



MEDIA STATEMENT

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SIDREC continues to resolve capital market-related monetary disputes despite the pandemic

The Securities Industry Dispute Resolution Center (SIDREC) today released its 2021 Annual Report. The Report highlights SIDREC's success and resilience in providing investors with an alternative dispute resolution (ADR) avenue to the courts to seek redress for monetary disputes that they have with providers of capital market products and services who are members of SIDREC.

Enhancing Investor Protection through Alternative Dispute Resolution

Despite COVID-19 movement restrictions imposed throughout 2021, SIDREC continued to resolve a high percentage of eligible disputes through ADR. Eighty-eight percent (88%) of disputes were successfully concluded either through case management or mediation.

According to SIDREC's Chairman, Dato' Mah Weng Kwai, "This is an encouraging outcome. 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 2021, SIDREC received a total of 275 claims and enquiries, comprising 47 eligible disputes and 228 enquiries. This marks an increase of six percent from the 259 claims and enquiries received in 2020. Out of the 47 eligible disputes received by SIDREC, 34 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.

SIDREC's Chief Executive Officer, Sharmila Sharma, stated that in 2021, "Despite COVID-19 movement restrictions, SIDREC mediated 17 disputes, one of the highest numbers in any given year since its inception." She added, "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."

SIDREC Investor Awareness Survey

In 2021, SIDREC also conducted its biennial Investor Awareness Survey (IAS) between August and October to gauge the level of awareness of SIDREC and its services among retail investors in the Malaysian capital market. SIDREC received over 10,000 survey responses with the largest groups of respondents aged between 25 and 44, living in the Klang Valley. They predominantly invested in stocks or shares, followed by unit trusts and private retirement schemes. Their main investment pattern was on a monthly basis of less than RM10,000 annually. The results of the survey highlighted the need for continuing investor education, including options in seeking redress for capital-market related monetary disputes.

For more insights, please refer to SIDREC's Annual Report 2021 available online at www.sidrec.com.my.

Securities Industry Dispute Resolution Center (SIDREC) 29 March 2022

About SIDREC	Nature of Eligible Disputes
<p>SIDREC is a body approved by the Securities Commission Malaysia (SC) to handle capital market-related monetary disputes between individuals or sole proprietors and providers of capital market products and services who are SIDREC Members. SIDREC Members include banks, stockbrokers, unit trust management companies, fund managers and private retirement scheme providers and distributors.</p> <p>SIDREC works with investors and capital market providers of products and services who have eligible disputes related to investments to provide case management, mediation and adjudication services to both parties to achieve a resolution in an independent, impartial and effective manner.</p> <p>Under its Mandatory Scheme, SIDREC's dispute resolution services are free for investors with monetary claims of up to RM250,000.</p> <p>Under its Voluntary Scheme, SIDREC accepts disputes involving monetary claims above RM250,000 provided both parties agree to use SIDREC's services.</p>	<p>SIDREC classifies eligible disputes according to the issues raised. The following are the three main categories of eligible disputes, including some examples of issues that fall under each category:</p> <ul style="list-style-type: none"><li data-bbox="845 1093 1388 1272">• Service Standard. These may include delays, errors, or glitches in online systems, lapses in disclosure as well as other delays or errors in processes.<li data-bbox="845 1305 1388 1585">• Market Conduct. These may include fraud, defalcation or misappropriation, sales practices such as mis-selling, bad advice, product suitability, inadequate disclosures, unauthorised transactions, or non-compliance with client instructions.<li data-bbox="845 1619 1388 1765">• Member's Practices or Policies. These include fees and charges, disclosure policy, product development and sales policy.

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