

SCHEDULE 2

[Subsections 2(1) and 58(1)]

Regulated activities

Part 1 — Types of regulated activities

1. Dealing in securities.
2. Dealing in derivatives. *[Subs. P.U.(A)336/2011]*
3. Fund management.
4. Advising on corporate finance.
5. Investment advice.
6. Financial planning.
7. Dealing in private retirement schemes. *[Ins. P.U.(A)336/2011]*
8. Clearing for securities or derivatives. *[Ins. P.U.(A)133/2017]*

Part 2 — Interpretation of regulated activities

1. “Dealing in securities” means, whether as principal or agent—
 - (a) acquiring, disposing of, subscribing for or underwriting securities; or
 - (b) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into—
 - (i) any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities; or
 - (ii) any agreement, other than a derivatives, the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities.

[1(b)(ii) Am. P.U.(A)336/2011]

2. “Dealing in derivatives” means, whether as principal or agent, making or offering to make with any person, or inducing or attempting to induce any person, or soliciting or accepting any order for, or otherwise—
 - (a) entering into or taking an assignment of the derivative, whether or not on another person’s behalf;
 - (b) taking or causes to be taken action that closes out the derivative, whether or not on another person’s behalf;
 - (c) in relation to an option—
 - (i) exercising any right under the option; or
 - (ii) allowing any right under the option to lapse,

whether or not on another person’s behalf; or

(d) initiating, originating, or issuing over-the-counter derivatives.

[Subs. P.U.(A)336/2011]

3. “Fund management” means undertaking on behalf of any other person the management of —

(a) a portfolio of securities or derivatives or a combination of both, by a portfolio fund manager, whether on a discretionary authority or otherwise; or

(b) an asset or a class of asset in a unit trust scheme by an asset fund manager.

[Subs. P.U.(A) 475/2012]

4. “Advising on corporate finance” means giving advice concerning—

(a) compliance with or in respect of Part VI, any regulation made under section 378 and any guidelines issued under section 377 relating to any matter provided under Part VI, or relating to the raising of funds by any corporation;

(b) compliance with the listing requirements of the stock exchange in relation to the raising of funds or related party transactions;

(c) arrangement or restructuring of a listed corporation or a subsidiary of the listed corporation of its assets or liabilities.

5. “Investment advice” means carrying on a business of advising others concerning securities or derivatives or as part of a business, issues or promulgates analyses or reports concerning securities or derivatives.

[Am. P.U.(A)336/2011]

6. “Financial planning” means analysing the financial circumstances of another person and providing a plan to meet that other person’s financial needs and objectives, including any investment plan in securities, whether or not a fee is charged in relation thereto.

7. “Dealing in private retirement schemes” means, whether as principal or agent, making or offering to make with any person, or inducing or attempting to induce any person, to enter into or to offer to enter into any agreement for or with a view to—
- (a) acquiring, or disposing of beneficial interest under a private retirement scheme; or
 - (b) making contributions to a private retirement scheme.

[Ins. P.U.(A) 336/2011]

8. “Clearing for securities or derivatives” means, whether as principal or agent, carrying on the business of assuming obligations for the delivery and payment of a person’s transaction relating to listed securities or standardized derivatives as set out in the rules of the approved clearing house.

[Ins. P.U.(A) 133/2017]

SCHEDULE 3

[Subsection 58(2)]

Specified persons

1. Any company registered under the Trust Companies Act 1949 [Act 100] whose carrying on of any regulated activity is solely incidental to its carrying on of the business for which it is registered under the Trust Companies Act 1949.
2. Any advocate and solicitor as defined under the Legal Profession Act 1976 [Act 166] in practice whose carrying on of the regulated activity of advising on corporate finance or financial planning is solely incidental to the practice of his profession.
3. Any accountant who is a member of the institute established under the Accountants Act 1967 [Act 94] in practice whose carrying on of the regulated activity of advising on corporate finance or financial planning is solely incidental to the practice of his profession.
4. A valuer as defined under the Valuers, Appraisers and Estate Agents Act 1981 [Act 242] whose valuation in respect of assets for the purposes of advising on corporate finance is solely incidental to his practice as a valuer.
5. Any person who is a proprietor of a newspaper and a holder of a permit issued under the Printing Presses and Publications Act 1984 [Act 301] whose carrying on the regulated activity of investment advice through the newspaper where—
 - (a) insofar as the newspaper is distributed generally to the public, it is distributed only to subscribers for, and purchasers of, the newspaper for value;
 - (b) the advice is given or the analyses or reports are issued or promulgated only through that newspaper;
 - (c) that person receives no commission or other consideration for issuing or promulgating the analyses or reports; and

- (d) the advice is given and the analyses and reports are issued or promulgated solely as incidental to the conduct of that person's business as a newspaper proprietor.
- 6. Any person who is carrying on the regulated activity of investment advice through the provision of information service where—
 - (a) insofar as the information service is distributed generally to the public, it is distributed only to subscribers for, and purchasers of, the information service for value;
 - (b) the advice is given or the analyses or reports are issued or promulgated only through that information service;
 - (c) that person receives no commission or other consideration for issuing or promulgating the analyses or reports; and
 - (d) the advice is given and the analyses and reports are issued or promulgated solely as incidental to the conduct of that person's business as a information service proprietor.
- 7. Any corporation whose carrying on of the regulated activity of fund management is solely for the benefit of its related corporation.
- 8. Any corporation whose carrying on of the regulated activity of investment advice is solely for the benefit of its related corporation.
- 9. Any corporation whose carrying on the regulated activity of advising on corporate finance solely for the benefit of any of its related corporation and where the related corporation is a listed corporation, such advice is not circulated to the shareholders of the related corporation or otherwise made known to the public.
- 10. Any person who carries on the regulated activity of dealing in securities for—
 - (a) his own account or for his related corporation through a holder of a Capital Markets Services Licence who carries on the business of dealing in

securities;

[Am. P.U.(A) 336/2011]

- (b) his own account or for his customer's account through a licensed bank for the purposes of lending of securities under any guidelines issued by the Commission under subsection 377(1); or;

[Subs. P.U.(A) 336/2011]

- (c) his own account or for his related corporation, where the securities are not listed on a stock exchange.

[Subs. P.U.(A) 336/2011]

11. Any person who deals in derivatives—

- (a) on the person's own account or for his related corporation; or
- (b) where such person is a non-resident acting as principal or agent through the holder of a Capital Markets Services Licence who carries on the business of dealing in derivatives.

[Subs. P.U.(A) 336/2011]

12. *[Deleted. P.U.(A) 336/2011]*

13. A holder of a Capital Markets Services Licence who carries on the business of dealing in derivatives whose dealing in securities—

- (a) is the direct consequence of dealing in a derivative;
- (b) is in connection with the delivery of a security within a class of securities which is the subject of a class of derivatives; or
- (c) is in connection with the transfer of securities as collateral or security, or in realization of any collateral or security, for obligation under a derivative.

[Subs. P.U.(A) 336/2011]

14. Any public statutory corporation constituted under any written law who carries on the regulated activity of dealing in securities or fund management.
15. Any stock exchange or exchange holding company where its dealing in securities is solely incidental to it operating a stock market of a stock exchange.
16. A derivatives exchange or exchange holding company where the dealing in derivatives is solely incidental to it operating a derivatives market of a derivatives exchange.

[Am. P.U.(A) 336/2011]

17. An approved clearing house or exchange holding company whose carrying on of any regulated activity is solely incidental to it operating clearing facilities.

[Am. P.U.(A) 336/2011] [Subs. P.U.(A) 133/2017]

18. A licensed offshore bank as defined under the Offshore Banking Act 1990 [Act 443], an offshore company or a foreign offshore company as defined under the Offshore Companies Act 1990 [Act 441], whose carrying on of the regulated activity of investment advice to a person who is a non-resident of Malaysia is solely incidental to their offshore businesses.
19. A receiver, receiver and manager, or liquidator or any other person appointed by a court whose carrying on a regulated activity is solely incidental to his duties as a receiver, receiver and manager, liquidator or any court appointed person, as the case may be.
20. A trustee or other person whose carrying on a regulated activity is solely incidental to its administering a compromise or arrangement between a body corporate and any other person or persons.
21. An insurance company licensed under the Insurance Act 1996 or a takaful operator registered under the Takaful Act 1984 whose carrying on of the regulated activity of fund management is solely incidental to the management and administration of its

insurance or takaful business, as the case may be.

22. Any recognized market operator where its regulated activities are solely incidental to it operating a recognized market.

[Ins. P.U.(A) 212/2015]

23. Any person who carries on the regulated activity of clearing for securities or derivatives, for his own account or for his related corporation.

[Ins. P.U.(A) 133/2017]

