

SC ISSUES GUIDANCE FOR FINFLUENCERS

MEDIA RELEASE

Kuala Lumpur, 18 July 2024

The Securities Commission Malaysia (SC) has updated the Guidance Note on the Provision of Investment Advice (Guidance Note). This is to address the growing popularity of financial influencers (finfluencers) promoting capital market products and services on social media, as well as to create greater public awareness.

The update clarifies the SC's regulatory expectation on finfluencers' sharing of financial insights and recommendations on social media. The SC aims to uphold parity in terms of regulatory treatment of finfluencers' activities as providing investment advice is a regulated activity under the securities laws.

In particular, the Guidance Note clarifies that promotion of a capital market product on social media platforms may require a licence from the SC in certain circumstances. For example, the sharing of financial insights or recommendations that promote certain capital market products to followers with expectation of commissions or other rewards will require a licence.

Finfluencers should take note that engaging in unlicensed regulated activities is an offence which is punishable under the Capital Markets and Services Act 2007 (CMSA). Any person found guilty may be liable to a fine not exceeding RM10 million or imprisonment not exceeding ten years or both.

To guide finfluencers to comply with the CMSA, the SC has also published an informative infographic with frequently asked questions and a checklist.

Finfluencers should verify that the companies they promote are licensed or approved by the SC by using the [SC's Investment Checker](#).

The SC, as part of its discharge of its regulatory function, actively monitors the capital market and will continue to address any developments and trends by, amongst others, issuance of guidance to the public. The regulator will take actions, where necessary, towards ensuring a fair and orderly market.

The Guidance Note can be downloaded at <https://www.sc.com.my/regulation/guidance-notes-and-guiding-principles> and the infographic is available at <https://www.sc.com.my/investor-empowerment/info-on-finfluencer>.

SECURITIES COMMISSION MALAYSIA