

FREQUENTLY ASKED QUESTIONS ON VARIATION OF PRINCIPAL/REGULATED ACTIVITY BY CMSRL HOLDERS

Introduction

This FAQs is with reference to Section 69 of the Capital Markets and Services Act 2007 (CMSA) and Paragraph 6.06 of the Licensing Handbook on the variation of a Capital Markets Services Representative's Licence (CMSRL). The CMSA allows a CMSRL holder to change principal and/or regulated activity, which would require the license holder to apply for a variation in his/her licence. The following FAQ serves as a guide to the application process.

1. **What are the circumstances when I need to vary my CMSRL?**

You will need to vary your licence when there is a change in your principal or a change in your regulated activity.

A change in principal is when a CMSRL holder transfers from one principal to another as a result of changing licence company.

A change in regulated activities is when a CMSRL holder adds or reduces the regulated activity that he/she is currently undertaking.

2. **How do I apply to vary my CMSRL?**

To change your principal, the company that you intend to join needs to submit *Form 9 – 'Application for Variation of Principal by Representative'*.

To change you regulated activities, you will need to submit *Form 8 – 'Application for Variation of Regulated Activity for Capital Markets Services Representative's Licence'*.

The applications will have to be accompanied by the relevant supporting documents, as described in Form 9 and Form 8 in the appendix of the Licensing Handbook.

3. **If I intend to vary my principal,**

a. **When should I submit the application?**

You must submit your application while still at your current company i.e. before your transfer. The variation of principal will not be permitted, if the application for the variation of principal is submitted after your transfer date.

If you have already transferred to your new company, you will need to apply for a new licence through *Form 3 – 'Application for New Capital Markets Services Representative's Licence'*. The application will need to be accompanied by the relevant supporting documents, as described in Form 3 in the appendix of the Licensing Handbook.

Your licence must be valid at the time you apply to vary your principal. You must not allow the licence to be ceased or expired during this time.

b. **How long before the transfer should my application be submitted?**
You can only join the new company upon receiving approval of your variation application. In this regard, please allow sufficient time for situation of incomplete documentation in considering the SC's approval period in (c) below.

c. **How long does it take to approve the variation application?**
The SC will aim to process the application within 14 days from the date of complete submission.

d. **What are the obligations of my current employer?**
Your current company will have to return your existing physical license when the application for variation of principal has been approved. It need not lodge or make any other application or notification to the SC.

e. **What happens, if while waiting for the approval of my variation of principal, my current company submits a notice of cessation of my licence?**
Your current company has to withdraw the notice of cessation immediately. If, however, your application for cessation has been accepted, you will need to submit a fresh application via *Form 3 – 'Application for New Capital Markets Services Representative's Licence'* at your new company. The application will need to be accompanied by the relevant supporting documents, as described in Form 3 in the appendix of the Licensing Handbook.

f. **Will my current company be informed on the change of my principal?**
Your current company will receive an email notification once the application of variation of principle has been approved.

4. **Apart from varying the principal, can I also vary the regulated activity in one application?**

Yes, provided that you've met the necessary requirement stated in the Licensing Handbook such as the relevant SC Licensing examinations, qualification and working experience.

The company that you intend to join will need to submit Form 9 – 'Application for Variation of Principal by Representative'. You need to clearly state your current and proposed activity(ies) in the application form. The application will need to be accompanied by the relevant supporting documents, as described in Form 9 in the appendix of the Licensing Handbook.

5. **If my current regulated activity is Dealing in Securities and Trading in Futures Contract, but my new company has only Dealing in Securities, can I still do a variation of principal?**

Yes, but the transfer is with respect to the regulated activity of Dealing in Securities only and the regulated activity of Trading in Futures Contract is deemed ceased.

6. **What are the fees involved?**

The fee to vary your CMSRL is RM150.00, of which RM50.00 is for the processing fee and RM100.00 is for the approval of the variation.