



# In the Grand Scheme of Things

FIMM Annual Report 2022

[fimm.com.my](http://fimm.com.my)

*This page intentionally left blank. Inside of front cover.*

# Content

## Introduction

7	Chairman's Statement
10	CEO's Message
13	About Us
14	Project Y3ARS
22	Industry Snapshot 2022

## Industry

<b>26</b>	<b>Registration &amp; Gate-Keeping</b>
26	Distributors Snapshot 2022
26	Improvement to Gate-Keeping Function
<b>27</b>	<b>Professional Development of Consultants</b>
27	Regulatory Training on Code of Ethics
27	PRS Familiarisation Programme
28	FIMM CPD Tracker System
28	FIMM Examination
28	FIMM E-Learning Portal
<b>29</b>	<b>Industry Development</b>
29	FIMM Centralised Database System
30	Engagement with Stakeholders
31	Progress on the FIMM Study Guide
31	Examination Question Enhancements
31	Other Projects and Initiatives
<b>32</b>	<b>Positioning FIMM as a Thought Leader</b>
32	ESG Webinar (collaboration with FTSE Russell and Bursa Malaysia)
33	FIMM 2022 Consultant Survey
33	FIMM 2022 Investment Management Survey
33	Survey on Proposed Solutions for the Fund Management Digitisation Group to Address Payment and Settlement Inefficiencies in the Fund Management Industry
33	Industry Survey on Foreign-Sourced Income Tax

## Reinforcing Confidence

<b>36</b>	<b>Ensuring Compliance</b>
36	Post-Registration Assessment
36	Annual Compliance Review
37	Thematic Engagement with CUTA/CPRA
37	Thematic Examination with IUTA/IPRA
38	Social Media Surveillance with Mystery Shopping Exercise
38	Quarterly Complaint and Trend Analysis
39	Supervisory Engagement
<b>40</b>	<b>Regulatory Industry Briefing</b>
<b>41</b>	<b>Enforcement</b>
41	Number of Complaints Received
41	Nature of Complaints Received
42	Number of Consultants Sanctioned by the Disciplinary Committee
42	Implementation of Complaints Handling System

## Public Relations

<b>46</b>	<b>Investor Education</b>
46	FIMM Annual Convention & Industry Education Series 2022
48	FIMM e-Zine
48	FIMM TV Weekly Recap
49	Social Media Engagement
50	Corporate Video
50	Media Tie-Up
51	Gamification Campaign
51	Website Refresh
52	Public Engagement
57	MFPC's Virtual Financial Literacy Programme – My Money & Me
57	MFPC's Virtual Industry Talk

## Leadership

<b>60</b>	<b>Board of Directors &amp; Committees</b>
<b>69</b>	<b>Management</b>
<b>70</b>	<b>Our People</b>
<b>71</b>	<b>IT Infrastructure &amp; Systems</b>

## Financial Report

<b>76</b>	<b>Directors' Report</b>
<b>80</b>	<b>Statement by Directors</b>
<b>80</b>	<b>Statutory Declaration</b>
<b>81</b>	<b>Independent Auditor's Report to the Members of FIMM</b>
<b>84</b>	<b>Statement of Financial Position</b>
<b>85</b>	<b>Statement of Comprehensive Income</b>
<b>86</b>	<b>Statement of Changes in Accumulated Fund</b>
<b>87</b>	<b>Statement of Cash Flows</b>
<b>88</b>	<b>Notes to the Financial Statements</b>

## Miscellaneous

<b>110</b>	<b>Abbreviations and Acronyms</b>
------------	-----------------------------------





# **Introduction**

**Chairman's Statement**

**CEO's Message**

**About Us**

**Project Y3ARS**

**Industry Snapshot 2022**

*This page intentionally left blank.*



# Chairman's Statement

Mohd Ridzal Mohd Sheriff

On behalf of the Board of Directors, it is with great pleasure that I present the FIMM Annual Report for 2022.

2022 was eventful, and it felt like a year of various transitions. From pandemic to endemic, from health crisis going back to normalisation. It was a year when we were just getting used to working from home and then had to gradually return to work physically again. Indeed a year of many adjustments from a personal level to a national level.

For the first time in Malaysian politics, we witnessed 18-year-olds voting and the unexpected result of a never-before "hung" Parliament. The political turmoil of uncertainty that existed pre-elections continued after the 15th General Election. Thankfully, it was eventually resolved with the appointment of the 10th Prime Minister, leading a Unity Government as requested by the Yang di-Pertuan Agong.

Globally, we have been experiencing the unintended effects of the war in Ukraine, including grain shortages, fuel price

increases and logistics issues. The conflict in Eastern Europe has created a negative ripple effect on financial markets, commodity shortages and surging oil prices.

Uncertainties and upheavals have made 2022 a challenging period, impacting various industries, including the Malaysian Unit Trust and Private Retirement Schemes industry. Similar to many sectors, the industry has seen better days in terms of fund performance amidst extremely challenging and volatile circumstances.

In 2022, a year marked by challenges and transformations, FIMM continued its role as a key enabler in the fund management industry. Our efforts were dedicated to developing and enhancing the industry while fostering a safe investment environment for investors to achieve their financial goals.

During this transformative period, FIMM has undertaken several initiatives to improve the fund management industry.

One of our key efforts was the implementation of a background screening

initiative for new Consultants. This ensures that only individuals who meet the “fit and proper” criteria are allowed to operate in the investment management industry.

To enhance our complaints handling process, the Complaints Handling System was introduced. This system enables us to address and resolve complaints more efficiently, enabling quicker interaction with the affected parties.

To bolster the security and monitoring capabilities, we have migrated our main applications and database servers from a physical data centre to a cloud data centre.

**“Despite the many challenges, it must be said that in terms of performance and achievements, 2022 was a successful year for FIMM.”**

Additionally, we prioritised the establishment of a safe and protected IT infrastructure to provide a secure environment that allows us to focus on industry development while safeguarding sensitive data.

At the same time, we continue to enhance and improve our initiatives from previous years.

In terms of regulatory compliance, we maintained rigorous supervision over Distributors and Consultants to ensure their adherence to FIMM rules and the applicable laws and regulations. This encompasses various measures, including risk profiling, thematic reviews, and surveillance of social media activities.

As the country began to re-open, many organisations were eager to return to physical events. Our investor education initiatives, which included physical roadshows and

outreach programmes, garnered 6,645 direct engagements. Meanwhile, our bite-sized investor education content over social media attracted a 62% increase in followers at 11,388 in 2022 from 7,051 in 2021.

In our continuous efforts to position FIMM as a thought leader, we looked to further the development of environmental, social and governance (ESG), as well as sustainable and responsible investment (SRI) by co-organising a webinar with FTSE Russell and Bursa Malaysia. The collaboration was to gain an understanding of ESG rating frameworks on how to offer sustainable funds in Malaysia.

In 2022, we conducted the Consultant Survey with the aim of gaining a comprehensive understanding of various aspects related to Consultants. This survey focused on studying their behaviours, services, challenges, issues and concerns. Additionally, we sought to delve into their perception of technological tools and the gig economy in relation to the industry. The survey also gathered valuable insights to enable future-proofing Consultants.

We undertook our second Investment Management Survey with a specific focus on understanding the implications of the COVID-19 pandemic on the industry. This survey allowed us to delve into various aspects, including the movement in industry Net Asset Value (NAV), sales and redemption, as well as the number of investors during the pandemic. Moreover, we explored the utilisation of online portals to enhance customer outreach and servicing. Lastly, the survey sought to gather insights regarding the industry’s outlook on potential future risks and strategic portfolio allocation.

## Moving Forward

For context, the 5-Year Strategic Blueprint, formulated in 2018, centred around four key strategic thrusts. The first is aimed at promoting innovation and growth opportunities within the industry. Secondly, the promotion of technology and efficiency in the industry. Thirdly, to enhance FIMM’s role and not least of all, reinforce confidence among stakeholders and investors.



FIMM's 2-Year Operationalisation Plan (2019 & 2020) was then added on and linked to the Blueprint. Coupled with Project Y3ARS which was formulated in 2021, these three documents became the basis of FIMM's direction, focus and priorities since 2018.

With the Blueprint completed in 2022 and for Project Y3ARS to be completed in 2023, I look forward to seeing the next business plan from the Management to keep FIMM relevant and resilient in the next five years.

## Appreciation

Despite the many challenges, it must be said that in terms of performance and achievements, 2022 was a successful year for FIMM. These achievements would not have been possible without the hard work and dedication of the FIMM team. I thank the CEO, En Kaleon Leong Rahan, the senior management team, and the staff of FIMM for their unwavering commitment.

It would also be remiss of me not to mention the dedication of FIMM Directors in fulfilling their oversight governance roles in the stewardship of the organisation. Thank you for your invaluable efforts. In particular, I would like to thank the directors who have served on the FIMM Board and Sub-Committees for many years and have since resigned or retired in 2022, namely, Mr Steven Choy, En Mohammad Hussin, Ms Yeoh Kim Hong and Ms Eliza Ong. We wish them the very best in their future endeavours.

We warmly welcome En Ahmad Tajuddin Abdul Carrim, Ms Yvonne Phe Kheng Peng, En Muzzaffar Othman and Mr Chiang Kang Pey as new directors to the Board.

Lastly, a special note of appreciation for the close cooperation and guidance of our regulator and industry stakeholder, the Securities Commission Malaysia.

We also thank our other stakeholders and partners in the industry such as the Employees Provident Fund (EPF), Bank Negara Malaysia (BNM), Malaysian Financial Planning Council (MFPC), Financial Planning Association of Malaysia, Credit Counselling and Debt Management Agency (AKPK), Securities Industry Dispute Resolution Center (SIDREC) and Institute for Capital Market Research Malaysia.

## Closing Remarks

The challenges faced by FIMM in 2022 and the many successful milestones achieved therefrom have strengthened our resolve to continue furthering the cause for the industry in 2023.

We take note of the many difficulties faced and from them valuable lessons learnt that will be useful for us in future.

In ending, I wish to underline FIMM's firm commitment to continue championing the Unit Trust and Private Retirement Schemes industry causes, upholding professional standards, maintaining the highest standards on integrity and its role of thought leadership in an ever-evolving industry.

  
Mohd Ridzal Mohd Sheriff  
Chairman



## CEO's Message

Kaleon Leong Rahan

The year was 2010: a time when the unit trust industry had 564 funds with a net asset value of approximately RM227 billion and Private Retirement Schemes (PRS) were still in the conceptual stage. Then, the Malaysian economy bounced back from the 2009 downturn with a resounding growth of 7.2%. To further accelerate the country's economic growth, the New Economic Model and the Economic Transformation Programme were introduced. In anticipation of these impetuses, the unit trust industry was envisioned to have a larger role to play in managing the *rakyat's* newfound wealth, *vis-a-vis* channeling their hard-earned savings in the best possible manner to achieve their financial goals.

As for me, I was working at the Securities Commission Malaysia then, and spent a great deal of time that year assessing FIMM's readiness to become a Self-Regulatory Organisation (SRO) and how this would benefit the unit trust industry in the grand scheme of things.

The term "SRO" was relatively unheard of then (and sometimes now), which required

FIMM to expand its role from being just an Industry Representative to include regulating the marketing and distribution of Unit Trust Schemes (UTS), and later, Private Retirement Schemes (PRS).

Fast forward 12 years: the unit trust industry has seen a 36% increase to 769 funds with a net asset value of approximately RM488 billion. Despite a global pandemic, the UTS and PRS industry has proven its resiliency and continues to be investment avenues of choice. The proliferation of funds, in terms of type, diversification and asset classes has made this industry a key and primary driver of the domestic capital market, as well as a nexus to foreign markets.

Amidst all these positive achievements, where does FIMM fit in the grand scheme of things?

Even before my time, FIMM's perennial justification has been to stay relevant. We are duty-bound to the investing public, regulator, as well as our Members and Distributors to educate, protect and develop the UTS and PRS industry.

Guided by a 5-Year Strategic Blueprint (2018-2022), a 2-Year Operationalisation Plan (2019-2020) and a 3-Year Project (aptly named Project Y3ARS), FIMM has gradually stamped its mark as an investor protector, market advocate and thought leader. This is evident by the ongoing efforts taken in ensuring continuous compliance with regulations; enhancing governance; promoting investor protection; strengthening marketing and distribution practices; and lastly, ensuring sufficient financial, human and other resources to carry out our SRO functions.

**“The key word here is ‘more’ and it is represented by the expanding reach in population, stakeholders, deliverables and networks.”**

Not just in 2022, but also in past years' annual reports, we shared our efforts and initiatives in protecting more investors, educating more people, strengthening more marketing and distribution regulations, and developing more areas within the unit trust and PRS ecosystem.

The key word here is “more” and it is represented by the expanding reach in population, stakeholders, deliverables and networks. We hope that with these numbers in place, FIMM justifies its place in the grand scheme of things – at present and in future.

With that in mind, I am proud to report that for 2022, FIMM achieved an outstanding corporate performance by attaining a 92% rating on its Key Performance Indicator, the highest that it has ever been. This is a testament to our continued commitment to excellence in serving the industry.

I would like to take the opportunity to express our gratitude and appreciation to:

- The support given by the Securities Commission Malaysia, Ministry of Finance, Bank Negara Malaysia and the Employees Provident Fund;
- The stewardship and guidance provided by the Chairman, Board of Directors with a special mention to past Directors (i.e. Mr Steven Choy, En Mohammad Hussin, Ms Yeoh Kim Hong and Ms Eliza Ong) for their wonderful contributions; and
- The industry support provided by Members, Distributors, Consultants and other professional bodies/associations.

Also, a big thank you to my team (including past colleagues) for the hard work and contributions in making FIMM a formidable organisation.

As we approach our 30th anniversary on 7 August 2023, we are excited to embark on the next chapter in elevating the industry, setting new standards and reaching greater milestones.

  
Kaleon Leong Rahan  
Chief Executive Officer

## Our Mission

**Building the highest level of trust, integrity, standards and ethics for investor security, growth and knowledge in the investment management industry.**

# About Us

The Federation of Investment Managers Malaysia (FIMM) was established on 7 August 1993. Back then, FIMM was known as the Federation of Malaysian Unit Trust Managers (FMUTM), with a mandate to represent the Unit Trust Scheme (UTS) 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 such, FIMM is empowered to regulate its Members' activities in the marketing and distribution of UTS and later, Private Retirement Schemes (PRS).

With the recognition as an SRO, FIMM undertakes the following roles:

## Self-Regulatory Organisation & Industry Representative

### Industry Focal Point

#### Gate-Keeping

Register Distributors and Consultants

Conduct qualifying examinations for Consultants

Ensure continuing professional development

#### Supervision

Assess the Distributors and Consultants' state of compliance to the relevant rules and regulations

#### Enforcement

Impose appropriate sanctions on Distributors and Consultants resulting from non-compliance with rules and regulations

Represent the industry on industry issues

Promote industry growth

Collate and share industry information

#### Investor Awareness

Increase awareness of FIMM

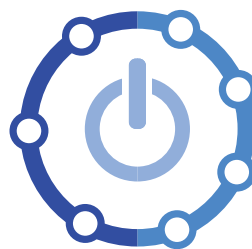
Enhance knowledge in UTS and PRS

#### Standard and Best Practice

Promote best practices in marketing and distribution of UTS and PRS

#### Education and Training

Enhance professionalism among Distributors and Consultants



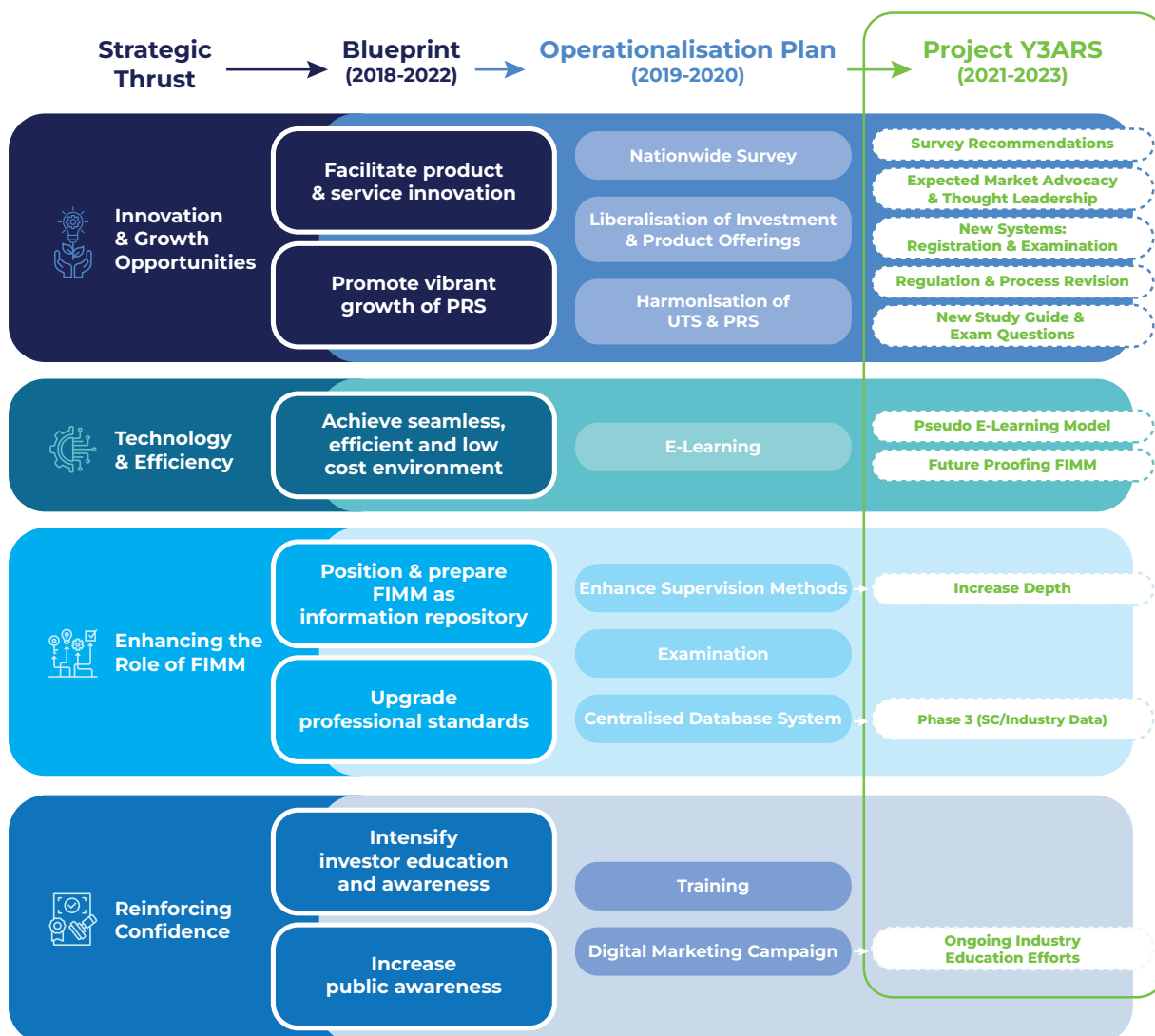
# Project Y3ARS

In 2018, FIMM announced the 5-Year Strategic Blueprint (Blueprint) to lay the foundation of its plans for the years 2018 to 2022. The Blueprint focused on the following strategic thrusts:



In 2019, FIMM introduced the Operationalisation Plan to add granularity to the execution, timing and resources available/needed to execute the Blueprint for 2019 and 2020. Subsequently, **Project Y3ARS**, encompassing initiatives for years 2021 to 2023, was implemented.

The relationship between the Blueprint, Operationalisation Plan and **Project Y3ARS** is set out below:



## Progress vis-à-vis the Key Initiatives

The year 2022 marked the second year of Project Y3ARS. Below is the overview of its progress:

Project Y3ARS (2021-2023)		Status as of 31 December 2022
 <b>Innovation and Growth Opportunities</b>		
<b>Survey Recommendations</b>	Research on UTS Fees and Charges	The report of <i>FIMM 2021 Research on UTS Fees and Charges</i> was released on 28 January 2022.  <b>Status: Completed</b>
	Financial Calculator	At the 3/2022 Board Meeting held on 18 May 2022, the Board requested for the Management to re-evaluate this initiative against the needs of the industry and investing public.  Upon reassessment, the Management decided not to proceed with the project. The initiative will therefore be revisited when the need arises.  <b>Status: Deferred</b>
	Consultant Survey	The final report on the Consultant Survey was issued to the industry on 30 November 2022.  <b>Status: Completed</b>
<b>Expected Market Advocacy and Thought Leadership Role</b>	EPF-MIS: Revision of Lipper Malaysia Fund Classification Methodology	FIMM conducted an impact analysis on the revised methodology in Q1 2022. The results showed that the revised methodology, namely FIMM-Refinitiv Lipper Malaysia Fund Classification (FRLMC), has yet to bring significant competitive impact to funds' Lipper Rating for Consistent Return (CR) due to the reduced/insufficient number of funds in new Lipper Classifications for peer comparison upon separating the funds into three (3) groups, i.e. Conventional, Shariah and Others (PRS, Investment-Linked Funds (ILP), Exchange Traded Fund (ETF) and Real Estate Investment Trusts (REIT)).  On 28 September 2022, FIMM conducted an industry briefing on the deferment of the timeline to implement FRLMC, for a minimum of two (2) years. The clearance on the said deferment was obtained from FIMM's Board and Employees Provident Fund (EPF) on 10 May 2022 and 10 June 2022, respectively.  <b>Status: Completed</b>

Continued on the following page

	<p>Ongoing Regulatory/ Policies Revision or Formulation</p>	<ol style="list-style-type: none"> <li>1. <a href="#">Investment Management Standards (IMS)</a> <p>On 18 May 2022, FIMM's Board approved the proposed revision of IMS, which was subsequently submitted to the SC for approval on 1 June 2022. FIMM also submitted clarification points to the SC on 19 October 2022, following its meeting with the regulator in September 2022.</p> <p><b>Status: Ongoing</b></p> </li> <li>2. <a href="#">Multiple-tiered Structure for Institutional Unit Trust Advisers (IUTA)/Institutional Private Retirement Scheme Advisers (IPRA) (for Capital Markets Services License (CMSL) holder)</a> <p>A proposal on allowing multiple-tiered structure for IUTA/IPRA (for CMSL holder) was approved by the Industry Development Committee (IDC) on 1 September 2021 and submitted to the SC on 10 May 2022 for review. Following a discussion with the regulator on 16 June 2022, a revamped proposal was subsequently submitted to the SC on 5 September 2022. The last response to SC's comments was on 14 December 2022.</p> <p><b>Status: Ongoing</b></p> </li> <li>3. <a href="#">Responsibilities of Unit Trust Management Companies (UTMC) and Institutional UTS Advisers (IUTA) to Ultimate Beneficiary Owners (UBO) under the Nominee System</a> <p>The SC has approved for FIMM to proceed with the issuance of a circular on the above matter to the industry on 29 November 2022. The circular was disseminated to the industry and made available on FIMM's website on 2 December 2022.</p> <p><b>Status: Completed</b></p> </li> <li>4. <a href="#">FIMM's Guidance Notes on The Securities Commission Malaysia's Guidelines on Advertising for Capital Market Products and Related Services (Guidance Notes on A&amp;P)</a> <p>The SC, on 10 January 2022, indicated that there were no further comments on the draft Guidance Notes on A&amp;P. FIMM proceeded to conduct an industry briefing on 6 February 2022, which was attended by 61 Members. The Guidance Notes on A&amp;P were made available on FIMM's website. Subsequently, FIMM gathered feedback from the industry and developed a list of Frequently Asked Questions on 28 April 2022 which is also available on the website.</p> <p><b>Status: Completed</b></p> </li> </ol>
--	---	--

Continued on the following page



	<p>FIMM Industry Dialogue/ Engagement</p>	<p>1. <b>Foreign Sourced Income Tax (FSI)</b></p> <p>Following the issuance of the Ministry of Finance's (MOF) subsidiary legislation on the FSI on 19 July 2022, FIMM submitted a proposal to the SC in conjunction with the SC Industry Dialogue on 28 July 2022. On 29 September 2022, the Inland Revenue Board of Malaysia (IRB) issued the Technical Guidelines on Tax Treatment of Foreign Source Income in relation to the application of the tax legislation with respect to the FSI received by residents in Malaysia, as well as the qualifying conditions for the exemptions from tax are imposed by the MOF. Subsequently, on 2 December 2022, a revised guideline on tax treatment in relation to foreign source income was issued to provide clarity to the said treatment.</p> <p>In relation to the payment of taxes, IRB on 31 December 2022 published a media statement announcing the use of "Bill Number" as a mandatory reference for the payment of all types of direct taxes, except for payment of Monthly Tax Deductions (PCB) and Stamp Duty beginning 1 January 2023</p> <p><b>Status: Ongoing</b></p> <p>2. <b>Engagement with the industry</b></p> <p>FIMM conducted the following engagements with the industry in Q4 2022:</p> <ol style="list-style-type: none"> <li>a. The Regulatory Services Division (RSD) Industry Briefing was held on 22 November 2022, garnering a total of 261 participants; and</li> <li>b. On 5 October 2022, the IDC approved for FIMM to proceed with showcasing the 2022 Investment Management Survey Findings to the industry at the FIMMAC 2022, held on 17 and 18 October 2022.</li> </ol> <p><b>Status: Completed</b></p>
<p><b>New Systems – Registration and Examination</b></p>	<p>Single Registration Platform (Tender Process)</p>	<p>Due to the termination of the Registration system project with the vendor on 18 August 2022, the Board has approved a new open tender based on an enhanced evaluation criterion. The new tender was opened from 21 September 2022 to its closure date on 19 October 2022.</p> <p>Thereafter, the tender evaluation process kick-started on 8 November 2022 and completed by end of the same month.</p> <p><b>Status: Completed</b></p>

Continued on the following page

<p><b>Internal Regulation and Process Revision</b></p>	<p>Harmonisation of Rules, Examination and Processes</p>	<p>A total of 14 policies and procedures were introduced/ revised this year by various departments.</p> <p><b>Status: Completed</b></p>
<p><b>New Study Guide and Questions</b></p>		<p>Efforts to incorporate the revised Guidelines on Unit Trust Funds (issued on 21 December 2022) (GUTF) and Guidelines on PRS (issued on 1 September 2022) (GPRS) are still ongoing.</p> <p>The launch of this combined study guide is deferred until the launch of the combined single examination for UTS and PRS Consultants.</p> <p><b>Status: Ongoing (Deferred in 2022)</b></p>
<p> <b>Technology &amp; Efficiency</b></p>		
<p><b>Pseudo E-Learning</b></p>	<p>"Project E" also known as Contents Creation</p>	<p>Six (6) e-learning modules relating to the contents of FIMM's Study Guide are in the midst of being finalised for uploading onto FIMM's e-Learning Portal.</p> <p><b>Status: Ongoing</b></p>
<p><b>Future Proofing FIMM</b></p>	<p>Corporate Systems</p>	<p>The Enterprise Resource Planning (ERP) system will be replaced with a new cloud-based financial system and HRMS (collectively the Corporate Systems).</p> <p>The progress of each system is as follows:</p> <ol style="list-style-type: none"> <li><b>Biztrak Financial System (Financial System)</b>  Financial System: Purchase order has been issued to the selected vendor on 22 December 2022 for the annual subscription of Cloud Biztrak and its support maintenance.</li> <li><b>Human Resource Management System (HRMS)</b>  The HRMS procurement process was completed on 22 December 2022 and subsequently tabled to the Management Procurement Committee (MPC) on 15 December 2022. No suitable vendor was selected as they were unable to meet the prescribed requirements. Hence, the Management will revisit the system requirements and seek for other suitable vendors</li> </ol> <p><b>Status: Ongoing</b></p>

Continued on the following page

	Chatbot & Artificial Intelligence (AI)	The Chatbot/AI feature went live on 1 August 2022. <b>Status: Completed</b>
	Consultants App	The Consultants App is dependent on the completion of the primary new Registration System which is subjected to the timeline proposed by the new vendor.  Management will propose a new implementation plan and timeline for the Consultants App, upon successful launch of the new registration system.  <b>Status: Deferred</b>
	Complaints Management System	The complaints system went live on 1 July 2022. <b>Status: Completed</b>



## Enhancing the Role of FIMM

<b>Increase Depth</b>	Focus Group Interview on Consultants	Sixteen (16) focus group interviews with Consultants from six (6) Corporate Unit Trust Adviser (CUTA) and Corporate PRS Adviser (CPRA) and two (2) IUTA/IPRA have been conducted.  <b>Status: Completed</b>
	Social Media Surveillance Tools	FIMM reviewed 301 samples of social media postings by Consultants.  <b>Status: Completed</b>
	Enforcement Strategy	The changes to the Sanctions Matrix were incorporated into the Enforcement Handbook and shared with the SC for notification on 29 September 2022. The revised Enforcement Handbook came into effect on 1 October 2022.  <b>Status: Completed</b>
<b>Centralised Database System (CDS)</b>	Phase 3 (SC/Industry Data)	At the Board Meeting held on 3 August 2022, the Board agreed for Phase 3 to be extended from Q4 2022 to next year as more time/effort is required to assess data and report requirements among the three (3) parties, i.e. the SC, FIMM and Members/Distributors.  The concept paper on the revision to CDS was submitted to the SC on 19 December 2022.  <b>Status: Deferred</b>

Continued on the following page



## Reinforcing Confidence

<p><b>Ongoing Industry Education Efforts</b></p>	<p>UTS &amp; PRS 101</p>	<p>FIMM uploaded 41 “UTS &amp; PRS 101” posts on its social media platforms. Supplementary awareness and education posts were also made, bringing the total number of posts to 287 for the year. The total number of followers across FIMM’s social media platforms was 11,388 in 2022 compared to 7,051 in 2021.</p> <p><b>Status: Completed</b></p>
	<p>Joint Digital Campaigns</p>	<p>1. Collaboration with Malaysian Financial Planning Council (MFPC)</p> <p>FIMM participated in six (6) events under the MFPC “My Money and Me” Financial Literacy Programme this year. The events were attended by a total of 3,908 participants covering Middle, North, Southern and East Coast areas, as well as Sabah and Sarawak.</p> <p>FIMM and MFPC have also collaborated on the latter’s Industry Talk 2022, which was targeted at university students. Two (2) virtual sessions were conducted in 2022:</p> <ul style="list-style-type: none"> <li>• 7 June 2022 – Universiti Kolej Tunku Abdul Rahman, Johor – 30 pax attended.</li> <li>• 20 July 2022 – Multimedia University – 73 pax attended.</li> </ul> <p>2. Collaboration with InvestSmart</p> <p>FIMM participated in the SC’s InvestSmart Webinar Series on 30 May 2022, on the following topic: “Becoming a Smart Investor: Knowing Your Rights and Tips to Avoid Scams”. The webinar was attended by 98 pax.</p> <p>FIMM also participated in the InvestSmart@Sarawak from 17 to 18 September 2022, and presented a topic titled “Unit Trusts: How It Works”. About 200 pax visited FIMM’s booth during this event.</p> <p><b>Status: Completed</b></p>
		<p>FIMMAC 2022 was premised around the theme “RE:SET” in response to the economic difficulties brought about by the COVID-19 pandemic. Both FIMMAC 2022 and the Industry Education Series (IES) 2022 took place from 17 to 18 October 2022. A total of 3,252 people registered for the two-day event, of which 64% were Consultants.</p> <p><b>Status: Completed</b></p>
		<p>Four (4) English articles have been published in <i>SmartInvestor</i> magazine and <i>Inve\$t</i> magazine. Another four (4) Bahasa Melayu (BM) articles were published by Credit Counselling and Debt Management Agency (AKPK) on their Facebook page from 27 to 30 December 2022.</p> <p><b>Status: Completed</b></p>

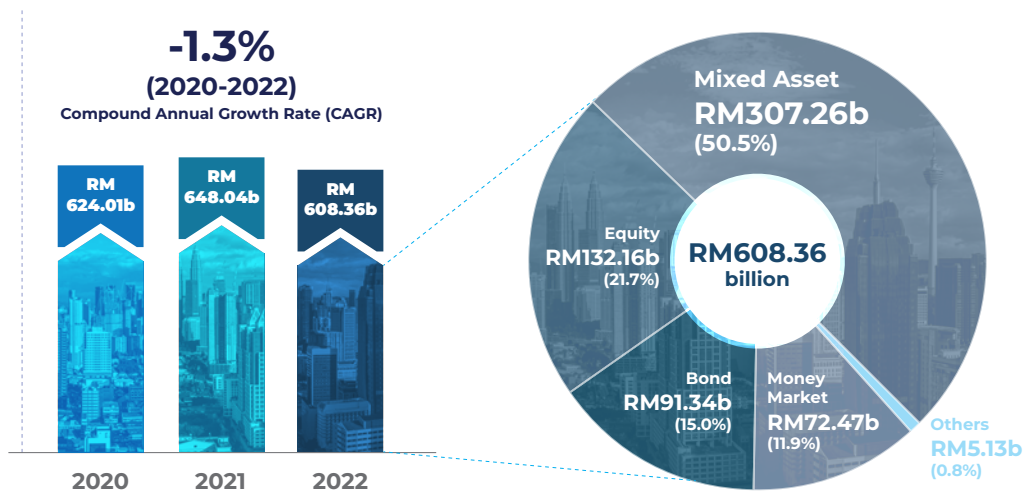
*This page intentionally left blank.*

# Industry Snapshot 2022

## Assets Under Management (AUM) of Funds Managed by FIMM Members

 **RM608.36 billion**  
Assets Under Management

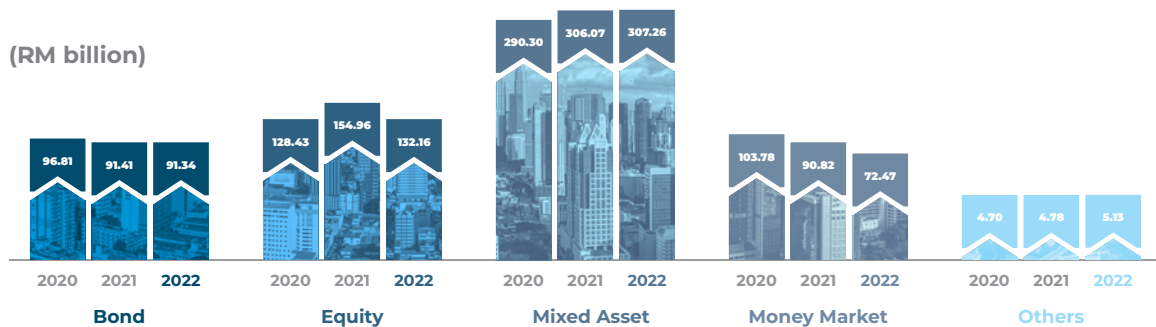
 **1,918**  
Total Number of Funds



Notes:

- AUM includes funds managed by FIMM Members only (UTS, Wholesale Funds (WSF), PRS and Exchange Traded Funds (ETF)).
- For total number of funds, different fund classes within the same fund were accounted for as separate funds.
- Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on SC's website.
- Due to rounding, numbers presented may not add up to the total indicated.

## AUM by Asset Class (2020-2022)



Asset Class	2020 (RM billion)	2021 (RM billion)	2022 (RM billion)	YoY Growth*
Bond	96.81	91.41	91.34	▼ -0.1%
Equity	128.43	154.96	132.16	▼ -14.7%
Mixed Asset	290.30	306.07	307.26	▲ +0.4%
Money Market	103.78	90.82	72.47	▼ -20.2%
Others	4.70	4.78	5.13	▲ +7.3%
<b>Total</b>	<b>624.01</b>	<b>648.04</b>	<b>608.36</b>	<b>▼ -6.1%</b>

Notes:

- AUM includes funds managed by FIMM Members only (UTS, WSF, PRS and ETF).
- Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on SC's website.
- Due to rounding, numbers presented may not add up to the total indicated.
- \* Year-Over-Year (YoY) growth of 2021 vs 2022.

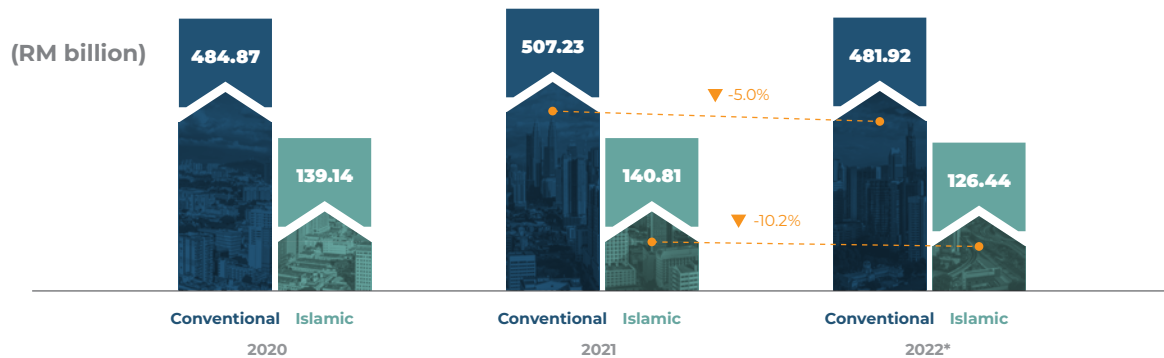
## AUM by Collective Investment Scheme (2020-2022)

Scheme	2020 (RM billion)	2021 (RM billion)	2022 (RM billion)	YoY Growth*
Unit Trust Scheme (UTS)	553.24	567.15	528.92	▼ -6.7%
Wholesale Funds (WSF)	64.27	73.48	72.28	▼ -1.6%
Private Retirement Scheme (PRS)	4.75	5.63	5.41	▼ -3.9%
Exchange Traded Funds (ETF)	1.76	1.78	1.75	▼ -1.7%
<b>Total</b>	<b>624.01</b>	<b>648.04</b>	<b>608.36</b>	<b>▼ -6.1%</b>

Notes:

- AUM includes funds managed by FIMM Members only (UTS, WSF, PRS and ETF).
- Due to rounding, numbers presented may not add up to the total indicated.
- \* Year-Over-Year (YoY) growth of 2021 vs 2022.

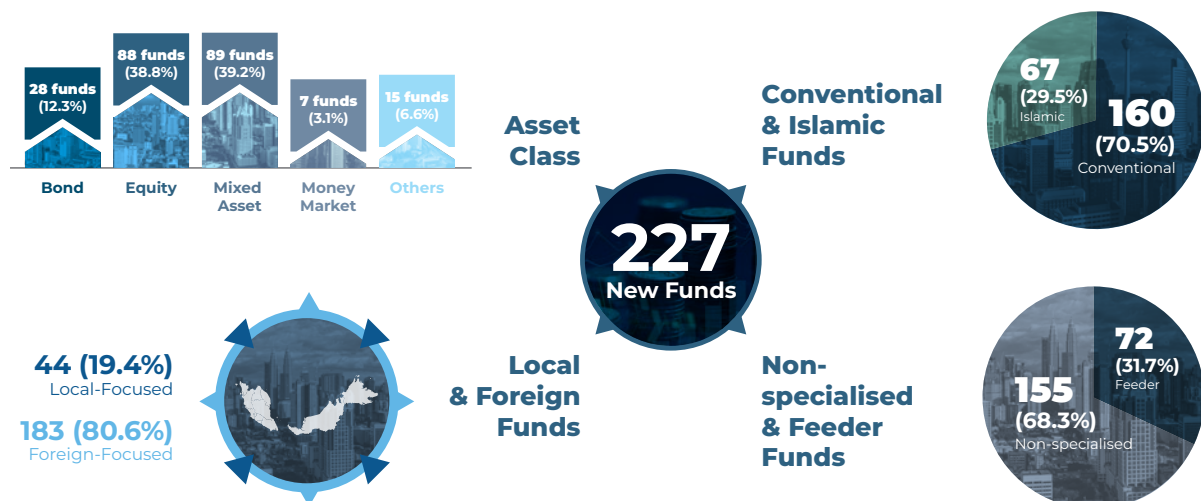
## AUM by Conventional & Islamic (2020-2022)



Notes:

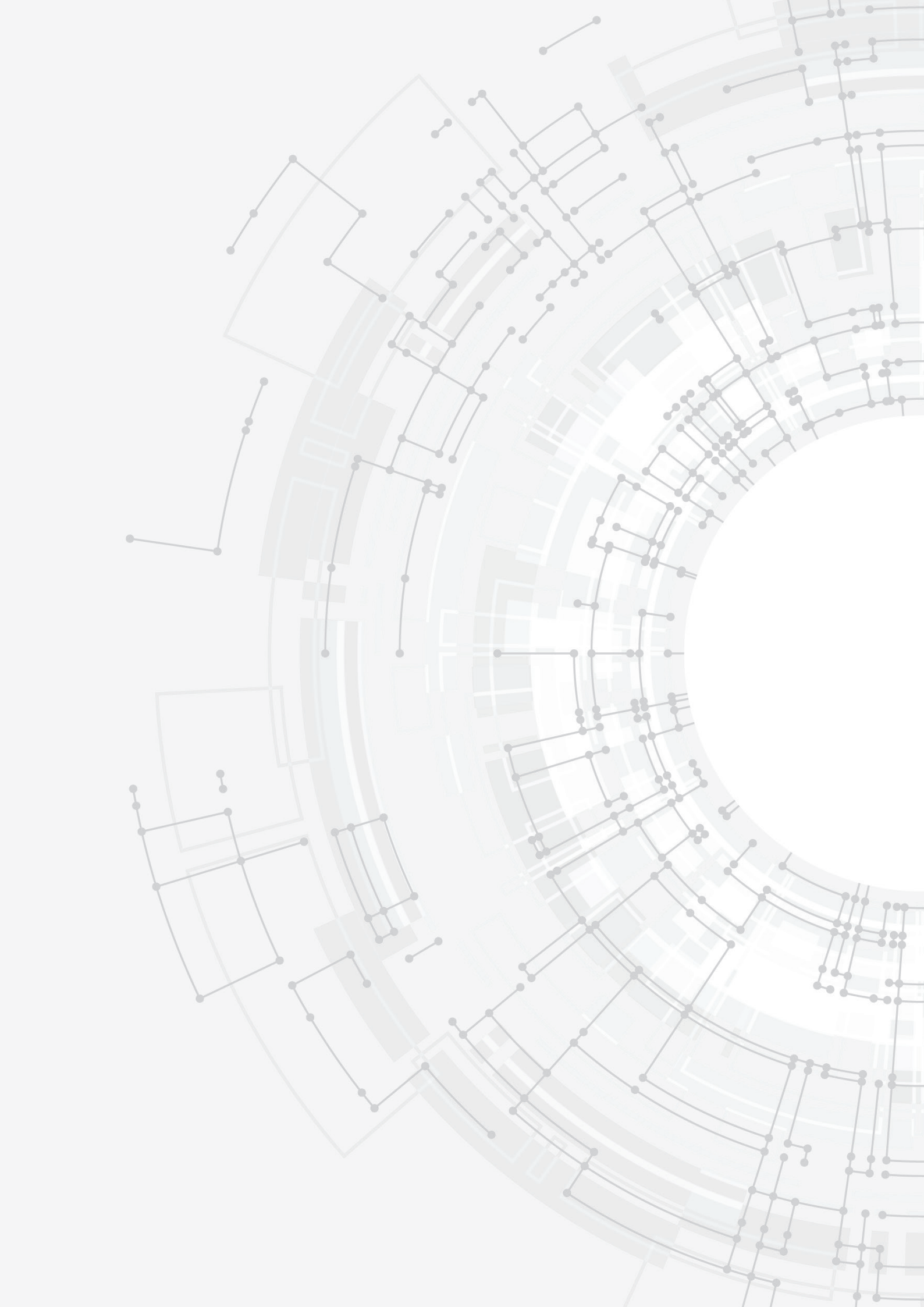
- AUM includes funds managed by FIMM Members only (UTS, WSF, PRS and ETF).
- \* Percentage is Year-Over-Year (YoY) growth of 2021 vs 2022.

## New Funds Launched in 2022



Notes:

- Includes 97 wholesale funds launched by FIMM Members; and excludes Real Estate Investment Trust (REIT).
- Different fund classes within a same fund were accounted for as separate funds.
- Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on SC's website.







# Industry

## Registration & Gate-Keeping

Distributors Snapshot 2022  
Improvement to Gate-Keeping Function

## Professional Development of Consultants

Regulatory Training on Code of Ethics  
PRS Familiarisation Programme  
FIMM CPD Tracker System  
FIMM Examination  
FIMM E-Learning Portal

## Industry Development

FIMM Centralised Database System  
Engagement with Stakeholders  
Progress on the FIMM Study Guide  
Examination Question Enhancements  
Other Projects and Initiatives

## Positioning FIMM as a Thought Leader

ESG Webinar  
(collaboration with FTSE Russell and Bursa Malaysia)  
FIMM 2022 Consultant Survey  
FIMM 2022 Investment Management Survey  
Survey on Proposed Solutions for the Fund Management Digitisation  
Group to Address Payment and Settlement Inefficiencies in the Fund  
Management Industry  
Industry Survey on Foreign-Sourced Income Tax

# Registration & Gate-Keeping

## Distributors Snapshot 2022

The registration statistics for the past three (3) years (2020–2022) are set out below:

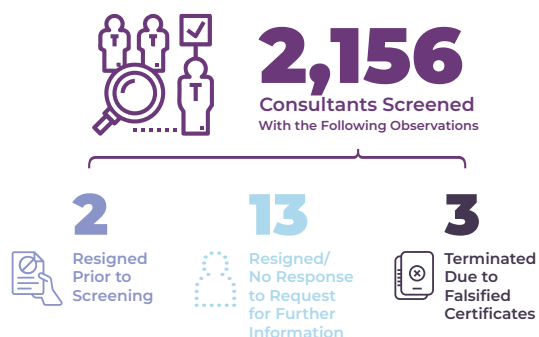
Category of Registered Persons	2020	2021	2022
Members	40	40	40
Institutional Unit Trust Advisers (IUTAs)	54	53	51
Corporate Unit Trust Advisers (CUTAs)	18	20	20
PRS Providers (PRSPs)	8	8	9
Institutional PRS Advisers (IPRAs)	13	12	12
Corporate PRS Advisers (CPRAs)	18	19	19
UTS Consultants	55,179	60,138	58,959
PRS Consultants	24,916	27,436	28,106

Note:

- Consultants with dual registration will be reflected in both categories, i.e. UTS and PRS Consultants.

## Improvement to Gate-Keeping Function

As part of enhancing our gate-keeping function, we introduced a background screening initiative on new Consultants who registered from September 2022 onwards. This background screening initiative allows us to further verify information about Consultants in order to ensure that only people who meet our fit and proper criteria are registered as Consultants.



## New UTS and PRS Consultants Registered and Terminated/Resigned in 2022

	Registration	Termination / Resignation
UTS Consultants	9,734	10,913
PRS Consultants	3,185	2,515
<b>Total</b>	<b>12,919</b>	<b>13,428</b>

The number of UTS and PRS Consultants registered and terminated/resigned in 2022 are set out as above.

## Results of Consultants' Renewal Bankruptcy Screening Conducted in 2022

	Bankruptcy Screening Conducted	Bankruptcy Identified	Consultants Discharge from Bankruptcy Status
UTS Consultants	63,200	20	1
PRS Consultants	26,269	4	1

FIMM has further revoked registration of Consultants who did not meet the registration obligations.

# Professional Development of Consultants

## Regulatory Training on Code of Ethics

In 2022, we conducted a total of 26 Code of Ethics (COE) training sessions virtually, of which 16 sessions involved specific Distributors, while the remaining 10 sessions were open to Consultants from all Distributors (Common Sessions).



Overall, Consultants commented that the sessions have enlightened their understanding on COE and refreshed their knowledge.



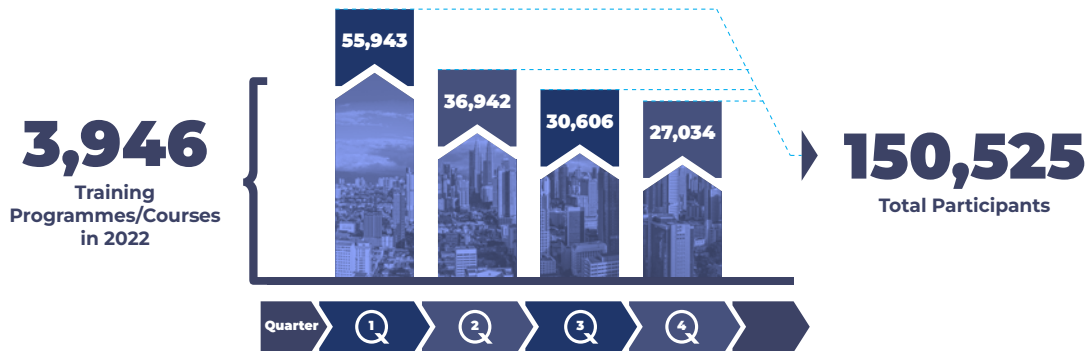
## PRS Familiarisation Programme

Due to high demand for recruitment of new PRS Consultants by Distributors, we re-introduced the PRS Familiarisation Programme (PRSFP) on 4 January 2022.

PRSFP allows qualified UTS Consultants and insurance agents with at least three (3) years of experience and no adverse records to register as PRS Consultants without having to sit for the CPRE. Individuals must complete a 2-day seminar conducted by trainers authorised by FIMM.



## FIMM CPD Tracker System

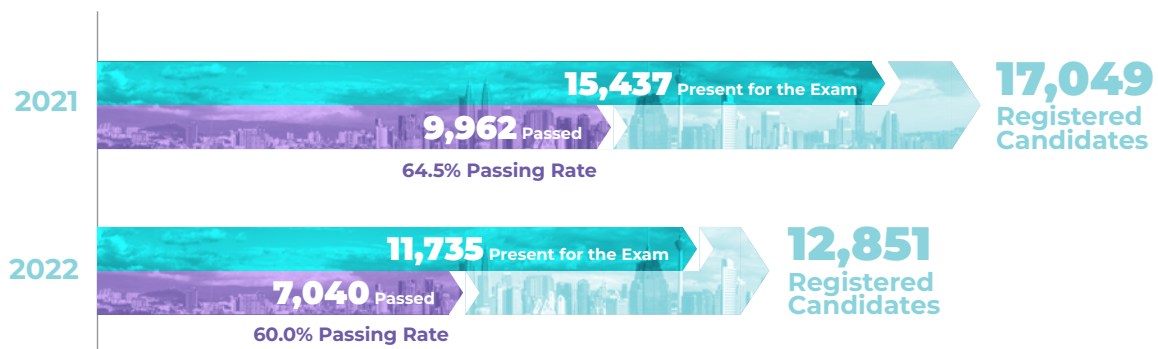


Throughout the year, FIMM reviewed and approved a total of 3,946 training programmes/courses, which garnered a grand total of 150,525 participants.

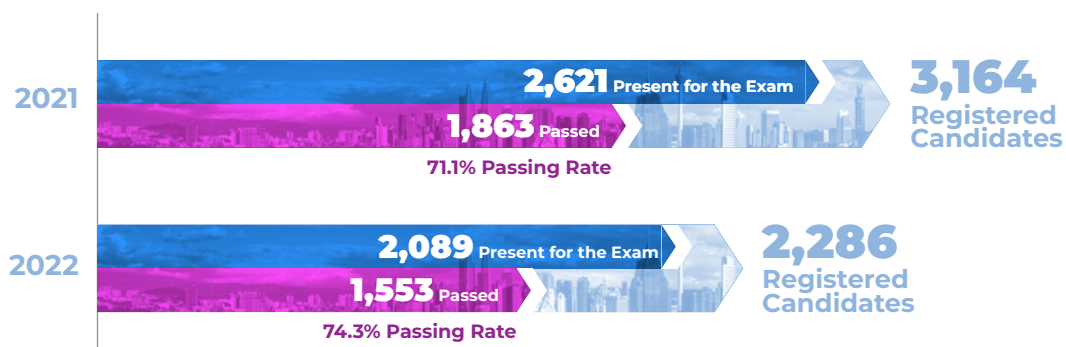
## FIMM Examinations

Notwithstanding the easing of pandemic restrictions, FIMM continued to conduct both CUTE and CPRE online.

### Computerised Unit Trust Examination (CUTE)



### Computerised PRS Examination (CPRE)



## FIMM E-Learning Portal

FIMM's e-Learning Portal, a collaboration with the Islamic Banking and Finance Institute Malaysia (IBFIM), was launched on 28 September 2021. The portal is accessible to all who wish to enhance their comprehension of FIMM's Code of Ethics, including Consultants who are eligible to claim four (4) CPD points upon module completion.

### e-Learning Portal Enrolment as of 31 December 2022

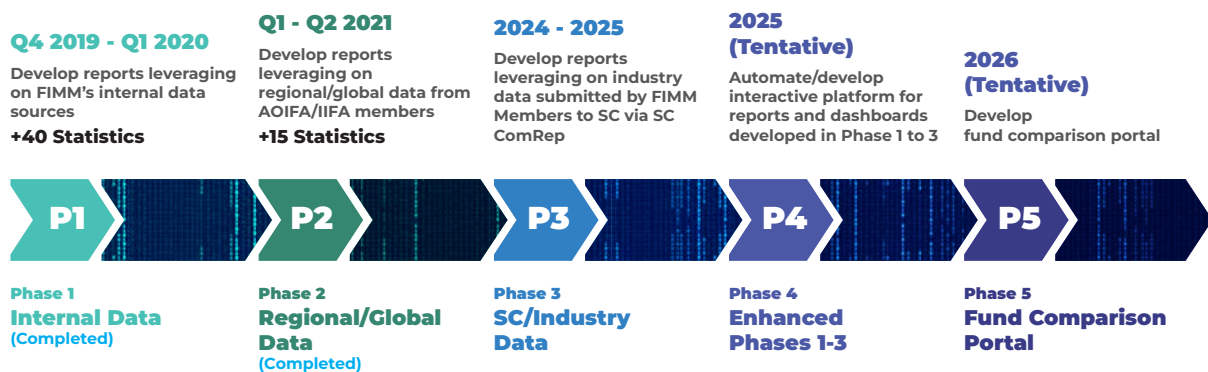


Out of the 28 users who enrolled for the e-Learning course, only 13 completed the session. The remaining 15 users are still in the process of completing the course. It was observed that some users tend to enrol for the course towards the year-end as part of CPD fulfilment.

# Industry Development

## FIMM Centralised Database System

The FIMM Centralised Database System (CDS) is a pivotal initiative outlined in FIMM's 5-Year Strategic Blueprint. The project commenced in 2019, aiming to strengthen FIMM's role as a repository of information and facilitate industry-wide knowledge-sharing. This multi-year undertaking comprises several phases.



## Engagement with Stakeholders

### Securities Commission Malaysia

On 25 October 2022, FIMM formally submitted its proposal to the SC on the 'Responsibilities of UTMC and IUTA to the Ultimate Beneficial Owners (UBO) under the Nominee System'.

This proposal intends to address key issues that impacted the UBO under the nominee system and sets out the responsibilities of the UTMC and IUTA to UBO by:

- i. Enhancing the disclosures of UBO's rights; and
- ii. Prescribing a timeline for the distribution of the notice of unit holders' meeting to enable the IUTA to distribute the notice of unit holders' meeting to their respective UBO in a timely manner.

Approval was granted by the SC on 29 November 2022.

Subsequently, FIMM formalised the proposal via a circular dated 2 December 2022. The circular was disseminated to UTMC and IUTA and made available on FIMM's website on the same day.

### Employees Provident Fund

#### EPF-MIS Fund Evaluation

The EPF-MIS Fund Evaluation is an annual evaluation conducted by FIMM to help EPF finalise the list of funds qualified for EPF-MIS.

In 2022, the evaluation was conducted based on the revised Guidelines of the Fund Management Institution (FMI) for EPF-MIS that came into effect on 1 January 2022.

The evaluation resulted in a total of 202 funds being approved for EPF withdrawal, out of which 176 (87.1% of

total funds) were existing EPF-approved funds and 20 were re-instated funds.

EPF's approval of the existing and re-instated funds came into effect on 1 April 2022.

#### Inclusion of Sustainable and Responsible Investments Funds under EPF-MIS

In support of the Perkukuh Initiative by the Ministry of Finance, EPF has allowed the inclusion of SRI funds under EPF-MIS.

FIMM received the official letter from EPF on 12 September 2022 and was entrusted to provide recommendation on eligible SRI funds to be admitted under EPF-MIS.

FIMM submitted the recommendation to EPF on 29 September 2022.

#### Revision of Lipper Malaysia Fund Classification

In June 2020, the draft revised Guidelines of the Fund Management Institutions (FMI) was forwarded to FMIs for comments. On 4 August 2020, FIMM submitted 14 proposals to EPF.

One (1) of the proposals was pertaining to the provision on qualification of funds under EPF-MIS, where EPF increased the threshold for SACR from 2.33 to 3.00 for approved funds and 4.00 for new funds.

FIMM recommended for the current Lipper Malaysia Fund Classification (LMC) to be revised to provide a more equitable comparison among all relevant unit trusts funds with similar legal structure and inherent investment restriction for calculation of consistent return.

The FIMM-Refinitiv Lipper Malaysia Fund Classification (FRLMC) was proposed

to replace the current LMC as the main classification methodology for funds' consistent return.

Subsequently, FIMM engaged Refinitiv in 2021 to embark on this initiative and proceeded to actively engage its stakeholders throughout 2021 and 2022 as well as conducting an impact analysis.

The impact analysis showed that FRLMC has yet to bring significant competitive impact to funds' CR due to the reduced/insufficient number of funds in new Lipper Classifications for peer comparison, upon separating the funds into three (3) groups i.e. Conventional, Shariah and Others (PRS, ILP, ETF and REIT).

Following the above, the timeline to implement FRLMC has been deferred for a minimum of two (2) years.

### **FIMM Industry Briefings**

FIMM conducted the following industry briefings with the aim to update and create awareness among Members and Distributors on its initiatives as well as on issues or new developments in the investment management industry.

1. 26 January 2022 – FIMM Guidance Notes on the SC's Advertising Guidelines for Capital Market Products and Related Services
2. 23 March 2022 – FIMM 2022 Consultant Survey Working Group Meeting
3. 12 May 2022 – FIMM CDS Phase 3
4. 7 June 2022 – FIMM Investment Management Survey 2022
5. 21 September 2022 – FIMM 2022 Consultant Survey preliminary findings
6. 28 September 2022 – briefing on FIMM Examination-related matters, Revision of Lipper Malaysia Fund Classification, and Members' responsibility to update fund information on the Funds Malaysia System for AMSF activity

### **Progress on the FIMM Study Guide**

The new study guide is being updated to reflect the amendments made to the SC's Guidelines on Unit Trust Funds (GUTF) and Guidelines on Private Retirement Schemes (GPRS), which were revised on 1 September 2022 and on 28 November 2022 respectively.

Further updates will be made to incorporate the revised versions of FIMM's Consolidated Rules and Investment Management Standards upon their completion.

### **Examination Question Enhancements**

In 2021, FIMM developed 400 new questions to be used in its future exams.

However, due to significant changes made to the GUTF and GPRS by the SC, the new set of questions will have to be revisited.

Upon completion of the Study Guide revision, the examination questions will be subsequently updated.

### **Other Projects and Initiatives**

#### **Fund Malaysia System Maintenance**

As the owner of the Fund Malaysia System (FMS) and supervisor of the requirements imposed on Members and Distributors, we continued to process information relating to funds for distribution, including registering new fund launches, fund closures, and Net Asset Value (NAV) pricing corrections.

#### **Issuance of Monthly Fund Volatility Report**

Monthly Fund Volatility Reports are issued to the Authorised Representatives of our Members and Distributors.

Generally, this report is useful to Members who utilise volatility ratings when preparing their fund fact sheet and marketing & promotional materials.

Additionally, the report is also prepared for EPF, as it is used, amongst other things, to monitor

the performance of funds managed under EPF-MIS. A total of 12 reports were issued to Members, Distributors and EPF in 2022.

### Guidance Notes on Simple Language and Effective Drafting Practices for Prospectus (Prospectus Guidance)

A review of the Guidance Notes was conducted to ensure definitions/terminologies are in line with the global changes made to the SC's Prospectus Guidelines on Collective Investment Schemes on 21 December 2021. The updated Guidance Notes document was issued to the industry and made available on FIMM's website on 1 March 2022.

### Industry Proposal for 2023 Federal Budget Proposal

For the 2022 Federal Budget, we were requested by the SC to provide tax incentive proposals that align with the strategic priority and focus of the Capital Market Masterplan 3 (CMP3) towards building a Capital Market that is relevant, efficient, and diversified while supporting the Malaysian economy's transition into a sustainable and inclusive nation.

We submitted our proposals to the SC on 20 May 2022. However, based on the announcement made by the MOF in October 2022, FIMM's proposals were not adopted into the Federal Budget 2023.

# Positioning FIMM as a Thought Leader

## ESG Webinar: Understanding ESG Rating Frameworks to Enable Sustainable Investing in Malaysia (collaboration with FTSE Russell and Bursa Malaysia)

The screenshot shows a webinar registration page. On the left, there is a video player thumbnail with the title 'Understanding ESG rating frameworks to enable Sustainable Investing in Malaysia' and logos for FIMM, Bursa Malaysia, and FTSE Russell. Below the thumbnail, it says 'Jun 09 2022 | Duration: 80 mins'. On the right, there is a registration form with the heading 'Don't miss out - Register for this event (free)'. Below the heading, it says 'Already with BrightTALK? Log in'. The form has input fields for 'Work email', 'First name', 'Last name', and 'Job title'.

Date: 9 June 2022

Attendees: 184 pax

Topics covered:

- Understanding ESG rating frameworks to enable Sustainable Investing in Malaysia; and
- Bringing theory to life – How to Offer Sustainable Funds.



## FIMM 2022 Consultant Survey

Objectives:

1. To study Consultants' behaviour, services, challenges and issues/concerns;
2. To study Consultants' perception on technological tools and gig economy; and
3. To provide solutions to enable future proofing of Consultants.

FIMM shared its findings with industry members on 21 September 2022.



## FIMM 2022 Investment Management Survey

Objectives:

1. To understand the impact of COVID-19 on the Investment Management Industry from 2020 to 2021, with 2018 and 2019 statistics as a comparison;
2. To evaluate movements of the industry's NAV, sales and redemption as well as number of investors during the pandemic;
3. To assess utilisation of online portals to enhance customer outreach and servicing; and
4. To gauge the industry outlook on potential future risks and strategic portfolio allocation.

The 2022 FIMM Investment Management Survey is available on FIMM's website.



Scan to read

## Survey on Proposed Solutions for the Fund Management Digitisation Group to Address Payment and Settlement Inefficiencies in the Fund Management Industry

Objective:

To obtain feedback on the proposed solutions to understand the benefits and impact on the industry and investors.

## Industry Survey on Foreign-Sourced Income Tax

Objective:

To collect required industry data on UTS, PRS, and wholesale funds with foreign asset exposure from 2018 to 2021 for submission to the Ministry of Finance.





# Reinforcing Confidence

## Ensuring Compliance

- Post-Registration Assessment
- Annual Compliance Review
- Thematic Engagement with CUTA/CPRA
- Thematic Examination with IUTA/IPRA
- Social Media Surveillance with Mystery Shopping Exercise
- Quarterly Complaint and Trend Analysis
- Supervisory Engagement

## Regulatory Industry Briefing Enforcement

- Number of Complaints Received
- Nature of Complaints Received
- Number of Consultants Sanctioned by the Disciplinary Committee
- Implementation of Complaints Handling System

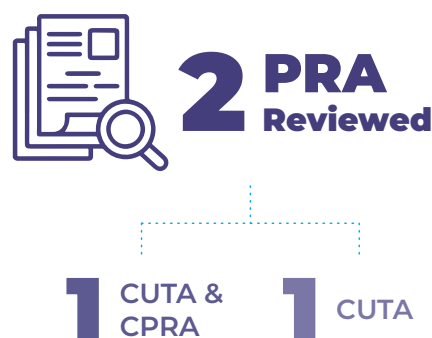
# Ensuring Compliance

In 2022, FIMM carried out its supervisory activities and initiatives aimed at strengthening the professional conduct and competence of Consultants in marketing and distributing Schemes.

## Off-site Reviews

### Post-Registration Assessment (PRA)

All newly registered Distributors (except UTMCs and PRSPs) are required to undertake a one-off PRA. Based on the submitted PRA, FIMM was able to evaluate the state of readiness of the newly registered Distributors in marketing and distribution of UTS and PRS.



FIMM has reviewed two (2) PRA comprising one (1) CUTA and CPRA, and one (1) CUTA.

Gaps identified have been rectified within the agreed target completion deadline.

### Annual Compliance Review (ACR)

The completion of ACR is aimed at ensuring Distributors' continuous compliance with the applicable rules and regulations on marketing and distribution of UTS and PRS. It is a form of self-declaration by Distributors, which must be completed annually and submitted within a prescribed time.

FIMM observed the recurrence of the following five (5) common compliance issues amongst Distributors arising from our assessment on ACR for the years 2020 to 2022:

Common Observations of ACR Submitted for the Year		2020	2021	2022
	Absence of periodic review of existing manuals, policies and procedures on marketing and distribution of UTS and PRS.	17	37	36
	Delay in dissemination of interim and annual financial report to investors.	10	19	11
	Anti-Money Laundering and Anti-Terrorism Financing training were not completed by Consultants.	15	17	11
	Gaps in the procedures to assess Know-Your-Customer and Anti-Money Laundering Name Screening carried out during the onboarding process.	1	7	7
	Registration and renewal of Consultants not compliant with FIMM Rules.	8	11	4

Over the 3-year period, FIMM observed a decreasing trend of recurrence of the above five (5) common non-compliance issues amongst UTMC/PRSP, IUTA/IPRA and CUTA/CPRA. Recurring trends in compliance issues and the effectiveness of the remedial actions taken by these Distributors will continue to be monitored.

The affected Distributors were further reminded through issuance of follow up letters to revisit their existing policies and procedures in incorporating relevant action plans and ensuring continuous compliance with FIMM's Rules and SC Guidelines in relation to the marketing and distribution of UTS and PRS.

## On-site Reviews

### Thematic Engagements with CUTA/CPRA

FIMM completed the virtual thematic supervisory engagements on six (6) CUTA and CPRA, where most were conducted virtually.

The non-compliances observed in the CUTA and CPRA reviewed during the virtual thematic supervisory engagements in 2022 are as follows:

#### Non-compliances Observed



Lack of clarity regarding the roles of non-registered persons in marketing and distributing UTS and PRS.



Delays in submissions of Quarterly Complaint Report and Trend Analysis to FIMM.



Failure to monitor that the Consultant represents only one (1) Principal at any one time.



Observed inaccuracies in the ACR checklist that was submitted.



Failure to notify FIMM prior to adopting multiple-tiered agency structure.



Identified weaknesses in CPD record-keeping that resulted in submissions to FIMM that were not substantiated with evidence.



Commission earned by the Consultant was not paid directly into his/her account.

Since 2020, FIMM has completed on-site reviews of 18 out of the 20 registered CUTA and CPRA, representing 90% of the total number registered with FIMM as of 31 December 2022.

### Thematic Examinations with IUTA/IPRA

Thematic examinations were carried out on two (2) IUTA/IPRA.

The non-compliance issues observed during the on-site reviews on IUTA/IPRA are as follows:

#### Non-compliances Observed



Gaps in the investment subscription process which could potentially carry money laundering risk such as inability to verify the payer's identity for subscription of units, accepting poor quality copies of identity document for new investor, and instances of no evidence of conducting name screening and risk assessment relating to money laundering risks.



Weaknesses in reviewing suitability assessment.



Lack of review conducted on investors' transaction to detect money laundering risks.



Commissions due to Consultants were not paid directly into the account of those Consultants.



Delays in executing investment subscriptions.

The affected Distributors were required to provide the remedial measures with the agreed timeline following the issues detected from the thematic engagements and thematic examinations. Thereafter, as part of FIMM's ongoing supervisory efforts, the status of their implementation of the remedial actions is closely monitored.

## Social Media Surveillance with Mystery Shopping Exercise

In 2022, FIMM continued to monitor Consultants' activities in marketing of UTS/PRS on their social media platforms.

### Social Media Surveillance Observations



Use, or by inference adopt or display, the designation, title or qualification of "financial planner", "financial advisor", "investment" unless authorised by the relevant regulatory authorities or professional bodies.



Misrepresent or make false or exaggerated statements concerning the Schemes.



Pre-thumbprint forms.



Made postings that exposed clients' personal information, inciting issues related to Personal Data Protection Act (PDPA).

FIMM noted a reduction in the number of observations from social media surveillance. This was mostly due to an increasing trend among Distributors, who have started to conduct their own social media surveillance.

Notification letters were sent to the affected Distributors to share the observations from FIMM's social media reviews, and they were reminded to take effective actions to minimise or eliminate the observations in subsequent future inspections.

FIMM will continue this effort to detect misconduct by Consultants or any unauthorised person in the marketing and distribution of UTS and PRS on social media platforms. This is seen as an effort to elevate professional behaviour among registered Consultants as well as to maintain healthy competition and communication between Consultants and potential investors through online platforms.

## Quarterly Complaint and Trend Analysis

All Distributors are required to submit a list of complaints received from investors and general public related to UTS and PRS, on a quarterly basis to FIMM.

The objective of the review on complaint submissions are as follows:

Five (5) common areas of complaints recorded in 2021 and 2022 are as follows:



**Operational issues**



**Poor after-sales services.**



**Alleged misrepresentation and mis-selling.**



**Unauthorised investment and withdrawal.**



**Performance issues.**

FIMM observed a reduction in the overall number of complaints recorded in 2022 compared to 2021. This is attributed to the concerted efforts by both FIMM and Distributors in intensifying monitoring activities on social media to detect misconducts.

FIMM continues to monitor the actions taken by the Distributors in ensuring that all complaints are resolved appropriately and disciplinary actions are taken on Consultants accordingly.

## Supervisory Engagement

### “Dear CEO” Letter

A “Dear CEO” letter was issued to the Distributors by way of a circular dated 12 January 2022. The contents of the letter recapitulated the regulatory activities held in 2021 in creating awareness in the industry on the need to comply with relevant regulations as well as to share observations noted from various supervisory efforts.

In addition, Distributors were reminded to uphold high standards of professional conduct both as Distributors and among their Consultants, as well as to continue maintaining a good reputation in the UTS and PRS industry. FIMM continued to emphasise to all Distributors the importance to perform a regular review of the adequacy and effectiveness of their system and processes in monitoring the marketing and distribution activities of their respective Consultants, particularly on how the marketing and distribution activities have evolved in current times.

Additionally, FIMM had stressed the possibility of enforcing supervisory actions for any non-compliances particularly on repeat offences.

### Focus Group Interviews with Consultants

FIMM continued to conduct Focus Group Interviews with Consultants, which was introduced in 2021. In 2022, the interviews were conducted to gather views and feedback from Consultants on the industry, particular on their marketing and distribution activities post-COVID-19 pandemic.

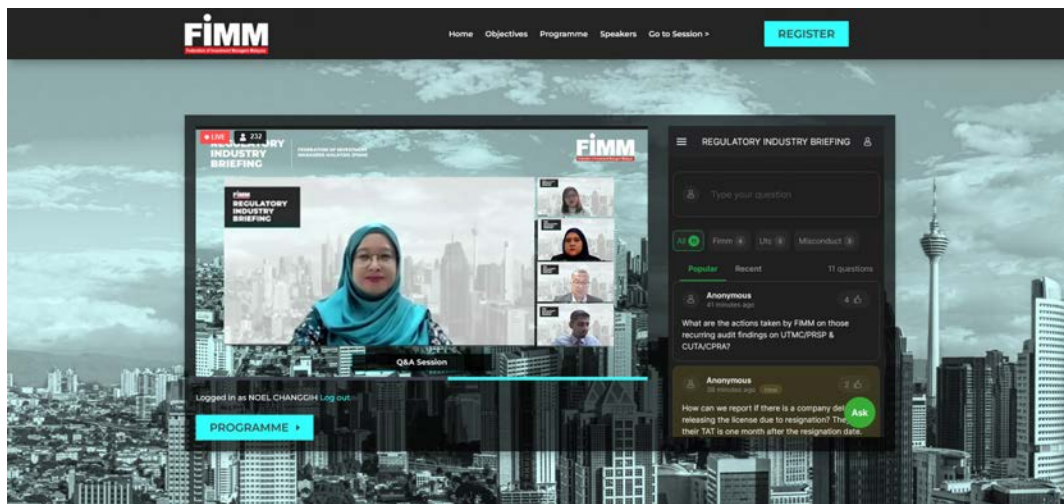
Apart from that, the Interviews included understanding the challenges faced by Consultants and obtaining their feedback on regulatory matters.

Among the information shared in 2022 are as follows:

- Some Consultants opined that the emergence of investment tools such as the robo-advisory is more suitable for those who are new to investing and prefer to explore the various options available by themselves first. However, for an investor with more specific objectives and who requires personalisation, engaging with a Consultant remains their preferred choice.
- Consultants are aware of the existence of FIMM’s online educating platform such as its *e-Zine* as well as the presence of other social media platforms such as Facebook, Instagram, Twitter, YouTube and LinkedIn.
- The utilisation of the online platform has provided an efficient medium for facilitating the investment processes. This is complemented by the usage of communication tools such as Zoom, Microsoft Teams and Google Meet, which enable easy face-to-face interaction with the investors.
- Consultants are now adapting better to technology as a medium to interface with existing and potential investors, whilst remaining flexible in accommodating investors who require physical meetings.
- There was still an issue related to the lack of clarity between the role of Consultants and Financial Planners among the investors and the general public.
- Generally, all Consultants provided satisfactory feedback on the sufficiency of support received, such as training, from the respective principal companies to which they were attached.

# Regulatory Industry Briefing

On 22 November 2022, FIMM held its fourth Regulatory Industry Briefing to increase awareness of supervisory observations, clarify expectations for submissions to FIMM, and provide regulatory updates on regulatory-related matters to the industry.



The following topics were covered during the session:

1. Observations from Registration and Supervisory activities;
2. Complaint Trends and Enforcement Related Matters; and
3. Observations from FIMM Examination.



In addition, FIMM invited a guest speaker from the SC to present a topic on Anti-Money Laundering/Counteracting Financing of Terrorism: Theory to Practical – Customer Due Diligence.

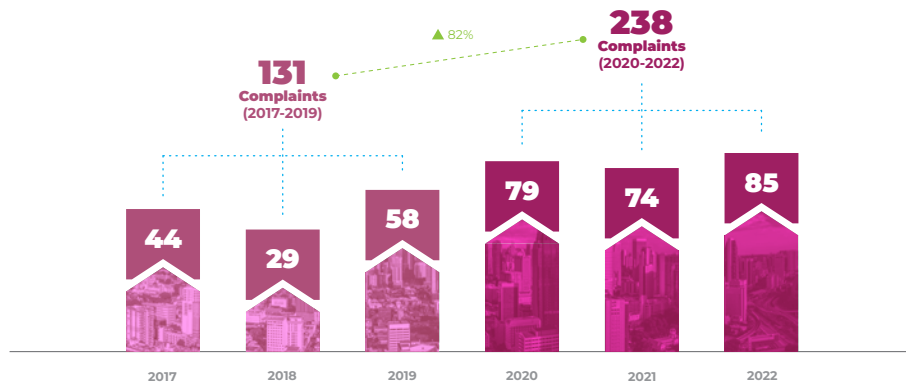
A total of 216 industry participants, who were mainly from the Distributors' respective compliance department, were present at the Briefing.



# Enforcement

## Number of Complaints Received

In 2022, FIMM received a total of 85 complaints, which represented a 15% increase compared to the 74 complaints received in 2021.



A total of 238 complaints were received in the last three (3) years (2020-2022) compared to 131 complaints received in the three (3) years prior (2017-2019). This reflected an 82% increase, which is largely attributed to the following:

- Various promotional and awareness programmes carried out by FIMM where the public is cognisant of FIMM and its role.
- Wider coverage on referral arrangement as it includes referrals from Supervision Department, Registration Department in addition to referrals from the SC.
- Better awareness by Distributors of the importance of notifying misconducts committed by their Consultants to FIMM, as it has been consistently emphasised by FIMM during the annual regulatory briefing that commenced in 2019.

## Nature of Complaints Received



## Number of Consultants Sanctioned by the Disciplinary Committee

In total, 16 Consultants/former Consultants were sanctioned by the Disciplinary Committee in 2022. The details are shown below:

Nature of Misconduct	Consultants Sanctioned	Type of Sanctions
<ul style="list-style-type: none"> <li>Fit and proper</li> <li>Pre-sign/Pre-thumbprint</li> <li>Unsatisfactory services</li> </ul>	1	<ul style="list-style-type: none"> <li>Written warning</li> <li>Training</li> </ul>
<ul style="list-style-type: none"> <li>Accepting cash</li> </ul>	1	<ul style="list-style-type: none"> <li>Permanent barring</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Accepting cash</li> <li>Misappropriation of money</li> </ul>	1	<ul style="list-style-type: none"> <li>Permanent barring</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Acting for more than one principal</li> </ul>	1	<ul style="list-style-type: none"> <li>Written warning</li> </ul>
<ul style="list-style-type: none"> <li>Pre-sign/Pre-thumbprint</li> <li>Unsatisfactory services</li> </ul>	1	<ul style="list-style-type: none"> <li>Written warning</li> </ul>
<ul style="list-style-type: none"> <li>Fit and proper</li> <li>Falsifying academic certificate</li> </ul>	1	<ul style="list-style-type: none"> <li>Barring from registration for two (2) years</li> <li>Public reprimand</li> </ul>
	1	<ul style="list-style-type: none"> <li>Written warning</li> </ul>
	1	<ul style="list-style-type: none"> <li>Barring from registration for one (1) year</li> <li>Public reprimand</li> </ul>
	1	<ul style="list-style-type: none"> <li>Permanent barring</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Unauthorised transaction</li> <li>Pre-sign/pre-thumbprint</li> <li>Misrepresentation</li> </ul>	1	<ul style="list-style-type: none"> <li>Barring from registration for 1 year</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Unauthorised transaction</li> <li>Forging of signature</li> </ul>	1	<ul style="list-style-type: none"> <li>Barring from registration for 3 months</li> <li>Written warning</li> <li>Training</li> </ul>
<ul style="list-style-type: none"> <li>Pre-sign/pre-thumbprint</li> </ul>	1	<ul style="list-style-type: none"> <li>Suspension for three (3) months</li> <li>Public reprimand</li> <li>Training</li> </ul>
<ul style="list-style-type: none"> <li>Unsatisfactory services</li> <li>Misrepresentation</li> </ul>	1	<ul style="list-style-type: none"> <li>Suspension for three (3) months</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Fit and proper</li> <li>Forging of signature</li> </ul>	1	<ul style="list-style-type: none"> <li>Barring from registration for one (1) year</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Fit and proper</li> <li>Falsifying document</li> </ul>	1	<ul style="list-style-type: none"> <li>Barring from registration for one (1) year or until no longer bankrupt, whichever comes first</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Unauthorised transaction</li> <li>Pre-sign/pre-thumbprint</li> </ul>	1	<ul style="list-style-type: none"> <li>Suspension for three (3) months</li> <li>Public reprimand</li> <li>Training</li> </ul>

## Implementation of Complaints Handling System

In July 2022, FIMM implemented the Complaints Handling System (CHS), which has made the complaints handling process more structured and efficient such as automating certain processes, tracking the progress of investigations, and digitalising documents.

*This page intentionally left blank.*



## **Public Relations**

### **Investor Education**

FIMM Annual Convention & Industry Education Series 2021

FIMM e-Zine

FIMM TV Weekly Recap

Social Media Engagement

Corporate Video

Media Tie-Up

Gamification Campaign

Website Refresh

Public Engagement

MFPC's Virtual Financial Literacy Programme – My Money & Me

MFPC's Virtual Industry Talk

# Investor Education

In 2020, the outbreak of COVID-19 prompted a significant shift in how FIMM conducted corporate communication and investor education activities. Instead of relying solely on physical approaches, FIMM quickly adopted and accelerated the use of technology and digitalisation. As the pandemic began to subside, FIMM reintroduced face-to-face engagement with stakeholders in 2022.

## FIMM Annual Convention & Industry Education Series 2022

**FIMMAC** 2022  
& Industry Education Series

# RE:SET

17-18 October 2022

41 Speakers  
Local & International

3,252 Registered Participants  
(2,068 Consultants & 1,184 Public)

1,156 Consultants  
Awarded CPD Points

**Programme**

**FIMMAC (Day 1)**

- Session 1: Outset of the Reset: The Post-Pandemic Frontier
- Session 2: Investment Behaviour: Theory to Practicality
- Session 3: Greater Leaps with Technology
- Session 4: The Client Connection
- Session 5: The Value of Fees & Charges

**Investor Education Series (Day 2)**

- Session 1: FIMM-illarity
- Session 2: Over the Investment Horizon
- Session 3: Beyond Diversification: Elements of an Effective Portfolio
- Session 4: AAA: Alternative Assets Already?
- Session 5: Don't be a Fool! Be Careful!

The FIMM Annual Convention & Industry Education Series 2022 (FIMMAC & IES 2022) took place from 17 to 18 October 2022. For the second year in a row, FIMMAC & IES was held virtually, with an added feature of physical broadcasting site for speakers to enable interactive communication and the exchange of ideas face-to-face. While most speakers convened physically, the audience joined the event virtually from around the country.

Themed “RE:SET”, FIMMAC & IES 2022 aimed to explore ways to reset our future, ourselves, and our industry in the best, most efficient, and most sustainable way possible. The theme was based on “The Great Reset” called by the World Economic Forum in 2020 in response to the economic difficulties brought about by the COVID-19 pandemic.



Planning, coordinating and set up into the late night before the next two days.



FIMM Chairman Mohd Ridzal Mohd Sheriff presented the opening remark.

SC Chairman Dato' Seri Dr Awang Adek Haji Hussin presented the keynote address.

"Hello from FIMM" by FIMM CEO Kaleon Leong.



**Day 1 Session 1**  
Outset of the Reset:  
The Post-Pandemic Frontier

**Day 1 Session 2**  
Investment Behaviour:  
Theory to Practicality

**Day 1 Session 3**  
Greater Leaps with Technology



**Day 1 Session 4**  
The Client Connection

**Day 1 Session 5**  
The Value of Fees & Charges

FIMM team managing the floor and administering incoming questions.



**Day 2 Session 1**  
FIMM-illiarly

**Day 2 Session 2**  
Over the Investment Horizon

**Day 2 Session 3**  
Beyond Diversification:  
Elements of an Effective Portfolio



**Day 2 Session 4**  
AAA: Alternative Assets Already?

**Day 2 Session 5**  
Don't be a Fool! Be Careful!

Broadcast crew managing the live stream.



FIMMAC, held on Day 1, focused on industry-related topics tailored to Consultants and industry members.

On Day 2, IES was more focused on investor protection and education, including a sharing of FIMM's services.

FIMM greatly appreciates the speakers, moderators, exhibitors, Consultants and public participants for making this year's FIMMAC & IES a successful event.

## FIMM e-Zine



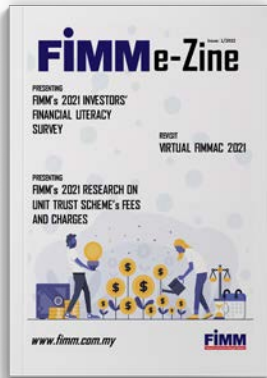
**14,108**

Readership  
for the e-Zine series by the end of 2022



**3,936**

CPD Points Claimed



Scan to read

**Issue  
1/2022**

Published on  
17 February



Scan to read

**Issue  
2/2022**

Published on  
21 June



Scan to read

**Issue  
3/2022**

Published on  
22 December

FIMM's publication of three (3) issues of the e-Zine in 2022 attracted a readership of 14,108. Published on FIMM's website and social media platforms, the e-magazine aims to promote the investment management industry, share trending topics and recent developments, and educate Consultants, investors, and the general public on matters relating to UTS and PRS.

In addition, a total of 3,936 Consultants claimed their CPD points through the e-Zine in 2022.

## FIMM TV Weekly Recap



**3,998**

Views in 2022



First Aired on  
**21 March**



**37 Videos**  
Produced in 2022

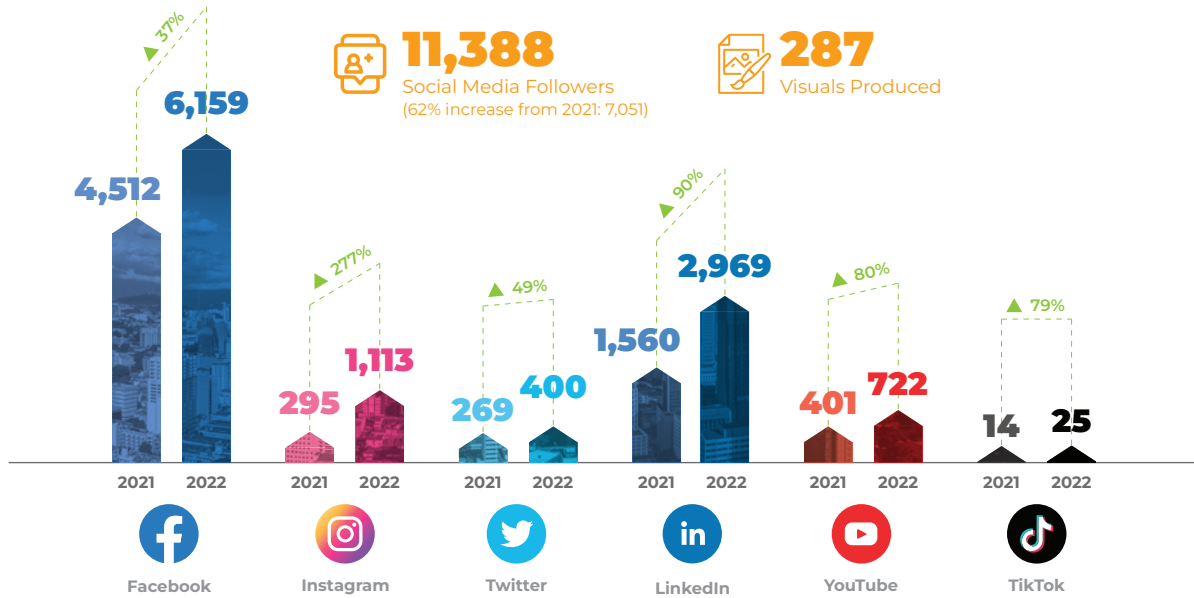


FIMM has reformatted its FIMM TV concept. From featuring interviews with industry leaders on specific topics the previous year, FIMM TV has since produce a weekly recap of the previous week's news on the local and global financial industry, with priority given to news related to the investment management industry.

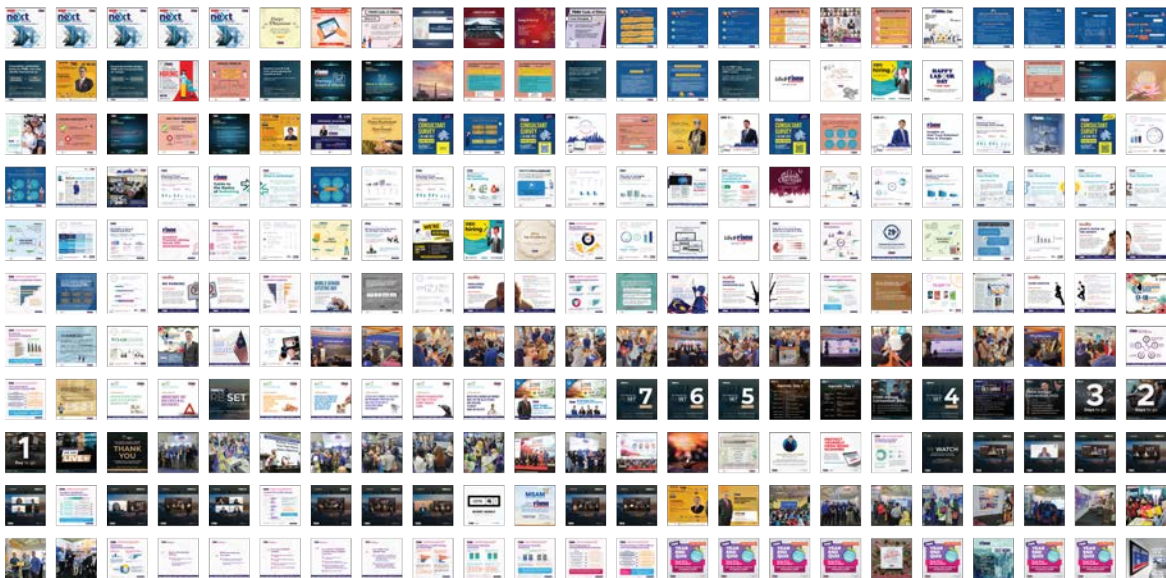


## Social Media Engagement

FIMM enhanced its social media presence by releasing content that educates the public on UTS/PRS investments, shares snippets of survey reports, and achievement highlights, among other awareness efforts.



## Social Media Posts Highlights for 2022



Facebook



Instagram



Twitter



LinkedIn



YouTube



TikTok

## Corporate Video



In 2022, FIMM produced a new corporate video that highlights the organisation's role in the UTS and PRS industry and showcases how it can be of service to stakeholders.



Scan to watch

## Media Tie-Up

FIMM's 2022 media tie-up campaign aimed to enhance collaboration with some of its stakeholders and to disseminate educational pieces to the public on the benefits of investing in UTS and PRS.

As part of the 2022 campaign, FIMM published four (4) educational articles on UTS and PRS in English and Bahasa Malaysia.

Four (4) articles in English were published in *Smart Investor* and *Inve\$t* magazines:

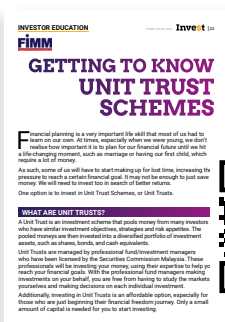
- Getting to Know Unit Trust Schemes
- Who Are Unit Trust Consultants
- Retirement is No Joke!
- Getting to Know Private Retirement Schemes



Scan to read



Scan to read



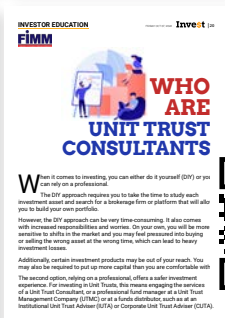
Scan to read



Scan to read



Scan to read



Scan to read

Four (4) articles in Bahasa Malaysia were shared by Credit Counselling and Debt Management Agency (AKPK) on their Facebook page:

- Apakah Skim Unit Amanah?
- Kenali Perunding Unit Amanah
- Persaraan Bukanlah Gurauan!
- Kenali Skim Persaraan Swasta



## Gamification Campaign

From 19 to 26 December 2022, FIMM conducted its inaugural gamification campaign on social media. Branded as the “FIMM Year End Quiz 2022,” it was open to all.

The gameplay for the Quiz required participants to answer 20 investment-related questions, including questions focusing on UTS and PRS investments, in an online quiz sheet. A total of 60 winners were chosen based on who scored the highest points in the quickest time. Each of the winners received an RM50 Touch ‘n Go e-voucher.

## Website Refresh

FIMM launched its refreshed website on 1 August 2022 to update the look and feel of the website and enhance the user experience.



Additionally, a chatbot feature was installed to help users navigate and search for relevant information.

## Public Engagement

In line with FIMM's ongoing efforts to promote and educate the public on the benefits of investing in UTS and PRS, as well as to showcase its role in the industry, FIMM participated in a total of 12 roadshows and outreach programmes in 2022.

 **12**  
Roadshows and  
Outreach Programmes

 **6,645**  
People Engaged  
(34% increase from 2021: 4,977)

## The SC's InvestSmart Series

**InvestSmart  
Online Series**  
30 May 2022



**98**  
People Engaged

**Bersama Investsmart  
@ Sarawak2022**  
17-18 September 2022



**162**  
People Engaged

**InvestSmart Fest  
2022**  
14-16 October 2022



**770**  
People Engaged

**1,030**  
Total People  
Engaged

## InvestSmart Online Series

30 May 2022



InvestSmart ran its Online Series where key personnel from the industry were invited to speak on various topics. FIMM was invited to speak on “Knowing Your Rights and Tips to Avoid Scams”, which was presented by Sahlawati Mustafa, General Manager of Regulatory Services Division. The presentation aimed to educate investors on their rights, provided tips on how to avoid investment scams, as well as stressed on the importance of doing research and due diligence before investing. It also provided resources that investors can use to verify the legitimacy of investment opportunities.

## Bersama InvestSmart @ Sarawak 17-18 September 2022

FIMM participated in the Bersama InvestSmart® @ Sarawak 2022 exhibition in Kuching held on 17-18 September this year, which was organised by the SC as its investor education event for East Malaysia.



The event was held at Vivacity Megamall with over 25 exhibitors, comprising key affiliates and stakeholders in the Malaysian capital market. Throughout the two-day event, exhibitors engaged with visitors to provide awareness on their respective products and services. Exhibiting companies also presented talks to provide visitors with a better understanding on investments.



For FIMM's part, Dennis Loong, General Manager of Industry Services Division conducted an introductory and educational session on unit trust schemes, taking visitors through a succinct journey of the unit trust industry in Malaysia.



It was a wonderful opportunity for FIMM to reach out to the people in the Land of the Hornbills (Bumi Kenyalang) to promote awareness on unit trust schemes and private retirement schemes, as well as to raise awareness on FIMM's role in the industry.

## InvestSmart Fest at Kuala Lumpur Convention Centre 14-16 October 2022

The InvestSmart® Fest (ISF) returned in both physical and virtual form to the Kuala Lumpur Convention Centre, situated in the heart of Malaysia's capital city. As an event partner, FIMM is proud to support the SC's annual flagship event held on 14-16 October.



The SC's annual flagship event is an investor education initiative aimed at equipping investors with the ability to make informed decisions when investing. The event is also held in conjunction with the Financial Education Network's Financial Literacy Month and World Investor Week. The three-day event continues with its theme "Silap Labur Duit Lebur" which aims to remind the public to be vigilant with their money when making investment decisions.



The onset of the COVID-19 pandemic, which subsequently led to a series of movement control orders, has increased the presence of online fraud and scams. SC Chairman, Dato' Seri Dr Awang Adek Haji Hussin, stated in his opening speech, "The porous and open nature of the Internet means that we cannot be everywhere to safeguard investors. Therefore, the best course of action investors can take to avoid falling prey to investment scams and unlicensed activities is to equip themselves with better financial knowledge."

During the three-day event, ISF also held investor education programmes where affiliates and stakeholders took to the stage to educate the public on a wide range of products and services available in the Malaysian capital market.



On the first day, FIMM gave an introductory session on unit trust schemes (UTS), presented by Sharul Nizam Zainol, Senior Manager for Professional Development & Services. The aim of this session was to educate the public about UTS as a long-term investment.



On the second day, FIMM presented an introduction to its role in the Malaysian capital market, including milestones achieved to date. This session was in the form of a panel discussion moderated by FIMM's CEO Kaleon Leong, and attended by Dr Rosliza Mat Yatim, General Manager for Corporate Services Division, Sahlawati Mustafa, General Manager for Regulatory Services Division, and Dennis Loong, General Manager for Industry Services Division. They presented updates on their respective areas of purview and addressed questions posed by the audience.



ISF 2022 brought together over 40 exhibitors, including the Bank Negara Malaysia's Financial Education Network (FEN), Bursa Malaysia, EPF, investment banks, and other capital market product and service providers. According to the SC, the exhibition attracted over 9,000 visitors this year.

## Minggu Saham Amanah Malaysia at Port Dickson 24-30 November 2022

After organising its events virtually for the past two years, Minggu Saham Amanah Malaysia (MSAM) returned physically and was held at Port Dickson, Negeri Sembilan.



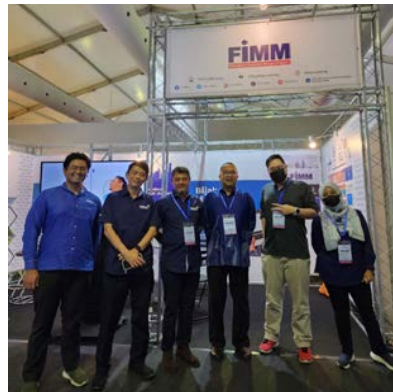
**1,604**  
People Engaged



The week-long Pemodalan Nasional Berhad (PNB) annual flagship event featured over 30 exhibitors, including FIMM as well as SC, FEN, EPF, Bursa Malaysia and AKPK.



The event was officiated by PNB Group Chairman Tun Arifin Zakaria with PNB President and Group Chief Executive Ahmad Zulqarnain Onn who was also present.

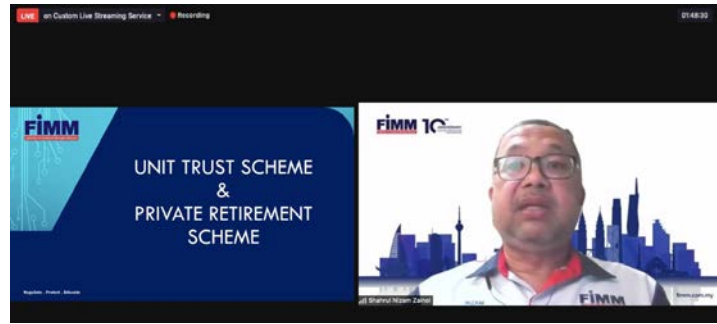


According to PNB, the event drew in over 120,000 visitors which also comprised 17,000 school students and children.

FIMM appreciates the opportunity to promote awareness on unit trust and private retirement schemes to the community in Port Dickson.



## MFPC's Virtual Financial Literacy Programme – My Money & Me



In 2022, FIMM was part of MFPC's Virtual Financial Literacy Programme called My Money & Me. The programme covered topics such as budgeting, saving, investing, insurance, and retirement planning.

The Programme is designed to empower individuals to make informed financial decisions, manage their finances effectively, and achieve financial well-being.

## MFPC's Virtual Industry Talk

**University Kolej  
Tunku Abdul Rahman Johor**  
7 June 2022  
**30**  
Participants

**Multimedia University  
Cyberjaya, Selangor**  
20 July 2022  
**73**  
Participants

**103**  
Total People  
Engaged

FIMM actively supports the education of undergraduates in Malaysia by participating in MFPC's Industry Talk programme as one of the speakers. The programme is one of MFPC's initiatives to work closely with local higher education institutions and create awareness about the importance of financial planning among undergraduates.



Through this platform, industry organisations including FIMM share their expertise, helping students gain valuable financial knowledge and stay up to date with the latest developments in the financial sector.





## **Leadership**

**Board of Directors & Committees**

**Management**

**Our People**

**IT Infrastructure & Systems**

# Board of Directors & Committees

## Public Interest Directors



**Ahmad Tajuddin  
Abdul Carrim**

*Appointed  
27 July 2022*

**Yvonne Phe  
Kheng Peng**

*Appointed  
27 July 2022*

**Koid  
Swee Lian**

**Dato' Mohd  
Sallehuddin  
Othman**

**Mohd Ridzal  
Mohd Sheriff**  
*Chairman*

**Steven Choy  
Khai Choon**

*Tenure ended  
12 June 2022*

**Datin Yon  
See Ting**

**Jas Bir  
Kaur**

## Elected Directors



**Dato' Teng  
Chee Wai**

**Lim  
Suet Ling**

**Datuk Wira  
Ismitz Matthew  
De Alwis**

**Eliza Ong  
Yin Suen**  
*Resigned  
1 December 2022*

**Mohammad  
Hussin**  
*Resigned  
5 July 2022*

**Yeoh  
Kim Hong**  
*Resigned  
1 November 2022*

**Danny Wong  
Teck Meng**

**Muzzaffar  
Othman**  
*Appointed  
9 November 2022*

**Chiang  
Kang Pey**  
*Appointed  
22 November 2022*

## Roles & Responsibilities



## Composition of the Board of Directors

The composition of the Board and Board Committees collectively constitute as key elements of corporate governance. As of 31 December 2022, the Board is made up of seven (7) Public Interest Directors (PID) appointed by the SC and six (6) Elected Directors (ED) appointed in accordance with FIMM's Articles of Association.

Appointment/re-appointments of PIDs:		
Public Interest Directors	Effective Date	Term
<b>New Appointments</b>		
Ahmad Tajuddin Abdul Carrim	20 June 2022*	3 years
Yvonne Phe Kheng Peng	20 June 2022*	3 years
<b>Re-appointments</b>		
Dato' Mohd Sallehuddin Othman	5 April 2022	2 years
Mohd Ridzal Mohd Sheriff	12 June 2022	2 years
Datin Yon See Ting	12 June 2022	2 years

\* Appointed as PID by the SC; approved by Companies Commission of Malaysia (CCM) effective 27 July 2022.

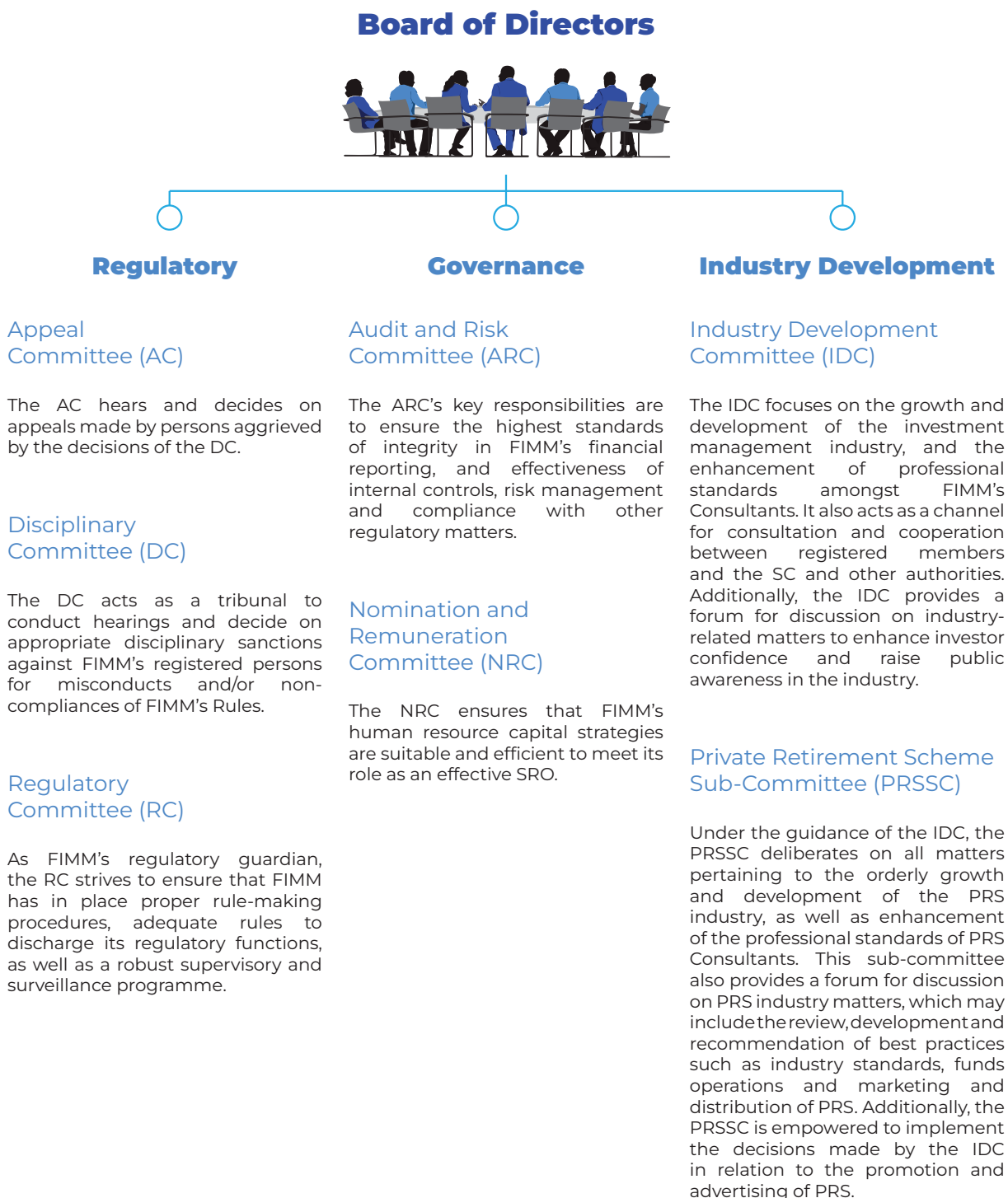
Steven Choy Khai Choon's term as PID ended on 12 June 2022. He has served on FIMM's Board for three (3) years.

Nomination and appointment of new EDs to replace former EDs who have resigned in 2022:				
Member Company	Former Elected Directors	Resignation Date	New Elected Directors	Appointment Approved by CCM
Amanah Saham Nasional Berhad	Mohammad Hussin	5 July 2022	Muzzaffar Othman	9 November 2022
Public Mutual Berhad	Yeoh Kim Hong	1 November 2022	Chiang Kang Pey	22 November 2022
RHB Asset Management Sdn Bhd	Eliza Ong Yin Suen	1 December 2022	N/A	

## Composition of Board Committees

In carrying out its functions, the Board is supported by the regulatory, governance and industry development committees which operate within their respective defined terms of reference, thus enabling the Board to perform its fiduciary duties in a more efficient and focused manner.

Each Board member sits on various Board Committees. Within FIMM, there are a total of six (6) Board Committees and one (1) Sub-Committee.



Details of the Board members and their relevant Board Committees and Chairmanships, as at 31 December 2022.

Public Interest Directors	No. of Committees	Committee/Sub-Committee			
Mohd Ridzal Mohd Sheriff (Chairman of the Board)	4	IDC	AC	RC	NRC
Dato' Mohd Sallehuddin Othman	4	IDC	AC	ARC	NRC
Koid Swee Lian	4	IDC	ARC	DC	RC
Datin Yon See Ting	4	IDC	DC	RC	PRSSC
Jas Bir Kaur	4	IDC	DC	RC	PRSSC
Ahmad Tajuddin Abdul Carrim	4	IDC	DC	NRC	PRSSC
Yvonne Phe Kheng Peng	4	IDC	ARC	NRC	PRSSC
<b>Elected Directors</b>					
Muzzaffar Othman	4	IDC	AC	ARC	NRC
Chiang Kang Pey	4	IDC	DC	RC	PRSSC
Dato' Teng Chee Wai	3	IDC	AC	PRSSC	-
Datuk Wira Ismitz Matthew De Alwis	4	IDC	ARC	RC	PRSSC
Danny Wong Teck Meng	3	IDC	DC	RC	-
Lim Suet Ling	4	IDC	ARC	DC	NRC

#### Chairmanship

In line with the Malaysian Code on Corporate Governance (as at 28 April 2021) – Board Composition: Guidance Note G5.9, which states that “all boards should comprise at least 30% women directors”, FIMM’s Board comprises a total of 38% women directors. In addition, three (3) out of the six (6) Board Committees, as well as one (1) Sub-Committee are chaired by women directors.

## Appointments to Board Committees

- a. At the 4/2022 Board Meeting held on 3 August 2022, the Board approved the appointment of the following members:
  - i. Ahmad Tajuddin Abdul Carrim as Chairman of NRC and a member of DC, IDC and PRSSC;
  - ii. Yvonne Phe Kheng Peng as Chairman of PRSSC and a member of ARC, IDC and NRC;
  - iii. Lim Suet Ling as a member of DC, and her resignation from the AC; and
  - iv. Dato' Teng Chee Wai as a member of AC, and his resignation from the DC.
  
- b. At the 2/2022 Special Board Meeting held on 8 December 2022, the Board approved the appointment of the following members:
  - i. Muzzaffar Othman as a member of AC, ARC, IDC and NRC.
  - ii. Chiang Kang Pey as a member of DC, IDC, RC and PRSSC.

## Board Meetings

The Board held a total of eight (8) meetings (including a Special Meeting) in 2022, which exceeded the minimum requirement of four (4) meetings stipulated in the Board Charter.

The Board also conducted a self-assessment evaluation assessment, which is carried out annually in the first quarter of the following year, for the purpose of improving its effectiveness in fulfilling its duties and responsibilities. The findings, presented to the Board for discussion, are compiled and prepared by our external Company Secretary, Securities Services (Holdings) Sdn Bhd and reported on an anonymous basis.

## Board Committee Meetings

Each of the six (6) Board Committees and one (1) Sub-Committee focuses on a clearly defined area of FIMM's operations, where their respective functions and duties are set out in their respective TOR.

## Board & Committee Meeting Attendance

Board of Directors		Attendance	
P/D	Mohd Ridzal Mohd Sheriff (Chairman)	● ● ● ● ● ● ● ●	8/8
	Dato' Mohd Sallehuddin Othman	● ● ● ● ● ● ● ●	8/8
	Koid Swee Lian	● ● ● ● ● ● ● ●	7/8
	Steven Choy Khai Choon <i>Tenure ended 12 June 2022</i>	● ● ●	3/3
	Datin Yon See Ting	● ● ● ● ● ● ● ●	6/8
	Jas Bir Kaur	● ● ● ● ● ● ● ●	7/8
	Ahmad Tajuddin Abdul Carrim <i>Appointed 27 July 2022</i>	● ● ●	3/3
	Yvonne Phe Kheng Peng <i>Appointed 27 July 2022</i>	● ● ●	3/3
E/D	Mohammad Hussin <i>Resigned 5 July 2022</i>	● ● ●	3/3
	Yeoh Kim Hong <i>Resigned 1 November 2022</i>	● ● ● ● ● ● ● ●	5/6
	Dato' Teng Chee Wai	● ● ● ● ● ● ● ●	6/8
	Eliza Ong Yin Suen <i>Resigned 1 December 2022</i>	● ● ● ● ● ● ● ●	6/7
	Datuk Wira Ismitz Matthew De Alwis	● ● ● ● ● ● ● ●	8/8
	Danny Wong Teck Meng	● ● ● ● ● ● ● ●	6/8
	Lim Suet Ling	● ● ● ● ● ● ● ●	5/8

Continued on the following page



Audit & Risk Committee		Attendance
PID	Dato' Mohd Sallehuddin Othman (Chairman)	● ● ● ● ● 5/5
	Koid Swee Lian	● ● ● ● ● 5/5
	Yvonne Phe Kheng Peng <i>Appointed 3 August 2022</i>	● 1/1
ED	Mohammad Hussin <i>Resigned 5 July 2022</i>	● ● ● 2/3
	Datuk Wira Ismitz Matthew De Alwis	● ● ● ● ● 5/5
	Lim Suet Ling	● ● ● ● ● 4/5

Disciplinary Committee		Attendance
PID	Koid Swee Lian (Chairman)	● ● ● ● ● ● ● ● ● ● 10/10
	Steven Choy Khai Choon <i>Resigned 12 April 2022</i>	● ● * 2/3
	Datin Yon See Ting	● ● ● ● ● ● ● ● ● ● 9/10
	Jas Bir Kaur	● ● ● ● ● ● ● ● ● ● 8/10
	Ahmad Tajuddin Abdul Carrim <i>Appointed 3 August 2022</i>	● ● ● 3/3
ED	Yeoh Kim Hong <i>Resigned 1 November 2022</i>	● ● ● ● ● ● ● 6/8
	Dato' Teng Chee Wai <i>Resigned 3 August 2022</i>	● ● ● ● ● 2/6
	Eliza Ong Yin Suen <i>Resigned 1 December 2022</i>	● ● ● ● ● ● ● ● 8/9
	Danny Wong Teck Meng	● ● ● ● ● ● ● ● ● ● 8/10
	Lim Suet Ling <i>Appointed 3 August 2022</i>	● ● ● 2/3

\* Directors abstained from attendance of meeting(s) due to Conflict of Interest (COI) in relation to the cases presented.

Industry Development Committee		Attendance
PID	Jas Bir Kaur (Chairman)	● ● ● ● ● 5/5
	Mohd Ridzal Mohd Sheriff	● ● ● ● ● 5/5
	Dato' Mohd Sallehuddin Othman	● ● ● ● ● 5/5
	Koid Swee Lian	● ● ● ● ● 4/5
	Steven Choy Khai Choon <i>Resigned 12 June 2022</i>	● ● 2/2
	Datin Yon See Ting	● ● ● ● ● 5/5

Continued on the following page

Industry Development Committee (Continued)		Attendance
PID	Ahmad Tajuddin Abdul Carrim <i>Appointed 3 August 2022</i>	● ● 2/2
	Yvonne Phe Kheng Peng <i>Appointed 3 August 2022</i>	● ● 2/2
ED	Mohammad Hussin <i>Resigned 5 July 2022</i>	● ● ● 3/3
	Yeoh Kim Hong <i>Resigned 1 November 2022</i>	● ● ● ● ● 4/5
	Dato' Teng Chee Wai	● ● ● ● ● 4/5
	Eliza Ong Yin Suen <i>Resigned 1 December 2022</i>	● ● ● ● ● 1/5
	Datuk Wira Ismitz Matthew De Alwis	● ● ● ● ● 4/5
	Danny Wong Teck Meng	● ● ● ● ● 5/5
	Lim Suet Ling	● ● ● ● ● 4/5
SME	Munirah Khairuddin	● ● ● ● ● 2/5

Nomination & Remuneration Committee		Attendance
PID	Steven Choy Khai Choon (Chairman) <i>Resigned 12 June 2022</i>	● ● ● 3/3
	Ahmad Tajuddin Abdul Carrim (Chairman) <i>Appointed 3 August 2022</i>	● 1/1
	Mohd Ridzal Mohd Sheriff	● ● ● ● 3/4
	Dato' Mohd Sallehuddin Othman	● ● ● ● 4/4
	Yvonne Phe Kheng Peng <i>Appointed 3 August 2022</i>	● 1/1
ED	Mohammad Hussin <i>Resigned 5 July 2022</i>	● ● ● 3/3
	Lim Suet Ling	● ● ● ● 4/4

Regulatory Committee		Attendance
PID	Datin Yon See Ting (Chairman)	● ● 2/2
	Mohd Ridzal Mohd Sheriff	● ● 2/2
	Koid Swee Lian	● ● 1/2
	Steven Choy Khai Choon <i>Resigned 12 June 2022</i>	● 0/1
	Jas Bir Kaur	● ● 2/2

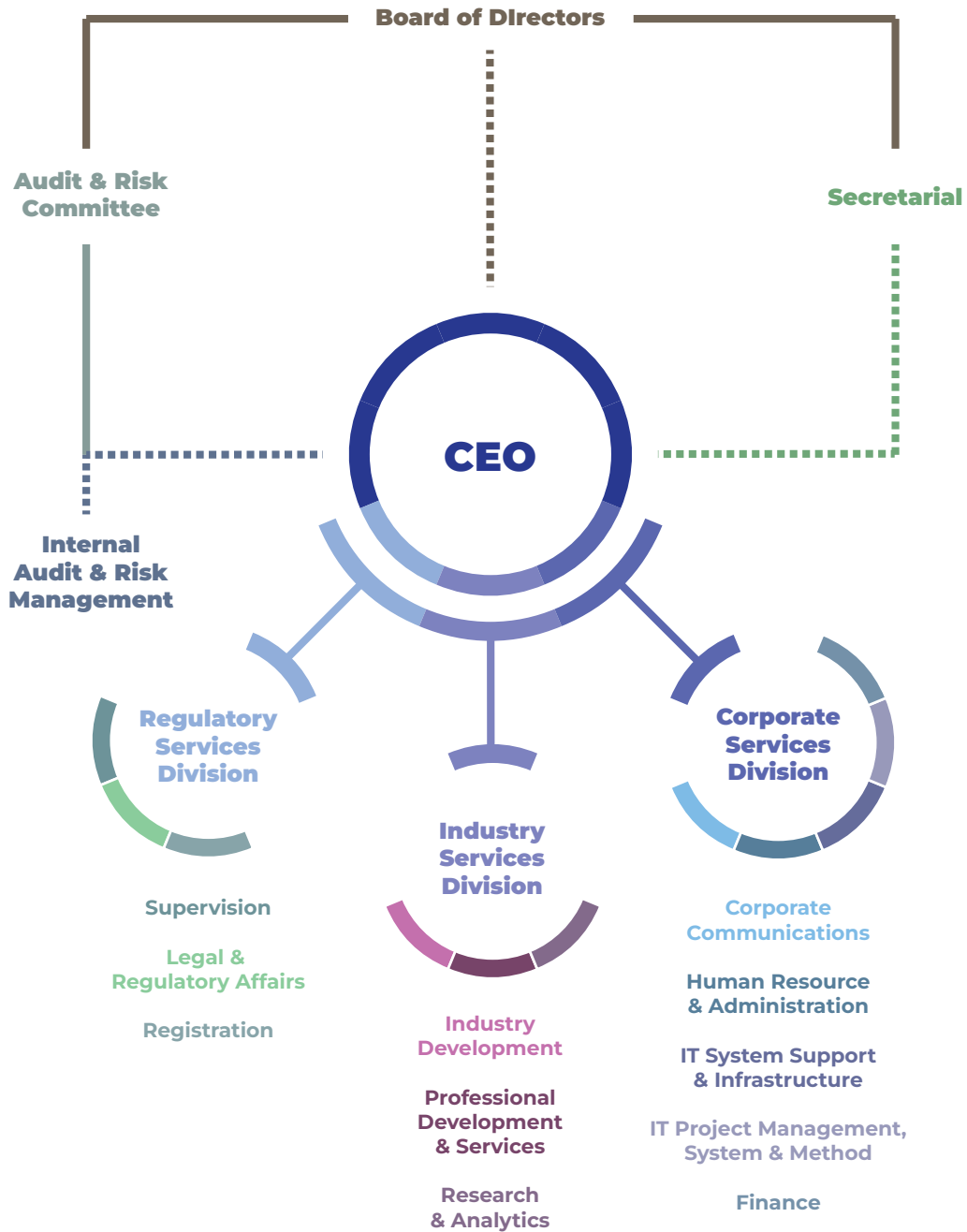
Continued on the following page

Regulatory Committee (Continued)		Attendance
ED	Yeoh Kim Hong <i>Resigned 1 November 2022</i>	● ● 2/2
	Eliza Ong Yin Suen <i>Resigned 1 December 2022</i>	● ● 2/2
	Datuk Wira Ismitz Matthew De Alwis	● ● 2/2
	Danny Wong Teck Meng	● ● 2/2
Private Retirement Scheme Sub-Committee		Attendance
PID	Steven Choy Khai Choon (Chairman) <i>Resigned 12 June 2022</i>	● 1/1
	Yvonne Phe Kheng Peng (Chairman) <i>Appointed 3 August 2022</i>	N/A*
	Datin Yon See Ting	● 0/1
	Jas Bir Kaur	● 1/1
	Ahmad Tajuddin Abdul Carrim <i>Appointed 3 August 2022</i>	N/A*
AR	Yeoh Kim Hong <i>Resigned 1 November 2022</i>	● 1/1
	Dato' Teng Chee Wai	● 0/1
	Eliza Ong Yin Suen <i>Resigned 1 December 2022</i>	● 1/1
	Datuk Wira Ismitz Matthew De Alwis	● 1/1
	Munirah Khairuddin	● 0/1
	Valerie Low Lai Kin	● 1/1
	Wan Shuhaida Wan Zainal Shukri	● 1/1
	Nor Daliya Mohd Daud	● 1/1
SME	Husaini Hussin	● 1/1

N/A\* Appointed after the PRSSC meeting held on 27 April 2022

AR: Appointed Representative

## Organisation Structure



# Management

## CEO's Office



**Kaleon Leong Rahan**  
Chief Executive Officer

## Internal Audit & Risk Management



**Kuppum Subraminam**  
Senior Manager

## Secretarial



**Belinda Yeo**  
Manager

## Regulatory Services Division



**Sahlawati Mustafa**  
General Manager



**Jegatheesan Govintharaj**  
Senior Manager  
Legal & Regulatory Affairs



**Ava Saffinaz Che Ani**  
Senior Manager  
Supervision



**Sylvia Ooi**  
Manager  
Registration

## Industry Services Division



**Dennis Loong**  
General Manager



**Joyce Wee**  
Senior Manager  
Industry Development



**Lim Foong Ying**  
Senior Manager  
Research & Analytics



**Shahrul Nizam Zainol**  
Senior Manager  
Professional Development  
& Services

## Corporate Services Division



**Dr Rosliza Mat Yatim**  
General Manager



**Normala Mohamed**  
Senior Manager  
Finance



**Hilmann Yusof Iman**  
Manager  
Corporate Communications



**Nazrul Izham Abdul Ghaffar**  
Senior Manager  
IT System Support  
& Infrastructure



**Lazman Halim Lajman**  
Senior Manager  
IT Project Management,  
System & Method



**Razi Imran**  
Senior Manager  
Human Resource &  
Administration

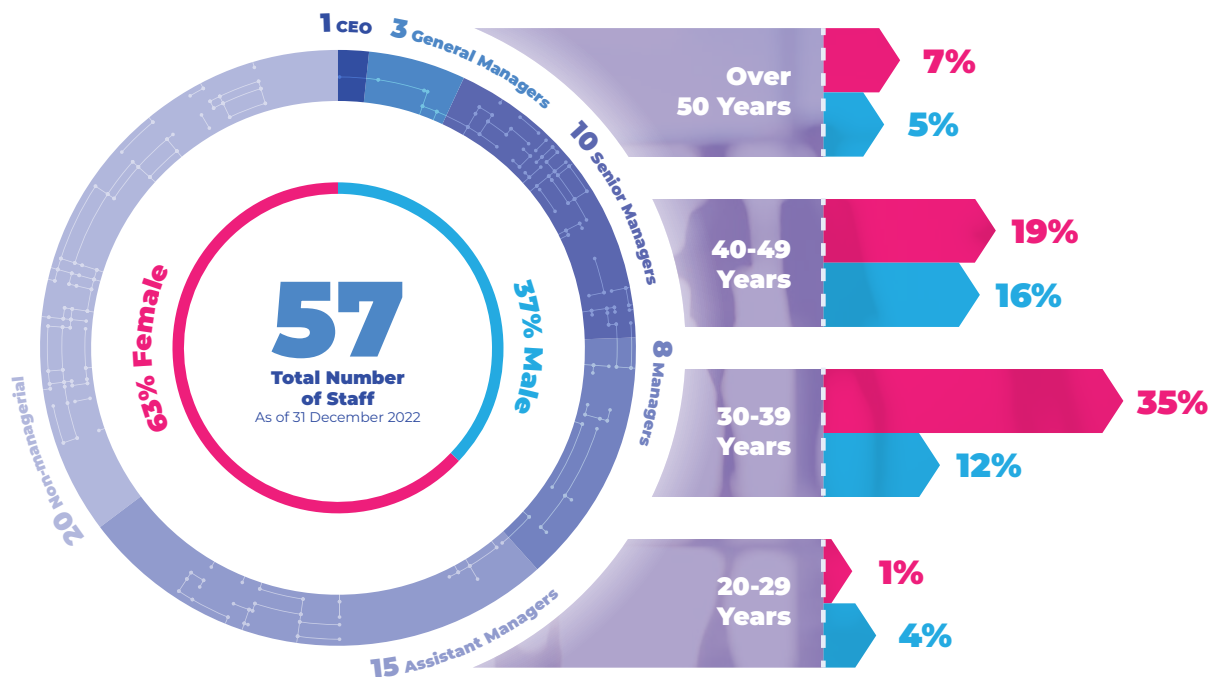


# Our People

Malaysia's transition to the endemic phase in April 2022 was a significant step forward that allowed many workers to return to their normal working lives with fewer movement restrictions. As a result, FIMM's staff began returning to the office in July 2022 after nearly two (2) years of working from home (WFH). However, the organisation continued to provide flexibility to its staff by formalising the WFH or remote working policy, which was approved by the Board in November 2022. This new policy enables its staff to work remotely for up to two working days per week, subject to necessary job function requirements and business needs.

Despite this flexibility, staff interactions and connectivity have remained effective through various engaging activities whether physical or online. These include team building, town halls, festive celebrations and other events aimed at maintaining positive staff morale and team spirit.

## Employee Demographic



As of 31 December 2022, FIMM's headcount remained at 57 (2021: 57). There were 14 new recruits and 14 resignations throughout the year.

# IT Infrastructure & Systems

## Digital Transformation Initiatives – Registration System

The Registration System project was initially scheduled for completion on 31 May 2021. Throughout the project journey, the completion date was rescheduled (four (4) times) with the final go-live date set on 30 September 2022. To achieve the go-live on this date, the vendor agreed to deliver system readiness by 31 July 2022.

However, as of 31 July 2022, the progress of the Registration System stood at 89% with only three (3) out of 10 modules completed. Arising from the various failed testings, the vendor was unable to give an estimated completion of the remaining modules. Due to this uncertainty, the Board approved the termination of the Software Development Agreement with the vendor for their failure to deliver the completed system within the agreed timeline.

The termination of this project did not stop the system revamp initiative as the legacy system is in dire need of replacement. During the Board Meeting on 3 August 2022, the Board approved to re-tender the new Registration System with enhanced criteria to identify a qualified vendor to implement the project. To ensure the new Registration System was properly governed, the Board approved the formation of a Board Oversight Committee on 15 September 2022, comprising three (3) Board members to assist Management in overseeing the overall progress of system revamp project until its completion.

A new vendor has since been identified, and is subject to the Board's final approval during the first Board Meeting in 2023.

## Industry Briefing

In preparing for the Registration System go-live date based on the initial plan, we conducted two (2) industry briefings to all Member companies' official representatives, known as Distributor Administrators (DA), on 1 March 2022 and 5 April 2022. The briefing aimed to update the DAs on the project's progress and highlight their involvement in preparation for the planned go-live activities. Subsequently, on 17 and 24 May 2022, all DAs involved in the Final Acceptance Test stage were informed of the project's postponement due to the delay in system development, which has a knocked-on effect on the cancellation of planned training sessions of the Registration System.

## Capital Market Cyber Simulation 2022



FIMM participated in the SC's Capital Market Cyber Simulation (CMCS) 2022 for the fourth consecutive year. The CMCS was held virtually on 10 November 2022 using the SC's simulation platform.

To prepare for the CMCS, two (2) of FIMM's IT personnel attended the Incident Handling

and Network Security (IHNS) training and one (1) IT personnel attended the Advance IHNS training. Both training sessions were conducted by Cybersecurity Malaysia.

FIMM also engaged a subject matter expert to provide some coaching/guidance to the IT team for the simulation. Working hand-in-hand, the team managed to complete all the challenges/scenarios given and they also acquired new knowledge/exposure in handling more complex cybersecurity incidents through the simulation.

### **Cloud Implementation**

As part of its cybersecurity strategy, FIMM moved all main applications and database servers (virtual machines) from a physical data centre to a cloud data centre. This initiative was implemented to improve the overall security and monitoring capabilities of its IT infrastructure to ensure that the servers are monitored continuously. The move is deemed necessary as the level of cyberthreats has increased tremendously over the years, especially on virtual platforms.

By moving to the cloud, the operator of the cloud data centre will be able to assist

FIMM's IT department to monitor the servers and platforms on a continuous basis as they have the necessary manpower equipped with the appropriate skillsets. In the event there is an attempt to penetrate the servers, the operator will take the necessary actions to block or thwart the attacks and notify FIMM IT on the attempts and the status. To-date, there has not been any successful penetration of FIMM's security level.

To manage the new cloud services, a Cloud Security Policy was incorporated into FIMM's IT Policy, which was approved by the Board on 15 September 2022. The cloud migration exercise was successfully concluded on 5 December 2022 and all systems at the cloud data centre are operating and running smoothly.

### **Cloud Phone Implementation**

As part of our effort to improve connectivity for better communication, FIMM migrated its office's conventional telephone system to a cloud-based phone system. Not only does this adoption ensure that all employees are accessible at any location, either at the office or while working remotely, it also enhances the organisation's communication capabilities with the various stakeholders.



*This page intentionally left blank.*





# **Financial Report**

**Directors' Report**

**Statement by Directors**

**Statutory Declaration**

**Independent Auditor's Report to the Members of FIMM**

**Statement of Financial Position**

**Statement of Comprehensive Income**

**Statement of Changes in Accumulated Fund**

**Statement of Cash Flows**

**Notes to the Financial Statements**

# Directors' Report

The Directors hereby present their report together with the audited financial statements of the Federation of Investment Managers Malaysia (the Federation) for the financial year ended 31 December 2022.

## Principal Activities

The Federation is a recognised self-regulatory organisation (SRO) since 2011 under section 323(1) of the Capital Markets & Services Act 2007 (CMSA) by the Securities Commission. As a SRO, the Federation's principal activity is to act as a public interest body in preserving market integrity while striving to protect the interests and rights of the investors and promoting the growth of unit trust and private retirement schemes industry in Malaysia.

There have been no significant changes in the nature of the principal activities during the financial year.

## Financial Results

Operating surplus for the financial year

RM  
1,744,741

## Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year under review.

## Directors

The Directors in office since the beginning of the financial year to the date of this report are:

### Public Interest Directors:

Mohd Ridzal Bin Mohd Sheriff  
Koid Swee Lian  
Dato' Mohd Sallehuddin Bin Othman  
Datin Yon See Ting  
Jas Bir Kaur A/P Lol Singh  
Ahmad Tajuddin Abdul Carrim (Appointed w.e.f. 20 June 2022)  
Yvonne Phe Kheng Peng (Appointed w.e.f. 20 June 2022)  
Choy Khai Choon (Resigned w.e.f. 12 June 2022)

### Elected Directors:

Datuk Wira Ismitz Matthew De Alwis  
Wong Teck Meng  
Lim Suet Ling  
Dato' Teng Chee Wai  
Muzaffar Bin Othman (Appointed w.e.f. 9 November 2022)  
Chiang Kang Pey (Appointed w.e.f. 22 November 2022)  
Mohammad Bin Hussin (Resigned w.e.f. 5 July 2022)  
Yeoh Kim Hong (Resigned w.e.f. 1 November 2022)  
Ong Yin Suen (Resigned w.e.f. 1 December 2022)

## Directors' Benefits

Since the end of the previous financial year, no Director of the Federation has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Federation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Federation a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Federation or any other body corporate.

## Directors' Interest

None of the Directors in office at the end of the year had any interest in the Federation during the year.

## Directors' Remuneration

Details of Directors' remuneration are disclosed in Note 17 to the financial statements.

None of the Directors or past Directors of the Federation have received any benefits otherwise than in cash from the Federation during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Federation by the Directors or past Directors of the Federation during the year.

## Indemnifying Directors or Officers

The Federation has maintained the Association Liability Insurance (comprising Professional Indemnity and Directors' and Officers' Liability Insurance) up to an aggregate limit of RM20 million against any legal liability incurred by the Directors and Officers in discharge of their duties while holding office for the Federation. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

## Other Statutory Information

- (a) Before the financial statements of the Federation were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there is no known bad debts and no provision for doubtful debts is required; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of Federation have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Federation; or
  - (ii) the values attributed to the current assets in the financial statements of the Federation misleading; or
  - (iii) adherence to the existing method of valuation of assets or liabilities in the financial statements of the Federation misleading or inappropriate; or
  - (iv) any amount stated in the financial statements of the Federation misleading.
- (c) No contingent or other liabilities of the Federation has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Federation to meet its obligations as and when they fall due.
- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Federation which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Federation which has arisen since the end of the financial year.
- (e) In the opinion of the Directors:
- (i) the results of the operations of the Federation for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Federation for the financial year in which this report is made.

## Auditors' Remuneration

Auditors' remuneration are disclosed in Note 17 to the financial statements.

To the extent permitted by law, including Section 289 of the Companies Act 2016 in Malaysia, the Federation has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.



**Mohd Ridzal Bin Mohd Sheriff**



**Dato' Mohd Sallehuddin Bin Othman**

Kuala Lumpur  
16 March 2023

# Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Mohd Ridzal Bin Mohd Sheriff and Dato' Mohd Sallehuddin Bin Othman, being two of the Directors of Federation of Investment Managers Malaysia, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 84 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Federation as of 31 December 2022 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 March 2023.

**Mohd Ridzal Bin Mohd Sheriff**

**Dato' Mohd Sallehuddin Bin Othman**

Kuala Lumpur

# Statutory Declaration

Pursuant to Section 251(1) (b) of the Companies Act, 2016

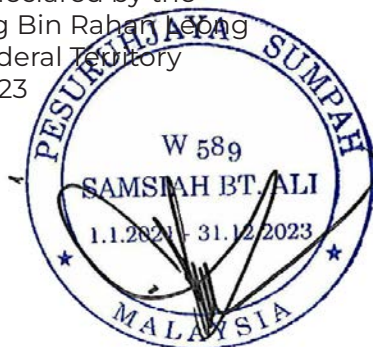
I, Kaleon Leong Bin Rahan Leong, being the Officer primarily responsible for the financial management of Federation of Investment Managers Malaysia, do solemnly and sincerely declare that the financial statements set out on pages 84 to 107 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kaleon Leong Bin Rahan Leong at Kuala Lumpur, in the Federal Territory on this date of 16 March 2023

**Kaleon Leong Bin Rahan Leong**

Before me,

Commissioner for Oaths



SAMSI AH BINTI ALI (No. W 589)  
PESURUHJAYA SUMPAAH  
NO. 142B, TKT BAWAH,  
BGN, UMNO SELANGOR  
JALAN IPOH, 51200  
KUALA LUMPUR W.P.



# Independent Auditors' Report

to the Members of Federation of Investment Managers Malaysia  
(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Federation of Investment Managers Malaysia (the Federation), which comprise the statement of financial position as at 31 December 2022, and statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows of the Federation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 107.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements section* of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence and other ethical responsibilities

We are independent of the Federation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (By-Laws) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Information other than the financial statements and auditors' report thereon

The directors of the Federation are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Federation and our auditors' report thereon.

Our opinion on the financial statements of the Federation does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Federation, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Federation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

*Continued on the following page*

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial statements

The directors of the Federation are responsible for the preparation of financial statements of the Federation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Federation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Federation, the directors are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Federation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Federation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists,

*Continued on the following page*

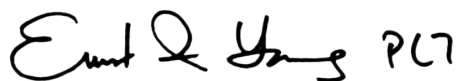
we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Federation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Federation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Federation, including the disclosures, and whether the financial statements of the Federation represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other Matters

This report is made solely to the members of the Federation, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Ernst & Young PLT**  
202006000003(LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
16 March 2023



**Ng Sue Ean**  
No. 03276/07/2024 J  
Chartered Accountant

# Statement of Financial Position

As at 31 December 2022

	Note	2022 RM	2021 RM
<b>Non-Current Assets</b>			
Property, plant and equipment	5	445,702	436,707
Intangible asset	6	434,936	256,287
Rights-of-use assets	7	566,432	1,030,057
Deferred tax asset	8	472,925	210,677
		<b>1,919,995</b>	<b>1,933,728</b>
<b>Current Assets</b>			
Rights-of-use assets	7	469,166	565,640
Other receivables	9	1,438,273	930,081
Tax recoverable		166,642	323,473
Fixed deposits with financial institutions	10	47,314,356	47,883,411
Cash and bank balances		2,566,432	378,989
		<b>51,954,869</b>	<b>50,081,594</b>
<b>Current Liabilities</b>			
Other payables	11	3,207,201	2,552,655
Lease liabilities	14	616,586	632,928
Net Current Assets		48,131,082	46,896,011
		<b>50,051,077</b>	<b>48,829,739</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	14	443,871	967,274
		<b>49,607,206</b>	<b>47,862,465</b>
<b>Equity Attributable to Owners of the Parent</b>			
Accumulated fund	12	30,335,103	29,508,081
SRO requirement reserve	13	19,272,103	18,354,384
		<b>49,607,206</b>	<b>47,862,465</b>

The accompanying notes form an integral part of the financial statements.

# Statement of Comprehensive Income

For the Financial Year Ended 31 December 2022

	Note	2022 RM	2021 RM
Revenue	15	15,026,863	14,866,777
Other income	16	987,801	907,101
Administrative expenses	17	(4,499,477)	(3,955,008)
Staff cost	18	(9,871,639)	(8,990,319)
<b>Excess of revenue over expenditure</b>		<u>1,643,548</u>	<u>2,828,551</u>
Tax income/(expense)	19	<u>101,193</u>	<u>(272,306)</u>
<b>Operating surplus and total comprehensive income for the financial year</b>		<u><b>1,744,741</b></u>	<u><b>2,556,245</b></u>

The accompanying notes form an integral part of the financial statements.

# Statement of Changes in Accumulated Fund

For the Financial Year Ended 31 December 2022

		← Non Distributable →		
		SRO Requirement Reserve	Total	
	Note	RM	RM	
Balance as at 1 January 2022		29,508,081	18,354,384	47,862,465
Transfer to SRO Fund requirement reserve	13	(917,719)	917,719	-
Total comprehensive income for the financial year		1,744,741	-	1,744,741
Balance as at 31 December 2022		<b><u>30,335,103</u></b>	<b><u>19,272,103</u></b>	<b><u>49,607,206</u></b>
Balance as at 1 January 2021		27,825,854	17,480,366	45,306,220
Transfer to SRO Fund requirement reserve	13	(874,018)	874,018	-
Total comprehensive income for the financial year		2,556,245	-	2,556,245
Balance as at 31 December 2021		<b><u>29,508,081</u></b>	<b><u>18,354,384</u></b>	<b><u>47,862,465</u></b>

The accompanying notes form an integral part of the financial statements.

# Statement of Cash Flows

For the Financial Year Ended 31 December 2022

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenditure	1,643,548	2,828,551
Adjustments for:		
Depreciation of property, plant and equipment and leased assets	811,507	858,876
Amortisation of intangible asset	120,643	116,780
Loss on disposal of property, plant and equipment	731	58
Interest expense on lease liabilities	41,819	17,618
Interest income	(974,319)	(895,532)
Excess of operating revenue over expenditure before working capital changes	<u>1,643,929</u>	<u>2,926,351</u>
Changes in working capital:		
Increase in other receivables	(478,700)	(239,110)
Increase in other payables	654,546	168,708
	<u>175,846</u>	<u>(70,402)</u>
Cash generated from operations	1,819,775	2,855,949
Tax paid (net)	(4,224)	(363,797)
Net cash generated from operating activities	<u>1,815,551</u>	<u>2,492,152</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(252,268)	(135,806)
Purchase of intangible asset	(299,292)	(25,120)
Interest received	944,827	991,959
Deposits and placement with licensed banks with original maturity of more than 3 months	(21,709,139)	3,851,437
Net cash (used in)/generated from investing activities	<u>(21,315,872)</u>	<u>4,682,470</u>
<b>Cash Flows from Financing Activity</b>		
Repayment of leases, representing net cash used in financing activity	<u>(590,430)</u>	<u>(609,950)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(20,090,751)	6,564,672
<b>Cash and cash equivalents at the beginning of the financial year</b>	<u>37,063,618</u>	<u>30,498,946</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u><b>16,972,867</b></u>	<u><b>37,063,618</b></u>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Fixed deposits with financial institutions	47,314,356	47,883,411
Cash and bank balances	2,566,432	378,989
	<u>49,880,788</u>	<u>48,262,400</u>
Less: Deposits with original maturity of more than 3 months	(32,907,921)	(11,198,782)
	<u><b>16,972,867</b></u>	<u><b>37,063,618</b></u>

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

## 1. Corporate Information

The Federation of Investment Managers Malaysia (the Federation) is a recognised self-regulatory organisation (SRO) since 2011 under section 323(1) of the Capital Markets & Services Act 2007 (CMSA) by the Securities Commission. As a SRO, the Federation's principal activity is to act as a public interest body in preserving market integrity while striving to protect the interests and rights of the investors and promoting the growth of unit trust and private retirement schemes industry in Malaysia.

There have been no significant changes in the nature of the principal activities during the financial year.

The Federation is a company limited by guarantee, incorporated in Malaysia under the Companies Act, 2016 and domiciled in Malaysia.

The registered office of the Federation is located at Level 7, Menara Millenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business is located at 19-06-1, 6th Floor, Wisma Tune, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

## 2. Basis of Preparation

### (a) Basis of Preparation

The financial statements of the Federation have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Federation's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

*Continued on the following page*



On 1 January 2022, the Company adopted new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2022.

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 116	Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)
Amendments to MFRS 137	Provision, Contingent Liabilities, and Contingent Assets (Onerous Contracts-Cost of Fulfilling a Contract)
Amendments to MFRS 3	Business Combinations (Reference to Conceptual Framework)

Annual Improvements to MFRS Standards 2018-2020:

(i) MFRS 1	First-Time Adoption of Malaysian Financial Reporting Standards
(ii) MFRS 9	Financial Instruments
(iii) MFRS 16	Lease
(iv) MFRS 141	Agriculture

The adoption of the above amendments did not have any material impact on the financial performance or position of the Company.

**Effective for financial periods beginning on or after 1 January 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
Amendments to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policy)
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)

*Continued on the following page*

#### Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases (Leases liability in a Sale and Leaseback)
Amendments to MFRS 101	Presentation of Financial Statements (Non-Current Liabilities with Covenants)

#### Effective date yet to be determined

Amendments to MFRS 10	Consolidated Financial Statements (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
Amendments to MFRS 128	Investments in Associates and Joint Ventures (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The directors expect that the adoption of the above standards will have no material impact on the financial statements of the Federation in the period of initial application.

### 3. Significant Accounting Policies

#### (a) Functional and Presentation Currency

Items included in the financial statements of the Federation are measured using the currency at the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ringgit Malaysia (RM), which is the Federation's functional currency and presentation currency.

#### (b) Property, plant and equipment

##### (i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Federation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

*Continued on the following page*

## (ii) Subsequent costs

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

## (iii) Depreciation and impairment

Depreciation is recognised in the profit or loss on a straight-line basis at rates calculated to write off the cost of the assets to their residual values over their estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment	5 years
Furniture and fittings	10 years
Office renovations	3 years
Motor vehicles	5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Federation assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 4(a) to the financial statements.

## (c) Intangible asset - computer software

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the financial year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embedded in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as

*Continued on the following page*

changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Any gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss when the asset is derecognised.

Intangible assets are amortised over their finite useful lives at the following annual rate:

Computer software	20%
-------------------	-----

#### (d) Leases

The Federation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Federation as a lessee

The Federation applies a single recognition and measurement approach for all leases. The Federation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (i) Right-of-use assets

The Federation recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premise	3 years
Photocopier machines	3-4 years

Details of right-of-use assets are disclosed in Note 7 of the financial statement.

*Continued on the following page*

## (ii) Lease liabilities

At the commencement date of the lease, the Federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Federation and payments of penalties for terminating the lease, if the lease term reflects the Federation exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Federation uses incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## (e) Financial Assets

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Federation's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Federation are measured at the transaction price determined under MFRS 15.

The Federation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### Subsequent measurement

Financial assets at amortised cost.

The Federation measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

*Continued on the following page*

- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### **(f) Impairment of financial assets**

The Federation recognises an allowance for Expected Credit Losses (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Federation applies a simplified approach in calculating ECLs. Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation assesses each trade receivable individually to derive the ECL at each reporting date.

The carrying amount of the financial asset is reduced through the use of an impairment allowance account and the amount of the ECL is recognised in profit or loss. If, in a subsequent period, the amount of the ECL decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised ECL shall be reversed and recognised in profit or loss. An uncollectible financial asset classified as impaired is written-off after taking into consideration the realisable value of collateral, if any, when in the opinion of management, there is no prospect of recovery.

#### **(g) Impairment of non-financial assets**

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus.

*Continued on the following page*

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

#### **(h) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Federation in the management of their short-term commitments.

#### **(i) Financial liabilities**

Trade and other payables are classified as financial liabilities in the statement of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender or on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### **(j) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

*Continued on the following page*

### **(k) Provisions for liabilities**

Provisions are recognised when the Federation has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### **(l) Revenue recognition**

#### **(i) Subscriptions**

Annual subscriptions receivable from members are accounted for under the accruals method of accounting.

#### **(ii) Advance billings**

Annual subscriptions received over the period of subscriptions for each calendar year are recognised as revenue evenly in the profit or loss on a monthly basis over the 12 months of each financial year.

#### **(iii) Application and examination fees**

Application and examination fees are recognised upon the receipt of application and the holding of examination respectively.

#### **(iv) Interest income**

Interest income is recognised as it accrues using effective interest method in profit or loss.

### **(m) Employee benefits**

#### **(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Federation.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

*Continued on the following page*



(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Private Retirement Scheme (PRS)

Contributions made by the Federation to registered PRS provider for eligible employees are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

(n) Income and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

*Continued on the following page*

## 4. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Federation's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

### (a) Impairment of non-financial assets

The Federation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

### (b) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Federation are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 3(b)(iii) to the financial statements. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

### (c) Income taxes

Significant judgement is involved in determining the Federation's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Federation recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 5. Property, plant and equipment

	Office Equipment RM	Furniture and Fittings RM	Office Renovations RM	Total RM
<b>Cost</b>				
At 1 January 2022	1,829,353	329,474	580,350	2,739,177
Additions	168,265	10,650	73,353	252,268
Disposal/Write-off	(147,578)	(2,891)	-	(150,469)
At 31 December 2022	<u>1,850,040</u>	<u>337,233</u>	<u>653,703</u>	<u>2,840,976</u>

### Accumulated depreciation

At 1 January 2022	1,436,070	293,296	573,104	2,302,470
Charge for the financial year	211,176	14,216	17,150	242,542
Disposal/Write-off	(147,252)	(2,486)	-	(149,738)
At 31 December 2022	<u>1,499,994</u>	<u>305,026</u>	<u>590,254</u>	<u>2,395,274</u>

### Carrying amount

At 31 December 2022	<u>350,046</u>	<u>32,207</u>	<u>63,449</u>	<u>445,702</u>
---------------------	----------------	---------------	---------------	----------------

### Cost

At 1 January 2021	1,749,991	324,182	574,030	2,648,203
Additions	122,062	7,424	6,320	135,806
Disposal/Write-off	(42,700)	(2,132)	-	(44,832)
At 31 December 2021	<u>1,829,353</u>	<u>329,474</u>	<u>580,350</u>	<u>2,739,177</u>

### Accumulated depreciation

At 1 January 2021	1,208,465	282,125	570,282	2,060,872
Charge for the financial year	270,294	13,256	2,822	286,372
Disposal/Write-off	(42,689)	(2,085)	-	(44,774)
At 31 December 2021	<u>1,436,070</u>	<u>293,296</u>	<u>573,104</u>	<u>2,302,470</u>

### Carrying amount

At 31 December 2021	<u>393,283</u>	<u>36,178</u>	<u>7,246</u>	<u>436,707</u>
---------------------	----------------	---------------	--------------	----------------

## 6. Intangible asset

	2022	2021
<u>Computer Software</u>	RM	RM
<b>Cost</b>		
At 1 January	1,672,103	1,646,983
Additions	<u>299,292</u>	<u>25,120</u>
At 31 December	<u>1,971,395</u>	<u>1,672,103</u>
<b>Accumulated amortisation</b>		
At 1 January	1,415,816	1,299,036
Charge for the financial year	<u>120,643</u>	<u>116,780</u>
At 31 December	<u>1,536,459</u>	<u>1,415,816</u>
<b>Carrying amount</b>		
At 31 December	<u>434,936</u>	<u>256,287</u>

## 7. Rights-of-use assets

	Office Premise	Photocopier Machine	Total
	RM	RM	RM
<b>Cost</b>			
At 1 January 2022	1,685,008	16,214	1,701,222
Addition	-	8,866	8,866
At 31 December 2022	<u>1,685,008</u>	<u>25,080</u>	<u>1,710,088</u>
<b>Accumulated amortisation</b>			
At 1 January 2022	93,612	11,913	105,525
Charge for the financial year	<u>561,669</u>	<u>7,296</u>	<u>568,965</u>
At 31 December 2022	<u>655,281</u>	<u>19,209</u>	<u>674,490</u>
<b>Carrying amount</b>			
At 31 December 2022	<u>1,029,727</u>	<u>5,871</u>	<u>1,035,598</u>
<b>Cost</b>			
At 1 January 2021	1,598,449	31,457	1,629,906
Addition (Note a)	1,685,008	-	1,685,008
Completed lease term relating to a previous contract	<u>(1,598,449)</u>	<u>(15,243)</u>	<u>(1,613,692)</u>
At 31 December 2021	<u>1,685,008</u>	<u>16,214</u>	<u>1,701,222</u>
<b>Accumulated amortisation</b>			
At 1 January 2021	1,128,318	18,394	1,146,712
Charge for the financial year	563,743	8,762	572,505
Completed lease term relating to a previous contract	<u>(1,598,449)</u>	<u>(15,243)</u>	<u>(1,613,692)</u>
At 31 December 2021	<u>93,612</u>	<u>11,913</u>	<u>105,525</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>1,591,396</u>	<u>4,301</u>	<u>1,595,697</u>

**Note (a)**

As the previous lease agreement had lapsed, the Company has entered into a new Lease agreement with Permodalan Nasional Berhad on 15 October 2021 with a lease term of 36 months.

## 8. Deferred tax asset

	2022	2021
	RM	RM
At 1 January	210,677	227,295
Recognised in profit or loss (Note 19)	262,248	(16,618)
At 31 December	<u>472,925</u>	<u>210,677</u>

The component and movements of deferred tax assets and deferred tax liabilities during the year, prior to offsetting, are as follows:

	Lease Liabilities	Provisions	Property, Plant and Equipment and Software	Total
	RM	RM	RM	RM
<b>2022</b>				
At 1 January 2022	1,262	342,462	(133,047)	210,677
Recognised in profit or loss	5,201	266,843	(9,796)	262,248
At 31 December 2022	<u>6,463</u>	<u>609,305</u>	<u>(142,843)</u>	<u>472,925</u>
<b>2021</b>				
At 1 January 2021	6,327	357,554	(136,586)	227,295
Recognised in profit or loss	(5,065)	(15,092)	3,539	(16,618)
At 31 December 2021	<u>1,262</u>	<u>342,462</u>	<u>(133,047)</u>	<u>210,677</u>

## 9. Other receivables

	2022	2021
	RM	RM
Other receivables	270,189	234,792
Deposits	453,663	498,058
Prepayments	714,421	197,231
	<u>1,438,273</u>	<u>930,081</u>

Other receivables mainly consist of accruals of fixed deposits income amounting to RM259,794 (2021: RM230,302) and other debtors amounting to RM9,555 (2021: RM4,490).

## 10. Fixed deposits with financial institutions

The fixed deposits' interest rates range from 1.5% to 3% (2021: 1.5% to 2%) per annum and the tenure ranges from 28 to 365 days (2021: 2 to 365 days) respectively.

## 11. Other payables

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Other payables	176,413	150,511
Accruals		
- Staff bonus and benefit	1,778,812	1,092,122
- Others	368,590	219,835
Advance billings	854,591	1,039,632
Deferred revenue	28,795	50,555
	<u>3,207,201</u>	<u>2,552,655</u>

Advance billings mainly consist of prepayments received from members and registered persons.

## 12. Accumulated fund

Accumulated fund represents the reserve available to be utilised for the general operations and capital expenditure of the Federation.

### 13. SRO requirement reserve

	2022	2021
	RM	RM
At 1 January	18,354,384	17,480,366
Transfer from accumulated fund	917,719	874,018
At 31 December	<u>19,272,103</u>	<u>18,354,384</u>

The Federation is a recognised Self-Regulatory Organisation (SRO) for the unit trust and private retirement schemes industry under Section 323(1) of the Capital Markets & Services Act 2007 (CMSA).

To ensure there is sufficient financial resources to fund its operations and in reference to Article 15A of the Federation's Articles of Association and Paragraph 1.14(a) and (b) of Appendix 1 of the Guidelines on SRO issued by the Securities Commission dated 5 January 2015, the Federation is required to maintain a SRO Requirement Reserve which fulfills the following criteria:

- (i) Pegged at a 3-year multiple of operating expenditure (inclusive of anticipated capital expenditure) based on its first year of establishment; and
- (ii) For subsequent years, the reserve should factor an annual increase of 5%.

Any refund of subscription fees to its members may only commence when the targeted SRO Requirement Reserve amount has been achieved and after consultation with the Securities Commission.

### 14. Lease liabilities

	2022	2021
	RM	RM
At 1 January	1,600,202	507,526
Addition	8,866	1,685,008
Accretion of interest	41,819	17,618
Payments	(590,430)	(609,950)
At 31 December	<u>1,060,457</u>	<u>1,600,202</u>
Analysed as:		
Non-current	443,871	967,274
Current	616,586	632,928
	<u>1,060,457</u>	<u>1,600,202</u>

### 15. Revenue

Revenue represents:

- (a) application and annual subscription fees from Members, Institutional Unit Trust Advisers, Corporate Unit Trust Advisers and Unit Trust Consultants' examination fees received.
- (b) application and annual subscription fees from Members, Institutional Private Retirement Advisers and Private Retirement Consultants' examination fees received.

## 16. Other income

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Interest income	974,319	895,532
Sundry income	13,482	11,569
	<u>987,801</u>	<u>907,101</u>

## 17. Administration expenses

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration	44,550	40,500
Depreciation of property, plant, equipment and leased assets	811,506	858,876
Amortisation of intangible assets	120,643	116,780
Lease interest expense	41,819	17,618
Key management personnel compensation (Note 20)	1,972,363	1,918,673
Other project expenses	232,076	33,964
Conference expenses	311,587	301,496
Examination expenses	732,619	799,233
Loss on disposal of property, plant and equipment	731	58
Attendance fees		
- Directors	377,500	370,500
- Subject Matter Experts	6,000	9,000
Annual allowance of Public Interest Directors and Chairman	<u>100,000</u>	<u>107,000</u>

## 18. Staff Costs

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Staff costs (excluding Directors)	<u>9,871,639</u>	<u>8,990,319</u>

Included in staff costs (excluding Directors) are:

- (i) contributions made to the Employees Provident Fund under a statutory contribution plan for the Federation amounting to RM976,189 (2021: RM903,140).
- (ii) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM145,156 (2021: RM81,033).



## 19. Taxation

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Current tax:		
- Current year	189,067	238,300
- (Over)/Under provision in prior years	(28,012)	17,388
	<u>161,055</u>	<u>255,688</u>
Deferred tax (Note 8):		
- Relating to origination & reversal of temporary differences	(268,063)	17,260
- Relating to increase in Malaysian income tax rate	-	(16,282)
- Under provision in prior years	5,815	15,640
	<u>(262,248)</u>	<u>16,618</u>
Tax (income)/expense for the financial year	<u>(101,193)</u>	<u>272,306</u>

Income tax is calculated at the statutory tax rate of 26% (2021: 28%) of the estimated assessable operating surplus and total comprehensive income for the financial year.

A reconciliation of income tax expense applicable to excess of revenue over expenditure at the statutory income tax rate to income tax expense at the effective income tax rate of the Federation is as follows:

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Excess of revenue over expenditure	<u>1,643,548</u>	<u>2,828,551</u>
On the first RM600,000 / RM1.0mil of chargeable income	133,450	237,450
26% (2021: 28%) on the balance of chargeable income	271,322	511,994
Effect on opening deferred tax of increase income tax rate	-	(16,282)
Expenses not deductible for tax purposes	15,630	171,629
Tax exempt income	(499,398)	(665,513)
(Over)/under provision of current taxation in prior years	(28,012)	17,388
Under provision of deferred taxation in prior years	5,815	15,640
Tax (income)/expense for the financial year	<u>(101,193)</u>	<u>272,306</u>

\* The Federation is treated as a 'Trade Association' under Section 53(3) of the Income Tax Act 1967, under which its income is taxed at scale rates. The effect of differential tax rates above is a result of the disparity between statutory tax rate of 26% (2021: 28%) and the scale rates applicable to the Federation.

## 20. Key management personnel compensation

	2022	2021
	RM	RM
Other key management personnel		
- Short term employee benefit	<u>1,972,363</u>	<u>1,918,673</u>

Key management personnel comprise persons other than the Directors of the Federation, who have authority and responsibility for planning, directing and controlling the activities of the Federation either directly or indirectly.

## 21. Financial instruments

	2022		2021	
	Amortised cost/other financial liabilities	Total	Amortised cost/other financial liabilities	Total
	RM	RM	RM	RM
<b>Financial assets</b>				
Other receivables	1,438,273	<u>1,438,273</u>	930,081	930,081
Fixed deposits with financial institution	47,314,356	<u>47,314,356</u>	47,883,411	47,883,411
Cash and bank balances	2,566,432	<u>2,566,432</u>	378,989	378,989
	<u>51,319,061</u>	<u>51,319,061</u>	<u>49,192,480</u>	<u>49,192,480</u>
<b>Financial liabilities</b>				
Other payables	3,207,201	<u>3,207,201</u>	2,552,655	2,552,655
Lease liabilities	1,060,457	<u>1,060,457</u>	1,600,202	1,600,202
	<u>4,267,658</u>	<u>4,267,658</u>	<u>4,152,856</u>	<u>4,152,856</u>

### Financial risk management objectives and policies

The Federation's financial risk management policy is to ensure that adequate financial resources are available for the development of the Federation's operations whilst managing its financial risks, including credit risk, liquidity and cash flow risk.

#### (a) Credit risk

The Federation's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going basis via management reporting procedure and action is taken to recover debts when due.

At reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Federation is the carrying amount of the financial assets shown in the statement of financial position.

*Continued on the following page*

(b) Liquidity and cash flow risk

The Federation's exposure to liquidity risk arises from its other payables and lease liabilities.

The Federation also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Federation's financial liability as at the end of the reporting period based on undiscounted contractual payments.

	On demand or within 1 year RM	More than 1 year RM	Total RM
<b>2022</b>			
Other payables	3,207,201	-	3,207,201
Lease liabilities	616,586	443,871	1,060,457
	<u>3,823,787</u>	<u>443,871</u>	<u>4,267,658</u>
<b>2021</b>			
Other payables	2,552,655	-	2,552,655
Lease liabilities	967,274	632,928	1,600,202
	<u>3,519,929</u>	<u>632,928</u>	<u>4,152,857</u>

## 22. Capital management

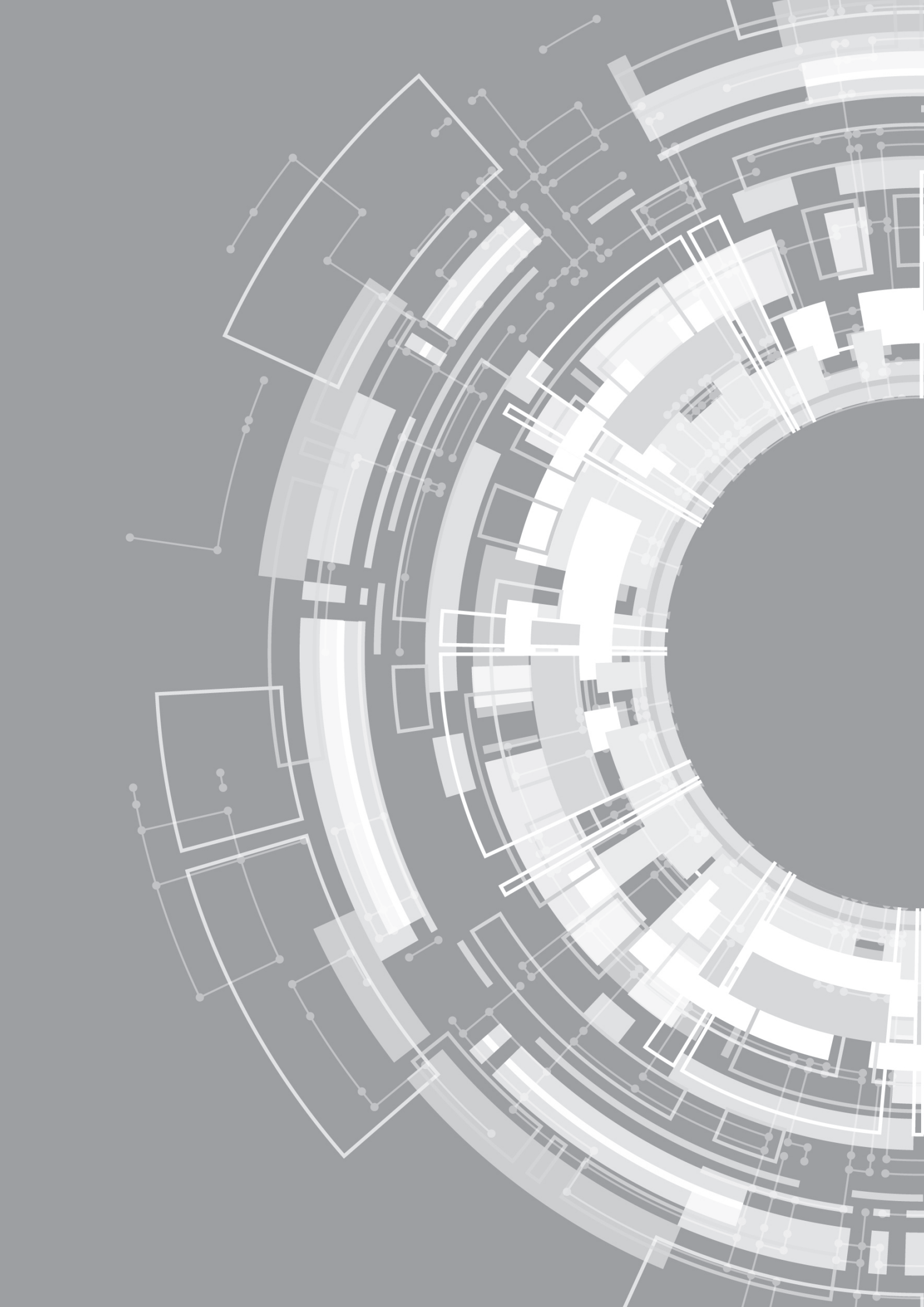
The Federation is a recognised SRO since 2011 under Section 323(1) of the CMSA by the Securities Commission.

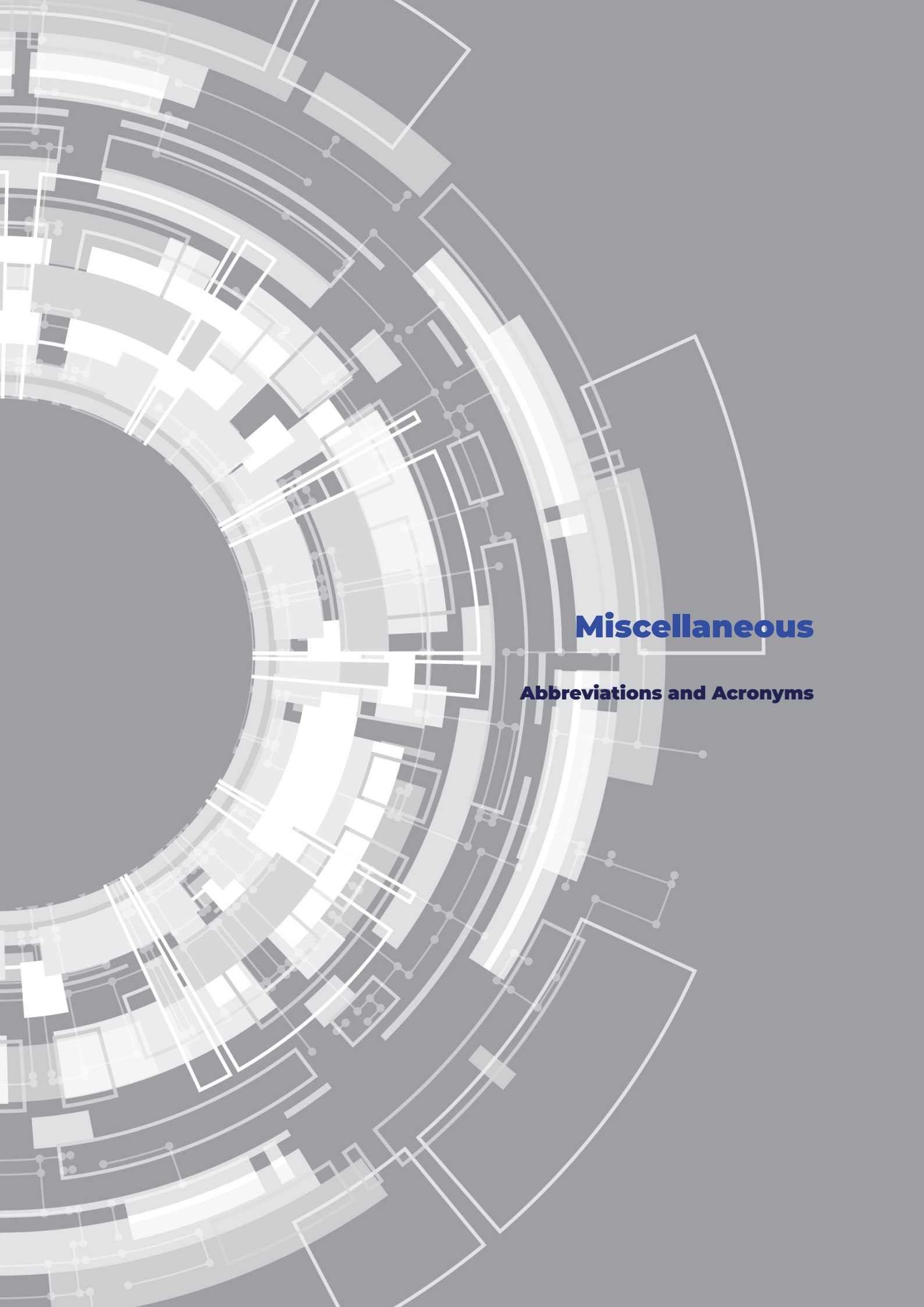
The Federation is required to ensure there is sufficient financial resources to fund its operations and in reference to Article 15A of the Federation's Articles of Association and to maintain an SRO Requirement Reserve which fulfills the criteria as stated in Note 13 to the financial statements.

The Federation is not subject to externally imposed capital requirement as it does not have any external borrowings.

## 23. Date of authorisation for issue

The financial statements of the Federation for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 16 March 2023.





# **Miscellaneous**

## **Abbreviations and Acronyms**

# Abbreviations & Acronyms

AAR	Alternative Appointed Representative
AC	Appeal Committee
ACR	Annual Compliance Review
AGM	Annual General Meeting
AI	Artificial Intelligence
AOIFA	Asia Oceania Investment Funds Association
AR	Appointed Representative
ARC	Audit and Risk Committee
AUM	Asset Under Management
A&P	Advertising & Promotion
BNM	Bank Negara Malaysia
CDS	Centralised Database System
CEO	Chief Executive Officer
CHS	Complaints Handling System
CIS	Collective Investment Scheme
CMCS	Capital Market Cyber Simulation
CMSA	Capital Markets and Services Act 2007
COE	Code of Ethics
COI	Conflict of Interest
CPD	Continuing Professional Development
CPRA	Corporate PRS Adviser
CPRE	Computerised PRS Examination
CR	Consistent Return
CUTA	Corporate Unit Trust Adviser
CUTE	Computerised Unit Trust Examination
DA	Distributor Administrator
DC	Disciplinary Committee
ECL	Expected Credit Losses
EIR	Effective Interest Rate
EPF	Employees Provident Fund
EPF-MIS	Employees Provident Fund - Members Investment Scheme
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Corporate Governance
ETF	Exchange Traded Fund
FEN	Financial Education Network
FIMM	Federation of Investment Managers Malaysia
FIMMAC	FIMM Annual Convention
FMUTM	Federation of Malaysian Unit Trust Managers
FMS	Fund Malaysia System
FRLMC	FIMM-Refinitiv Lipper Malaysia Fund Classification
FSI	Foreign Sourced Income
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
GPRS	Guidelines on Private Retirement Schemes
GUTF	Guidelines on Unit Trust Funds
HR	Human Resource

HRMS	Human Resource Management System
IBFIM	Islamic Banking Finance Institute Malaysia
IDC	Industry Development Committee
IES	Investment Education Series
IESBA	International Ethics Standards Board for Accountants
iFVE	Interim FIMM Virtual Examination
IHNS	Incident Handling and Network Security
IIFA	International Investment Funds Association
IMS	Investment Management Standards
IPRA	Institutional PRS Advisers
IT	Information Technology
IUTA	Institutional Unit Trust Adviser
MFPC	Malaysian Financial Planning Council
MFRS	Malaysian Financial Reporting Standards
MOF	Ministry of Finance
MSAM	Minggu Saham Amanah Malaysia
NRC	Nomination and Remuneration Committee
PCB	Monthly Tax Deduction
PID	Public Interest Directors
PNB	Permodalan Nasional Berhad
PRA	Post-Registration Assessment
PRS	Private Retirement Scheme
PRSFP	PRS Familiarisation Programme
PRSCC	Private Retirement Scheme Sub-Committee
PRSP	PRS Provider
RC	Regulatory Committee
REIT	Real Estate Investment Trust
RM	Ringgit Malaysia
SACR	Simple Average Consistent Return
SC	Securities Commission Malaysia
SRO	Self-Regulatory Organisation
TOR	Terms of Reference
UBO	Ultimate Beneficial Owner
UTMC	Unit Trust Management Company
UTS	Unit Trust Scheme
WFH	Work from Home
WSF	Wholesale Fund
YoY	Year-Over-Year



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting (28<sup>th</sup> AGM) of the Federation of Investment Managers Malaysia (FIMM) will be held on a virtual basis on the date, time and venue as set out below:

**Date** : Thursday, 23 June 2022  
**Time** : 10:00 A.M.  
**Venue (for Members)** : MICROSOFT TEAMS Virtual Conferencing  
**Broadcast Venue** : Boardroom of FIMM  
Unit No. 19-06-01, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

Members will be able to attend the said AGM remotely using the Microsoft Teams software application (particulars of which are described in the "Administrative Guide on the participation in a Virtual General Meeting" appended as Appendix A of this Notice).

The 28<sup>th</sup> AGM will be held for the following purposes:

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and to resolve the proposed resolutions thereon. **Notification**  
*Refer to Explanatory Note 1*
2. To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and authorise the Directors to fix their remuneration. **Ordinary Resolution 1**
3. To re-appoint Dato' Mohd Sallehuddin bin Othman as a member of the Board of FIMM and to hold office until the conclusion of the next AGM of FIMM pursuant to *Article 29(c) of FIMM's Article of Association (Constitution)*. **Ordinary Resolution 2**  
*Refer to Explanatory Note 2*
4. (a) To note the total attendance fee of RM395,500.00 paid to members of the Board of Directors (Board) and Committees for meeting attendance and the total attendance fee of RM10,000.00 paid to non-members of the Board for Committee meeting attendance in the year 2021. **Notification**  
(b) To note the total annual allowance of RM36,000.00 and RM71,000.00 paid to the Chairman and Public Interest Directors, respectively, for the year 2021. **Notification**

*Refer to Explanatory Note 3*



5. To approve the estimated payment of RM606,000.00 for allowances and meeting attendance fees to be paid to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023. **Ordinary Resolution 3**

*Refer to Explanatory Note 4*

6. To transact any other ordinary business for which due notice has been given.

By Order of the Board,

**Chua Siew Chuan (MAICSA 0777689) (SSM PC No. 201908002648)**  
**Tan Ley Theng (MAICSA 7030358) (SSM PC No. 201908001685)**  
Company Secretaries  
Dated: 1 June 2022

# Placeholder Text

**Notes:**

1. A Member of FIMM entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead.
2. A proxy appointed to attend and vote at the Annual General Meeting of FIMM shall be either: (a) Chairman of the Meeting or (b) any other person who may but need not be a Member of FIMM.
3. If you wish to appoint any person other than the Chairman of the Meeting as proxy, please insert the full name of the proxy (in block letters) in the space provided and delete the words "The Chairman of the Meeting."
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney, and the Directors may, but shall not be bound to, require evidence of the authority of the appointer or his attorney.
5. The instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
6. Please indicate with an "x" in the spaces provided how you wish your vote to be cast. Any alteration to the instrument appointing a proxy must be initialled.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the Registered Office of FIMM at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Attn: Mr. Lim Joo Keng, Secretary) at least 48 hours before the time appointed for holding the meeting and of any adjournment thereof.

**Explanatory Notes:**

1. **Audited Financial Statements for the Financial Year Ended 31 December 2021**  
This Agenda item is meant for discussion only, as the provision of *Section 340(1)(a) of the Companies Act, 2016* does not require formal approval from the Members for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. **Ordinary Resolution 2 – Re-appointment of Dato' Mohd Sallehuddin bin Othman as member of the Board of FIMM**  
Pursuant to *Article 29(c) of FIMM's Constitution*, Members' approval is required for Dato' Mohd Sallehuddin bin Othman who has attained the age of 70 years to hold office until the conclusion of the next AGM in 2023.
3. **Directors' fees and allowances**
  - (a) Attendance fee paid to the members of the Board for attending Board and Board Committee meetings in 2021 are as follows:

	Attendance Fee (per meeting)	
	Board Meeting	Board Committee Meeting
Chairman	RM3,000.00	RM1,500.00
Members	RM2,000.00	RM1,000.00

(b) Allowance and fee paid to Chairman and each Public Interest Director in the year 2021 are as follows:

- Monthly allowance of RM3,000.00 for Chairman.
- Monthly allowance of RM1,000.00 for each Public Interest Director.
- Fee of RM500.00 for each Public Interest Director's attendance at any official meeting/dialogue.

4. Ordinary Resolution 3 – Estimated Payment to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023

(a) Attendance fees to be paid to the members of the Board for attending Board and Board Committee meetings from 24 June 2022 until the conclusion of the next AGM in 2023 are as follows:

	Attendance Fee (per meeting)	
	Board Meeting	Board Committee Meeting
Chairman	RM3,000.00	RM1,500.00
Members	RM2,000.00	RM1,000.00

(b) Allowance and fee to be paid to the Chairman and each Public Interest Director from 24 June 2022 until the conclusion of the next AGM in 2023 are as follows:

- Monthly allowance of RM3,000.00 for the Chairman.
- Monthly allowance of RM1,000.00 for each Public Interest Director.
- Fee of RM500.00 for each Public Interest Director's attendance at any official meeting/dialogue.

Last date and time for lodging the instrument appointing a proxy : Tuesday, 21 June 2022 at 10.00 a.m.

## **APPENDIX A**

### **Administrative Guide on the Participation in a Virtual General Meeting**

1. In view of the on-going Covid-19 health concerns and subsequent measures being taken, Members are invited to participate at the FIMM's 28th AGM remotely using the MICROSOFT (MS) TEAMS virtual conferencing software application.

Kindly ensure that your laptop/desktop is equipped with this software application, as well as the audio/visual facilities to operate this application.

2. You may exercise your right as a Member of the Company to participate (including to pose questions to the Board/Management of the Company) and vote at the 28th AGM from the comfort of your home or office.

### **Proxy**

3. If a Member is not able to attend the meeting via MS TEAMS virtual conferencing on 23 June 2022, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.
4. Please submit your Proxy Form to the Registered Office of FIMM at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Attn: Ms. Tan Ley Theng / Ms. Jessica Tee) or email your Proxy Form to [ley.ley.theng.tan@sshslb.com.my](mailto:ley.ley.theng.tan@sshslb.com.my) / [hui.tian.lee@sshslb.com.my](mailto:hui.tian.lee@sshslb.com.my) by 10:00 a.m. on 21 June 2022.
5. For Members who have submitted proxy forms appointing persons as their proxies, the proxy appointment will be processed and the proxy will be able to attend and vote at the 28th AGM remotely.

### **Participation and Voting**

6. As notified earlier, Members who wish to participate and vote at the 28th AGM must revert with your reply slip (inclusive of your email address and mobile number) to FIMM via email ([belinda@fimm.com.my](mailto:belinda@fimm.com.my) or [vivian.bong@fimm.com.my](mailto:vivian.bong@fimm.com.my)) by 10:00 a.m. on 21 June 2022.
7. Upon receipt and verification of said document, FIMM will respond to your virtual participation request vide an MS TEAMS email invitation to the Member OR appointed Proxy to participate in the 28th AGM.

### **Enquiry**

8. For any further enquiries prior to the general meeting, kindly contact the following officers via email:

	Name	Designation/Department	Contact Email
a)	Mr. Jegatheesan Govindharaj	Senior Manager, Legal & Regulatory Affairs	<a href="mailto:jegatheesan@fimm.com.my">jegatheesan@fimm.com.my</a>
b)	Ms. Belinda Yeo	Manager, Secretarial	<a href="mailto:belinda@fimm.com.my">belinda@fimm.com.my</a>
c)	Ms. Vivian Bong	Senior Executive, Secretarial	<a href="mailto:vivian.bong@fimm.com.my">vivian.bong@fimm.com.my</a>



**REPLY SLIP\***

**PLEASE REPLY BY TUESDAY, 21 JUNE 2022**

Secretarial Department  
Federation of Investment Managers Malaysia  
19-06-D1, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun, Bukit Damansara  
50490 Kuala Lumpur

[Attn: Belinda Yeo [belinda@fimm.com.my](mailto:belinda@fimm.com.my) / Vivian Bong [vivian.bong@fimm.com.my](mailto:vivian.bong@fimm.com.my)]

Dear Chief Executive Officer,

**TWENTY-EIGHTH (28TH) ANNUAL GENERAL MEETING (AGM) OF THE FEDERATION OF INVESTMENT MANAGERS MALAYSIA (FIMM)**

With regard to the above matter, I hereby confirm that:

YES, I am attending the AGM.

YES, I am attending the AGM via the Virtual Meeting Platform.

NO, I am not attending the AGM.

*\*Please tick whichever is applicable*

Signature : \_\_\_\_\_

Name of Authorised Representative : \_\_\_\_\_

NRIC No. / Passport No. : \_\_\_\_\_

Designation : \_\_\_\_\_

Name of Company : \_\_\_\_\_

Contact No. : \_\_\_\_\_

Email Address : \_\_\_\_\_  
(For MS Teams Registration)

Date : \_\_\_\_\_

*\*In view of the on-going Covid-19 health concerns and subsequent measures being taken, kindly submit your e-signed/scanpped copy of the reply slip via email; scanned physical copies may subsequently be delivered to our office for record purposes.*



FEDERATION OF INVESTMENT MANAGERS MALAYSIA  
(Incorporated in Malaysia)  
(Registration No: 189301017839 (272577-P))

### PROXY FORM

I/We, \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS,  
NRIC NO./PASSPORT NO./REGISTRATION NO.)

Of \_\_\_\_\_  
(COMPANY NAME IN BLOCK LETTERS)

being the Authorised Representative of the Member [being a Member of Federation of Investment Managers Malaysia (FIMM)] HEREBY APPOINT the \*Chairman of the Meeting or

FULL NAME (IN BLOCK LETTERS)	
NRIC/PASSPORT NO. (IN BLOCK LETTERS)	
CONTACT NO.	
EMAIL ADDRESS (FOR MS TEAMS EMAIL INVITATION)	
COMPANY NAME & ADDRESS (IN BLOCK LETTERS)	

Placeholder Text

(being a person entitled to vote at a general meeting of FIMM in accordance with and subject to FIMM's Articles of Association) as my proxy to vote for me on my behalf at the Twenty-Eighth (28th) Annual General Meeting of FIMM to be held via MS Teams Virtual Conferencing with the Broadcast Venue at the Boardroom of FIMM, Unit No. 19-06-01, 6th Floor, Wisma Tune, No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 23 June 2022 at 10.00 a.m. or any adjournment thereof \*for/against of that meeting.

This form is to be used \* in favour of/against the following resolutions.

Resolutions	For	Against
<b>Ordinary Resolution 1</b> To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and authorise the Directors to fix their remuneration.		

<p><b>Ordinary Resolution 2</b> To re-appoint Dato' Mohd Sallehuddin bin عثمان as a member of the Board of FIMM and to hold office until the conclusion of the next AGM of FIMM pursuant to <i>Article 29(c) of FIMM's Article of Association (Constitution)</i>.</p>		
<p><b>Ordinary Resolution 3</b> To approve the estimated payment of RM606,000.00 for allowances and meeting attendance fees to be paid to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023.</p>		

*\*strike out whichever is not applicable*

Signed this \_\_\_\_ day of \_\_\_\_\_ 2022.

Signature \_\_\_\_\_

Notes:

1. A Member of FIMM entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead.
2. A proxy appointed to attend and vote at the Annual General Meeting of FIMM shall be either: (a) Chairman of the Meeting or (b) any other person who may but need not be a Member of FIMM.
3. If you wish to appoint any person other than the Chairman of the Meeting as proxy, please insert the full name of the proxy to be appointed in the space provided below as the Chairman of the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney, and the Directors may, but shall not be bound to, require evidence of the authority of the appointer or his attorney.
5. The instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
6. Please indicate with an "X" in the spaces provided how you wish your vote to be cast. Any alteration to the instrument appointing a proxy must be initialled.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of that power or authority shall be deposited at the Registered Office of FIMM at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Attn: Ms. Tan Ley Theng/Ms. Jessica Tee) or email your Proxy Form to [ley.ley.theng.tan@sshsb.com.my](mailto:ley.ley.theng.tan@sshsb.com.my) / [hui.fion.lee@sshsb.com.my](mailto:hui.fion.lee@sshsb.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Last date and time for lodging the instrument appointing a proxy: Tuesday, 21 June 2022 at 10:00 a.m.

(Attn: Ms. Tan Ley Theng/Ms. Jessica Tee)

(email: [ley.ley.theng.tan@sshsb.com.my](mailto:ley.ley.theng.tan@sshsb.com.my) / [hui.fion.lee@sshsb.com.my](mailto:hui.fion.lee@sshsb.com.my))

(Tel No.: 03-2084 9000; Fax No.: 03-2094 9940)

*This page intentionally left blank.*



*This page intentionally left blank. Inside of back cover.*



**The Federation of Investment Managers Malaysia**  
(199301017839 (272577-P))

19-06-1, 6th Floor  
Wisma Tune, 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur, Malaysia



+60-3-7890 4242



info@fimm.com.my



fimm.com.my



@FIMM93



@fimmofficial



@fimmofficial



fimm\_official



FIMMOfficial



Federation of Investment Managers  
Malaysia (FIMM)