

**Summary of Amendments to the Guidelines on the Registration and Conduct of Capital Market Services Providers
(Date of Issuance: 16 April 2020)**

The following table provides a summary of amendments to the revised *Guidelines on the Registration and Conduct of Capital Market Services Providers* issued on 16 April 2020:

A. Overview			
<p>1. Capital market participants, including capital market services providers, are required to have anti-corruption policies and procedures in place, as part of the Securities Commission Malaysia’s measures to strengthen anti-corruption measures for the capital market, and pursuant to the enactment of the corporate liability provision under section 17A of the <i>Malaysian Anti-Corruption Commission Act 2009</i> effective 1 June 2020.</p> <p>2. Minor and housekeeping amendments throughout the Guidelines, including rephrasing of certain requirements, to enhance clarity and ensure consistency.</p>			
B. Amendment Highlights			
No.	Prior Version Dated 14 May 2019	Revised Version Dated 16 April 2020	Nature of Amendment
1.	-	<p>Paragraph 1.11</p> <p>Guidance on the application of the relevant requirements of these Guidelines has been inserted, where appropriate, including in the appendices herein. Any departure from the Guidance will be taken into account in the SC’s assessment on whether a breach of these Guidelines had occurred.</p>	<p>Insertion of a new paragraph to clarify the purpose of the guidance provided in the Guidelines.</p>

No.	Prior Version Dated 14 May 2019	Revised Version Dated 16 April 2020	Nature of Amendment
2a.	<p>Subparagraph 4.05(b)</p> <p>4.05 In considering the application to register a trustee, the SC would take into account among others, the following:</p> <p>(b) <u>Competence</u></p> <p>A trustee must have controls, processes and procedures in place that ensures investors' interest are always protected. A trustee must be able to demonstrate that-</p> <p>(i) the organisational structure supports the segregation of duties to manage potential conflict of interest;</p> <p>(ii) there are adequate internal controls, compliance and risks management system, framework or functions, including having in place a business continuity plan and processes;</p> <p>-</p> <p>(iii) there are adequate data management and reporting systems; and</p>	<p>Subparagraph 4.05(b)</p> <p>4.05 In considering the application to register a trustee, the SC would take into account among others, the following:</p> <p>(b) <u>Competence</u></p> <p>A trustee must have controls, processes and procedures in place that ensures investors' interest are always protected. A trustee must be able to demonstrate that-</p> <p>(i) the organisational structure supports the segregation of duties to manage potential conflict of interest;</p> <p>(ii) there are adequate internal controls, compliance and risks management system, framework or functions, including having in place a business continuity plan and processes;</p> <p>(iia) there are policies and procedures on anti-corruption and whistleblowing that are appropriate to the nature, scale and complexity of its business;</p> <p>(iii) there are adequate data management and reporting systems; and</p>	<p>Insertion of a new subparagraph 4.05(b)(iia) requiring trustees to have policies and procedures on anti-corruption and whistleblowing.</p>

No.	Prior Version Dated 14 May 2019	Revised Version Dated 16 April 2020	Nature of Amendment
2b.	-	<p>Insertion of a guidance note that the end of subparagraph 4.05(b)</p> <div style="border: 1px solid black; padding: 5px;"> <p>Guidance to subparagraph 4.05(b)(ia)</p> <p>The policies and procedures on anti-corruption should be guided by the <i>Guidelines on Adequate Procedures</i> issued pursuant to section 17A(5) of the <i>Malaysian Anti-Corruption Commission Act 2009</i>.</p> </div>	Insertion of a guidance note on the baseline expectation for the policies and procedures on anti-corruption.
3a.	<p>Subparagraph 9.02(b)(ii)</p> <p>9.02 In considering an application for registration, SC shall give regard to, among others:</p> <p>(b) <u>Organisational competence</u></p> <p>The applicant must ensure that its business is properly established to include-</p> <p>(i) adequate governance systems with clear lines of accountability, responsibility and authority, including clear segregation of duties to avoid any potential conflicts;</p> <p>(ii) policies and <u>processes</u> on conflict management and the monitoring of unethical conduct;</p> <p>(iii) risk management policies and <u>processes</u>, including having in place a business continuity plan and processes;</p>	<p>Subparagraph 9.02(b)(ii)</p> <p>9.02 In considering an application for registration, the SC shall give regard to, among others:</p> <p>(b) <u>Organisational competence</u></p> <p>The applicant must ensure that its business is properly established to include-</p> <p>(i) adequate governance systems with clear lines of accountability, responsibility and authority, including clear segregation of duties to avoid any potential conflicts;</p> <p>(ii) policies and procedures on conflict management, anti-corruption, whistleblowing and the monitoring of unethical conduct that are appropriate to the nature, scale and complexity of its business;</p> <p>(iii) risk management policies and procedures, including having in place a business continuity plan and processes;</p>	<ul style="list-style-type: none"> • Replacement of “processes” with “procedures” on the requirement for policies and procedures on conflict and risk management, and the monitoring of unethical conduct. • Insertion requiring an issuing house to have policies and procedures on anti-corruption and whistleblowing that are appropriate to the nature, scale and complexity of its business.

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3b.	-	<p>Insertion of a guidance note at the end of subparagraph 9.02(b)</p> <div style="border: 1px solid black; padding: 5px;"> <p>Guidance to subparagraph 9.02(b)(ii)</p> <p>The policies and procedures on anti-corruption should be guided by the <i>Guidelines on Adequate Procedures</i> issued pursuant to section 17A(5) of the <i>Malaysian Anti-Corruption Commission Act 2009</i>.</p> </div>	<p>Insertion of a guidance note on the baseline expectation for the policies and procedures on anti-corruption.</p>