

GUIDANCE NOTE 8

Date issued: 26 October 2005

Issued Pursuant to the Guidelines On Marketing and Distribution of Unit Trust Funds

- Marketing and Distribution of Unit Trust Funds Outside Malaysia

Introduction

1. This Guidance Note is published to notify a new requirement in relation to marketing and distribution of unit trust funds, currently stipulated under the Guidelines on Marketing and Distribution of Unit Trust Funds (Guidelines).
2. This Guidance Note is intended to set out the requirement in relation to marketing and distribution of unit trust funds outside Malaysia.
3. Nothing contained herein should be construed as prejudicing the powers of the Securities Commission under the Guidelines.

Interpretation

4. Under this Guidance Note, "Distribution Point" means any registered, approved, licensed or authorized branches, outlets or premises of the unit trust fund distributors outside Malaysia used as distribution channels for the purpose of marketing and distribution of unit trusts.

Policy Amendment

5. Under this Guidance Note, the unit trust fund distributors outside Malaysia appointed to market and distribute local unit trust funds outside Malaysia must comply with following criteria:-

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| <ol style="list-style-type: none">(1) Be a company registered, approved, licensed or authorized, as the case may be, to deal in unit trust funds by the respective home regulatory authorities;(2) Have adequate human resources, expertise and experience to handle the |
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business in a proper and fit manner;

- (3) Have in place adequate policies and procedures to ensure that its business practices meet all relevant legislations and regulations imposed by home regulatory authorities; and
- (4) Have in place procedures to prevent conflicts of interest from the marketing and distribution of unit trusts funds through its Distribution Points against the marketing and administration of the unit trust agents' other financial products.

- 6. It is the responsibility of management companies to ensure that the appointed unit trust fund distributors outside Malaysia comply with the criteria as stipulated in paragraph 5 above.

Submission Procedures

- 7. Management companies should notify the SC of the appointment of unit trust fund distributors outside Malaysia.
- 8. Management companies are also required to submit confirmation letter to the SC, signed by the chief executive officer confirming compliance with the criteria as stipulated in paragraph 5 upon the appointment of the unit trust fund distributors outside Malaysia.