

Dispute Resolution

Admissibility of Documents Where Contents or Notations Are Disputed: Federal Court Ruling in Live Capital Sdn Bhd v Pioneer Conglomerate

In **Live Capital Sdn Bhd v Pioneer Conglomerate Sdn Bhd** [2025] CLJU 1308, the central issue concerned the respondent (“plaintiff”) seeking the return of an interest-free loan of RM7 million allegedly advanced to the appellant (“defendant”) through two cheques. To substantiate its claim that the sum was a loan and not a commission, the respondent relied on two payment vouchers associated with the cheques.

However, the admissibility of the vouchers came into question. The parties classified the two vouchers as Part C document as:

- The vouchers contained typewritten words/handwritten notations stating that the payments were advances, but these notations were not present at the time the second defendant witness (“DW2”) signed the vouchers.
- The respondent failed to produce the original vouchers despite requests from the appellant.

In deciding whether the two vouchers should be converted from identification documents (“IDP”) (for identification purposes only) into exhibits (as proof of authenticity and truth of contents), the Federal Court unanimously held that:

- A document cannot be admitted in evidence and marked as such until it has been properly proved. For the two vouchers to be used as evidence in support of the respondent’s claim, they must first be proved to have been properly admitted in evidence. It was not the duty of the appellant to ensure proper admission of the two vouchers as exhibits, let alone to prove that they had been forged, altered or tampered with.
- Since the vouchers tendered were not originals and were disputed in terms of authenticity and content, they could only be marked as IDP, that is, for identification purposes only and not for the purpose of proving the truth of their contents until after the maker

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or makers of the documents were called to give evidence.

- Unless the authenticity of the two vouchers had been verified by calling the maker or makers of the documents, the contents of the documents remained hearsay as the purpose of producing them was to prove the truth of the contents and not merely to prove that the notation and alterations were made.

The Federal Court emphasised that the fact that DW2 signed on the two payment vouchers did not make him the maker of the documents as the dispute was not over his signatures but over the authenticity and truth of the contents.

Considering this, the Federal Court held that the learned JC has erred in converting the two vouchers (which were initially IDP 1 and IDP 2) to exhibits P1 and P2 simply because DW2 confirmed that the signatures on the two documents were his signatures.

The Federal Court cautioned that any other hypothesis would mean that anyone would be free to tamper with documents without the knowledge of the person who signed the documents, and the documents could then be used against him without the need for the party seeking to rely on the documents to verify the authenticity of the documents. In the words of the Federal Court, this cannot be a correct position of the law.

In closing, the Federal Court held in affirmative that:

- where the contents/notations written on a document are disputed and/or alleged to have been added after the document was signed/initialled, it is incumbent upon the party relying on the document and the disputed contents/notations to call the maker of the document and/or the author of the contents/notations to prove the same.
- Where a document was marked as an exhibit during a trial and part of its contents are disputed, the court is obliged to assess the veracity, truthfulness of the contents of the said document and the weight to be given to the said document on the basis of the oral and other documentary evidence adduced before the court only if such document was properly admitted in evidence.

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Financial Services

Qualified Resident Investor Program

Bank Negara Malaysia (“BNM”) announced the full rollout of its Qualified Resident Investor (“QRI”) program for eligible corporates with effect from 1 July 2025.

BNM highlighted that eligible resident corporates are only required to complete a one-off registration to benefit from flexibility in managing future direct investments abroad.

Under the QRI program, approved eligible resident corporates may reconvert ringgit into foreign currency for direct investment abroad without requiring prior approval from BNM.

Issue of Product Governance Guidelines

On 24 June 2025, the Securities Commissions Malaysia (“CMS”) introduced the Guidelines on Product Governance (“PGG”), aimed at strengthening investor protection as well as encouraging responsible product development and distribution in the capital market.

The PGG will come into effect on 2 January 2026 and will apply to a product issuer and a product distributor that issues or distributes unlisted capital market products, except:

- (a) ordinary shares;
- (b) over-the-counter derivative contracts that are customised specifically for an investor;
- (c) venture capital or private equity funds; and
- (d) product hosted or funds raised on the platform of a recognized market operator or initial exchange offering operator that is registered by the Securities Commission Malaysia.

Among others, the PGG:

- (1) requires product issuers and distributors to prioritise investors’ interests when designing and distributing unlisted capital market products, reflecting this in its controls, policies and procedures (“CPPs”);
- (2) requires product issuers and distributors to put in place CPPs that improve product suitability for the intended target market and proactively identify and prevent potential harm to investors;

- (3) places greater emphasis on board and management's responsibilities by holding them accountable for product design and distribution; and
- (4) requires collaborative relationship between the product issuers and distributors to share information in respect of the appropriateness of target market to ensure the product continues to serve its intended purpose.

The PGG can be accessed [here](#).

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