



Suruhanjaya Sekuriti
Securities Commission
Malaysia

BUSINESS TRUSTS GUIDELINES

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PART I
GENERAL

Chapter 1

INTRODUCTION

General

- 1.01 The Business Trusts Guidelines (guidelines) is issued pursuant to section 377 of the *Capital Markets and Services Act 2007*.
- 1.02 These guidelines will come into force on 28 December 2012.
- 1.03 These guidelines are to be complied with by any person intending to:
- (a) establish or provide a business trust;
 - (b) offer units in a business trust; or
 - (c) act as a trustee-manager.
- 1.04 These guidelines must–
- (a) be read together with the relevant provisions in the securities laws and other relevant guidelines issued by the SC; and
 - (b) in the case of a business trust listed on the Main Market, must also be read together with the relevant provisions in the Main Market Listing Requirements.
- 1.05 A business trust established outside Malaysia seeking secondary listing on the Main Market is required to comply with the Division 3B of Part VI of the CMSA and Chapter 10 of these guidelines, as well as Chapter 4 of these guidelines (for an Islamic business trust).
- 1.06 The board of directors of the trustee-manager is responsible for ensuring compliance with all laws, regulations and guidelines relating to the business trust.
- 1.07 The SC may where it deems appropriate, and upon application, grant exemptions or variations from compliance with relevant requirement in these guidelines on a case by case basis.

General principles

- 1.08 Part C of these guidelines are formulated to ensure a fair and consistent application of policies relating to proposals to the SC. The requirements set out in these

guidelines represent the minimum standards that have to be met by applicants embarking on proposals. Accordingly, applicants must observe the spirit and the wording of these guidelines.

- 1.09 The principles on which these guidelines are based embrace the interests of listed business trusts, the provision of investor protection and maintenance of investor confidence, as well as the need to protect the reputation and integrity of the capital market. The principles include the following:
- (a) Business trusts must be suitable for listing and have minimum standards of quality, size, operations, and management experience and expertise in the trustee-manager;
 - (b) Trustee-managers and their advisers must make timely disclosure of material information and ensure the accuracy and completeness of such information to enable investors to make an informed assessment of the issuer, the proposals and the securities being offered;
 - (c) Trustee-managers and their directors, officers and advisers must maintain the highest standards of corporate governance, integrity, accountability and responsibility;
 - (d) Directors of the trustee-manager must act in the interests of unit holders of the business trust as a whole;
 - (e) All holders of securities must be treated fairly and equitably and must be consulted on matters of significance; and
 - (f) Proposals submitted to the SC must not undermine public interests.
- 1.10 In assessing a proposal, the SC will have regard to the general principles outlined in paragraph 1.09.
- 1.11 Applicants and advisers are encouraged to consult and seek guidance from the SC for the application of these guidelines.

Chapter 2

DEFINITIONS

2.01 In these guidelines, the following words have the following meanings, unless the context otherwise requires:

accounts and consolidated accounts	means the statement of profit or loss and other comprehensive income and statement of financial position, and includes the statement of cash flows, other statements and notes (other than auditors' reports or directors' reports), attached or intended to be read with the statement of profit or loss and other comprehensive income or statement of financial position;
acquisition	includes an acquisition of assets by a subsidiary entity but exclude acquisitions of a revenue nature in the ordinary course of business of the business trust;
adviser	means a Malaysian incorporated – (a) investment bank/merchant bank; (b) universal broker; or (c) such other person who provides advice/ information to the applicant where such advice/information is submitted to the SC with any proposal;
after-tax profit	means profit after taxation and after- (a) adjusting for profits or losses attributable to minority interests; and (b) excluding profits or losses and generated from non-recurring items or by activities or events outside the ordinary and usual course of business;
applicant	means any person referred to in subsection 212(2) of the CMSA;
approved accounting standard	has the same meaning as provided for under section 2 of the <i>Financial Reporting Act 1997</i> , which include International Financial Reporting Standards;
assets	for the purpose of these guidelines, means all types of property or asset including real estate, securities and business undertakings;
Bursa Securities	means Bursa Malaysia Securities Bhd;
business trust	has the same meaning as provided for under subsection 2(1) of the CMSA;

business trust group	includes the business trust and the business trust's subsidiary entities;
chief executive	has the same meaning as assigned in the CMSA;
CMSA	means the <i>Capital Markets and Services Act 2007</i> ;
controlling shareholder	means any person who is or a group of persons who together are entitled to exercise or control the exercise of more than 33% of the voting shares in a trustee-manager (or such other percentage as may be prescribed in the <i>Malaysian Code on Take-Overs and Mergers 2010</i> as being the level for triggering a mandatory general offer) or who is or are in a position to control the composition of a majority of the board of directors of the trustee-manager;
controlling unit holder	means any person who is or a group of persons who together are entitled to exercise or control the exercise of 33% of the voting units in a business trust (or such other percentage as may be prescribed in the <i>Malaysian Code on Take-Overs and Mergers 2010</i> as being the level for triggering a mandatory general offer);
core business	<p>means the business which provides the principal source of operating revenue or after-tax profit to a business trust and which comprises the principal activities of the business trust group.</p> <p>Generally, the core business of a business trust may be determined and distinguished by considering the following factors:</p> <ul style="list-style-type: none"> (a) The economic sector or sub-sector and industry the business trust is mainly involved in; (b) The nature of its principal products and services; (c) The nature of its production processes; (d) The type or class of customers for the products and/or services; (e) The methods used to distribute the products or provide the services; (f) The allocation of resources including management time and efforts; and (g) Where applicable, the nature of the regulatory environment governing the business;
deed	has the same meaning as provided for under section 256H of the CMSA;
director	has the same meaning as provided for under subsection 2(1) of the CMSA and includes a person who is a chief executive;
financial statements	includes the accounts or consolidated accounts of a business trust and such other statements which describe the financial position or performance of the business trust;

general meeting	means a general meeting of unit holders of the business trust;
independent	<p>in relation to the Shariah adviser, means a person who is free of any relationship with the –</p> <p>(a) trustee-manager; or (b) controlling shareholder(s) or major shareholder(s) of the trustee-manager .</p> <p>In any case, a period of two years must lapse before a person who was previously connected to the trustee-manager or controlling shareholder(s)/major shareholder(s) can be deemed to be independent.</p> <p>A person would not be considered an “independent member” if, amongst others, the person:</p> <p>(a) is an officer of the trustee-manager or any of its subsidiaries; (b) is an officer of any body corporate or unincorporated body that has power to appoint or make recommendations towards the appointment of board of directors of the trustee-manager, members of the audit committee and the Shariah adviser of the business trust; (c) is related to an officer of the trustee-manager of the business trust; (d) represents or perceived to represent any body corporate or unincorporated body with a controlling shareholding in the trustee-manager; (e) represents or is seen to be representing any body corporate or unincorporated body with a business interest in the trustee-manager; or (f) within two years prior to his appointment as independent member, has derived any remuneration or benefit (other than retirement benefit) from the trustee-manager or any body corporate or unincorporated body that has power to appoint or make recommendations towards the appointment of members of the board of directors of the trustee-manager, members of the audit committee and the Shariah adviser of the business trust;</p>
infrastructure undertaking	means an undertaking which creates the basic physical structures or foundations for the delivery of essential public goods and services that are necessary for the economic development of a state, territory or country, such as the construction and operation of roads, bridges, tunnels, railways, mass transit systems, seaports, airports, water and sewage systems, sewerage systems, power plants, gas supply systems and telecommunication systems;
interested person	includes a director of the trustee-manager or major shareholder of the trustee-manager for the business trust;

investment properties	means landed properties or strata properties in the commercial, residential, industrial or agricultural sectors;
IOSCO MMOU	means the International Organization of Securities Commissions multilateral memorandum of understanding concerning consultation and cooperation, and the exchange of information among securities regulators;
Islamic bank	means a bank licensed under the Islamic Banking Act 1983;
listed entity	means: <ul style="list-style-type: none"> (a) a business trust listed on the Main Market; or (b) a corporation listed on the Main Market or alternative market of Bursa Securities;
major shareholder	means a person who has an interest or interests in one or more voting shares in the trustee-manager and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: <ul style="list-style-type: none"> (a) equal to or more than 10% of the aggregate of the nominal amounts of all voting shares in the trustee-manager; or (b) equal to or more than 5% of the aggregate of the nominal amounts of all voting shares in the trustee-manager where such person is the largest shareholder of the trustee-manager. <p><i>For the purpose of this definition, "interest in shares" has the meaning given in Section 6A of the Companies Act 1965;</i></p>
major unit holder	means a person who has an interest or interests in one or more units in a business trust and the unit, or the aggregate of those units, is: <ul style="list-style-type: none"> (a) equal to or more than 10% of the aggregate of the units in the business trust; or (b) equal to or more than 5% of the aggregate of the units in the business trust where such person is the largest unit holder of the business trust. <p><i>For the purpose of this definition, "interest in a unit" has the meaning given in section 4 of the CMSA;</i></p>
Main Market	means the Main Market of Bursa Securities;
Main Market Listing Requirements	means the <i>Bursa Securities Main Market Listing Requirements</i> ;
MOU	means a bilateral memorandum of understanding between securities regulators in respect of consultation and cooperation,

	and the exchange of information, which is equivalent to the IOSCO MMOU;
offer for sale	means an invitation by, or on behalf of, an existing securities holder to purchase securities of the business trust already in issue or allotted;
offer for subscription	means an invitation by, or on behalf of, a business trust to subscribe for securities of the business trust not yet in issue or allotted;
percentage ratios	<p>means the figures, expressed as a percentage, resulting from each of the following computations:</p> <ul style="list-style-type: none"> (a) The net assets value of the assets which are the subject of the acquisition divided by the net assets value of the business trust; (b) The revenue attributable to the assets which are the subject of the acquisition divided by the revenue of the business trust; (c) The after-tax profits attributable to the assets which are the subject of the acquisition divided by the after-tax profits of the business trust; (d) The aggregate value of the consideration for the subject acquisition (including amounts to be assumed by the purchaser, such as the vendor's liabilities) divided by the aggregate market value of all the voting units of the business trust; or (e) The number of new units issued by the business trust as consideration for the acquisition divided by the number of units in the business trust in issue prior to the acquisition;
person connected	<p>in relation to a director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust, means such person who falls under any of the following categories:</p> <ul style="list-style-type: none"> (a) A family member of the director or major shareholder of the trustee-manager, or major unit holder of the business trust; (b) A partner of the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust; or a partner of a person connected with that director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust; (c) A person who is accustomed or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust; (d) A person in accordance with whose directions, instructions or wishes of the director or major shareholder of the

	<p>trustee-manager, the trustee-manager or major unit holder of the business trust, is accustomed or is under obligation, whether formal or informal, to act;</p> <p>(e) A body corporate which is accustomed or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust;</p> <p>(f) the director of a body corporate under paragraph (e), who is accustomed or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust;</p> <p>(g) A body corporate or its directors whose directions, instructions or wishes the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust, is accustomed or under obligation, whether formal or informal, to act;</p> <p>(h) A body corporate in which the director or major shareholder of the trustee-manager, the trustee-manager or major unit holder of the business trust; and/or persons connected to him are entitled to exercise or control the exercise of, not less than 15% of the votes attached to the voting shares in the body corporate; or</p> <p>(i) A body corporate which is a related corporation;</p>
predominantly foreign-based operations	<p>means a situation where—</p> <p>(a) the after-tax profits of an applicant derived from assets or operations held outside Malaysia are higher than the after-tax profits derived from assets or operations held within Malaysia; or</p> <p>(b) the majority of the infrastructure undertakings are located outside Malaysia;</p>
predominantly Malaysian-based operations	<p>means a situation where—</p> <p>(a) the after-tax profits of an applicant derived from assets or operations held within Malaysia are higher than the after-tax profits derived from assets or operations held outside Malaysia; or</p> <p>(b) the majority of the infrastructure undertakings are located within Malaysia;</p>
principal adviser	means the adviser responsible for making submissions to the SC for proposals under the <i>Principal Adviser Guidelines</i> ;
promoter	includes a controlling shareholder, a person connected to a controlling shareholder and an executive director who is a substantial shareholder of the trustee-manager;

property assets	means all rights, interests and benefits related to the ownership of real estate, plant, machinery and equipment;
property development business trust or corporation	means a business trust or corporation whose core business is in- (a) development and redevelopment of real estates; or (b) real estates with development potential, and includes those rights to develop under a joint venture agreement, privatisation agreement or some other forms of joint agreement;
property investment business trust or corporation	means a business trust or corporation whose core business is in- (a) the holding of investment properties for letting and retention as investments; or (b) the purchase of investment properties for subsequent sale;
real estate	means land and all things that are a natural part of the land as well as things attached to the land both below and above the ground and includes rights, interests and benefits related to the ownership of the real estate;
recognized business trust	means a business trust established outside Malaysia that is recognized under subsection 256K(1) of the CMSA;
registered business trust	means a business trust established in Malaysia that is registered under subsection 256K(1) of the CMSA;
related corporation	has the same meaning as provided for under the CMSA;
related party	means – (a) the trustee-manager of the business trust; (b) a major unit holder of the business trust; (c) a director or major shareholder of the trustee-manager; or (d) a person connected with any director or major shareholder of the trustee-manager, or (e) a person connected with the trustee-manager or a major unit holder of the business trust;
restricted offer for sale	means an invitation to an identifiable group of investors by, or on behalf of, an existing securities holder to purchase securities of the business trust already in issue or allotted;
restricted offer for subscription	means an invitation to an identifiable group of investors by, or on behalf of, a business trust to subscribe for securities of the business trust not yet in issue or allotted;
SC	means the Securities Commission Malaysia;
securities	has the meaning given in subsection 2(1) of the CMSA;

securities laws	has the meaning assigned to it in the Securities Commission Act 1993;
Shariah adviser	means an individual, corporation or a foreign Shariah adviser who fulfils the requirements as set out in Chapter 4 of these guidelines;
significant change in the business direction or policy of a business trust	means— (a) an acquisition of assets such that any one of the percentage ratios is equal to or exceeds 100%, except where the assets to be acquired are similar to those of the existing core business of the listed business trust; or (b) an acquisition of assets which results in a change in the controlling unit holder of the listed business trust or controlling shareholder of the trustee-manager for the listed business trust;
Shariah Advisory Council or SAC	has the meaning assigned to it under subsection 2(1) of the CMSA;
special resolution	means a resolution passed by unit holders of a business trust holding in aggregate not less than 75% of the voting rights of all the unit holders of the business trust who being entitled to do so, vote in person or by proxy present at a general meeting. <i>For the purpose of winding-up of a business trust, means a resolution approved by a majority of unit holders holding in aggregate not less than 75% of the value of the units held by the unit holders at the meeting, who being entitled to do so, vote in person or by proxy on a poll at a general meeting;</i>
subsidiary entity	in relation to a business trust, means any corporation or other entity where: (a) the trustee-manager (acting in its capacity as trustee-manager of the business trust) — (i) controls the composition of the board of directors of the corporation or board of persons of the entity which performs similar function as with a board of directors of a corporation, ("Board"); (ii) controls more than half the voting shares of the corporation or voting rights of the entity; or (iii) holds more than half of the issued share capital of the corporation (excluding preference shares) or its equivalent in the case of the entity; or (b) the corporation or entity is a subsidiary entity of another corporation or entity which is a subsidiary entity of the business trust;

	<p>For the purposes of subparagraph (a)(i), the composition of a corporation's or entity's Board shall be deemed to be controlled by the trustee-manager (acting in its capacity as trustee-manager of the business trust) if the trustee-manager has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the directors or members of the Board, and for the purposes of this definition, the trustee-manager shall be deemed to have that power if –</p> <p>(A) a person cannot be appointed as a director or member of the Board without the exercise in his favour by the trustee-manager of that power; or</p> <p>(B) a person's appointment as a director or member of the Board follows necessarily from his being a director or officer of the trustee-manager.</p> <p>In determining whether a corporation or an entity is a subsidiary entity of a business trust –</p> <p>(1) subject to subparagraphs (2) and (3), any voting shares or voting rights held in or power exercisable over the corporation or entity respectively by, or by a nominee for, a subsidiary entity of the business trust, not being a subsidiary entity which is concerned only in a fiduciary capacity, shall be treated as held or exercisable by the trustee-manager;</p> <p>(2) any voting shares or voting rights held in or power exercisable over the corporation or entity respectively, by any person by virtue of the provisions of any debentures of the corporation or entity or a trust deed for securing any issue of such debentures shall be disregarded; and</p> <p>(3) any voting shares or voting rights held in or power exercisable over the corporation or entity by, or by a nominee for, the trustee-manager or a subsidiary entity of the business trust (not being voting shares or voting rights held in or power exercisable over the corporation or entity as mentioned in sub-paragraph (2)) shall not be treated as held or exercisable by the trustee-manager if the ordinary business of the trustee-manager or the subsidiary entity of the business trust, as the case may be, includes the lending of money and the voting shares or voting rights are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business;</p>
substantial shareholder	has the meaning given in section 69D of the <i>Companies Act 1965</i> ;
substantial unit holder	means a person who has an interest or interests in one or more units having voting rights in a business trust, and the unit, or the aggregate of those units, is equal to or more than 5% of the

	aggregate of the units having voting rights in the business trust;
trust property or trust asset	<p>means all assets and rights of any kind whatsoever which are held on trust for the unit holders of the business trust, in accordance with the terms of the deed, including —</p> <ul style="list-style-type: none"> (a) contributions of money or any other assets to the business trust; (b) assets that forms part of the assets of the business trust; (c) assets arising in relation to any contract, agreement or arrangement entered into by or on behalf of the trustee-manager in its capacity as trustee of the business trust; (d) assets arising in relation to any claims or rights held by or on behalf of the trustee-manager in its capacity as trustee of the business trust; (e) proceeds from money borrowed or raised by the trustee-manager of the business trust for the purposes of the business trust; (f) assets acquired, directly or indirectly, with the contributions or money referred to in item (a), (b), (c), (d) or (e) or with the proceeds thereof; and (g) profits, income and assets derived, directly or indirectly, from contributions, money or assets referred to in item (a), (b), (c), (d) or (e);
trustee-manager	has the same meaning as provided for under section 256H of the CMSA;
unit holder	means a person who holds units in a business trust;
vehicles for transportation	includes seagoing vessels and aircraft.

Calculation of time period

2.02 References to “days” in the guidelines will be taken to mean calendar days unless otherwise stated. Furthermore, any time period stated in these guidelines where no specific method for determining the time period is set out, the period shall start on the day after the day of the event.

PART II

REQUIREMENTS OF A BUSINESS TRUST

Chapter 3

THE TRUSTEE – MANAGER

Eligibility Requirements

Paragraph	Registered Business Trust	Recognized Business Trust
3.01	A trustee-manager must hold a Capital Markets Services Licence for fund management.	A trustee-manager must ensure that none of the grounds specified in Appendix 1 applies
3.02	A trustee-manager must demonstrate to the SC that it has the necessary expertise and experience to ensure that the business trust is managed in the interest of investors.	
3.03	A trustee-manager must have a full-time officer who acts in the capacity of a chief executive.	

Roles and Responsibilities of a Trustee–Manager

Paragraph	Registered Business Trust	Recognized Business Trust
3.04	A trustee-manager must observe, act and carry out its duties in accordance with the roles and responsibilities set out in this chapter.	
3.05	A trustee-manager must operate the business trust and exercise its responsibilities- (a) according to the deed, prospectus, relevant guidelines of the SC, securities laws; (b) best practices as a trustee-manager; and (c) best practices within the industry the business trust operates.	
3.06	In addition to the requirements in the CMSA, a trustee-manager must carry out the duties and responsibilities as provided for under Appendix 2.	

Transactions

Paragraph	Registered Business Trust	Recognized Business Trust
3.07	A trustee-manager must conduct all transactions in the best interest of unit holders as a whole.	

Maintenance of Records

Paragraph	Registered Business Trust	Recognized Business Trust
3.08	<p>A trustee-manager must maintain proper accounting records and other records for the business trust as are necessary to:</p> <p>(a) sufficiently explain the transactions entered into on behalf of the business trust and the financial position of the business trust in order to enable a true and fair financial statements to be prepared; and</p> <p>(b) maintain, or cause to be maintained, such accounting records and other books in such a manner as will enable them to be conveniently and properly audited.</p>	
3.09	The trustee-manager must retain the records referred to in paragraph 3.08 for seven years after the completion of the transactions or operations to which they respectively relate.	
3.10	The records referred to in in paragraph 3.08 must at all times be open to inspection by the directors.	
3.11	A trustee-manager must maintain such accounting and other records referred in paragraph 3.08 in the national language or English language.	
3.12	A trustee-manager must prepare and present, or cause to be prepared and presented, its financial statements and reports, and the financial statements and reports of the business trust in accordance with approved accounting standards, the deed, these guidelines, and securities laws.	The requirements are set out in paragraph 10.09.

Paragraph	Registered Business Trust	Recognized Business Trust
3.13	Where the business trust is the holding entity within a business trust group, the trustee-manager must prepare consolidated financial statements for the business trust in accordance with approved accounting standards.	

Provision of Assistance or Information

Paragraph	Registered Business Trust	Recognized Business Trust
3.14	A trustee-manager must provide to the SC or a person acting on behalf of or with the authority of the SC such assistance or information as may be required.	

Reconstruction, Amalgamation and Change in Shareholding of the Trustee-Manager of a Recognized Business Trust

Paragraph	Registered Business Trust	Recognized Business Trust
3.15	<p>A trustee manager of a registered business trust must comply with the Licensing Handbook when effecting-</p> <p>(a) any scheme of reconstruction or amalgamation of trustee-manager; or</p> <p>(b) change of major shareholder in the trustee manager.</p>	<p>A trustee manager may effect-</p> <p>(a) any scheme of reconstruction or amalgamation of trustee-manager; or</p> <p>(b) change of major shareholder in the trustee manager,</p> <p>provided that the trustee-manager is able to continue to meet the relevant eligibility requirement under this chapter.</p>

Appointment of Agents by Trustee Manager

Paragraph	Registered Business Trust	Recognized Business Trust
3.16	Where the deed allows for appointment of agents, the trustee-manager shall have power to appoint an agent to carry out or perform any matter that the trustee-manager is authorised to carry out or perform in connection with the management and operation of the business trust.	
3.17	Appointment of an agent to carry out or perform any of the trustee-managers' management and operative functions of the business trust does not relieve a trustee-manager from the responsibility for proper conduct of the appointed agent's actions pertaining to the business trust.	

Appendix 1

(Paragraph 3.01: Eligibility Requirements - Recognized Business Trust)

- (a) the trustee-manager is in the course of being wound up or otherwise dissolved;
- (b) the trustee-manager has an execution against it in respect of a judgement debt that has been returned unsatisfied in whole or in part;
- (c) the trustee-manager has a receiver and manager, or an equivalent person appointed in relation to or in respect of its property;
- (d) the trustee-manager has entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation;
- (e) the trustee-manager, its directors or its major shareholders have been convicted of:
 - (i) an offence, whether within or outside Malaysia, involving fraud or dishonesty or the conviction for which involved a finding that it or he acted fraudulently or dishonestly; or
 - (ii) an offence under the securities laws.

Appendix 2

(Paragraph 3.06: Duties and Responsibilities of a Trustee-Manager)

- (a) ensure that the assets of the business trust are-
 - (i) held on trust for all the unit holders of the business trust collectively in accordance with the terms of the deed; and
 - (ii) clearly identified as the assets of the business trust and held separately from any other assets by the trustee-manager;
- (b) comply with any other duty, consistent with the CMSA and these guidelines, that is conferred on the trustee-manager by the deed in so far as it is not inconsistent with securities laws and these guidelines;
- (c) treat unit holders who hold units in the same class fairly and equally and unit holders who hold units in different classes fairly;
- (d) establish an organisational structure with clear lines of responsibility and reporting;
- (e) establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to the business trust;
- (f) have adequate human resources with the necessary qualification, expertise and experience to carry on business as a trustee-manager;
- (g) have adequate and appropriate systems, procedures, and processes to undertake the business in a proper and efficient manner;
- (h) ensure that its officers and delegates (including agents) –
 - (i) do not make improper use of information acquired through being such an officer or delegate of the trustee-manager to gain an advantage for himself or another person, or cause detriment to unit holders in the business trust;
 - (ii) do not make improper use of their position as such officers or delegates to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to unit holders in the business trust; and
 - (iii) comply with any other duty or obligation as may be prescribed under the securities laws, trust laws or these guidelines.

Chapter 4

REQUIREMENTS FOR ISLAMIC BUSINESS TRUST

Approved Shariah Principles and Concepts

Paragraph	Registered Business Trust	Recognized Business Trust
4.01	An Islamic business trust must be structured in accordance with the approved Shariah principles and concepts as provided for in Appendix 3 of these guidelines or any other Shariah principles and concepts as may be approved by the SAC from time to time.	
4.02	Where any Shariah principle, concept or requirement applied in the establishment of an Islamic business trust is based on a Shariah principle, concept or requirement other than those stated under these guidelines, the advice, ruling or endorsement of the SAC must be obtained prior to the submission of the proposal to the SC.	

Shariah Adviser

Paragraph	Registered Business Trust	Recognized Business Trust
4.03	A trustee-manager for the Islamic business trust must appoint a Shariah Adviser who is– (a) A registered Shariah adviser under the SC's <i>Registration of Shariah Adviser Guidelines</i> ; or (b) An Islamic bank or financial institution approved by Bank Negara Malaysia to carry out Islamic Banking Scheme or Skim Perbankan Islam.	
4.04	Where individuals are appointed as Shariah Adviser, they must comprise at least three individuals to form a Shariah committee.	
4.05	The Shariah Adviser appointed under paragraph 4.03(a) must be independent from the trustee-manager of the Islamic business trust.	
4.06	The trustee-manager must ensure that the Shariah Adviser vacates the position immediately where the Shariah Adviser is subject to any disqualification or is otherwise unfit to hold office. The trustee-manager must notify the SC immediately of any disqualification and when the position is vacant.	
4.07	When another or a replacement Shariah Adviser is appointed, the trustee-manager for the Islamic business trust must: (a) ensure the Shariah Adviser meets the requirements under paragraphs 4.03 to 4.05; and (b) notify the SC immediately of the appointment.	

Roles and Responsibilities

Paragraph	Registered Business Trust	Recognized Business Trust
4.08	A Shariah Adviser of a business trust must carry out roles and responsibilities as set out under Appendix 4.	

Business of an Islamic Business Trust

Paragraph	Registered Business Trust	Recognized Business Trust
4.09	<p>The Shariah Adviser of an Islamic business trust may employ the following criteria in determining the Shariah-compliant status of the business trust:</p> <p>(a) The core business of the business trust is not in the following non-permissible activities:</p> <ul style="list-style-type: none"> (i) Financial services based on riba (interest); (ii) Gambling and gaming; (iii) Manufacture or sale of non-halal products or related products; (iv) Conventional insurance; (v) Entertainment activities that are non-permissible according to Shariah; (vi) Manufacture or sale of tobacco-based products or related products; (vii) Stockbroking or share trading in Shariah non-compliant securities; and (viii) Other activities deemed non-permissible according to Shariah. 	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>(b) If the Islamic business trust comprises Shariah and Shariah non-permissible activities, the contribution of Shariah non-compliant activities to the total revenue and profit before tax of the Islamic business trust must be lower than the business activity benchmarks as follows:</p> <p>(i) The 5% benchmark</p> <p>This benchmark is used to assess the level of mixed contributions from the activities that are clearly prohibited such as:</p> <ul style="list-style-type: none"> (A) conventional banking; (B) conventional insurance; (C) gambling; (D) liquor and liquor-related activities; (E) pork and pork-related activities; (F) non-halal food and beverages; (G) Shariah non-compliant entertainment; (H) interest income from conventional accounts and instruments; (I) tobacco and tobacco-related activities; and (J) other activities deemed non-compliant according to Shariah. <p>(ii) The 20% benchmark</p> <p>This benchmark is used to assess the level of mixed contributions from the activities that are generally permissible according to Shariah and have an element of <i>maslahah</i> (public interest), but there are other elements that may affect the Shariah status of these activities. Activities that falls under this category include but not limited to:</p> <ul style="list-style-type: none"> (A) hotel and resort operations; (B) share trading; (C) stockbroking business; and (D) rental received from Shariah non-compliant activities. 	

Paragraph	Registered Business Trust	Recognized Business Trust
4.10	<p>In addition to paragraph 4.09 above, a 33% benchmark is applicable in determining the Shariah-compliant status of an Islamic business trust. The 33% benchmark is used to assess the following financial ratios, which is intended to measure <i>riba</i> and <i>riba</i>-based elements in terms of investment, deposit and financing:</p> <p>(a) Cash over Total Assets Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation; and</p> <p>(b) Debt over Total Assets Debt will only include interest-bearing debt whereas Islamic financing or <i>sukuk</i> will be excluded from the calculation.</p> <p>Each of the above ratios must be lower than 33%.</p>	
4.11	<p>The Shariah Adviser may also employ any other methodologies, as may be appropriate, in determining the Shariah-compliant status of an Islamic business trust, subject to prior endorsement of the SAC of such methodology, prior to the establishment of the Islamic business trust. In endorsing such methodology, the SAC may impose any conditions as it may deem fit.</p>	
4.12	<p>The SAC may also take into account the public perception or image in assessing Shariah compliance status of the Islamic business trust.</p>	

Transactions involving Islamic business trust

Paragraph	Registered Business Trust	Recognized Business Trust
4.13	<p>In respect of an Islamic business trust, a trustee-manager must–</p> <p>(a) obtain the Shariah Adviser’s prior approval for any proposal relating to transaction resulting in a significant change in the business direction or policy of the business trust; and</p> <p>(b) notify the Shariah Adviser in writing of any such acquisition or disposal of assets within seven days after which the acquisition or disposal was effected.</p>	

Takaful

Paragraph	Registered Business Trust	Recognized Business Trust
4.14	Where an Islamic business trust intends to insure its assets or properties, it must procure a takaful scheme. Only if the takaful scheme is unable to provide the required and/or sufficient coverage, the Islamic business trust may procure conventional insurance scheme to ensure sufficient coverage of the same.	

Appendix 3

(Paragraph 4.01: Approved Shariah Principles and Concepts)

The following are acceptable Shariah principles and concepts which may be applied in an Islamic business trust.

(1) Primary principles

- (a) *Bai` bithaman ajil* (BBA) **(Deferred-payment sale)**
A contract that refers to the sale and purchase of assets on a deferred and instalment basis with preagreed payment period.
- (b) *Bai` inah* **(Sale with immediate repurchase)**
A contract which involves the sale and buy back transaction of an asset by a seller. A seller will sell the asset to a buyer on a cash basis. The seller will immediately buy back the same asset on a deferred payment basis at a price that is higher than the cash price. It could also be applied when a seller sells the asset to a buyer on a deferred basis. The seller will later buy back the same asset on a cash basis at a price which is lower than the deferred price.
- (c) *Bai` istijrar* **(Supply sale)**
A contract between a client and a supplier, whereby the supplier agrees to supply a particular product on an ongoing basis, for example monthly, at an agreed price and on the basis of an agreed mode of payment.
- (d) *Bai` salam* **(Advance purchase)**
A sale and purchase contract whereby the payment is made in cash at the point of contract but the delivery of the asset purchased will be deferred to a pre-determined date.
- (e) *Bai` wafa'* **(Sale and repurchase)**
A contract with the condition that when the seller pays back the price of goods sold, the buyer returns the goods to the seller.
- (f) *Ijarah* **(Leasing)**
A contract whereby a lessor (owner) leases out an asset to a lessee at an agreed lease rental for a predetermined lease period. The ownership of the leased asset shall always remain with the lessor.
- (g) *Ijarah thumma bai`* **(Lease to purchase)**
A contract which begins with an Ijarah contract for the purpose of renting out a lessor's asset to a lessee. Consequently, at the end of the lease period, the lessee will purchase the asset at an agreed price from the lessor by executing a purchase contract.
- (h) *Istisna`* **(Purchase order)**
A purchase order contract where a buyer requires a seller or a contractor to deliver or construct the asset to be completed in the future according to the specifications given in the sale and purchase contract. The payment term can be as agreed by both parties in the contract.
- (i) *Mudharabah* **(Profit sharing)**
A contract made between two parties to enter into a business venture. The parties consist of the *rabb al-mal* (capital provider) who shall contribute

capital to finance the venture, and the *mudharib* (entrepreneur) who will manage the venture. If the venture is profitable, the profit will be distributed based on a pre-agreed ratio. In the event of a business loss, the loss shall be borne solely by the provider of the capital.

- (j) **Murabahah (Cost-plus sale)**
A contract that refers to the sale and purchase of assets whereby the cost and profit margin (mark-up) are made known.
- (k) **Musharakah (Profit and loss sharing)**
A partnership arrangement between two or more parties to finance a business venture whereby all parties contribute capital either in the form of cash or in kind for the purpose of financing the said venture. Any profit derived from the venture will be distributed based on a pre-agreed profit-sharing ratio, but a loss will be shared on the basis of capital contribution.
- (l) **Qardh hasan (Benevolent loan)**
A contract of loan between two parties on the basis of social welfare or to fulfill a short-term financial need of the borrower. The amount of repayment must be equivalent to the amount borrowed. It is however legitimate for a borrower to pay more than the amount borrowed as long as it is not stated or agreed at the point of contract.
- (m) **Tawarruq (Tripartite sale)**
Purchasing a commodity on a deferred price and then selling it to a third party for cash.
- (n) **Wakalah (Agency)**
A contract where a party authorises another party to act on behalf of the former based on the agreed terms and conditions as long as he is alive.

(2) Supplementary concepts and principles

- (a) **Bai` dayn (Debt trading)**
A transaction that involves the sale and purchase of securities or debt certificates that conforms with Shariah. Securities or debt certificates will be issued by a debtor to a creditor as an evidence of indebtedness.
- (b) **Bai` muzayadah (Open-bidding trading)**
An action by a person to sell his asset in the open market through a bidding process among potential buyers. The asset for sale will be awarded to the person who has offered the highest bid/price. This is also known as the sale and purchase transaction based on tender.
- (c) **Kafalah (Guarantee)**
A contract of guarantee whereby a guarantor underwrites any claim and obligation that should be fulfilled by an owner of the asset. This concept is also applicable to a guarantee provided on a debt transaction in the event a debtor fails to fulfill his debt obligation.
- (d) **Haq tamalluk (Ownership right)**
An asset in the form of ownership rights as classified by Shariah which are tradable.

- (e) **Hibah (Gift)**
A gift awarded to a person on voluntary basis.
- (f) **Hiwalah (Transfer of Debt)**
A contract that allows a debtor to transfer his debt obligation to a third party.
- (g) **Ibra' (Rebate)**
An act by a person to withdraw his rights to collect payment from a person who has the obligation to repay the amount borrowed from him.
- (h) **Ittifaq dhimni (Pre-agreed contract)**
A sale and re-purchase of the underlying asset of which the prices are agreed by the parties prior to the completion of the contract. This is an external agreement which must be reached before the contract can be concluded to allow for the bidding process (*bai` al-muzayadah*) to take place.
- (i) **Rahn (Collateral)**
An act whereby a valuable asset is made as a collateral for a debt. This collateral will be utilised to settle the debt when a debtor is in default.
- (j) **Ujrah (Fee)**
A financial charge for the utilisation of services or *manfaat*. In the context of today's economy, it can be in the form of salary, allowance, commission and any other permissible form of assets.

Appendix 4

(Paragraph 4.08: Roles and responsibilities of Shariah Adviser)

- (a) Advise and provide Shariah expertise and guidance on the Islamic business trust's structure, management, investment and other operational matters;
- (b) Advise and provide Shariah expertise and guidance on the Islamic business trust's deed, offering documents, circular to unit holders relating to acquisition or disposal of assets, reports and any other relevant documents;
- (c) Ensure that the Islamic business trust is managed and operated in accordance with Shariah principles and relevant SC regulations and guidelines, including rulings and resolutions issued by the SAC;
- (d) Prepare a report to be included in the annual report of the Islamic business trust stating its opinion that the business trust has been operated and managed in accordance with Shariah principles for the financial period concerned;
- (e) Consult the SAC, where there is ambiguity or uncertainty with regard to any aspects of the Islamic business trust; and
- (f) Inform the trustee-manager of the Islamic business trust immediately where the Shariah Adviser has been deregistered by the SC.

Chapter 5

NAME, OBJECTIVE AND CONSTITUTION OF THE BUSINESS TRUST

Name of the business trust

Paragraph	Registered Business Trust	Recognized Business Trust
5.01	A trustee-manager must ensure that the name of the business trust is not inappropriate, misleading, or conflicts with the name of another business trust or corporation.	
5.02	A trustee-manager should not use the term "real estate investment trust" or any of its derivatives in the name or description, or in any representation of that business trust.	
5.03	The SC may direct the trustee-manager to change the name of the business trust if the name of the business trust is considered inappropriate, misleading, or conflicts with the name of another business trust or corporation	
5.04	<p>The name of a business trust may be considered as inappropriate or misleading if the name-</p> <ul style="list-style-type: none"> (a) implies that the business trust has merits which are not justified; (b) is inconsistent with the business trust's objective or policy; (c) might mislead investors into thinking that a person other than the trustee-manager is responsible for the business trust or part of the business trust; (d) is substantially similar to the name of another business trust or corporation (other than the promoter of the business trust) in Malaysia or elsewhere; or (e) is likely to offend the public. 	

Objective of the business trust

Paragraph	Registered Business Trust	Recognized Business Trust
5.05	The objective of a business trust must include the core business of the business trust and must be clear, specific and sufficiently stipulated in the deed.	

Instrument constituting the business trust

Paragraph	Registered Business Trust	Recognized Business Trust
5.06	A trustee-manager is responsible for maintaining the deed and for making necessary amendments to the deed in accordance with securities laws and these guidelines.	
5.07	The deed of a business trust must contain the provisions as set out in Appendix 5 of these guidelines.	
5.08	<p>Unless the following right or power is conferred on the trustee-manager by the deed of the business trust, the trustee-manager of the business trust should not have:</p> <p>(a) any right to be paid fees or to claim indemnification for debts, expenses or other liabilities incurred by the trustee-manager on behalf of the business trust out of the trust property of the business trust;</p> <p>(b) any power to borrow or raise money, to issue debentures or sukuk of the business trust or to assume (whether by way of declaration of trust, transfer, novation, vesting or otherwise) obligations or liabilities for such borrowings or issuance of debentures or sukuk of the business trust on behalf of the business trust; or</p> <p>(c) any right to conduct a unit buy-back.</p>	
5.09	<p>The unit holders should not have a right to redeem their units in return for distributions of profits, income or other payments or returns from the trust property of the business trust, unless the trust deed of the business trust –</p> <p>(a) confers such right; and</p> <p>(b) sets out procedures relating to the making and handling of redemption orders which are fair to all unit holders of the business trust.</p>	

Modifications to the deed

Paragraph	Registered Business Trust	Recognized Business Trust
5.10	<p>A modification or replacement of a deed may only be effected provided that –</p> <p>(a) the unit holders of the business trust have passed a special resolution to that effect; or</p> <p>(b) the modification or replacement is necessary in order to comply with any written law applicable in Malaysia.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
5.11	<p>Within seven days from the modification or replacement of the deed, the trustee-manager for the business trust must:</p> <ul style="list-style-type: none"><li data-bbox="371 501 1412 573">(a) notify all the unit holders of the modification or replacement of the deed; and<li data-bbox="371 633 1412 672">(b) submit a copy of the supplemental or replacement deed with the SC.	

Appendix 5

(Paragraph 5.07: Deed of a business trust)

- (1) Under subsection 256Z(2) of the CMSA, a deed must contain such provisions, covenants, requirements, information, and particulars specified by the SC.
- (2) The requirements stipulated in this appendix are in addition to requirements imposed on a trustee-manager under the law. The contents of this schedule are in addition to and not in derogation of any other duty imposed by any other law.
- (3) A trustee-manager, or its adviser, must submit the deed together with an application to register or recognized a business trust.

Specified contents for a deed

Covenants of the trustee-manager

- (4) A deed of a business trust must contain duties of a trustee-manager for the business trust which are prescribed under the CMSA and also include, but not limited to, the following covenants:
 - (a) The trustee-manager must ensure that for the duration of the business trust, there is a legally enforced deed at all times;
 - (b) It must attach the report of the directors of the trustee-manager together with the annual report required under subsection 256ZO(3) of the CMSA to be sent to unit holders;
 - (c) It must operate the business trust and exercise its duties and responsibilities according to the deed, the guidelines, securities laws, and best practices as a trustee-manager and within the industry the business trust operates;
 - (d) It must exercise its powers for a proper purpose and in good faith to treat all unit holders fairly. Where there are different classes of units, it must exercise its powers for a proper purpose and in good faith to treat all unit holders who hold units in the same class fairly and equally and unit holders who hold units in different classes fairly;
 - (e) It must take all necessary steps to ensure that the trust property of the business trust are adequately protected and properly segregated from the other assets held by the trustee-manager;
 - (f) It must keep or cause to be kept, proper accounting records and other books to sufficiently explain the transactions and financial position of the business trust and enable true and fair financial statements to be prepared from time to time;

- (g) It must keep or cause to be kept, such accounting records and other books in such a manner to enable them to be conveniently and properly audited;
- (h) It must cause the accounts referred to in (4)(g) to be audited at the end of each financial year by an auditor;
- (i) It must ensure that creation, transfer and redemption of units of the business trust is in accordance with the deed, the guidelines and securities laws;
- (j) (For business trusts listed on the Main Market) The trustee-manager must at all times use its best endeavours to list and maintain the listing of the business trust on the Main Market and to comply with the Main Market Listing Requirements; and
- (k) The trustee-manager for the business trust and its agent must endeavour to avoid all conflict of interest situations, and where the conflict cannot be avoided or promptly resolved, the trustee-manager must act in the best interests of unit holders of the business trust as a whole based on the circumstances at the time of the transaction, and ensure that there are adequate measures in place to minimise and manage the conflict.

Other provisions

- (5) A deed of a business trust must also contain provisions for the following:
 - (a) Business objective of the business trust that is clear, specific and sufficiently stipulated;
 - (b) Sufficient particulars to define the scope of business of the business trust and disclose the structure of, and nature of the units in, the business trust;
 - (c) Statement of fact in respect of the duration of the business trust, if it is or is not ascertainable;
 - (d) Conditions governing the creation, transfer or redemption of units in the business trust;
 - (e) Full particulars of –
 - (i) the remuneration of the trustee-manager for the business trust and the manner in which that remuneration is provided for; and
 - (ii) any other fees or expenses payable out of the trust property of the business trust;
 - (f) That the deed –
 - (i) is binding on each unit holder as if it had been a party to it and that it is bound by its provisions;

- (ii) authorises and requires the trustee-manager for the business trust to do the things required or permitted of them by the terms of the deed; and
 - (iii) (for registered business trust) is made and governed under the laws of Malaysia;
- (g) Appointment of a trustee-manager for the business trust at all times;
- (h) in the case for Islamic business trust, appointment of Shariah Adviser for the Islamic business trust;
- (i) Particulars of the business trust including, but not limited to –
- (i) the business trust's distribution policy;
 - (ii) accounting period of the business trust; and
 - (iii) if classes of units are issued, a provision specifying the classes, differences between classes and rights attached to each class;
- (j) A declaration that unless the conditions of issue of any unit expressly provide that a certificate not be issued, a certificate should be issued by the trustee to a purchaser of any unit purchased or subscribed for, not more than two months after the issue of the unit;
- (k) Circumstances under which the dealing in units can be deferred or suspended;
- (l) Circumstances, procedures and processes for termination or winding up of the business trust;
- (m) Circumstances, procedures and processes for convening of, and voting at, general meetings of unit holders, including:
- (i) specifying the notice period for convening the general meeting;
 - (ii) particulars on the right to vote in person or by proxy;
 - (iii) particulars on the manner in which votes may be given at a general meeting;
 - (iv) specifying that resolutions passed at a general meeting bind all unit holders whether or not they were present at the meeting and that no objection may be made as to any vote cast unless such objection is made at the general meeting; and
 - (v) in the case of equal votes, specifying that the chairman of the meeting has the right to make a casting vote in addition to his votes as unit holder;

- (n) Circumstances, procedures and processes for retirement, removal and replacement of the trustee-manager;
- (o) Circumstances, procedures and processes for the appointment, retirement, removal, and replacement of the auditor for the business trust;
- (p) Specific provisions whereby the trustee-manager undertakes to keep and maintain an up-to-date register of unit holders and to make that register available for inspection, free of charge, to any unit holder during ordinary business hours of the trustee-manager;
- (q) Specific provisions whereby the trustee-manager undertakes to:
 - (i) make a copy of the deed available for inspection to the public, free of charge during ordinary business hours of the trustee-manager; and
 - (ii) make a copy of the deed to unit holders, at a reasonable cost;
- (r) The extent of the indemnity provided to the trustee-manager;
- (s) Full particulars relating to unit holders' rights and the extent of their liability;
- (t) Full particulars relating to the liability of the trustee-manager; and
- (u) Provisions governing the modification of the deed.

Chapter 6**FEES AND EXPENSES**

Paragraph	Registered Business Trust	Recognized Business Trust
6.01	All fees and expenses to be paid out of the trust property of the business trust must be in accordance with the deed.	
6.02	<p>The following must be clearly stipulated in the deed and clearly disclosed in the prospectus:</p> <p>(a) The remuneration of the trustee-manager and the manner in which that remuneration is provided for; and</p> <p>(b) Any other fees or expenses payable out of the trust property,</p>	
6.03	Notwithstanding paragraph 6.02, reimbursement of expenses of unit holders by the trustee-manager as a result of the trustee-manager's failure to convene a general meetings as provided for under subsection 256ZC(7) of the CMSA, must not be from the trust property.	

Revision of fees and expenses

Paragraph	Registered Business Trust	Recognized Business Trust
6.04	<p>Any revision of fees and expenses in the deed must be preceded by:</p> <p>(a) The trustee-manager convening a general meeting to pass a special resolution;</p> <p>(b) The notice to unit holders to convene such meeting must include-</p> <p>(i) the rationale or justification for the proposed revision to the fees or expenses;</p> <p>(ii) the methods or procedures for determining the proposed revision to the fees or expenses; and</p> <p>(iii) an opinion, from an independent adviser, on whether the methods or procedures for determining the proposed revision to the fees or expenses are sufficient to ensure that the proposed revision is on normal commercial terms and will not be prejudicial to the interests of the unit holders as a whole.</p>	

Chapter 7

OPERATIONAL MATTERS

Register of unit holders

Paragraph	Registered Business Trust	Recognized Business Trust
7.01	<p>The trustee-manager must–</p> <ul style="list-style-type: none"> (a) keep and maintain, or cause to be kept and maintained, a register of the unit holders of the business trust; and (b) make that register available for inspection, without charge, by any person during the business hours of the trustee-manager. 	
7.02	<p>The register referred to in paragraph 7.01 must contain–</p> <ul style="list-style-type: none"> (a) the name, address and adequate personal identification information (for example NRIC/passport for individuals or company number for corporations) of each unit holder of the business trust; (b) the extent of holding by each unit holder of units in the business trust; and (c) the date on which the name of each person was entered in the register as a unit holder. 	
7.03	<p>In fulfilling the requirements under paragraph 7.01, the trustee manager must ensure it has immediate access to an updated list of the unit holders of the business trust.</p>	
7.04	<p>The trustee manager must provide the SC with an updated list of the unit holders when required by the SC.</p>	
7.05	<p>Any unit holder or other person aggrieved by the inclusion or exclusion, or the manner of inclusion or exclusion of any name in the register may seek legal recourse for the rectification of the register.</p>	

Distribution of income

Paragraph	Registered Business Trust	Recognized Business Trust
7.06	<p>The trustee-manager has the right in accordance with the deed to declare a distribution of profits, income or other payments or returns to the unit holders of the business trust out of the trust property of the business trust.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
7.07	<p>The board of directors of the trustee-manager must not declare a distribution under paragraph 7.06, unless it–</p> <ul style="list-style-type: none"> (a) makes a resolution that the board is satisfied that after making the distribution, the trustee-manager will continue to be able to fulfil, from the trust property of the business trust, the liabilities of the business trust as and when these liabilities fall due; and (b) issues a written statement attesting to the above, signed by not less than two of the directors. 	
7.08	<p>Upon making a declaration under paragraph 7.06, the trustee-manager must–</p> <ul style="list-style-type: none"> (a) Send to all the unit holders a copy of, or make an announcement to Bursa Securities on: <ul style="list-style-type: none"> (i) The written statement of the board of directors of the trustee-manager referred to in sub-paragraph 7.07(b); and (ii) A written statement disclosing the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the trust property; and (b) Make available a copy of each of the statements referred to in subparagraph (a) to the public without charge. 	

Valuation of assets

Paragraph	Registered Business Trust	Recognized Business Trust
7.09	<p>In carrying out the valuation under subsection 256P(1)(e) of the CMSA, the trustee-manager must consider, having regard to the nature of the assets of the business trust, whether–</p> <ul style="list-style-type: none"> (a) it is appropriate for the valuation of the asset to be carried out by an independent valuer or expert; and (b) the respective interval for valuation of each asset is appropriate. 	

Documents for inspection by unit holders

Paragraph	Registered Business Trust	Recognized Business Trust
7.10	<p>A trustee-manager must make available at their registered office for inspection by investors and unit holders (without charge) during the ordinary business hours of the trustee-manager the documents as follows:</p> <ul style="list-style-type: none"> (a) The deed and the supplementary deed(s) of the business trust (if any); (b) The latest annual and interim reports of the business trust (if any); and (c) Consolidated financial statements of the trustee-manager and the business trust for the current financial year as well as for the last three financial years or from the date of incorporation/establishment (if less than three years) (where applicable). 	

General meeting of unit holders***Annual general meeting***

Paragraph	Registered Business Trust	Recognized Business Trust
7.11	<p>The board of directors of the trustee-manager must at the annual general meeting lay before the unit holders the financial statements of the business trust for the period since the preceding statement (or in the case of the first statement, since the establishment of the business trust) made up to a date not more than four months before the date of the general meeting.</p>	
7.12	<p>A general meeting, other than an annual general meeting or a general meeting for the passing of a special resolution, must be called by notice in writing of not less than 14 days specifying the intention to propose the resolution.</p>	

Convening of general meeting

Paragraph	Registered Business Trust	Recognized Business Trust
7.13	An annual general meeting, a general meeting for the passing of a special resolution or a general meeting where the resolution requires special notice, must be called by notice in writing of not less than 21 days specifying the intention to propose the resolution or propose the resolution as a special resolution respectively.	
7.14	For the purpose of paragraph 7.12 and 7.13, an advertisement giving the relevant notice of the general meeting must also be published in the national language or English daily newspapers circulating in Malaysia.	

Quorum

Paragraph	Registered Business Trust	Recognized Business Trust
7.15	The quorum required for a general meeting is five unit holders, whether present in person or by proxy, provided always that the quorum for a meeting which requires a special resolution is five unit holders holding in aggregate at least 25% of the units in issue at the time of the meeting.	
7.16	<p>If after a reasonable time from the start of the general meeting, a quorum is not present, the meeting–</p> <p>(a) (if convened at the request of the unit holders) must be dissolved; and</p> <p>(b) (in any other case) must stand adjourned to –</p> <p>(i) a day and time which is seven or more days after the day and time of the meeting; and</p> <p>(ii) a place appointed by the chairman.</p> <p>Notice of an adjourned general meeting must be given to unit holders, stating that while five unit holders present in person or by proxy, and holding at least 25% of the units in issue (in respect of a special resolution), are required to constitute a quorum at the adjourned general meeting, whatever the number of unit holders or number of units held (as the case may be) present in person or by proxy at the adjourned general meeting will form a quorum after a reasonable time has passed from the convening of the meeting.</p>	

Resolutions

Paragraph	Registered Business Trust	Recognized Business Trust
7.17	Resolutions passed at a general meeting of the business trust bind all unit holders, whether or not they were present at the meeting. No objection may be made as to any vote cast unless such objection is made at the meeting.	
7.18	A declaration of the chairman that a resolution (including a special resolution) is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.	
7.19	A copy of the resolution must be delivered to the SC.	
7.20	Except where a special resolution is specifically required, a resolution is passed by a simple majority of the voting rights of all the unit holders of the business trust who, being entitled to do so, vote in person or by proxy present at a general meeting.	
7.21	Notwithstanding paragraph 7.13, if a majority in number of the unit holders of a business trust having the right to attend and vote at the general meeting, being a majority which together holds not less than 95% of the total voting rights that could be exercised at that meeting, agree a resolution may be proposed and passed as a special resolution at a meeting of which written notice of a period less than that required under paragraph 7.13 has been given.	

Voting rights

Paragraph	Registered Business Trust	Recognized Business Trust
7.22	A unit holder may vote by hand or by poll.	
7.23	On a show of hands, every unit holder who is present in person or by proxy has one vote.	
7.24	A voting by poll may be demanded on any resolution.	

Paragraph	Registered Business Trust	Recognized Business Trust
7.25	<p>In a voting by poll –</p> <p>(a) votes may be given either personally or by proxy; and</p> <p>(b) every unit holder of the business trust who is present in person or by proxy shall have one vote for every unit held by him.</p>	
7.26	<p>In the case of joint unit holders, any one of such joint unit holders may vote either personally or by proxy, but if the joint unit holders are present at the meeting of the business trust either personally or by proxy, only the vote of the first named in the register of unit holders can be taken.</p>	
7.27	<p>A trustee-manager must not exercise the voting rights for the units it or its nominees hold in any general meeting where it has any interest in a transaction or a resolution is proposed to increase the fees and expenses paid to the trustee-manager under the deed.</p>	
7.28	<p>Related parties of the trustee-manager must not vote at a general meeting if they have interest in the outcome of a transaction tabled for approval which is different from the interests of other unit holders.</p>	
7.29	<p>The prohibition against voting under paragraphs 7.27 and 7.28 does not extend to a proposed resolution to remove the trustee-manager under paragraph 7.49.</p>	

Right to demand poll

Paragraph	Registered Business Trust	Recognized Business Trust
7.30	<p>A resolution (including a special resolution) put to the vote at a general meeting of the business trust must be determined by a show of hands unless a poll is demanded (before or immediately after any question is put to the show of hands) by –</p> <p>(a) the chairman;</p> <p>(b) the trustee-manager; or</p> <p>(c) unit holders present (or represented by proxy) who hold between them not less than one-tenth of the total number of units in issue.</p>	
7.31	<p>In computing the majority on a poll demanded, reference shall be made to the number of votes cast for and against the resolution (including a special resolution) and to the number of votes to which each unit holder is entitled in accordance with these guidelines or the deed of the business trust.</p>	

Proxies

Paragraph	Registered Business Trust	Recognized Business Trust
7.32	A unit holder may appoint another person to attend a general meeting of the business trust and vote in the unit holder's place.	
7.33	Every notice calling a general meeting of the business trust must contain a statement that a unit holder is entitled to attend and vote, or may appoint a proxy to do so.	
7.34	The document appointing a proxy must be deposited at the registered office of the trustee-manager for the business trust not less than 48 hours before the general meeting or adjourned general meeting.	

Adjournment and Minutes

Paragraph	Registered Business Trust	Recognized Business Trust
7.35	<p>The chairman –</p> <p>(a) may, with the consent of any general meeting of the business trust at which a quorum is present; and</p> <p>(b) must, if so directed by the meeting;</p> <p>adjourn the meeting.</p>	
7.36	<p>A trustee-manager must ensure that –</p> <p>(a) minutes of all resolutions and proceedings at every general meeting are made and kept; and</p> <p>(b) any minute made in subparagraph (a) is signed by the chairman of the general meeting.</p>	

Transactions involving directors of the trustee-manager

Paragraph	Registered Business Trust	Recognized Business Trust
7.37	As prescribed under section 256S of the CMSA, the nature and extent of any interest in a transaction by the relevant director of the trustee-manager must be declared at a meeting of the directors of the trustee-manager and recorded in the minutes of the meeting at which it was made.	
7.38	A director of the trustee-manager with any interest, direct or indirect, must not be counted towards the quorum of the board meeting and must abstain from board deliberation and voting on the relevant resolution in respect of the transaction.	
7.39	<p>For the purpose of paragraph 7.37, a director of the trustee-manager shall not be deemed to be interested in a transaction by reason only-</p> <p>(a) where the transaction relates to a loan to the trustee-manager, the director has guaranteed or joined in guaranteeing the repayment or part-payment of the loan; or</p> <p>(b) where the transaction has been or will be made with or for the benefit or on behalf of a related corporation of the trustee-manager, the director is a director of the related corporation,</p> <p>but shall not affect the operation of any provision in the deed of the business trust.</p>	

Resignation of trustee-manager

Paragraph	Registered Business Trust	Recognized Business Trust
7.40	A trustee-manager who proposes to resign as trustee-manager must give notice of its intention to resign to all unit holders.	
7.41	<p>The resignation notice must include –</p> <ul style="list-style-type: none"> (a) reasons for the trustee-manager’s resignation; (b) nomination of another corporation as trustee-manager to be appointed as the replacement trustee-manager, subject to the nominated corporation – <ul style="list-style-type: none"> (i) meeting the relevant eligibility requirements under Chapter 3 of these guidelines; and (ii) having given its consent in writing to serve as the replacement trustee-manager; and (c) a statement informing the unit holders of their right to also nominate another corporation as the replacement trustee-manager. 	<p>The resignation notice must include–</p> <ul style="list-style-type: none"> (a) reasons for the trustee-manager’s resignation; (b) nomination of another corporation as trustee-manager to be appointed as the replacement trustee-manager in accordance with the deed, subject to the nominated corporation – <ul style="list-style-type: none"> (i) meeting the relevant eligibility requirements under Chapter 3 of these guidelines; and (ii) having given its consent in writing to serve as the replacement trustee-manager.
7.42	<p>For the purposes of paragraph 7.41 (c), nomination of another corporation as the replacement trustee-manager by unit holders is subject to the following conditions-</p> <ul style="list-style-type: none"> (a) the nomination is made by unit holder(s) holding at the date of nomination, not less than 10% of the total voting rights of units in the business trust; 	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>(b) the nomination is served on the resigning trustee-manager not more than 21 days after the date of the notice given by the resigning trustee-manager under paragraph 7.41; and</p> <p>(c) the nominated corporation has given its consent in writing to serve as the replacement trustee-manager.</p>	
7.43	<p>The resigning trustee-manager must, after 21 days of the date of the notice given upon paragraph 7.40 –</p> <p>(a) call a general meeting of the business trust within 28 days; and</p> <p>(b) give to unit holders special notice of the meeting and any resolution relating to the replacement trustee-manager to be raised at that meeting.</p>	
7.44	<p>A replacement trustee-manager must not be appointed without the approval of unit holders of the business trust holding in the aggregate not less than two-thirds of the voting rights of all unit holders of the business trust who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at the meeting.</p>	
7.45	<p>Resignation of the original trustee-manager shall not take effect until a replacement trustee-manager of the business trust is appointed.</p>	
7.46	<p>The replacement trustee-manager must–</p> <p>(a) within seven days after the passing of the resolution of its appointment by unit holders–</p> <p>(i) lodge a notice with the SC giving notice of the resolution and the effective date of the change; and</p> <p>(ii) inform all the unit holders of the business trust of the resolution</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>and the effective date of the change; and</p> <p>(b) within 14 days after its appointment as the replacement trustee-manager of the business trust takes effect or such other period of time as may be specified by the SC, provide notice of the change to any other relevant party.</p>	

Removal of trustee-manager by unit holders

Paragraph	Registered Business Trust	Recognized Business Trust
7.47	<p>Unit holders may requisition a meeting of unit holders to vote on a resolution to–</p> <p>(a) remove a trustee-manager; and</p> <p>(b) appoint a new corporation so nominated by unit holders, as the replacement trustee-manager, subject to the new corporation–</p> <p>(i) meeting the eligibility requirements under Chapter 3 of these guidelines; and</p> <p>(ii) having given its consent in writing to serve as the replacement trustee-manager.</p>	
7.48	<p>The process to requisition a meeting for the purposes of removing the trustee-manager is as set out in section 256zc and special notice of the resolutions in paragraph 7.47 is required.</p>	<p>The process to requisition a meeting for the purposes of removing the trustee-manager is as set out in the deed.</p>
7.49	<p>The resolutions to remove the trustee-manager and to appoint a replacement trustee-manager is passed when it is passed by unit holders holding in aggregate not less than two-thirds of the voting rights of all the unit holders who, being entitled to do so, vote in person or by proxy present at a general meeting.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
7.50	<p>The replacement trustee-manager who has been appointed must-</p> <p>(a) within seven days after the passing of the resolution of its appointment by unit holders-</p> <p>(i) lodge a notice with the SC giving notice of the resolution and the effective date of the change; and</p> <p>(ii) inform all the unit holders of the business trust of the resolution and the effective date of the change; and</p> <p>(b) within 14 days after its appointment as the replacement trustee-manager takes effect or such other period of time as may be specified by the SC, provide notice of the change to any other relevant party.</p>	

Winding-up

Paragraph	Registered Business Trust	Recognized Business Trust
7.51	<p>Where a business trust is to be wound up pursuant to the passing of a special resolution by the unit holders at a general meeting or occurrence of an event mentioned in the deed under subsection 256ZG(1)(b), the trustee-manager must-</p> <p>(a) notify the SC in writing of the proposed winding-up, within seven days after the passing of the special resolution or the occurrence of the event mentioned in the deed (where applicable); and</p> <p>(b) give notice of the passing of the resolution or occurrence of the event mentioned in the deed in an advertisement published in a national language or English daily newspapers circulating in Malaysia, within 10 days after the passing of the resolution or occurrence of the event.</p>	
7.52	<p>Upon completion of the winding-up of a business trust under subsection 256ZG(1)(a)(i), (b)(i) and (b)(ii) of the CMSA, the trustee-manager must notify the SC in writing of the completion of the winding-up within 2 business days of completion.</p>	

Chapter 8**REPORTING AND AUDIT****Reporting requirements**

Paragraph	Registered Business Trust	Recognized Business Trust
8.01	A trustee-manager must prepare an annual report of the business trust containing the documents set out in Appendix 6 to provide all necessary information to enable unit holders to evaluate the performance of the business trust.	

Contents of Business Trust's Reports

Paragraph	Registered Business Trust	Recognized Business Trust
8.02	The contents of the annual report and any interim report for a business trust listed on the Main Market shall be as specified in the Main Market Listing Requirements. Additional disclosures in the annual report that are required by the SC are set out in Appendix 7 of these guidelines.	

Publication of reports

Paragraph	Registered Business Trust	Recognized Business Trust
8.03	<p>A trustee-manager must–</p> <ul style="list-style-type: none"> (a) prepare and publish the annual report of the business trust; (b) send the annual report without charge to unit holders; and (c) lodge the annual report with the SC within two months after the end of the financial period the report covers. 	

Audit

Paragraph	Registered Business Trust	Recognized Business Trust
8.04	A trustee-manager for the business trust must ensure that the financial statements of the business trust are audited annually by an auditor appointed under paragraph 8.10, 8.11, 8.15 or 8.16.	
8.05	<p>The trustee-manager for a business trust must, before the financial statements are made out, take reasonable steps—</p> <p>(a) to—</p> <ul style="list-style-type: none"> (i) ascertain what action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts; and (ii) cause all known bad debts to be written off and adequate provision to be made for doubtful debts; <p>(b) to ascertain whether any current assets (other than current assets to which paragraph (a) applies) are unlikely to realize in the ordinary course of business their value as shown in the accounting records of the business trust and, if so, to cause—</p> <ul style="list-style-type: none"> (i) those assets to be written down to an amount which they might be expected so to realise; or (ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realise; and <p>(c) to ascertain whether any non-current asset is shown in the books of the business trust at an amount which, having regard to its value to the business trust as a going concern, exceeds the amount which would be recoverable over its useful life or on its disposal and (unless adequate provision for writing down that asset is made) to cause to be included in the accounts such information and explanations as will prevent the accounts from being misleading by reason of the overstatement of the amount of that asset.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
8.06	<p>The trustee-manager for a business trust must cause–</p> <ul style="list-style-type: none"> (a) the financial statements to be duly audited; (b) a statutory declaration by a director of the trustee-manager (or where that director is not primarily responsible for the financial management of the business trust by the person so responsible) stating his opinion as to the correctness or otherwise of the financial statements to be attached to the financial statements; and (c) the auditor’s report to be attached to the financial statements, <p>before they are laid before the unit holders of the business trust at the annual general meeting.</p>	
8.07	<p>The trustee-manager for a business trust must cause to be attached to every statement of financial position of the business trust a report of the directors of the trustee-manager–</p> <ul style="list-style-type: none"> (a) containing the information required in Appendix 8; (b) made in accordance with a resolution of the directors of the trustee-manager; and (c) signed by not fewer than two of the directors of the trustee-manager of with respect to the statement of profit or loss and other comprehensive income of the business trust for the financial year and the statement of financial position of the business trust as at the end of the financial year. 	
8.08	<p>The trustee-manager must include in every financial statements of the business trust, a statement made in accordance with a resolution of the directors of the trustee-manager and signed by not fewer than 2 directors which states that in their opinion–</p> <ul style="list-style-type: none"> (a) the financial statements are drawn up so as to give a true and fair view of the business trust for the period covered by the financial statements; and (b) the financial statements have been made out in accordance with the applicable approved accounting standards. 	

Paragraph	Registered Business Trust	Recognized Business Trust
8.09	Every statement, report or other document relating to the state of affairs of a business trust attached to, or included with, a report of the directors of the trustee-manager for a business trust laid before the unit holders of the business trust at their general meeting must be deemed to be part of that report of the directors.	
8.10	The trustee-manager of a registered business trust shall upon registration of the registered business trust, appoint a person-nominated by the audit committee of the trustee-manager to be the auditor for the registered business trust, and any auditor so appointed shall hold office until the conclusion of the first annual general meeting of the registered business trust.	The trustee-manager of a recognized business trust must ensure that an auditor is appointed for the recognized business trust in accordance with the deed.
8.11	The unit holders of a registered business trust shall, at each annual general meeting of the registered business trust, by an ordinary resolution appoint a person nominated by the audit committee of the trustee-manager to be the auditor of the registered business trust, and any auditor so appointed shall hold office until the conclusion of the next annual general meeting of the registered business trust.	
8.12	An auditor of a registered business trust may be removed from office by an ordinary resolution passed by unit holders, at a general meeting of which special notice has been given, but not otherwise.	
8.13	<p>Where special notice of a resolution to remove an auditor is received by the trustee-manager on behalf of a registered business trust—</p> <p>(a) the trustee-manager must immediately send a copy of the notice to the auditor concerned and to the SC; and</p> <p>(b) the auditor may, within seven days after the receipt by him of the copy of the notice, make representations in writing to the trustee-manager and request that,</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>prior to the meeting at which the resolution is to be considered, a copy of the representations be sent by the trustee-manager to every unit holder of the registered business trust to whom notice of the meeting is sent; and</p> <p>(c) the trustee-manager must immediately send a copy of the representation made in subparagraph (b) to the SC.</p>	
8.14	<p>The trustee-manager for the business trust must send a copy of the representations referred to in paragraph 8.13(b) as so requested and the auditor may require that the representations be read out at the meeting.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
8.15	<p>Where an auditor of a registered business trust is removed from office under paragraph 8.12 at a general meeting of the registered business trust —</p> <p>(a) the unit holders of the registered business trust may, at the meeting and by a special resolution passed, immediately appoint another person nominated by the audit committee of the trustee-manager as auditor; or</p> <p>(b) the meeting may be adjourned to a date not earlier than 20 days and not later than 30 days after the general meeting and the unit holders of the registered business trust may, by an ordinary resolution passed, appoint another person nominated by the audit committee of the trustee-manager as auditor.</p>	
8.16	<p>A trustee-manager of a registered business trust must, immediately after the removal of an auditor from office under paragraph 8.12, give notice in writing of the removal to the SC and, if the unit holders of the registered business trust do not appoint another auditor under paragraph 8.15, the SC shall appoint an auditor.</p>	
8.17	<p>An auditor appointed under paragraph 8.15 or 8.16 shall hold office until the conclusion of the next annual general meeting of the registered business trust.</p>	
8.18	<p>The trustee-manager of a registered business trust must, not less than 14 days before the annual general meeting of the registered business trust or the adjourned meeting under paragraph 8.15(b), give notice of the nomination made by the audit committee of the trustee-manager to—</p> <p>(a) the person so nominated;</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>(b) each auditor, if any, of the registered business trust; and</p> <p>(c) each person entitled to receive notice of general meetings of the registered business trust.</p>	
8.19	<p>An auditor of a registered business trust may resign—</p> <p>(a) if he is not the sole auditor of the registered business trust; or</p> <p>(b) at a general meeting of the registered business trust,</p> <p>but not otherwise.</p>	
8.20	<p>If an auditor of a registered business trust gives notice in writing to the trustee-manager of the registered business trust that he desires to resign, the trustee-manager shall, as soon as is practicable, call a general meeting of the registered business trust for the purpose of appointing an auditor in place of the auditor who desires to resign and on the appointment of another auditor, the resignation of the first-mentioned auditor shall take effect.</p>	
8.21	<p>The fees and expenses of an auditor of a registered business trust —</p> <p>(a) in the case of an auditor appointed by the unit holders of the registered business trust at a general meeting, shall be fixed by the unit holders in general meeting or, if so authorised by the unit holders of the registered business trust at the last preceding annual general meeting, by the trustee-manager of the registered business trust; and</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
	(b) in the case of an auditor appointed by the trustee-manager of the registered business trust or by the SC, may be fixed by the trustee-manager of the registered business trust or by the SC, as the case may be, and, if not so fixed, shall be fixed as provided in subparagraph (a) as if the auditor had been appointed by the unit holders of the registered business trust.	

Co-operation with auditors

Paragraph	Registered Business Trust	Recognized Business Trust
8.22	<p>A trustee-manager for the business trust must take reasonable steps to ensure that its employees –</p> <ul style="list-style-type: none"> (a) provide such assistance as the auditor reasonably requires to discharge its duties; (b) give the auditor right of access at all reasonable times to relevant records and information; (c) do not interfere with the auditor’s ability to discharge its duties; (d) do not provide false or misleading information to the auditor; and (e) report to the auditor any matter which may significantly affect the financial position of the business trust.. 	
8.23	<p>A trustee-manager for the business trust must, in writing, require any person to whom the trustee-manager has delegated or outsourced any function to co-operate with the business trust’s auditor in accordance with the provisions specified in paragraph 8.22.</p>	

Appendix 6

(Paragraph 8.01: Documents contained in the annual report)

- (1) The annual report must contain the following documents:
 - (a) the annual audited financial statements of the business trust;
 - (b) the report of directors of the trustee-manager referred to in paragraph 8.07;
 - (c) the report of the auditor of the business trust;
 - (d) the statutory declaration referred to in subparagraph 8.06(b);
 - (e) the statement by directors referred to in paragraph 8.08;
 - (f) the statements required under section 256U of the CMSA;
 - (g) the statement of the policies and practices of the trustee-manager in relation to its management and governance of the business trust required under section 256V of the CMSA;
 - (h) in the case of an Islamic business trust, the Shariah Adviser's report; and
 - (i) such other documents as may be specified by the SC.

Appendix 7

(Paragraph 8.02: Additional content in the annual report)

- (1) In principle, the contents of the annual report of a business trust listed on the Main Market are as prescribed in the Main Market Listing Requirements.
- (2) The information required by the SC under this appendix by the SC is in addition to that prescribed in the Main Market Listing Requirements.
- (3) A business trust's report need not adopt the terms used under this schedule. Where possible, the report should avoid unnecessary jargon and use terms which are easily understood by unit holders.

Certification by Board of Directors

- (4) The board of directors of the trustee-manager for the business trust must provide a statement that:
 - (a) Fees or expenses paid or payable out of the trust property to the trustee-manager are in accordance with the deed;
 - (b) Related-party transactions are not detrimental to the interest of all unit holders of the business trust as a whole based on the circumstances at the time of the transaction; and
 - (c) The board of directors of the trustee-manager is not aware of any violation of duties of the trustee-manager which would have a materially adverse effect on the business of the business trust or on the interests of the unit holders as a whole.
- (5) Where the board of directors of the trustee-manager is unable to provide the statement under paragraph (4), the board of directors shall provide an explanation as follows:
 - (a) Statement that the board of directors is of the opinion that the assertions under paragraph (4) are not true, identifying the relevant assertion;
 - (b) Where subparagraph (a) is not applicable, statement that there is a divergence of views among the directors as to the accuracy of the assertions under paragraph (4), identifying the relevant assertion;
 - (c) Highlight the important factors relating to the inability to provide the statement under paragraph (4); and
 - (d) Highlight the steps taken to address such factors and prevent the recurrence of the situation.

Statement of Policies and Practices

- (6) The statement of policies and practices in relation to the management and governance of the business trust must describe the measures put in place by the trustee-manager for the business trust to ensure that the business trust is managed in the interests of the unit holders as a whole, and includes a description of measures:
- (a) To ensure that the trust property of the business trust is properly accounted for and that such trust property is kept distinct from other property held by the trustee-manager;
 - (b) To ensure adherence with the business objective and business scope of the business trust as set out in the deed of the business trust;
 - (c) To ensure that potential conflicts between the interests of the trustee-manager and the interests of all the unit holders of the business trust as a whole are appropriately managed;
 - (d) To review related party transactions in relation to the business trust;
 - (e) To review expense and cost allocations payable to the trustee-manager in its capacity as trustee-manager of the business trust out of the trust property of the business trust, and ensure that fees and expenses charged to the business trust are appropriate and in accordance with the deed of the business trust; and
 - (f) To ensure compliance with the CMSA and, in the case of a business trust all or any of which units are listed on the stock exchange or stock market, with the relevant listing rules of the stock exchange or stock market.

Shariah Adviser's Report

- (7) The Shariah Adviser's report should provide particulars of the Shariah Adviser of the Islamic business trust:
- (a) If Individuals are appointed:
 - (i) Name, age, nationality, and qualification; and
 - (ii) Working experience and occupation.
 - (b) If a corporation is appointed:
 - (i) Name, address, telephone, and facsimile numbers of the registered office of the Shariah Adviser;
 - (ii) Experience relevant to its appointment as Shariah Adviser; and

- (iii) Name, qualifications, and experience of the designated person responsible for Shariah matters of the business trust.
- (8) The Shariah Adviser's report must state the Shariah Adviser's opinion on:
- (a) The business of the Islamic business trust is Shariah-compliant and the basis of such opinion;
 - (b) The Islamic business trust has been operated and managed in accordance with applicable rulings and resolutions issued by the Shariah Advisory Council of the SC; and
 - (c) The business trust has been operated and managed in accordance with Shariah.

Appendix 8

(Paragraph 8.07: Contents of Report of Directors of the Trustee-Manager)

- (1) The report to which paragraph 8.07 relates must state with appropriate details —
 - (a) the names of all directors of the trustee-manager in office at the date of the report;
 - (b) the principal activities of the business trust in the course of the financial year and any significant change in the nature of those activities during that period;
 - (c) the net amount of the profit or loss of the business trust for the financial year after provisions for income tax;
 - (d) whether —
 - (i) at the end of the financial year to which the report relates, there subsists any arrangement to which the trustee-manager is a party, being an arrangement whose object is to enable any director or all directors of the trustee-manager to acquire benefits by means of the acquisition of units in, or debentures of, the business trust; or
 - (ii) there have, at any time in that year, subsisted such an arrangement as aforesaid to which the trustee-manager was a party,and if so, the report must contain a statement explaining the effect of the arrangement and giving the names of the persons who at any time in that year were directors of the trustee-manager and held, or whose nominees held, units in, or debentures of, the business trust acquired in pursuance of the arrangement; and
 - (e) in respect of each person who, at the end of the financial year to which the report relates, was a director of the trustee-manager for the business trust—
 - (i) whether or not he was, at the end of that financial year, interested in units in, or debentures of, the business trust, or both, and, if he was, the number and amount of units in, or debentures of, the business trust, or both, in which he was then interested; and
 - (ii) whether or not he was, at the beginning of that year (or, if he was not then a director, when he became a director), interested in units in, or debentures of, the business trust, or both, and, if he was, the number and amount of units in, or debentures of, the business trust, or both, in which he was interested at the beginning of that year or when he became a director, as the case may be.
- (2) Where the trustee-manager has granted an option to any person to acquire unissued units in the business trust, the report required by paragraph 8.07 must state—
 - (a) the number and class of the units in respect of which the option has been granted;

- (b) the date of expiration of the option; and
 - (c) the basis upon which the option may be exercised.
- (3) Where any of the particulars required by item (2) has been stated in a previous report, it may be stated by reference to that report.
- (4) Each report required by paragraph 8.07 must specify —
- (a) particulars of units issued during the period to which the report relates by virtue of the exercise of options to acquire unissued units in the business trust, whether granted before or during that period; and
 - (b) the number and class of unissued units in the business trust under option as at the end of that period, the price, or method of fixing the price, of issue of those units, and the date of expiration of the option.
- (5) The trustee-manager must include in every financial statements of the business trust, a statement which states that at the date the statement is made, there are reasonable grounds to believe that the trustee-manager will be able to fulfil, out of the trust property of the business trust, the liabilities of the business trust as and when they fall due.

PART III
OFFERING, LISTING AND QUOTATION

Chapter 9

PUBLIC OFFERINGS AND LISTINGS

PART A: PRIMARY LISTINGS ON THE MAIN MARKET

9.01 This chapter sets out the requirements for the public offerings and primary listing of units in a business trust on the Main Market.

Route of Listing

Paragraph	Registered Business Trust	Recognized Business Trust
9.02	<p>A business trust must satisfy the market capitalisation test as follows:</p> <p>(a) Market capitalisation</p> <p>The total market capitalisation of at least RM1 billion based on the issue or offer price.</p> <p>(b) Pro forma accounts</p> <p>Where a listing of a business trust is sought based on the strength of the business trust group, the business trust seeking listing (if it has been established) and the subsidiary entities of the business trust must have common controlling unit holders or controlling shareholders for at least one full financial year prior to submission to the SC.</p> <p>(c) Operating history</p> <p>The core business underlying the business trust must have been in operation and generating operating revenue for at least one full financial year prior to submission to the SC.</p>	
9.03	<p>In addition to the requirements under paragraph 9.02, where the core business of the business trust group is that of an infrastructure undertaking:</p> <p>(a) A concession or licence to build and operate the infrastructure undertaking must have been awarded by a government or a state agency in or outside Malaysia;</p> <p>(b) The infrastructure undertaking must have had a development cost of at least RM500 million; and</p> <p>(c) The remaining concession or license period must be at least 15 years from the date of submission to the SC.</p>	

Core business

Paragraph	Registered Business Trust	Recognized Business Trust
9.04	A business trust must have an identifiable core business of which the business trust has majority beneficial ownership and the trustee-manager (acting on behalf of the business trust) has management control.	
9.05	The core business of the business trust must not be the holding of investment in other listed business trusts or listed corporations.	

Financial position and liquidity

Paragraph	Registered Business Trust	Recognized Business Trust
9.06	<p>The applicant must ensure that the business trust group has a healthy financial position, with –</p> <ul style="list-style-type: none"> (a) sufficient level of working capital for at least 12 months from the date of the listing prospectus; and (b) positive cash flow from operating activities. 	

Chain listing and de-merger

Paragraph	Registered Business Trust	Recognized Business Trust
9.07	<p>In the context of a business trust, chain listing refers to the following situations:</p> <ul style="list-style-type: none"> (A) A business trust, where more than 50% of units in the business trust are held or to be held by an already-listed entity, is seeking listing on its own; or (B) A business trust which owns more than 50% of units or shares in an already-listed entity, is seeking listing on its own. 	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>In such a situation, the following requirements must be met:</p> <ul style="list-style-type: none"> (a) The core business (of the business trust that is seeking to list on the Main Market) must be distinct and a viable business of its own; (b) The relationship between the business trust and the already-listed entity must not give rise to intra-group competition or conflict-of-interest situations; (c) The business trust must demonstrate that it is independent from the already-listed entity in terms of its operations, including purchases and sales of goods, management, management policies and finance; (d) The already-listed entity must have a separate autonomous business of its own, and will be able to sustain its listing in the future; and (e) Where the situation is as item (B) above, the business trust must meet the requirements for listing without taking into account the contributions, in terms of revenue, profit or otherwise, from the already-listed entity. 	
9.08	<p>A de-merger is a situation where a business trust seeking listing on the Main Market is to be formed from a component of an already-listed entity by way of an injection of assets from that already-listed entity. In such a situation, the already-listed entity must have a separate autonomous business of its own, and be able to sustain its listing in the future.</p>	
9.09	<p>For the purpose of subparagraph 9.07(d) and paragraph 9.08, in determining the sustainability of listing of an already-listed corporation, the principal adviser must take into consideration, among others, the factors set out in Appendix 9.</p>	
9.10	<p>For the purpose of paragraphs 9.07 and 9.08, the principal adviser of the business trust seeking listing must assess whether the already-listed entity can ensure that the following requirements are met:</p> <ul style="list-style-type: none"> (a) The listing of the said business trust must not detrimentally affect the interests of the shareholders or unit holders of the already-listed entity; (b) A statement must be made by the board of directors or board of directors of the trustee-manager, of the already-listed entity on the rationale for the listing of the said business trust; and (c) The shareholders or unit holders of the already-listed entity must be given an assured entitlement to any offering of units in the said business trust to be allocated as follows: <ul style="list-style-type: none"> (i) The percentage of units in the business trust to be allocated to the assured entitlement tranche should be determined by the 	

Paragraph	Registered Business Trust	Recognized Business Trust
	board of directors or board of directors of the trustee-manager, of the already-listed entity; and (ii) all shareholders or unit holders of the already-listed entity must be treated equally.	

Transactions with related parties

Paragraph	Registered Business Trust	Recognized Business Trust
9.11	Transactions entered into between the business trust (or any of its subsidiary entities) and related parties prior to listing must be based on terms and conditions which are not unfavourable to the business trust and are not detrimental to the interests of the unit holders of the business trust as a whole, otherwise, the SC may regard a business trust as unsuitable for listing.	
9.12	All trade debts exceeding the normal credit period and all non-trade debts, owing by the interested persons or major unit holder(s) to the business trust, must be fully settled prior to the business trust's listing.	

Methods of offering of units

General

Paragraph	Registered Business Trust	Recognized Business Trust
9.13	The methods of offering of units chosen must enable the business trust to have a broad base of unit holders and comply with the unit holding spread requirements in the Main Market Listing Requirements. The SC reserves the discretion to vary the methods of offering chosen by the applicant in the interests of the securities market and the public.	
9.14	A business trust is required to, as part of its listing scheme, undertake an offering of units to the general public. In relation to this, the units offered under the (balloted) public offer portion must constitute at least 2% of the approved scheme size, or an aggregate of 10 million units, whichever is higher.	

Paragraph	Registered Business Trust	Recognized Business Trust
9.15	Notwithstanding paragraph 9.14, an offering of units to the general public is not required where more than 50% of the voting rights in the business trust seeking listing can be exercised by a listed entity, and that listed entity intends to undertake a restricted offer for sale or distribute in specie to its shareholders or unit holders of the units in the business trust.	
9.16	An offer for sale and a restricted offer for sale of securities in respect of an infrastructure project business trust is not allowed, unless the infrastructure project has generated two consecutive full financial years of operating revenue based on the audited financial statements prior to submission to the SC.	
9.17	Expenses incurred relating to an offer for sale or restricted offer for sale of units must be borne by the offeror.	

Placement of units

Paragraph	Registered Business Trust	Recognized Business Trust
9.18	The principal adviser must act as the placement agent (or joint placement agent, where applicable) for any placement of units under an initial public offering.	
9.19	Neither the principal adviser nor any other placement agent may retain any unit being placed for its own account, except under the following circumstances: <ul style="list-style-type: none"> (a) Where such units are taken up following an underwriting agreement (in the event of an under-subscription); or (b) Where such units being retained are over and above the total number of units required to be in the hands of public unit holders, to meet the unit holding spread requirement in the Main Market Listing Requirements. The retention of units for the purposes of this paragraph must not result in the principal adviser or placement agent holding, whether directly or indirectly, 5% or more of the approved scheme size. 	

Paragraph	Registered Business Trust	Recognized Business Trust
9.20	<p>Units may not be placed with persons connected to the placement agent, except under the following circumstances:</p> <p>(a) Where such persons connected to the placement agent are –</p> <p>(i) statutory institutions managing funds belonging to contributors or investors who are members of the public; or</p> <p>(ii) entities established as collective investment schemes which are considered to represent public investors; or</p> <p>(b) Where the placement is made following a book-building exercise, in which case –</p> <p>(i) the placement agent/book-runner must establish internal arrangements to prevent the persons connected to it from accessing the book;</p> <p>(ii) the placement agent/book-runner must fully inform the applicant/trustee-manager and obtain the applicant's/trustee-manager's consent before inviting persons connected to it to bid for the units;</p> <p>(iii) the persons connected to the placement agent/book-runner must disclose to the placement agent/book-runner and the applicant/trustee-manager, the bid amounts which they have put in for their own/proprietary account and/or customer account, as applicable; and</p> <p>(iv) the allocation to persons connected to the placement agent/book-runner must be consistent with the allocation policy that has been communicated to and agreed by the applicant/trustee-manager, including the number of units to be allocated to a single party.</p>	
9.21	<p>The aggregate number of units placed with persons connected to the placement agent under paragraph 9.20 above must not be more than 25% of the total number of units made available for placement by the placement agent.</p>	
9.22	<p>Placement of units may not be made to –</p> <p>(a) existing substantial unit holders of the business trust or shareholders of the trustee-manager, directors of the trustee-manager, or persons connected to them, whether in their own names or through nominees, except for restricted offers under paragraph 9.24; and</p> <p>(b) nominee companies unless the names of the ultimate beneficiaries are disclosed.</p>	

<p>9.23</p>	<p>As soon as practicable after the placement exercise and prior to the listing of the business trust, the principal adviser must submit to the SC the following:</p> <ul style="list-style-type: none"> (a) The final list (by each placement agent) setting out the names, home/business addresses, identity card/passport/company registration numbers, occupations/principal activities and Central Depository System (CDS) account numbers of all the placees and the ultimate beneficial owners of the units placed (in the case where the placees are nominee companies or funds), and the amount and price of units placed to each placee; and (b) A confirmation from the principal adviser that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable enquiries, the details set out in the final list of placees in subparagraph (a) above are accurate and the placement exercise complies with the requirements on placement as stated in these guidelines.
<p>9.24</p>	<p>The information on the ultimate beneficiaries of the units as required in paragraph 9.23(a) need not be submitted for the following types of placees:</p> <ul style="list-style-type: none"> (a) Statutory institutions managing funds belonging to contributors or investors who are members of the public; (b) Unit trust funds or prescribed investment schemes approved by the SC; (c) Private retirement schemes approved by the SC; and (d) Collective investment schemes which are authorised, approved or registered investment schemes incorporated, constituted or domiciled in a jurisdiction other than Malaysia and regulated by the relevant regulatory authority in that jurisdiction, subject to the principal adviser confirming to the SC that such schemes have been duly authorised, approved or registered.
<p>9.25</p>	<p>The SC reserves the discretion to require submission of further information on the placement exercise and the placees as it may consider necessary for the purpose of establishing the propriety of the exercise or the independence of the placees.</p>

Restricted offers

Paragraph	Registered Business Trust	Recognized Business Trust
9.26	<p>Restricted offers for sale and restricted offers for subscription which are undertaken as part of the listing scheme may only be made to the following groups of persons:</p> <p>(a) Directors and employees of the trustee-manager;</p> <p>(b) Directors and employees of the subsidiary/holding corporation of the trustee-manager and subsidiary entities within the business trust group;</p> <p>(c) Other persons who have contributed to the success of the business, such as suppliers and long-term clients; and</p> <p>(d) Shareholders of the holding corporation of the trustee-manager, if the holding corporation is listed.</p>	
9.27	<p>The aggregate amount of units which may be offered to the groups of persons under paragraphs 9.26(a), (b) and (c) should not be more than 10% of the approved size upon listing or 25% of the units offered, whichever is lower.</p>	

Pricing of units

Paragraph	Registered Business Trust	Recognized Business Trust
9.28	<p>The issue price of units in a business trust offered for subscription or sale, for which a listing is sought, must be at least RM0.50 each.</p>	
9.29	<p>Where units are offered to related parties in conjunction with the initial public offering, the price of the units offered to such related parties must be set at least at the issue price to the general public.</p>	

Underwriting

Paragraph	Registered Business Trust	Recognized Business Trust
9.30	<p>Underwriting arrangements in relation to an offering of securities are at the discretion of the applicant and its principal adviser.</p>	
9.31	<p>The principal adviser must be part of the syndicate of underwriters for the units offered under the initial public offering and must submit the full list of underwriters, together with their respective underwriting commitments, to the SC prior to the issuance of the prospectus.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
9.32	<p>An applicant seeking listing on Bursa Securities must disclose in its listing prospectus–</p> <p>(a) the minimum level of subscription and the basis for determining the minimum level based on factors, such as the level of funding required by the applicant and the extent of the unit holding spread needed; and</p> <p>(b) the level of underwriting that has been arranged, together with justifications for the level arranged.</p>	
9.33	<p>Where the minimum level of subscription is not achieved, the offering of securities must be terminated and all consideration received must be immediately returned to all subscribers.</p>	

Moratorium

Paragraph	Registered Business Trust	Recognized Business Trust
9.34	<p>A moratorium will be imposed on the units held by the promoters of the business trust, where the promoters are not allowed to sell, transfer or assign their entire unit holdings in the business trust as at the date of listing, for six months from the date of listing on the Main Market.</p>	
9.35	<p>Where the promoters are corporations which are not listed, all direct and indirect shareholders of these corporations (if they are individuals or other corporations which are not listed) up to the ultimate individual shareholders must give an undertaking to the SC that they will not sell, transfer or assign any of their securities in the corporations which are not listed for the period as stipulated in paragraph 9.34.</p>	
9.36	<p>For purposes of paragraph 9.34, the promoters' holdings of units to be placed under moratorium should include all units in the business trust issued to the promoters during the moratorium period arising from the conversion or exercise of any convertible securities or warrants held by the promoters at the date of listing of the business trust on the Main Market.</p>	
9.37	<p>Where a price stabilisation mechanism under the <i>Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008</i> is included in the listing proposal, the promoters are allowed to transfer their moratorium securities to a designated account held by the stabilising manager to facilitate this purpose.</p>	

Valuation

Paragraph	Registered Business Trust	Recognized Business Trust
9.38	<p>A valuation by an independent valuer or expert must be conducted for an acquisition of–</p> <p>(a) property assets or vehicles of transportation; or</p> <p>(b) entities that own property assets or vehicles of transportation,</p> <p>where the revalued amount of the property assets or vehicles of transportation is used, whether wholly or partly, as the basis for the consideration. The revalued amount of the property assets or vehicles of transportation in this context refers to property assets or vehicles of transportation which are to be revalued or have been revalued in the past prior to the submission to the SC.</p>	
9.39	<p>Notwithstanding paragraph 9.38, an independent valuer must be appointed to conduct a valuation of the material real estate of a property investment business trust or property development business trust that is seeking listing on the Main Market.</p>	
9.40	<p>A valuation of property assets pursuant to paragraphs 9.38 and 9.39 must comply with the <i>Asset Valuation Guidelines</i> issued by the SC.</p>	
9.41	<p>A valuation of vehicles of transportation pursuant to paragraph 9.38 must comply with the following general principles:</p> <p>(a) the report must contain among others, the inventory of the assets being valued including the relevant details thereof, analytical process, valuation methodology, data and information used to arrive at the valuation conclusion;</p> <p>(b) the report complies with generally acceptable valuation standards and principles; and</p> <p>(c) the valuer or expert must ensure disclosure of all material information and all information disclosed is adequate, accurate and not misleading.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
9.42	The SC, whenever it deems appropriate, may also require the trustee-manager for the business trust to conduct a valuation on any asset other than those referred to in paragraphs 9.38 and 9.39.	
9.43	The SC may obtain a second opinion on the valuation report submitted to the SC. Where a second opinion valuation is required, the valuer conducting the valuation has to be appointed by the SC, at the cost of the applicant and the lower of the two valuations must be adopted as the basis for the purchase consideration.	

PART B: CROSS-LISTINGS OF REGISTERED BUSINESS TRUST ON FOREIGN STOCK MARKETS

Paragraph	Registered Business Trust	Recognized Business Trust
9.44	Pursuant to subsection 212(7) of the CMSA, registered business trusts have been specified by the SC as requiring the prior approval of the SC to cross-list on a foreign stock markets.	
9.45	In approving any proposal from a trustee-manager to seek cross listing of a business trust on a foreign stock market, the SC must be satisfied that the listing will benefit the business trust.	
9.46	<p>The foreign stock market where the cross-listing is sought must be a member of the World Federation of Exchanges and must be based in a jurisdiction that is subject to securities laws and other laws and regulations which have standards at least equivalent to those in Malaysia, particularly with respect to—</p> <ul style="list-style-type: none"> (a) corporate governance; (b) investor protection, including minority interest protection; (c) disclosure standards; and (d) regulation of take-overs and mergers. 	

Appendix 9

(Paragraph 9.09: Sustainability of Listing of an Already-Listed Corporation)

- (1) An already-listed corporation must be able to—
 - (a) meet the profit test requirements, excluding its interest in the business trust seeking listing, of an aggregate after-tax profit of at least RM20 million in the past three full financial years and an after-tax profit for the most recent financial year of at least RM6 million as set out in subparagraph 5.02(a)(i) of the *Equity Guidelines*; and
 - (b) show continuity of substantially the same management for at least three full financial years prior to submission to the SC;
- (2) The already-listed corporation must have a healthy financial position, excluding its interest in the business trust seeking listing, with—
 - (i) sufficient level of working capital to fund its continuing operations for at least 12 months from the date of submission to the SC; and
 - (ii) positive cash flow from operating activities based on its latest audited balance sheet at the time of submission to the SC.

Chapter 10

PUBLIC OFFERINGS AND LISTINGS OF RECOGNIZED BUSINESS TRUST

Paragraph	Recognized Business Trust
10.01	This chapter sets out the requirements for a recognized business trust that seeks primary, secondary or concurrent listing on the Main Market.
10.02	<p>SC may recognize the business trust if:</p> <ul style="list-style-type: none"> (a) the business trust is domiciled in a jurisdiction where the relevant regulator of the business trust is a full signatory to the IOSCO MMOU (Appendix A) or has entered into a MOU with the SC; (b) the business trust is approved, registered or authorised and regulated by a regulator that: <ul style="list-style-type: none"> (i) is a full signatory to the IOSCO MMOU (Appendix A) or has entered into a MOU with the SC; and (ii) has adopted global standards for securities market regulation; and (c) the trustee-manager for the business trust is regulated by a regulator that meets the requirements of subparagraph (b)(i) and (ii).
10.03	Recognized business trust seeking primary listing on the Main Market must meet the requirements of this chapter as well as Chapter 9 Public Offerings and Listings.
10.04	<p>A recognized business trust seeking secondary listing on the Main Market must:</p> <ul style="list-style-type: none"> (a) Already have a primary listing on the main market of a foreign stock market as specified by the SC; and (b) Be subjected to standards of disclosure rules on that said stock market at least equivalent to those of Bursa Securities.

Standards of laws and regulations

Paragraph	Recognized Business Trust
10.05	<p>A recognized business trust must be established in a jurisdiction that is subject to securities laws and other laws and regulations where appropriate which have standards at least equivalent to those in Malaysia, particularly with respect to –</p> <ul style="list-style-type: none"> (a) corporate governance; (b) investor protection, including minority interest protection; (c) disclosure standards; and (d) regulation of take-overs and mergers.
10.06	<p>Where the jurisdiction in which the recognized business trust is established does not provide standards of corporate governance, investor protection, and regulation of take-overs and mergers at least equivalent to those provided in Malaysia, but it is possible to provide those standards by means of varying the business trust’s constituent documents, the SC may approve the listing of the business trust, subject to such variations made to the business trust’s constituent documents. In relation to this, the applicant must submit a comparison of such standards of laws and regulations of the jurisdiction in which the business trust is established and those provided in Malaysia, together with the proposed variations to the business trust’s constituent documents to address any deficiency in such standards, in its applications to the SC and Bursa Securities.</p>
10.07	<p>The applicant must ensure that the units in the recognized business trust are validly issued in accordance with the constituent documents of the business trust and the relevant laws in force in the country of origination of the business trust.</p>

Approval of regulatory authorities of foreign jurisdiction

Paragraph	Recognized Business Trust
10.08	<p>The applicant must obtain the approval of all relevant regulatory authorities of the jurisdiction in which the business trust is incorporated and carries out its core business, as may be required, before issuing the listing prospectus.</p>

Accounting standards

Paragraph	Recognized Business Trust
10.09	A trustee-manager must prepare and present, or cause to be prepared and presented, its financial statements and reports, and the financial statements and reports of the business trust in accordance with the approved accounting standards and the deed. In this regard, a professional accountant qualified under the <i>Accountants Act 1967</i> and from an international accounting firm must confirm that the financial statements comply with the said approved accounting standards.

Auditing standards

Paragraph	Recognized Business Trust
10.10	The financial statements of the business trust must be audited in accordance with approved auditing standards applied in Malaysia or International Standards on Auditing.

Translation of documents

Paragraph	Recognized Business Trust
10.11	All documents furnished by the applicant to the SC, including financial statements, which are in a language other than Bahasa Malaysia or English, must be accompanied by a certified Bahasa Malaysia or English translation.

Currency denomination

Paragraph	Recognized Business Trust
10.12	The applicant is to consult Bursa Securities and obtain the approval of the Controller of Foreign Exchange (if necessary) where the units are to be quoted in a currency other than Ringgit Malaysia.

Approval of controller of foreign exchange

Paragraph	Recognized Business Trust
10.13	The applicant and/or the trustee-manager of the recognized business trust must, where applicable, obtain the prior approval of the Controller of Foreign Exchange for the utilisation of proceeds from the offering of units in the business trust.

Resident directors

Paragraph	Recognized Business Trust
10.14	The trustee-manager of a recognized business trust to be listed on the Main Market whose operations are entirely or predominantly foreign-based, must have at least one director whose principal or only place of residence is within Malaysia.
10.15	The trustee-manager of a recognized business trust to be listed on the Main Market whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia.

Chapter 11

ISSUES OF SECURITIES BY A BUSINESS TRUST

Paragraph	Registered Business Trust	Recognized Business Trust
11.01	Any issuance of new units in a business trust requires– (a) unit holders’ approval; and (b) SC’s approval, where applicable.	

Issues of units

Paragraph	Registered Business Trust	Recognized Business Trust
11.02	In an application to the SC, the trustee-manager must ensure that the principles applicable to chapters on New Issues of Securities and Transactions, where applicable, under the Main Market Listing Requirements are complied with.	
11.03	In relation to paragraph 11.02, any information, document, valuation report or confirmation, other than announcement and circular, required to be submitted to Bursa Securities must be submitted to the SC.	
11.04	The SC reserves the discretion to require submission of further information on any issue/placement exercise and the placees if necessary, for establishing the propriety of the exercise and independence of the placees.	
11.05	The SC, whenever it deems appropriate, may also require the trustee-manager for the business trust to conduct a valuation on any asset other than those referred to in the relevant chapters of the Main Market Listing Requirements.	
11.06	The SC may obtain a second opinion on the valuation report submitted to the SC. Where a second opinion valuation is required, the valuer conducting the valuation has to be appointed by the SC, at the cost of the business trust. Both valuations must be adequately disclosed, including the rationale for the valuation adopted as the basis of purchase consideration, in the circular to unit holders for their approval.	

Issues of debentures or sukuk

Paragraph	Registered Business Trust	Recognized Business Trust
11.07	A trustee-manager for the business trust may, through a special purpose vehicle wholly owned by the business trust, issue debentures or sukuk.	
11.08	The issues of debentures or sukuk by a registered business trust, or by a recognized business trust in Malaysia, must comply with the <i>Guidelines on Private Debt Securities</i> or the <i>Guidelines on Sukuk</i> (where applicable) issued by the SC.	
11.09	For the purpose of paragraph 11.08, where the debentures or sukuk are convertible into units of the business trust, approval of the SC must be obtained for the creation of units pursuant to the conversion of the debentures or sukuk prior to the issuance of the convertible debentures or sukuk.	

Chapter 12

SIGNIFICANT CHANGE IN THE BUSINESS DIRECTION OR POLICY

Paragraph	Registered Business Trust	Recognized Business Trust
12.01	This chapter sets out the requirements for proposals which would result in a significant change in the business direction or policy of a business trust listed on the Main Market, including back-door listings and reverse take-overs.	
12.02	For an acquisition of assets which results in a significant change in the business direction or policy of a listed business trust, the consideration for the assets to be injected must be at least RM1 billion.	
12.03	For a disposal of assets which results in a significant change in the business direction or policy of a listed business trust, the trustee-manager must ensure that unit holders of the business trust approve the disposal and that- <ul style="list-style-type: none"> (a) an announcement complying with the requirements in the Chapter on Transactions in the Main Market Listing Requirements is made; and (b) the circular to unit holders complies with the requirements in the Chapter on Transactions in the Main Market Listing Requirements. 	
12.04	The assets to be injected must have a healthy financial position, with sufficient level of working capital for at least 12 months from the date of the circular to unit holders and listing prospectus (where offering of securities is made), as applicable.	
12.05	The trustee-manager for the listed business trust must disclose in the circular to unit holders that it has the expertise and resources to manage the assets to be injected, if the assets are different from those of the listed business trust's existing core business.	
12.06	Where the assets are to be acquired from a related party, the principal adviser must confirm to the SC that the acquisition complies with the applicable provisions pertaining to related-party transactions in the Main Market Listing Requirements.	

Valuation

Paragraph	Registered Business Trust	Recognized Business Trust
12.07	<p>A valuation by an independent valuer or expert must be conducted for an acquisition of-</p> <ul style="list-style-type: none"> (a) property assets or vehicles of transportation; or (b) corporations that own property assets or vehicles of transportation, <p>where the revalued amount of the property assets or vehicles of transportation is used, whether wholly or partly, as the basis for the consideration. The revalued amount of the property assets or vehicles of transportation in this context refers to property assets or vehicles of transportation which are to be revalued or have been revalued in the past prior to the submission to the SC.</p>	
12.08	<p>Notwithstanding paragraph 12.07, an independent valuer must be appointed to conduct a valuation of the material real estate of a property investment or property development business trust or corporation to be acquired by the business trust.</p>	
12.09	<p>A valuation of property assets pursuant to paragraphs 12.07 and 12.08 must comply with the <i>Asset Valuation Guidelines</i> issued by the SC.</p>	
12.10	<p>A valuation of vehicles of transportation pursuant to paragraph 12.07 must comply with the following general principles:</p> <ul style="list-style-type: none"> (a) the report must contain among others, the inventory of the assets being valued including the relevant details thereof, analytical process, valuation methodology, data and information used to arrive at the valuation conclusion; (b) the report complies with generally acceptable valuation standards and principles; and (c) the valuer or expert must ensure disclosure of all material information and all information disclosed is adequate, accurate and not misleading. 	
12.11	<p>The SC, whenever it deems appropriate, may also require the trustee-manager for the business trust to conduct a valuation on any asset other than those referred to in paragraphs 12.07 and 12.08.</p>	
12.12	<p>The SC may obtain a second opinion on the valuation report submitted to the SC. Where a second opinion valuation is required, the valuer conducting the valuation has to be appointed by the SC, at the cost of the business trust and the lower of the two valuations must be adopted as the basis for the purchase consideration.</p>	

Issue of securities under back-door listing and reverse take-over schemes including bonus issue and rights issue

Paragraph	Registered Business Trust	Recognized Business Trust
12.13	Where issues of securities are undertaken by a listed business trust as part of a back-door listing or a reverse take-over, the SC will assess and approve such issues together with the back-door listing or reverse take-over scheme as a whole.	

Placement of units to meet unit holding spread

Paragraph	Registered Business Trust	Recognized Business Trust
12.14	Where units are issued as consideration for the acquisition, the listed business trust must state– (a) whether it will comply with the unit holding spread requirements under the Main Market Listing Requirements upon completion of the acquisition; and (b) its plans to comply with such requirements, if there is non-compliance.	
12.15	The principal adviser must act as the placement agent (or joint placement agent, where applicable) and ensure that the placement fully complies with paragraphs 9.19 to 9.25.	
12.16	The SC reserves the discretion to require submission of such further information on the issue/placement exercise and the placees as the SC may consider necessary for the purpose of establishing the propriety of the exercise and independence of the placees.	

Moratorium

Paragraph	Registered Business Trust	Recognized Business Trust
12.17	Where an acquisition of assets results in a change in the controlling unit holder or board of directors of the trustee-manager for the business trust, a moratorium will be imposed on the consideration securities received by the vendors of the assets, whereby, the vendors will not be allowed to sell, transfer or assign their entire consideration securities for six months from the date the securities are listed on the Main Market or from the date of issue if the securities are not listed.	

Paragraph	Registered Business Trust	Recognized Business Trust
12.18	Where the vendors of the assets are corporations which are not listed, all direct and indirect shareholders of these corporations (if they are individuals or other corporations which are not listed) up to the ultimate individual shareholders must give undertakings to the SC that they will not sell, transfer or assign their shareholdings in the related corporations which are not listed for the period as stipulated in paragraph 12.17, as applicable.	

Chapter 13**CORPORATE GOVERNANCE**

Paragraph	Registered Business Trust	Recognized Business Trust
13.01	An applicant submitting a proposal to the SC is expected to have good corporate governance practices.	
13.02	The SC, in considering a proposal, would take into account the applicant's corporate governance record, including any previous actions taken against the applicant for any breach of relevant laws, guidelines or rules issued by the SC and Bursa Securities, or for failure to comply with any written notice or condition imposed by the SC.	
13.03	Directors of the applicant and the directors or proposed directors of the trustee-manager are required to act honestly and diligently in discharging their duties. The SC will not tolerate any compromise on the integrity and public accountability of the directors.	
13.04	<p>Where the SC is not satisfied with an applicant's corporate governance record or where the SC is concerned with the integrity of any of the applicant's directors or the directors or proposed directors of the trustee-manager, the SC may reject the proposal, or approve the proposal subject to appropriate conditions such as the following:</p> <ul style="list-style-type: none"> (a) The applicant to take appropriate measures to improve its governance structure; (b) Disclosure of the governance record of the applicant and/or the director in question in relevant public documents; (c) The director in question to step down from the board of directors of the trustee-manager and the management of the business trust; (d) Prohibition of the director in question from participating in the proposal; and/or (e) Prohibition of, or imposition of a moratorium on, any trading or dealing in securities. 	
13.05	<p>For proposals under these guidelines, the applicant is required to submit to the SC–</p> <ul style="list-style-type: none"> (a) a confirmation on compliance with the relevant laws, regulations and rules governing the applicant and its subsidiary companies; (b) a declaration on its corporate governance record; (c) information on all material terms and conditions imposed by the 	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>relevant authorities on the applicant, the trustee-manager (if any) and/or the assets being acquired, and the extent to which these terms and conditions have been complied with. The SC may reject the proposals and/or impose appropriate conditions in the event of non-compliance with these terms and conditions; and</p> <p>(d) a confirmation that submissions of tax returns and settlement of tax liabilities with the tax authorities are up-to-date relating to the applicant, the trustee-manager (if any) and the business trust.</p>	
13.06	<p>For proposals under these guidelines, each of the directors of the applicant and the directors and proposed directors of the trustee-manager is required to submit, as part of the submission of proposals to the SC, a declaration that he is fit and proper to act as director.</p>	

Chapter 14**CONFLICTS OF INTEREST****General**

Paragraph	Registered Business Trust	Recognized Business Trust
14.01	This chapter is applicable in relation to proposals under chapters 9, 10 and 12 of these guidelines.	
14.02	An applicant is required to assess all aspects of the trustee-manager's business and the business of the business trust to determine whether there are conflict-of-interest situations.	
14.03	An applicant must resolve, eliminate or mitigate all conflict-of-interest situations.	
14.04	The SC may reject proposals submitted by the applicant if there are conflicts of interest situation that are not satisfactorily addressed.	
14.05	Situations that are likely to give rise to conflict of interest include circumstances where interested persons– <ul style="list-style-type: none"> (a) have an interest in a competing business with that of the business trust group; (b) conduct or have interest in business transactions involving goods or services, either directly or indirectly, with the business trust group; (c) provide financial assistance to or receive financial assistance from the business trust group; and (d) lease property to or from the business trust group. 	
14.06	An applicant in respect of the business trust should consider the following to determine if a conflict-of-interest situation arises: <ul style="list-style-type: none"> (a) Whether interested persons of the business trust group have personal pecuniary interests which are in conflict with those of the business trust group; (b) Whether the relationship between a major unit holder and the business trust group could result in a conflict between the trustee-managers' obligations towards that major unit holder and its duties to the general body of unit holders of the business trust; (c) Whether the professional judgment of interested persons to act in the best interests of the business trust group is compromised; 	

Paragraph	Registered Business Trust	Recognized Business Trust
	<p>(d) Whether interested persons are otherwise engaged in an activity which detracts time and commitment from managing the business trust group; and</p> <p>(e) Whether the conflict is significant in relation to the nature, scale and complexity of the businesses of the business trust group.</p>	
14.07	<p>In situations where the conflict cannot be promptly resolved, such as where—</p> <p>(a) the arrangement is essential and favourable to the operations of the business trust group; or</p> <p>(b) there are adequate measures in place to ensure that the arrangement and the ensuing terms are not detrimental to the business trust group,</p> <p>the applicant for the business trust must act in the best interests of unit holders as a whole and adequately disclose measures for minimising and managing the conflict.</p>	
14.08	<p>For business trusts listed or to be listed on the Main Market, disclosure of the conflict must be made in the listing prospectus, circular to unit holders or any other public document issued in relation to the proposal (wherever relevant).</p>	

PART IV
APPLICATION AND IMPLEMENTATION

Chapter 15

APPLICATIONS TO THE SECURITIES COMMISSION MALAYSIA

PART A: APPLICATIONS

Applications

Paragraph	Registered Business Trust	Recognized Business Trust
15.01	Applications for proposals under these guidelines, including applications for revisions to approved terms and conditions with full justifications, must only be submitted by principal advisers who are eligible and permitted under the <i>Principal Adviser Guidelines</i> . The application letter submitted by the principal adviser must be signed by at least two authorised persons.	
15.02	Notwithstanding paragraph 15.01, applications in relation to lifting of moratorium securities or pledging of securities under moratorium may be made directly by the affected unit holders.	
15.03	The applicant (including directors or proposed directors of the trustee-manager), the principal adviser, advisers, experts and other persons accepting responsibility for all or any part of the information and documents submitted to the SC in relation to a proposal must exercise due diligence and comply with the <i>Guidelines on Due Diligence Conduct for Corporate Proposals</i> .	
15.04	Any person who is aggrieved by the SC's decision may make an application for a review of the decision within 30 days after the aggrieved person is notified of such decision. The SC's decision following the review shall be final.	
15.05	Applications must be submitted in three* hard copies and one copy in an electronic storage medium, including but not limited to CD-ROM, and addressed to: The Chairman Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur (Attention: Executive Director, Corporate Finance and Investments)	

* Comprising two sets of the full application (one original and one duplicate) and the third being a copy of the prospectus, introductory document or circular to unit holders (whichever is applicable).

Minimum information and documents

Paragraph	Registered Business Trust	Recognized Business Trust
15.06	Applications for proposals must be accompanied by the relevant information and documents in accordance with Appendix 10.	
15.07	The applications must include a declaration by the principal adviser, applicant, and each of the directors of the applicant and the directors and proposed directors of the trustee-manager, in accordance with the form specified in Appendix 11 respectively.	

Information on operating and financial prospects

Paragraph	Registered Business Trust	Recognized Business Trust
15.08	For initial public offerings and proposals resulting in a significant change in the business direction or policy of a business trust listed on the Main Market, the applicant must provide a thorough discussion and analysis of the business trust's business, financial conditions and prospects and, where applicable, those of the business trust group. The discussion and analysis must be included in the listing prospectus, circular to unit holders or other offering documents to be issued in relation to the proposals, as applicable.	

Valuation reports

Paragraph	Registered Business Trust	Recognized Business Trust
15.09	<p>A valuation report is required to be submitted for an acquisition of-</p> <p>(a) property assets or vehicles of transportation; or</p> <p>(b) corporations which own property assets or vehicles of transportation,</p> <p>where the revalued amount of such assets is used, whether wholly or partly, as the basis for the consideration in respect of proposals under Chapters 9 and 12.</p>	

Paragraph	Registered Business Trust	Recognized Business Trust
15.10	<p>A valuation report on material real estate is also required to be submitted for the following proposals:</p> <ul style="list-style-type: none"> (a) Initial listings by property investment business trusts and property development business trusts under Chapter 9; and (b) Back-door listings and reverse take-overs where the assets acquired by the business trust listed on the Main Market is that of a property development business trust or corporation, or property investment business trust or corporation, under Chapter 12. 	
15.11	<p>A valuation report has to be submitted on assets other than those identified in paragraph 15.09 and 15.10 where–</p> <ul style="list-style-type: none"> (a) the SC had required a valuation to be conducted; or (b) a valuation report had been prepared by an expert. 	
15.12	<p>Where a second opinion valuation is conducted, the valuer has to submit the valuation report to the SC.</p>	
15.13	<p>For purposes of expediency in considering proposals by the SC, two hard copies of the valuation reports for such assets must be submitted to the Property Valuation Department of the SC before the submission of the application proper for the proposals. The submission of the application proper must be made after two weeks but not later than one month from the date of submission of the valuation reports.</p>	

Further information and documents required by the SC

Paragraph	Registered Business Trust	Recognized Business Trust
15.14	The SC may, at its discretion, request for additional information and documents other than those specified in these guidelines.	
15.15	<p>The SC must be immediately informed of–</p> <ul style="list-style-type: none"> (a) any material change in circumstances that would affect the consideration of the SC; and (b) any material change or development in circumstances relating to a proposal occurring subsequent to the SC giving its approval. 	
15.16	Where the material change or development occurs prior to the issue of documents to unit holders or investors, it must be disclosed in those documents.	
15.17	If certain circumstances are made known to the SC after the proposal has been considered, and such circumstances would have affected the decision made, the SC may review the decision. For this purpose, an application with full justifications and effects (financial or otherwise) must be submitted for the SC's review.	

Fees and charges

Paragraph	Registered Business Trust	Recognized Business Trust
15.18	The details of fees payable to the SC for the various types of applications and proposals are provided in the <i>Capital Markets and Services (Fees) Regulations 2012</i> .	
15.19	In addition, charges may be payable to the SC for incidental expenses incurred in relation to the processing of applications.	

PART B: NOTIFICATIONS

Notifications to the SC

Paragraph	Registered Business Trust	Recognized Business Trust
15.20	<p>A trustee-manager must notify the SC of, among others, the following:</p> <ul style="list-style-type: none"> (a) Appointment and resignation of directors of the trustee-manager; (b) Appointment and resignation of the Shariah Adviser; (c) Proposed removal of auditors in a general meeting and any representations made by auditors in relation thereof; (d) A resolution passed to terminate or wind up a business trust; and (e) Completion of the termination or winding up of a business trust. 	

Documents required to be lodged/delivered/deposited to SC

Paragraph	Registered Business Trust	Recognized Business Trust
15.21	<p>A trustee-manager for the business trust must –</p> <ul style="list-style-type: none"> (a) lodge the annual report of the business trust and the trustee-manager with the SC; (b) submit the deed and supplemental or replacement deed to the SC; (c) deliver notices/circulars issued to and resolutions of unit holders; (d) deliver such other statements, documents, books and other particulars as may be required by the SC; and (e) deposit an information memorandum for excluded offers. 	

Submission of notifications/documents to SC

Paragraph	Registered Business Trust	Recognized Business Trust
15.22	Submissions of notifications and documents should be in accordance with Appendix 12 and addressed to – Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur (Attention: Executive Director, Corporate Finance and Investments)	

Appendix 10

(Paragraph 15.06: Applications for proposals)

- (1) Applications must be submitted in accordance with the requirements set out under this appendix, unless otherwise specified. Submission of applications which do not comply with the requirements or which are unsatisfactory will be returned.
- (2) The submitting party has a duty of care to ensure that all SC's requirements pertaining to submission of applications are met and is responsible for dealing with the SC on all matters in connection with the applications.
- (3) The applicant (including directors or proposed directors of the trustee-manager, and/or promoters), advisers, experts and any other person accepting responsibility for all or part of the information and documents submitted to the SC must exercise due diligence for all or any part of the information submitted relating to, or in connection with the proposal. The parties to the submission of a proposal must comply with the relevant guidelines issued by the SC in this regard.
- (4) The information provided in the submission must be correct as at the latest practicable date.
- (5) The cover letter must be signed by two authorised signatories of the principal adviser;
- (6) The SC may, at its discretion, request for additional information and documents not specified in this appendix.
- (7) The SC must be immediately informed of –
 - (a) any material change in circumstances that would affect the SC's consideration of the proposal; and/or
 - (b) any material change/development in circumstances relating to the proposal, occurring subsequent to the SC's approval.
- (8) If certain circumstances are made known to the SC after the proposal has been considered, and the circumstances would have affected the decision made had the SC known about them, the SC may review its decision.
- (9) Any person who is aggrieved by the SC's decision may, within 30 days after the aggrieved person is notified of the decision, make an application to the SC for a review of its decision, which the decision of the review will then be final.
- (10) An application for a revision to the terms and conditions of an SC approval is not subjected to any time limit. The principles adopted by the SC for such applications are as follows:
 - (a) Such applications must be supported by evidence of justifiable grounds or developments beyond the control of the relevant parties; and

- (b) Such applications which do not comply with (a) above may be considered by the SC at its discretion based on exceptional reasons.

Fees

- (11) All applications must be accompanied with the appropriate fee (where applicable). An application is deemed incomplete if the appropriate fee is not submitted.
- (12) Payment should be made in the form of a crossed cheque/draft order made in favour of "Suruhanjaya Sekuriti" or "Securities Commission".

Application for approval under Division 1A of Part VI of the CMSA

- (13) An application submitted for SC's approval should comprise the following:
 - (a) Cover letter, specifying (where applicable):
 - (i) The approval/clearance sought, including particulars of the proposal(s) and other relevant details;
 - (ii) Particulars of other required approvals obtained/pending (if applicable);
 - (iii) Details of any departure from these guidelines, together with relevant justifications and exemption/variation sought for such departure. Where exemption/variation has been obtained, to provide details of such exemption/variation; and
 - (iv) Declaration of conflict of interest, if any, by advisers/experts in respect of the application. If a conflict of interest exists, to provide full disclosure of the nature of conflict and steps to address the conflict;
 - (v) Information on previous proposals submitted to the SC, if any, by the applicant and/or any entity within its group;
 - (vi) Confirmation by the due diligence working group on compliance with the relevant laws, regulations and requirements governing conduct of the business of the applicant and its group; and
 - (vii) Confirmation by the due diligence working group on up-to-date submissions of tax returns and settlement of tax liabilities of the business trust (if it is already established), its subsidiary entities and proposed subsidiary entities with the tax authorities;
 - (b) Declaration letter from the applicant, principal adviser and the relevant directors;
 - (c) Draft circular to unit holders (where applicable); and
 - (d) Supporting documents as may be specified on the SC website at www.sc.com.my.

Application for registration or recognition under Division 3B of Part VI of the CMSA

- (14) An application submitted to the SC should comprise the following:
- (a) Cover letter [a separate cover letter would not be necessary], specifying –
 - (i) the registration/recognition sought;
 - (ii) particulars of other required approvals obtained/pending (where applicable); and
 - (iii) details of any departure from these guidelines, together with relevant justifications and exemption/variation sought for such departure. Where exemption/variation has been obtained, to provide details of such exemption/variation;
 - (b) Deed of the business trust;
 - (c) For a listing of a recognized business trust, a comparison of the standards of laws and regulations of the jurisdiction in which the business trust is established and those provided in Malaysia, together with the proposed variation to its constituent documents, in cases where the jurisdiction of establishment does not have the requisite standards; and
 - (d) Supporting documents as may be specified on the SC website at www.sc.com.my.

Registrable listing prospectus

- (15) The registrable listing prospectus must be complete and fully comply with the disclosure and documentary requirements of SC's Prospectus Guidelines – Business Trusts.

Other pertinent information

- (16) The following information on the trustee-manager and business trust in respect of a listing must be submitted:
- (a) For the trustee-manager and each of its existing/proposed subsidiary and associated corporations, the list of the directors and shareholders, including their shareholdings in the corporation and the ultimate beneficial ownership of shares in the trustee-manager held under nominee/corporation;
 - (b) For the business trust and each of its existing/proposed subsidiary and associated entities, the list of the directors (or members of the board of persons) and shareholders or unit holders, including their shareholdings/unit

holdings in the entity and the ultimate beneficial ownership of shares/units held under nominee/corporation;

- (c) For the business trust and each of its existing/proposed subsidiary entities, changes in substantial unit holders/shareholders and their unit holding/shareholding in the entity over the past year (or since the date of establishment, if less than one year);
- (d) For all existing and proposed substantial unit holders of the business trust, to provide the following:
 - (i) For individuals, their NRIC/passport numbers, ages and current addresses;
 - (ii) For corporations, their registration numbers and current addresses;
- (e) For all directors and key management of the trustee-manager (including proposed directors and key management), to provide their NRIC/passport numbers, addresses and nationalities.

Appendix 11

(Paragraph 15.07: Declaration of adviser, applicant and directors)

DECLARATION BY THE APPLICANT

To: Securities Commission Malaysia

Dear Sir

BUSINESS TRUST (*name of business trust*)

TRUSTEE-MANAGER (*name of trustee-manager*)

APPLICANT (*name of applicant*)

Declaration

We, (*name of applicant*)...., are proposing to undertake the following proposals:

a.

b.

c.

(hereafter referred to as "the Proposal").

2. We confirm that after having made all reasonable inquiries, and to the best of our knowledge and belief, there is no false or misleading statement contained in, or material omission from, the information that is provided to the advisers or to the Securities Commission Malaysia (SC) on the Proposal and the *Guidelines on Due Diligence Conduct for Corporate Proposals* have been complied with.

3. We declare that we are satisfied, after having made all reasonable inquiries, that the Proposal is in full compliance with the following:

(i) *Business Trusts Guidelines*;^{*} and

(ii) Other requirements under the *Capital Markets and Services Act 2007*, as may be applicable.

4. We declare that we will ensure continuous compliance with the requirements and conditions imposed by the SC on the Proposal.

5. We undertake to provide to the SC all information as required on the Proposal.

6. Save as otherwise disclosed in the attachment accompanying this declaration, (*name of applicant*) has not been-

(i) convicted or charged with any offence under the securities laws, corporations laws or other laws involving fraud or dishonest in a court of law, for the last ten years/since incorporation (if less than ten years)[#] prior to the submission; and

(ii) subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the submission.

This declaration has been signed by me as (*designation of director*) of ... (*name of the applicant*).... pursuant to the authority granted to me by a resolution of the Board of Directors on(*date of resolution*)....

Yours faithfully

.....(*signature*).....

Name of signatory:

Name of Applicant:

Date:

Note:

* Where exemptions are being sought, to insert the words "except paragraph(s)(refer to paragraph where exemption is being sought).... ..where exemption(s) is/are being sought as part of the submission to the SC.

To delete if not applicable

DECLARATION BY THE ADVISER

To: Securities Commission Malaysia

Dear Sir

BUSINESS TRUST *(name of business trust)*

TRUSTEE-MANAGER *(name of trustee-manager)*

APPLICANT *(name of trustee-manager)*

Declaration

....*(Name of applicant)*.... is proposing to undertake the following proposals:

- (a)
- (b)
- (c)

(hereafter referred to as "the Proposal").

We,*(name of principal adviser)*....., are advising*(name of applicant)*....on the Proposal.

2. We confirm that after having made all reasonable inquiries, and to the best of our knowledge and belief, there is no false or misleading statement contained in, or material omission from, the information which is provided to the Securities Commission Malaysia (SC) on the Proposal and the *Guidelines on Due Diligence Conduct for Corporate Proposals* have been complied with.

3. We declare that we are satisfied, after having made all reasonable inquiries, that the Proposal is in full compliance with the following:
(i) The *Guidelines on Business Trusts*;^{*} and
(ii) Other requirements under the *Capital Markets and Services Act 2007*, as may be applicable.

4. We undertake to immediately inform the SC if we come to know that*(name of applicant)*.... has breached or failed to comply with such requirements, after submission of this declaration on the Proposal until the implementation of the Proposal.

5. We undertake to provide to the SC all information as required on the Proposal.

Yours faithfully

.....*(signature)*.....

Name of signatory:

Name of Adviser:

Date:

Note: * Where exemptions are being sought, to insert the words "except paragraph(s)(refer to paragraph where exemption is being sought).... ..where exemption(s) is/are being sought as part of the submission to the SC.

DECLARATION BY A DIRECTOR

To: Securities Commission Malaysia

Dear Sir

BUSINESS TRUST (*name of business trust*)

TRUSTEE-MANAGER (*name of trustee-manager*)

APPLICANT (*name of trustee-manager*)

Declaration

..... (*Name of applicant*)... is proposing to undertake the following proposals:

- a.
- b.
- c.

(hereafter referred to as "the Proposal").

2. I declare that*, save as otherwise disclosed in the attachment accompanying this declaration-

- (a) I am not an undischarged bankrupt nor am I presently subjected to any proceeding under the bankruptcy laws;
- (b) I have never been charged with, convicted for or compounded for any offence under the securities laws, corporation laws or any other law involving fraud or dishonesty in a court of law;
- (c) no action has ever been taken against me for any breach of the listing requirements or rules issued by the stock exchange for the past five years prior to the submission of the Proposal to the Securities Commission Malaysia (SC);
- (d) to the best of my knowledge, I have not been subjected to any inquiry of investigation by any government or regulatory authority or body for the past five years prior to the submission of the Proposal to the SC.

3. I am a director/proposed director* of ...(*name of applicant/trustee-manager**) ... and I make this declaration as part of the application by(*name of applicant*).....to the SC for approval to implement or carry out the Proposal.

Yours faithfully

.....(*signature*).....

Name of director:

NRIC No:

Date:

* To delete if not applicable

Appendix 12

(Paragraph 15.22: Submission of notification/documents)

Notification to the SC

- (1) A notification to the SC should comprise the following:
 - (a) Notification letter (with details of notification); and
 - (b) Notification forms as may be specified on the SC website at www.sc.com.my.

Lodgement of documents

- (2) Under section 296ZO of the CMSA, the annual report of a business trust and annual report of the trustee-manager must be lodged with the SC.
- (3) The lodgement should comprise:
 - (a) Cover letter specifying the documents lodged;
 - (b) Three printed copies of the annual report; and
 - (c) A CD-ROM containing the annual report in "pdf" format, with a label identifying the name and date of such report.

Chapter 16**IMPLEMENTATION OF PROPOSALS****Deadline**

Paragraph	Registered Business Trust	Recognized Business Trust
16.01	Applicants must complete their proposals within six months from the date of approval.	
16.02	For cases that involve court proceedings, applicants must complete their proposals within 12 months.	
16.03	Failure to complete the proposals within the said periods would render the approvals lapsed. However, where the applicant has submitted a request for a review of the SC's decision, the time period for implementation commences from the date on which the decision on the review is conveyed to the applicant.	

Extension of time

Paragraph	Registered Business Trust	Recognized Business Trust
16.04	An extension of time for the completion of proposals may be granted only in exceptional cases.	
16.05	The application for extension of time must be fully justified and made through a principal adviser no later than 30 days before the approval expires.	
16.06	All applications for extension of time for completion of the proposals must be accompanied by a confirmation letter by the directors of the applicant that, save as disclosed, there has been no material change or development in the circumstances and information relating to the proposals.	
16.07	Where the approval of the SC is subject to certain conditions which must be fulfilled within a specified period of time, any application for extension of time to fulfil the conditions must be fully justified and be made no later than 14 days before the expiry of the said specified period.	

Post-implementation obligations

Paragraph	Registered Business Trust	Recognized Business Trust
16.08	<p>The principal adviser and the applicant must submit to the SC the following:</p> <ul style="list-style-type: none"> (a) Dates of completion for all approved proposals; (b) A written confirmation of the compliance with terms and conditions of the SC's approval once the proposals have been completed; and (c) Where an indicative issue price and number of securities to be issued are provided in the application for the proposals, the actual figures, once determined. 	
16.09	<p>Where the moratorium units had been borrowed for the purpose of a price stabilisation mechanism as part of the listing scheme pursuant to the <i>Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008</i>, the stabilising manager and the issuer must submit a written confirmation that–</p> <ul style="list-style-type: none"> (a) such units are returned to the promoter and placed in the moratorium account; or (b) the cash proceeds from the sale of such units are returned to the promoter, within five market days after the – <ul style="list-style-type: none"> (i) day on which the over-allotment option is exercised in full; or (ii) end of the stabilisation period of 30 calendar days commencing from the first day of trading on Bursa Securities, <p>whichever is the earlier.</p> <p>In the event the cash proceeds from the sale of the moratorium units are returned to the promoter, such units would no longer be subject to the initial moratorium requirement.</p> 	