

Sidrec: High number of disputes settled out of court

PETALING JAYA: The Securities Industry Dispute Resolution Centre (Sidrec) has resolved a high percentage of disputes through the alternative dispute resolution (ADR) in 2021, with (88%) of the conflicts concluded either through case management or mediation.

In a statement yesterday, Sidrec chairman Datuk Mah Weng Kwai said the level of concluded disputes via the ADR was encouraging.

"It augurs well for mediation as an alternative means to resolving disputes as it reduces cost and avoids long-drawn legal disputes in court. The cost and time saved to settle monetary disputes also have far-reaching implications.

"It helps instil greater investor confidence with the availability of a more holistic investor protection infrastructure."

In the same statement, Sidrec said it received a total of 275 claims and enquiries comprising 47 eligible disputes and 228 enquiries, in 2021.

"This marks an increase of 6% from the 259 claims and enquiries received in 2020. Out of the 47 eligible disputes received by Sidrec, 34 were related to shares and warrants, 10 to unit trusts and three to derivatives.

"Service standard-related eligible disputes formed the largest number of disputes received by Sidrec by nature of claim in 2021."

Of the 47 eligible disputes, 22 centred on service standard issues, 18 on market conduct and seven on practices and policies of providers of capital market products and services.

"Sidrec continued to forge ahead with the provision of online dispute resolution (ODR) services in the management of eligible disputes in 2021.

"This was to ensure that it continued to serve as an independent, impartial and effective body for the resolution of monetary disputes in the capital market in Malaysia following sustained movement restrictions due

to the Covid-19 pandemic," it said.

Sidrec is a body approved by the Securities Commission to handle capital market-related monetary disputes between individuals or sole proprietors and providers of capital market products and services who are Sidrec members.

Despite the Covid-19 movement restrictions, Sidrec chief executive officer Sharmila Sharma said it had mediated 17 disputes in 2021, which was one of the highest in any given year since its inception.

"ODR has not merely been a means for Sidrec to overcome the challenges posed by the pandemic, it also increased the accessibility of Sidrec's dispute resolution services to retail investors in the Malaysian capital market across the country and even abroad.

"To this end, Sidrec will continue to refine the measures that have already been put in place in 2020 and 2021 to ensure that ODR continues to be robust and sustainable over time," she said.