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**CAPITAL MARKET
ESSENTIALS PROGRAMME
(CMEP)
ASSESSMENT OUTLINE**

For January to June 2025 CMEP Assessments

(Issued in January 2025)

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(This document consists of 7 pages including the cover page)

CAPITAL MARKET ESSENTIALS PROGRAMME (CMEP) OUTLINE

The CMEP Assessment is designed to test a candidate's knowledge, understanding and abilities relevant for Marketing Representatives (MR) (as defined under the Guidelines for Marketing Representatives) to carry out their duties competently and in compliance with prevailing laws and regulations. The broad spectrum of the outline includes a comprehensive introduction to the Malaysian capital market on the regulatory framework, capital market products and services as well as the techniques and skills required for MRs in marketing capital market products and closing the deal with prospective clients.

Candidates are expected to possess good knowledge and understanding of the subject matter provided in this outline and the specified references. In addition, candidates will be tested on their ability to analyse and apply the information at a basic level. It is estimated that this module will require a minimum of 30 hours of self-study time (including the 5 hours recommended learning hours to complete the 9 modules in the CMEP eLearning Programme). Candidates may need less or more depending on the education background and work experience and will be given at least two (2) months access to the CMEP eLearning Programme.

Candidates are expected to update themselves with the latest developments in this assessment as all questions will be continuously updated to reflect these changes. Candidates are permitted to refer to their own prescribed reference materials during the assessment. Note that no prescribed reference materials will be provided by the Securities Industry Development Corporation (SIDC). The prescribed reference materials brought into the assessment by candidates are subject to the registration terms and conditions of SIDC.

Candidates are required to comply with the registration terms and conditions of the SIDC on the conduct of the assessment. Severe penalties will be taken against candidates for any misconduct during the examination.

ASSESSMENT STRUCTURE

Details of this assessment are as follows:

Types of Questions	Multiple-Choice
Number of Questions	30
Passing Mark	60% (18 Questions)
Time Allocated	45 minutes
References /Text	<p>CMEP Learning Programme</p> <p>Prescribed Reference Materials</p> <ol style="list-style-type: none"> 1. Securities Commission Act 1993 2. Capital Markets and Services Act 2007 3. Licensing Handbook 4. Guideline for Marketing Representative 5. Guidelines on Prevention of Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Reporting Institutions in The Capital Market 6. Guidelines on Sales Practices for Unlisted Capital Market Products 7. Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives 8. Rules of Bursa Malaysia Securities Berhad 9. Rules of Bursa Malaysia Derivatives Berhad 10. Rules of Bursa Malaysia Securities Clearing Sdn Bhd 11. Bursa Malaysia Securities Berhad Main Market Listing Requirements 12. Bursa Malaysia Securities Berhad ACE Market Listing Requirements 13. Guidelines on Unit Trust Funds 14. Equity Guidelines 15. Guidelines on Submission of Corporate and Capital Market Product Proposals 16. Prospectus Guidelines 17. Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework 18. Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors 19. Guidelines on Compliance Function for Fund Management Companies 20. Guidelines on Islamic Capital Market Products and Services

REFERENCES

The relevant references (acts, guidelines, study guides and etc) for this assessment can be obtained from Securities Commission Malaysia website at www.sc.com.my.

The Rules of Bursa Malaysia Securities Berhad, Rules of Bursa Malaysia Derivatives Berhad, Rules of Bursa Malaysia Securities Clearing Sdn Bhd, Bursa Malaysia Securities Berhad Main Market Listing Requirements and Bursa Malaysia Securities Berhad ACE Market Listing Requirements are accessible via the Bursa Malaysia Securities Berhad website at www.bursamalaysia.com.

For more information, please visit the SIDC website at www.sidc.com.my.

Learning Objectives

For the assessment, candidates are expected to be able to:

- Identify the components, role and importance of a capital market;
- Identify the relationship between capital market performance and economic indicators;
- Outline the relationship between participants of the capital market;
- Outline the regulatory framework of the Malaysian capital market industry;
- Describe the organisation and structure of the relevant regulatory bodies and its roles and functions of regulatory bodies responsible for the various capital market laws and regulations;
- Identify laws and regulations applicable to the Malaysian capital market;
- Define the roles and functions of intermediaries in the capital market industries and the rules and regulations applicable to capital market intermediaries;
- Describe the types of products and services, the activities that are regulated and permitted by the relevant laws and regulations in the capital market;
- Describe the permitted activities, duties, rights and obligations of a marketing representative as prescribed by the Guidelines on Marketing Representatives;
- Elaborate on the rules governing the relationship between a Marketing Representative, the principal and clients;
- Recognise the offences related to market misconduct and prohibited conducts;
- Elaborate on the requirements for reporting institutions to comply with as imposed under the Securities Commission Malaysia's Guidelines on Prevention of Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Reporting Institutions in The Capital Market;
- Apply the procedures to conduct customer due diligence and techniques to detect clients' unusual behaviour;
- Explain risk-based approach application, record-keeping, suspicious transactions and confidentiality of reporting;
- Recognise the importance of effective communication in establishing customer relationships;
- Demonstrate the relevant marketing techniques products and services;
- Identify prospect's needs through effective questioning in uncovering prospective clients' objectives; and
- Discover the essential knowledge and skills required to present, convince and close the deal with prospective clients.

ASSESSMENT SYLLABUS

The syllabus for this assessment is divided into 9 modules as below:

<p>Module 1</p>	<p>Introduction of the Malaysian Capital Market</p> <ul style="list-style-type: none"> • The Capital Market Environment, Components, Role and Importance • The Relationship Between the Capital Market and Economics • The Capital Market Participants and Intermediaries • Capital Market Products and Services <ul style="list-style-type: none"> ○ Types and Characteristics of Capital Market Products and Services ○ Understanding the Risks and Returns Trade-Off • Introduction to Islamic Capital Market Principles and Concepts- Fiqh Al Muamalat and Shariah principles/concept • Introduction to Private Market
<p>Module 2</p>	<p>Overview of the Malaysian Capital Market Regulatory Landscape</p> <ul style="list-style-type: none"> • Development of the Malaysian Capital Market • The Malaysian Capital Market <ul style="list-style-type: none"> ○ The Malaysian Stock Market <ul style="list-style-type: none"> ▪ Overview, Bursa Securities and the Clearing House ▪ Participants in Stock Market ○ The Malaysian Islamic Capital Market <ul style="list-style-type: none"> ▪ ICM Legal and Regulatory Framework ▪ SC, Bursa, Shariah Advisory Council, Labuan International Financial Exchange ▪ Roles of Shariah Advisors ○ The Malaysian Derivatives Market <ul style="list-style-type: none"> ▪ Overview, Bursa Derivatives and the Clearing House ▪ Participants in the Derivatives Market
<p>Module 3</p>	<p>The Laws and Regulations Governing Malaysian Capital Market Regulated Activities</p> <ul style="list-style-type: none"> • Dealing in Securities <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Overview of the Law and the Regulatory Bodies in Malaysia • Dealing in Derivatives <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Overview of Derivatives Industry Regulation ○ Clearing activities in Derivatives • Fund Management <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Fund Management Industry in Malaysia and Its Significance ○ Providers of Fund Management Services and Support Services Providers ○ Fund Structures in Malaysia ○ Laws and Organisations Regulating the Fund Management Industry ○ Other Relevant Laws and Regulations ○ Organisations Regulating the Fund Management Industry • Private Retirement Scheme <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Introduction to the PRS Industry ○ PRS Provider ○ Regulatory Framework ○ Private Retirement Scheme Distributor and Consultant

<p>Module 4</p>	<p>The Laws and Regulations Governing Malaysian Capital Market Regulated Activities (cont)</p> <ul style="list-style-type: none"> ● Financial Planning <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Introduction to Financial Planning, Nature and Scope of Financial Planning in Malaysia ○ Regulatory framework for financial planning industry ○ Laws and Regulations in relation to Financial Planning ● Advising on Corporate Finance <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Introduction to Corporate Finance and Investment Advisory, Nature and Scope of Corporate Finance and Investment Advisory in Malaysia ○ Regulatory framework for Corporate Finance and Investment Advisory industry ○ Laws and Regulations in relation to Corporate Finance and Investment Advisory ○ Capital Raising in the Capital Market <ul style="list-style-type: none"> ▪ Primary issues of ordinary shares ▪ Post-listing requirements ▪ Securities issues in the Secondary Market ▪ Types of Corporate Actions ▪ Section 212 of the CMSA 2007, SC's Equity Guidelines and Prospectus Guidelines, Bursa Malaysia Listing Requirement ● Investment Advice <ul style="list-style-type: none"> ○ Definitions, roles and functions ○ Introduction to Investment Advice ○ Nature and Scope Investment Advice in Malaysia ○ Regulatory framework Investment Advice industry ○ Laws and Regulations in relation to Investment Advice
<p>Module 5</p>	<p>Guidelines on Marketing Representatives</p> <ul style="list-style-type: none"> ● Introduction ● Registration by Principal ● Permitted Activities and Obligations of a Marketing Representative ● Requirements for Registration ● Entry Requirements ● Duties of the Principal ● Fit and proper criteria for applicants to be registered as a Marketing Representative
<p>Module 6</p>	<p>Relationship between Principal, MRs and Clients</p> <ul style="list-style-type: none"> ● Rules Governing the Relationship between MRs and Clients ● MRs' Duty to Clients ● MRs' Right and Obligations ● Clients' Rights and Dispute Resolutions ● Sales Practice Guidelines ● Sales and Marketing Ethical Conduct

Module 7	Know Your Client (KYC), Anti-Money Laundering and Terrorism Financing Laws and Regulations <ul style="list-style-type: none"> • Definitions and General Description of Money Laundering • Securities Commission Malaysia’s Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market • Customer Due Diligence and Know Your Clients (KYC) Procedures • Risk-Based Approach Application • Obligation on Protection of Clients’ Information and Common Abuses of Confidentiality
Module 8	Market Misconducts, Offences and Unethical Business Conduct <ul style="list-style-type: none"> • Trading in Securities: Prohibited Conduct Under the CMSA • Prohibited Conduct - Securities, Derivatives, Fund Management, Private Retirement Scheme • Other Offences Relating to False and Misleading Statements • Other Offences
Module 9	Effective Marketing Skills <ul style="list-style-type: none"> • Understanding your prospect needs from their perspective and create a client’s profile • How to ask the right questions at the right time and adapting your approach based upon what they want • Marketing techniques and models • How to position yourself and your company in light of what they want and how they want it • How to listen attentively and use the information that the prospect gives you to your advantage • How to use 3rd level questioning skills to get the answer you WANT • What and how to use the Elevator Pitch • Neuro-linguistic programming (NLP) in marketing Effective Customer Service <ul style="list-style-type: none"> • Plan out customer service and retention strategies • How to build effortless rapport with your prospect • What to focus on and what style to use to deliver your presentation • Overcoming negative responses that you receive from your prospect • Re-phasing Techniques: Turn negative situations to positive situations