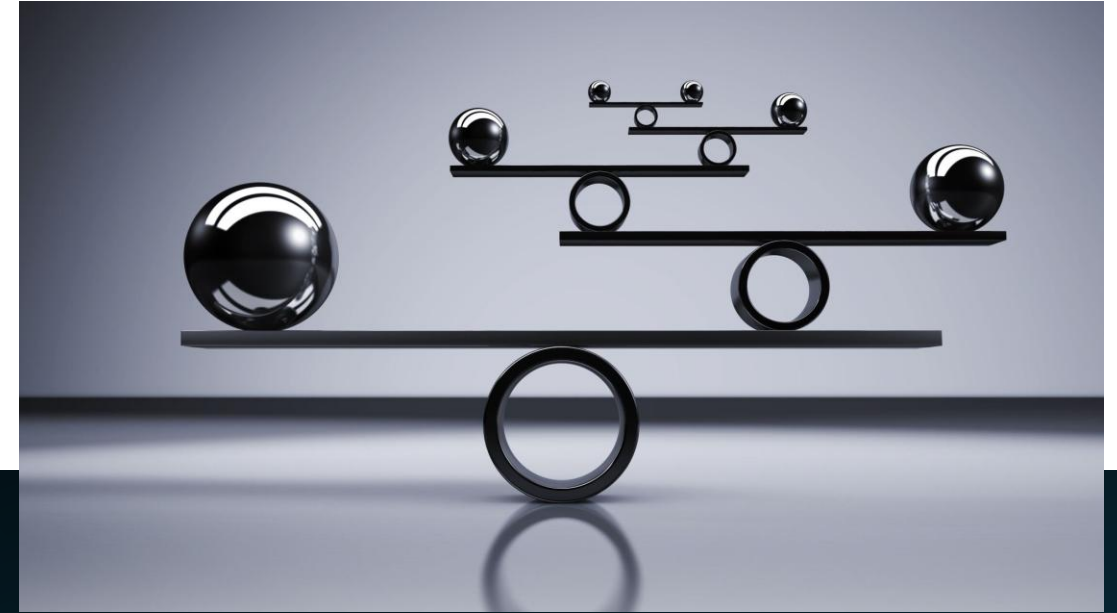


Ethical Governance in Financial Market Oversight: Balancing Regulation and Innovation



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Financial Markets are more complex, global and technologically driven



Ethical governance is crucial as it guides regulators and market participants to make decisions grounded in integrity and the public interest.

Role of Ethical Governance in Financial Oversight - Key Principles



Transparency

Ensuring that financial activities are transparent to prevent market manipulation and fraud.



Ensuring Fair and Consistent Treatment

Markets operate on a level playing field and are subject to the same rules.



Strengthening Accountability


Unethical or illegal financial practices should be held accountable for their actions.



Upholding Integrity and Public Interest

Protecting the public from systemic risks and unethical practices that could cause widespread harm.

Balancing Innovation with Regulation

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- Encouraging innovation that improves access, efficiency, and inclusion.
 - Maintaining vigilance to prevent misuse, fraud, or systemic risk.
 - Effective regulation does not stifle innovation.
 - Ethical governance ensures decisions are not reactionary but guided by fairness, proportionality, and accountability.



Success Stories

- **Adoption of sandbox frameworks** by BNM and SC enabled safe innovation under oversight.
- **Digital Bank Licensing** in balancing innovation with regulation, promoting both inclusive finance and strong governance.
- **Guidelines on Fair Treatment of Financial Consumers and Guidelines on conduct for Capital Market Intermediaries** raised professional standards in advice and sales practices, and enhanced protections for vulnerable consumers and strengthen fair and effective redress mechanism.
- **Guideline on Responsible Financing** post-2008- promoted ethical credit practices and restored confidence.
- **Successful Consumer Protection Moves Against Scams**



Cautionary Tales

- Digital Investment and Crypto-Related Scams
- Mis-selling and Unethical Sales Practices in Financial Products
- Failures in Cooperative and Community-Based Schemes



The Way Forward -Collaborative and Ethical Innovation

- **Regulators, innovators, industry players, and the public must work together.**
 - **Co-create frameworks for responsible, inclusive, and transparent innovation.**
 - **Embed trust, governance, and societal objectives at every stage.**
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**“Ethics is not a
constraint on
innovation; it is its
compass.”**

Q & A



*Resolving Disputes, **Maintaining**
Trust*

Thank You

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