

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 72 of the CMSA

Revocation and suspension of licence

72.

(1) A licence shall be deemed to be revoked—

- (a) in the case of a holder of a Capital Markets Services Licence, if the holder is wound up or otherwise dissolved, whether within or outside Malaysia; and
- (b) in the case of a holder of a Capital Markets Services Representative's Licence, if the representative dies.

(2) The Commission may revoke a licence—

(a) in the case of a holder of a Capital Markets Services Licence, if—

- (i) there exists a ground on which the Commission may refuse an application under subsection 64(1);*
- (ii) the holder fails or ceases to carry on the business in all or any of the regulated activities for which it was licensed for a consecutive period of three months;*
- (iii) the holder contravenes any condition or restriction in respect of its licence or any direction issued to it by the Commission under this Act;*
- (iv) the holder contravenes any of the rules of the stock exchange, derivatives exchange, approved clearing house or central depository which is binding upon it; or;*
- (v) the holder fails to pay any fee as provided for under section 63; or;*

(b) in the case of a holder of a Capital Markets Services Representative's Licence, if—

- (i) there exists a ground on which the Commission may refuse an application under subsection 65(1);*
- (ii) he fails or ceases to act as a representative in respect of all or any of the regulated activities for which he was licensed;*
- (iii) [Deleted]*
- (iv) the holder contravenes any condition or restriction in respect of his licence or any direction issued to him by the Commission under this Act; or;*
- (v) the holder fails to pay any fee as provided for under section 63;*

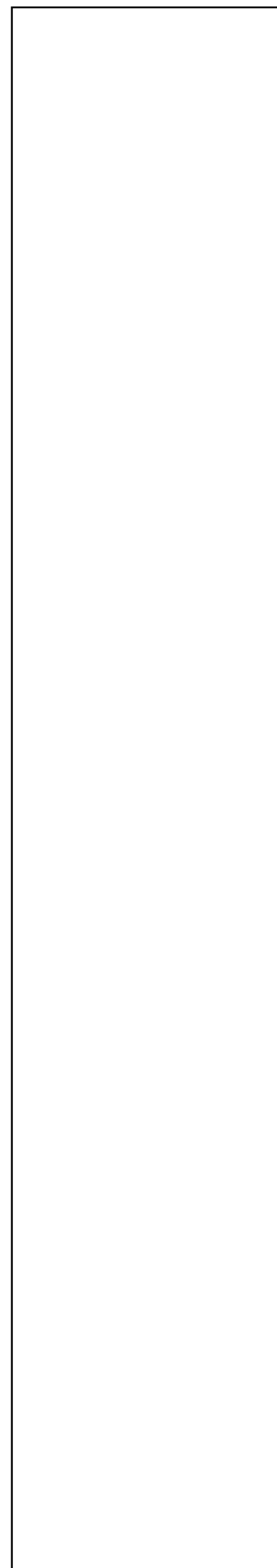
(3) Where subsection (2) applies, the Commission may, if it considers it desirable to do so—

- (a) suspend a licence for a specific period instead of revoking it under subsection (2); and
- (b) at any time extend or revoke the suspension.

(4) Subject to subsection (5), the Commission shall not revoke or suspend a licence under subsection (2) or (3) without giving the licensed person an opportunity to be heard.

(5) The Commission may revoke or suspend a licence without giving the licensed person an opportunity to be heard—

- (a) in the case of a holder of a Capital Markets Services Licence, on any of the following grounds:
 - (i) the holder is in the course of being wound up or otherwise dissolved, whether within or outside Malaysia;*
 - (ii) a receiver, receiver and manager or an equivalent person has been appointed, whether within or outside Malaysia in respect of any property of the holder; or*



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(iii) the holder or any of its directors, chief executive, managers or controller has been convicted of any offence described in subparagraph 64(1)(h)(i) or (ii); or

(b) in the case of a holder of a Capital Markets Services Representative's Licence, on any of the following grounds:

(i) the holder is an undischarged bankrupt, whether within or outside Malaysia; or

(ii) the holder has been convicted of any offence described in subparagraph 65(1)(g)(i) or (ii).

(6) Without prejudice to subsections (2) and (3), the Commission may, on any ground described in subsection (2), impose any restriction on the activities of a licensed person to which its licence relates and such restriction may be permanent or be made for such period as may be determined by the Commission.

(7) [Deleted]

(8) Where the Commission has revoked or suspended a Capital Markets Services Licence or imposed restrictions on a holder of a Capital Markets Services Licence, such holder shall immediately inform all its representatives by notice in writing of such revocation, suspension or imposition of a restriction.

(8A) Where the Commission has revoked or suspended a Capital Markets Services Licence, the representatives of the licence holder shall cease to be a holder of a Capital Markets Services Representative's Licence for that Capital Markets Services Licence holder.

(8B) A holder of a Capital Markets Services Representative's Licence who cease to hold a licence under subsection (8A) may make an application under paragraph 69(1)(b) to vary his licence.

(9) A person whose licence is revoked or suspended under this section shall, for the purposes of this Division, be deemed not to be licensed from the date that the revocation or suspension takes effect, as the case may be.

(10) A person who—

(a) carries on a regulated activity after its licence has been revoked or has ceased;

(b) carries on a regulated activity while its licence has been suspended or is in breach of a restriction imposed under subsection (6); or

(c) contravenes subsection (8), 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 ten years or to both, and in the case of a continuing offence, to a further fine not exceeding five thousand ringgit for every day or part thereof during which the offence continues after conviction.

