

For immediate release.

Kuala Lumpur, 8 July 2022

PUBLIC REPRIMAND AGAINST FORMER UNIT TRUST SCHEME CONSULTANT

The Federation of Investment Managers Malaysia (FIMM) recently reprimanded two individuals (one former Unit Trust Scheme (UTS) and Private Retirement Schemes (PRS) Consultant and one UTS Consultant) for misconduct/breach of FIMM's Consolidated Rules (FCR), FIMM's Code of Ethics and Rules of Professional Conduct (Unit Trust Funds), Second Edition dated 22 January 2013 (FIMM's Code) and FIMM's Code of Ethics, 3rd edition dated 13 January 2020 (FIMM's Revised Code), as follows:

No.	Person Reprimanded	Facts
1.	Kong Wai Hoong (Kong), a former UTS and PRS Consultant of Kenanga Investors Berhad (KIB) (FIMM No: 022-0-22303 & P-022-0-20597)	Kong was found to be in breach of Rule 4.2.1 read together with Rule 4.3.1(f) of FIMM's Consolidated Rules (FCR) for submitting false academic qualification (i.e., Diploma in Mass Communication from Tunku Abdul Rahman College) in the course of his registration as a UTS and PRS Consultant with FIMM which took effect on 5 August 2016 and 20 April 2018, respectively.
2.	Nor'aini Binti Hamat (Nor'aini), a former UTS Consultant of KIB (FIMM No: 022-0-21734)	Nor'aini was found to be in breach of Clauses 3.1.3(a), 3.1.11(g) and 3.1.16(a) FIMM's Code and Paragraph 3.1 of FIMM's Revised Code for committing the following misconducts: i. Performed switching transactions of an investor's UTS investments with KIB without his authorisation on 5 January 2018, 28 May 2018 and 9 January 2020 (Unauthorised Switching Transactions); ii. Provided false information to the investor in relation to the two (2) out of three (3) Unauthorised Switching Transactions; iii. Provided false information to KIB that she met and obtained the investor's

		<p>authorisation for the Unauthorised Switching Transactions;</p> <p>iv. Allowed or caused the investor to pre-sign investment forms of the Unauthorised Switching Transactions; and</p> <p>v. Performed or caused a switching of the investor's Shariah UTS investment with KIB to a non-Shariah UTS investment in KIB even though it is not allowed under the Employees Provident Fund Member Investment Scheme (EPF-MIS) Guidelines, 2013.</p>
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Rule 4.2.1 of the FCR requires a person who is registered with FIMM as a Distributor or Consultant to continuously satisfy the fit and proper criteria upon registration. Failure to satisfy any of the fit and proper criteria constitutes a non-compliance of these Rules and FIMM may suspend or revoke such registration or take such other action as it deems fit.

Rule 4.3.1(f) of the FCR states that the factors set out below are relevant to the assessment of honesty, integrity and reputation of a person. The factors include, but are not limited to, whether the person –

(f) has been untruthful or provided false or misleading information to FIMM or SC or any other authorities or bodies, whether in Malaysia or elsewhere.

Clause 3.1.3(a) of FIMM's Code requires UTS and PRS Consultants at all times to act with honesty, dignity and integrity.

Clause 3.1.11(g) of FIMM's Code requires UTS and PRS Consultants to conduct all dealings with every care, skill and diligence and should not request or allow an investor to pre-sign (or pre-thumbprint) any form relating to their investment.

Clause 3.1.16 (a) of FIMM's Code requires UTS and PRS Consultants to maintain knowledge of, and comply with, all applicable laws and regulations governing the unit trust industry. Where required, they must deal with the regulatory authorities in an open and co-operative manner and disclose such information as is reasonable and appropriate.

Paragraph 3.1 of FIMM's Revised Code requires UTS and PRS Consultants and Distributors to at all times act honestly and with integrity.

Additionally, Kong and Nor'aini, have been barred from registration with FIMM for a period of one year effective 10 June 2022.

This Public Reprimand is imposed to send a strong message that FIMM will take action against those who fail to comply with any rules issued by FIMM. This is to deter UTS and PRS Consultants from committing any misconduct and reminding them that it is crucial to observe FIMM's rules when marketing and distributing UTS and PRS in Malaysia to protect public interest.

Kong's misconduct was detected via referral from our Distributor while Nor'aini's misconduct was a direct complaint from an investor.

For more information on matters related to UTS/PRS and investor protection, please visit www.fimm.com.my.

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Note to Editors

About Federation of Investment Managers Malaysia

The Federation of Investment Managers Malaysia (FIMM) was established on 7 August 1993. FIMM was previously known as the Federation of Malaysian Unit Trust Managers (FMUTM), with a mandate to represent the UTS and PRS industry and promote its growth. By a gazette order dated 20 January 2011, FIMM was recognised by the Securities Commission Malaysia (SC) as a Self-Regulatory Organisation (SRO).

As an SRO, FIMM regulates and supervises its members and registered persons to strive for the highest level of integrity and standards of practice that will best serve the investment management industry and promote investor protection.

FIMM's Consolidated Rules

FIMM's Consolidated Rules dated 1 June 2016 can be downloaded from our website www.fimm.com.my.