



Welcome address by Tan Sri Dato Dr. Mohd. Munir Abdul Majid, Chairman of Financial Services Professional Board (FSPB), at the launch of the FSPB Professional Code for the financial services industry, on 24 May 2018

Following the outcome of the general election on 9 May 2018, there is less reason to be sceptical of the kind of work FSPB does to help raise the standards of ethics and professional conduct in the financial services industry in our country.

I daresay even the statutory regulators may feel less embarrassed when they exhort directors of financial institutions to set the tone from the top in the inculcation of the ethical and compliance culture.

I must thank the staff members of FSPB, and my fellow board directors, particularly those from overseas, for keeping a stiff upper lip as we soldiered on with our remit in less than ideal circumstances before the election.

Let me share with you in the Asean work that I do the sniggering by businessmen from such countries as Cambodia and Myanmar, was a little hard to take. I am sure many others in many different capacities went through this as we all did our best for our country in trying times not of our making. We kept our head down, not up.

There has been a deliverance for which we must thank the Malaysian people whose voice was finally heard against the greatest odds, unfair, unjust, unlawful - unbelievable. In our work - we must never forget how critical the financial system is to social life - we must not fail them. Never has it been better highlighted the responsibility we must perform in ethical and professional conduct.

The new dawn must not be allowed to turn into a false one. It now depends on all of us and on the new government of course. Deep and extensive institutional reform after a substantial period of gross violation which has put on its head what is the right thing to do, is the great challenge before us. Who can be trusted to be ethical and professional in conduct in the discharge of their personal and institutional responsibilities? How long will it take?

There is just so much to be done. So much reform. So many things have been overturned. It will take some doing to reach the point of renewal. Therefore we must all do our bit for our country.

Thus it is apposite that the FSPB Professional Code is being launched today, at this time - although there is still a long way to go to achieve desired standards to ensure the financial services industry is protected from the kind of rot that this country has been afflicted with in the past so many years, or the kind of scandalous greed that caused the Western financial crisis of 2008, or the dismal public and corporate governance which was the precursor to the Asian financial crisis of 1997-98.



The Professional Code is just another step in the long march to help ensure professional and ethical standards in the financial services industry by FSPB, an industry led body which advocates good practice coming from the industry. Whilst the FSPB is appreciative of the support and encouragement it receives from both Bank Negara Malaysia and the Securities Commission, the support from members of the financial services industry, particularly the leaders of the industry, remains of utmost importance in raising those ethical and professional standards.

With such support the FSPB launched the Code of Ethics (CoE) in January 2016, intended to complement a formal system of regulation through a voluntary principles-based code developed “by the industry, for the industry, in the public interest.” Thereafter the extensive FSPB Guidance Notes to the CoE was launched in October 2017, providing guidance on how the principles of the code may be applied in practice through policies, procedures and processes within an organisation.

The FSPB Professional Code being launched today provides ten standards of professional conduct that interpret the five principles of ethics in the CoE by explaining the minimum standard of conduct expected of organizations or individuals across the financial services industry. The Professional Code is to be read together with the CoE and the FSPB Guidance Notes to move towards the complete suite of ethical and professional conduct.

Let me emphasize: Keeping to the highest standards of ethics and integrity is an inextricable part of being professional.

We want the FSPB Professional Code to serve as a catalyst in shifting the mindset of all participants in the financial services industry towards greater self-regulation. To taking responsibility and embedding the culture of “doing the right thing” in the respective organizations in the industry.

The FSPB Professional Code has been developed through a process of consultation with leaders in the industry, subject matter experts and other industry participants. Feedback and comments were also sought from Bank Negara Malaysia and the Securities Commission. Nevertheless we wish to emphasize this is an industry document to show its commitment towards achieving a high level of professional conduct.

It is a living document which may be reviewed from time to time to take account of changes in expectations, lessons that may be learned, new activities - such as the growth of the FinTech industry - that will come to characterize the financial services industry.

We recommend the Professional Code, along with the CoE and the Guidance Notes, to the industry to assist financial institutions as they grapple with the need and the call for an acceptable standard of ethics and conduct. What we offer of course is not compulsory, but can be of help towards that end. We look forward to working further with the industry and other organizations committed to ensuring a stable and robust financial system underpinned by a high standard of ethical and professional conduct.