

# NEED HELP TO SETTLE YOUR INVESTMENT DISPUTES?

If you have a monetary dispute related to your capital market investment, SIDREC can give you independent, fair and expert help, free of charge.



## 1 WHY SHOULD I COME TO SIDREC?

SIDREC was established by Securities Commission Malaysia (SC) as an independent, impartial and affordable dispute resolution avenue with capital market expertise, for investors who are unable to resolve their monetary dispute with a SIDREC member. Our services are free for investors with claims not exceeding RM250,000.

## 2 LODGING A COMPLAINT WITH SIDREC

### 1) How do I complain or file a claim to SIDREC

You can call us, email, fax or write to us, submit an online application, or come and see us at our office.

### 2) What are the types of complaints SIDREC covers?

SIDREC looks at monetary disputes related to capital market products and services involving regulated activities of dealing in securities, derivatives, unit trusts and Private Retirement Schemes (PRS), and fund management.

If your complaint involves a capital market product or service provided by our Member, their representative or agent, SIDREC will be able to help you.

### 3) Who are SIDREC Members?

SIDREC Members comprise companies, which are registered persons, or are licensed by the SC to deal in securities, derivatives, PRS, and/or undertake fund management.

These include banks, stockbroking companies, futures broking companies, unit trust management companies, fund management companies, PRS providers and distributors, and financial planners who are corporate unit trust/PRS advisers. Please refer to our website for a complete list of Members.



### 4) What capital market products or services are under SIDREC's purview?

Capital market products that come under SIDREC's purview include:

- securities (e.g. shares, warrants, bonds, structured products such as structured warrants etc.)
- derivatives (e.g. futures or options)
- unit trusts
- PRS

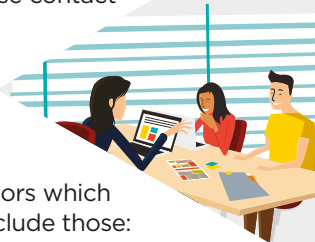
Capital markets services include any service that involves a capital market product. This would include all aspects of helping you invest in shares, unit trusts or any other securities, derivatives or PRS.

If you are unsure whether your claim/complaint is within SIDREC's purview, please contact SIDREC.

### 5) What types of complaints/disputes are excluded?

There are a few categories of complaints/disputes from investors which SIDREC can't help with. They include those:

- involving a Member against which a winding up order has been made, or where the Member has been declared to be financially insolvent by a court of law, or has been the subject of a declaration of an event of default pursuant to the Rules of the Capital Market Compensation Fund Corporation;
- arising from commercial decisions, e.g. product pricing, fees & charges or rejection of credit/margin applications;
- concerning the performance of a product or investment (except in relation to alleged non-disclosure/misrepresentation by the Member on such product or investment);
- which have been referred by the Claimant or the Member to a court or arbitration and the case
  - has been decided in the court or arbitration; or
  - is pending in the court or arbitration unless the matter is stayed for the purposes of referral of the dispute to SIDREC;
- involving matters under investigation by the SC or any other Government enforcement authority where



the SC has issued a direction to SIDREC not to proceed with the Dispute Resolution Process; and

- (f) which have been time barred in accordance with the Limitation Act 1953, Limitation Ordinance (Sabah) (Cap.72) and Limitation Ordinance (Sarawak) (Cap.49) [“the relevant limitation laws”]

#### 6) Do I have to pay for SIDREC’s service?

SIDREC’s service is free for investors for disputes involving claims not exceeding RM250,000.

#### 7) Is there a limit to the amount I can claim?

Yes, the maximum claim limit and amount that may be awarded by SIDREC in an adjudication of a claim is RM250,000 excluding fair interest.

However, SIDREC is able to accept claims exceeding RM250,000, if both the Claimant and SIDREC Member would like our help.

#### 8) How long does SIDREC’s dispute resolution process take?

SIDREC aims to resolve all claims within 90 working days from receiving complete documentation. However, this time frame may be extended at SIDREC’s discretion depending on the complexity of the disputes, the level of cooperation extended by the parties, any logistical impediments involving any of the parties etc.

#### 9) If I am a foreigner or residing outside Malaysia, can I still come to SIDREC for help?

Yes, we will accept claims from any person regardless of your nationality or where you live, so long as your complaint or claim is in relation to a capital market product or service provided to you by a SIDREC Member.

#### 10) Is there a time limit for making a complaint to SIDREC?

- (a) You must submit your claim within the 6-year limitation period imposed by the relevant limitation law; and
- (b) Where you have received a final reply to your complaint from a SIDREC Member, you have 180 days from that date to submit your claim. If you are not sure whether your claim is within the prescribed time frame, please contact SIDREC for guidance.

## 3 OUR PROCESS

### 1) What happens when I submit a complaint to SIDREC?

Upon receipt of a claim/complaint, SIDREC will first assess its eligibility, followed by an assessment on the merit of the claim. During the merit assessment, SIDREC may dismiss your claim/complaint if, for example, it is found to be clearly unsustainable against the Member concerned, or if the claim is frivolous and vexatious.

If your claim passes the initial assessment, the matter proceeds to mediation, where SIDREC’s mediator will try to help parties reach a resolution to the dispute. If parties fail to reach an agreement through mediation, the matter will then proceed to adjudication, during which SIDREC’s adjudicator will conduct a hearing of the matter and issue a decision.

### 2) What is mediation?

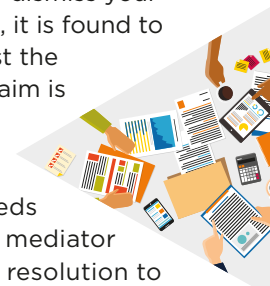
Mediation is an effective way of resolving disputes without the need to go to court. It involves a mediator who is an independent third party. The mediator’s role is to help the parties communicate and reach an agreement and outcome that is acceptable to both parties.

Mediation meetings are very practical and common sense in approach. The mediation process is confidential and the discussions will not be disclosed to any party outside of SIDREC’s dispute resolution process.

### 3) What is adjudication?

Adjudication is a hearing of a dispute that results in a decision on the dispute.

Unless the Claimant withdraws, disputes involving claims not exceeding RM250,000 will proceed to adjudication if mediation fails.



In the adjudication process both parties will be given an opportunity to:

- (a) present any evidence (including the calling of witnesses) to support their case;
- (b) seek clarification from the other parties or their witnesses;
- and
- (c) submit on their respective cases.

The Adjudicator may also seek further clarification and documents from the parties or their witnesses. After taking into account the evidence presented, facts involved, conduct of parties, relevant rules and laws, best industry practices, and SIDREC’s precedents, the Adjudicator will come to a decision, applying the principle of what is fair and reasonable in the circumstances.

### 4) Is SIDREC’s adjudication decision binding on all parties?

SIDREC’s decision is binding only on the SIDREC Member. If you are unhappy with SIDREC’s decision, you are free to explore other avenues to resolve your complaint.

However, if you accept the decision, you would then enter into a settlement agreement with the SIDREC Member, that reflects SIDREC’s decision and this will then be binding on both parties.

Please see SIDREC’s Terms of Reference (TOR) or contact us for more details on our process. The TOR is on our website.



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