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# **LICENSING EXAMINATION STUDY OUTLINE**

**For July to October 2024 Examinations**

**(Issued in May 2024)**

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

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(This document consists of 34 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.

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>	<p><b><u>Study Guide</u></b></p> <p>eGuide Module 19: Legal Considerations and Code of Conduct</p> <p><b><u>Prescribed Reference Material</u></b></p> <ol style="list-style-type: none"> <li>1. Capital Markets and Services Act 2007</li> <li>2. Licensing Handbook</li> <li>3. Equity Guidelines</li> <li>4. Guidelines on Submission of Corporate and Capital Market Product Proposals</li> <li>5. Malaysian Code on Take-Overs and Mergers 2016</li> <li>6. Rules on Take-overs, Mergers and Compulsory Acquisitions</li> <li>7. Asset Valuation Guidelines</li> <li>8. Prospectus Guidelines</li> <li>9. Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors</li> <li>10. Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework</li> <li>11. Guidelines on Islamic Capital Market Products and Services</li> <li>12. Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market</li> <li>13. Guidelines on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing for Capital Market Intermediaries</li> <li>14. Issuer Eligibility Guidelines - Structured Warrants</li> <li>15. Guidelines on Conduct for Capital Market Intermediaries</li> <li>16. Guidance Note on Provision of Investment Advice</li> <li>17. Bursa Malaysia Securities Berhad Main Market Listing Requirements</li> <li>18. Bursa Malaysia Securities Berhad ACE Market Listing Requirements</li> <li>19. Bursa Malaysia Securities Berhad LEAP Market Listing Requirements</li> </ol>

## 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 eGuides 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**

**GUIDELINES ON IMPLEMENTATION OF TARGETED FINANCIAL SANCTIONS RELATING TO  
PROLIFERATION FINANCING FOR CAPITAL MARKET INTERMEDIARIES**

- 1.0 Introduction  
2.0 Applicability  
3.0 Definitions  
4.0 Combating Proliferation Financing  
5.0 Reporting Requirements  
6.0 Contact Information  
7.0 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**

## **MALYSIAN 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 Before and 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 1A : ASEAN Equity Disclosure Standards**

- Part I : Identity Of Directors, Senior Management, Advisers, Agents And Other Independent Third Parties
- Part II : Offer Statistics And Expected Time Table
- Part III : Key Information
- Part IV : Information On The Issuer
- Part V : Operating And Financial Review And Prospects
- Part VI : Directors, Senior Management And Employees
- Part VII : Major Shareholders, Related-Party Transactions And Conflicts Of Interest
- Part VIII : Financial Information
- Part IX : The Offer And Listing
- Part X : Additional Information

**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 2A : ASEAN Debt Securities Disclosure Standards including Additional Requirements for an ASEAN Debt Issuance Programme**

Introduction: Plain Debt Definition

- Part I : Identity Of Directors, Senior Management, Advisers, Agents And Other Independent Third Parties
- Part II : Description Of The Plain Debt Securities
- Part III : Risk Factors
- Part IV : Markets
- Part V : Information About The Public Offering
- Part VI : Taxation
- Part VII : Key Information
- Part VIII : Information About The Issuer
- Part IX : Operating And Financial Review And Prospects
- Part X : Directors, Senior Management And Employees
- Part XI : Major Shareholders, Related-Party Transactions And Conflicts Of Interests
- Part XII : Interests Of Experts, Counsel, Underwriters, Shariah Advisers And Financial Advisers
- Part XIII : Financial Information
- Part XIV : Additional Information
- Part XV : Additional Requirements For An ASEAN Debt Issuance Programme

**Division 3 : Structured Warrants**

- Chapter 1 : Introduction
- Chapter 2 : Cover Page, Inside Cover/First Page, Timetable, Definitions and Corporate Directory
- Chapter 3 : Prospectus Summary
- Chapter 4 : Information on the Issuer
- Chapter 5 : Market Making
- Chapter 6 : Conflict of Interest
- Chapter 7 : Terms and Conditions of the Structured Warrants
- Chapter 8 : Information on the Underlying Financial Instrument
- Chapter 9 : Risk Factors
- Chapter 10 : Approvals and Conditions
- Chapter 11 : Expert's Statements/Reports
- Chapter 12 : Documents Available for Inspection
- Chapter 13 : 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 (Equity)
- Chapter 2 : Prospectus under Division 2 and 2A of Part II (Corporate Bonds and Sukuk)
- 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**

<b>Part A</b>	:	<b>General</b>
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 E</b>	:	<b>Requirements under the Qualified Issuer Framework</b>
Chapter 20	:	Corporate Bonds and Sukuk under the Qualified Issuer Framework
<b>Part F</b>	:	<b>Additional Requirements for Issuance of Specific Bonds and Sukuk</b>
Chapter 21	:	Sustainable and Responsible Investment (SRI) Sukuk
Chapter 22	:	ASEAN Bonds and Sukuk
Chapter 23	:	Sustainable and Responsible Investment-Linked (SRI-linked) Sukuk
Chapter 24	:	ASEAN Sustainability-Linked Bonds and Sukuk
Appendices		

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

<b>Section A</b>	:	<b>General Requirements</b>
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

**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
- Chapter 9 : Sustainable and Responsible Investment-Linked (SRI-linked) Sukuk
- Chapter 10 : ASEAN Sustainability-Linked Bonds and Sukuk

**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 D : Transitional Provisions**

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

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

### **Introduction**

<b>Part 2</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>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
Section 7	:	Information and Documents to Be Submitted To The SC For Post-Issuance Revision
<b>Part 4</b>	:	<b>Asset-Backed Securities</b>
Section 1	:	Lodgement Form for ABS

### **GUIDELINES ON ISLAMIC CAPITAL MARKET PRODUCTS AND SERVICES**

Chapter 1	:	Introduction
Chapter 2	:	Applicability
Chapter 3	:	Definition
<b>Part A</b>	:	<b>Requirements for Islamic Capital Market Services</b>
Section I	:	Shariah Adviser
Chapter 4	:	Introduction
Chapter 5	:	Registration
Chapter 6	:	Roles and Responsibilities of Shariah Adviser
Chapter 7	:	Continuous Obligations
Chapter 8	:	Conduct Requirements for Shariah Adviser
Chapter 9	:	Refusal of Registration and Deregistration
Chapter 10	:	Submission of Application

Part B	:	Additional Requirements for Islamic Capital Market Products
Chapter 21	:	Introduction
Section I	:	General Requirements
Chapter 22	:	Compliance with Shariah Rulings, Principles and Concepts
Chapter 23	:	Shariah Adviser
Chapter 24	:	Employees and Compliance Officer
Section II	:	Additional Requirements Applicable to Specific Islamic Capital Market Products
Chapter 25	:	Introduction
Subsection A	:	Sukuk, Islamic Convertible Notes and Islamic Structured Product
Chapter 26	:	Ringgit-Denominated Sukuk
Chapter 27	:	Islamic Convertible Notes to Specific Registered Person
Chapter 28	:	Islamic Structured Product

Appendix 1-11

#### **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

#### **GUIDELINES ON CONDUCT FOR CAPITAL MARKET INTERMEDIARIES**

- Chapter 1: Introduction
- Chapter 2: Applicability
- Chapter 3: Related Provisions
- Chapter 4: Definitions
- Chapter 5: Honesty And Fairness
- Chapter 6: Care, Skill And Diligence
- Chapter 7: Conflict Of Interest
- Chapter 8: Clients' Assets And Information
- Chapter 9: Communication With Clients And Regulators
- Chapter 10: Compliance
- Chapter 11: The SC's Assessment On Compliance With These Guidelines

## **GUIDANCE NOTE ON PROVISION OF INVESTMENT ADVICE**

Part I

Introduction

Part II

General

Illustrations

### **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 (REITS)

Part D - Exchange-Traded Funds (EFTS)

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 5A

## **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 (REITS)

Part K - Requirements Relating to Exchange-Traded Funds (ETFs)

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 (REITS)

Part L - Specific Continuing Obligations Relating to Exchange-Traded Funds (ETFs)

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 (REITS)

Part M4 - Exchange-Traded Funds (ETFs)

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

Part G - Specific Requirements for a Listed Issuer or Special Purpose Acquisition Company involved in MOG Activities

Part H - Anti-Corruption and Whistle-Blowing

## **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

Appendix 16A

### **Practice Notes**

Practice Note 2 - Request for Suspension

Practice Note 5 - Training for Directors

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

Practice Note 27 - Listing Procedures for Structured Warrants

Practice Note 28 - Listing Procedures for New Issues of Securities

Practice Note 29 - Saving and Transitional Provisions

Practice Note 30 - Enforcement Proceedings and Related Matters

Practice Note 31 - Stapled Securities

Practice Note 32 - Additional Requirements for Listed Issuers involved in MOG Activities

Practice Note 33 - Specific Proposal

## **BURSA MALAYSIA SECURITIES BERHAD ACE 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

Part G - Other Person Primarily Responsible for Listed Corporations

Part H - Others

Part I - Amendments to These Requirements

Part J - Exchange Holding Company and the Exchange

Part K - Conclusion

Appendices

### **Chapter 3: Admission**

Part A - General

Part B - Admission

Part B(A) - Requirements for Prospectus

Part C - Methods of Offering of Shares

Part D - Sponsors

Appendix 3B

## **Chapter 4: Sponsors and Recognised Approved Advisors**

Part A - General

Part B - Definitions

Part C - Admission of Sponsors

Part D - Sponsors' Obligations

Part E - Ending a Sponsorship or Removal from the Register of Sponsors

Part F - Review of Performance and Conduct of Sponsors

Part G - Rules Governing Sponsored Corporations in Dealing with Sponsors

Appendices

## **Chapter 5: Foreign Listing**

Part A - General

Part B - Admission

Part C - Continuing Obligations of a Listed Corporation

## **Chapter 6: New Issue 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 - Implementation of Proposal

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

## Appendices

### **Chapter 9: Continuing Disclosure**

Part A - General

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 (9.14 and 9.15)

Part I - Preparation of Announcements

Part J - Immediate Disclosure Requirements (9.19, 9.19A, 9.20 and 9.21)

Part K - Periodic Disclosures

Part L - Circulars and Other Requirements

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

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 Corporations No Longer Suitable for Listing

Part G - Other Requirements

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 - Requirement Relating to Buy Back of Odd Lot Shares

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

Part G - Anti-Corruption and Whistle-Blowing

**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 16A

**Guidance Notes**

Guidance Note 1- Classification of Applications or Listed Corporations

Guidance Note 2 - Cash Companies

Guidance Note 3 - Criteria and Obligations of GN3 Companies

Guidance Note 4 - Provision of Financial Assistance

Guidance Note 7 - Principle of Aggregation for Transactions

Guidance Note 8 - Recurrent Related Party Transactions

- Guidance Note 9 - Requirements for Directors and Signatory of Statutory Declaration for Accounts
- Guidance Note 10 - Training for Directors
- Guidance Note 11 - Risk Management and Internal Control, and Corporate Governance Statement
- Guidance Note 12 - Request for Suspension
- Guidance Note 13 - Public Shareholding Spread
- Guidance Note 14 - Trading Halt
- Guidance Note 15 - Listing Procedures for Initial Admission and Prospectus Registration
- Guidance Note 15A - Transfer of Listed Corporations to the ACE Market
- Guidance Note 16 - Listing Procedures for Foreign Listing and Prospectus Registration
- Guidance Note 17 - Listing Procedures for New Issues of Securities and Subdivision of Shares
- Guidance Note 18 - Roles and Responsibilities of Sponsors
- Guidance Note 19 - Appointment of Adviser for Corporate Proposals
- Guidance Note 20 - Saving and Transitional Provisions
- Guidance Note 21 - Enforcement Proceedings and Related Matters
- Guidance Note 22 - Perusal of Draft Circulars and Other Documents
- Guidance Note 23 - Requirements Relating to Prospectus and Advertising Restrictions

## **BURSA MALAYSIA SECURITIES BERHAD LEAP MARKET LISTING REQUIREMENTS**

### **Chapter 2: General**

- Part A - General
- Part B - Application of These Requirements
- Part C - Information and Documents
- Part D - Issuance of Documents By Electronic Means
- Part E - Fees and Other Charges
- Part F - Advisers
- Part G - Others
- Part H - Amendments to These Requirements
- Part I - Exchange Holding Company and The Exchange
- Part J - Qualified Market

### **Chapter 3: Admission**

- Part A - Admission
- Part B - Methods of Offering of Securities
- Part C - Continuing Advisers
- Appendix 3A - Contents of information memorandum

### **Chapter 4 - Advisers**

- Part A - Definitions
- Part B - Admission of Advisers

Part C - Adviser's Obligations

Part D - Listing Activities

Part E - Post-Listing Activities

Part F - Ending Advisory Services or Removal from the Register of Advisers

Part G - Rules Governing Listed Corporations in Dealing with Advisers

### **Chapter 5 - New Issues of Securities**

Part A - General

Part B - General Requirements for New Issue of Securities

Part C - Requirements Relating to Placement

Part D - Requirements Relating to a Rights Issue

Part E - Requirements in Relation to a Bonus Issue

Part F - Requirements Relating to an Issue of Convertible Securities

Appendix 5A

### **Chapter 6 - Continuing Listing Obligations**

Part A - General

Part B - Continuing Listing Obligations

Part C - Continuing Disclosure

Appendix 6A

### **Chapter 7 - Transactions**

Part A - General

Part B - Definitions

Part C - Valuation and Information

Part D - Discloseable Transactions

Part E - Related Party Transactions

Part F - Significant Change in the Business Direction or Policy

Part G - Major Disposal of Assets Resulting in Listed Corporations No Longer Suitable for Listing

Appendix 7A

### **Chapter 8 - 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

Appendices

## 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**