

**FINANCIAL MISREPORTING AND SECURITIES FRAUD-PUBLIC AND PRIVATE
ENFORCEMENT .**

by

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ABSTRACT

Between 2004 and 2006, there were several companies in Malaysia that were involved in financial misreporting probe by the securities regulators. These received widespread public attention. However, majority of the instances of financial misreporting has been publicly enforced by the securities regulator. In this paper, I discuss the various enforcement actions taken by the securities market regulators. This article also discusses the possibility of private enforcement of securities law contravention and whether the enforcement actions taken by the regulators could be useful to a private litigant. Shareholders' litigation in relation to financial misreporting has been confined to private companies where reliance is made to the oppression provision by shareholders to obtain remedy. The instances of financial misreporting in relation to public companies have not been similarly enforced. This article also considers whether the recent company and securities law amendments, i.e., the Companies (Amendment) Act 2007 and the Capital Market and Services Act 2007 will improve shareholders' activism in this area.