

**FREQUENTLY ASKED QUESTIONS ON  
REVISED GUIDELINES ON SALES PRACTICES OF  
UNLISTED CAPITAL MARKET PRODUCTS  
(Date of Issuance: 18 July 2016)  
(Date of Revision: 1 September 2016)**

**1. Where can an investor refer his disputes in relation to capital market products?**

An investor may refer his disputes in relation to capital market products to the Securities Industry Dispute Resolution Center (SIDREC) for claims against a monetary loss arising out of fraud, defalcation or mis-selling.

An investor can also direct his complaint to the Securities Commission Malaysia (SC)'s Investor Affairs and Complaints Department. Any complaint involving unit trust funds or private retirement schemes can also be referred to Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau.

**2. In what form must a Product Highlights Sheet (PHS) be provided to an investor of an unlisted capital market product?**

A PHS can be provided to an investor in either a hardcopy version or in electronic form. Such PHS must be provided to an investor before he/she makes an investment decision. However a hardcopy version of a PHS must be given to an investor upon his/her request.

**3. Is there a need for a PHS to be dated for each issuance on and after the effective date of the amendments of the *Guidelines of Sales Practices of Unlisted Capital Market Products*?**

Yes. In order to ensure that the distribution of a PHS is up to date, each PHS that is issued on and after the effective date of the amendments of the *Guidelines on Sales Practices of Unlisted Capital Market Products* must be dated.

**4. In the case of issuance of a structured product, will an update of the material changes to the terms, conditions or risks of structured product constitute a replacement of a PHS?**

No. Any update that results in material changes to the terms, conditions or risks of a structured product will result in the creation of a new structured product and hence requiring a lodgement of a new PHS.

**5. In the case of a unit trust fund, is the content of a PHS limited to information that is set out in a prospectus?**

No. A PHS must contain additional information required under paragraph 3.06 of the *Guidelines on Sales Practices of Unlisted Capital Market Products*, regardless of whether such information is set out in the prospectus. For example, the PHS of a

retail unit trust fund must have information on fund performance as well as specified warning statements, notwithstanding that such information are not required to be reflected in the prospectus.

**6. Are sub-paragraphs 3.06(i), (l) and (m) of the *Guidelines on Sales Practices of Unlisted Capital Market Products* applicable for the PHS of a wholesale fund?**

No. Sub-paragraphs 3.06(i), (l) and (m) of the *Guidelines on Sales Practices of Unlisted Capital Market Products* in relation to fund performance and warning statements for unit trust funds are only applicable for the PHS of a retail unit trust fund.

**7. Do all PHS of funds need to be revised to include the new requirements set out in the revised *Guidelines on Sales Practices of Unlisted Capital Market Products* on 15 August 2016 (the Effective Date)?**

No. A PHS which has been lodged with the SC is not required to be immediately updated to include the new requirements in the *Guidelines on Sales Practices of Unlisted Capital Market Products* on the Effective Date.

In the case of a retail unit trust fund, the management company must introduce the new requirements in the PHS when the prospectus of the said fund is renewed to a prospectus with no expiry period. Please also refer to paragraph 5.06 in the Frequently Asked Questions for the Enhanced CIS Framework (Issued: 19 July 2016) (Revised: 1 September 2016) for further details and requirements pertaining to renewal of prospectus.

In the case of a wholesale fund, the product issuer must introduce the new requirements in the PHS by 15 November 2016.

**8. Do all PHS of structured products need to be revised to include the new requirements set out in the revised *Guidelines on Sales Practices of Unlisted Capital Market Products* on the Effective Date?**

For structured products which have been issued and where the issuer plans to continue offering such structured products up to 31 August 2016, an addendum to the PHS to reflect the new requirements must be lodged immediately with the SC before the issuer continues to offer such structured products. This addendum must be appended together with the PHS when marketing and distributing such structured product. An issuer is required to lodge an updated PHS if the structured products continue to be offered after 31 August 2016.

Where such addendum is not lodged, an updated PHS must be lodged immediately before the issuer continues to offer the structured products. Any new product series will require a new PHS.