

**MINORITY SHAREHOLDERS WATCH GROUP**  
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Company No. 200001022382 (524989-M))

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UNLICENSED ACTIVITY

## SC's clarification on investment guidance timely, says MSWG

**KUALA LUMPUR:** The new Guidance Note on Provision of Investment Advice issued by the Securities Commission (SC) recently would better clarify what constitutes as advice when it comes to indulging in regulated activity of investment, said the Minority Shareholders Watch Group (MSWG).

Its chief executive officer, Devanesan Evanson, said the SC was more likely to consider a person was "carrying on a business of advising others" if the activity

was undertaken in a structured manner with regularity or, where there were payments, fees or gratification being received by the investment adviser, whether directly or indirectly.

"The Guidance Note is indeed timely, as we have seen a proliferation of activities on the Internet that may cross the fine line between investment guidance (an unlicensed activity) and the regulated activity of investment advice (a licensed activity)."

He said the current trend was

worrying as there had been a proliferation of unlicensed "investment advisers".

"Many individuals, either ignorantly or purposely, may be offering investment advice, which is a licensed and regulated activity. For the ignorant, the Guidance Note is timely education, and for those who knowingly offer investment advice without a licence, it is a timely forewarning," he said.

The SC issued the Guidance Note on Dec 30 last year to pro-

vide clarity to the industry and the public on conduct that it considered as falling within the regulated activity of providing investment advice under the Capital Markets and Services Act 2007 (CMSA).

In a statement, the regulator said the Guidance Note was issued in response to the increasing number of queries and complaints received regarding various social media platforms, chat rooms and messaging applications that appeared to be provid-

ing specific stock recommendations and/or investment advice to members of the public for a fee.

The Guidance Note can be downloaded at [www.sc.com.my/regulation/guiding-principles](http://www.sc.com.my/regulation/guiding-principles)

Meanwhile, Financial Planning Association of Malaysia chief executive officer Linnet Lee said the Guidance Note would give clarification to the industry and members of the public on conduct within the regulated activity of providing investment advice under the CMSA 2007. **Bernama**