



GUIDELINES ON ISSUANCE OF CORPORATE BONDS AND SUKUK TO RETAIL INVESTORS

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PART A: GENERAL

Chapter 1

INTRODUCTION

- 1.01 The *Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors* are issued by the Securities Commission Malaysia (SC) under section 377 of the *Capital Markets and Services Act 2007*(CMSA).
- 1.02 These Guidelines set out the requirements for an issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase corporate bonds or sukuk to retail investors.
- 1.03 These Guidelines shall supersede *the Guidelines on Private Debt Securities* and *Guidelines on Sukuk*.
- 1.04 These Guidelines are in addition to and not in derogation of any other guidelines issued by the SC or any requirements provided under the securities laws.
- 1.05 Any issue of corporate bonds or sukuk by a public company that is–
- (a) capable of being converted or exchanged into new equity of a public listed company (e.g. convertible loan stock or convertible Islamic loan stock¹, convertible bonds or convertible sukuk and irredeemable convertible loan stock or irredeemable convertible Islamic loan stock); or
 - (b) issued together with warrants,
- will also be subjected to the additional requirements stipulated in the Listing Requirements of Bursa Securities.
- 1.06 For the purpose of these Guidelines, sukuk shall not include any agreement for a financing or investment where–
- (a) the financier/investor and customer/investee are signatories to the agreement; and
 - (b) the provision of financing/investment is in the ordinary course of business of financier/investor,
- including any promissory note issued pursuant to the terms in sub-paragraphs 1.06(a) and (b) above.

¹ These are loan stocks structured in a Shariah-compliant manner based on approved Shariah principles and concepts and have been named appropriately.

- 1.07 All issuances of sukuk must also comply with the requirements set out in the *Guidelines on Islamic Capital Market Products and Services*. In addition to the requirements under the *Guidelines on Islamic Capital Market Products and Services*, issuances of specific types of bonds and sukuk must also comply with the requirements under the relevant chapter as set out under Parts E and F of these Guidelines.
- 1.08 The SC may, on its own initiative or upon application, grant an exemption from or a variation to the requirements of these Guidelines if the SC is satisfied that–
- (a) such variation is not contrary to the intended purpose of the relevant requirement in these Guidelines; or
 - (b) there are mitigating factors that justify the said exemption or variation.

NON-APPLICATION

- 1.09 These Guidelines do not apply to the following:
- (a) Seasoned corporate bonds or sukuk as defined under *the Guidelines on Seasoned Corporate Bonds and Sukuk*;
 - (b) Asset-backed securities (ABS) as defined under *the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework*; or
 - (c) Corporate bonds or sukuk that are structured like an ABS, which have the following features, but do not fall under the purview of the *Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework*:
 - (i) where the corporate bonds or sukuk are without recourse to an originator or obligor; or
 - (ii) where the ability to meet obligations under the senior tranche is enhanced by the less senior tranches.

Chapter 2

DEFINITIONS

2.01 Unless otherwise defined, all words used in these Guidelines shall have the meaning as defined in the CMSA. In these Guidelines, unless the context otherwise requires—

ACMF	means the ASEAN Capital Markets Forum;
approval	means an approval, authorisation or recognition granted under Part VI of the CMSA as the case may be;
BIX	means Bond and Sukuk Information Exchange;
Bursa Securities	means Bursa Malaysia Securities Bhd;
business day	means a day on which commercial banks settle payments in Kuala Lumpur;
corporate bonds	means debentures as defined in the CMSA but do not include— <ul style="list-style-type: none"> (a) structured products; and (b) debentures issued by— <ul style="list-style-type: none"> (i) the Federal Government; (ii) any State Government; or (iii) Bank Negara Malaysia;
debt programme	means a facility which allows multiple issues, offers or invitations to subscribe or purchase MTNs within an availability period which is disclosed to the SC and bondholders;
Exempt Regime	has the meaning assigned to it under the <i>Bursa Malaysia Main Market Listing Requirements</i> ;
interested person	has the meaning assigned to it under the <i>Guidelines on Trust Deeds</i> ;

Issuance	refers to— (a) making available; (b) offering for subscription or purchase of; or (c) issuing of an invitation to subscribe for or purchase, a corporate bond or sukuk;
Issuer	means any person who makes available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase a corporate bond or sukuk;
licensed bank	has the meaning assigned to it in the <i>Financial Services Act 2013</i> ;
licensed investment bank	has the meaning assigned to it in the <i>Financial Services Act 2013</i> ;
licensed Islamic bank	has the meaning assigned to it in the <i>Islamic Financial Services Act 2013</i> ;
medium-term note or MTN	has the meaning assigned to it under the Operational Procedures for Securities Services issued by Bank Negara Malaysia;
obligor	means an entity that is contractually obliged to honour the financial obligations of an issuer;
originator	means any entity that is seeking to transfer or dispose of its assets to a special purpose vehicle (SPV) in a securitisation transaction;
principal adviser	has the same meaning assigned to it in the <i>Licensing Handbook</i> ;
Product Highlights Sheet (PHS)	means a document that complies with the requirements relating to Product Highlights Sheet as set out in the <i>Guidelines on Sales Practices of Unlisted Capital Market Products</i> ;
Qualified Issuer	means an eligible issuer that meets the requirements in paragraph 20.02;
Responsible Party	means any person who is accountable or responsible, whether solely or jointly with other persons in the lifecycle

of a corporate bond or sukuk, and includes the following:

- (a) The issuer;
- (b) Persons licensed by, or registered with the SC;
- (c) Any person whose profession gives authority to a statement made by him, or is responsible or accountable for having prepared or certified any opinion or statement or report for use in connection with the corporate bonds or sukuk; or
- (d) Any other persons identified by the issuer as having-
 - (i) authority over, makes or has substantial influence in making, decisions that affect the whole or a part of the lifecycle of the corporate bonds or sukuk; or
 - (ii) a significant role, function, accountability or responsibility in relation to a corporate bond or sukuk;

retail investors has the meaning assigned to it under the *Guidelines on Sales Practices of Unlisted Capital Market Products*;

SAC means the Shariah Advisory Council of the SC;

Shariah adviser has the meaning assigned to it in the *Guidelines on Islamic Capital Market Products and Services*;

sukuk means certificates of equal value evidencing undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC;

For avoidance of doubt, sukuk does not include sukuk issued by—

- (a) the Federal Government;
- (b) any State Government; or
- (c) Bank Negara Malaysia;

sukuk programme means a facility which allows multiple issues, offers or invitations to subscribe or purchase Islamic MTNs, within an availability period which is disclosed to the SC and sukukholders.

Chapter 3

RESPONSIBLE PARTY

3.01 A Responsible Party must–

- (a) carry out its roles and responsibilities in relation to the corporate bonds or sukuk;
- (b) discharge its functions with integrity, due care, knowledge, skill and diligence;
- (c) declare any conflict of interest, actual or potential, and effectively manage them in the best interest of the bondholder or sukukholder; and
- (d) have in place policies and processes to identify, monitor, manage and mitigate conflict of interest. Such policies and processes must be continuously reviewed to ensure their continued effectiveness.

3.02 A Responsible Party who is aware of any change or likelihood of any change that may render any information or document submitted to the SC or provided to bondholders or sukukholders to be false, misleading or contain any material omission, must immediately inform the principal adviser to enable the principal adviser or lead arranger to make the necessary revision.

3.03 No person shall frustrate or impede the performance of the roles and responsibilities of a Responsible Party.

3.04 The principal adviser must identify all other Responsible Parties accountable or responsible in the lifecycle of a corporate bond or sukuk. In the event a Responsible Party ceases to be accountable or responsible for any of the roles or responsibilities relating to a corporate bond or sukuk, the principal adviser must identify a new Responsible Party to undertake such a role and responsibility.

3.05 All Responsible Parties must set out their respective roles and responsibilities in relation to the corporate bonds or sukuk.

3.06 All Responsible Parties, in particular an issuer, principal adviser and lead arranger must make timely disclosure of material information and ensure the accuracy and completeness of such information required to be disclosed pursuant to these Guidelines or any other information provided to enable investors to make an informed assessment of the issuer and the issuance.

PART B: REQUIREMENTS FOR ISSUANCE OF CORPORATE BONDS AND SUKUK

Chapter 4

ELIGIBILITY

Issuers

4.01 Only the following issuers are eligible to issue corporate bonds or sukuk under these Guidelines:

- (a) A public company whose shares are listed and quoted on a stock exchange;
- (b) A licensed bank, licensed investment bank or licensed Islamic bank;
- (c) Cagamas Bhd;
- (d) Danajamin Nasional Bhd;
- (e) Khazanah Nasional Bhd; or
- (f) A public company whose shares are not listed and quoted on a stock exchange, provided that –
 - (i) the corporate bonds or sukuk are irrevocably and unconditionally guaranteed in full by any of the entities referred to in the above sub-paragraphs (a), (b), (c), (d), (e) or the Credit Guarantee and Investment Facility; or
 - (ii) the sukuk are issued by a public company established by any of the entities referred to in the above sub-paragraphs (a), (b), (c), (d) or (e), with full recourse to the establishing entity in its capacity as obligor.

Corporate bonds or sukuk

4.02 Corporate bonds or sukuk must have the following characteristics:

- (a) Denominated in ringgit Malaysia;
- (b) A tenure of more than one year;
- (c) Fixed term with principal and any accrued interest/returns/profit payable at expiry;

- (d) Fixed or variable rate of return or profit rate;
- (e) Interests/returns/profits to be paid periodically on certain specified intervals from the issue date, except for zero-coupon corporate bonds or sukuk without periodic distribution;
- (f) Rank at least equally with amounts owing to unsecured and unsubordinated creditors; and
- (g) Does not embed any swaps, options² or other derivatives, except in the case of convertible or exchangeable corporate bonds or sukuk where:
 - (i) The option is to convert or exchange the corporate bonds or sukuk into shares;
 - (ii) The option to convert or exchange the corporate bonds or sukuk into shares is at the discretion of the investor; and
 - (iii) The underlying shares are listed and quoted on a stock exchange.

Corporate bonds or sukuk issued for capital adequacy requirement purposes

4.03 Notwithstanding paragraphs 4.01 and 4.02 above, the following entities may issue corporate bonds or sukuk that meet the requirements for regulatory capital as set out in the relevant guidelines on capital adequacy issued by Bank Negara Malaysia:

- (a) A licensed bank, licensed investment bank or licensed Islamic bank; or
- (b) The holding company of any of the entities referred to in sub-paragraph (a).

4.04 The corporate bonds or sukuk issued by an entity referred to in paragraph 4.03 must have the following characteristics:

- (a) Denominated in ringgit Malaysia;
- (b) A tenure of more than one year; and
- (c) Where the terms include a contractual write-off or conversion into equity, such terms may only be exercised to meet the requirements set out in the relevant guidelines on capital adequacy issued by Bank Negara Malaysia.

² An option does not include any undertaking under a sukuk structure.

Chapter 5

RATING REQUIREMENTS

Credit rating

- 5.01 All corporate bonds or sukuk must be rated by a credit rating agency registered with the SC.
- 5.02 This chapter does not apply to an issuance of the following:
- (a) Convertible loan stocks or Islamic loan stocks; and
 - (b) Convertible bonds, sukuk, loan stocks or Islamic loan stocks, and exchangeable bonds or sukuk which fulfil the following requirements:
 - (i) Holders of such products are given the right to convert or exchange such products into underlying shares at any time or within a reasonable periods during the tenure of such products; and
 - (ii) The underlying shares are listed and quoted on a stock exchange.
- 5.03 The final credit rating for the corporate bonds or sukuk must be made available as part of the submission for approval that is made to the SC. Where the final credit rating is not available, an indicative credit rating must be submitted to the SC.
- 5.04 In the case of a debt or sukuk programme, where the credit rating is not assigned for the full amount of the programme but for part of the amount (partial credit rating)–
- (a) the first issuance under the debt or sukuk programme must be rated; and
 - (b) the principal terms and conditions of the debt or sukuk programme must include–
 - (i) a disclosure of all the pre-conditions, relevant risk factors and all material information relating to the partial credit rating; and
 - (ii) a provision that states all subsequent issuances of the debt or sukuk programme will be rated.
- 5.05 In the case where the issuer decides to rely on more than one credit rating for a corporate bond or sukuk for the purpose of offering the corporate bond or sukuk, the issuer must disclose such credit ratings in its application for approval to the SC.

- 5.06 In the case where the issuer decides to rely on more than one credit rating for a corporate bond or sukuk that has been approved by the SC, a revision of terms and conditions is required and the issuer must-
- (a) comply with all requirements under Chapter 13 of these Guidelines; and
 - (b) in the case where the corporate bond or sukuk has been issued, inform all bondholders or sukukholders immediately prior to submission of notification to the SC for the revision.
- 5.07 In the case where the issuer has relied on more than one credit rating for a corporate bond or sukuk, and subsequently decides to remove any of the credit rating, a revision to terms and conditions is required and the issuer must-
- (a) comply with all relevant requirements under Chapter 13 of these Guidelines; and
 - (b) in the case where the corporate bond or sukuk has been issued, obtain prior consent of the bondholders or sukukholders.
- 5.08 For the replacement of an appointed credit rating agency during the tenure of the corporate bond or sukuk, the issuer must-
- (a) obtain prior consent of the bondholders or sukukholders; and
 - (b) inform the principal adviser of the replacement.
- 5.09 An issuer must provide sufficient and relevant information to the credit rating agency for the purpose of assessing and evaluating the credit risk of the corporate bonds or sukuk.
- 5.10 An issuer must provide information to the credit rating agency on a continuous and timely basis in particular, new or additional information that was not previously available for consideration by the credit rating agency.
- 5.11 An issuer must ensure that the credit rating report is published by the credit rating agency at least seven business days prior to the issuance of the corporate bond or sukuk.

Chapter 6

TRUSTEE AND TRUST DEED REQUIREMENTS

- 6.01 The issuer and principal adviser must involve the trustee during the documentation process of the corporate bonds or sukuk. The trustee must likewise actively play its part by providing comments and feedback.
- 6.02 The issuer must provide the necessary assistance to facilitate the trustee in discharging its duties and obligations under the CMSA, the relevant guidelines and the trust deed.

Chapter 7

IMPLEMENTATION TIME FRAME

- 7.01 Any corporate bonds or sukuk approved under these Guidelines must be implemented within one year from the date of the SC's approval except in the case of a debt or sukuk programme.
- 7.02 For a debt or sukuk programme, the first issuance must be made within two years from the date of the SC's approval.

Chapter 8

UTILISATION OF PROCEEDS

- 8.01 An issuer must ensure that proceeds from the approved corporate bonds and sukuk are utilised in accordance with the purposes disclosed to the SC.
- 8.02 [Deleted]
- 8.03 Where the proceeds are utilised for a project which will generate cash flow for payments to bondholders or sukukholders, the issuer must ensure that the transaction documents relating to the corporate bonds or sukuk include the relevant parameters, conditions, supporting documents and certificates to enable the trustee or facility agent, where applicable, to manage the release of the proceeds to the issuer.

Chapter 9

MODE OF ISSUANCE

9.01 All corporate bonds or sukuk must be—

- (a) issued and/or tendered on the Fully Automated System for Issuing/Tendering (FAST); and
- (b) issued on scripless basis, deposited and settled in the Real Time Electronic Transfer of Funds and Securities System (RENTAS) which is operated by Bank Negara Malaysia,

unless a full admission to listing and quotation is sought on a stock exchange.

Chapter 10

OTHER REGULATORY APPROVALS AND COMPLIANCE WITH RELEVANT LAWS AND GUIDELINES

10.01 Where applicable, an issuer must ensure that–

- (a) it has complied with all relevant regulatory requirements from other regulatory authorities prior to its submission for approval to the SC; and
- (b) it continues to comply with any conditions imposed by such regulatory authorities throughout the tenure of the corporate bonds and sukuk.

10.02 For the purpose of sub-paragraph 10.01(a) above, where an approval from any other regulatory authority is required, such approval must be valid and subsisting at the point of submission to the SC.

10.03 An issuer and its principal adviser must ensure that the issuance has complied with all the relevant laws.

PART C: APPROVAL FOR ISSUANCE OF CORPORATE BONDS AND SUKUK

Chapter 11

APPROVAL

General

- 11.01 The SC may grant its approval and, where applicable, register the prospectus for a proposed issue of corporate bonds or sukuk subject to receipt of complete set of documents and full compliance with relevant requirements as provided in these Guidelines.
- 11.02 The approval from the SC for a debt or sukuk programme is granted on the basis of continuous compliance by the issuer with all the requirements in these Guidelines.
- 11.03 For the purpose of paragraph 11.01 above, a complete set of documents must include the following:
- (a) For issuers other than a Qualified Issuer–
 - (i) the information and documents as set out in Appendix 1 of these Guidelines;
 - (ii) a prospectus (except where an abridged prospectus or a modified prospectus complying with the form and content of an abridged prospectus is applicable, in which case Division 5 of Part II of the Prospectus Guidelines will apply); and
 - (iii) a PHS.
 - (b) For Qualified Issuers–
 - (i) the information and documents as set out in Appendix 1 of these Guidelines;
 - (ii) a PHS; and
 - (iii) where applicable, an information memorandum (including any supplemental or replacement information memorandum).
- 11.04 For the purpose of prospectus registration, the prospectus submitted to the SC must be complete and fully comply with the relevant requirements of the Prospectus Guidelines.

Post-issuance notice

- 11.05 For all issuances of corporate bonds or sukuk, an issuer must submit a post-issuance notice to the SC within seven business days from the date of issuance.
- 11.06 The principal adviser is responsible for submitting the post-issuance notice.
- 11.07 The post-issuance notice must contain all information and documents as set out in Appendix 2.
- 11.08 In the case of a debt or sukuk programme, submission of the post-issuance notice would apply to each issuance under the programme.

Chapter 12

CONTINUOUS DISCLOSURE OBLIGATIONS

Corporate Bonds or Sukuk Offered Over-the-Counter

12.01 Where the corporate bonds or sukuk are to be offered over-the-counter (OTC), the issuer must disclose any information which may have a material effect on—

- (a) the price or value of the corporate bonds or sukuk; or
- (b) an investor's decision whether to invest in that corporate bonds or sukuk, on BIX.

12.02 In addition to paragraph 12.01 above, the issuer must immediately announce the following on BIX:

- (a) Any issuance of a new tranche or programme by the issuer;
- (b) Any change in the terms and conditions of the corporate bonds or sukuk;
- (c) Any redemption or cancellation of the corporate bonds or sukuk;
- (d) Any amendment to the trust deed;
- (e) Any appointment or replacement of the trustee or where applicable, paying agent;
- (f) For sukuk, any replacement of the Shariah adviser appointed by the issuer;
- (g) Any occurrence of an event of default under the trust deed;
- (h) Credit rating of the corporate bonds or sukuk, including a summary of the rating report relevant to the corporate bonds or sukuk published by a credit rating agency;
- (i) Any event which requires an immediate notification to the trustee under the trust deed;
- (j) Any meeting of bondholders or sukukholders (other than a meeting convened to pass a special resolution), at least 14 days before such meeting is held, and in the case of a meeting convened to pass a special resolution, at least 21 days before such meeting is held. The announcement must include the date of the record of depositors which determines whether a depositor shall be regarded

as a bondholder or sukukholder, hence entitled to attend, speak and vote at the meeting of the bondholder or sukukholder; and

- (k) Make available the latest annual audited financial statements to its bondholder or sukukholder throughout the tenure of the corporate bonds or sukuk.

12.03 Sub-paragraph 12.02(k) above will not apply under the following circumstances where financial statements are already made available on the stock exchange:

- (a) If the issuer is listed and quoted on the stock exchange; or
- (b) If the corporate bond or sukuk is listed on the Exempt Regime.

Corporate bonds or sukuk offered on the stock exchange

12.04 Where the corporate bonds or sukuk are to be offered on the stock exchange, the issuer must also comply with the continuous disclosure obligations set out in the Listing Requirements of Bursa Securities.

Additional continuous disclosure obligations

12.05 The issuer must announce the maturity date of each issuance of the corporate bonds or sukuk at least one month before the maturity date.

12.06 In the case of an early redemption of the corporate bonds or sukuk—

- (a) bondholders or sukukholders must be informed of the relevant details of such redemption, including details of the proposed bondholders' or sukukholders' resolution where appropriate, as soon as possible through an announcement via—
 - (i) BIX, for corporate bonds and sukuk offered OTC; or
 - (ii) the stock exchange, for corporate bonds and sukuk offered on the stock exchange; and
- (b) another announcement must be made soonest practicable after consent from bondholders or sukukholders has been obtained for the early redemption (where applicable).

12.07 In the case of a debt or sukuk programme approved by the SC, the issuer must ensure that a pricing supplement is made available to its bondholders or sukukholders prior to each issuance under the debt or sukuk programme.

12.08 The pricing supplement must include the following terms (final or indicative):

- (a) Date, size and tenure of issue;
- (b) Credit rating;
- (c) Coupon/interest/profit rate of the issuance; and
- (d) Utilisation of proceeds raised from the issuance.

12.09 Paragraphs 12.07 and 12.08 above do not apply if an issuance under the debt or sukuk programme is issued or offered on a primary subscription basis (under a bought-deal or private placement arrangement).

No false and misleading statement or material omission

12.10 All the information disclosed and announcements made via BIX must not contain any false or misleading statement or any material omission.

Chapter 13

REVISION TO PRINCIPAL TERMS AND CONDITIONS

General requirements

13.01 Any revision to the principal terms and conditions of a corporate bond or sukuk issuance must not result in non-compliance with any requirements provided in these Guidelines.

Approval required

13.02 Any revision made to the principal terms and conditions of a corporate bond or sukuk, which has been approved by the SC but has not yet been issued, requires the SC's prior approval. In the case of a debt or sukuk programme, the first issuance under the debt or sukuk programme must not have taken place.

Notification required

13.03 The SC's prior approval is not required for any revision to principal terms and conditions of a corporate bond or sukuk which has been approved by the SC and has already been issued.

13.04 Notwithstanding paragraph 13.03 above, the issuer must notify the SC of such revision through its principal adviser within 14 business days after the date of the proposed revision comes into effect.

13.05 Notification to the SC is made by submitting to the SC the relevant information and documents as set out in Appendix 3 of these Guidelines.

13.06 Prior to the revision, the principal adviser must ensure that the issuer has obtained consent from the relevant parties for the proposed revision to principal terms and conditions, if such consent is required.

13.07 Where consent from bondholders or sukukholders is required for any proposed revision to the principal terms and conditions, the principal adviser must ensure the following:

- (a) Due process has been observed in obtaining bondholders' or sukukholders' consent. This includes the requirement that the issuer and any interested persons of the issuer abstain from voting in the meeting convened to obtain bondholders' or sukukholders' consent;
- (b) All material information pertinent to the revision, including the impact on credit rating, has been disclosed to bondholders or sukukholders;

- (c) For corporate bonds or sukuk offered OTC, two separate announcements have been made on BIX-
 - (i) on the proposed revision, which must be announced prior to obtaining bondholders' or sukukholders' consent; and
 - (ii) on the outcome of the bondholders' or sukukholders' decision, which must be made immediately after the bondholders' or sukukholders' decision;
- (d) For corporate bonds or sukuk offered on the stock exchange, the announcements under sub-paragraphs 13.07(c)(i) and (ii) above must be made on the stock exchange; and
- (e) The announcements as per sub-paragraphs 13.07(c) or (d) above, as the case may be, are copied to the SC within two business days from the date of announcements.

Upsizing of a debt or sukuk programme

- 13.08 Any revision to the principal terms and conditions to increase the issuance size of a one-off issuance of corporate bonds or sukuk is not allowed.
- 13.09 An issuer may revise the principal terms and conditions to increase the size of a debt or sukuk programme, either pre-issuance or post-issuance, subject to the following conditions:
- (a) The voting for the debt or sukuk programme is carried out on a "per series" basis and not on a collective basis; and
 - (b) The option to upsize must have been clearly provided for in the initial application submitted to the SC in relation to the debt or sukuk programme.
- 13.10 Such upsizing, either pre-issuance or post-issuance under paragraph 13.09 above, would require the SC's approval and must comply with the requirements under paragraphs 13.11 to 13.14 below of these Guidelines.
- 13.11 Any upsizing of a debt or sukuk programme, either pre-issuance or post-issuance, would require an issuer to submit all information and documents as specified in Appendix 4 of these Guidelines and comply with all relevant requirements under Chapter 11 of these Guidelines.

13.12 Prior to the upsizing, the principal adviser must ensure that the issuer has obtained consent from the relevant parties for the upsizing, if such consent is required.

13.13 Where consent from bondholders or sukukholders is required for any proposed upsizing, the principal adviser must ensure the following:-

- (a) Due process has been observed in obtaining bondholders' or sukukholders' consent. This includes the requirement that the issuer and any interested persons of the issuer abstain from voting in the meeting convened to obtain bondholders' or sukukholders' consent;
- (b) All material information pertinent to the upsizing, including the impact on credit rating, has been disclosed to bondholders or sukukholders;
- (c) For corporate bonds or sukuk offered OTC, two separate announcements have been made on BIX in relation to the following:
 - (i) The proposed upsizing, which must be announced prior to obtaining bondholders' or sukukholders' consent; and
 - (ii) The outcome of the bondholders' or sukukholders' decision, which must be made immediately after the bondholders' or sukukholders' decision;
- (d) For corporate bonds or sukuk offered on the stock exchange, the announcements under sub-paragraphs 13.13(c)(i) and (ii) above must be made on the stock exchange; and
- (e) The announcements under sub-paragraphs 13.13(c) or (d) above, as the case may be, are copied to the SC within two business days from the date of announcements.

13.14 An issuer must also ensure that any exercise to upsize a debt or sukuk programme does not unfairly discriminate or is otherwise prejudicial to existing bondholders or sukukholders of the debt or sukuk programme.

Revision to terms and conditions of sukuk

13.15 [Deleted]

13.16 [Deleted]

Chapter 14

SUBMISSION TO THE SC

- 14.01 All submissions to the SC must be made by an issuer through a principal adviser.
- 14.02 All documents to be submitted to the SC must be made in two hard copies and one electronic copy.
- 14.03 Any submission in electronic copy must be prepared in the manner specified in Appendix 5 of these Guidelines.
- 14.04 The information and documents to be submitted to the SC for the purpose of the SC's approval are set out in the following appendices:
- (a) Appendix 1 – Approval for issuance;
 - (b) Appendix 2 – Post-issuance notice;
 - (c) Appendix 3 – Revision to principal terms and conditions post-issuance; and
 - (d) Appendix 4 – Approval for upsizing.
- 14.05 An issuer and the principal adviser must furnish any other information or documents as requested by the SC.

PART D: ADDITIONAL SHARIAH REQUIREMENTS FOR SUKUK

Chapter 15

[Deleted]

Chapter 16

[Deleted]

Chapter 17

[Deleted]

Chapter 18

[Deleted]

Chapter 19

[Deleted]

PART E: REQUIREMENTS UNDER THE QUALIFIED ISSUER FRAMEWORK

CORPORATE BONDS AND SUKUK UNDER THE QUALIFIED ISSUER FRAMEWORK

Chapter 20

- 20.01 This chapter sets out the eligibility criteria for issuers who may issue corporate bonds or sukuk under the Qualified Issuer framework. The requirements set out under this chapter are in addition to all other relevant requirements set out in these Guidelines.
- 20.02 An issuer specified in paragraph 4.01 who fulfils the following criteria may be a Qualified Issuer–
- (a) the issuer has issued or guaranteed corporate bonds or sukuk with an aggregate amount of at least RM500 million in the past five years; and
 - (b) the corporate bonds or sukuk to be issued have a minimum credit rating of AA- (or its equivalent).
- 20.03 A Qualified Issuer may issue corporate bonds or sukuk to retail investors without a prospectus, provided that the Qualified Issuer prepares a PHS in accordance with the *Guidelines on Sales Practices of Unlisted Capital Market Products*.

PART F: ADDITIONAL REQUIREMENTS FOR ISSUANCE OF SPECIFIC BONDS AND SUKUK

This Part sets out the additional requirements for issuances of Environment, Social and Governance related bonds and sukuk as follows:

- i. Sustainable and Responsible Investment (SRI) Sukuk;
- ii. ASEAN Bonds and Sukuk;
- iii. Sustainable and Responsible Investment-Linked (SRI- Linked) Sukuk;and
- iv. ASEAN Sustainability-Linked Bonds and Sukuk

Chapter 21

SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) SUKUK

21.01 This Chapter sets out the additional requirements for an issuance of SRI sukuk.

21.02 For the purpose of this chapter, SRI sukuk refers to sukuk in which its proceeds will be applied exclusively for funding of any activities or transactions relating to the Eligible SRI projects.

21.03 An issuer must not–

- (a) use or adopt the term “SRI sukuk”; or
- (b) hold itself out as an issuer of such SRI sukuk,

unless the issuance of the SRI sukuk has complied with these Guidelines.

21.04 An issuer who wishes to issue a SRI sukuk must establish policies and processes to ensure compliance with the SRI Sukuk Framework as set out in this chapter.

21.05 The information relating to the issuer and the details of the issuer’s SRI Sukuk Framework must be made publicly accessible via a designated website to be disclosed by the issuer. Such information in the designated website must be made available at the point of issuance and throughout the tenure of the SRI sukuk.

21.06 Where a public company is an issuer as mentioned under subparagraph 4.01(f)(ii), all requirements applicable to the issuer in these Guidelines shall also apply, where applicable, to the obligor.

Eligible SRI projects

21.07 An Eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:

- (a) Preserving and protecting the environment and natural resources;
- (b) Conserving the use of energy;
- (c) Promoting the use of renewable energy;
- (d) Reducing greenhouse gas emission;
- (e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes especially but not exclusively for a target population; or
- (f) Improving the quality of life for the society.

Guidance to subparagraph 21.07(e)

Examples of target populations include but are not limited to the following:

- (a) Living below the poverty line;
- (b) Excluded and/or marginalised populations and /or communities;
- (c) Vulnerable groups as a result of natural disasters;
- (d) People with disabilities;
- (e) Migrants and/or displaced persons;
- (f) Undereducated;
- (g) Underserved, owing to lack of quality access to essential goods and services; or
- (h) Unemployed.

21.08 The Eligible SRI projects may include, but not limited to the following:

- (a) Green projects that relate to:
 - (i) Renewable energy;
 - (ii) Energy efficiency;
 - (iii) Pollution prevention and control;

- (iv) Environmentally sustainable management of living natural resources and land use;
 - (v) Terrestrial and aquatic biodiversity conservation;
 - (vi) Clean transportation;
 - (vii) Sustainable water and wastewater management;
 - (viii) Climate change adaptation;
 - (ix) Eco-efficient and/ or circular economy adapted products, production technologies and processes; and
 - (x) Green buildings which meet regional, national or internationally recognised standards or certifications,
- (b) Social projects that relate to–
- (i) affordable basic infrastructure;
 - (ii) Access to essential services;
 - (iii) Affordable housing;
 - (iv) Employment generation including through the potential effect of SME financing and microfinance;
 - (v) Food security;
 - (vi) Socioeconomic advancement and empowerment;
- (c) Projects which are the combination of Green and Social projects as described in (a) and (b) above; and
- (d) *Waqf* projects that relate to the development of *waqf* properties or assets.

SRI Sukuk Framework

21.09 The core components of the SRI sukuk framework are set out as follows:

- (a) Utilisation of proceeds;
- (b) Process for project evaluation and selection;

- (c) Management of proceeds; and
- (d) Reporting.

A. Utilisation of Proceeds

- 21.10 An issuer must ensure that the proceeds raised from the issuance of the SRI sukuk are utilised only for the purpose of funding any activities or transactions relating to the Eligible SRI projects as described in paragraph 21.08.

Guidance to paragraph 21.10

Funding of the Eligible SRI projects may include the following activities or transactions:

- (a) Purchase of receivables arising from the financing of an Eligible SRI project. The receivables must be Shariah compliant;
- (b) Acquisition of an Eligible SRI project either directly or through a company under which the Eligible SRI project is being held;
- (c) Refinancing of existing borrowings or financing facilities which have been utilised to fund an Eligible SRI project; or
- (d) Other related and supporting expenditures such as research and development, and may relate to more than one Eligible SRI projects.

- 21.11 In relation to the activities or transactions that involve acquisition of a company which carries on the Eligible SRI projects, an issuer must ensure that the company that is to be acquired does not carry on any other business or projects except for the Eligible SRI projects.

B. Process for Project Evaluation and Selection

- 21.12 An issuer must establish internal processes for evaluation and selection of the Eligible SRI projects as identified in paragraph 21.08.

C. Management of Proceeds

- 21.13 An issuer must ensure that the proceeds allocated for the Eligible SRI projects are credited into a designated account or otherwise tracked in an appropriate manner.

D. Reporting

21.14 An issuer must provide the following information to the sukukholders annually through a designated website:

- (a) The original amount allocated for the Eligible SRI projects;
- (b) The amount utilised for the Eligible SRI projects;
- (c) The unutilised amount and where such unutilised amount is placed or invested pending utilisation; and
- (d) The list of the Eligible SRI projects to which the SRI sukuk proceeds have been allocated, a brief description of the said Eligible SRI projects and their impact or expected impact, including the key underlying methodology or assumptions used in the determination of the impact or expected impact.

Guidance to subparagraph 21.14(d)

In reporting the impact or expected impact of the Eligible SRI projects, an issuer may use qualitative performance indicators and where feasible, quantitative performance measures. Examples of quantitative measures for projects that fall under the category of renewable energy or energy efficiency – energy capacity, electricity generation, greenhouse gas emissions reduced or avoided, number of people provided with access to clean power, decrease in water use or reduction in the number of cars required.

Examples of quantitative performance measures for projects that fall under the category of social projects include the number of beneficiaries, reduction in unemployment, increase in number of public transport users, increase in literacy rate or increase in life expectancy.

21.15 Where an issuer is unable to make available comprehensive information as specified in paragraph 21.14 due to confidentiality agreements or competitive considerations, such issuer may provide the information in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).

Disclosure requirements

21.16 For the purpose of disclosure of the details of the issuer and the SRI Sukuk Framework under paragraph 21.05, the following information must be included:

- (a) The overall SRI objectives that the issuer intends to achieve;
- (b) The utilisation of proceeds from the issuance of the SRI sukuk. Where all or

part of the proceeds are used for refinancing, an issuer must provide the amount of proceeds being allocated for refinancing and which Eligible SRI projects to be refinanced;

- (c) The Eligible SRI projects in which the proceeds will be allocated;
- (d) The details of the Eligible SRI projects and to the extent possible, impact objectives from the Eligible SRI projects;
- (e) The processes used by the issuer to evaluate and select the Eligible SRI projects;
- (f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects;
- (g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk; and
- (h) A statement that the issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible SRI projects.

External review

21.17 The issuer must appoint an external reviewer to assess and provide report on the Eligible SRI projects or the issuer's compliance with the requirements under these Guidelines. The external reviewer's report must be made available on the designated website.

21.18 The summary of the external reviewer's report and the link to the website from where sukukholders may have free access to the full report, must be included—

- (a) in relation to an issuance by issuers other than a Qualified Issuer, in the prospectus and PHS; or
- (b) in relation to an issuance by a Qualified Issuer, in the PHS and, where applicable, the information memorandum.

Chapter 22

ASEAN BONDS AND SUKUK

22.01 This Chapter sets out the additional requirements for issuance of—

- (a) ASEAN Green Bonds and Sukuk;
- (b) ASEAN Social Bonds and Sukuk; and
- (c) ASEAN Sustainability Bonds and Sukuk.

22.02 The issuer must ensure that the issuance of the corporate bonds or sukuk adopts the prescribed standards issued by ACMF, as follows:

- (a) in the case of ASEAN Green Bonds and Sukuk, the ASEAN Green Bond Standards;
- (b) in the case of ASEAN Social Bonds and Sukuk, the ASEAN Social Bond Standards; and
- (c) in the case of ASEAN Sustainability Bonds and Sukuk, the ASEAN Sustainability Bond Standards.

22.03 An issuer must not—

- (a) use or adopt the term “ASEAN Green”, “ASEAN Social” or “ASEAN Sustainability”, as the case may be, in relation to the name of its corporate bonds or sukuk; or
- (b) hold itself out as an issuer of such ASEAN corporate bonds or sukuk,

unless the issuance has complied with these Guidelines.

Chapter 23

SUSTAINABLE AND RESPONSIBLE INVESTMENT LINKED (SRI-LINKED) SUKUK

23.01 This chapter sets out the additional requirements for an issuance of a sustainable and responsible investment linked (SRI-linked) sukuk.

23.02 For the purpose of this chapter, SRI-linked sukuk refers to sukuk where–

- (a) the financial or structural characteristics, or both the financial and structural characteristics of the sukuk vary depending on whether the issuer meets the predefined sustainability targets; and
- (b) its issuance complies with the requirements under these Guidelines.

23.03 An issuer must not–

- (a) use or adopt the term “SRI-linked sukuk”; or
- (b) hold itself out as an issuer of such SRI-linked sukuk,

unless the issuance of the SRI-linked sukuk meets the requirements as set out in paragraph 23.02 above.

23.04 An issuer of a SRI-linked sukuk must establish policies and processes to ensure compliance with the SRI-linked Sukuk Framework as set out in this chapter.

23.05 The information relating to the issuer and the details of the issuer’s SRI-linked Sukuk Framework must be made publicly accessible via a designated website to be disclosed by the issuer. Such information in the designated website must be made available at the point of issuance and throughout the tenure of the SRI-linked sukuk.

23.06 Where a public company is an issuer as mentioned under subparagraph 4.01(f)(ii), all requirements applicable to the issuer in these Guidelines shall also apply, where applicable, to the obligor.

SRI-linked Sukuk Framework

23.07 The core components of the SRI-linked Sukuk Framework are as follows:

- (a) SRI-linked sukuk characteristics;
- (b) Selection of Key Performance Indicators (KPIs);

- (c) Calibration of Sustainability Performance Targets (SPTs);
- (d) External review; and
- (e) Reporting.

A. SRI-linked sukuk characteristics

23.08 An issuer must ensure that a SRI-linked sukuk is structured in a manner that its financial or structural characteristics, or both its financial and structural characteristics, vary depending on whether the issuer meets the predefined sustainability targets during the tenure of the SRI-linked sukuk.

Guidance to paragraph 23.08

The variation in the financial or structural characteristics, or both its financial and structural characteristics, should commensurate and be meaningful.

For example, the SRI-linked sukuk is structured such that the profit rate of the SRI-linked sukuk payable to sukukholders would be varied if the issuer fails to meet the sustainability targets.

The variation to the profit rate should commensurate and be meaningful after having considered the original profit rate payable had the issuer achieved the sustainability targets.

B. Selection of Key Performance Indicators (KPIs)

23.09 An issuer must select KPIs that the issuer intends to use as its sustainability targets.

23.10 An issuer must select KPIs that, among others–

- (a) are significant to the issuer's sustainability and business strategy;
- (b) address relevant environmental, social or governance (ESG) challenges in the issuer's industry; and
- (c) are within the issuer's control.

Guidance to paragraph 23.10

The KPIs selected should be—

- (a) relevant, core and material to the issuer's overall business, and of high strategic significance to the issuer's current and/or future operations;
- (b) measurable or quantifiable on a consistent methodological basis;
- (c) externally verifiable; and
- (d) able to be benchmarked as much as possible using an external reference or definition to facilitate the assessment of the SPT's level of ambition.

23.11 An issuer may select any previous or existing KPIs that the issuer has set for itself subject to the following:

- (a) The KPI must have been made available to the public in any of the issuer's publications, such as in the issuer's annual reports, sustainability reports or other non-financial disclosure reports; or
- (b) In the case where the KPIs were not made available to the public, the KPIs' values must be externally verified to the extent possible, for a period covering at least the three most recent years.

C. Calibration of Sustainable Performance Targets (SPTs)

23.12 An issuer must set out the SPTs, which are measurable targets for improvement over a predefined timeline, for each KPIs.

Guidance to paragraph 23.12

The SPTs selected must be—

- (a) ambitious yet realistic;
- (b) a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory;
- (c) comparable to a benchmark or an external reference, where possible;
- (d) consistent with the issuers' overall sustainability, business and ESG strategy; and
- (e) set before, or concurrently with, the issuance of the SRI-linked sukuk.

D. External Review

Pre-Issuance

23.13 An issuer must appoint an external reviewer to assess and provide a report on the issuer's compliance with the requirements under these Guidelines.

Guidance to paragraph 23.13

The external reviewer's report should include–

- (a) the assessment of the relevance, robustness and reliability of the selected KPIs;
- (b) the rationale and level of ambition of the proposed SPTs;
- (c) the relevance and reliability of selected benchmarks and baselines; and
- (d) the credibility of the strategy outlined to achieve the SPTs, based on scenario analyses, where relevant.

23.14 The issuer must make available the external reviewer's report on the designated website.

23.15 The summary of the external reviewer's report and the link to the website from where sukukholders may have free access to the full report, must be included–

- (a) in relation to an issuance by issuers other than a Qualified Issuer, in the prospectus and PHS; or
- (b) in relation to an issuance by a Qualified Issuer, in the PHS and where applicable, the information memorandum.

Post-Issuance

23.16 An issuer must appoint an independent verifier to provide a verification report on the issuer's performance level against each SPT for each KPI.

23.17 The verification must be carried out at least annually, during the predefined timeline for assessing the SPT performance, until after the last SPT trigger event of the SRI-linked sukuk has been reached.

23.18 The issuer must make available the verifier's report on the designated website.

E. Reporting

23.19 An issuer must publish the following information on the designated website:

- (a) An up-to-date information on the performance of the selected KPIs, including baselines, where relevant; and
- (b) Relevant information to enable the sukukholders to assess and monitor the progress or relevancy of the selected KPIs and SPTs including any changes to the issuer's sustainability, business and ESG strategy that may impact the KPIs and SPTs.

23.20 For the purpose of paragraph 23.19, the issuer must publish such information at least annually to allow for a proper assessment to be undertaken by the sukukholders of the issuer's performance in relation to the selected SPTs.

Disclosure Requirements

23.21 For the purpose of disclosure of the details of the issuer and the SRI-linked Sukuk Framework under paragraph 23.05, the following information must be included:

- (a) The rationale and process according to which the KPIs have been selected and how the KPIs fit into the issuer's sustainability and business strategy;
- (b) The detailed description of the potential variation of the SRI-linked sukuk's structure or financial characteristics and the trigger event leading to such variation;
- (c) Description and the issuer's plan to achieve each of the SPTs;

Guidance to paragraph 23.21(c)

The issuer may outline its plan by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, for example, through highlighting the type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible.

- (d) Motivation for the outlined SPTs and the timelines for the achievement of the SPTs, including the target observation date or period, the trigger event and the frequency of SPTs;

Guidance to paragraph 23.21(d)

Motivation for the SPTs may include the ambition level, benchmarking approaches and consistency with overall strategic planning.

- (e) The baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date or period);
- (f) The situations in which recalculations or pro-forma adjustments of baselines will take place;
- (g) Fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner; and
- (h) Any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs.

Chapter 24

ASEAN SUSTAINABILITY-LINKED BONDS AND SUKUK

24.01 This chapter sets out the additional requirements for the issuance of ASEAN Sustainability-Linked corporate bonds and sukuk.

24.02 The issuer must ensure that the issuance of the corporate bonds or sukuk adopts the ASEAN Sustainability-Linked Bond Standards issued by ACMF.

24.03 An issuer must not–

- (a) use or adopt the term “ASEAN Sustainability-Linked” in relation to the name of its corporate bonds or sukuk; or
- (b) hold itself out as an issuer of such ASEAN Sustainability-Linked corporate bonds or sukuk,

unless the issuance has complied with this chapter.

APPENDIX 1**INFORMATION AND DOCUMENTS TO BE SUBMITTED TO THE SC FOR APPROVAL****Notes:**

*** Applicable only for sukuk**

PART 1: APPLICATION

1.01 An application letter which includes the following:

- (a) Background information on the issuer including ultimate shareholders, whether the issuer is a related corporation of any Malaysian public-listed company (PLC) and whether the issuer is a Malaysian government-linked company;
- (b) Profile of directors of issuer, including–
 - (i) national Registration Identity Card numbers for Malaysian directors; and
 - (ii) passport numbers for non-Malaysian directors;

Where the corporate bonds or sukuk involve obligors and guarantors, the information set out in sub-paragraphs 1.01 (a) and (b) above must also be provided on the said entities.

- (c) A description of the transaction and structure of the facility (one-time issue) or programme. In addition, specify whether it is a one-time issue or a programme;
- (d) Details of the utilisation of proceeds, including its schedule where applicable;
- (e) Primary and secondary sources of repayment;
- (f) Detailed breakdown of all upfront and recurring fees and expenses for the facility or programme;
- (g) Waivers from complying with these Guidelines and other relevant guidelines of the SC obtained for the facility or programme, if any;
- (h) Conflict-of-interest situations and appropriate mitigating measures, if any;

- (i) Detailed information of the existing corporate bonds or sukuk issue or loans/financing to be refinanced by the facility or programme, if applicable;
 - (j) Details of approval from other relevant regulatory authorities, if any;
 - (k) Any other material information in relation to the issuer, facility or programme;
 - (l) Name, telephone number, facsimile number and e-mail address of the officer-in-charge for the facility or programme;
 - (m) Name, designation and contact details of the contact person of the issuer; and
 - (n) Name, designation and contact details of the contact person of the key management personnel of the issuer.
- 1.02 Principal terms and conditions of the proposal (as per Part 2 of Appendix 1).
- 1.03 Parties to the transaction.
- Names of all parties involved in the lifecycle of the corporate bonds or sukuk (i.e. origination, at the point of distribution and after distribution) and their roles and responsibilities.
- 1.04 Rating letter.
- 1.05 Latest audited financial statements³.
- 1.06 Copies of approval from other relevant regulatory authorities, if any.
- 1.07 Compliance checklist with these Guidelines.
- 1.07A Compliance checklist with *Guidelines on Islamic Capital Market Products and Services**.
- 1.08 Compliance checklist with ASEAN Green Bond Standards.
- 1.09 Compliance checklist with ASEAN Social Bond Standards.
- 1.10 Compliance checklist with ASEAN Sustainability Bond Standards.
- 1.11 Compliance checklist with ASEAN Sustainability-Linked Bond Standards.

³ The audited financial statements must be in accordance with the approved accounting standards as defined in the *Financial Reporting Act 1997*

- 1.12 Declaration by issuer (as per Part 3 of Appendix 1).
- 1.13 Declaration by Trustee (where the appointment of trustee falls under sub-section 260(2) of the CMSA).
- 1.14 Shariah pronouncement including detailed Shariah reasoning or justification where the signing procedures must comply with the requirements as specified by the SAC*.
- 1.15 Diagram illustrating the flow of monies in the designated accounts, if applicable.
- 1.16 Any other documents.

PART 2: PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSAL

2.01 Background information

- (a) Issuer:
- (i) Name;
 - (ii) Date of incorporation;
 - (iii) Place of incorporation;
 - (iv) Address;
 - (v) Business registration number;
 - (vi) Residence status;
 - (vii) Place of listing, if applicable;
 - (viii) Date of listing, if applicable;
 - (ix) Industry sector of the issuer⁴;
 - (x) Principal activities;
 - (xi) Principal activities of issuer's subsidiaries, where applicable⁵;
 - (xii) If the issuer is an SPV, state the name of the entity that established it;
 - (xiii) Issued and paid-up capital;
 - (xiv) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders;
 - (xv) Board of directors; and
 - (xvi) Disclosure of the following:
 - If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other

⁴ For public listed companies, to specify sectors as indicated in Bursa Securities. For unlisted and foreign companies, to specify based on Bursa Securities' list of sectors that best describes the company's principal activities.

⁵ In the event where the issuer's principal activity is investment holding.

laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past 10 years prior to the date of application/since incorporation (for issuer incorporated less than 10 years); and

- If the issuer has been 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 date of application;

Where the corporate bonds or sukuk involve obligors and guarantors, the information as set out in sub-paragraph 2.01(a) must also be provided on the said entities.

2.02 Principal terms and conditions

(a) Names of parties involved in the proposal, where applicable:

- (i) Principal adviser;
- (ii) Lead arranger;
- (iii) Co-arranger;
- (iv) Solicitor;
- (v) Financial adviser;
- (vi) Technical adviser;
- (vii) Trustee;
- (viii) Shariah adviser*;
- (ix) Guarantor;
- (x) Valuer;
- (xi) Facility agent;
- (xii) Primary subscriber (under a bought-deal arrangement) and amount subscribed;
- (xiii) Underwriter and amount underwritten;

- (xiv) Central depository;
- (xv) Paying agent;
- (xvi) Reporting accountant;
- (xvii) Calculation agent; and
- (xviii) Others (please specify);
- (b) Name of facility;
- (c) One-time issue or programme;
- (d) For ASEAN Corporate Bonds/Sukuk, to state whether the corporate bonds/sukuk to be issued are –
 - (i) ASEAN Green Corporate Bonds/Sukuk;
 - (ii) ASEAN Social Corporate Bonds/Sukuk;
 - (iii) ASEAN Sustainability Corporate Bonds/Sukuk; and/or
 - (iv) ASEAN Sustainability-Linked Corporate Bonds/Sukuk.
- (e) For SRI Sukuk, to state whether the Eligible SRI Projects are –
 - (i) Green Projects;
 - (ii) Social Projects;
 - (iii) Projects which are a combination of Green and Social projects; and/or
 - (iv) Waqf projects that relate to the development of waqf properties or assets.
- (f) Shariah principles*;
- (g) Facility description (including transaction diagram and explanatory notes*);
- (h) Identified asset or trust asset*;
- (i) Purchase and selling price or rental (where applicable), including statement on compliance with asset pricing requirements*;
- (j) Expected facility or programme size (for programme, to state the option to upsize);

- (k) Tenure of facility or programme;
- (l) Availability period of debt or sukuk programme;
- (m) Interest/profit/coupon/rental rate (fixed or floating);
- (n) Interest/profit/coupon/rental payment frequency;
- (o) Interest/profit/coupon/rental payment basis;
- (p) Details of security or collateral pledged, if applicable;
- (q) Details of guarantee or *Kafalah**, if applicable;
- (r) Details on utilisation of proceeds:
 - (i) Purpose;
 - (ii) Amount to be utilised;
 - (iii) Details of conditions imposed on the utilisation; and
 - (iv) If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable;
- (s) Sinking fund, if applicable;
- (t) Details of designated accounts, if applicable, including-
 - (i) names of account;
 - (ii) parties responsible for opening the account;
 - (iii) parties responsible for maintaining or operating the account;
 - (iv) signatories to the account;
 - (v) sources and utilisation of funds; and
 - (vi) conditions for disbursements, if any;
- (u) Rating:
 - (i) Credit ratings assigned (state whether the rating is final or indicative). In

the case of a debt or sukuk programme where the credit rating is not assigned for the full amount, disclosures set out in paragraph 5.04 of these Guidelines must be made; and

- (ii) Name of credit rating agencies;
- (v) Method of distribution (whether OTC or on the stockexchange);
- (w) Name of stock exchange or trading platform;
- (x) Mode of issue;
- (y) Clearing and settlement platform;
- (z) Other regulatory approvals required in relation to the corporate bonds or sukuk, and whether or not obtained;
- (aa) Conditions precedent;
- (bb) Representations and warranties;
- (cc) Events of defaults and enforcement events, where applicable, including recourse available to investors;
- (dd) Provisions on buy-back, if applicable;
- (ee) Provisions on early redemption, if applicable;
- (ff) Call option and details, if applicable;
- (gg) Put option and details, if applicable;
- (hh) Convertibility of issuance and details of the convertibility;
- (ii) Exchangeability of issuance and details of the exchangeability;
- (jj) Governing laws;
- (kk) Voting;
- (ll) Permitted investments, if applicable;
- (mm) *Ta'widh* (compensation), if applicable*;
- (nn) *Ibra'*, if applicable*; and

(oo) Other terms and conditions.

PART 3: DECLARATION BY ISSUER**Notes:****^ : To delete if not applicable****# : Applicable only to proposals by public listed companies***** : Applicable only for sukuk**

Date

Chairman

Securities Commission Malaysia

ISSUER ...(Name of Issuer)...**Declaration for the proposed issuance of ...(Facility or Programme)...**

We, ...(Name of Issuer).... are proposing to undertake the following proposals:

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

(hereinafter referred to as "the Proposal").

2. We confirm that after having made all reasonable enquiries, 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/experts or to the Securities Commission Malaysia (SC) in relation to the above Proposal.
3. We declare that we are satisfied after having made all reasonable enquiries that the Proposal is/will be[^] in full compliance with the relevant requirements of the following, where applicable:
 - (a) *Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors*;
 - (b) *Guidelines on Islamic Capital Market Products and Services*^{*^};
 - (c) *Guidelines on Trust Deeds*[^];
 - (d) *Equity Guidelines*^{#^};
 - (e) The requirements of any other regulatory authority with respect to the Proposal[^]; and

- (f) Other requirements under the *Capital Markets and Services Act 2007*.
4. Save as otherwise disclosed in the attachment accompanying this declaration[^], we have not been-
- (a) convicted or charged with any offence under the securities laws, corporations laws or other laws involving fraud or dishonesty in a court of law, for the past 10 years prior to the submission/since incorporation (if less than 10 years)[^]; and
 - (b) 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[#].
5. We declare the following in accordance with the *Equity Guidelines*[#]:
- (a) The Proposal results/does not result[^] in a significant change in the business direction or policy of the public listed company[#]; and
 - (b) The Proposal is/is not[^] a related-party transaction[#].
6. We declare that we will ensure continuous compliance with the requirements and conditions imposed by the SC in relation to the above Proposal and agree that we will continuously submit annual audited financial statements if the documents are required by the SC under the *Capital Markets and Services Act 2007*.
7. We undertake to provide all such information and documents as the SC may require in relation to the Proposal.

The above Declaration has been signed by me as ...(designation of authorised signatory)... of the Issuer under the authority granted to me by a resolution of....(the Board of Directors) on ...(date of resolution)...

Yours faithfully,

.....

Signature

Name

Name of Issuer Date

APPENDIX 2**POST-ISSUANCE NOTICE FOR CORPORATE BONDS OR SUKUK****Notes:***** Applicable only for sukuk**

1.01 The principal advisers must submit the following information and documents to the SC via DS@seccom.com.my within seven business days from date of issuance:

- (a) Date, size and tenure of issue; and
- (b) Soft copy of the following documents (clean version in 'PDF' format):
 - (i) Information memorandum, where applicable;
 - (ii) Global MTN or Islamic MTN base prospectus, where applicable, if the information memorandum or offering circular is to be read together with the base prospectus;
 - (iii) Executed trust deed, where applicable; and
 - (iv) Principal terms and conditions in the following format:
 - Font - Arial
 - Font size - 11
 - Margins (Top, Down, Right, Left) - 1.25"
 - Spacing - single

1.02 The principal advisers must also submit a hard copy of the following information and documents to the SC within seven business days from date of issuance:

- (a) Issue date;
- (b) Maturity date;
- (c) For ASEAN Corporate Bonds/Sukuk, to state whether the corporate bonds/sukuk to be issued are –
 - (i) ASEAN Green Corporate Bonds/Sukuk;
 - (ii) ASEAN Social Corporate Bonds/Sukuk;
 - (iii) ASEAN Sustainability Corporate Bonds/Sukuk; or

- (iv) ASEAN Sustainability-Linked Corporate Bonds/Sukuk.
- (d) For SRI Sukuk, to state whether the Eligible SRI Projects are –
 - (i) Green Projects;
 - (ii) Social Projects;
 - (iii) Projects which are a combination of Green and Social Projects; and/or
 - (iv) Waqf projects that relate to the development of waqf properties or assets.
- (e) Issue amount (nominal value);
- (f) Issue price (cash raised);
- (g) Interest/coupon/profit/rental rate;
- (h) Yield-to-maturity;
- (i) Mode of issue;
- (j) List of subscribers or successful tender panel members and amounts subscribed;
- (k) Utilisation of proceeds raised from the issue:
 - (i) Purpose;
 - (ii) Amount utilised;
 - (iii) Details of condition imposed on the utilisation, including conditions imposed by the SAC, if any; and
 - (iv) Confirmation from the Shariah adviser that the conditions imposed by the SAC on the utilisation are/will be met*;
- (l) Clearing and settlement platform;
- (m) A copy of the rating report;
- (n) A certified true copy of the executed trust deed, where applicable; and
- (o) Names of all parties involved in the lifecycle of the corporate bonds or sukuk and their roles and responsibilities.

1.03 Confirmation from the principal advisers that–

- (a) designated accounts, if any, have been opened, the authorised signatories are signatories of the respective accounts and the accounts are administered according to the terms;
- (b) prospective investors and relevant parties have been informed of any instance where a conflict of interest situation may arise together with the relevant mitigating measures, including the agreement from the Board of Directors of the issuer to proceed with such arrangements;
- (c) the principal advisers have notified the SC of any variation to or substitution/replacement of the underlying assets and confirmed to the SC that the Shariah adviser has given its approval for the variation or substitution/replacement*;
- (d) or the the principal advisers have undertaken the necessary internal measures that prior to each issuance or drawdown under the proposed sukuk programme, the issuance or drawdown is in full compliance with Shariah principles*; and
- (e) all other conditions of approval that has been/may be imposed by the SC has been or will be complied with.

1.04 Confirmation from the Shariah adviser dated not later than five business days from the issue date of the sukuk that*–

- (a) all documentation for the sukuk issuance have been vetted;
- (b) all documentation for the sukuk issuance have been executed in proper
- (c) sequence; and
- (d) all documentation comply with Shariah requirements.

APPENDIX 3**INFORMATION AND DOCUMENTS TO BE SUBMITTED TO THE SC FOR POST-ISSUANCE REVISION****Notes:***** : Applicable only for sukuk****^ : Applicable for revision that does not have Shariah implication****# : Applicable for revision that has Shariah implication**

- 1.01 A notification letter to the SC on the revision which includes the following:
 - (a) Rationale for each revision;
 - (b) Confirmation that the relevant requirements (as set out in Chapter 13 of these Guidelines) have been duly complied with by the issuer; and
 - (c) Details of the contact person of the principal adviser including name, telephone number and e-mail address.
- 1.02 A marked-up version copy of the revised principal terms and conditions.
- 1.03 A copy of confirmation from the Shariah adviser that the revision does not have Shariah implication*^.
- 1.04 A copy of letter issued by the SC in relation to the endorsement by the SAC*#.
- 1.05 An updated Shariah pronouncement*#.
- 1.06 A copy of the written consent from the relevant parties in relation to the revision, if applicable.
- 1.07 The following documents, where applicable:
 - (a) Supplementary prospectus;
 - (b) Supplementary base prospectus;
 - (c) Supplementary information memorandum;
 - (d) Supplementary offering circular;
 - (e) Executed supplementary trust deed; and
 - (f) Other disclosure documents.

- 1.08 Any other material information in relation to the revision.
- 1.09 A soft copy (clean version in 'PDF' format) of the following documents to be e-mailed to DS@seccom.com.my:
- (a) Revised principal terms and conditions in the following format:
 - Font - Arial
 - Font size - 11
 - Margins (Top, Down, Right, Left) - 1.25"
 - Spacing - single
 - (b) Where applicable, the supplementary prospectus, supplementary base prospectus, supplementary information memorandum, supplementary offering circular, executed supplementary trust deed, copy of letter issued by the SC in relation to the revision endorsed by the SAC, Shariah pronouncement, confirmation from the Shariah adviser that the revision does not have any Shariah implication and other disclosure documents.

APPENDIX 4**INFORMATION AND DOCUMENTS TO BE SUBMITTED TO THE SC FOR APPROVAL TO UPSIZE A DEBT OR SUKUK PROGRAMME****Notes:***** Applicable only for sukuk**

1.01 The principal adviser must submit two hard copies and one softcopy (in accordance with Appendix 5) of the following information and documents:

- (a) An application letter which includes the following:
 - (i) Background information on the issuer;
 - (ii) Current amount of corporate bonds or sukuk outstanding under the programme;
 - (iii) Justification for the proposed upsizing;
 - (iv) Proposed new issuance limit under the programme;
 - (v) Proposed utilisation of proceeds;
 - (vi) Confirmation that the option to upsize was disclosed in the initial application or confirmation that consent from all relevant parties (to disclose identity of relevant parties) have approved the proposed upsizing of the programme;
 - (vii) Any conflict-of-interest situations and appropriate mitigating measures;
 - (viii) Any other material information in relation to the proposed upsizing; and
 - (ix) Name, telephone number and email address of the officer-in-charge for the proposed upsizing of the programme;
- (b) Copies of approval letters from all other relevant regulatory authorities, if applicable;
- (c) Confirmation from the Shariah adviser that the proposed upsize has no Shariah implication*;
- (d) Declaration by issuer (as per Part 3 of Appendix 1); and
- (e) Latest audited financial statements of the issuer.

APPENDIX 5**ELECTRONIC SUBMISSION**

1.01 All correspondences to be submitted to the SC (except e-mails) must be accompanied by electronic copy in text-searchable 'PDF' format file in the following manner, unless otherwise stated in these Guidelines:

- (a) All signed correspondences (including appendices), such as cover letters, declarations, reports, etc., must be scanned with OCR (optical character recognition) and saved as PDF-text files; and
- (b) The PDF-text files can be submitted to the SC via a CD or e-mail (up to 10 MB in size per e-mail). The e-mail address is bondsubmission@seccom.com.my. Please indicate in the cover letter on how the PDF-text files are to be submitted concurrently, as well as the particulars of the e-mail if relevant (i.e. sender, subject, date and time sent).

The electronic copy of the main applications, including the prospectus and supporting documents, must be submitted in text-searchable 'PDF' format. Please ensure that the PDF-text files must be in a readable and proper condition.

APPENDIX 6

[Deleted]

APPENDIX 7

[Deleted]