

SCHEDULE 10

[Section 378(3)]

Power to make regulations

Pursuant to section 378 the Commission may, with the approval of the Minister, make the following regulations:

1. to provide for the remuneration of an auditor appointed under this Act and for the costs of an audit carried out under this Act;
2. to prescribe any forms for the purposes of this Act;
3. to provide for the licensing of persons who carry out regulated activities and their representatives and matters incidental thereto;
4. to prescribe the activities of, and the standards to be maintained by, licensed persons including the manner, method and place of soliciting business and the conduct of such solicitation;
5. to prescribe the standards with respect to the qualifications, experience and training of licensed persons;
6. to provide for the control of the form, contents and distribution of written, printed or visual material or advertisements that may be distributed or used by a person in respect of—
 - (a) offering services by a holder of a Capital Markets Services Licence; or
 - (b) offering securities or futures contracts for subscription, purchase or sale;
7. to specify requirements applicable to the holder of a Capital Markets Services Licence in relation to securities financing;
8. to specify terms and conditions to be included in clients' contracts and provide that the terms and conditions are, unless the Commission in relation to any particular term or condition otherwise directs, to be deemed to be of the essence of the clients' contracts in which they are included, whether or not a different intention appears in the provisions of the clients' contracts;
9. to specify information that a holder of a Capital Markets Services Licence is to provide to its client on entering into a client's contract with the client, and thereafter from time to time on request by the client;
10. to require the licensed person, to ascertain, in relation to each client, specified matters relating to his identity and his financial situation, investment experience and investment objectives relevant to the services to be provided, and prescribe the steps to be taken for this purpose;

11. to require the licensed person, when providing information or advice concerning any securities or futures contracts to a client, to ensure the suitability of the information or advice to be provided to the client, and prescribe the steps to be taken for this purpose;
12. to require the licensed person, to disclose to a client the financial risks in relation to any securities or futures contracts that the licensed person recommends to the client, and prescribe the steps to be taken for this purpose;
13. to require the licensed person, to disclose to a client any commission or advantage such licensed person receives or is to receive from a third party in connection with any securities or futures contracts which the licensed person recommends to the client, and prescribe the steps to be taken for this purpose;
14. to require the licensed person to take steps to avoid cases of conflict between any of its interests and those of a client and specify the steps to be taken in the event of a potential or actual case of conflict;
15. to specify the circumstances in which the holder of a Capital Markets Services Licence may receive any property or service from another holder of a Capital Markets Services Licence in consideration of directing business to that other holder;
16. to specify the circumstances in, and the conditions and restrictions under, which a representative of a holder of a Capital Markets Services Licence is permitted to deal or trade for his own account in securities or futures contracts;
17. to provide for any other matter relating to the practices and standards of conduct of the licensed person in carrying on business in any regulated activity;
18. to regulate the conduct of business on a stock exchange, futures exchange or approved clearing house;
19. to prescribe the minimum financial requirements in respect of the business of a holder of a Capital Markets Services Licence;
20. to prescribe the form and contents of a contract note;
21. to prohibit the use of any manipulative or deceptive devices and contrivances in connection with the purchase or sale of securities or futures contracts;
22. to prescribe the particulars to be recorded in, or in respect of, the accounting records kept by a holder of a Capital Markets Services Licence under this Act;
23. to prescribe the particulars to be recorded in the profit and loss accounts and balance-sheets and the information to be contained in auditor's reports required to be lodged under this Act on the annual accounts of a holder of a Capital Markets Services Licence;
24. to regulate the purchase or sale of securities or futures contracts, directly or indirectly, for the personal account of licensed persons and financial journalists;

25. to provide for the disclosure by a licensed person of any material interest that such person may have in a proposed transaction relating to dealing in securities or trading in futures contracts;
26. to provide for the operation or administration of trust accounts;
27. to regulate or prohibit the sale of securities by any person who does not have a right to vest the securities in the purchaser or in relation to a sale of securities under paragraph 98(4)(e);
28. to provide for matters relating to the listing of securities on the stock exchange, and in particular—
 - (a) to require that the requirements be met before securities may be listed on the stock exchange;
 - (b) to provide the procedure for dealing with applications for the listing of securities on the stock exchange;
 - (c) to provide for the cancellation of the listing of any specified securities on the stock exchange if the Commission's requirements for listing, or the requirements of the undertaking referred to in paragraph (f), are not complied with, or where the Commission consider that such action is necessary to maintain an orderly market in Malaysia;
 - (d) to provide the conditions subject to which, and the circumstances in which, the stock exchange shall suspend dealings in securities;
 - (e) to provide the procedure for, and the method of allotment of, any securities arising out of an offer for sale in respect of those securities; and
 - (f) to require a corporation whose securities are listed or accepted for listing on the stock exchange to enter into such undertaking as may be required by the rules of the stock exchange, to provide such information at such times as may be specified, and to carry out such duties in relation to its securities as may be imposed in the undertaking;
29. to provide for the supply to the Commission of—
 - (a) such information as a person to whom sections 69C and 69D of the Companies Act 1965 applies or any other person is required to supply;
 - (b) such notice as a person to whom section 69E, 69F or 69G of the Companies Act 1965 applies is required to give;
30. to provide for the authorisation of any person who maintains within Malaysia a register of members of a corporation whose securities are listed on the stock exchange and the requirements to which such person shall comply with;

31. to provide for the borrowing in the ordinary course of business by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities as the Minister may consider necessary or appropriate in the public interest or for the protection of investors;
32. to provide for returns or information or otherwise, to be supplied by a stock exchange, futures exchange, approved clearing house, licensed persons or corporations whose securities are listed on a stock exchange or directors or officers thereof, to the Commission;
33. to provide for the operation or administration of, or any other matter whatsoever relating to, the compensation fund or fidelity fund;
34. to provide for all matters relating to the lending and borrowing of securities and the persons involved in such lending and borrowing;
35. to require a corporation which has any of its securities quoted on a stock market of a stock exchange to comply with such accounting standards or to disclose such information as the Minister thinks necessary;
36. to prescribe the fees to be paid in respect of any matter or thing required for the purposes of this Act;
37. to provide for all matters relating to proposals referred to in subsection 212(2);
38. to provide for all matters relating to the settlement of disputes involving securities, futures contracts or involving clients of a holder of a Capital Markets Services Licence;
39. to provide for the procedure and manner of registration or lodgement of any instrument or document required to be registered or lodged with the Commission;
40. to prescribe the principles and rules governing the conduct of all persons or parties involved in a take-over offer, merger or compulsory acquisition; and
41. to prescribe the standards and conduct of trustees approved under Part IV and registered persons other than registered persons specified in Part 1 of Schedule 4.