



Hutan Purba Beraroma Pedas contrasts the imposing presence of a mythical jungle bloom with the subtle heat of traditional spice culture. Oversized petals pulse with organic force while forms inspired by pepper add rhythmic texture. Rooted in Borneo's ancient forests and the culinary heritage of the southwest, this motif inspired by Sabah's *Bunga Rafflesia*, Negeri Sembilan's *Bunga Lado* and Pulau Pinang's *Bunga Pinang* balances rarity and familiarity, honouring Malaysia's rare natural beauty and the fearless personality of its landscape.

02

CAPITAL MARKET
MASTERPLAN
2026-2030
APPROACH
AND VISION



CRAFTING CMP'S STRATEGIC APPROACH

As Malaysia enters a new era of economic transformation, its capital market must evolve to reach new heights to remain competitive and resilient in a fast-changing global landscape.

The *Capital Market Masterplan 2026-2030* (CMP) sets out a 20-year vision to reshape Malaysia's capital market, providing strategic clarity and aligning it with the nation's broader development priorities. This long-term vision is anchored by the first five-year roadmap for 2026-2030, which translates vision into actionable steps, delivering impact, tracking progress and adapting dynamically to change.

Drawing on lessons from earlier masterplans, the CMP is designed to be forward-looking, adaptive and backed up by strong implementation. It seeks to deliver structural breakthroughs that will position the Malaysian capital market as a driver of sustainable growth, inclusivity and resilience.

The CMP distinguishes itself from previous masterplans in three important ways:

	<p>Ambitious in Scope</p> <p>It aims not only to strengthen Malaysia's capital market but also to grow it to new heights to support national growth and prosperity.</p>
	<p>Long-term in Horizon</p> <p>It provides clarity and stability through a 20-year long-term vision, to identify and enable the necessary structural breakthroughs and transformative outcomes required for Malaysia's capital market to reach the next stage of evolution.</p>
	<p>Collaborative in Execution</p> <p>It focuses on targeted, high-impact initiatives implemented in collaboration with various stakeholders and measured by clear outcomes.</p>

Together, this approach makes the CMP ambitious in scope yet grounded in execution to ensure that it delivers meaningful outcomes, while providing room to adapt to the changes in the global and national landscapes.



GUIDING INPUTS

In shaping the CMP, consideration was given to a range of guiding inputs to ensure that the plan is forward-looking and strategically grounded.

Firstly, Malaysia's long-term national direction as outlined in key strategic documents such as the *MADANI Economy Framework*¹, the *RMK13*², the *New Industrial Master Plan 2030 (NIMP)*³ and the *National Energy Transition Roadmap (NETR)*⁴, provided the foundation for the CMP. This alignment ensures that the capital market continues to advance the country's broader national objectives for economic transformation, industrial upgrading and shared prosperity.

The CMP recognised megatrends that are reshaping economies worldwide, including the movement of capital flows, evolution of industries, ageing demographics and interaction of markets. These insights help anticipate how broader global dynamics may influence Malaysia's own development trajectory and capital market evolution.

Domestically, the CMP considers how the capital market must evolve, from strengthening investor confidence and governance standards to upgrading digital infrastructure, supporting talent development and enhancing data-sharing frameworks. These aspects were identified as critical to future success.

Beyond that, during the development of the CMP, the SC engaged a broad range of stakeholders, including market participants, industry associations, ministries and government agencies, think-tanks, research institutes and other regulatory bodies. These engagements provided valuable insights into opportunities and challenges within the capital market ecosystem. Their perspectives helped shape a masterplan that is relevant, pragmatic and responsive to market needs.

The SC will continue engaging its stakeholders, seeking support and collaboration with other regulators and agencies post-launch to capture emerging opportunities and collectively advance Malaysia's capital market towards the CMP vision and national aspirations.

These guiding inputs are further explored in this section, starting with Malaysia's aspirations as the cornerstone that shapes and anchors the direction of the CMP.

CMP aligns with national priorities such as *MADANI Economy Framework*, *RMK13*, *NIMP* and *NETR*

Various stakeholders, including market participants, industry associations, government agencies and other regulatory bodies, participated in CMP's formulation

¹ Prime Minister's Office of Malaysia (2023), *Ekonomi MADANI*.

² Ministry of Economy of Malaysia (2025), *13th Malaysia Plan*.

³ Ministry of Investment, Trade and Industry of Malaysia (2023), *New Industrial Master Plan 2030*.

⁴ Ministry of Economy of Malaysia (2023), *National Energy Transition Roadmap*.



MALAYSIA'S ASPIRATIONS

Understanding Malaysia's long-term aspirations provides the foundation for shaping the CMP's direction. These national goals define the broader economic, social and environmental outcomes that the capital market must support. Aligning the CMP vision with Malaysia's aspiration ensures that capital market development contributes meaningfully to national advancement, fostering growth that is high-quality, inclusive, sustainable and globally competitive.



A HIGH-INCOME, DYNAMIC AND DIGITALLY-POWERED ECONOMY

Malaysia is envisioned to emerge as a high-income, innovation-led economy powered by digitalisation, advanced industries and entrepreneurship. Building on its strong manufacturing base, the economy will transition towards higher-value activities driven by technology, research and creativity. These drivers will significantly enhance national productivity, competitiveness and global relevance.

Central to this transformation is a workforce that is agile, adaptable and continuously reskilled to meet evolving market needs. With these enablers in place, Malaysia aspires to rank among the world's top 12 most competitive economies by 2033, with growth driven by high-value services, advanced manufacturing and a vibrant digital sector.⁵ Leadership in strategic sectors such as green technology, the *halal* economy and semiconductor manufacturing will further strengthen its position as a regional hub for innovation and sustainable growth.



A MORE EQUITABLE SOCIETY WITH DEEPENED INCLUSION AND BROADER ACCESS TO OPPORTUNITIES

Economic progress must be accompanied by social progress. Malaysia's vision for 2045 is to build a more equitable society, where prosperity is shared, opportunities are inclusive and essential services are accessible to all. National development will be supported by fair social protection systems, encompassing affordable housing, quality healthcare, secure pensions, age-friendly infrastructure and targeted safety nets to ensure that no Malaysian is left behind.

Education will serve as the foundation of upward mobility, equipping Malaysians with the skills needed to thrive in a rapidly evolving economy. Digital inclusion will bridge the gap between communities, supported by universal access to connectivity, secure digital identity and comprehensive e-government services. By combining education, access and protection, Malaysia seeks to narrow regional disparities, expand opportunities beyond major cities and create a more balanced and equitable economy.

⁵ In 2025, Malaysia ranked 23rd in the World Competitiveness Ranking. The IMD World Competitiveness Ranking, released each June by the International Institute for Management Development, measures economies across four pillars: economic performance, government efficiency, business efficiency and infrastructure, gauging how effectively a country creates and sustains conditions for long-term competitiveness and prosperity. Source: International Institute for Management Development (IMD).





ADVANCING A SUSTAINABLE FUTURE

A sustainable future is central to Malaysia's long-term vision. Malaysia is determined to make measurable progress towards its sustainability commitments in terms of advancing the net-zero transition, strengthening climate resilience and safeguarding the welfare of vulnerable communities.

The transition to a low-carbon economy will be underpinned by large-scale deployment of renewable energy, enhanced energy efficiency and widespread adoption of circular economy practices. Malaysia will position itself among the leaders in emerging sectors such as green hydrogen and clean technology, driving both environmental and economic gains.

Beyond mitigation, Malaysia will also invest in adaptation to protect lives, livelihoods and ecosystems from the growing impacts of climate change. The resilience of the society to climate impacts will be strengthened through the mobilisation of financing to support adaptation initiatives, including climate-resilient infrastructure, nature-based solutions and the preservation of biodiversity and ecosystems. These initiatives are aimed at protecting communities and ensuring that Malaysia's natural assets continue to underpin its sustainable development.



A REGIONAL HUB FOR TRADE AND FINANCE

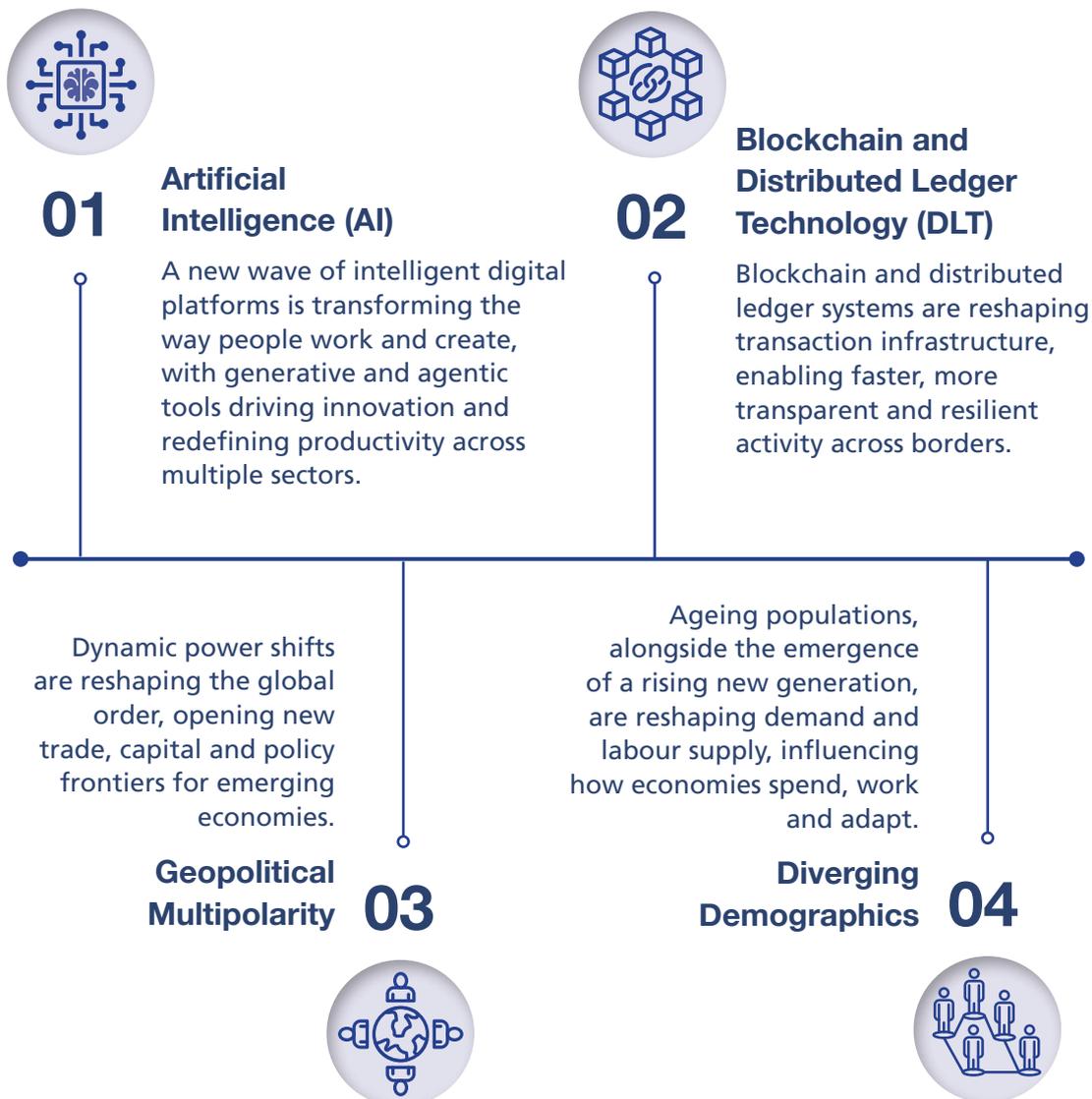
Given the evolving global and regional dynamics, Malaysia's strategic location and institutional strength will enable it to position itself as a regional hub for trade, investment and finance within ASEAN and beyond. Towards this end, Malaysia must seek to enhance cross-border connectivity through seamless logistics, interoperable payment systems and integrated digital infrastructure. This will further empower the nation to capitalise on ASEAN's potential to become the world's fourth-largest economy.⁶

Malaysia aspires to emerge as a regional hub in selected niche sectors, including *halal* products, Islamic Finance, green technology, cross-border infrastructure projects and digital innovation, and to be positioned to export competitive, homegrown technologies and solutions across Asia and the rest of the world. This will deepen Malaysia's economic linkages and reinforce its influence in shaping regional trade, investment and financial ecosystems.

⁶ ASEAN Community Vision 2045: Our Shared Future.

EMERGING GLOBAL MEGATRENDS

Long-term global forces are reshaping economies, industries and societies, providing essential context for the future and influencing how Malaysia's capital market will operate. Understanding these trends is a central part of designing the CMP to ensure the Malaysian capital market remains relevant, competitive and well prepared for the challenges and opportunities ahead. These insights enable the SC to better anticipate change and identify strategic priorities in greater depth. Key structural forces identified in this assessment include:



I. PERVASIVE INFLUENCE OF AI



AI is progressing at unprecedented speed, advancing from basic automation to intelligent systems capable of learning, adapting and making autonomous decisions.⁷ Generative AI has expanded this potential through its ability to create original content ranging from text and images to software code. The next frontier is agentic AI, which will position AI as an active agent in decision making. AI is already transforming industries, reducing operational costs and enabling disruptive new business models. Leading industry analysis suggests benefits of 5%-10% in revenue uplift and up to 30% in cost reductions by 2027. Governments worldwide are accelerating adoption with national AI strategies and policies to strengthen competitiveness and resilience.



For Malaysia, strategic adoption of AI could markedly enhance productivity and position key sectors at the forefront of regional and global value chains. Achieving long-term leadership will require targeted investments in talent, interoperable data infrastructure and regulatory sandboxes that encourage innovation and facilitate active management of risks. In the capital market, AI will be applied to automate intermediary functions, enable near real-time, data-driven decisions and enhance oversight through advanced surveillance, risk analytics and anomaly detection. These capabilities will be critical to maintaining market integrity and investor confidence in an increasingly complex and high-volume trading environment.

II. GLOBAL ADOPTION OF BLOCKCHAIN



Blockchain is a decentralised system for recording transactions. Effective implementation of blockchain technology removes the need for central intermediaries and enables more transparent, secure and efficient value exchange. The foundational DLT that underpins blockchain is redefining how assets are tracked, transferred and verified across the economy, with the potential to transform financial and non-financial systems. Adoption of DLT is accelerating across many sectors globally, with use cases stretching from faster settlements and tokenised products to enhanced traceability of supply chains.⁸



With digital asset market value reaching the US\$4 trillion mark in 2025,⁹ institutional participation is expanding, driven by innovations such as tokenised bonds and sukuk, tokenised money market funds and tokenised carbon credits. In parallel, regulators such as the Monetary Authority of Singapore, Dubai's Virtual Assets Regulatory Authority and Hong Kong Securities and Futures Commission are advancing supportive frameworks to encourage innovation while safeguarding market integrity and public trust.

⁷ OECD (2025), *How governments are driving AI adoption for economic growth*.

⁸ Boston Consulting Group (2024), *Digital Government in the Age of AI: Championing GCC Next-Gen Citizen Services*.

⁹ Coingecko (2025), *Global Cryptocurrency Market Capitalisation*.



For Malaysia, the combination of forward-looking regulation and a supportive ecosystem presents an opportunity to lead in the application of blockchain across the economy. In the capital market, embracing blockchain could modernise market infrastructure and enhance transparency. Tokenisation would broaden retail access and attract regional blockchain-driven capital. Strategic adoption would position Malaysia as a competitive hub for blockchain-enabled finance and innovation in the region.

III. THE MULTIPOLAR WORLD



Global geopolitical dynamics are undergoing a profound shift that is signalling a transition towards a multipolar world. The United States (US) is focused on reshoring supply chains, while China is diversifying its economic relationships by deepening ties with the Global South. Emerging economies are building new trade corridors and strengthening intra-regional flows. In the shift to multipolarity, ASEAN and Asia are emerging as both engines of growth and innovation.



This realignment is reshaping the flow of capital, trade and investment, elevating the strategic importance of 'connector economies' that bridge regions. In a more fragmented global order, nations offering neutrality, institutional stability and strong cross-border access are positioned to become gateways for regional capital. This presents a unique opportunity for Malaysia to expand trade and investment corridors by deepening bilateral and regional partnerships with key economies such as China, India and the Middle East. Greater cross-border connectivity offers Malaysia's capital market a window to capture investors seeking geopolitical diversification. However, this places demands on Malaysia to ensure that its capital market supports rapid innovation and is able to attract a steady pipeline of high-quality assets.



Strengthening cross-border connectivity, diversifying capital inflows and enhancing economic resilience will be assisted by Malaysia's active participation in multilateral collaborations such as the ASEAN Capital Markets Forum (ACMF), as well as in trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Regional Comprehensive Economic Partnership (RCEP) and Asia-Pacific Economic Cooperation (APEC). Malaysia's success will depend on its ability to upgrade infrastructure, align regulatory frameworks to international standards and assure the availability of high-quality, investable assets.



Box Article 2

REROUTING GLOBAL TRADE

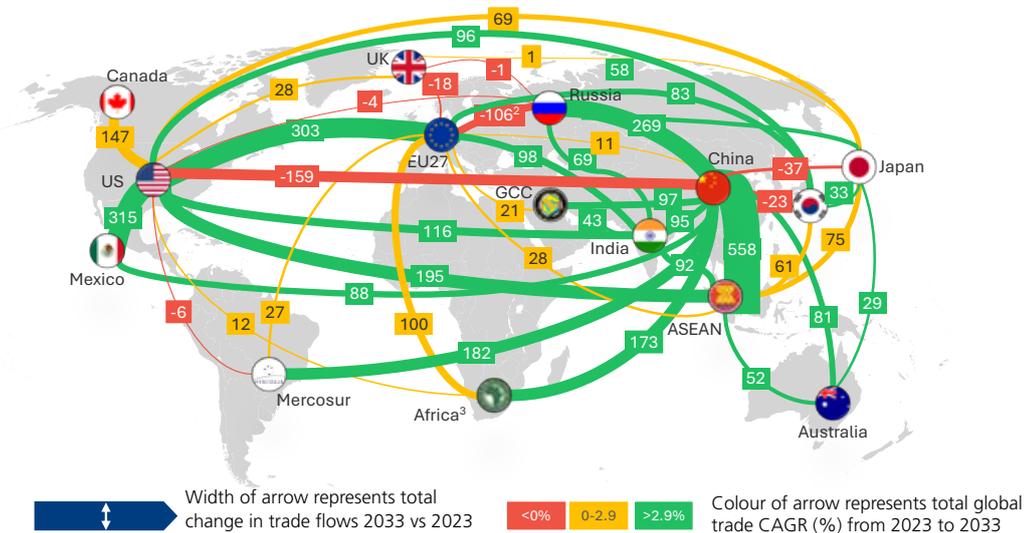
Global trade has undergone a quiet revolution over the past two decades with significant implications for Malaysia’s economy and capital markets. Between 2000 and 2024, global exports of goods more than doubled, rising from US\$11.4 trillion to US\$26.9 trillion.¹⁰ It is not just the scale of trade that has changed, it is also the direction.

For much of the 20th century, the centre of gravity in world trade was firmly positioned in the corridor between the US and Europe. Today, that flow has largely plateaued. The world’s most dynamic trade routes are increasingly now expected to run through Asia, measured by both trade volume and pace.¹¹ For example, trade between ASEAN-China is projected to grow by US\$558 billion between 2023 and 2033, expanding at a rate of 5.6% — nearly double the pace of total global trade growth over the same period. This growth signals a fundamental shift, with the rise of ‘Asia for Asia’ and supply chains having significant implications for global trade. Production, consumption and logistics are increasingly concentrated within the region. Companies are reconfiguring their operations to serve Asia’s growing demand while reducing vulnerability to global disruptions.

The result is a more multipolar trade landscape (Chart 1). Instead of being shaped by the gravitational pull of superpower economies, today’s trade landscape is increasingly multipolar, with regions like ASEAN playing a more central role. As supply chains diversify and resilience becomes a competitive advantage, Asia is no longer just participating in global trade, it is redefining it.

CHART 1

Change in trade of goods, major corridors¹
(2033 vs. 2023, 2010 real US\$ billion)



Notes:

1. Corridors in the map above represent ~45% of global trade in 2023.
2. Residual EU-Russia trade still remains in 2023 due to staggered sanction schedules.
3. Africa countries grouped based on World Bank definition.

Does not include trade of services; FX rates are floating for the entire period.

Source: BCG Global Trade Model 2024, UN Comtrade, Oxford Economics, IHS, WTO, BCG analysis.

¹⁰ World Bank (2025), *Exports of goods and services (constant 2015 US\$)*.

¹¹ Boston Consulting Group (2025), *Great Powers, Geopolitics and the Future of Trade*.

IV. DEMOGRAPHIC DIVIDE RESHAPING ECONOMIES



Many advanced economies are entering a period of rapid population ageing, with shrinking workforces and rising dependency ratios placing increasing strain on pension systems, healthcare provision and public finances. At the same time, younger generations such as Gen Z and Gen Alpha are reshaping labour markets and consumption patterns.



Malaysia is experiencing its own demographic transition. According to the Department of Statistics Malaysia (DOSM), the proportion of citizens aged 65 and above is projected to more than double from 9.3% in 2030 to over 18.3% by 2060.¹² The country remains underprepared for this shift, with a net pension replacement rate of just 43%, well below the Organisation for Economic Co-operation and Development (OECD) average of 60-70%.¹³



This demographic evolution will reshape capital market demand for ageing-related products and services such as retirement income funds, annuity-linked instruments, healthcare real-estate investment trusts (REITs) and silver economy ETFs. The demographic shift will also impact the fundamental dynamics of Malaysia's capital market, with an ageing workforce and broadening investor base.



Addressing this shift will require strengthening the pension and long-term savings ecosystem. It will also necessitate investing in younger generations through financial inclusion, reskilling and future-ready workforce development to sustain long-term economic stability and capital market resilience. Institutional anchors such as the Employees Provident Fund (EPF) and *Kumpulan Wang Persaraan* (KWAP) will play a critical role in mitigating the structural risks of ageing in Malaysia, while private market solutions such as PRS can play an important role in supplementing retirement adequacy.

¹² DOSM (2025), *Population Projection: 2060*.

¹³ OECD (2024), *Pensions at a Glance Asia/Pacific*.



ROLE OF THE CAPITAL MARKET IN MALAYSIA'S FUTURE

Over the next two decades, the nation's economic landscape will be transformed by the interplay of national ambitions and global megatrends inducing structural shifts that will redefine the long-term economic and societal development pathways. As the economy evolves, the capital market must move beyond supporting growth to becoming a cornerstone of real economic growth and long-term wealth creation, and as an efficient mechanism that channels domestic and foreign savings into productive investments that creates high-income jobs and fosters innovation.

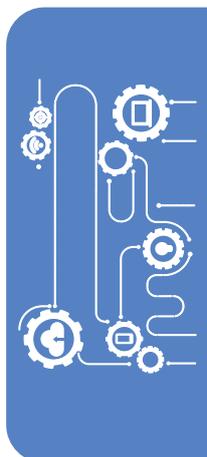
Thus, the Malaysian capital market must be repositioned as a fundamental enabler for achieving national aspirations over the next two decades. The CMP is designed to anticipate the structural shifts that will reshape both the flow and function of capital. It envisions Malaysia as a dynamic, competitive and inclusive economy, underpinned by a capital market that serves as a catalyst for economic transformation by identifying, enabling and accelerating rapid growth in new sectors while supporting the transition towards a more advanced, inclusive, sustainable and regionally integrated economy.

I **Malaysia's capital market vibrancy must be elevated to generate greater economic prosperity. This is to position the capital market to mobilise capital more effectively to support economic transformation**

The SC envisions the Malaysian capital market will be actively channelling capital into high-value sectors such as advanced manufacturing, the *halal* economy, green technology, digital economy and other priority sectors. In this context, several structural shifts are expected to redefine the breadth, depth and role of Malaysia's capital market.

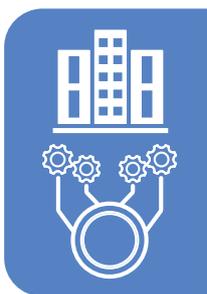


First, the market will expand to cover new asset classes and financing models. Digital assets, private credit and alternative investments will be tapped to unlock new pathways for innovation and enterprise growth. In tandem, the role of the exchange and platform operators will evolve to accommodate these emerging asset classes and potentially broaden into ancillary services. A wider mix of issuers, from smaller enterprises to regional champions, will be attracted to tap the market to foster inclusivity and dynamism. This will be supported by measures to simplify access and create seamless pathways through facilitative regulatory reforms.



Second, technology and innovation will reshape investor engagement, lower friction costs, enable product innovation and unlock disruptive models. In relation to this, digital platforms, tokenised instruments and AI-enabled advisory will work towards reducing costs, broadening participation and providing tailored solutions to investors. Competitiveness will increasingly hinge on cost efficiency, pushing market players to streamline operations and innovate across the value chain. Business models and intermediaries will need to evolve as digital platforms, AI and decentralised models reshape traditional roles and shift the industry toward more personalised, service-driven models. The regulator and intermediaries will play their respective roles in fostering innovation and strengthening market infrastructure to drive broader adoption of technology.





Third, the market will become more borderless and integrated. Deeper regional linkages and enhanced cross-border connectivity will pave the way for greater foreign participation, broaden the investor base and improve market access. This will strengthen liquidity and reinforce Malaysia's position as a regional hub for investment flows. As sector boundaries blur, larger institutions will integrate across multiple business lines, while niche players will differentiate with specialisation in different areas such as impact finance and tokenisation.

These shifts will deepen market vibrancy by expanding investable opportunities, improving intermediation efficiency, and enabling the capital market to mobilise capital more effectively in support of enterprise growth and economic transformation.



Capital market inclusivity will be enlarged by broadening investor participation and enhancing their financial security

The SC aims to reshape a capital market that is inclusive and accessible to all Malaysians. This requires expanding their access to financing and investment opportunities, supported by a robust investor protection regime. In tandem with this, inclusivity also requires that Malaysians at all stages of life can participate in wealth accumulation. This points towards addressing the needs of an ageing population by improving retirement preparedness and supporting financial resilience across society.

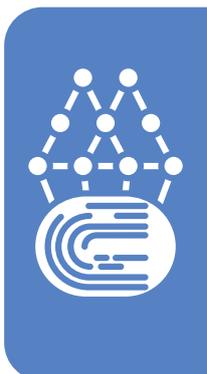
Given this, several strategies will shape expansion of market access and strengthen investor protection and financial resilience across all levels of society.



First, investor access will be increasingly democratised. Retail investors' access to bonds and sukuk, low-cost ETFs and fractional shares provide a means to enhance their participation and increase opportunities for Malaysians to build wealth. Personalised advisory services will increasingly be delivered through digital platforms and supported by financial literacy initiatives, enabling new generations of investors to participate with greater confidence.



Second, retirement preparedness will be regarded as a core priority. In this regard, the range of long-term savings and investment solutions such as pension-linked instruments and other innovative retirement products will be widened to cater to an ageing population. The expanded product offerings will be accompanied by investor education initiatives to ensure that households can manage longevity risk and rising healthcare needs. This will be supported by improvements in protection frameworks to strengthen financial resilience.



Third, the introduction of new delivery models will be facilitated to broaden access for both investors and enterprises. It is anticipated that intermediaries will evolve towards hybrid models that combine the efficiency of digital platforms with the insight of human expertise to deliver more personalised, value-added solutions. At the same time, the role of market-based financing in closing funding gaps, especially for MSMEs and underserved communities, will be enlarged. Innovative financing models that leverage behavioural and data driven models as alternative forms of credit assessments will become more vital in extending access to financing for those historically excluded. Expanding access for MSMEs and entrepreneurs to finance will spur innovation and job creation.



Together, these strategies will create a more inclusive capital market that safeguards financial security for all Malaysians. In doing so, the capital market will play a positive role in achieving a more equitable society by ensuring that prosperity is both widely shared and sustainable.



The SC will position the capital market to achieve national sustainability goals. Towards this end, the capital market will seek to channel higher levels of financing to address long-term sustainability needs

The SC envisions that the capital market will play a pivotal role in mobilising commercial capital to finance Malaysia's net-zero transition, strengthen climate adaptation and resilience (A&R), and to scale impact-focused investments. In this context, commercial capital will complement concessional funding (including public funding) to de-risk sustainable projects while investor trust will be boosted by credible and transparent practices. Towards this end, several key enablers will influence how the capital market channels funds towards long-term environmental and social priorities.



First, discerning investors will increasingly demand accountability and measurable outcomes. Beyond competitive returns, investors will prefer to allocate capital to opportunities that deliver tangible climate and social impact. This will incentivise businesses to embed sustainability more deeply into their operations, recognising its strategic value for competitiveness, resilience and long-term growth.



Second, as sustainability and ethical investing become mainstream, rigorous ESG transparency, robust impact measurement and well-defined frameworks will guide investment decisions. This will create a conducive financing environment to scale innovative products to support net-zero transition, climate A&R and wider social objectives.



Third, over time the supporting ecosystem will become increasingly mature, and this will be a critical factor in sustaining the growth of sustainable finance. Towards this end, the availability of high-quality data, independent verifiers and specialised sustainability advisory services will be needed to anchor investor confidence. A strong ecosystem is essential to ensure that capital deployment is both credible and aligned with Malaysia's environmental and social priorities.

Strengthening these enablers will allow Malaysia's capital market to mobilise capital at scale for environmental and social projects, while anchoring stewardship as a defining feature of sustainable market development.



IV

The capital market will be a key enabler to strengthen Malaysia's international competitiveness. Towards this end, the capital market must expand its role in financing regional trade and investments and function as a gateway to capture opportunities across the region

The SC will strengthen Malaysia's capital market as a hub for regional fundraising and position Malaysia as a gateway to unlock new regional opportunities for growth and innovation. This requires enabling seamless cross-border capital flows and foreign participation, facilitating the regional expansion of Malaysian enterprises and increasing the offerings of regional investment opportunities.

Thus, supporting Malaysia's role as a regional gateway requires:



First, the expansion of cross-border financing in the Malaysian capital market to support regional projects, corporate formation and transformation. Intermediaries will be encouraged to broaden financing beyond domestic needs to include large-scale region-wide programmes such as the ASEAN Power Grid, as well as to play a more active role in meeting the capital needs of enterprises seeking regional expansion. Malaysia will thus function as a trusted gateway for cross-border investment within the region.



Second, Malaysia's capital market will seek to become a leading originator of regional investment products that are backed by high-quality, high-growth and innovative regional assets. By emerging as a preferred fundraising destination for regional projects and corporate issuers, Malaysia will be positioned to attract a steady pipeline of institutional investors. In tandem with this, the expanded range of product offerings on the Malaysian capital market will attract global and regional investors as it widens their choice to gain access to regional opportunities to diversify their portfolios.



Third, the SC will intensify collaboration with other regional regulators to facilitate seamless interoperability and regulatory alignment with a view to deepening regional financial integration. Mutual recognition of capital market products across ASEAN will simplify transactions, broaden investor participation and improve efficiency. Streamlined frameworks and tailored solutions will support cross-border fundraising and transactions to reinforce Malaysia's competitiveness as a destination for regional investment.

By expanding cross-border financing, deepening regional investment offerings and improving regulatory interoperability, Malaysia's capital market will function more effectively as a gateway linking issuers, projects, investors and capital flows across the region.



V

Malaysia's ICM leadership will be established as a defining differentiator to strengthen the nation's international competitiveness. Towards this end, the capital market must sustain its global leadership by setting new standards guided by *Maqasid al-Shariah*

The SC aims to anchor Islamic leadership as a defining differentiator of Malaysia's capital market. This means elevating Malaysia's ICM from product-based leadership to ethics-driven leadership, anchored in the principles of *Maqasid al-Shariah* demonstrating *Halal-Toyyib*, which embodies the virtues of being good, pure and wholesome. It also means positioning Malaysia as a hub for ethics-driven finance that appeals not only to Muslim investors but also to a growing global audience seeking ethical, sustainable and socially responsible investments. These structural shifts will be critical in advancing Malaysia's role in setting the global benchmarks for fairness, transparency, social justice and shared prosperity.



First, Malaysia's ICM will expand its reach and influence by embedding *Maqasid al-Shariah* principles across its products and services. This will differentiate Malaysia's ICM globally as it moves beyond compliance to reflect the higher objectives of justice, humanity and fiduciary. By offering Shariah-compliant and ethics-driven products that align with global ESG and sustainability priorities, Malaysia will also be able to attract a wider pool of international investors and reinforce its role as a trusted gateway for cross-border ethical-based capital flows.



Second, innovation will transform ICM into purpose-driven solutions. New instruments such as retirement savings products with Islamic social finance features and impact-linked sukuk can address long-term national and global priorities, from retirement security to climate resilience and inclusive development. By aligning innovation with *Maqasid al-Shariah*, Malaysia will redefine ICM to better support societal wellbeing and strengthen the capital market's ability to deliver on Malaysia's vision for inclusive and sustainable growth.

Anchoring *Maqasid al-Shariah* across products and innovation will position Malaysia's ICM as a global reference point for ethical, purpose-driven finance, reinforcing its role in advancing inclusive growth, sustainability and international competitiveness.

VI

The SC will embed regulatory and governance excellence as a critical foundation to ensure the Malaysian capital market is adaptive and resilient

By 2045, the SC envisions a capital market underpinned by responsive and facilitative regulatory and governance excellence. This requires regulatory and governance frameworks that continue to safeguard investor confidence while supporting innovation and competitiveness. Regulation must be adaptive to a rapidly evolving landscape, yet provide clarity and certainty amid increasing complexity. Under the CMP, strengthening governance will encompass the broader capital market ecosystem, including intermediaries, advisors and professionals whose conduct shapes outcomes across equities, bonds, digital assets and sustainability markets.

Given this, several developments are expected to shape the evolution of regulatory and governance frameworks that balances innovation with resilience and supports inclusive long-term growth.



First, investor protection will be strengthened through clearer safeguards and stronger accountability. This is timely in view of the expansion in the range of asset classes. Enhanced disclosures, timely risk alerts and effective enforcement will reduce the incidence of misconduct and scams. The investor protection regime will be complemented by intensified focus on financial literacy and investor education to empower investors to make informed decisions.



Second, governance standards will continue to be strengthened in line with global best practices. Boards will be held to higher standards of value creation, accountability and transparency, and benchmarked against key performance indicators (KPIs) such as return on invested capital and innovation impact. Stronger governance practices across all capital market players will reinforce investor confidence and align corporate behaviour with Malaysia's long-term economic and social priorities.



Third, regulatory approaches will further emphasise conduct-based, risk-proportionate regulation. Regulatory frameworks will integrate stronger market discipline and more effective oversight to address risks arising from increasingly complex, cross-sector and technology-enabled business models.



Fourth, laws and regulatory frameworks will be reviewed to ensure they remain efficient, effective and proportionate. This includes introducing calibrated regulatory guardrails that reflect differences in product characteristics, risk profiles and issuer or intermediary maturity, while preserving market integrity and investor protection.



Fifth, inter-agency and cross-jurisdictional collaboration will be deepened as markets become more connected. Regulators will strengthen co-operation through shared enforcement, supervisory insights and mutual recognition arrangements. This will ensure consistent responses across borders, improve efficiency and accelerate Malaysia's integration with global financial systems.

An adaptive, conduct-based, risk-proportionate regulation, supported by strengthened governance standards and cross-border cooperation, will underpin market integrity and confidence as the capital market evolves.



Realising these aspirations require comprehensive stakeholder engagement and a whole-of-nation approach

While the capital market can play a catalytic role in advancing Malaysia's long-term aspirations, success ultimately depends on coordinated actions across government, industry and society. This includes civil society, academia and community organisations working together to generate collaborative momentum. Delivering these goals thus requires a whole-of-nation approach, anchored in interactive collaboration within the broader ecosystem. In this context, it is critical to maintain stable and predictable policies to strengthen investor confidence, attract long-term capital and reinforce national resilience.

These considerations, which outline how the capital market can advance national objectives, are embedded within the vision for Malaysia's capital market and form the foundation of the CMP's strategic direction. Through sustained coordination, policy alignment and long-term planning, the capital market will remain closely attuned to national priorities and serve as a critical enabler of Malaysia's broader economic transformation.



CMP 2030 AND 2045 VISION

The CMP is designed as an adaptive framework that balances long-term strategic direction with near-term execution. A 20-year vision sets clear structural priorities for the capital market's development, while five-year action cycles translate these priorities into targeted initiatives and measurable outcomes aligned with national development plans. Regular reviews will ensure the CMP remains responsive as market conditions and global trends evolve.

CMP Vision Across Strategic Outcome Themes

Key Outcomes for 2045 and 2030

	1	2	3	4
	Vibrant Capital Market Driving Economic Prosperity	Inclusive Capital Market for all Malaysians	Capital Market Supporting National Sustainability Goals	Capital Market as Gateway to Regional Opportunities
20-year Vision: By 2045	RM13.8 trillion- RM20 trillion Market Size	Broaden Participation and Equitable Access for Malaysians and Enterprises	Cumulatively Channel RM550 billion- RM800 billion	RM200 billion- RM300 billion of Assets with Foreign Underlying
5-year Vision: By 2030	RM5.8 trillion- RM6.3 trillion Market Size	Improve Capital Market Literacy and Accessibility, including Retirement Adequacy	Cumulatively Channel RM90 billion- RM100 billion	RM100 billion- RM110 billion of Assets with Foreign Underlying

By 2030, the CMP vision includes reinforcing Malaysia's leadership in ICM and cementing its position as a trusted jurisdiction with a regulatory framework that upholds international regulatory standards, investor confidence and market integrity.



The attainment of CMP's aspirations will be contingent upon strong collaboration and coordination across key industry stakeholders, supported by fundamental structural reforms and facilitative measures across relevant ministries and agencies.

The SC envisions that the market size could potentially reach up to RM6.3 trillion by 2030, reflecting the positive impact of coordinated efforts, including targeted tax and investment incentives, progressive GLIC transformation, capital account flexibilities and greater policy clarity in areas such as sustainability, digitalisation and artificial intelligence.

Post-2030, the capital market will continue to be recalibrated to chart the most optimal pathway towards achieving the ambitious targets of 2045. This may necessitate further reforms to laws and regulations, infrastructure development and expansion of the ecosystem to include new players, products and services.

Capital market participants, including stockbroking companies, fund management firms, advisory firms, as well as remisiers, financial planners and unit trust consultants, will need to reinvent and reposition their business models. As structural disruptions redefine their *raison d'être*, a shift in mindset is critical to ensure the industry remains resilient and future-ready.

