

Press Release

For immediate release.

Kuala Lumpur, 16 May 2023

PUBLIC REPRIMAND AGAINST A UNIT TRUST & PRIVATE RETIREMENT SCHEMES CONSULTANTS

The Federation of Investment Managers Malaysia (FIMM) recently reprimanded three (3) Unit Trust Schemes (UTS) and Private Retirement Schemes (PRS) Consultants for their misconduct/breach of FIMM's Code of Ethics and Rules of Professional Conduct (Unit Trust Funds), Second Edition dated 22 January 2013 (FIMM's Code) respectively, as follows:

No.	Person Reprimanded	Facts
1.	Rohaizan Binti A Karim (Rohaizan), who was at the material time a UTS and PRS Consultant of Kenanga Investors Berhad (KIB) (FIMM No: 022-0-24269 & P-022-0-20226).	Rohaizan was found to be in breach of Rules 4.1.1 and 4.2.1 of FIMM's Consolidated Rules (FCR) read together with Rule 4.3.1(f) of the FCR for committing the following misconduct: Provided false information to FIMM relating to academic qualification (Sijil Pelajaran Malaysia) in the course of registration as a UTS and PRS consultant with FIMM which took effect on 10 February 2021 and 30 April 2015, respectively.
2.	Mat Yusof bin Saari (Mat Yusof), who was at the material time a UTS Consultant of Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) (FIMM No: 552-I-20039).	Mat Yusof was found to be in breach of Clause 3.1.3(a) of FIMM's Code for committing the following misconduct: Provided fake unit trust statements of three (3) individuals in 2017.
3.	Romy Eaduka (Romy), who was at the material time was a UTS Consultant of Bank Rakyat (FIMM No: 030-0-20709).	Romy was found to be in breach of Clauses 3.1.3(a) and (c), 3.1.11(g) and 3.1.12(a)(i) to (vii) and (b) of FIMM's Code for committing the following misconducts: i. Invested RM3,000,000.00 of Investor's money into UTS distributed by Bank Rakyat in July 2011, when the Investor only intended to place the

		<p>money in fixed deposit with Bank Rakyat;</p> <p>ii. Performed multiple subscription and redemption transactions between 11 October 2011 and 23 August 2016 in the Investor's UTS investment account without the Investor's authorisation or knowledge to earn commission, and caused significant financial losses to the Investor;</p> <p>iii. Allowed the Investor to pre-sign Bank Rakyat's investment transaction form which was used to subscribe to UTS on 5 September 2016 without prior notification to the Investor;</p> <p>iv. Failed to explain the features and risks of UTS distributed by Bank Rakyat to the Investor in March 2011 and July 2011; and</p> <p>v. Performed multiple redemption and subscriptions of UTS using the same investment proceeds of the Investor into one or more UTS distributed by Bank Rakyat within a short period of time, and with no apparent reason.</p>
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Rule 4.1.1 of the FCR requires any person who applies to FIMM for registration as a Distributor or Consultant must be fit and proper.

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 Securities Commission or any other authorities or bodies, whether in Malaysia or elsewhere.

Clause 3.1.3(a) and (c) of FIMM's Code states that UTS/PRS Consultants should at all times (a) act with honesty, dignity and integrity; and(c) deal in good faith and with best of intentions for investors.

Clause 3.1.11(g) of FIMM's Code requires UTS/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 3.1.12(a)(i) to (vii) and (b) requires UTS/PRS Consultants to adequately explain to an investor the nature and characteristics of the unit trust fund that is being marketed. Towards this end, Consultants: (a) should make clear all essential attributes of the unit trust fund, including:

- (i) the investment objectives of the unit trust fund;
- (ii) the investment strategy to achieve the stated objectives;
- (iii) the risks of investing in that unit trust fund and unit trusts generally;
- (iv) the distribution policy of the unit trust fund;
- (v) all fees, charges and expenses involved;
- (vi) the tax implications (if any); and
- (vii) cooling-off period (where applicable);

(b) should ensure as far as possible that the investor understands the information provided and what he is committing himself to.

Consequently, FIMM has imposed the following sanctions against the respective Consultants, as follows:

- (i) Rohaizan has been barred from registration with FIMM for a period of two (2) years effective 13 April 2023.
- (ii) Mat Yusof has been barred from registration with FIMM for a period of three (3) years (Barring Period) with effect from 19 April 2023 and is required to attend training on "Anti Money Laundering" and "FIMM's Code of Ethics" should he decides to re-register with FIMM after the Barring Period.
- (iii) Romy Eaduka has been permanently barred from registration with FIMM. .

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 misconducts and reminding them that it is crucial to observe FIMM's rules when marketing and distributing UTS and PRS in Malaysia to protect the interests of the investing public.

The public is advised not to pre-sign any investment application form and ensure that the official receipt of investment is received from the Distributor of the UTS/PRS. If any detail or information in the receipt is inaccurate, please check with the Distributor.

Romy Eaduka's misconduct was detected via referral from Bank Rakyat to FIMM.

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

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Media enquiries

Note to Editors

About Federation of Investment Managers Malaysia

The Federation of Investment Managers Malaysia (FIMM) was established on 7 August 1993. 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 Code of Ethics and Rules of Professional Conduct (Unit Trust Funds)

[FIMM's Code of Ethics and Rules of Professional Conduct \(Unit Trust Funds\)](#), Second Edition dated 22 January 2013 (FIMM's Code) can be downloaded from our website www.fimm.com.my. FIMM's Code was implemented to ensure that UTS and PRS Consultants conduct themselves and act with professionalism, integrity, and honesty when dealing with investors.

FIMM's Code of Ethics

FIMM's Code of Ethics (Third Edition) dated 13 January 2020 can be downloaded from our website www.fimm.com.my.

FIMM's Consolidated Rules

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