

Update on Module 6, Stock Market & Securities Law's Study Guide, Seventh Print 2021 (Revised)

No	Page No	Topic	Update
1	1-28 1-32	1 – Overview of the Malaysian Stock Market	<p>1.06 Participants and Intermediaries in the Malaysian Stock Market</p> <p>Printer error:</p> <ul style="list-style-type: none"> • Ignore the content from 1-28 as it is repeated content from page 1-32 • and refer to the missing content for page 1-28 as below <p>Categories of Participation Organisations are as follows:</p> <ul style="list-style-type: none"> • Investment Bank <p>An Investment Bank is an entity that holds a Capital Markets Services Licence (CMSL) pursuant to s.58 of the <i>CMSA</i> for the regulated activity of dealing in securities and holds a licence under s.10 of the <i>Financial Services Act 2013</i> to carry on an investment banking business, and duly established pursuant to the <i>Guidelines on Investment Bank</i> issued jointly by Bank Negara Malaysia and the SC.</p> <ul style="list-style-type: none"> • Universal Broker <p>A Universal Broker is a stockbroking company that has merged with or acquired at least three other stockbroking companies and has satisfied all the conditions and requirements stipulated by the SC under the Policy Framework for Stockbroking Industry Consolidation.</p> <ul style="list-style-type: none"> • Special Scheme Broker <p>A Special Scheme Broker is a foreign stockbroking company that is licensed to carry out regulated activities pursuant to the Application for Establishment of Foreign Stockbroking Companies under the Special Scheme.</p> <ul style="list-style-type: none"> • 1 + 1 Broker <p>A 1+1 Broker is a stockbroking company that has complied with the Policy Framework for Stockbroking Industry Consolidation and has acquired, taken over, amalgamated or merged with at least one other stockbroking company.</p>

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			<ul style="list-style-type: none"> • Standalone Broker <p>A Standalone Broker is a Participating Organisation that has not complied with the SC's Policy Framework for Stockbroking Industry Consultation as stated in the Licensing Handbook.</p> <p>Dealer's Representatives</p> <p>A dealer's representative is a holder of a Capital Markets Services Representative's Licence (CMSRL) for dealing in securities.</p> <p>There are three types of dealer's representatives:</p> <ul style="list-style-type: none"> • Commissioned Dealer's Representatives <p>A Commissioned Dealer's Representative is a dealer's representative the Participating Organisation engages on a non-salaried basis. He/she is more commonly known as a "remisier". He/she can trade on behalf of clients only and cannot execute proprietary trades on behalf of his/her Participating Organisation. He/she can execute any other trading activity the SC permits except Day Trading.</p> <p>Day Trading means the taking of proprietary positions by the Participating Organisation on an intraday buy and sell and vice versa, and for the avoidance of doubt excludes Direct Business transactions.</p>
2	3-31	3 – Business Structure	<p>Question 2</p> <p>The following are types of Collective Investment Schemes EXCEPT:</p> <ul style="list-style-type: none"> (i) Unit Trusts (ii) Bonds (iii) Exchange Traded Funds (ETF) (iv) Real Estate Investment Trusts (REITs) <ul style="list-style-type: none"> A. (ii) only B. (iii) only C. (i) and (iv) only D. (ii) and (iii) only <p>Answer:</p> <ul style="list-style-type: none"> A. (ii) only

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3	8-25	8 – Relationship between Stockbroking Company and Client	<p>Suggested Answer for Self-Assessment Questions</p> <p>Question 2 The correct answer should read as (C) (i), (iii) and (iv) only instead of (C) (i), (ii) and (iv) only</p>
4	8-16	8 – Relationship between Stockbroking Company and Client	<p>Participating Organisation Trading as Principal with the Client</p> <p>Conflict: The Participating Organisation’s interest to achieve the best price for itself can conflict with its duty to obtain the best price for the client. The client may be able to buy or sell at a better price elsewhere.</p> <p>Duty: The Participating Organisation must make full disclosure of the fact that it is acting as a principal.</p>