



Securities Industry Dispute Resolution Center

# **TERMS OF REFERENCE**

**Issued Date: 3 January 2011**

**Last Revised Date: 31 October 2017**

**List of Revisions**

<b>Revision No.</b>	<b>Revision Date</b>	<b>Effective Date</b>
<b>Revision 1</b>	<b>23 November 2015</b>	<b>1 December 2015</b>
<b>Revision 2</b>	<b>21 March 2017</b>	<b>1 April 2017</b>
<b>Revision 3</b>	<b>31 October 2017</b>	<b>1 December 2017</b>

**Pursuant to the Capital Markets And Services (Dispute Resolution) Regulations 2010**

<b>Rule</b>	<b>Principle</b>
<b>General</b>	
1. Purpose	<p>1.1 These Terms of Reference contain Rules, which set out the following:</p> <ul style="list-style-type: none"> <li>(i) functions, scope and jurisdiction of SIDREC;</li> <li>(ii) procedures applicable in filing a dispute with SIDREC;</li> <li>(iii) roles and responsibilities of Case Managers, Mediators and Adjudicators;</li> <li>(iv) the Dispute Resolution Process;</li> <li>(v) the procedures and requirements applicable to Appeals; and</li> <li>(vi) other related matters.</li> </ul> <p>1.2 These Terms of Reference are binding on the Members of SIDREC.</p> <p>1.3 Any Rule in these Terms of Reference may be amended with the approval of the Board of Directors of SIDREC and the Commission, and unless otherwise specified shall take effect one (1) day after the amendment to these Terms of Reference is published on SIDREC’s official website.</p> <p>1.4 For the avoidance of doubt, the interpretation accorded by SIDREC to these Terms of Reference shall be final and conclusive, and the Member and the Eligible Claimant/Client shall not dispute the same.</p>
2. Functions of SIDREC	<p>2.1 SIDREC shall at all times serve as an independent and impartial party and shall not act as an advocate for any of the parties appearing before it.</p> <p>2.2 SIDREC shall:</p> <ul style="list-style-type: none"> <li>(i) adhere to the Regulations;</li> <li>(ii) adhere to such Rules as stipulated in these Terms of Reference;</li> <li>(iii) facilitate resolution of Eligible Disputes through SIDREC’s Dispute Resolution Process, comprising the investigation of disputes; a process of mediation; adjudication where the mediation process is not successful; and an appeal process; and</li> <li>(iv) facilitate the development and implementation of best practice standards in dispute resolution in the capital market.</li> </ul>

<b>Rule</b>	<b>Principle</b>
3. Applicable Dispute Resolution Process	<p>3.1 The procedure as provided in <b>Section A</b> is applicable to disputes involving a monetary claim for an amount not exceeding RM250,000 (or its foreign equivalent) excluding dispute to which Section C applies.</p> <p>3.2 The procedure as provided in <b>Section B</b> is applicable to disputes involving a monetary claim for an amount exceeding RM250,000 (or its foreign equivalent), where parties have voluntarily agreed to submit such dispute to SIDREC for mediation only, or for mediation and adjudication.</p> <p>3.3 The procedure as provided in <b>Section C</b> is applicable to disputes referred to SIDREC by the Court for mediation.</p>
	<p><b><u>SECTION A</u></b></p> <p><b><u>APPLICABLE TO DISPUTES INVOLVING MONETARY CLAIMS NOT EXCEEDING RM250,000</u></b></p>
<b>Dispute Resolution Process</b>	<b>Part I: Case Management, Mediation, and Adjudication</b>
4. Definition	<p>In these Terms of Reference, unless the context otherwise requires:</p> <ul style="list-style-type: none"> <li>• "Award" means a decision made by the Adjudicator on an Eligible Dispute;</li> <li>• "Adjudicator" means a person appointed by SIDREC to act as an adjudicator of disputes referred to SIDREC;</li> <li>• "Appeal" means such appeals that are eligible for the limited appeal avenue provided under Rule 22;</li> <li>• "Appealing Party" means either the Member or the Eligible Claimant, as the case may be, who submits an Appeal in accordance with the process and requirements set out under Rule 23;</li> <li>• "CMC" means the Capital Market Compensation Fund Corporation established under the CMSA;</li> <li>• "CMC Rules" means the Rules of the Capital Market Compensation Fund Corporation approved by the Commission;</li> <li>• "CMSA" means the Capital Markets &amp; Services Act 2007 (Act 671);</li> </ul>

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	<ul style="list-style-type: none"> <li>• "Case Manager" means any person appointed by SIDREC to be responsible for the management of the Dispute Resolution Process relating to a dispute assigned to him. The Case Manager assigned may also be appointed to be the Mediator, as may be deemed appropriate by SIDREC;</li> <li>• "Commission" means the Securities Commission Malaysia established under the Securities Commission Act 1993;</li> <li>• "day" means any calendar day;</li> <li>• "Dispute Resolution Process" means the methods and procedures employed by SIDREC and its Case Managers, Mediators and Adjudicators to resolve an Eligible Dispute, and may include ascertaining eligibility of a claim, investigation, mediation, and adjudication under these Terms of Reference, and any other process that may be required to be undertaken by SIAC members under these Terms of Reference;</li> <li>• "Eligible Appeals" means the appeals as prescribed in Rule 22;</li> <li>• "Eligible Claimants" means the persons as prescribed in Rule 5;</li> <li>• "Eligible Disputes" means the disputes as prescribed in Rule 6.1;</li> <li>• "Excluded Disputes" means disputes that are excluded from the jurisdiction of SIDREC as provided for in Rule 8;</li> <li>• "Government enforcement authority" means any statutory or regulatory authority, or agency carrying out a regulatory function, and include the Companies Commission Malaysia and Bank Negara Malaysia;</li> <li>• "Mediator" means a person who is appointed by SIDREC to mediate an Eligible Dispute. A mediation may be conducted by one or more Mediator as SIDREC deems fit. The Mediator may also be assigned the functions of the Case Manager as may be deemed appropriate by SIDREC;</li> <li>• "Member" means a corporation which appears in the Register of Members of SIDREC in accordance to Schedule 2 of the Regulations and any other person in relation to whom a direction has been issued by the Commission pursuant to subregulation 8(3) of the Regulations. A reference to the member includes any of its directors, employees, agents, contractors, any person who has actual or ostensible authority to act on behalf of the member or authority to act by necessity in relation to a capital market product or service;</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<ul style="list-style-type: none"> <li>• "Register of Members" means a register of corporations which are admitted to membership of SIDREC in accordance with the Memorandum and Articles of Association of SIDREC;</li> <li>• "Regulations" means the Capital Markets and Services (Dispute Resolution) Regulations 2010, and any amendments made by the Commission from time to time, or any laws or regulations replacing the same;</li> <li>• "Responding Party" means either the Member or the Eligible Claimant, as the case may be, who responds or is in opposition to an Appeal submitted by the Appealing Party;</li> <li>• "Rule" means a rule stipulated under these Terms of Reference;</li> <li>• "SIAC" means SIDREC's Appeals Committee established pursuant to Regulation 6(4)(da) of the Capital Markets and Services (Dispute Resolution) Regulations 2010;</li> <li>• "SIAC's Decision" means a decision made by SIAC under Rule 24;</li> <li>• "Settlement Agreement" means, where the context warrants it:               <ul style="list-style-type: none"> <li>(i) a written record of the resolution of a dispute agreed to and signed by the parties in accordance with Rule 15.21;</li> <li>(ii) an agreement entered into by the parties following an Award made under Rule 18.6; or</li> <li>(iii) an agreement entered into by the parties, following SIAC's Decision;</li> </ul> </li> <li>• "SIDREC" means the Securities Industry Dispute Resolution Center (Company No. 909583-H), and includes its Case Managers, Mediators, Adjudicators, directors, officers, employees and agents or SIAC, where applicable;</li> <li>• "SIDREC's Decision" means any Award or decision made by SIDREC, its Adjudicator or SIAC;</li> <li>• "Secretariat" means the secretariat of SIAC;</li> <li>• "working day" means any day other than Saturday, Sunday or gazetted holidays in the Federal Territory of Malaysia; and</li> <li>• References to the male gender include, where the context admits, the female gender and vice versa, and references to the singular include, where the contexts admits, the plural and vice versa.</li> </ul>
<p>5. Eligible Claimant</p>	<p>Only the following persons are eligible to bring a dispute before SIDREC:</p> <ul style="list-style-type: none"> <li>(i) individual investors; or</li> <li>(ii) sole proprietors</li> </ul> <p>having a dealing or transaction relating to capital market products or services involving a Member.</p>

<b>Rule</b>	<b>Principle</b>
<p>6. Eligible Disputes</p>	<p>6.1 A dispute may be submitted to and dealt with by SIDREC where the:</p> <ul style="list-style-type: none"> <li>(i) dispute involves and is against a Member of SIDREC;</li> <li>(ii) claim is a monetary claim for an amount not exceeding RM250,000 (or its foreign equivalent, where appropriate); and</li> <li>(iii) Eligible Claimant has referred the dispute to a Member for resolution and the Member has failed to resolve the claim to the satisfaction of the Eligible Claimant.</li> </ul> <p>6.2 For the avoidance of doubt, SIDREC shall have the sole discretion to determine whether a dispute constitutes one or more monetary claim. Where SIDREC finds a dispute contains more than one monetary claim, each such claim shall be assessed as a separate dispute in ascertaining its eligibility.</p> <p>6.3 In the event that the sum claimed by the Eligible Claimant is quoted in foreign currency, SIDREC will apply the last applicable "Middle rate" from the Interbank Foreign Exchange Market as published on Bank Negara Malaysia's website as at the date of lodgment of the dispute with SIDREC and at the time as may be determined by SIDREC.</p>
<p>7. Time Limit to Bring a Dispute</p>	<p>7.1 Before submitting an application to SIDREC for the resolution of a dispute, an Eligible Claimant must first have referred the dispute to the Member concerned for internal resolution.</p> <p>7.2 The Member shall endeavour to resolve the dispute through its internal dispute resolution process within ninety (90) days from the date of receipt of the complaint, after which the Eligible Claimant may submit his application for the resolution of the dispute to SIDREC.</p> <p>7.3 Where the Member has attempted to resolve the complaint and has issued its final reply on the matter, the Eligible Claimant may, if dissatisfied with the final reply, refer the dispute to SIDREC within one hundred eighty (180) days from the date of receipt of the Member's final reply;</p> <p>7.4 Notwithstanding Rule 7.3 above, SIDREC may exercise its discretion to accept an Eligible Dispute that falls outside the one hundred eighty (180) days time limit if:</p> <ul style="list-style-type: none"> <li>(i) there are exceptional circumstances which warrant SIDREC accepting such Eligible Dispute. These include, but are not limited to, situations where the Eligible Claimant was seriously unwell at the relevant time; or</li> <li>(ii) the Member does not object to SIDREC accepting such a Eligible Dispute.</li> </ul>

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	<p>7.5 The Member’s final reply must be issued in writing to the Eligible Claimant, expressly stating that it is the Member’s final reply and that if the Eligible Claimant is dissatisfied with the Member’ final reply, he may refer the dispute to SIDREC within one hundred and eighty (180) days from the date of receipt of the Member’s final reply. If the Member omits to inform the Eligible Claimant of the aforesaid timeframe in its final reply, then the one hundred and eighty (180) days will run from the date of any subsequent written communication to the Eligible Claimant informing the Eligible Claimant of the aforesaid timeframe. Where the Member makes no reference to the aforesaid timeframe in any of its communication to the Eligible Claimant, subject to Rule 7.6 below, there will be no deadline for the Eligible Claimant to refer the dispute to SIDREC.</p> <p>7.6 Notwithstanding Rule 7.5 above, having regard to the 6-year limitation period imposed by the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap.49) on civil claims brought in court the following will apply:</p> <ul style="list-style-type: none"> <li>(i) SIDREC will not accept any application to resolve dispute that, had it been filed in court, would have been time-barred; and</li> <li>(ii) SIDREC shall not be held responsible in any manner whatsoever in the event that the limitation period in respect of the claim expires during the course of SIDREC’s Dispute Resolution Process.</li> </ul> <p>7.7 SIDREC’s decision on accepting any dispute shall be binding on the Member and the Eligible Claimant.</p>
<p>8. Excluded Disputes</p>	<p>8.1 The following disputes are outside the scope of SIDREC:</p> <ul style="list-style-type: none"> <li>(i) disputes which involve a Member against which a winding up has been made, or where the Member has been declared to be financially insolvent by a court of law, or has been the subject of a declaration of an event of default pursuant to the CMC Rules;</li> <li>(ii) disputes arising from commercial decisions, e.g. with regard to product pricing, fees &amp; charges or rejection of credit/margin applications, made by the Member;</li> <li>(iii) disputes concerning the performance of a product or investment (except in respect of any alleged non-disclosure/misrepresentation by the Member in relation to such product or investment);</li> <li>(iv) disputes which have been referred by the Claimant or the Member to a court or arbitration and the case – <ul style="list-style-type: none"> <li>(a) has been decided in the court or arbitration; or</li> </ul> </li> </ul>

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	<p>(b) is pending in the court or arbitration unless the matter is stayed for the purposes of referral of the dispute to SIDREC;</p> <p>(v) disputes involving matters under investigation by the Commission or any other Government enforcement authority where the Commission has issued a direction under the Regulations to SIDREC not to proceed with the Dispute Resolution Process; and</p> <p>(vi) any claim, which is time barred in accordance with the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap.49) at the time it is submitted to SIDREC for resolution.</p> <p>8.2 SIDREC's decision on Excluded Disputes under Rule 8.1 above is binding on the Member and the Eligible Claimant.</p>
<p>9. Principles of Dispute Resolution</p>	<p>9.1 SIDREC shall deal with an Eligible Dispute on its merits and do what is fair and reasonable in all circumstances. SIDREC shall:</p> <p>(i) endeavour to facilitate resolution of a dispute from the submission of the dispute until the termination of the Dispute Resolution Process;</p> <p>(ii) endeavour to resolve the Eligible Dispute in an efficient and timely manner;</p> <p>(iii) keep Eligible Claimants and Members informed on the progress of the Dispute Resolution Process; and</p> <p>(iv) assist Eligible Claimants and Members to reach a resolution of their dispute.</p> <p>9.2 In dealing with an Eligible Dispute, SIDREC may also take into account the following:</p> <p>(i) general principles of good industry practices, guidelines or codes of conduct;</p> <p>(ii) any applicable law or judicial precedent; and</p> <p>(iii) any past precedent of SIDREC.</p>
<p>10. Lodging Dispute</p>	<p>10.1 A dispute lodged for resolution shall be in writing, either in hard copy or electronic form. All disputes lodged must contain:</p> <p>(i) adequate details and nature of the dispute including the amount to be claimed;</p> <p>(ii) any information or document relating to the dispute including the final reply, if any, from the Member on the settlement of the dispute which the Eligible Claimant finds unsatisfactory; and</p> <p>(iii) a declaration that the dispute is not an Excluded Dispute as defined in Rule 8.</p>

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	10.2 To ensure a fair and effective resolution process, SIDREC may assist the Eligible Claimant to draft and lodge the dispute. This includes assistance to clarify the nature of the dispute, issues of claims but does not include advocating for the Eligible Claimant.
11. Amendments to Details of claim in Disputes Lodged	<p>11.1 An Eligible Claimant may amend the details of a claim in a dispute lodged at any time prior to the adjudication hearing.</p> <p>11.2 To amend a claim, the Eligible Claimant must complete and lodge the amendment in such form as may be prescribed by SIDREC containing:</p> <p>(i) adequate details of the amendments made; and (ii) reasons for such amendments.</p> <p>11.3 Once the adjudication hearing for the dispute has commenced, the Eligible Claimant may only amend the details of a claim in a dispute lodged if the Adjudicator grants permission to amend. Notwithstanding Rule 11.2 above, such application may be made orally to the Adjudicator and recorded as part of the adjudication proceedings.</p>
12. Preliminary Procedures upon Lodgment of Dispute	<p>12.1 All disputes will be managed by a Case Manager.</p> <p>12.2 SIDREC shall within three (3) working days of receiving any dispute, send a confirmation receipt to the claimant acknowledging the lodgment of the dispute with SIDREC.</p>
13. Independence and Impartiality of Case Managers, Mediators, Adjudicators and SIAC Members	<p>13.1 The Case Manager, Mediator, Adjudicator and SIAC members shall be independent and impartial at all times.</p> <p>13.2 The Case Manager, Mediator, Adjudicator and a SIAC member shall disclose any interest in the dispute or any relationship with any party likely to affect his impartiality in the Dispute Resolution Process of the dispute concerned. The Case Manager, Mediator, Adjudicator and a SIAC member shall disclose such interests or situations of conflict of interest to SIDREC should they arise at any time during the Dispute Resolution Process.</p> <p>13.3 The Case Manager, Mediator, Adjudicator and a SIAC member shall not advocate for any of the parties involved in the Dispute Resolution Process other than to ensure a fair process.</p>
14. Language of Dispute Resolution Process and Use of Interpreter	<p>14.1 All proceedings of the Dispute Resolution Process shall be conducted in either English or Bahasa Malaysia.</p> <p>14.2 The Eligible Claimant may be assisted by any person who can act as his interpreter. Such person need not be a formally qualified interpreter.</p>

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	<p>14.3 Subject to Rule 15.18 below, the participation of an interpreter in the proceedings must be approved by the Case Manager, Mediator, Adjudicator or SIAC (as the case may be).</p> <p>14.4 Notwithstanding Rule 14.1 above, where the Case Manager, Mediator, Adjudicator or SIAC (as the case may be) finds that the interpreter referred to in Rule 14.2 above, is ineffective and provided that either:</p> <ul style="list-style-type: none"> <li>(i) the Case Manager, Mediator, Adjudicator or SIAC is able to communicate in the language in which the Eligible Claimant understands; or</li> <li>(ii) SIDREC has internally available resources to facilitate communication,</li> </ul> <p>the Case Manager or Mediator or Adjudicator may if he deems fit, either conduct the Dispute Resolution Process in the language concerned or seek the assistance of SIDREC's available resources to act as an interpreter to facilitate effective communication with the party or parties concerned. For the avoidance of doubt, such person need not be a formally qualified interpreter.</p>
<p>15. Dispute Resolution Process</p>	<p>15.1 On receipt of a dispute, SIDREC shall consider whether the:</p> <ul style="list-style-type: none"> <li>(i) Claimant qualifies as an Eligible Claimant under Rule 5;</li> <li>(ii) dispute qualifies as an Eligible Dispute under Rule 6;</li> <li>(iii) dispute is made within the time limit under Rule 7; and</li> <li>(iv) dispute is excluded under Rule 8.</li> </ul> <p>15.2 SIDREC may dismiss the dispute at any stage in the Dispute Resolution Process, where:</p> <ul style="list-style-type: none"> <li>(i) there are compelling reasons why it is inappropriate for the dispute to be dealt with by SIDREC;</li> <li>(ii) the claim is frivolous and vexatious; or</li> <li>(iii) the claim is clearly unsustainable against a Member.</li> </ul> <p>15.3 Any decision made by SIDREC in dismissing a dispute must be documented with written reasons. SIDREC will inform the Eligible Claimant of its decision to dismiss the dispute.</p> <p>15.4 If the Eligible Claimant wishes to object to the dismissal of the dispute made by SIDREC in accordance with Rule 15.2 above, he should submit his objection together with the basis of the objection with any supporting documents to SIDREC for review, within ten (10) working days from the date of the receipt of SIDREC's decision to dismiss a dispute. SIDREC will consider the Eligible Claimant's objection, and inform the Eligible Claimant of its decision on whether the dispute remains dismissed or qualifies as an Eligible Dispute based on its review</p>

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	<p>of the the Eligible Claimant’s submission.</p> <p>15.5 In resolving the Eligible Dispute, SIDREC may determine its own procedures taking into account the following:</p> <ul style="list-style-type: none"> <li>(i) the procedures are informal with minimal legal formality and technicality;</li> <li>(ii) SIDREC is not bound by any rules of evidence in the Dispute Resolution Process but may proceed to review and adjudicate Eligible Disputes on the basis of what is fair and reasonable, as it deems fit; and</li> <li>(iii) both parties are given a reasonable opportunity to present their case.</li> </ul> <p>15.6 The Case Manager’s functions include but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) management of the Dispute Resolution Process relating to a dispute assigned to the Case Manager, including the making of a recommendation on the manner in which the Eligible Dispute can be resolved;</li> <li>(ii) assessment of the eligibility of a dispute lodged with SIDREC;</li> <li>(iii) investigation of issues raised, relating to a dispute, as he deems fit, or as maybe requested by the Mediator or Adjudicator;</li> <li>(iv) providing administrative and research support to the Mediator and Adjudicator to ensure effective and efficient administration of the Dispute Resolution Process; and</li> <li>(v) acting as the primary point of contact between the parties to the dispute and SIDREC.</li> </ul> <p>15.7 SIDREC will identify and investigate the issues raised in the Eligible Dispute. Such investigation will continue as may be required for the duration of the Dispute Resolution Process.</p> <p>15.8 The Member and the Eligible Claimant shall comply with any request by SIDREC or take the necessary actions to facilitate the resolution of the Eligible Dispute within the timeframe stipulated by SIDREC which may include requiring the Member or the Eligible Claimant to:-</p> <ul style="list-style-type: none"> <li>(i) provide SIDREC with all relevant data, information and materials;</li> <li>(ii) provide SIDREC with the Member’s investigation report on the Eligible Dispute (including the grounds of its decision and any other relevant document or information) which was completed when the Eligible Claimant first lodged the dispute with the Member;</li> <li>(iii) attend interviews, meetings or hearings;</li> <li>(iv) submit statutory declarations from persons who have knowledge of or are connected to the Eligible Dispute;</li> </ul>

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	<ul style="list-style-type: none"> <li>(v) complete its internal investigations into the Eligible Dispute;</li> <li>(vi) appoint and solicit views of an independent expert pertaining to a matter on or relating to the Eligible Dispute; or</li> <li>(vii) investigate further on specific issues identified by SIDREC.</li> </ul> <p>15.9 The Member shall at all times comply, and shall ensure that all its representatives comply with all instructions and determinations made by SIDREC.</p> <p>15.10 SIDREC may conduct joint meetings with all parties or separate meetings with each of the parties during the Dispute Resolution Process.</p> <p>15.11 All meetings and hearings, whether conducted in person, via audio-visual device or otherwise, will be conducted in strict confidence. No audio-visual or any other form of recording of any proceedings may be made except by SIDREC (if deemed necessary by SIDREC for its internal use only).</p> <p>15.12 Where a Member or Eligible Claimant without reasonable excuse fails to provide or procure information or to take any other step requested by SIDREC within the timeframe specified, SIDREC may take the steps it considers reasonable in the circumstances. This may include:</p> <ul style="list-style-type: none"> <li>(i) proceeding with the resolution of the Eligible Dispute on the basis that an adverse inference may be drawn from that party's failure to comply with SIDREC's request; or</li> <li>(ii) discontinuing the Dispute Resolution Process in the event that the Eligible Claimant fails to comply with SIDREC's request.</li> </ul> <p>15.13 Under special circumstances, SIDREC may seek independent reports from any expert, legal adviser or any other source when it is satisfied that it is necessary for the resolution of the Eligible Dispute.</p> <p>15.14 Subject to Rule 15.28 below, where the Eligible Dispute is not resolved during the early stages of case management, the matter will proceed to mediation between the Eligible Claimant and the Member to seek an agreed resolution or settlement of the claim.</p> <p>15.15 The mediation process undertaken by SIDREC is both facilitative and evaluative in nature and approach, and may involve the Mediator suggesting options to either or both parties towards the objective of achieving an agreed resolution or settlement of the Eligible Dispute.</p>

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	<p>15.16 Before the commencement of the mediation process the parties and SIDREC shall enter into a Dispute Resolution Agreement in a form prescribed by SIDREC. SIDREC must inform the Eligible Claimant and the Member as to the procedures adopted or the manner that the procedures will be carried out.</p> <p>15.17 Only:            (i) the Member;            (ii) the Eligible Claimant;            (iii) the Case Manager;            (iv) designated SIDREC staff; and            (v) the Mediator or Adjudicator;</p> <p>as the case may be, will be permitted to be present during the Dispute Resolution Process.</p> <p>15.18 Notwithstanding Rule 15.17 above, SIDREC may allow any other person to attend a Dispute Resolution Process subject to the execution of a Confidentiality Agreement in a form prescribed by SIDREC. Nothing herein shall be construed to permit an Eligible Claimant or a Member to be legally represented during any meetings or hearing.</p> <p>15.19 All communications made in the Dispute Resolution Process, including information disclosed, views expressed, SIDREC's Decisions and the Settlement Agreement entered into by the parties, are strictly confidential, and made on a strictly 'without prejudice' basis and shall not be used in any proceedings, legal or otherwise.</p> <p>15.20 Notwithstanding Rule 15.19 above, SIDREC's Decision and the Settlement Agreement may only be used for the purposes of enforcement of SIDREC's Decision or the Settlement Agreement.</p> <p>15.21 Where the Eligible Dispute is resolved by a settlement or agreement by both parties, a written record of the terms of the resolution reached by both parties, will be prepared as a Settlement Agreement and signed by both parties.</p> <p>15.22 Where the Eligible Dispute is not resolved by settlement or agreement by both parties, or it is in the opinion of the Mediator that the resolution cannot possibly be reached, the Mediator may before ending the mediation process, suggest options for resolution to either or both parties (as may be appropriate). Where such suggested options (if any) are not accepted by either or both parties (as the case may be), the Mediator will end the mediation process. Subject to Rule 15.2 above, in the event mediation fails, unless the Eligible Claimant chooses to withdraw the claim, the Eligible Dispute will proceed to adjudication, at the end of which the Adjudicator will enter a</p>

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	<p>decision on the Eligible Dispute.</p> <p>15.23 The mediation and adjudication process will be completed within ninety (90) working days of receiving complete documentation and information on the Eligible Dispute.</p> <p>15.24 Notwithstanding Rule 15.23 above, SIDREC may extend the timeframe based on:</p> <ul style="list-style-type: none"> <li>(i) the complexity of the Eligible Dispute;</li> <li>(ii) the level of cooperation given by the parties to SIDREC;</li> <li>(iii) any logistical or other impediments involving any of the parties involved in the Dispute Resolution Process; or</li> <li>(iv) other circumstances as may be approved by the Commission.</li> </ul> <p>15.25 Notwithstanding any rules herein, the adjudication of an Eligible Dispute may be heard or presided by the same person who had mediated the said dispute, as may be deemed appropriate by SIDREC.</p> <p>15.26 The adjudication of an Eligible Dispute, where SIDREC deems fit, may be heard by more than one Adjudicator.</p> <p>15.27 SIDREC may where it deems fit conduct an adjudication of an Eligible Dispute on a documents only basis.</p> <p>15.28 Where SIDREC considers that an Eligible Dispute cannot be resolved through mediation, it may at its discretion and with the agreement of both parties, escalate the claim directly to adjudication without going through the mediation process.</p>
<p>16. Withdrawal from Dispute Resolution Process</p>	<p>16.1 An Eligible Claimant may withdraw from the Dispute Resolution Process at any time prior to a determination of the Eligible Dispute by giving notice of withdrawal in writing to SIDREC.</p> <p>16.2 A Member may not withdraw from the Dispute Resolution Process.</p>
<p>17. Termination of Dispute Resolution Process</p>	<p>17.1 The Dispute Resolution Process shall terminate when:</p> <ul style="list-style-type: none"> <li>(i) an Eligible Claimant withdraws from the Dispute Resolution Process;</li> <li>(ii) an Eligible Claimant has not responded within fifteen (15) working days of receipt of a notice from SIDREC requiring him to comply with any prior written request by SIDREC;</li> <li>(iii) an Eligible Claimant and Member reach a settlement or agreement to resolve the dispute at any stage of the Dispute Resolution Process before an Award is issued;</li> <li>(iv) an Award is rejected by the Eligible Claimant;</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<ul style="list-style-type: none"> <li>(v) an Eligible Claimant accepts the Award and the parties enter into a written Settlement Agreement;</li> <li>(vi) the dispute is dismissed by SIDREC under Rule 15.2 above;</li> <li>(vii) there is a written request by the Commission or a Government enforcement authority for SIDREC not to proceed with the Dispute Resolution Process pursuant to Rule 8.1(v) above; or</li> <li>(viii) SIDREC’s decision to discontinue the Dispute Resolution Process pursuant to Rule 15.12(ii).</li> </ul> <p>17.2 Notwithstanding Rule 17.1 above, where an Appeal is made to SIAC, the Dispute Resolution Process is not deemed to have ended until the Appeal has been disposed of.</p>
<p>18. Award</p>	<p>18.1 The Adjudicator shall issue written grounds for his Award.</p> <p>18.2 If an Eligible Dispute is determined in favour of the Eligible Claimant, the Award may include as the Adjudicator considers just and appropriate:</p> <ul style="list-style-type: none"> <li>(i) a monetary award against the Member as the Adjudicator considers fair for the monetary loss suffered by the Eligible Claimant;</li> <li>(ii) a provision for the monetary award to bear fair interest: <ul style="list-style-type: none"> <li>(a) on the amount payable under the monetary award, at a rate and as from a date specified in the Award; and</li> <li>(b) on any amount which is not paid within ten (10) working days from the date the Eligible Claimant informs the Member of acceptance of the Award, at a rate specified in the Award;</li> </ul> </li> <li>(iii) a direction that requires a party to the Eligible Dispute to take certain steps in relation to the Eligible Dispute; and</li> <li>(iv) a provision for actual costs incurred by the Eligible Claimant in relation to the Eligible Dispute, subject to a maximum of RM1,000 per Eligible Dispute.</li> </ul> <p>18.3 The Award shall be sent to the Eligible Claimant and the Member via registered post or courier.</p> <p>18.4 The following timeframes are applicable to acceptance or rejection of Award:</p> <ul style="list-style-type: none"> <li>(i) The Eligible Claimant shall accept or reject the Award within ten (10) working days of the Award.</li> <li>(ii) Where the Eligible Claimant does not respond within this timeframe, the decision shall be deemed to be rejected.</li> <li>(iii) Where the Eligible Claimant accepts the Award, the Member is bound by such decision, and the parties shall enter into a written Settlement Agreement reflecting the</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>said decision, within ten (10) working days from the date the Member is notified of the acceptance of such decision by the Eligible Claimant.</p> <p>18.5 For the purposes of implementing the Award, SIDREC may share the Award and such other relevant information as it deems fit with CMC.</p> <p>18.6 The written Settlement Agreement shall be approved by SIDREC. The Settlement Agreement is then circulated to the Eligible Claimant and the Member for their execution. In the event of any dispute as to the clarification of terms of the Settlement Agreement, SIDREC’s decision shall be final and conclusive.</p> <p>18.7 Where the Eligible Claimant does not accept the Award, there is no settlement of the Eligible Dispute and both parties are free to pursue their rights elsewhere subject to the confidentiality provisions in Rule 30 below.</p> <p>18.8 For the avoidance of doubt, subject to the provisions on Appeals under Rule 22, if the Eligible Claimant accepts the Award, the Award shall be binding on the Member, whether or not the Member has executed the Settlement Agreement and whether or not the Member or its representatives attended or participated in the hearings and meetings during the Dispute Resolution Process.</p>
<p>19. Limit to Award</p>	<p>19.1 The maximum monetary award amount in an Award is RM250,000 (or its foreign equivalent, where appropriate) per claim.</p> <p>19.2 For the purposes of calculating the maximum monetary award under Rule 19.1 above, the following are excluded:            (i) any fair interest awarded by the Adjudicator pursuant to Rule 18.2(ii) above; and            (ii) any costs awarded by the Adjudicator pursuant to Rule 18.2(iv) above.</p>
<p>20. Complying with Awards and Settlements</p>	<p>20.1 A Member must comply promptly with:</p> <p>(i) any Award including any monetary award and interest payable by order of the Adjudicator;            (ii) any settlement to which it agrees at an earlier stage of the proceedings; and            (iii) any subsequent amendment or clarification of the terms of the Award made by SIDREC after the Award was first made.</p>

<b>Rule</b>	<b>Principle</b>
	<p>20.2 The Member must inform SIDREC in writing upon fulfillment of the terms of the Settlement Agreement or Award, as the case may be. The Member shall upon the request of SIDREC, furnish evidence to substantiate that the terms of the Settlement Agreement or Award, as the case may be, have been met.</p> <p>20.3 Where a Member fails to comply with an Award it shall constitute a breach of these Terms of Reference, resulting in a breach of the Regulations.</p>

<b>Rule</b>	<b>Principle</b>
<b>Dispute Resolution Process</b>	<b>Part II: SIDREC’s Appeal and SIDREC’s Appeal Committee (SIAC)</b>
21. Function and Power of SIAC	<p>21.1 The function of SIAC is to decide on Appeals made by either party to an Eligible Dispute against an Award based on the limited grounds of appeal specified under Rule 22 below.</p> <p>21.2 SIAC shall consider all Appeals based on SIDREC’s records of the adjudication and appeal submissions by the parties. The Chairman of SIAC may however, at his discretion or at the request of SIAC Members require further clarification in writing or in person, from any party, at any point in SIAC’s deliberations.</p> <p>21.3 SIDREC may determine its own procedures for the hearing of an Eligible Appeal, taking into account the following:</p> <ul style="list-style-type: none"> <li>(i) the procedures are informal with minimal legal formality and technicality;</li> <li>(ii) SIAC is not bound by any rules of evidence in the appeal process but may proceed to hear an Eligible Appeal on the basis of what is fair and reasonable, as it deems fit; and</li> <li>(iii) both parties are given a reasonable opportunity to present their case.</li> </ul> <p>21.4 In hearing an appeal, SIAC shall only decide on issues raised in the grounds of appeal and not conduct a rehearing of the case.</p>
22. Eligibility for Appeals to SIAC	<p>22.1 An Award is final and appeals by either party will not be entertained, save and except on the following specified grounds:</p> <ul style="list-style-type: none"> <li>(i) a serious error of law or fact in the Award; or</li> <li>(ii) the production of new evidence,</li> </ul> <p>that may materially affect the Award.</p> <p>22.2 For the purpose of Rule 22.1(ii) above, the party who is relying on the ground is required to prove that the new evidence could not have been obtained with reasonable effort or diligence, during the adjudication.</p>
23. Procedure and Requirements for Appeals	<p>23.1 An Appealing Party shall comply with SIDREC’s process for such appeal including but not limited to submitting to SIDREC the prescribed Notice of Appeal identifying the grounds of appeal five (5) working days from:</p> <ul style="list-style-type: none"> <li>(a) in the case of a Member, the date of notification of the Eligible Claimant’s acceptance of the Award;</li> </ul>

Rule	Principle
	<p>(b) in the case of an Eligible Claimant, the date of his notification to SIDREC of his rejection of the Award or deemed rejection of the Award pursuant to Rule 18.4(ii) above,</p> <p>together with:</p> <p>(i) the relevant fees as prescribed by SIDREC under <b>Annexure 1</b>, which fees shall be non refundable regardless of the outcome of the Appeal; and</p> <p>(ii) in a case where the Appealing Party is a Member, the Member is required to lodge a security deposit in the form of a bank guarantee naming SIDREC as beneficiary or a banker's cheque payable to SIDREC (hereinafter referred to as a "Security Deposit"), where applicable, for a sum equivalent to 50% of the amount Awarded.</p> <p>23.2 The Appealing Party shall concurrently forward the Notice of Appeal to the Responding Party.</p> <p>23.3 The Appealing Party shall submit the details of their grounds of appeal together with all the relevant supporting information and necessary documentation, within ten (10) working days from the submission of the Notice of Appeal, to SIDREC and the Responding Party.</p> <p>23.4 SIAC may where it deems fit decide an Appeal on a documents only basis.</p> <p>23.5 Where the chairman of SIAC deems a hearing to be necessary, only:</p> <p>(i) the Appealing Party;</p> <p>(ii) the Responding Party;</p> <p>(iii) designated SIDREC staff; and</p> <p>(iv) SIAC Member(s);</p> <p>as the case may be, will be permitted to be present during the hearing.</p> <p>23.6 All meetings and hearings, whether conducted in person, via audio-visual device or otherwise, will be conducted in strict confidence. No audio-visual or any other form of recording of any proceedings may be made except by SIDREC (if deemed necessary for SIDREC's internal use only).</p> <p>23.7 Notwithstanding Rule 23.5 above, SIAC may allow any other person to attend an appeal process subject to the execution of a Confidentiality Agreement in a form prescribed by SIDREC. Nothing herein shall be construed to permit an Appealing Party or a Responding Party to be legally represented during any</p>

<b>Rule</b>	<b>Principle</b>
	<p>meetings or hearing.</p> <p>23.8 All communications made in the Dispute Resolution Process, including information disclosed, views expressed, SIAC's Decisions and the Settlement Agreement entered into by the parties, are strictly confidential, and made on a strictly 'without prejudice' basis and shall not be used in any proceedings, legal or otherwise.</p> <p>23.9 Where a Member or Eligible Claimant without reasonable excuse fails to provide or procure information or to take any other step as may be required under Part II within the timeframe specified, SIDREC may take the steps it considers reasonable in the circumstances. This may include:</p> <ul style="list-style-type: none"> <li>(i) proceeding with the hearing of the Eligible Appeal on the basis that an adverse inference may be drawn from that party's failure to comply with SIDREC's request; or</li> <li>(ii) to discontinue the Dispute Resolution Process in the event that the Eligible Claimant fails to comply with SIDREC's request.</li> </ul> <p>23.10 The Appealing Party must comply with the requirements set out in these Terms of Reference or such other process as may be determined by SIDREC from time to time.</p>
<p>24. Appeal</p>	<p>24.1 SIAC may in deciding an appeal:</p> <ul style="list-style-type: none"> <li>(i) affirm the Award;</li> <li>(ii) substitute the Award with its own decision, within the maximum monetary award amount of RM250,000; or</li> <li>(iii) set aside the Award.</li> </ul> <p>24.2 For the purposes of calculating the maximum monetary award under Rule 24.1 above, fair interest and costs may be awarded over and above the maximum monetary award amount.</p> <p>24.3 In relation to the Security Deposit, where:</p> <ul style="list-style-type: none"> <li>(i) SIAC's Decision is, in the form of a monetary award and, is in favour of the Eligible Claimant, SIDREC may utilise the Security Deposit towards settlement of SIAC's Decision. In a case where the Security Deposit is insufficient for settlement in full of SIAC's Decision, the Member must pay the balance of the sum within ten (10) working days from the date of SIAC's Decision or the acceptance of SIAC's Decision, where applicable. In the event that there is a balance of Security Deposit remaining after the settlement of SIAC's Decision, SIDREC will return the unutilised portion of the Security Deposit to the Member; or</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>(ii) there is no monetary award made in favour of the Eligible Claimant, SIDREC will return the Security Deposit to the Member.</p>
<p>25. Function of the Secretariat of SIAC</p>	<p>SIDREC shall be the Secretariat to SIAC and assist SIAC in carrying out its functions.</p>
<p>26. Timeframe for SIAC to Decide on Appeals</p>	<p>26.1 SIAC shall decide on an Appeal within ninety (90) working days from the date the appeal is filed.</p> <p>26.2 SIAC may extend the timeframe by no later than an additional twenty (20) working days to decide on an Appeal.</p>
<p>27. Finality of SIAC's Decision</p>	<p>27.1 SIAC's Decision shall be final and binding:</p> <p>(i) on the Member; and</p> <p>(ii) on the Eligible Claimant, where the Eligible Claimant is the Appealing Party,</p> <p>whether or not the parties concerned have executed the Settlement Agreement and whether or not the parties concerned attended or participated in the Appeal.</p> <p>27.2 Where a Member refuses to comply with SIAC's Decision and fails to comply with any of the requirements of these Terms of Reference, SIDREC shall notify the Commission, and where relevant to the CMC, in writing of such non-compliance.</p> <p>27.3 In the event that the Member is the Appealing Party and the Eligible Claimant accepts SIAC's Decision, the Member is bound by such decision, and the parties shall enter into a written Settlement Agreement reflecting the said decision.</p> <p>27.4 In the event that the Eligible Claimant is the Appealing Party, both parties are bound by SIAC's Decision. Where SIAC's Decision includes a monetary award or requires either party to take specific steps to enable or effect restitution or any other action to be taken for the fair resolution of the Eligible Dispute, the parties shall enter into a written Settlement Agreement reflecting the said decision.</p> <p>27.5 Upon compliance by the Member with SIAC's Decision, the Member must inform SIDREC in writing of such compliance, including furnishing evidence of such compliance.</p>

<b>Rule</b>	<b>Principle</b>
<b>Dispute Resolution Process</b>	<b>Part III: General</b>
28 Stay of legal proceedings by Members	<p>28.1 Where an Eligible Dispute has been filed by an Eligible Claimant against a Member and such Eligible Dispute has been registered and is being dealt with by SIDREC, that Member must not take any steps that would undermine the Dispute Resolution Process and is discouraged from:</p> <ul style="list-style-type: none"> <li>(i) initiating or threatening to initiate legal proceedings against the Eligible Claimant in respect of any aspect of the subject matter of the Eligible Dispute;</li> <li>(ii) pursuing legal proceedings on any matter that relates to the capital market service or product in Eligible Dispute; or</li> <li>(iii) taking any action to recover a debt that is the subject of the Eligible Dispute, to protect any assets securing that debt or to assign any right to recover that debt.</li> </ul> <p>28.2 However, if the Member takes any action mentioned in Rule 28.1(i) – (iii) above, the Member must immediately take such steps as are necessary to stay all proceedings, until the completion of the Dispute Resolution Process.</p> <p>28.3 If the Eligible Dispute is subsequently decided by SIDREC and becomes binding upon the Member, the Member shall abandon any aspect of proceedings against the Eligible Claimant that are inconsistent with that decision.</p>
29. Stay of Award	<p>An Award shall be stayed:</p> <ul style="list-style-type: none"> <li>(i) where an appeal has been filed against the Award, until the disposal of such appeal; or</li> <li>(ii) where the Commission has directed SIDREC to stay the requirement for compliance of the Award pursuant to its powers under the Regulations.</li> </ul>
30. Confidentiality	<p>30.1 No person shall disclose any information or documents obtained during the Dispute Resolution Process unless the disclosure falls within the permitted disclosures under the Regulations.</p> <p>30.2 No director, officer, employee, agent, representative of, or a member of any committee or panel established by, SIDREC shall be required to provide testimony or be called as a witness in relation to matters arising during the Dispute Resolution Process of SIDREC in a civil proceeding.</p> <p>30.3 Any breach or contravention of this confidentiality rule constitutes a loss which cannot be reasonably or adequately compensated in damages. Additionally, SIDREC reserves the right at its full discretion, to discontinue the Dispute Resolution Process with immediate effect.</p>

<b>Rule</b>	<b>Principle</b>
<p>31. Power to Notify and Disclose Information</p>	<p>31.1 SIDREC shall have the power to require relevant data, information and materials from the Member to enable SIDREC to assess any trends, typologies or market misconduct that have arisen from a dispute or disputes and shall notify or submit such information as is within its knowledge relating to any trends, typologies or market misconduct to the Commission.</p> <p>31.2 SIDREC shall at the Commission’s direction furnish such information to any other regulator or body as may be specified by the Commission.</p> <p>31.3 Pursuant to any cooperation with any dispute resolution body and as permitted under the Regulations, SIDREC may conduct a joint adjudication with the said dispute resolution body.</p>
<p>32. Immunity</p>	<p>32.1 No action, suit, prosecution or other proceedings shall lie or be brought, instituted, or maintained in any court against:</p> <ul style="list-style-type: none"> <li>(i) SIDREC;</li> <li>(ii) a person who is or has been – <ul style="list-style-type: none"> <li>(a) a member of any committee or panel established by SIDREC; or</li> <li>(b) a director, officer, employee, agent or representative of SIDREC,</li> </ul> </li> </ul> <p>for or on account of, or in respect of, any act done or statement made, omitted to be done or made by such persons specified above, in the performance of their functions, or in the exercise of any powers conferred. Provided that such act, statement, performance of functions or exercise of power was done or made, in good faith.</p> <p>32.2 The Eligible Claimant and the Member shall be required to acknowledge and agree that any claim or claims made in contravention of this Rule constitutes a loss which cannot be reasonably or adequately compensated in damages. The Eligible Claimant and the Member shall be required to agree that in event of any such claim or breach or contravention, SIDREC or its directors, officers, employees, agents or representatives, a member of any committee or panel established by SIDREC shall be entitled to the remedy of injunction in addition to any other remedy available at law or in equity. SIDREC or its directors, officers, employees, agents or representatives or a member of any committee or panel established by SIDREC, shall also be entitled to recovery of legal costs on a full indemnity basis from the Eligible Claimant or the Member or its representative or such other defaulting parties who have acted in breach of this Rule.</p>

<b>Rule</b>	<b>Principle</b>
33. No Legal Advice	SIDREC and any of its employees, officers, agents or representatives or a member of any committee or panel established by SIDREC, should not be construed at any time whatsoever or in any capacity as having given, offered or rendered legal advice, whether professional or personal, on any legal position as to the rights of the Eligible Claimant, the Member or any representative of the Member.
34. Fees	The structure for subscription fees, levies and other fees are set out in the Funding Terms at <b>Annexure 2</b> .
35. Membership	The procedure for membership and circumstances that would affect the membership is as stated in the Memorandum and Articles of Association of SIDREC.
36. Register, Use and Publication of Data	SIDREC may publish data relating to the Eligible Disputes for research, evaluation or educational purpose. The nature and format of publication may include a summary of statistics by sectors or nature of cases and any synopsis of individual cases without revealing the identity of the parties to the disputes.
37. Correction and Clarification of SIDREC's Decision	<p>37.1 SIDREC may clarify the terms of SIDREC's Decision or correct any clerical, typographical or computational error or any other error of a similar nature in such decision. Where such clarification or correction is:</p> <ul style="list-style-type: none"> <li>(i) on SIDREC's own initiative, within five (5) working days of SIDREC's Decision; or</li> <li>(ii) upon request by the Eligible Claimant or the Member, within five (5) working days of receiving such request if SIDREC considers the request to be justified.</li> </ul> <p>37.2 Any such request for clarification or correction by the Eligible Claimant or the Member shall be made by written notice to SIDREC within five (5) working days of SIDREC's Decision, and in any event, where applicable, prior to the Eligible Claimant notifying SIDREC of his acceptance or rejection of SIDREC's Decision or the signing of the Settlement Agreement, as may be applicable.</p> <p>37.3 Any correction or clarification shall be:</p> <ul style="list-style-type: none"> <li>(i) given in writing; and</li> <li>(ii) sent to the Eligible Claimant and the Member via registered post or courier.</li> </ul> <p>37.4 Any correction or clarification shall form part of SIDREC's Decision three (3) days after it is made and communicated to the Eligible Claimant and the Member pursuant to Rule 37.3 above.</p>

<b>Rule</b>	<b>Principle</b>
	37.5 SIDREC may extend the timeframes stipulated in this Rule where it is of the opinion that there are reasonable grounds to justify such extension.
38. Register	38.1 SIDREC shall maintain a register of:  (i) Awards; and (ii) SIAC's Decisions.  38.2 As prescribed under the Regulations, an Award and SIAC's Decision, registered in accordance with these Terms of Reference can be recovered or enforced through the courts as a contractual debt.
39. Discretion to Extend Time	Nothing in these Terms of Reference shall restrict SIDREC's ability and discretion to give a party to an Eligible Dispute an extension of time (even if the original period, or the period as extended, has ended) should SIDREC consider it appropriate to do so.

<b>Rule</b>	<b>Principle</b>
	<p><b><u>SECTION B</u></b></p> <p><b><u>APPLICABLE TO DISPUTES INVOLVING MONETARY CLAIMS EXCEEDING RM250,000</u></b></p>
<b>Dispute Resolution Process</b>	<b>Part I: Case Management, Mediation, and Adjudication</b>
40. Definition	<p>In these Terms of Reference, unless the context otherwise requires:</p> <ul style="list-style-type: none"> <li>• “Award” means a decision made by the Adjudicator on an Eligible Dispute;</li> <li>• “Adjudicator” means a person appointed by SIDREC to act as an adjudicator of disputes referred to SIDREC;</li> <li>• “CMC” means the Capital Market Compensation Fund Corporation established under the CMSA;</li> <li>• “CMC Rules” means the Rules of the Capital Market Compensation Fund Corporation approved by the Commission;</li> <li>• “CMSA” means the Capital Markets &amp; Services Act 2007 (Act 671);</li> <li>• “Case Manager” means any person appointed by SIDREC to be responsible for the management of the Dispute Resolution Process relating to a dispute assigned to him. The Case Manager assigned may also be appointed to be the Mediator, as may be deemed appropriate by SIDREC;</li> <li>• “Commission” means the Securities Commission Malaysia established under the Securities Commission Act 1993;</li> <li>• “day” means any calendar day;</li> <li>• “Dispute Resolution Process” means the methods and procedures employed by SIDREC and its Case Managers, Mediators and Adjudicators to resolve an Eligible Dispute, and may include ascertaining eligibility of a claim, investigation, mediation, and adjudication under these Terms of Reference;</li> <li>• “Eligible Claimants” means the persons as prescribed in Rule 41;</li> <li>• “Eligible Disputes” means the disputes as prescribed in Rule 42.1;</li> <li>• “Excluded Disputes” means disputes that are excluded from the jurisdiction of SIDREC as provided for in Rule 44;</li> </ul>

Rule	Principle
	<ul style="list-style-type: none"> <li>• "Government enforcement authority" means any statutory or regulatory authority, or agency carrying out a regulatory function, and include the Companies Commission Malaysia and Bank Negara Malaysia;</li> <li>• "Mediator" means a person who is appointed by SIDREC to mediate an Eligible Dispute. A mediation may be conducted by one or more Mediator as SIDREC deems fit. The Mediator may also be assigned the functions of the Case Manager as may be deemed appropriate by SIDREC;</li> <li>• "Member" means a corporation which appears in the Register of Members of SIDREC in accordance to Schedule 2 of the Regulations and any other person in relation to whom a direction has been issued by the Commission pursuant to subregulation 8(3) of the Regulations. A reference to the member includes any of its directors, employees, agents, contractors, any person who has actual or ostensible authority to act on behalf of the member or authority to act by necessity in relation to a capital market product or service;</li> <li>• "Register of Members" means a register of corporations which are admitted to membership of SIDREC in accordance with the Memorandum and Articles of Association of SIDREC;</li> <li>• "Regulations" means the Capital Markets and Services (Dispute Resolution) Regulations 2010, and any amendments made by the Commission from time to time, or any laws or regulations replacing the same;</li> <li>• "Rule" means a rule stipulated under these Terms of Reference;</li> <li>• "Settlement Agreement" means, where the context warrants it:             <ul style="list-style-type: none"> <li>(i) a written record of the resolution of a dispute agreed to and signed by the parties in accordance with Rule 51.21; or</li> <li>(ii) an agreement entered into by the parties following an Award made under Rule 54.5;</li> </ul> </li> <li>• "SIDREC" means the Securities Industry Dispute Resolution Center (Company No. 909583-H), and includes its Case Managers, Mediators, Adjudicators, directors, officers, employees and agents, where applicable;</li> <li>• "SIDREC's Decision" means any Award or decision made by SIDREC or its Adjudicator;</li> <li>• "working day" means any day other than Saturday, Sunday or gazetted holidays in the Federal Territory of Malaysia; and</li> </ul>

Rule	Principle
	<ul style="list-style-type: none"> <li>References to the male gender include, where the context admits, the female gender and vice versa, and references to the singular include, where the contexts admits, the plural and vice versa.</li> </ul>
41. Eligible Claimants	<p>Only the following persons are eligible to bring a dispute before SIDREC:</p> <ul style="list-style-type: none"> <li>(i) individual investors; or</li> <li>(ii) proprietors of a sole proprietorship,</li> </ul> <p>having a dealing or transaction relating to capital market products or services involving a Member.</p>
42. Eligible Disputes	<p>42.1 A dispute may be submitted to and dealt with by SIDREC where:</p> <ul style="list-style-type: none"> <li>(i) the dispute involves and is against a Member of SIDREC;</li> <li>(ii) the claim is a monetary claim for an amount exceeding RM250,000 (or its foreign equivalent, where appropriate);</li> <li>(iii) the Eligible Claimant has referred the dispute to a Member for resolution and the Member has failed to resolve the claim to the satisfaction of the Eligible Claimant; and</li> <li>(iv) both the Eligible Claimant and the Member concerned agree that the dispute be submitted to SIDREC for resolution by entering into a Dispute Resolution Agreement prescribed by SIDREC and paying the applicable fee as stated in <b>Annexure 3</b> below.</li> </ul> <p>42.2 For the avoidance of doubt, SIDREC shall have the sole discretion to determine whether a dispute constitutes one or more monetary claim. Where SIDREC finds a dispute contains more than one monetary claim, each such claim shall be assessed as a separate dispute in ascertaining its eligibility.</p> <p>42.3 In the event that the sum claimed by the Eligible Claimant is quoted in foreign currency, SIDREC will apply the last applicable "Middle rate" from the Interbank Foreign Exchange Market as published on Bank Negara Malaysia's website as at the date of lodgment of the dispute with SIDREC and at the time as may be determined by SIDREC.</p> <p>42.4 For the purposes of Rule 42.1(iv) above, the Eligible Claimant and the Member concerned may agree that the dispute be submitted for mediation only, or for mediation and adjudication.</p>
43. Time Limit to Bring a Dispute	<p>43.1 Before submitting an application to SIDREC for the resolution of a dispute, an Eligible Claimant must first have referred the dispute to the Member concerned for internal resolution.</p> <p>43.2 The Member shall endeavour to resolve the dispute through its internal dispute resolution process within ninety (90) days from the date of receipt of the complaint, after which either the</p>

Rule	Principle
	<p>Eligible Claimant or Member may submit the dispute to SIDREC for resolution.</p> <p>43.3 Where the Member has attempted to resolve the complaint and has issued its final reply on the matter, the Eligible Claimant may, if dissatisfied with the final reply, refer the dispute to SIDREC within one hundred eighty (180) days from the date of receipt of the Member's final reply.</p> <p>43.4 Notwithstanding Rule 43.3 above, SIDREC may exercise its discretion to accept an Eligible Dispute that falls outside the one hundred eighty (180) days time limit, if both parties agree to SIDREC accepting such a Eligible Dispute.</p> <p>43.5 The Member's final reply must be issued in writing to the Eligible Claimant, expressly stating that it is the Member's final reply and that if the Eligible Claimant is dissatisfied with the Member's final reply, he may refer the dispute to SIDREC within one hundred and eighty (180) days from the date of receipt of the Member's final reply. If the Member omits to inform the Eligible Claimant of the aforesaid timeframe in its final reply, then the one hundred and eighty (180) days will run from the date of any subsequent written communication to the Eligible Claimant informing the Eligible Claimant of the aforesaid timeframe. Where the Member makes no reference to the aforesaid timeframe in any of its communication to the Eligible Claimant, subject to Rule 43.6 below, there will be no deadline for the Eligible Claimant to refer the dispute to SIDREC.</p> <p>43.6 Notwithstanding Rule 43.5 above, having regard to the 6-year limitation period imposed by the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap.49) on civil claims brought in court the following will apply:</p> <ul style="list-style-type: none"> <li>(i) SIDREC will not accept any application to resolve dispute that, had it been filed in court, would have been time-barred; and</li> <li>(ii) SIDREC shall not be held responsible in any manner whatsoever in the event that the limitation period in respect of the claim expires during the course of SIDREC's Dispute Resolution Process.</li> </ul>
<p>44. Excluded Disputes</p>	<p>44.1 The following disputes are outside the scope of SIDREC:</p> <ul style="list-style-type: none"> <li>(i) disputes which involve a Member against which a winding up has been made, or where the Member has been declared to be financially insolvent by a court of law, or has been the subject of a declaration of an event of default pursuant to the CMC Rules;</li> </ul>

Rule	Principle
	<ul style="list-style-type: none"> <li>(ii) disputes arising from commercial decisions, e.g. with regard to product pricing, fees &amp; charges or rejection of credit/margin applications, made by the Member;</li> <li>(iii) disputes concerning the performance of a product or investment (except in respect of any alleged non-disclosure/misrepresentation by the Member in relation to such product or investment);</li> <li>(iv) disputes which have been referred by the Claimant or the Member to a court or arbitration and the case –               <ul style="list-style-type: none"> <li>(a) has been decided in the court or arbitration; or</li> <li>(b) is pending in the court or arbitration unless the matter is stayed for the purposes of referral of the dispute to SIDREC;</li> </ul> </li> <li>(v) disputes involving matters under investigation by the Commission or any other Government enforcement authority where the Commission has issued a direction under the Regulations to SIDREC not to proceed with the Dispute Resolution Process; and</li> <li>(vi) any claim, which is time barred in accordance with the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap.49) at the time it is submitted to SIDREC for resolution.</li> </ul> <p>44.2 SIDREC's decision on Excluded Disputes under Rule 44.1 above is binding on the Member and the Eligible Claimant.</p>
<p>45. Principles of Dispute Resolution</p>	<p>45.1 SIDREC shall deal with an Eligible Dispute on its merits and do what is fair and reasonable in all circumstances. SIDREC shall:</p> <ul style="list-style-type: none"> <li>(i) endeavour to facilitate resolution of a dispute from the submission of the dispute until the termination of the Dispute Resolution Process;</li> <li>(ii) endeavour to resolve the Eligible Dispute in an efficient and timely manner;</li> <li>(iii) keep Eligible Claimants and Members informed on the progress of the Dispute Resolution Process; and</li> <li>(iv) assist Eligible Claimants and Members to reach a resolution of their dispute.</li> </ul> <p>45.2 In dealing with an Eligible Dispute, SIDREC may also take into account the following:</p> <ul style="list-style-type: none"> <li>(i) general principles of good industry practices, guidelines or codes of conduct;</li> <li>(ii) any applicable law or judicial precedent; and</li> <li>(iii) any past precedent of SIDREC.</li> </ul>
<p>46. Lodging a Dispute</p>	<p>46.1 A dispute lodged for resolution shall be in writing, either in hard copy or electronic form. All disputes lodged must contain:</p>

Rule	Principle
	<ul style="list-style-type: none"> <li>(i) adequate details and nature of the dispute including the amount to be claimed;</li> <li>(ii) any information or document relating to the dispute including the final reply, if any, from the Member on the settlement of the dispute which the Eligible Claimant finds unsatisfactory; and</li> <li>(iii) a declaration that the dispute is not an Excluded Dispute as defined in Rule 44.</li> </ul> <p>46.2 To ensure a fair and effective resolution process, SIDREC may assist the Eligible Claimant to draft and lodge the dispute. This includes assistance to clarify the nature of the dispute, issues of claims but does not include advocating for the Eligible Claimant.</p> <p>46.3 The acceptance of the dispute by SIDREC is subject to:</p> <ul style="list-style-type: none"> <li>(i) the dispute being an Eligible Dispute;</li> <li>(ii) the Eligible Claimant and Member executing a Dispute Resolution Agreement prescribed by SIDREC; and</li> <li>(iii) the Eligible Claimant and Member paying the applicable fee as stated in <b>Annexure 3</b> below.</li> </ul>
<p>47. Amendments to Details of claim in Disputes Lodged</p>	<p>47.1 An Eligible Claimant may amend the details of a claim in a dispute lodged at any time prior to the adjudication hearing.</p> <p>47.2 To amend a claim, the Eligible Claimant must complete and lodge the amendment in such form as may be prescribed by SIDREC containing:</p> <ul style="list-style-type: none"> <li>(i) adequate details of the amendments made; and</li> <li>(ii) reasons for such amendments.</li> </ul> <p>47.3 Once the adjudication hearing for the dispute has commenced, the Eligible Claimant may only amend the details of a claim in a dispute lodged if the Adjudicator grants permission to amend. Notwithstanding Rule 47.2 above, such application may be made orally to the Adjudicator and recorded as part of the adjudication proceedings.</p>
<p>48. Preliminary Procedures upon Lodgment of Dispute</p>	<p>48.1 All disputes will be managed by a Case Manager.</p> <p>48.2 SIDREC shall within three (3) working days of receiving any dispute, send a confirmation receipt to the claimant acknowledging the lodgment of the dispute with SIDREC.</p>
<p>49. Independence and Impartiality of Case Managers, Mediators and Adjudicators</p>	<p>49.1 The Case Manager, Mediator and Adjudicator shall be independent and impartial at all times.</p> <p>49.2 The Case Manager, Mediator and Adjudicator shall disclose any interest in the dispute or any relationship with any party likely to affect his impartiality in the Dispute Resolution Process of the dispute concerned. The Case Manager, Mediator and Adjudicator</p>

<b>Rule</b>	<b>Principle</b>
	<p>shall disclose such interests or situations of conflict of interest to SIDREC should they arise at any time during the Dispute Resolution Process.</p> <p>49.3 The Case Manager, Mediator and Adjudicator shall not advocate for any of the parties involved in the Dispute Resolution Process other than to ensure a fair process.</p>
<p>50. Language of Dispute Resolution Process and Use of Interpreter</p>	<p>50.1 All proceedings of the Dispute Resolution Process shall be conducted in either English or Bahasa Malaysia.</p> <p>50.2 The Eligible Claimant may be assisted by any person who can act as his interpreter. Such person need not be a formally qualified interpreter.</p> <p>50.3 Subject to Rule 51.18 below, the participation of an interpreter in the proceedings must be approved by the Case Manager, Mediator or Adjudicator (as the case may be).</p> <p>50.4 Notwithstanding Rule 50.1 above, where the Case Manager, Mediator or Adjudicator (as the case may be) finds that the interpreter referred to in Rule 50.2 above, is ineffective and provided that either:</p> <ul style="list-style-type: none"> <li>(i) the Case Manager, Mediator or Adjudicator is able to communicate in the language in which the Eligible Claimant understands; or</li> <li>(ii) SIDREC has internally available resources to facilitate communication,</li> </ul> <p>the Case Manager, Mediator or Adjudicator may, if he deems fit, either conduct the Dispute Resolution Process in the language concerned or seek the assistance of SIDREC's available resources to act as an interpreter to facilitate effective communication with the party or parties concerned. For the avoidance of doubt, such person need not be a formally qualified interpreter.</p>
<p>51. Dispute Resolution Process</p>	<p>51.1 On receipt of a dispute, SIDREC shall consider whether the:</p> <ul style="list-style-type: none"> <li>(i) Claimant qualifies as an Eligible Claimant under Rule 41;</li> <li>(ii) dispute qualifies as an Eligible Dispute under Rule 42;</li> <li>(iii) dispute is made within the time limit under Rule 43; and</li> <li>(iv) dispute is excluded under Rule 44.</li> </ul> <p>51.2 SIDREC may dismiss the dispute where:</p> <ul style="list-style-type: none"> <li>(i) there are compelling reasons why it is inappropriate for the dispute to be dealt with by SIDREC;</li> <li>(ii) the claim is frivolous and vexatious; or</li> <li>(iii) the claim is clearly unsustainable against a Member.</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>51.3 Any decision made by SIDREC in dismissing a dispute must be documented with written reasons. SIDREC will inform the Eligible Claimant of its decision to dismiss the dispute.</p> <p>51.4 If the Eligible Claimant wishes to object to the dismissal of the dispute made SIDREC in accordance with Rule 51.2 above he should submit his objection together with the basis of the objection with any supporting documents to SIDREC for review, within ten (10) working days from the date of the receipt of SIDREC's decision to dismiss a dispute. SIDREC will consider the Eligible Claimant's objection, and inform the Eligible Claimant of its decision on whether the dispute remains dismissed or qualifies as an Eligible Dispute based on its review of the the Eligible Claimant's submission.</p> <p>51.5 In resolving the Eligible Dispute, SIDREC may determine its own procedures taking into account the following:</p> <ul style="list-style-type: none"> <li>(i) the procedures are informal with minimal legal formality and technicality;</li> <li>(ii) SIDREC is not bound by any rules of evidence in the Dispute Resolution Process but may proceed to review and adjudicate Eligible Disputes on the basis of what is fair and reasonable, as it deems fit; and</li> <li>(iii) both parties are given a reasonable opportunity to present their case.</li> </ul> <p>51.6 The Case Manager's functions include but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) management of the Dispute Resolution Process relating to a dispute assigned to the Case Manager, including the making of a recommendation on the manner in which the Eligible Dispute can be resolved;</li> <li>(ii) assessment of the eligibility of a dispute lodged with SIDREC;</li> <li>(iii) investigation of issues raised, relating to a dispute, as he deems fit, or as maybe requested by the Mediator or Adjudicator;</li> <li>(iv) providing administrative and research support to the Mediator and Adjudicator to ensure effective and efficient administration of the Dispute Resolution Process; and</li> <li>(v) acting as the primary point of contact between the parties to the dispute and SIDREC.</li> </ul> <p>51.7 SIDREC will identify and investigate the issues raised in the Eligible Dispute. Such investigation will continue as may be required for the duration of the Dispute Resolution Process.</p> <p>51.8 The Member and the Eligible Claimant shall comply with any request by SIDREC or take the necessary actions to facilitate the resolution of the Eligible Dispute within the timeframe</p>

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	<p>stipulated by SIDREC which may include requiring the Member or the Eligible Claimant to:</p> <ul style="list-style-type: none"> <li>(i) provide SIDREC with all relevant data, information and materials;</li> <li>(ii) provide SIDREC with the Member’s investigation report on the Eligible Dispute (including the grounds of its decision and any other relevant document or information) which was completed when the Eligible Claimant first lodged the dispute with the Member;</li> <li>(iii) attend interviews, meetings or hearings;</li> <li>(iv) submit statutory declarations from persons who have knowledge of or are connected to the Eligible Dispute;</li> <li>(v) complete its internal investigations into the Eligible Dispute;</li> <li>(vi) appoint and solicit views of an independent expert pertaining to a matter on or relating to the Eligible Dispute; or</li> <li>(vii) investigate further on specific issues identified by SIDREC.</li> </ul> <p>51.9 The Eligible Claimant and the Member shall at all times comply, and shall ensure that all its representatives comply with all instructions and determinations made by SIDREC.</p> <p>51.10 SIDREC may conduct joint meetings with all parties or separate meetings with each of the parties during the Dispute Resolution Process.</p> <p>51.11 All meetings and hearings, whether conducted in person, via audio-visual device or otherwise, will be conducted in strict confidence. No audio-visual or any other form of recording of any proceedings may be made except by SIDREC (if deemed necessary by SIDREC for its internal use only).</p> <p>51.12 Where a Member or Eligible Claimant without reasonable excuse fails to provide or procure information or to take any other step requested by SIDREC within the timeframe specified, SIDREC may take the steps it considers reasonable in the circumstances. This may include:</p> <ul style="list-style-type: none"> <li>(i) proceeding with the resolution of the Eligible Dispute on the basis that an adverse inference may be drawn from that party’s failure to comply with SIDREC’s request; or</li> <li>(ii) discontinuing the Dispute Resolution Process in the event that the Eligible Claimant fails to comply with SIDREC’s request.</li> </ul> <p>51.13 Under special circumstances, SIDREC may seek independent reports from any expert, legal adviser or any other source when it is satisfied that it is necessary for the resolution of the Eligible Dispute.</p>

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	<p>51.14 Subject to Rule 51.29 below, where the Eligible Dispute is not resolved during the early stages of case management, the matter will proceed to mediation between the Eligible Claimant and the Member to seek an agreed resolution or settlement of the claim.</p> <p>51.15 The mediation process undertaken by SIDREC is both facilitative and evaluative in nature and approach, and may involve the Mediator suggesting options to either or both parties towards the objective of achieving an agreed resolution or settlement of the Eligible Dispute.</p> <p>51.16 Before the commencement of the mediation process the parties and SIDREC shall enter into a Dispute Resolution Agreement in a form prescribed by SIDREC. SIDREC must inform the Eligible Claimant and the Member as to the procedures adopted or the manner that the procedures will be carried out.</p> <p>51.17 Only:            (i) the Member;            (ii) the Eligible Claimant;            (iii) the Case Manager;            (iv) designated SIDREC staff; and            (v) the Mediator or Adjudicator;</p> <p>as the case may be, will be permitted to be present during the Dispute Resolution Process.</p> <p>51.18 Notwithstanding Rule 51.17 above, SIDREC may allow any other person to attend a Dispute Resolution Process subject to the execution of a Confidentiality Agreement in a form prescribed by SIDREC. For the avoidance of doubt, no legal representation is permitted during any meeting or hearing, unless the Claimant has applied to SIDREC for their legal counsel to be present. In such event, the Member may also be legally represented at such meeting or hearing.</p> <p>For the purposes of this Rule, any person other than the parties to the dispute who is permitted by the Mediator or Adjudicator to attend the meeting or hearing must abide by the rules of SIDREC and the spirit of SIDREC’s process. Where the Mediator or Adjudicator are of the view that such person is in any way undermining the process, the Mediator or Adjudicator shall have the discretion to exclude such party from the meeting or hearing concerned.</p> <p>51.19 All communications made in the Dispute Resolution Process, including information disclosed, views expressed, SIDREC’s Decisions and the Settlement Agreement entered into by the parties, are strictly confidential, and made on a strictly ‘without prejudice’ basis and shall not be used in any proceedings, legal</p>

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	<p>or otherwise.</p> <p>51.20 Notwithstanding Rule 51.19 above, SIDREC’s Decision and the Settlement Agreement may only be used for the purposes of enforcement of SIDREC’s Decision or the Settlement Agreement.</p> <p>51.21 Where the Eligible Dispute is resolved by a settlement or agreement by both parties, a written record of the terms of the resolution reached by both parties, will be prepared as a Settlement Agreement and signed by both parties.</p> <p>51.22 Where the Eligible Dispute is not resolved by settlement or agreement by both parties, or it is in the opinion of the Mediator that the resolution cannot possibly be reached, the Mediator may before ending the mediation process, suggest options for resolution to either or both parties (as may be appropriate). Where such suggested options (if any) are not accepted by either or both parties (as the case may be), the Mediator will end the mediation process.</p> <p>51.23 In the event mediation fails, the Dispute Resolution Process comes to an end, unless the parties choose to proceed to adjudication and pay the requisite fee as stated in <b>Annexure 3</b> below. At the end of the adjudication, the Adjudicator will enter a decision on the Eligible Dispute.</p> <p>51.24 The mediation process and adjudication process (where applicable) will be completed within ninety (90) working days of receiving complete documentation and information on the Eligible Dispute.</p> <p>51.25 Notwithstanding Rule 51.24 above, SIDREC may extend the timeframe based on:</p> <ul style="list-style-type: none"> <li>(i) the complexity of the Eligible Dispute;</li> <li>(ii) the level of cooperation given by the parties to SIDREC;</li> <li>(iii) any logistical or other impediments involving any of the parties involved in the Dispute Resolution Process; or</li> <li>(iv) other circumstances as may be approved by the Commission.</li> </ul> <p>51.26 Notwithstanding any rules herein, the adjudication of an Eligible Dispute may be heard or presided by the same person who had mediated the said dispute, as may be deemed appropriate by SIDREC.</p> <p>51.27 The adjudication of an Eligible Dispute, where SIDREC deems fit, may be heard by more than one Adjudicator.</p>

<b>Rule</b>	<b>Principle</b>
	<p>51.28 SIDREC may where it deems fit conduct an adjudication of an Eligible Dispute on a documents only basis.</p> <p>51.29 Where SIDREC considers that an Eligible Dispute cannot be resolved through mediation, it may at its discretion subject to the agreement of both parties, escalate the claim directly to adjudication without going through the mediation process.</p>
<p>52. Withdrawal from Dispute Resolution Process</p>	<p>Neither party may withdraw from the Dispute Resolution Process once the adjudication hearing has commenced.</p>
<p>53. Termination of Dispute Resolution Process</p>	<p>53.1 The Dispute Resolution Process shall terminate when:</p> <ul style="list-style-type: none"> <li>(i) either party withdraws from the Dispute Resolution Process prior to the adjudication hearing of the Eligible Dispute;</li> <li>(ii) an Eligible Claimant has not responded within fifteen (15) working days of receipt of a notice from SIDREC requiring him to comply with any prior written request by SIDREC;</li> <li>(iii) an Eligible Claimant and Member reach a settlement or agreement to resolve the dispute at any stage of the Dispute Resolution Process before an Award is issued;</li> <li>(iv) the parties enter into a written Settlement Agreement pursuant to the Award;</li> <li>(v) the dispute is dismissed by SIDREC under Rule 51.2 above;</li> <li>(vi) there is a written request by the Commission or a Government enforcement authority for SIDREC not to proceed with the Dispute Resolution Process pursuant to Rule 44.1(v) above;</li> <li>(vii) a dispute is concluded by the Mediator in accordance with Rule 51.22 above and a party to the dispute does not agree for the matter to proceed to adjudication; or</li> <li>(viii) SIDREC's decision to discontinue the Dispute Resolution Process pursuant to Rule 51.12(ii).</li> </ul>
<p>54. Award</p>	<p>54.1 The Adjudicator shall issue written grounds for his Award.</p> <p>54.2 If an Eligible Dispute is determined in favour of the Eligible Claimant, the Award may include as the Adjudicator considers just and appropriate:</p> <ul style="list-style-type: none"> <li>(i) a monetary award against the Member as the Adjudicator considers fair for the monetary loss suffered by the Eligible Claimant;</li> <li>(ii) a provision for the monetary award to bear fair interest : <ul style="list-style-type: none"> <li>(a) on the amount payable under the monetary award, at a rate and as from a date specified in the Award; and</li> </ul> </li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>(b) on any amount which is not paid within ten (10) working days from the date the Eligible Claimant informs the Member of acceptance of the Award, at a rate specified in the Award;</p> <p>(iii) a direction that requires a party to the Eligible Dispute to take certain steps in relation to the Eligible Dispute; and</p> <p>(iv) a provision for actual costs incurred by the Eligible Claimant in relation to the Eligible Dispute, subject to a maximum of RM1,000 per Eligible Dispute.</p> <p>54.3 The Award shall be sent to the Eligible Claimant and the Member via registered post or courier.</p> <p>54.4 Both the Eligible Claimant and the Member are bound by the Award.</p> <p>54.5 The parties shall enter into a written Settlement Agreement reflecting the said decision, within ten (10) working days from the date of the Award.</p> <p>54.6 For the avoidance of doubt, the Award shall be binding whether or not the parties have executed the Settlement Agreement and whether or not the parties have participated in the hearings and meetings during the Dispute Resolution Process.</p> <p>54.7 For the purposes of implementing the Award, SIDREC may share the Award and such other relevant information as it deems fit with CMC.</p> <p>54.8 The written Settlement Agreement shall be approved by SIDREC. The Settlement Agreement is then circulated to the Eligible Claimant and the Member for their execution. In the event of any dispute as to the clarification of terms of the Settlement Agreement, SIDREC's decision shall be final and conclusive.</p>
<p>55. Complying with Awards and Settlements</p>	<p>55.1 A Member must comply promptly with:</p> <p>(i) any Award including any monetary award and interest payable by order of the Adjudicator;</p> <p>(ii) any settlement to which it agrees at an earlier stage of the proceedings; and</p> <p>(iii) any subsequent amendment or clarification of the terms of the Award made by SIDREC after the Award was first made.</p> <p>55.2 The Member must inform SIDREC in writing upon fulfillment of the terms of the Settlement Agreement or Award, as the case may be. The Member shall upon the request of SIDREC, furnish evidence to substantiate that the terms of the Settlement Agreement or Award, as the case may be, have been met.</p>

<b>Rule</b>	<b>Principle</b>
	55.3 Where a Member fails to comply with an Award it shall constitute a breach of these Terms of Reference, resulting in a breach of the Regulations.
<b>Dispute Resolution Process</b>	<b>Part II: General</b>
56. Limitations on legal proceedings by Parties to the Eligible Dispute	<p>56.1 Where the parties to an Eligible Dispute have entered into SIDREC's Dispute Resolution Agreement and such Eligible Dispute has been registered and is being dealt with by SIDREC, the Member and the Eligible Claimant:</p> <ul style="list-style-type: none"> <li>(i) must not initiate or threaten to initiate legal proceedings against each other in respect of any aspect of the subject matter of the Eligible Dispute;</li> <li>(ii) must not pursue legal proceedings on any matter that relates to the capital market service or product in Eligible Dispute; or</li> <li>(iii) must not take any action to recover a debt that is the subject of the Eligible Dispute, to protect any assets securing that debt or to assign any right to recover that debt.</li> </ul> <p>56.2 Notwithstanding Rule 56.1 above, subject to the agreement of SIDREC and on such terms as SIDREC may deem fit, the parties may initiate proceedings where the limitation period for such proceedings will expire shortly. Having initiated such proceedings, the party concerned must apply to court for such proceedings to be stayed until the completion of the Dispute Resolution Process.</p> <p>56.3 If the Eligible Dispute is subsequently decided by SIDREC, SIDREC's Award shall be binding upon the parties, and the relevant party shall abandon any aspect of any proceedings initiated against the other party that is inconsistent with the Award.</p>
57. Stay of Award	An Award shall be stayed where the Commission has directed SIDREC to stay the requirement for compliance of the Award pursuant to its powers under the Regulations.
58. Confidentiality	<p>58.1 No person shall disclose any information or documents obtained during the Dispute Resolution Process unless the disclosure falls within the permitted disclosures under the Regulations.</p> <p>58.2 No director, officer, employee, agent, representative of, or a member of any committee or panel established by, SIDREC shall be required to provide testimony or be called as a witness in relation to matters arising during the Dispute Resolution Process of SIDREC in a civil proceeding.</p>

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	<p>58.3 Any breach or contravention of this confidentiality rule constitutes a loss which cannot be reasonably or adequately compensated in damages. Additionally, SIDREC reserves the right at its full discretion, to discontinue the Dispute Resolution Process with immediate effect.</p>
<p>59. Power to Notify and Disclose Information</p>	<p>59.1 SIDREC shall have the power to require relevant data, information and materials from the Member to enable SIDREC to assess any trends, typologies or market misconduct that have arisen from a dispute or disputes and shall notify or submit such information as is within its knowledge relating to any trends, typologies or market misconduct to the Commission.</p> <p>59.2 SIDREC shall at the Commission’s direction furnish such information to any other regulator or body as may be specified by the Commission.</p> <p>59.3 Pursuant to any cooperation with any dispute resolution body and as permitted under the Regulations, SIDREC may subject to the agreement of both the Member and Eligible Claimant conduct a joint adjudication with the said dispute resolution body.</p>
<p>60. Immunity</p>	<p>60.1 No action, suit, prosecution or other proceedings shall lie or be brought, instituted, or maintained in any court against:</p> <ul style="list-style-type: none"> <li>(i) SIDREC;</li> <li>(ii) a person who is or has been: <ul style="list-style-type: none"> <li>(a) a member of any committee or panel established by SIDREC; or</li> <li>(b) a director, officer, employee, agent or representative of SIDREC,</li> </ul> </li> </ul> <p>for or on account of, or in respect of, any act done or statement made, omitted to be done or made by such persons specified above, in the performance of their functions, or in the exercise of any powers conferred. Provided that such act, statement, performance of functions or exercise of power was done or made, in good faith.</p> <p>60.2 The Eligible Claimant and the Member shall be required to acknowledge and agree that any claim or claims made in contravention of this Rule constitutes a loss which cannot be reasonably or adequately compensated in damages. The Eligible Claimant and the Member shall be required to agree that in event of any such claim or breach or contravention, SIDREC or its directors, officers, employees, agents or representatives, a member of any committee or panel established by SIDREC shall be entitled to the remedy of injunction in addition to any other remedy available at law or in equity. SIDREC or its directors, officers, employees, agents or</p>

<b>Rule</b>	<b>Principle</b>
	<p>representatives or a member of any committee or panel established by SIDREC, shall also be entitled to recovery of legal costs on a full indemnity basis from the Eligible Claimant or the Member or its representative or such other defaulting parties who have acted in breach of this Rule.</p>
<p>61. No Legal Advice</p>	<p>SIDREC and any of its employees, officers, agents or representatives or a member of any committee or panel established by SIDREC, should not be construed at any time whatsoever or in any capacity as having given, offered or rendered legal advice, whether professional or personal, on any legal position as to the rights of the Eligible Claimant, the Member or any representative of the Member.</p>
<p>62. Fees</p>	<p>The structure for the fees payable under Section B are set out in <b>Annexure 3</b>.</p>
<p>63. Register, Use and Publication of Data</p>	<p>SIDREC may publish data relating to the Eligible Disputes for research, evaluation or educational purpose. The nature and format of publication may include a summary of statistics by sectors or nature of cases and any synopsis of individual cases without revealing the identity of the parties to the disputes.</p>
<p>64. Correction and Clarification of SIDREC's Award</p>	<p>64.1 SIDREC may clarify the terms of SIDREC's Award or correct any clerical, typographical or computational error or any other error of a similar nature in such decision. Where such clarification or correction is:</p> <ul style="list-style-type: none"> <li>(i) on SIDREC's own initiative, within five (5) working days of SIDREC's Award; or</li> <li>(ii) upon request by the Eligible Claimant or the Member, within five (5) working days of receiving such request if SIDREC considers the request to be justified.</li> </ul> <p>64.2 Any such request for clarification or correction by the Eligible Claimant or the Member shall be made by written notice to SIDREC within five (5) working days of SIDREC's Award, and in any event, where applicable, prior to the Eligible Claimant notifying SIDREC of his acceptance or rejection of SIDREC's Award or the signing of the Settlement Agreement, as may be applicable.</p> <p>64.3 Any correction or clarification shall be:</p> <ul style="list-style-type: none"> <li>(i) given in writing; and</li> <li>(ii) sent to the Eligible Claimant and the Member via registered post or courier.</li> </ul> <p>64.4 Any correction or clarification shall form part of SIDREC's Award three (3) days after it is made and communicated to the Eligible Claimant and the Member pursuant to Rule 64.3 above.</p>

<b>Rule</b>	<b>Principle</b>
	64.5 SIDREC may extend the timeframes stipulated in this Rule where it is of the opinion that there are reasonable grounds to justify such extension.
65. Register	65.1 SIDREC shall maintain a register of Awards.  65.2 As prescribed under the Regulations, an Award registered in accordance with these Terms of Reference can be recovered or enforced through the courts as a contractual debt.
66. Discretion to Extend Time	Nothing in these Terms of Reference shall restrict SIDREC's ability and discretion to give a party to an Eligible Dispute an extension of time (even if the original period, or the period as extended, has ended) should SIDREC consider it appropriate to do so.

Rule	Principle
	<p><b><u>SECTION C</u></b></p> <p><b><u>APPLICABLE TO DISPUTES REFERRED BY A COURT FOR MEDIATION</u></b></p>
<p><b>Dispute Resolution Process</b></p>	<p><b>Part I: Case Management and Mediation</b></p>
<p>67. Definition</p>	<p>In these Terms of Reference, unless the context otherwise requires:</p> <ul style="list-style-type: none"> <li>• “CMSA” means the Capital Markets &amp; Services Act 2007 (Act 671);</li> <li>• “Case Manager” means any person appointed by SIDREC to be responsible for the management of the Dispute Resolution Process relating to a dispute assigned to him. The Case Manager assigned may also be appointed to be the Mediator, as may be deemed appropriate by SIDREC;</li> <li>• “Client” means an individual investor or sole proprietor, having a dealing or transaction relating to capital market products or services involving a Member;</li> <li>• “Commission” means the Securities Commission Malaysia established under the Securities Commission Act 1993;</li> <li>• “Court” means any court in Malaysia pursuant to the Rules Of Court 2012 and Courts of Judicature Act 1964;</li> <li>• “day” means any calendar day;</li> <li>• “Dispute Resolution Process” means the methods and procedures employed by SIDREC and its Case Managers and Mediators to resolve an Eligible Dispute, and may include ascertaining eligibility of a claim, investigation and mediation under this Section;</li> <li>• “Eligible Disputes” means the disputes as prescribed in Rule 68.1;</li> <li>• “Excluded Disputes” means disputes that are excluded from the jurisdiction of SIDREC as provided for in Rule 69;</li> <li>• “Government enforcement authority” means any statutory or regulatory authority, or agency carrying out a regulatory function, and include the Companies Commission Malaysia and Bank Negara Malaysia;</li> <li>• “Mediator” means a person who is appointed by SIDREC to mediate an Eligible Dispute. A mediation may be conducted by one or more Mediator as SIDREC deems fit. The Mediator may also be assigned the functions of the Case Manager as may be</li> </ul>

Rule	Principle
	<p>deemed appropriate by SIDREC;</p> <ul style="list-style-type: none"> <li>• "Member" means a corporation which appears in the Register of Members of SIDREC in accordance to Schedule 2 of the Regulations and any other person in relation to whom a direction has been issued by the Commission pursuant to subregulation 8(3) of the Regulations. A reference to the member includes any of its directors, employees, agents, contractors, any person who has actual or ostensible authority to act on behalf of the member or authority to act by necessity in relation to a capital market product or service;</li> <li>• "Register of Members" means a register of corporations which are admitted to membership of SIDREC in accordance with the Memorandum and Articles of Association of SIDREC;</li> <li>• "Regulations" means the Capital Markets and Services (Dispute Resolution) Regulations 2010, and any amendments made by the Commission from time to time, or any laws or regulations replacing the same;</li> <li>• "Rule" means a rule stipulated under these Terms of Reference;</li> <li>• "Settlement Agreement" means, a written record of the resolution of a dispute agreed to and signed by the parties in accordance with Rule 75.18;</li> <li>• "SIDREC" means the Securities Industry Dispute Resolution Center (Company No. 909583-H), and includes its Case Managers, Mediators, directors, officers, employees and agents, where applicable;</li> <li>• "SIDREC's Decision" means any decision made by SIDREC;</li> <li>• "working day" means any day other than Saturday, Sunday or gazetted holidays in the Federal Territory of Malaysia; and</li> <li>• References to the male gender include, where the context admits, the female gender and vice versa, and references to the singular include, where the contexts admits, the plural and vice versa.</li> </ul>
<p>68. Eligible Disputes</p>	<p>68.1 A dispute may be submitted to and dealt with by SIDREC where:</p> <ul style="list-style-type: none"> <li>(i) one party to the dispute is a Client;</li> <li>(ii) the other party to the dispute is a Member;</li> <li>(iii) the dispute relates to the Client's dealing or transaction relating to capital market products or services involving the Member;</li> <li>(iv) the claim is a monetary claim;</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>(v) both the Client and the Member concerned agree that the dispute be submitted to SIDREC for resolution by entering into an Agreement To Mediate as required by SIDREC; and</p> <p>(vi) both the Client and the Member comply with any condition that the court may impose.</p> <p>68.2 For the avoidance of doubt, SIDREC shall have the sole discretion to determine whether a dispute constitutes one or more monetary claim. Where SIDREC finds a dispute contains more than one monetary claim, each such claim shall be assessed as a separate dispute in ascertaining its eligibility.</p> <p>68.3 In the event that the sum claimed in the Eligible Dispute is quoted in foreign currency, SIDREC will apply the last applicable "Middle rate" from the Interbank Foreign Exchange Market as published on Bank Negara Malaysia's website as at the date of lodgment of the dispute with SIDREC and at the time as may be determined by SIDREC.</p>
<p>69. Excluded Disputes</p>	<p>69.1 The following disputes are outside the scope of SIDREC:</p> <ul style="list-style-type: none"> <li>(i) disputes which involve a Member against which a winding up has been made, or where the Member has been declared to be financially insolvent by a court of law, or has been the subject of a declaration of an event of default pursuant to the CMC Rules;</li> <li>(ii) disputes arising from commercial decisions, e.g. with regard to product pricing, fees &amp; charges or rejection of credit/margin applications, made by the Member;</li> <li>(iii) disputes concerning the performance of a product or investment (except in respect of any alleged non-disclosure/misrepresentation by the Member in relation to such product or investment);</li> <li>(iv) disputes which have been referred by the Client or the Member to a court or arbitration and the case has been decided in the court or arbitration;</li> <li>(v) disputes involving matters under investigation by the Commission or any other Government enforcement authority where the Commission has issued a direction under the Regulations to SIDREC not to proceed with the Dispute Resolution Process; and</li> <li>(vi) any claim, which is time barred in accordance with the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap.49) at the time it is submitted to SIDREC for resolution.</li> </ul> <p>69.2 SIDREC's decision on Excluded Disputes under Rule 69.1 above is binding on the Member and the Client.</p>

Rule	Principle
70. Principles of Dispute Resolution	<p>70.1 SIDREC shall deal with an Eligible Dispute on its merits and do what is fair and reasonable in all circumstances. SIDREC shall:</p> <ul style="list-style-type: none"> <li>(i) endeavour to facilitate resolution of a dispute from the submission of the dispute until the termination of the Dispute Resolution Process;</li> <li>(ii) endeavour to resolve the Eligible Dispute in an efficient and timely manner;</li> <li>(iii) keep Clients and Members informed on the progress of the Dispute Resolution Process; and</li> <li>(iv) assist Clients and Members to reach a resolution of their dispute.</li> </ul> <p>70.2 In dealing with an Eligible Dispute, SIDREC may also take into account the following:</p> <ul style="list-style-type: none"> <li>(i) general principles of good industry practices, guidelines or codes of conduct;</li> <li>(ii) any applicable law or judicial precedent; and</li> <li>(iii) any past precedent of SIDREC.</li> </ul>
71. Lodging Dispute a	<p>71.1 The Plaintiff's solicitors shall send a notification in writing to SIDREC pursuant to the direction by the Court.</p> <p>71.2 Upon SIDREC's acknowledgement of receipt of the notification in writing by the Plaintiff's solicitors both the Client and the Member concerned are required to forward the following to SIDREC within five (5) working days:</p> <ul style="list-style-type: none"> <li>(i) a duly executed Dispute Resolution Agreement prescribed by SIDREC; and</li> <li>(ii) a copy of all the cause papers filed into the court.</li> </ul> <p>71.3 Upon acceptance of an Eligible Dispute by SIDREC, the parties shall pay to SIDREC the case management fee and mediation fee stated in <b>Annexure 4</b> below within five (5) working days from the date of notification by SIDREC of receipt of SIDREC's prescribed Dispute Resolution Agreement, duly executed by both parties.</p>
72. Preliminary Procedures upon Lodgment of Dispute	<p>72.1 All disputes will be managed by a Case Manager.</p> <p>72.2 SIDREC shall within three (3) working days of receiving any notification in writing by the Plaintiff's solicitors pursuant to a direction of the Court, send a confirmation receipt to the parties or their legal representatives acknowledging the lodgment of the dispute with SIDREC together with a copy of the Dispute Resolution Agreement for the parties' execution.</p>

<b>Rule</b>	<b>Principle</b>
<p>73 Independence and Impartiality of Case Managers and Mediators</p>	<p>73.1 The Case Manager and Mediator shall be independent and impartial at all times.</p> <p>73.2 The Case Manager and Mediator shall disclose any interest in the dispute or any relationship with any party likely to affect his impartiality in the Dispute Resolution Process of the dispute concerned. The Case Manager and Mediator shall disclose such interests or situations of conflict of interest to SIDREC should they arise at any time during the Dispute Resolution Process.</p> <p>73.3 The Case Manager and Mediator shall not advocate for any of the parties involved in the Dispute Resolution Process other than to ensure a fair process.</p>
<p>74. Language of Dispute Resolution Process and Use of Interpreter</p>	<p>74.1 All proceedings of the Dispute Resolution Process shall be conducted in either English or Bahasa Malaysia.</p> <p>74.2 The Client may be assisted by any person who can act as his interpreter. Such person need not be a formally qualified interpreter.</p> <p>74.3 Subject to Rule 75.15 below, the participation of an interpreter in the proceedings must be approved by the Case Manager or Mediator (as the case may be).</p> <p>75.4 Notwithstanding Rule 74.1 above, where the Case Manager or Mediator finds that the interpreter referred to in Rule 74.2 above, is ineffective and provided that either:</p> <ul style="list-style-type: none"> <li>(i) the Case Manager or Mediator is able to communicate in the language in which the Client understands; or</li> <li>(ii) SIDREC has internally available resources to facilitate communication,</li> </ul> <p>the Case Manager or Mediator may, if he deems fit, either conduct the Dispute Resolution Process in the language concerned or seek the assistance of SIDREC's available resources to act as an interpreter to facilitate effective communication with the party or parties concerned. For the avoidance of doubt, such person need not be a formally qualified interpreter.</p>
<p>75. Dispute Resolution Process</p>	<p>75.1 On receipt of a dispute, SIDREC shall consider whether the:</p> <ul style="list-style-type: none"> <li>(i) dispute qualifies as an Eligible Dispute under Rule 68; or</li> <li>(ii) dispute is excluded under Rule 69.</li> </ul> <p>75.2 In resolving the Eligible Dispute, SIDREC may determine its own procedures taking into account the following:</p>

Rule	Principle
	<ul style="list-style-type: none"> <li>(i) the procedures are informal with minimal legal formality and technicality;</li> <li>(ii) SIDREC is not bound by any rules of evidence in the Dispute Resolution Process but may proceed to mediate the Eligible Disputes on the basis of what is fair and reasonable, as it deems fit; and</li> <li>(iii) both parties are given a reasonable opportunity to present their case.</li> </ul> <p>75.3 The Case Manager’s functions include but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) management of the Dispute Resolution Process relating to a dispute assigned to the Case Manager, including making an assessment and recommendation on the manner in which the Eligible Dispute can be resolved;</li> <li>(ii) assessment of the eligibility of a dispute lodged with SIDREC;</li> <li>(iii) investigation of issues raised, relating to a dispute, as he deems fit, or as may be requested by the Mediator;</li> <li>(iv) providing administrative and research support to the Mediator to ensure effective and efficient administration of the Dispute Resolution Process; and</li> <li>(v) acting as the primary point of contact between the parties or their legal representatives to the dispute and SIDREC.</li> </ul> <p>75.4 SIDREC will identify and investigate the issues raised in the Eligible Dispute. Such investigation will continue as may be required for the duration of the Dispute Resolution Process.</p> <p>75.5 The Member and the Client shall comply with any request by SIDREC or take the necessary actions to facilitate the resolution of the Eligible Dispute within the timeframe stipulated by SIDREC which may include requiring the Member or the Client to:</p> <ul style="list-style-type: none"> <li>(i) provide SIDREC with all relevant data, information and materials, including all cause papers and other documents filed in court in respect of the Eligible Dispute;</li> <li>(ii) attend interviews, meetings or hearings;</li> <li>(iii) submit statutory declarations from persons who have knowledge of or are connected to the Eligible Dispute; or</li> <li>(iv) appoint and solicit views of an independent expert pertaining to a matter on or relating to the Eligible Dispute.</li> </ul> <p>75.6 The Client and the Member shall at all times comply, and shall ensure that all its representatives comply with all instructions and determinations made by SIDREC.</p>

<b>Rule</b>	<b>Principle</b>
	<p>75.7 SIDREC may conduct joint meetings with all parties or separate meetings with each of the parties during the Dispute Resolution Process.</p>
	<p>75.8 All meetings and hearings, whether conducted in person, via audio-visual device or otherwise, will be conducted in strict confidence. No audio-visual or any other form of recording of any proceedings may be made except by SIDREC (if deemed necessary by SIDREC for its internal use only).</p>
	<p>75.9 Where a Member or Client without reasonable excuse fails to provide or procure information or to take any other step requested by SIDREC within the timeframe specified, SIDREC may take the steps it considers reasonable in the circumstances. This may include discontinuing the Dispute Resolution Process in the event that the Client fails to comply with SIDREC's request.</p>
	<p>75.10 Under special circumstances, SIDREC may seek independent reports from any expert, legal adviser or any other source when it is satisfied that it is necessary for the resolution of the Eligible Dispute.</p>
	<p>75.11 Where the Eligible Dispute is not resolved during the early stages of case management, the matter will proceed to mediation between the Client and the Member to seek an agreed resolution or settlement of the claim.</p>
	<p>75.12 The mediation process undertaken by SIDREC is both facilitative and evaluative in nature and approach, and may involve the Mediator suggesting options to either or both parties towards the objective of achieving an agreed resolution or settlement of the Eligible Dispute.</p>
	<p>75.13 SIDREC must inform the Client and the Member or their legal representatives as to the procedures adopted or the manner that the procedures will be carried out.</p>
	<p>75.14 Only:</p> <ul style="list-style-type: none"><li>(i) the Member;</li><li>(ii) the Client;</li><li>(iii) the legal representatives of the Member and Client;</li><li>(iv) the Case Manager;</li><li>(v) designated SIDREC staff; and</li><li>(vi) the Mediator;</li></ul> <p>as the case may be, will be permitted to be present during the Dispute Resolution Process.</p>

<b>Rule</b>	<b>Principle</b>
	<p>75.15 Notwithstanding Rule 75.14 above, SIDREC may allow any other person to attend a Dispute Resolution Process subject to the execution of a Confidentiality Agreement in a form prescribed by SIDREC. For the purposes of this Rule, any person other than the parties to the dispute who is permitted by the Mediator to attend the meeting or hearing must abide by the rules of SIDREC and the spirit of SIDREC's process. Where the Mediator is of the view that such person is in any way undermining the process, the Mediator shall have the discretion to exclude such party from the meeting or hearing concerned.</p> <p>75.16 All communications made in the Dispute Resolution Process, including information disclosed, views expressed and the Settlement Agreement entered into by the parties, are strictly confidential, and made on a strictly 'without prejudice' basis and shall not be used in any proceedings, legal or otherwise.</p> <p>75.17 Notwithstanding Rule 75.16 above, the Settlement Agreement may only be used for the purposes of enforcement of the Settlement Agreement.</p> <p>75.18 Where the Eligible Dispute is resolved by a settlement or agreement by both parties, a written record of the terms of the resolution reached by both parties, will be prepared as a Settlement Agreement and signed by both parties.</p> <p>75.19 Where the Eligible Dispute is not resolved by settlement or agreement by both parties, or it is in the opinion of the Mediator that the resolution cannot possibly be reached, the Mediator may before ending the mediation process, suggest options for resolution to either or both parties (as may be appropriate). Where such suggested options (if any) are not accepted by either or both parties (as the case may be), the Mediator will end the mediation process. In the event mediation fails, the Dispute Resolution Process is terminated.</p> <p>75.20 The mediation process will be completed within three (3) months from the date the Eligible Dispute is referred to SIDREC for mediation or such other extended timeframe as the court may grant on application by the parties.</p>
<p>76. Termination of Dispute Resolution Process</p>	<p>76.1 The Dispute Resolution Process shall terminate when:</p> <ul style="list-style-type: none"> <li>(i) a Client and Member reach a settlement or agreement to resolve the dispute at any stage of the Dispute Resolution Process;</li> <li>(ii) a Client and Member fail to reach a settlement or agreement to resolve the dispute after the Eligible Dispute has been mediated;</li> </ul>

<b>Rule</b>	<b>Principle</b>
	<p>(iii) any party to the Eligible Dispute has not responded within fifteen (15) working days of receipt of a notice from SIDREC requiring him to comply with any prior written request by SIDREC; or</p> <p>(iv) there is a written request by the Commission or a Government enforcement authority for SIDREC not to proceed with the Dispute Resolution Process pursuant to Rule 69.1(v) above.</p>
<p>77. Compliance with Settlement Agreement</p>	<p>77.1 The parties to the Eligible Dispute must comply promptly with any settlement to which they agree at any stage of the proceedings.</p> <p>77.2 The parties to the Eligible Dispute must inform SIDREC in writing upon fulfillment of the terms of the Settlement Agreement. The parties shall upon the request of SIDREC, furnish evidence to substantiate that the terms of the Settlement Agreement have been met.</p>
<b>Dispute Resolution Process</b>	<b>Part II: General</b>
<p>78. Confidentiality</p>	<p>78.1 No person shall disclose any information or documents obtained during the Dispute Resolution Process unless the disclosure falls within the permitted disclosures under the Regulations.</p> <p>78.2 No director, officer, employee, agent, representative of, or a member of any committee or panel established by, SIDREC shall be required to provide testimony or be called as a witness in relation to matters arising during the Dispute Resolution Process of SIDREC in a civil proceeding.</p> <p>78.3 Any breach or contravention of this confidentiality rule constitutes a loss which cannot be reasonably or adequately compensated in damages. Additionally, SIDREC reserves the right at its full discretion, to discontinue the Dispute Resolution Process with immediate effect.</p>
<p>79. Power to Notify and Disclose Information</p>	<p>79.1 SIDREC shall have the power to require relevant data, information and materials from the Member to enable SIDREC to assess any trends, typologies or market misconduct that have arisen from a dispute or disputes and shall notify or submit such information as is within its knowledge relating to any trends, typologies or market misconduct to the Commission.</p> <p>79.2 SIDREC shall at the Commission's direction furnish such information to any other regulator or body as may be specified by the Commission.</p>

Rule	Principle
	<p>79.3 Pursuant to any cooperation with any dispute resolution body and as permitted under the Regulations, SIDREC may subject to the agreement of both the Member and the Client conduct a joint mediation with the said dispute resolution body.</p>
<p>80. Immunity</p>	<p>80.1 No action, suit, prosecution or other proceedings shall lie or be brought, instituted, or maintained in any court against:</p> <ul style="list-style-type: none"> <li>(i) SIDREC;</li> <li>(ii) a person who is or has been – <ul style="list-style-type: none"> <li>(a) a member of any committee or panel established by SIDREC; or</li> <li>(b) a director, officer, employee, agent or representative of SIDREC,</li> </ul> </li> </ul> <p>for or on account of, or in respect of, any act done or statement made, omitted to be done or made by such persons specified above, in the performance of their functions, or in the exercise of any powers conferred. Provided that such act, statement, performance of functions or exercise of power was done or made, in good faith.</p> <p>80.2 The Client and the Member shall be required to acknowledge and agree that any claim or claims made in contravention of this Rule constitutes a loss which cannot be reasonably or adequately compensated in damages. The Client and the Member shall be required to agree that in event of any such claim or breach or contravention, SIDREC or its directors, officers, employees, agents or representatives, a member of any committee or panel established by SIDREC shall be entitled to the remedy of injunction in addition to any other remedy available at law or in equity. SIDREC or its directors, officers, employees, agents or representatives or a member of any committee or panel established by SIDREC, shall also be entitled to recovery of legal costs on a full indemnity basis from the Client or the Member or its representative or such other defaulting parties who have acted in breach of this Rule.</p>
<p>81. No Legal Advice</p>	<p>SIDREC and any of its employees, officers, agents or representatives or a member of any committee or panel established by SIDREC, should not be construed at any time whatsoever or in any capacity as having given, offered or rendered legal advice, whether professional or personal, on any legal position as to the rights of the Client, the Member or any representative of the Member.</p>
<p>82. Fees</p>	<p>The structure for the fees payable under Section C are set out in <b>Annexure 4</b>.</p>

<b>Rule</b>	<b>Principle</b>
83. Register, Use and Publication of Data	SIDREC may publish data relating to the Eligible Disputes for research, evaluation or educational purpose. The nature and format of publication may include a summary of statistics by sectors or nature of cases and any synopsis of individual cases without revealing the identity of the parties to the disputes.

# **Annexure 1**

[Rule 23]

<b>FEE PAYABLE FOR APPEALS TO SIAC</b>		
<b>Fees Payable</b>	<b>Application by Members (RM)</b>	<b>Application by Claimants (RM)</b>
Applications for Appeal	Any fees as may be imposed by SIDREC from time to time with the approval of the Commission.	RM500

Note:

1. Any fees prescribed under this Annexure, paid to SIDREC shall be non-refundable regardless of the outcome of the Appeal.

## **Annexure 2**

[Rule 34]

### **ANNUAL LEVY AND OTHER FEES PAYABLE BY MEMBERS**

#### **I. Annual Levy Payable By Members**

To be updated upon the effective date of fees being chargeable to Members.

#### **II. Case Fees Payable For Disputes Involving A Monetary Claim Not Exceeding RM250,000**

<b>Case Fees Payable For Disputes Involving A Monetary Claim Not Exceeding RM250,000</b>			
	<b>Stage of Dispute Resolution Process</b>	<b>Fees payable by Member per Eligible Dispute (RM)</b>	<b>Fees payable by Claimant per Eligible Dispute (RM)</b>
1.	Mediation	Any fees as may be imposed by SIDREC from time to time with the approval of the Commission.	Nil
2.	Adjudication	Any fees as may be imposed by SIDREC from time to time with the approval of the Commission.	Nil

**Notes:**

- Any fees prescribed under this Annexure shall apply to all disputes where mediation or adjudication is conducted on or after 1 April 2017, even if the Eligible Dispute is lodged with SIDREC prior to 1 April 2017.
- For disputes involving a monetary claim for an amount not exceeding RM250,000, upon completion or termination of a mediation or adjudication, SIDREC will send a notice to the Member stating the amount of fees to be paid. The Member shall pay the fees to SIDREC within fourteen (14) days from the date of the notice from SIDREC.

3. The computation of time in ascertaining the duration of a mediation shall be solely determined by SIDREC.
4. Any fees prescribed under this Annexure are payable and non-refundable regardless of the outcome of the mediation or adjudication, and regardless of whether the mediation or adjudication is later terminated due to any reason whatsoever.
5. Members will be informed in writing of the applicable fees payable under this Annexure.

## **Annexure 3**

[Rule 62]

<b>Case Fees For Disputes Involving A Monetary Claim Exceeding RM250,000</b>			
	Stage of Dispute Resolution Process	Fees payable by Member per Eligible Dispute (RM)	Fees payable by Claimant per Eligible Dispute (RM)
1	Mediation	(i) Case management fee of RM500; and  (ii) Mediation fee of RM2,000 per day	(i) Case management fee of RM500; and  (ii) Mediation fee of RM2,000 per day
2.	Adjudication	RM5,000	RM5,000

**Notes:**

1. Any fees prescribed under this Annexure, shall apply to all disputes where mediation or adjudication is conducted on or after 1 April 2017, even if the Eligible Dispute is lodged with SIDREC prior to 1 April 2017.
2. For the mediation of an Eligible Dispute involving a monetary claim for an amount exceeding RM250,000, both the Member and the Claimant shall bear their own costs for the Dispute Resolution Process.
3. The parties shall pay to SIDREC the case management fee and mediation fee stated above within five (5) working days from the date of notification by SIDREC of receipt of SIDREC’s prescribed Dispute Resolution Agreement, duly executed by both parties. In the event the mediation is in SIDREC’s view likely to take more than one (1) day, the parties shall pay the mediation fee for any subsequent sessions before the commencement of mediation.
4. For the adjudication of an an Eligible Dispute involving a monetary claim for an amount exceeding RM250,000, the parties shall pay to SIDREC the adjudication fee stated above within five (5) working days from the date of the notification of the date of adjudication from SIDREC. Both the Member and the Claimant shall bear their own costs for the Dispute Resolution Process.
5. The computation of time in ascertaining the duration of a mediation or adjudication shall be solely determined by SIDREC.

6. The above fees are payable and non-refundable regardless of the outcome of the mediation or adjudication, and regardless of whether the mediation or adjudication is later terminated due to any reason whatsoever.
7. Notwithstanding Note 6 above, in the event the Eligible Dispute is dismissed pursuant to Rule 51.2, SIDREC shall refund the mediation fee paid by the parties without interest.

**Annexure 4**

[Rule 82]

<b>Case Fees Payable For Disputes Referred To SIDREC By A Court For Mediation</b>			
	<b>Stage of Dispute Resolution Process</b>	<b>Fees payable by Member per Eligible Dispute (RM)</b>	<b>Fees payable by Client per Eligible Dispute (RM)</b>
1	Mediation	(i) Case management fee of RM500; and (ii) Mediation fee of RM2,000 per day	(i) Case management fee of RM500; and (ii) Mediation fee of RM2,000 per day

**Notes:**

1. For the mediation of an Eligible Dispute referred to SIDREC by a Court, both the Member and the Client shall bear their own costs for the Dispute Resolution Process.
2. The parties shall pay to SIDREC the case management fee and mediation fee stated above within five (5) working days from the date of notification by SIDREC of receipt of the duly executed Dispute Resolution Agreement. In the event the mediation is in SIDREC’s view likely to take more than one (1) day, the parties shall pay the mediation fee for any subsequent sessions before the commencement of mediation.
3. The computation of time in ascertaining the duration of a mediation shall be solely determined by SIDREC.
4. The above fees are payable and non-refundable regardless of the outcome of the mediation, and regardless of whether the mediation is later terminated due to any reason whatsoever.
5. Notwithstanding Note 4 above, in the event the Eligible Dispute is amicably settled before date for mediation is fixed by SIDREC, SIDREC shall refund the mediation fee paid by the parties without interest.