



Welcome Remarks by Datuk Syed Zaid Albar
Chairman, Securities Commission Malaysia
Virtual InvestSmart® Fest 2020 (Virtual ISF 2020)
23 October 2020

Salam Sejahtera, Ladies and Gentlemen

Good morning and welcome to Virtual InvestSmart® Fest 2020.

1. It is my pleasure to welcome all of you to the seventh instalment of the InvestSmart® Fest, and for the first time it is held virtually... over the next 3 days. I hope the virtual event this year will provide the opportunity... for more Malaysians, from near and far, to be able to participate in this event. And I am told that 40% of the registrants for this year's InvestSmart Fest are in fact from outside the Klang valley.
2. This year's InvestSmart® Fest... with the theme, "*Silap Labur Duit Lebur*" is also held in support of the Financial Education Network (FEN)'s.... inaugural Financial Literacy Month 2020 held throughout October.
3. We have in store for you, various initiatives and programmes... which have been organised by FEN members, to raise the level of financial and investment literacy *among* Malaysians.

4. This year, SC's InvestSmart continue to participate in various virtual investor education events and seminars in collaboration with industry groups including FIMM and financial planning associations.

Ladies and Gentlemen,

Opening

5. Today, we stand at the brink of a prolonged recovery from the Covid pandemic. Needless to say, many Malaysians are going through challenging times with businesses continuing to be affected... while job losses in Malaysia has increased by 42% in the 1st quarter this year due to this pandemic.
6. A survey conducted by the Credit Counseling and Debt Management Agency (AKPK) last year... found that only 24% of Malaysians can survive up to 3 months with their savings. For the self-employed, more than 71% have sufficient savings of only one month.
7. Against this backdrop, I would like to focus my address this morning on two key issues, first the importance of achieving financial well-being and second the need to suppress the rapid increase of scams.

Financial Well Being

8. I am not sure how many of you remember the story about the Ant and The Grasshopper. Well, this is the tale of the hardworking ant who collects and stores up food during summer only to be laughed at by the grasshopper who dances and plays the summer away. Come winter, while the ant remains well fed and warm, the grasshopper perished from hunger during the winter. The moral of the story is - *to always be prepared for a rainy day.*
9. Achieving financial well-being means, having the ability to control one's finances.... having the ability to absorb a financial shock and the financial freedom to make

choices in life. To achieve this... we need to develop skills or to seek advice on how to effectively manage our finances.

10. And another important aspect of achieving financial well-being, is to realise that we must plan early for our retirement. With an average life expectancy of 75, we have to ensure that our retirement savings is sufficient to sustain us for at least another 15 years after we stop earning any income. When it comes to retirement planning, it is never too early to start saving and investing. *Unfortunately*, a recent survey conducted by the SC shows, that Malaysians... tend to start retirement planning at quite a late stage in life; around the age of 44 years and above.
11. So cognisant of the need for investors to plan early, towards achieving financial well-being, the SC has included complimentary financial planning sessions as a permanent agenda in its annual InvestSmart Fest. I would like to encourage all of you... to take advantage of the 450 FinPlan4U on-line sessions, which has started on Monday 19th October and will continue throughout the Fest until 25th October. I also urge all of you to join the Panel session on Sunday which will be discussing issues relating to retirement planning.

Ladies and Gentlemen

Supressing Proliferation of Scams

12. Let me now move on to the proliferation of scams. In December 2019 the Police (PDRM) Commercial Crime Department, reported that Malaysians have lost a total of RM769 million to scammers over the last 3 years. The report also noted that on-line scams were one of the most rampant amongst the scams perpetrated.
13. For the first 6 months of this year alone, Malaysians were reported to have lost a total of RM914 million to scams.
14. In the capital market, SC has also observed an increase in incidences of scams. Up to end September this year, SC has received 370 queries and complaints on illegal

investment schemes compared to 317 for the whole of last year. These scams usually promise extremely high returns with little or no risk.

15. Of late, there has been a rise of "clone firm scams" where the fraudster will impersonate a legitimate licenced entity to dupe investors into believing that they are investing with a legitimate entity.
16. Our findings show that the promotion of such scams are commonly carried out via social media channels – with the use of WhatsApp and Facebook being the most prevalent channels. Investors who received offers of investment opportunities through WhatsApp messaging or Facebook channels should exercise caution. I would like to advice investors to always verify the individual and entity's status with the SC before investing their monies in any investment schemes.
17. The SC believes that investors' vulnerability to scams may be caused in part by their unrealistic expectation of returns from investments. In our survey earlier this year, it shows that a majority of investors in Malaysia have an unrealistic expectation of 24% to 30% returns per annum on their investments. Please remember, if the investment proposal is too good to be true, then it probably is.
18. Today, investors' vulnerability is also compounded by their search for yield in this low interest rate environment.
19. Given the rapid increase of illegal investment scams, the SC has recently established an internal Task Force... to focus on investigating and taking enforcement action against the perpetrators.
20. We urge investors to also play their part by coming forward to provide information to the SC... if they have been approached by any person offering these schemes.

21. To accelerate and broaden our anti-scams effort I am pleased to announce the release of InvestSmart®'s new anti-scam awareness video... which we will air after my address and throughout the 3-day event.

Ladies and gentlemen,

Closing

22. In closing, I would like to take this opportunity, to express my gratitude for the support of our event partners, namely Bursa Malaysia Berhad, FPAM and MFPC, esteemed speakers and over 35 exhibitors for participating in InvestSmart® Fest 2020.
23. Do participate in the sessions we have lined-up for you and take the opportunity to engage with the financial planners and exhibitors during your visit.

Sentiasa ingat, "*Silap Labur Duit Lebur*".