
- Future proofing the industry’s model with potential horizontal expansion into new post trade services such as OTC Clearing, Collateral Management and more extensive Depository Services.

On 7th August 2019, Bursa sought feedback from the brokers to understand their needs and readiness in relation to the implementation of the MOPTI project. Brokers had then reverted to Bursa on 15th August 2019. Bursa is currently conducting the project’s design study with a couple of vendors.

6. Other Major Meetings/Events

- On 9th July 2019, representative of ASCM Management Committee attended the Brokerage Industry Digitisation Group (BRIDGe) Steering Committee meeting.
- On 10th July 2019, representatives of ASCM Management Committee attended the Third Securities Market Operations Committee meeting of 2019 at Bursa.
- On 26th August 2019, ASCM Management Committee attended a pre-SC Industry Dialogue 2019 meeting.
- From 2nd to 6th September 2019, a representative of ASCM Management Committee attended the Fifteenth Asia Securities Forum Round Table in Tokyo, Japan.

