

## **FREQUENTLY-ASKED QUESTIONS ON TEMPORARY LICENCE (IN REFERENCE TO THE LICENSING HANDBOOK)**

### **1. What is the rationale for the introduction of the Temporary Licence?**

The Temporary Licence is to provide local issuers and sophisticated investors with access to high end services which may not be readily available domestically. At the same time, the SC envisages for such arrangements to assist in the capacity building of our local intermediaries, in terms of training and transfer of skills.

### **2. I understand from the Handbook that a foreign intermediary may be considered for a temporary Capital Markets Services Licence (CMSL) or a temporary Capital Markets Services Representative's Licence (CMSRL) if it satisfies the conditions set out in paragraph 2.04 of the Handbook. My company is currently licensed in its home jurisdiction. Can we submit an application for a temporary CMSL for my company?**

As a matter of policy, the SC will be granting the Temporary Licence only to individuals and not to companies. If you are an employee of a foreign intermediary and you are coming to Malaysia on behalf of your company, you may submit an application for a Temporary Licence if you can satisfy the conditions set out in paragraph 2.04 of the Handbook.

You can download the application form for a Temporary Licence from [here](#).

### **3. Does the foreign intermediary that I am attached with need to be registered with the Companies Commission of Malaysia (CCM) before I apply for the Temporary Licence?**

Since the SC will not be licensing the foreign company, we will not be requiring any evidence of registration from CCM.

However, take note that the Companies Act, 1965 requires any foreign company desiring to establish a place of business or to carry on business within Malaysia, to register itself with CCM.

### **4. Can I apply for a Temporary Licence as a provisional licence while I am awaiting approval for my CMSRL?**

The Temporary Licence is not meant to be used as a provisional licence while an applicant is waiting for approval of a permanent licence. Those who intend to conduct a regulated activity on a regular basis must apply for a CMSRL through a CMSL holder and may proceed to commence business only after the CMSRL has been approved.

**5. What kind of regulated activities am I allowed to carry out under the Temporary Licence?**

If you are an employee of a foreign intermediary that has a local presence in Malaysia, you may apply to carry on the regulated activities of “advising on corporate finance”, “investment advice” or any of the other regulated activities that the local company is licensed by the SC to carry on.

However, if you are an employee of a foreign intermediary that does not have any local presence in Malaysia, the type of regulated activities that you may apply for is limited to “advising on corporate finance” or “investment advice”.

**6. What do you mean by a foreign intermediary with local presence in Malaysia?**

A foreign intermediary with a local presence in Malaysia is one which:

- belongs to the same group of companies which has a local subsidiary in Malaysia; and
- this local subsidiary in Malaysia is a CMSL holder.

**7. I am an employee of a foreign intermediary which does not have any local presence. However, I have been appointed by a local company in Malaysia (e.g. ABC Properties Sdn Bhd) to advise on the corporate finance angle for a new infrastructure project being developed by the company. Can I apply for a Temporary Licence?**

Yes, you can apply. As mentioned above, since you are attached with a foreign intermediary with no local presence, the range of regulated activities available is limited to “advising on corporate finance” and “investment advice” as defined in Schedule 2 of the CMSA.

In granting the Temporary Licence, the SC will also be assessing the following:

- your specialised knowledge and expertise; and
- the value proposition of the project which you have been engaged for in Malaysia and how it contributes to the overall development of the capital market in Malaysia.

In your application, you must provide the name of a local monitoring officer who is attached with the local company in Malaysia. In your case, your monitoring officer must be attached with ABC Properties Sdn Bhd (your local sponsor). More information on the role of a local monitoring officer is found in the answer to question 13.

**8. I am currently working for a Labuan based company. Can I apply for a Temporary Licence if I want to conduct business within Malaysia?**

No. The Temporary Licence is not envisaged for Labuan based companies. If you want to conduct your activities in Malaysia, you will be required to hold a Capital Markets Services Representative's Licence (CMSRL). At the same time, your principal will also be required to hold a CMSL under the CMSA.

**9. I am currently employed with a foreign intermediary that has local presence in Malaysia. I understand from the Handbook that my sponsor is required to have at least two CMSRL holders for each of its regulated activities. Can I apply for a Temporary Licence to satisfy this requirement?**

No, only a permanent CMSRL holder can satisfy this requirement.

**10. Do I have to sit for any licensing examinations before my Temporary Licence is granted by the SC?**

No. You do not need to sit for any licensing examinations for the Temporary Licence.

**11. How long is the validity of my Temporary Licence?**

A Temporary Licence issued by the SC is valid for a period of 3 months intermittently, with a further extension of 3 months within 24 months. This means that your Temporary Licence will expire after your working days in Malaysia has reached 3 months in total, and not 3 months from the date of approval of your Temporary Licence.

**12. Should my work assignment take more than six (6) months, can I apply for further extensions based on reasonable grounds?**

In the event that you want to carry on a regulated activity for more than six (6) months, you should apply for the appropriate licence with a company that has local presence in Malaysia.

**13. How will the SC monitor the activities of a Temporary Licence holder?**

The SC will require your activities to be monitored and reported to the SC on a half-yearly basis or as when the SC deems appropriate. For this purpose, your monitoring officer is:

- The local subsidiary's compliance officer (if your home employer has local presence in Malaysia); or
- A person who is attached with your local sponsor who is able to monitor your activities in Malaysia and reports to the SC (if your home employer has no local presence in Malaysia).

**14. How long does it take for SC to approve my application?**

The SC wishes to facilitate the entry of foreign intermediaries who are fit and proper for the Temporary Licence. Our processing time is 7 working days from the date of submission of a complete set of application.