

Frequently Asked Questions

Strategic Joint – Venture Partnership

1. What is the background to the strategic partnership between CIMB Group and China Galaxy in relation to the cash equities business in Malaysia?

The strategic partnership will see CIMB Group, a leading ASEAN universal bank, and China Galaxy Securities Group, one of the largest Chinese securities companies, becoming 50:50 shareholders in CGS-CIMB Holdings Sdn. Bhd. (“CGS-CIMB Holdings”), which shall be the holding company for the Malaysia cash equities business of the CGS-CIMB joint venture (“JV”).

The JV will see the two leaders (i.e. CIMB Group and China Galaxy) in their respective markets combine their expertise and reach to scale up and take the business to the next level. The JV will be in an advantageous position to capitalize on capital market activities through enhanced synergies and cross-selling opportunities.

2. What will be the scope of the cash equities business of this JV?

This JV will be carrying on the Malaysia cash equities business comprising institutional and retail brokerage, equities research and associated securities businesses (“Cash Equities Business”).

3. Will CIMB Group continue to operate its non-cash equities businesses as usual?

For the non-cash equities businesses, CIMB Group will continue to provide its services as usual (i.e. corporate finance advisory, private banking, consumer banking services etc.) to its customers via its relevant subsidiaries.

4. When is the JV effective?

The JV will be effective from 1 July 2019.

5. Currently, what is the business model of the cash equities business of CIMB Group?

Ex-Malaysia: CIMB Group has already started operating its cash equities business (outside Malaysia) via its ex-Malaysia joint venture entity, CGS-CIMB Securities International Pte. Ltd. group of companies effective from 18 January 2018.

Malaysia: From now until 30 June 2019, CIMB Group’s Cash Equities Business in Malaysia is operated via CIMB Investment Bank Berhad, CIMB Futures Sdn. Bhd. and CIMB Bank Berhad.

From 1 July 2019 onwards, CIMB Group will continue to operate its Cash Equities Business in Malaysia through the JV business model under CGS-CIMB Securities Sdn. Bhd. (“CGS-CIMB Securities”) - currently CGS-CIMB Securities is known as Jupiter Securities Sdn. Bhd. (“Jupiter Securities”), a wholly-owned subsidiary of CGS-CIMB Holdings.

Non-Margin & Margin Clients of CIMB Investment Bank Berhad and CIMB Bank Berhad

6. What will happen to my existing securities trading accounts with CIMB Investment Bank Berhad (“CIMB IB”)?

From now until 30 June 2019, your non-margin securities trading account with CIMB IB will continue to operate as usual.

From 1 July 2019 onwards, your non-margin securities trading account will continue to operate and be serviced under CGS-CIMB Securities.

7. I am a margin client with CIMB IB as the appointed broker. How does the JV impact my existing share margin financing (“SMF”) facilities? Will there be changes to the agreements that I have signed earlier?

There will be minimal impact to your existing SMF facilities. The existing SMF facility agreements executed will, to the extent that they are in compliance with laws and regulatory requirements, be unchanged. They will be vested from CIMB Bank to CGS-CIMB Securities and will continue to be serviced by CGS-CIMB Securities from 1 July 2019 onwards. You are advised to read the revised General Terms & Conditions for full understanding. Please refer to: <https://www.itradecimb.com.my>
Other than the above and in line with Bursa Malaysia Securities Rules, with effect from 1 July 2019 clients' CIMB Bank fixed deposit and foreign currency cash shall be treated as margin collateral instead of being deducted from the margin outstanding balance for purposes of computing the margin of financing. Kindly contact your dealer's representative for more information.

8. Will there be any changes in withdrawal of cash and collateral from my margin account with effect from 1 July 2019?

You can continue to submit the Form of Drawing Notice as per current arrangement. You may only withdraw from your margin account cash and any collateral deposited into your margin account subject to the approved terms of financing.

9. Will there be any other fees that I have to pay as a result of the business transfer to CGS-CIMB Securities?

There will be no fees charged to you as a result of the business transfer to CGS-CIMB Securities.

10. How does the JV impact trade settlement and funding my trading account?

You can continue to make trade settlements or deposit your funds to the same bank account number as usual. There is no change to the bank account number.

From 1 July 2019 onwards, the bank account name will be changed to CGS-CIMB Securities Sdn. Bhd. However, the bank account number will remain the same.

11. Who will be my servicing Dealer's Representative (“DR”) and who should I contact if I have further enquiries?

There is no change to your servicing DR and for any further enquiries, you may contact your DR or alternatively, you may contact our i*Trade@CIMB Call Centre at 03-2635 6868 or email us at itrade@cimb.com