

**Keynote Address**  
**by Dato' Seri Dr. Awang Adek Hussin**  
**Chairman, Securities Commission Malaysia**  
**FPAM Annual Signature Financial Planning Symposium 2022**  
***Theme: The Excellence in Practice Management***

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**Summary:**

According to the SC Chairman, Dato' Seri Dr. Awang Adek Hussin, the financial planning industry is an essential component of the Malaysian capital market. It plays a crucial role in empowering Malaysians to achieve their financial goals. This entails building and maintaining trust and confidence of clients, both existing and prospective, and the broader public as a whole. Here are the key highlights from his keynote address:

- Integrity and longevity go hand in hand. Promoting a reputation for high integrity and standards is good for the financial planning industry in the long run.
- The SC will work to better integrate the concept of vulnerable investors into its regulatory approach and development initiatives.
- To make the capital market more inclusive, we must ensure that all investors are served, irrespective of their circumstances.
- Financial planners are at the forefront against scams.
- Scammers are financial planners' direct competitors because every Ringgit that flows to a scammer does not flow to a financial planner that provides genuine advice and earn fees.
- In August this year, the CMDF provided approximately RM4 million to members of the financial planning industry. This was intended to promote excellence in practice management and counter scam activities.

## **Speech:**

Encik Paul Low Hong Ceong, Presiden FPAM,

Puan Linnet Lee, Ketua Pegawai Eksekutif FPAM,

Ahli Lembaga Pengarah FPAM,

Tuan-tuan dan puan-puan,

Assalamualaikum warramatullahi wabarakatuh dan salam sejahtera.

1. Terlebih dahulu, terima kasih kepada pihak FPAM atas undangan untuk saya berucap di symposium tahunan ini.
2. Forum perkongsian ilmu sebegini amat penting untuk para peserta menimba ilmu baru, meningkatkan prestasi, serta memperbaiki piawaian dan amalan operasi, demi kemakmuran bersama industri dan pasaran modal Malaysia.

## **Integrity and longevity are two sides of the same coin**

Ladies and gentlemen,

3. The Financial Planning or FP industry is an essential component of our domestic capital market. It plays a crucial role in empowering Malaysians to achieve their financial goals. Ultimately, they must be able to invest confidently and wisely based on proper advice. More so when conditions are uncertain, such as what we have experienced this year.
4. This entails building and maintaining the trust and confidence of clients – both existing and prospective – as well as the broader public.
5. Therefore, financial planners must act with the highest level of integrity in providing holistic and quality financial advice. This should be tailored to each client's unique circumstances, ensuring a financially secure future for them.
6. Let's be clear that raising delivery standards and service levels will never be at the expense of hurting your bottom lines.
7. Simply put, when your clients trust you and are confident that you have their best interest at heart, they are likely to maintain the relationship throughout their life. They may even recommend your services to their family and friends. A good

reputation also provides opportunities to attract talent, enabling your business to grow further.

8. In short, **integrity and longevity are two sides of the same coin.** Demonstrating high integrity and standards adds to your personal and enterprise brand value, and in the long run enhances business sustainability.

### **Inculcate inclusivity in provision of advice**

Ladies and gentlemen,

9. In providing advice, planners would need to dedicate time and attention to understanding each client's needs, objectives and preferences before devising a plan to meet their goals. While each client commands different levels of attention, we hope that you pay particular attention to the needs of more vulnerable investors.
10. An investor can be vulnerable due to their circumstances, environmental factors, or sometimes even reduced attention and care by service providers. For example, an investor with insufficient financial knowledge or who is less fluent in English might face difficulties while investing. A negative life event such as illness, loss of a family member, or falling into debt can also affect one's ability to make sound investment decisions.
11. Vulnerable investors thus face higher risk of encountering challenges in their market interactions. They are more likely to be facing difficulties in accessing the market, or even being excluded from investing today. Even if they do, they may face poorer long-term outcomes, such as retirement inadequacy, as well as facing higher susceptibility to frauds and scams.
12. In line with our global regulatory peers, **the SC will be focused on further embedding the notion of vulnerable investor into our regulatory approach and development initiatives. In order for the capital market to be more inclusive, we must ensure that all investors are served, irrespective of their circumstances.**
13. Market participants must uphold their responsibilities and make sure investors are protected, particularly those who may be more susceptible to exploitation, poor sales practices and misleading financial advice.

14. While the SC can provide guidance on how to deal with vulnerable investors, it is ultimately your duty as financial planners to identify, assess and address the needs of investors, including the more vulnerable.

### **Financial planners are front-liners in the crusade against scams**

Ladies and gentlemen,

15. The rise of scams has been a thorn for the capital market, particularly over the past few years. Between 2019 and 2021, the number of complaints and enquiries related to scams received by the SC has increased by more than four-fold.
16. With losses nationally running into the billions, all stakeholders must play their part in eradicating this menace.
17. In addition to investor awareness and education, the SC also employs other tools to combat scams and other unlicensed activities. This includes blocking websites, issuing cease and desist notices, as well as taking enforcement action.
18. However, our efforts need to be complemented by industry as front liners, in the crusade against scams.
19. Let me stress that scammers not only erode investors' trust and confidence in our capital market and discourage participation, they also directly affect industry revenues. Every Ringgit that flows to a scammer, does NOT flow to a financial planner that provides genuine advice and earn fees. **To put it bluntly, scammers are planners' direct competitors.**
20. Therefore, financial planners should all the more reason act as agents of change and ensure clients, especially vulnerable ones, do not fall prey to scammers' tricks.
21. In this regard, I am encouraged to hear that certain financial planners do in fact take the initiative to protect their clients against scams. I must also applaud the good work on scam awareness from the Investor Protection working group, established through the industry's 3-year Joint Action Plan.
22. Nevertheless, I must remind you not to be satisfied with what you have done, but instead continue to fight hard against scammers as they become more sophisticated and global in character.

## Conclusion

Ladies and gentlemen,

23. Improving standards and practices, being more inclusive and preventing scams are all necessary to ensuring the longevity and sustainability of the financial planning industry.
24. **In August of this year, the Capital Market Development Fund (CMDf) provided FP industry representatives with approximately RM 4 million towards instilling excellence in practice management and to counter scam activities.** This funding will go a long way in developing operating standards for FP firms, creating awareness of scams and unlicensed activities through various media, as well as providing financial planning clinics and coaching to vulnerable communities.
25. We hope that the industry will continue their good work in implementing these and other initiatives funded by CMDf. Such efforts should ultimately lift up industry excellence, as well as that of individual practitioners, to greater heights.
26. Akhir sekali, marilah kita sama-sama bekerjasama sebagai satu pasukan untuk memastikan industri perancangan kewangan negara menjadi lebih mantap dan boleh dibanggakan.

Sekian. Terima kasih.