

CAPITAL MARKETS AND SERVICES ACT 2007 (Act 671)

An Act to consolidate the Securities Industry Act 1983 [Act 280] and Futures Industry Act 1993 [Act 499], to regulate and to provide for matters relating to the activities, markets and intermediaries in the capital markets, and for matters consequential and incidental thereto.

Section 59 of the CMSA

Requirement for Capital Markets Services Representative's Licence

59.

(1) No person shall act as a representative in respect of any regulated activity or hold himself out as doing so unless he is the holder of a Capital Markets Services Representative's Licence for that regulated activity or is a registered person with respect to that regulated activity.

(2) A person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or to both.

Civil liability of principal for acts of representative

59A.

(1) A person who is authorized or engaged by a principal to act as its representative shall be deemed to be an agent of the principal when –

- (a) the agent engages in any conduct, makes any representation or acts within his authority; and
- (b) such conduct, representation or act is carried out in the course of the business for which the principal is licensed.

(2) For the purposes of subsection (1), a principal shall not be entitled to rely on any arrangement, agreement or contract entered into –

- (a) between the principal and its representative; or
- (b) between the principal and its client, that operates to completely remove or exclude its obligation or liability as the principal of its representative.

(3) A principal shall not be liable for the act of its representative if the representative has ceased to be a representative of the principal and the principal has taken all reasonable steps to inform, or bring to the knowledge of clients of the fact of such cessation.

(4) For the purposes of this section, "principal" means a holder of a Capital Market Services Licence.

