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# **LICENSING EXAMINATION STUDY OUTLINE**

**For Jan to June 2022 Examinations**

**(Issued in November 2021)**

## **Module 19 Advisory Services (Rules and Regulations)**

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(This document consists of 35 pages including the cover page)

## **STUDY OUTLINE**

### **MODULE 19: ADVISORY SERVICES (RULES AND REGULATIONS)**

This examination is designed to test candidates' knowledge and understanding of the rules and regulations governing advisory services in the Malaysian capital market. It is one of the examinations to be passed by individuals who:

- (1) intend to apply for a Capital Markets Services Representative's Licence (CMSRL) to carry on the regulated activities of advising on corporate finance or investment advice;
- or
- (2) intend to be employees of registered persons who carry out the capital markets activities as stipulated in Item 2 and 3 of Schedule 4 of the Capital Markets and Services Act 2007.

Candidates are advised to refer to the Licensing Handbook for the detailed combination of examinations required for each regulated activity.

Candidates are expected to possess good knowledge and understanding of the subject matter provided in the study outline and specified references. In addition, candidates are expected to have relatively strong capability in the application, analysis and evaluation of information in this study outline and its references. It is estimated that this module will require a minimum of 200 hours of study time. Candidates may need less or more depending on the education background and work experience.

Candidates are expected to update themselves with the latest changes relevant to this examination as all questions will be continuously updated to reflect these changes. Candidates are permitted to refer to their own prescribed reference materials during the examination. Note that no prescribed reference materials will be provided by the Securities Industry Development Corporation (SIDC). The prescribed reference materials brought into the examinations by candidates are subject to the terms and conditions of SIDC, details of which are set out in the terms and conditions of the SC licensing examinations.

The prescribed reference materials for this module are as follows:

- **Capital Markets and Services Act 2007**
- **Licensing Handbook**

**Guidelines, Codes, Rules and Practice Notes:**

- **Equity Guidelines**
- **Guidelines on Submission of Corporate and Capital Market Product Proposals (New)**
- **Malaysian Code on Take-Overs and Mergers 2016**
- **Rules on Take-overs, Mergers and Compulsory Acquisitions**
- **Asset Valuation Guidelines**
- **Prospectus Guidelines**
- **Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors**
- **Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework**
- **Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market**
- **Issuer Eligibility Guidelines - Structured Warrants**

**Listing Requirements:**

- **Bursa Malaysia Securities Berhad Main Market Listing Requirements**
- **Bursa Malaysia Securities Berhad ACE Market Listing Requirements**
- **Bursa Malaysia Securities Berhad LEAP Market Listing Requirements**

Candidates are required to comply with the terms and conditions of the SC licensing examination. Severe penalties will be taken against candidates for any misconduct during the examination.

At the end of this study outline are 4 sample questions of various formats used in the Module 19 examination. The samples provided do not in any way reflect the level of difficulty or the subject-matter distribution of the actual examination. They are merely intended to familiarise candidates with the styles of multiple-choice questions used in the examination.

## EXAMINATION STRUCTURE

Details of the examinations are as follows:

<b>Type of Questions</b>	Multiple-Choice
<b>Number of Questions</b>	60 questions
<b>Passing Mark</b>	70%
<b>Time Allocated</b>	90 minutes
<b>References /Text</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Examination Study Guide on Legal Considerations and Code of Conduct</li> <li><input type="checkbox"/> Capital Markets and Services Act 2007</li> <li><input type="checkbox"/> Licensing Handbook</li> <li><input type="checkbox"/> Equity Guidelines</li> <li><input type="checkbox"/> Guidelines on Submission of Corporate and Capital Market Product Proposals (New)</li> <li><input type="checkbox"/> Malaysian Code on Take-Overs and Mergers 2016</li> <li><input type="checkbox"/> Rules on Take-overs, Mergers and Compulsory Acquisitions</li> <li><input type="checkbox"/> Asset Valuation Guidelines</li> <li><input type="checkbox"/> Prospectus Guidelines</li> <li><input type="checkbox"/> Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors</li> <li><input type="checkbox"/> Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework</li> <li><input type="checkbox"/> Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market</li> <li><input type="checkbox"/> Issuer Eligibility Guidelines - Structured Warrants</li> <li><input type="checkbox"/> Bursa Malaysia Securities Berhad Main Market Listing Requirements</li> <li><input type="checkbox"/> Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li><input type="checkbox"/> Bursa Malaysia Securities Berhad LEAP Market Listing Requirements</li> </ul>

## REFERENCES

The relevant references (acts and guidelines) for this examination can be obtained from Securities Commission Malaysia website at [www.sc.com.my](http://www.sc.com.my) and examination study guides can be purchased from [www.sidc.com.my](http://www.sidc.com.my).

The Bursa Malaysia Securities Berhad Main Market Listing Requirements and Bursa Malaysia Securities Berhad ACE Market Listing Requirements can be obtained from Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

For more information please visit the SIDC website at [www.sidc.com.my](http://www.sidc.com.my).

## LEARNING OBJECTIVES

Candidates are expected to have good knowledge, understanding and ability to apply in the following areas:

- The principles of contract law and relevant issues
- The laws which are relevant to the advisory services in the Malaysian capital market
- The system and procedures of licensing of persons who carry on the investment advisory business in Malaysia
- The features and prohibitions of investment advisory activities
- The regulations governing the issue and offer of equity securities, listing of corporations and quotations of securities on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) (Main Market) and proposals which result in a significant change in the business direction or policy of corporations listed on the Main Market under the Securities Commission Malaysia's Equity Guidelines
- The regulations setting out who can act as principal advisers for the submission of corporate proposals and the competency standards required
- The regulations governing the conduct of due diligence for corporate proposals by issuers, advisers and experts
- The activities and current trends connected to money laundering and terrorism financing and the Malaysian regulatory approach towards them
- The characteristics and regulations governing take-overs in Malaysia
- The regulations governing valuations of property assets in conjunction with corporate proposals for submission to the Securities Commission Malaysia or for inclusion in prospectuses and circulars
- The regulations governing the issuance and registration of prospectuses
- The regulations governing the issue, subscription, purchase, invitation to subscribe or purchase corporate bonds or sukuk to retail investors
- The regulations that must be observed for the purposes of exclusively making available unlisted capital market products to sophisticated investors in Malaysia or persons outside Malaysia
- The regulations governing the issuers of structured warrants
- The regulations governing listing of securities under the Bursa Securities Main Market Listing Requirements, Bursa Malaysia Securities Berhad ACE Market Listing Requirements and Bursa Malaysia Securities Berhad LEAP Market Listing Requirement

## EXAMINATION SYLLABUS

The syllabus for this examination is divided into 3 sections and the maximum composition of questions from each section is as follows:

Section	Composition of Questions (Maximum)	Number of Questions (Maximum)
Section 1	40%	24
Section 2	80%	48
Section 3	30%	18

Details of the syllabus are as below:

### SECTION 1

#### LEGAL CONSIDERATIONS AND CODE OF CONDUCT

##### 1. Contractual Issues

- 1.1 Outline of the law of contract
- 1.2 Essential elements of a contract
- 1.3 Other elements of contract
- 1.4 Exclusion and limitation clauses
- 1.5 Remedies for breach of contract

##### 2. Negligent Misstatement

- 2.1 Negligence
- 2.2 Defences
- 2.3 General liability of stockbrokers
- 2.4 False and misleading statements under securities laws

##### 3. Licensing of persons who carry on the business of investment advice, advising on corporate finance and their representatives

- 3.1 Advising on corporate finance, Investment advice, CMSL and CMSRL defined
- 3.2 Requirement to be licensed
- 3.3 Criteria for the grant of licence
- 3.4 Revocation and suspension of licence
- 3.5 Duties and obligations of licence holder

**4. Prohibited Conduct and Insider Trading**

4.1 Prohibited conduct

4.2 Insider trading

**5. Conclusion**

**GUIDELINES ON PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING FOR REPORTING INSTITUTIONS IN THE CAPITAL MARKET**

**Part I : Introduction and Applicability**

1 Introduction

2 Applicability

3 Definitions

4 General Description of Money Laundering

5 General Description of Terrorism Financing

6 General Principles and Policies to Combat Money Laundering and Terrorism Financing

**Part IA : AML/CFT Compliance Programmes and Obligations of Board of Directors, Senior Management and Compliance Officer**

6A Internal Programmes, Policies, Procedures and Controls

6B Board of Directors

6C Senior Management

6D Compliance Officer

6E Group-wide ML/TF Programmes

**Part II : Risk-Based Approach Application**

7 Risk- Based Approach Application

**Part III : Customer Due Diligence**

8. Customer Due Diligence (CDD)

**Part IIIA : Wire Transfer**

9. Wire Transfer of Digital Assets

**Part IV : Retention of Records**

10. Record Keeping

- Part V : Suspicious Transactions**
- 11. Reporting on Suspicious Transactions
  - 12. Confidentiality of Reporting
- Part VI : Enforcement Orders**
- 13. Compliance with Enforcement Orders
- Part VII : Combating Terrorism Financing**
- 14. Identification and Designation

**Appendices**

**SECTION 2**

**EQUITY GUIDELINES**

**Part I: General**

- Chapter 1: Introduction
- Chapter 2: Definitions
- Chapter 3: Corporate Governance
- Chapter 4: Conflict of Interest

**Part II: Policy Guidelines**

- Chapter 5: Equity Offerings and Listings
- Chapter 6: Special Purpose Acquisition Company
- Chapter 7: Back-Door Listings and Reverse Take-Overs
- Chapter 8: Transfer of Listing

**Part III: Submission and Implementation**

- Chapter 9: Submission of Proposals
- Chapter 10: Implementation of Proposals

**Part IV: Appendices**

**Part V: Schedules**

**Part VI: Guidance**





**GUIDELINES ON SUBMISSION OF CORPORATE AND CAPITAL MARKET PRODUCT PROPOSALS**

- Chapter 1:** Introduction
- Chapter 2:** Applicability
- Chapter 3:** Related Provisions
- Chapter 4:** Definitions
- Chapter 5:** Obligations of a Submitting Party
- Chapter 6:** Obligations of a Submitting Party, Senior Officer and Qualified Person for Submission of a Specific Proposal
- Chapter 7:** Obligations of Advisers in a Proposal
- Chapter 8:** Obligations of an Applicant in a Proposal

**Appendices**

**MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2016**

**Citation and commencement**

**General principle 1 to 12**

**Acquisition pursuant to subsection 218(3)**

**Revocation and saving**

**RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS**

**PART A: GENERAL**

**RULE 1** Introduction

**RULE 2** Interpretation

**RULE 3** Advisers

**PART B: TAKE-OVER OFFER**

**RULE 4** Mandatory offer

**RULE 5** Types of Voluntary Offer

**RULE 6** Key Terms

**RULE 7** Comparable Offers for More than One Class of Equity Shares

**RULE 8** Appropriate Offers for Convertible Securities

**PART C: PROCESS AND PROCEDURE OF TAKE-OVER OFFER**

**RULE 9** Announcements and Notices

**RULE 10** Standard of Care and Responsibility

**RULE 11** Timing and Contents of Documents

**RULE 12** Timing of Offer

**RULE 13** Announcement of Results of Offer

**RULE 14** Settlement of Consideration

**PART D: CONDUCT DURING OFFER**

**RULE 15** Management of Affairs and Resignation by Directors

**RULE 16** Frustration of Offer

**RULE 17** Evidence of Ability to Implement Take-Over Offer

**RULE 18** Favourable Deals

**RULE 19** Dealings During Offer Period

**RULE 20** Prompt Registration

**RULE 21** Restrictions Following Offers and Possible Offers

**PART E: COMPULSORY ACQUISITION AND RIGHT OF MINORITY SHAREHOLDERS**

**RULE 22** Compulsory Acquisitions and Right of Minority Shareholders

**SCHEDULES**

**APPENDICES**

**ASSET VALUATION GUIDELINES**

**Chapter 3: Appointment of Valuer**

Right of Appointment

Eligibility Requirements for Firm

General and Continuing Obligations

Independence of Valuer

Conflict of Interest

Professional Duty

Declaration

**Chapter 4: Valuation**

Basis of Valuation

Use of Assumptions

Breaches of Relevant Laws and Regulations

Valuation Approach and Method of Valuation

Comparison Approach

Cost Approach

Income Capitalisation Approach

## **Chapter 7: Requirements for Valuation of Specific Property Assets**

Part A: Valuation of Plant, Machinery and Equipment

Part B: Valuation of Development Property

Part C: Valuation of Joint Venture Interests

Part D: Forest Assessment Report

## **Chapter 8: Submission of Report**

Procedures in Submitting Valuation Report

Valuation Report Checklist

Content of Submission of Valuation Reports for Property Assets

Fees and Charges

## **Schedules**

### **PROSPECTUS GUIDELINES**

#### **Part I      General Requirements**

Chapter 1    : General

Chapter 2    : Definitions

#### **Part II     Contents of Prospectus**

##### **Division 1   : Equity**

Chapter 1    : Introduction

Chapter 2    : Prospectus Summary

Chapter 3    : Details of Offering

Chapter 4    : Information on Promoters, Substantial Shareholders, Directors, Key  
Senior Management and Key Technical Personnel

Chapter 5    : Information on the Corporation

Chapter 6    : Risk Factors

Chapter 7    : Related Party Transactions

Chapter 8    : Conflict of Interest

Chapter 9    : Financial Information

Chapter 10   : Reports by the Reporting Accountants

Chapter 11   : Expert's Reports

Chapter 12   : Additional Information

Chapter 13   : Documents Available for Inspection

- Chapter 14 : Application for Shares
- Chapter 15 : Specific Requirements for an Infrastructure Project Corporation
- Chapter 16 : Specific Requirements for a Special Purpose Acquisition Company
- Chapter 17 : Specific Requirements for a Corporation with MOG Exploration or Extraction Assets

**Division 2 : Corporate Bonds and Sukuk**

- Chapter 1 : General
- Chapter 2 : Cover Page
- Chapter 3 : Inside Cover/First Page
- Chapter 4 : Time Table and Corporate Directory
- Chapter 5 : Information on the Corporate Bonds or Sukuk
- Chapter 6 : Risk Factors
- Chapter 7 : Information About Issuer/Substantial Shareholders/Directors/Key Management Personnel/Guarantor
- Chapter 8 : Financial Information
- Chapter 9 : Related-party Transactions/Conflict of Interest
- Chapter 10 : Rights of Holders of Corporate Bonds or Sukuk
- Chapter 11 : Information Relating to Bond/Sukuk Trustee and Trust Deed
- Chapter 12 : Expert's Reports
- Chapter 13 : Documents Available for Inspection
- Chapter 14 : Application for Corporate Bonds or Sukuk

**Division 3 : Structured Warrants**

- Chapter 1 : General
- Chapter 2 : Front Cover
- Chapter 3 : Inside Cover/First Page
- Chapter 4 : Time Table/Definitions/Table of Contents/Corporate Directory
- Chapter 5 : Details of Structured Warrants Offering
- Chapter 6 : Risk Factors
- Chapter 7 : Approvals and Conditions
- Chapter 8 : Experts' Statements/Reports
- Chapter 9 : Directors' Report
- Chapter 10 : Consents
- Chapter 11 : Documents Available for Inspection
- Chapter 12 : Application for Structured Warrants

**Division 5 : Abridged Prospectus**

- Chapter 1 : Cover Page
- Chapter 2 : Summary of Rights Issue
- Chapter 3 : Details of Rights Issue
- Chapter 4 : Risk Factors
- Chapter 5 : Financial Information
- Chapter 6 : Shareholders' Undertakings and Underwriting Arrangements
- Chapter 7 : Specific Classes of Securities, Where Applicable
- Chapter 8 : Application for Securities and excess Applications
- Chapter 9 : Additional Information on the Corporation, Expert's Report and Documents Available for Inspection

**Division 6 : Supplementary and Replacement Prospectus**

- Chapter 1 : General
- Chapter 2 : Contents of a Supplementary Prospectus
- Chapter 3 : Contents of a Replacement Prospectus

**Part III Procedures for Registration**

- Chapter 1 : Prospectus under Division 1 and 1A of Part II
  - Chapter 2 : Prospectus under Division 2 and 2A of Part II
  - Chapter 3 : Prospectus under Division 3 of Part II (Structured Warrants)
  - Chapter 5 : Prospectus under Division 5 of Part II (Abridged Prospectus)
- Appendices

**Part IV Prospectus Related Guidelines**

- Division 1 : Plain Language Guide for Prospectuses
  - Division 2 : Electronic Prospectuses and Electronic Application
  - Division 3 : Advertising Guidelines
- Appendices

**GUIDELINES ON ISSUANCE OF CORPORATE BONDS AND SUKUK TO RETAIL INVESTORS**

- Part A : General**
- Chapter 1 : Introduction
- Chapter 2 : Definitions

Chapter 3	:	Responsible Party
<b>Part B</b>	:	<b>Requirements for Issuance of Corporate Bonds and Sukuk</b>
Chapter 4	:	Eligibility
Chapter 5	:	Rating Requirements
Chapter 6	:	Trustee and Trust Deed Requirements
Chapter 7	:	Implementation Time Frame
Chapter 8	:	Utilisation of Proceeds
Chapter 9	:	Mode of Issuance
Chapter 10	:	Other Regulatory Approvals and Compliance with Relevant Laws and Guidelines
<b>Part C</b>	:	<b>Approval for Issuance of Corporate Bonds and Sukuk</b>
Chapter 11	:	Approval
Chapter 12	:	Continuous Disclosure Obligations
Chapter 13	:	Revision to Principal Terms and Conditions
Chapter 14	:	Submission to the SC
<b>Part D</b>	:	<b>Additional Shariah Requirements for Sukuk</b>
Chapter 15	:	Roles and Responsibilities of Shariah Adviser
Chapter 16	:	Compliance with Shariah Rulings, Principles and Concepts
Chapter 17	:	General Shariah Rulings Applicable to Sukuk
Chapter 18	:	Shariah Rulings Applicable to Specific Types of Sukuk
Chapter 19	:	Revision to Terms and Conditions of Sukuk
<b>Part E</b>	:	<b>Requirements for Issuance of Sustainable and Responsible Investment Sukuk</b>
Chapter 20	:	Sustainable and Responsible Investment Sukuk
<b>Part F</b>	:	<b>Requirements for an Issuance of ASEAN Bonds and Sukuk</b>
Chapter 21	:	ASEAN Bonds and Sukuk
<b>Part G</b>	:	<b>Requirements for Issuance of Corporate Bonds and Sukuk Under the Qualified Issuer Framework</b>
Chapter 22	:	Qualified Issuer Framework
Appendices		



**GUIDELINES ON UNLISTED CAPITAL MARKET PRODUCTS UNDER THE LODGE AND LAUNCH FRAMEWORK**

**Section A : General Requirements**

Chapter 1 : Introduction

Chapter 2 : Definitions

Chapter 3 : Responsible Party

**Section B: Specific Requirements**

**Part 2 : Structured Products**

Chapter 1 : General

Chapter 2 : Structure

Chapter 3 : Lodgement

Chapter 4 : Continuous Obligations

Chapter 5 : Revision

Appendices

**Part 3: Corporate Bonds and Sukuk**

Chapter 1 : General

Chapter 2 : Structure

Chapter 3 : Specific Requirements Applicable to Foreign Currency-Denominated Corporate Bonds or Sukuk and NIDs or INIDs

Chapter 4 : Lodgement

Chapter 5 : Continuous Obligations

Chapter 6 : Revision

Chapter 7 : Sustainable and Responsible Investment (SRI) Sukuk

Chapter 8 : ASEAN Bonds and Sukuk

Appendices

**Part 4 : Asset-Backed Securities**

Chapter 1 : General

Chapter 2 : Structure

Chapter 3 : Lodgement

Chapter 4 : Continuous Obligations on Primary Collateralised Loan Obligations (CLO) Transactions

Appendices

**Section C: Additional Requirements for Shariah-Compliant Unlisted Capital Market Products Under the Lodge and Launch Framework**

- Chapter 1 : Approved Shariah Principles and Concepts for Shariah-Compliant Unlisted Capital Market Products Under the Lodge and Launch Framework
- Chapter 2 : Roles and Responsibilities of Shariah Adviser
- Chapter 3 : Compliance with Shariah Rulings, Principles and Concepts
- Chapter 4 : General Shariah Rulings Applicable to Ringgit-Denominated Sukuk
- Chapter 5 : Shariah Rulings Applicable to Specific Types of Ringgit-Denominated Sukuk
- Chapter 6 : Revision to Terms and Conditions of Ringgit-Denominated Sukuk

**Section D : Transitional Provisions**

- Chapter 1 : General
  - Chapter 3 : Structured Products
  - Chapter 4 : Corporate Bonds and Sukuk
- Appendices

## **Lodgement Kit: Unlisted Capital Market Products under the Lodge and Launch Framework**

### **Introduction**

<b>Part 2</b>	<b>:</b>	<b>Structured Products</b>
Section 1	:	Lodgement Form - Structured Product Programme
Section 2	:	Pre-issuance Notification - Structured Product Series under a Structured Product Programme
Section 3	:	Monthly Post-Issuance Report
<b>Part 3</b>	<b>:</b>	<b>Corporate Bonds and Sukuk</b>
Section 1	:	Lodgement Form for Corporate Bonds or Sukuk
Section 2	:	Post-issuance Notice for Corporate Bonds or Sukuk
Section 3	:	Lodgement Form for Foreign Currency-Denominated Corporate Bonds or Sukuk Through a Roadshow
Section 4	:	Post-Issuance Notice for Foreign Currency-Denominated Corporate Bonds Or Sukuk Through A Roadshow
Section 5	:	Lodgement Form for Negotiable Instruments of Deposit (NIDs) or Islamic Negotiable Instruments of Deposit Programme (INIDs)
Section 6	:	Post-Issuance Notice for NIDs or INIDs IProgramme
Section 7	:	Information and Documents To Be Submitted To The SC For Post-Issuance Revision
<b>Part 4</b>	<b>:</b>	<b>Asset-Backed Securities</b>
Section 1	:	Lodgement Form for ABS

### **GUIDELINES ON ISSUER ELIGIBILITY - STRUCTURED WARRANTS**

- 1.0 General
- 2.0 Eligible Issuers of Structured Warrants
- 3.0 Requirements on Issuers
- 4.0 Supervisory Action
- 5.0 Submission of Declaration

Schedules

Appendix

**SECTION 3**

**BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS**

**Chapter 2: General**

Part A - General

Part B - Application of These Requirements

Part C - Documents to Comply with These Requirements

Part D - Information

Part E - Fees and Other Charges

Part E(A) - Directors and Other Key Officers

Part F - Advisers / Share Registrars

Part G - Other Person Primarily Responsible for Listed Issuer

Part H - Others

Part I - Amendments to These Requirements

Part J - Exchange Holding Company and the Exchange

Appendices

**Chapter 3: Admission**

Part A - General

Part B - Admission

Part C - Price Stabilization Mechanism

Part D - Transfer of Listed Corporation to the Main Market

**Chapter 4: Admission for Specific Applicants**

Part A - General

Part B - Closed-End Funds

Part C - Real Estate Investment Trusts

Part D - Exchange-Traded Funds

Part E - Special Purpose Acquisition Companies

Part G - Stapled Securities

Appendices

**Chapter 4A: Foreign Listing**

Part A - General

Part B - Admission Requirements for Primary Listing

Part C - Specific Continuing Obligations Relating to Foreign Issuers with a Primary Listing

Part D - Admission Requirements for a Secondary Listing

Part E - Specific Continuing Obligations Relating to Issuers with a Secondary Listing

**Chapter 4B: Listing of Sukuk and Debt Securities**

Part A - General

Part B - Definitions

Part C - Admission

Part C1- Admission of Exchange Traded Bonds

Part C2 - Continuing Listing Obligations of Exchange Traded Bonds

Part D - Exempt Regime

Part D1 - Admission under an Exempt Regime

Part D2 - Continuing Listing Obligations

Part E - De-listing by the Exchange

**Chapter 5: Structured Warrants**

Part A - General

Part B - Definitions

Part C - Underlying Financial Instrument

Part D - Admission

Part E - Terms and Conditions

Part F - Trust Deed/Deed Poll

Part G - Trading

Part H - Settlement of Structured Warrants

Part I - Further Issue

Part J - Issue of Basket Warrants

Part K - Continuing Listing Obligations

Part L - Announcements

Part M - Implementation of Proposals

Appendix

**Chapter 6: New Issues of Securities**

Part A - General

Part B - Admission

Part C - General Requirements for New Issue of Securities

Part D - Additional Requirements Relating to Placement

Part E - Additional Requirements Relating to a Rights Issue

Part F - Additional Requirements in relation to a Bonus Issue

Part G - Additional Requirements Relating to a Share Issuance Scheme

Part G(A) - Additional Requirements Relating to Dividend Reinvestment Scheme

Part H - Additional Requirements Relating to an Issue of Debt Securities and Redeemable Preference Shares

Part I - Additional Requirements Relating to an Issue of Convertible Securities

Part J - Requirements Relating to Real Estate Investment Trusts

Part K - Requirements Relating to Exchange-Traded Funds

Part L - Requirements Relating to Special Purpose Acquisition Companies

Part M - Implementation of Proposals

Appendices

**Chapter 8: Continuing Listing Obligations**

Part A - General

Part B - Continuing Listing Criteria

Part C - Operational Matters

Part D - Sponsorship of Depository Receipts

Part E- Offer for Sale

Part F - Directors

Part G- Share Issuance Scheme

Part H - Others

Part I - Specific Continuing Obligations Relating to Price Stabilization Mechanism

Part J - Specific Continuing Obligations Relating to Closed-End Funds

Part K - Specific Continuing Obligations Relating to Real Estate Investment Trusts

Part L - Specific Continuing Obligations Relating to Exchange-Traded Funds

Part M - Specific Continuing Obligations Relating to Special Purpose Acquisition Companies

Appendices

**Chapter 9: Continuing Disclosure**

Part A - General

Part A(A) - Definitions

Part B - Corporate Disclosure Policy

Part C - Immediate Disclosure of Material Information

Part D - Thorough Public Dissemination

Part E - Clarification, Confirmation or Denial of Rumours or Reports

Part F - Response to Unusual Market Activity

Part G - Unwarranted Promotional Disclosure Activity

Part H - Insider Trading

Part I - Preparation of Announcements

Part J - Immediate Disclosure Requirements

Part K - Periodic Disclosures

Part L - Circulars and Other Requirements

Part L(A) - Standard of Disclosure for Announcement and Circular

Part M - Disclosure Requirements for Specific Listed Issuers

Part M1 - Infrastructure Project Corporations

Part M2 - Closed-End Funds

Part M3 - Real Estate Investment Trusts

Part M4 - Exchange-Traded Funds

Part M5 - Special Purpose Acquisition Companies

Part M7 - MOG Listed Issuers

Appendices

**Chapter 10: Transactions**

Part A - General

Part B - Definitions

Part C - Valuation and Information

Part D - Acquisitions and Disposals

Part E - Related Party Transactions

Part F - Very Substantial Transaction and Significant Change in the Business Direction or Policy

Part F(A) - Major Disposal of Assets Resulting in Listed Corporation No Longer Suitable for Listing

Part G - Other Requirements

PART I - Acquisition or Disposal Involving MOG Assets

PART J - Specific Requirements Relating to REITS

## Appendices



**Chapter 12: Share Buy-Backs**

Part A - General

Part B - Definitions

Part C - General Requirements

Part D - Source of Funds

Part F - Additional Requirements

Part G- Specific Requirements for Share Buy-Back by a Special Purpose Acquisition Company

Part H - Requirements Relating to Buy Back of Odd Lot Shares

Part J - Specific Requirements for Unit Buy-Back by a REIT

Appendices

**Chapter 13: Arrangements and Reconstructions**

Part A - General

Part B - Schemes of Compromise, Arrangement, Amalgamation and Reconstruction

Part C - Subdivision of Shares

Part D - Consolidation of Shares

Appendices

**Chapter 14: Dealings in Listed Securities**

Part A - General

Part B - Definitions

Part C - Application

Part D - Restrictions

Part E - Exemptions

Part F - Procedures for Dealings

**Chapter 15: Corporate Governance**

Part A - General

Part B - Directors

Part B(A) - Nominating Committee

Part C - Audit Committee

Part D - Auditors

Part E - Corporate Governance Disclosure

Part F - Internal Audit

## **Chapter 16: Suspension, De-Listing and Enforcement**

Part A - General

Part B - Trading Halt and Suspension

Part C - Withdrawal of Listing and De-Listing by the Exchange

Part D - Enforcement

Appendix

### **Practice Notes**

Practice Note 2 - Request for Suspension

Practice Note 7 - Classification of Applicants or Listed Issuers

Practice Note 9 - Risk Management and Internal Control, Corporate Governance and Sustainability Statement

Practice Note 11- Provision of Financial Assistance

Practice Note 12 - Recurrent Related Party Transactions

Practice Note 13 - Requirements for Directors and Signatory of Statutory Declaration for Accounts

Practice Note 14 -Principle of Aggregation for Transactions

Practice Note 16 - Cash Companies

Practice Note 17 - Criteria & Obligations of PN17 Issuers

Practice Note 18 - Perusal of Draft Circulars and Other Documents

Practice Note 19 - Public Security Holding Spread

Practice Note 20 - Trading Halt

Practice Note 21 - Listing Procedures for Initial Admission

Practice Note 22 - Transfer of Listed Corporations to the Main Market

Practice Note 23 - Listing Procedures for Specific Applicants

Practice Note 24 - Listing Procedures for Foreign Listing

Practice Note 25 - Listing Procedures for New Issue of Securities by Issuers with Secondary Listing

Practice Note 26 - Listing Procedures of Sukuk and Debt Securities

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Part C - Withdrawal of Listing and De-Listing By the Exchange

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## SAMPLE QUESTIONS AND ANSWERS

### Sample Question 1

Under the law of contract, \_\_\_\_\_ is the exchange for the promise given.

- (A) intention to create legal relations
- (B) genuine consent
- (C) agreement
- (D) consideration

### Sample Question 2

Issuance of Sukuk Islamic Securities involving a partnership arrangement between two or more parties to finance a business venture whereby all parties contribute capital either in the form of cash or in kind for the purpose of financing the business venture. Any profit derived from the venture will be distributed based on a pre-agreed profit sharing ratio, but a loss will be shared on the basis of capital contribution.

The above describes the Islamic principle of:

- (A) Musharakah
- (B) Mudharabah
- (C) Murabahah
- (D) Istisna'

### Sample Question 3

Which of the following categories of principal advisers are permitted to submit all types of corporate proposals?

- (i) Investment banks
  - (ii) Universal brokers
  - (iii) 1+1 brokers
  - (iv) Special scheme brokers
- 
- (A) (i) and (ii) only
  - (B) (iii) and (iv) only
  - (C) (i), (ii) and (iii) only
  - (D) All of the above

**Sample Question 4**

**In relation to the right of appointment of principal advisers, what are the rights reserved for the Securities Commission Malaysia?**

- (i) Right to request for the appointment of an independent adviser**
  - (ii) Right not to allow submissions by the principal adviser in cases where the Securities Commission Malaysia considers the principal adviser to be incapable of giving impartial advice**
  - (iii) Right to decline submissions of the principal adviser where the principal adviser has an interest in the outcome of the proposal**
  - (iv) Right to appoint a new principal adviser in place of the existing principal adviser**
- 
- (A) (i) and (iv) only**
  - (B) (i), (ii) and (iii) only**
  - (C) (ii), (iii) and (iv) only**
  - (D) All of the above**

**Answers**

**Sample Question 1 - D**

**Sample Question 2 - A**

**Sample Question 3 - A**

**Sample Question 4 - B**