

**Summary of Amendments to the
Guidelines on Contracts for Difference (CFD Guidelines)
(Revised: 28 February 2020)**

The following table provides a summary of amendments made to the *Guidelines on Contracts for Difference* revised on 28 February 2020:

A. General Amendments
<p>1. Editorial amendments including:</p> <ul style="list-style-type: none"> (a) streamlining certain terminology to enhance clarity and ensure consistency throughout the CFD Guidelines; (b) insertion of cross-reference to the CFD Guidelines where relevant; and (c) clarifying certain requirements by rephrasing the requirements and/or giving examples and clarifications without any change in policy; and <p>2. Renumbering and rearrangements of current requirements in the CFD Guidelines.</p>

B. Specific Amendments			
No	Reference in the CFD Guidelines		Comments
	Prior to 28 February 2020	Revised version dated 28 February 2020	
1.	<p>Paragraph 2.01 – Definitions</p> <p>No definition for “business day”</p>	<p>Paragraph 2.01 – Definitions</p> <p>Insertion of a new term: “business day” means a day on which commercial banks settle payments in Kuala Lumpur.</p>	<p>Added “business day” as a new term, as reference is made to this term in the CFD Guidelines.</p>

B. Specific Amendments			
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	underlying instrument means <u>financial</u> instrument on which a CFD price is based.	underlying instrument means an instrument on which a CFD price is based.	Deleted "financial" from the definition of "underlying instrument" as the underlying may include non-financial instrument.
2.	Paragraph 3.02(b)(i) RM1 billion in the past three months ending on the last market day of the calendar month immediately preceding the date of <u>issue</u> ; or	Paragraph 3.02(b)(i) RM1 billion in the past three months ending on the last market day of the calendar month immediately preceding the date of offer ; or	Amended to be consistent with the other part of the CFD Guidelines.
3.	Paragraph 3.02(c) The underlying company must meet the public shareholding spread requirement.	Paragraph 3.02(c) The underlying company must meet the public shareholding spread requirement at the date of offer .	Clarity provided on when a CFD Provider needs to ensure the underlying shares of its CFD meets the public spread requirement.
4.	Paragraph 3.03(b)(i) RM3 billion in the past three months ending on the last market day of the calendar month immediately preceding the date of <u>issue</u> ;	Paragraph 3.03(b)(i) RM3 billion in the past three months ending on the last market day of the calendar month immediately preceding the date of offer ;	Amended to be consistent with the other part of the CFD Guidelines.
5.	Paragraph 3.03(c) The underlying company must be in compliance with the listing rules and requirements of its home exchange at the date of <u>issue</u> ;	Paragraph 3.03(c) The underlying company must be in compliance with the listing rules and requirements of its home exchange at the date of offer ;	Amended to be consistent with the other part of the CFD Guidelines.

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6.	<p>Paragraph 3.03(d)</p> <p>Information on the <u>price, volume</u>, financial information and price-sensitive information in relation to the underlying company must be available to investors <u>in Malaysia</u>.</p>	<p>Paragraph 3.03(d)</p> <p>Information on the share price, share volume, financial information and price-sensitive information in relation to the underlying company must be available to investors.</p>	Amended to provide clarity on the information to be made available to investors regardless of location.
7.	<p>Chapter 3 – Product Parameters</p> <p>Sub-title: Underlying instruments <u>which</u> are suspended, halted or delisted</p>	<p>Chapter 3 – Product Parameters</p> <p>Sub-title: Underlying instruments that are suspended, halted or delisted</p>	Amended to be consistent with the other part of the CFD Guidelines.
8.	<p>Paragraph 3.07</p> <p>A CFD provider must provide its clients with <u>clear information</u> on its procedure to address open position on CFD where the underlying instrument is suspended, halted or delisted.</p>	<p>Paragraph 3.07</p> <p>A CFD provider must provide its clients with clear and sufficient information on its procedure to address open position on CFD where the underlying instrument is suspended, halted or delisted.</p>	Amended to provide clarity on the information to be made available to investors.
9.	<p>Paragraph 3.11</p> <p>A <u>share</u> CFD offered shall neither carry any voting rights nor embedded options for the conversion into the underlying shares.</p>	<p>Paragraph 3.11</p> <p>A CFD (where the underlying is a share) offered shall neither carry any voting rights nor embedded options for the conversion into the underlying shares.</p>	Amended to provide clarity on the type of underlying asset.

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10.	<p>Paragraph 4.03(b)</p> <p>adequate risk management <u>process</u> that integrate prudent risk limits, continuous risk monitoring and regular management reporting; and</p>	<p>Paragraph 4.03(b)</p> <p>adequate risk management processes that integrate prudent risk limits, continuous risk monitoring and regular management reporting; and</p>	Amended to be consistent with the other part of the CFD Guidelines.
11.	<p>Paragraph 4.17(b)(i)</p> <p>the date <u>and time of receipt</u>, sending and carrying out trades on the CFD provider's own account;</p>	<p>Paragraph 4.17(b)(i)</p> <p>the date of sending and carrying out trades on the CFD provider's own account;</p>	Amended to clarify the date of the trades that need to be reported by a CFD provider.
12.	<p>Paragraph 4.20</p> <p>4.20 A CFD provider must submit to the SC a monthly report of transaction information in the manner provided in Form 1 of <u>Appendix 4, on or by the 15th calendar day of the following month.</u></p>	<p>Paragraph 4.20</p> <p>4.20 A CFD provider must submit to the SC a monthly report of transaction information in the manner provided in Form 1 of Appendix 5, by 25 business days after the end of the reporting period.</p>	Amended the reporting time to be consistent with the current reporting practiced by licensed intermediaries.

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13.	<p>Paragraph 4.21</p> <p>The CFD provider is also required to submit to the SC the following financial information on a monthly basis <u>on or by the 15th calendar day of the following month</u> or where specified by the SC</p>	<p>Paragraph 4.21</p> <p>The CFD provider is also required to submit to the SC the following financial information on a monthly basis by 25 business days after the end of the reporting period or where specified by the SC</p>	Amended the reporting time to be consistent with the current reporting practiced by the licensed intermediaries.
14.	-	<p>Insertion of new paragraph 4.25</p> <p>All periodic reports required in paragraphs 4.20 and 4.21 above shall be submitted electronically to the SC via the reporting system as prescribed by the SC.</p>	New insertion on the periodic reporting submission replacing Chapter 8.
15.	<p>Paragraph 5.07</p> <p>A CFD provider must ensure that any advertising and marketing material is consistent with the information provided in the PHS.</p>	<p>Paragraph 5.07</p> <p>A CFD provider must ensure that any advertising and marketing material is consistent with the information provided in the disclosure document and the PHS.</p>	Amended to clarify that the information in the advertising and marketing material must be consistent with information in the PHS as well as disclosure document.

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16.	<p>Paragraph 5.09</p> <p>Advertising and marketing materials must be clear and not contain any hedge clause or disclaimer <u>which</u> is confusing, or attempts to disclaim responsibility for the contents of such material or opinion expressed in the material <u>which</u> is inconsistent to such communication.</p>	<p>Paragraph 5.09</p> <p>Advertising and marketing materials must be clear and not contain any hedge clause or disclaimer that is confusing, or attempts to disclaim responsibility for the contents of such material or opinion expressed in the material that is inconsistent to such communication.</p>	Amended to be consistent with the other part of the CFD Guidelines.
17.	<p>Paragraph 6.01(a) and (b)</p> <p>A CFD provider must, prior to opening an account for a client –</p> <p>(a) furnish the client with a disclosure document and a PHS; and</p> <p>(b) receive a signed acknowledgement by the client stating that he has received the disclosure document and PHS, and understood the nature of the risks attached to the CFD. As guidance, a sample template is provided in <u>Appendix 2</u> of these Guidelines.</p>	<p>Paragraph 6.01(a) and (b)</p> <p>A CFD provider must, prior to opening an account for a client –</p> <p>(a) furnish the client with a disclosure document and a PHS, either in hardcopy or an electronic version; and</p> <p>(b) receive a signed acknowledgement by the client stating that he has received the disclosure document and PHS, and understood the nature of the risks attached to the CFD. As guidance, a sample template is provided in Appendix 3 of these Guidelines.</p>	Amended to provide clarity on the acceptable form of the disclosure and PHS.

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18.	-	Insertion of new paragraph 6.01A. A hardcopy of the disclosure document and PHS must be given to a CFD client upon such a request from the client.	New insertion is made to provide clarity that a hardcopy of the disclosure document and PHS must be given if the same is requested by a client.
19.	Paragraph 6.03 6.03 The SC may require additional information if deemed necessary.	Paragraph 6.03 is deleted. 6.03 [Deleted]	The paragraph is deleted as it is repeating the powers that SC has.
20.	-	Insertion of new paragraph 6.03A. The disclosure document and PHS should not contain any hedge clause or disclaimer that is confusing, or attempts to disclaim responsibility for the material or opinion expressed therein.	New paragraph is inserted to state that the disclosure document and PHS should not contain clauses that are unclear or attempt to disclaim the CFD provider's responsibility.
21.	Paragraph 6.04 Any revision to the documents originally deposited with the SC must be updated and furnished to the SC accordingly.	Paragraph 6.04. Any revision to the documents originally deposited with the SC must be updated and furnished to the SC accordingly, in the manner described in paragraph 6.11.	Amended to provide referencing to when a supplementary or replacement of the disclosure document and PHS must be deposited.

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22.	<p>Paragraph 6.07</p> <p>The CFD provider must deposit the disclosure document and PHS with the SC prior to the offer of the CFD. A disclosure document is considered to be registered when the document is deposited with the SC as prescribed in the Guidelines on Disclosure Document.</p>	<p>Paragraph 6.07</p> <p>The CFD provider must deposit the disclosure document and PHS with the SC at least one (1) business day prior to the offer of the CFD. A disclosure document is considered to be registered when the document is deposited with the SC as prescribed in the Guidelines on Disclosure Document.</p>	The timeframe is inserted for clarity.
23.	<p>Sub-title (before paragraph 6.10): Supplementary or replacement disclosure</p>	<p>Sub-title (before paragraph 6.10): Supplementary or replacement disclosure and PHS</p>	Amended to clarify that the requirements also include PHS.
24.	<p>Paragraph 6.10</p> <p>6.10 A supplementary or replacement disclosure document is required where the CFD provider becomes aware that –</p> <p>(a) a matter has arisen and information in respect of that new matter would have been required to be disclosed in the disclosure document if the matter had arisen when the disclosure document was prepared;</p>	<p>Paragraph 6.10</p> <p>6.10 A supplementary or replacement disclosure document or PHS is required where the CFD provider becomes aware that –</p> <p>(a) a matter has arisen and information in respect of that new matter would have been required to be disclosed in the disclosure document or PHS if the matter had arisen when the disclosure document or PHS was prepared;</p>	Amended to clarify that the requirements also cover PHS.

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	(b) there had been a significant change affecting a matter disclosed in the disclosure document; (c) the disclosure document contains material statement or information that is false or misleading; or (d) the disclosure document contains a statement or information from which there is a material omission.	(b) there had been a significant change affecting a matter disclosed in the disclosure document or PHS ; (c) the disclosure document or PHS contains material statement or information that is false or misleading; or (d) the disclosure document or PHS contains a statement or information from which there is a material omission.	
25.	Paragraph 6.11 The CFD provider must, within <u>14 days</u> after becoming aware of any changes in the disclosure document or PHS, deposit a supplementary or replacement disclosure document or replacement PHS.	Paragraph 6.11 The CFD provider must, within 10 business days after becoming aware of any changes in the disclosure document or PHS, deposit a supplementary or replacement disclosure document or replacement PHS.	Amended to revise the minimum timeline.
26.	Paragraph 6.12(a) Once the supplementary or replacement disclosure document or PHS is deposited with the SC, the CFD provider must – (a) in the case of an existing client, provide a written notice accompanied by a <u>copy of the supplementary</u>	Paragraph 6.12(a) Once the supplementary or replacement disclosure document or PHS is deposited with the SC, the CFD provider must – (a) in the case of an existing client, provide a written notice accompanied by a copy of the supplementary or	Amended to provide clarity that the requirements cover any supplementary or replacement of the disclosure document and PHS.

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	<p><u>disclosure document</u> to person or other notices as may be specified by the SC, advising the person that a supplementary or replacement disclosure document or replacement PHS has been deposited with the SC; and</p>	<p>replacement disclosure document or PHS to person or other notices as may be specified by the SC, advising the person that a supplementary or replacement disclosure document or replacement PHS has been deposited with the SC; and</p>	
27.	<p>Paragraph 6.13(b)</p> <p>For the deposit of a disclosure document and PHS, the CFD provider must submit to the SC the following:</p> <p>(b) Declaration by the CFD provider as per Appendix 3;</p>	<p>Paragraph 6.13(b) and insertion of a new subparagraph (g)</p> <p>For the deposit of a disclosure document and PHS, the CFD provider must submit to the SC the following:</p> <p>(b) Declaration by the CFD provider as per Appendix 4;</p> <p>(g) A completed compliance schedule.</p>	<p>Amended to reflect the change in referencing of the Appendix, and an additional document for submission.</p>
28.		<p>New sub-heading before new paragraph 6.16</p> <p>Submission for registration of disclosure document and lodgement of PHS</p>	

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29.	-	<p>Insertion of new paragraphs 6.16, 6.17 and 6.18</p> <p>6.16 Submission to the SC for the registration of disclosure document and lodgement of PHS for the offering of CFD may only be made by the CFD provider.</p> <p>6.17 All submissions for the offering of CFD as set out in these Guidelines must be in two copies and addressed to –</p> <p>Chairman Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur (Attention: Executive Director, Corporate Finance and Investments)</p> <p>6.18 The SC may, at its full discretion, request any further information or documents other than those specified in these Guidelines.</p>	New insertion on the submission method replacing Chapter 7.

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30.	<p>Chapter 7</p> <p>SUBMISSION FOR REGISTRATION OF DISCLOSURE DOCUMENT AND LODGEMENT OF PHS</p> <p>7.01 Submission to the SC for the registration of disclosure document and lodgement of PHS for offering of CFD may only be made by the CFD provider.</p> <p>7.02 All submission for the offering of CFD as set out in these Guidelines must be submitted in two copies and addressed to –</p> <p>Chairman Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur (Attention: Managing Director, Corporate Finance and Investments)</p> <p>7.03 The SC may, at its full discretion, request any further information or documents other than those specified in these Guidelines.</p>	<p>Chapter 7</p> <p>SUBMISSION FOR REGISTRATION OF DISCLOSURE DOCUMENT AND LODGEMENT OF PHS</p> <p>[Deleted]</p>	Deleted Chapter 7 as the submission is provided in Chapter 6.

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31.	<p>Chapter 8</p> <p>SUBMISSION OF PERIODIC REPORTS</p> <p>8.01 All periodic reports required under paragraphs 4.21 of these Guidelines shall be submitted to the SC at the following address:</p> <p>Supervision Department Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur</p>	<p>Chapter 8</p> <p>SUBMISSION OF PERIODIC REPORTS</p> <p>[Deleted]</p>	Deleted Chapter 8 as the periodic reporting submission is provided in Chapter 4.

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32.	<p><u>PART F</u>: SCHEDULES SCHEDULE 1 MINIMUM CONTENT OF A DISCLOSURE DOCUMENT</p> <p>1. The purpose of a disclosure document is to provide information to enable investors to make informed investment decisions in CFD. Emphasis should be given to provide relevant and accurate information that is material to understand the management and operation of <u>the</u> types of CFD.</p>	<p>Renamed as Part E</p> <p>PART E: SCHEDULES SCHEDULE 1 MINIMUM CONTENT OF A DISCLOSURE DOCUMENT</p> <p>1. The purpose of a disclosure document is to provide information to enable investors to make informed investment decisions in CFD. Emphasis should be given to provide relevant and accurate information that is material to understand the management and operation of each types of CFD.</p>	Amended to provide clarity on the information given and terms used in the disclosure document.
33.	<p>2. Where possible, the disclosure document must avoid using technical terms. Terms used must be easily understood by the investors.</p>	<p>2. Where possible, the disclosure document must avoid using technical terms. Terms used must be easily understood by the investors. Should technical terms be used, there must be a glossary explaining the technical terms in plain English.</p>	

	<p>5. A disclosure document must include, but is not limited to, the following information:</p> <p>(b) Product features</p> <p>(i) Explain the product features of the CFD and highlight that it is a leveraged derivatives product.</p> <p>(c) Fees and commission</p> <p>(i) Clearly <u>disclose all fees</u> and costs such as fees relating to the opening and operating of the CFD account, fees to trade CFD and administration charges; and</p> <p>(f) Operations and system</p> <p>(ii) Risk management features in place (<u>e.g., stop loss features</u>);</p> <p>(v) The CFD provider's practices or procedures when the underlying instrument is <u>halted or suspended</u>.</p>	<p>5. A disclosure document must include, but is not limited to, the following information:</p> <p>(b) Product features</p> <p>(i) Explain the product features of the CFD and highlight that it is a leveraged derivatives product and the settlement currency.</p> <p>(c) Fees and commission</p> <p>(i) Clearly disclose and itemise all fees and costs such as fees relating to the opening and operating of the CFD account, fees to trade CFD and administration charges; and</p> <p>(f) Operations and system</p> <p>(ii) Risk management features in place, including the terms and conditions for stop loss facility;</p> <p>(v) The CFD provider's practices or procedures when the underlying instrument is suspended, halted, or delisted.</p>	
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34.	<p>SCHEDULE 2 MINIMUM CONTENT OF A PRODUCT HIGHLIGHTS SHEET</p> <p>4. The PHS must be legible and appear in type size of not less than eight-point Arial. All pages in the <u>disclosure document</u> must be numbered.</p> <p>5. The PHS must include, but is not limited to, brief information on the following: –</p> <p>(a) <u>Background information on the CFD provider;</u></p> <p>6. <u>Appendix 1 to these Guidelines provides guidance in respect of the form that may be used for the purposes of preparing a PHS.</u></p>	<p>SCHEDULE 2 MINIMUM CONTENT OF A PRODUCT HIGHLIGHTS SHEET</p> <p>4. The PHS must be legible and appear in type size of not less than eight-point Arial. All pages in the PHS must be numbered.</p> <p>5. The PHS must include, but is not limited to, brief information on the following: –</p> <p>(a) Date of the issuance of the PHS on the first page of the PHS;</p> <p>6. [Deleted]</p>	<p>Amended typo and to include date of issuance of a PHS to inform the investor whether the PHS received is the latest.</p> <p>PHS provides investor a summary of the product, thus more emphasis should be given to explain the product. Details on the CFD provider will be provided in the disclosure document.</p>
35.	-	<p>Insertion of new paragraphs 7, 8, 9 and 10 in SCHEDULE 2 - MINIMUM CONTENT OF A PRODUCT HIGHLIGHTS SHEET, as follows:</p>	<p>New insertion is made to state that a PHS must include the relevant warning statement to be incorporated in the format stated in the CFD Guidelines to ensure investor protection.</p>

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		<p>7. The first page of every PHS must contain the following:</p> <p>(a) Responsibility Statement – this statement states that the PHS has been reviewed by the Board, authorised committee or persons authorised by the Board of the CFD provider;</p> <p>(b) Statement of Disclaimer – this statement states that the SC shall not be held responsible for the offering of the product or the PHS although a copy of the PHS has been lodged with the SC; and</p> <p>(c) Statement of Risk – this statement states that a CFD investor may lose more than his initial investment and is entering into a contractual agreement with the CFD provider.</p> <p>Insertion of new paragraph 8:</p> <p>8. The PHS should also prominently display the following statement:</p> <p>“This Product Highlights Sheet only highlights the key features</p>	

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		and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.”	
36.	-	Insertion of new paragraph 9: 9. Appendix 1 to these Guidelines provides guidance as to the information that should be contained in a PHS.	Amended to provide better clarity on the information contain in Appendix 1.
37.	-	Insertion of new paragraph 10: 10. Appendix 2 to these Guidelines provide guidance in respect of the form that may be used for the purpose of preparing a PHS.	New insertion to provide reference to sample format of the PHS.
38.	<u>PART G: APPENDIX</u> <u>APPENDIX 1</u> <u>GUIDE ON PRODUCT HIGHLIGHTS SHEET</u>	PART F: APPENDIX APPENDIX 1 RESPONSIBILITY STATEMENT, STATEMENT OF DISCLAIMER AND STATEMENT OF RISK PRODUCT HIGHLIGHTS SHEET	<ul style="list-style-type: none"> • Amended made is to – <ul style="list-style-type: none"> ○ separate the warning and disclaimer statements from the guide on PHS; ○ provide clarity on the warning and disclaimer statements. • The title “Product Name” is deleted and moved to Appendix 2. • The bold portion at the end of the Statement of Disclaimer is deleted to

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	<p>Date of issuance:</p> <p style="text-align: center;"><u>PRODUCT NAME</u></p> <p style="text-align: center;">RESPONSIBILITY STATEMENT</p> <p>This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of (name of <u>product issuer</u>) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts, which would make any statement in the Product Highlights Sheet false or misleading.</p> <p style="text-align: center;">STATEMENT OF DISCLAIMER</p> <p>A copy of this Product Highlights Sheet for (<u>name of unlisted capital market product</u>) has been lodged with the Securities Commission Malaysia. The lodgement of <u>this Product Highlights Sheet</u>, should not be taken to indicate that the Securities Commission Malaysia recommends the (<u>name of unlisted capital market product</u>) or assumes responsibility for the correctness of any</p>	<p>Date of issuance:</p> <p style="text-align: center;">[Deleted]</p> <p style="text-align: center;">RESPONSIBILITY STATEMENT</p> <p>This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of (name of CFD provider) and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omissions of other facts, which would make any statement in the Product Highlights Sheet false or misleading.</p> <p style="text-align: center;">STATEMENT OF DISCLAIMER</p> <p>The relevant information and document in relation to the (name of CFD), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia. The lodgement of the relevant information and document in relation to the (name of CFD), including this Product Highlights Sheet, should not be taken to</p>	<p>streamline with the approach in the SC's <i>Guidelines on Sales Practices of Unlisted Capital Market Products</i>.</p>

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	<p>statement made or opinion or report expressed in this Product Highlights Sheet.</p> <p>The (name of unlisted capital market product) <u>is not authorised by the Securities Commission Malaysia and is not allowed to be offered to retail investors.</u></p> <p>The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of product issuer) responsible for the (name of unlisted capital market product) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.</p> <p><u>INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.”</u></p>	<p>indicate that the Securities Commission Malaysia recommends the (name of CFD) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.</p> <p>The (name of CFD) is not allowed to be offered to retail investors.</p> <p>The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of CFD provider) responsible for the (name of CFD) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.</p> <p>[Deleted]</p>	

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	<p>STATEMENT OF RISK</p> <p>Investors are warned that the price/level of the underlying <u>financial</u> instruments and contracts for difference (CFD) may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore make sure they understand the terms and conditions of the CFD offered, the risk factors involved, and where necessary seek professional advice before investing in the CFD.</p> <p>The CFD constitute general unsecured contractual obligations of the CFD provider and of no other person. Therefore, if you purchase the <u>contracts for difference</u>, you are relying on the creditworthiness of the CFD provider (<u>and/or the guarantor</u>) and have no recourse/rights against the underlying corporation/index provider.</p>	<p>STATEMENT OF RISK</p> <p>Investors are warned that the price/level of the underlying instruments and contracts for difference (CFD) may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore make sure they understand the terms and conditions of the CFD offered, the risk factors involved, and where necessary seek professional advice before investing in the CFD.</p> <p>The CFD constitute general unsecured contractual obligations of the CFD provider and of no other person. Therefore, if you purchase the CFD, you are relying on the creditworthiness of the CFD provider and have no recourse/rights against the underlying corporation/index provider."</p>	
39.	GUIDE ON PRODUCT HIGHLIGHTS SHEET	<p>Appendix 2</p> <p>GUIDE ON PRODUCT HIGHLIGHTS SHEET NOTE: This template serves only as a GUIDE. The presentation, style, contents and type of information below should be amended according to the CFDs offered. Notwithstanding that, the</p>	<p>Amended made is to –</p> <ul style="list-style-type: none"> • separate the warning and disclaimer statements from the guide on PHS • change all reference of "issuer" to "provider" • include a Note stating that the template is for guidance only

B. Specific Amendments			
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	Prior to 28 February 2020	Revised version dated 28 February 2020	
40.	<p>This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.</p>	<p>information required on paragraph 5 of Schedule 2 must be included in the PHS according to the CFDs offered.</p> <p>This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.</p>	
	<p>PRODUCT HIGHLIGHTS SHEET</p> <p><u>ISSUER INFORMATION</u></p> <p>BRIEF INFORMATION ON <u>THE ISSUER</u></p> <p>1. Description of the <u>issuer, its subsidiaries, affiliates, guarantor and risk manager</u></p> <ul style="list-style-type: none"> <i>The history and business.</i> 	<p>PRODUCT HIGHLIGHTS SHEET</p> <p>PRODUCT NAME</p> <p>BRIEF INFORMATION ON THE CFD PROVIDER</p> <p>1. Description of the provider</p> <ul style="list-style-type: none"> <i>CFD provider and place of business.</i> <i>Its experience in offering CFD.</i> 	<p>The amendment in this part is to keep information on the provider brief while focusing more on the product, as provided under the heading 'What am I investing in?'</p>

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	<ul style="list-style-type: none"> • <i><u>Its place of incorporation and business.</u></i> • <i><u>Its directors and management.</u></i> • <i><u>Its experience in the issuance and management of CFD and other equity derivatives.</u></i> • <i><u>Credit rating.</u></i> • <i><u>CFD provider business model (DMA/Market Making).</u></i> • <i><u>Related-party transaction and/or conflict of interest.</u></i> 	<ul style="list-style-type: none"> • <i><u>CFD provider business model (Direct Market Access/Market Making).</u></i> • <i><u>Related-party transaction and/or conflict of interest.</u></i> 	
	<p style="text-align: center;"><u>FINANCIAL STATEMENT</u></p> <p>2. <u>Disclose the published audited consolidated financial statements</u></p> <ul style="list-style-type: none"> • <i><u>Snapshot of the CFD provider's audited accounts for the past three financial years for comparison.</u></i> • <i><u>The website address for the complete accounts.</u></i> • <i><u>If there is performance guarantee, to also disclose the guarantor audited accounts for the past three financial years.</u></i> • <i><u>The website address for the guarantor's audited accounts.</u></i> • <i><u>To also provide the latest quarterly and quarterly cumulative financial</u></i> 	<p style="text-align: center;"><u>FINANCIAL STATEMENT</u> [Deleted]</p>	

B. Specific Amendments			
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	<i>statements of the CFD provider including the explanatory notes.</i>		
	<p><u>RISK MANAGEMENT</u></p> <p>3. <u>Disclose the risk management practices</u></p> <ul style="list-style-type: none"> • <i>Adequate infrastructure for risk management.</i> • <i>Adequate risk management process that integrates prudent risk limits, continuous risk monitoring and regular management reporting.</i> • <i>Comprehensive internal control and audit procedures.</i> 	<p>RISK MANAGEMENT</p> <p>[Deleted]</p>	
	<p><u>TREATMENT OF CLIENT'S MONIES</u></p> <p>4. <u>Client's Monies policy</u></p> <ul style="list-style-type: none"> • <i>CFD provider to describe its client's money policy. For example, how CFD providers deal with client's money, including how they handle it and what they can do with it?</i> • <i>Do the CFD providers pool all their clients' money together in one or more accounts?</i> 	<p>TREATMENT OF CLIENT'S MONIES</p> <p>[Deleted]</p>	

B. Specific Amendments			
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	<p><u>BRIEF INFORMATION ON THE PRODUCT</u></p> <p>1. <u>What is this product about?</u></p> <p><u>Brief description of the product could include the following information:</u></p> <ul style="list-style-type: none"> • <u>Explain the type of products available (value derived from what types of *underlying).</u> • <u>Highlight that it as a leveraged derivatives product.</u> • <u>Briefly describe the nature of the product (product mechanism- in particular the situations under which investors will make gains / incur losses (with reference to the scenario analysis).</u> <u>Examples should also demonstrate margin call, overnight financing.</u> <p><u>Scenario analysis:</u></p> <ul style="list-style-type: none"> ○ <u>Worst case scenario</u> ○ <u>Middle case scenario</u> ○ <u>Best case scenario</u> • <u>General product features (stop loss features and its mechanism, online platform mechanism and availability of data and research tools).</u>	<p>INFORMATION ON THE PRODUCT</p> <p>[Deleted]</p>	

B. Specific Amendments			
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	Prior to 28 February 2020	Revised version dated 28 February 2020	
	<ul style="list-style-type: none"> • <u>Adjustments to the terms and conditions of the product upon the occurrence of extraordinary events</u> <p>2. What am I investing in? (terms and conditions specifically for each type of CFD)</p> <ul style="list-style-type: none"> • Type of CFD. • Tenor of issue. • Maximum loss/gain. • Representations and warranties. • Selling restriction/tradability. • Details of proceeds utilisation. • Margin requirements. • Type of margins. • Treatment for <u>share CFD</u> during corporate exercises or suspension or halt of underlying instruments. • Risk management features in place (e.g., stop loss feature). • Trading platform. 	<p>2. What am I investing in?</p> <ul style="list-style-type: none"> • Explain the type of CFDs available and where an investor can obtain details on the list of underlying offered • Maximum loss/gain. Highlight that it is a leveraged derivatives product • Tenor of issue • Representations and warranties. • Selling restriction/tradability. • Type of margins, brief explanation on how these margins are calculated and when these margins are collected. State where an investor can obtain more details on the actual margin requirements • Treatment for single share CFD during corporate exercises or suspension or halt of underlying instruments. • Risk management features in place (e.g. stop loss feature). • Trading platform. • Settlement method and currency 	

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	<p>*To describe these features with relevant tables, diagrams or illustrations where applicable. <u>If historical price/performance is used, there should be a disclaimer indicating that past performance is not an indication of future performance.</u></p> <p>*List of underlying in Attachment.</p> <p>3. Is the product tradable?</p> <ul style="list-style-type: none"> • <u>[Product name] is not listed on any stock exchange. [There is no liquid secondary market.]</u> • The market agent [may/will] provide [limited] market making arrangements [Please state frequency and who the investors should contact to obtain indicative bid prices]. • The sell-back price of your [product name] will be determined by [whom] and may be substantially less than your initial investment. 	<p>Note: To describe these features with relevant tables, diagrams or illustrations where applicable.</p> <p>3. Is the product tradable?</p> <ul style="list-style-type: none"> • [Deleted] • The market agent [may/will] provide [limited] market making arrangements [Please state frequency and who the investors should contact to obtain indicative bid prices]. • The sell-back price of your [product name] will be determined by [whom] and may be substantially less than your initial investment. 	

B. Specific Amendments			
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		<p>Insertion of new paragraph 6</p> <p>6. What are the possible outcome of my investment?</p> <ul style="list-style-type: none"> Briefly describe the nature of the product (product mechanism- in particular the situations under which investors will make gains / incur losses (with reference to the scenario analysis). <p>Examples should also demonstrate margin call, overnight financing, gross profit/loss, net profit/loss.</p> <p>Scenario analysis:</p> <ul style="list-style-type: none"> Worst case scenario Middle case scenario Best case scenario <ul style="list-style-type: none"> Adjustments to the terms and conditions of the product upon the occurrence of extraordinary events. 	
	<p>KEY RISK</p> <p><i>7. What are the key risks associated with this product?</i></p> <ul style="list-style-type: none"> <i>State key risks that would commonly occur, or which may cause significant losses if they</i> 	<p>KEY RISK</p> <p>8. What are the key risks associated with this product?</p> <ul style="list-style-type: none"> List the different types of risks involved and this should include specific risks particular to the 	

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	<p><i>occur, or both. Risks peculiar to the product should also be stated. Give appropriate formatting emphasis where investors might lose all of their initial investment. (i.e., price volatility, no central clearing counterparty, warning on the segregated client's fund account may not provide full protection, liquidity, gapping and execution risk by changes in market condition and the mechanics of trading).</i></p> <ul style="list-style-type: none"> • <i>Maximum loss - you could lose all of your investment.</i> • <i>No first priority to collateral realisation proceeds – [Please elaborate as appropriate].</i> • <i>Unlisted structured investment product NOT protected deposit - Investment involves risks. This is an unlisted structured investment product which involves derivatives and is not equivalent to nor should it be treated as a time deposit. The [product name] is not a protected deposit for the purposes of the Deposit Protection Scheme.</i> 	<p><i>product or</i> may cause significant losses if they occur, or both. Risks peculiar to the product should also be stated. Give appropriate formatting <i>(e.g., italic, bold, underline)</i> emphasis where investors might lose all of their initial investment.</p> <ul style="list-style-type: none"> • [Deleted] • <i>No first priority to collateral realisation proceeds – [Please elaborate as appropriate].</i> • [Deleted] 	

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	<ul style="list-style-type: none"> <i>[No liquid secondary market - CFD has no liquid secondary market. If you try to sell your [product name], you may not be able to find a buyer, or the sale price could be much lower than the amount you invested.]</i> <i>Counterparty risk - When you buy [product name], you will be relying on [ultimate counterparty/CFD provider]'s creditworthiness. If [ultimate counterparty/CFD provider] becomes insolvent or defaults on its obligations under [product name] [you can only claim as an unsecured creditor].</i> <i>Trading CFD is not the same as reference asset - Investing in CFD is not the same as investing in the reference assets. [Please elaborate as appropriate].</i> <i>Client money risk- the risk of losing some or all of your money held by the provider.</i> 	<ul style="list-style-type: none"> <i>[No liquid secondary market - CFD has no liquid secondary market. If you try to sell your [product name], you may not be able to find a buyer, or the sale price could be much lower than the amount you invested.]</i> <i>Counterparty risk - When you buy [product name], you will be relying on [CFD provider]'s creditworthiness. If [CFD provider] becomes insolvent or defaults on its obligations under [product name] [you can only claim as an unsecured creditor].</i> <i>Trading CFD is not the same as reference asset - Investing in CFD is not the same as investing in the reference assets. [Please elaborate as appropriate].</i> <i>Client money risk- the risk of losing some or all of your money held by the provider.</i> <i>Risk of stop loss features- can the CFD provider guarantee a stop loss for a CFD trade.</i> 	

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	<ul style="list-style-type: none"> <i>Risk of stop loss features- can the CFD provider guarantee a stop loss for a CFD trade.</i> 		
	<p style="text-align: center;">FEES & CHARGES</p> <p><u>8.</u> What are the fees and charges involved?</p> <ul style="list-style-type: none"> <i>All relevant fees and charges payable (e.g., commission, overnight financing, account management and administration charges).</i> <i>Indicate how fees and charges are payable.</i> <i>If fees may be increased later, please state so.</i> <i>To state if charges are negotiable.</i> <p><u>9.</u> How can I exit from this investment and what are the risks and costs involved?</p> <ul style="list-style-type: none"> <i>Explain how investor can exit investment.</i> <i>Closed/rolled over positions.</i> 	<p style="text-align: center;">FEES & CHARGES</p> <p>9. What are the fees and charges involved?</p> <ul style="list-style-type: none"> <i>To list all</i> relevant fees and charges payable (e.g., commission, overnight financing, account management and administration charges). <i>Indicate how and when fees and charges are payable.</i> <i>If fees may be increased later, please state so.</i> <i>To state if charges are negotiable.</i> <p>10. How can I exit from this investment and what are the risks and costs involved?</p> <ul style="list-style-type: none"> <i>Explain how investor can exit investment.</i> <i>Closed/rolled over positions.</i> <i>Cost involved in exiting the investment.</i> 	

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	<p align="center">APPENDIX: GLOSSARY</p> <ul style="list-style-type: none"> • Explain terms used in Product Highlights Sheet which the investors may not understand. • May include special terms (i.e. legal jargon/ finance jargon). • <u>Product issuers</u> are encouraged to use simple terms and then explain them in the glossary. 	<p align="center">APPENDIX: GLOSSARY</p> <ul style="list-style-type: none"> • Explain terms used in Product Highlights Sheet which the investors may not understand. • May include special terms (i.e. legal jargon/ finance jargon). • CFD providers are encouraged to use simple terms and then explain them in the glossary. 	
41.	<p>Appendix <u>2</u> CLIENT'S ACKNOWLEDGEMENT</p> <p>Risk Statement</p> <p>(1) Effect of leverage or gearing</p> <p>... You may sustain a total loss of the initial margin funds and any additional funds deposited with the <u>firm</u> to maintain your position....</p> <p>(3) Risk of inadequate margin</p> <p>... If required margin is not made within the prescribed time, the <u>firm</u> may liquidate any or all of your CFDs positions...</p>	<p>Appendix 3 CLIENT'S ACKNOWLEDGEMENT</p> <p>Risk Statement</p> <p>(1) Effect of leverage or gearing</p> <p>... You may sustain a total loss of the initial margin funds and any additional funds deposited with the CFD provider to maintain your position....</p> <p>(3) Risk of inadequate margin</p> <p>... If required margin is not made within the prescribed time, the CFD provider may liquidate any or all of your CFDs positions...</p>	Amended to renumber the appendix and provide clarity on the counterparty to the investor.

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	<p>(5) Deposited cash and property</p> <p>You should familiarise yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the event of a <u>firm's</u> insolvency or bankruptcy...</p> <p>(7) Transactions in other jurisdictions</p> <p>... You should ask the <u>firm</u> with which you conduct your transactions for details about type of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.</p> <p>(10) Trading facilities</p> <p>... Your ability to recover certain losses may be subject to limits on liability imposed by the system provider or <u>firms</u>. Such limits may vary. You should ask the <u>firm</u> with which you deal for details in this respect.</p>	<p>(5) Deposited cash and property</p> <p>You should familiarise yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the event of a CFD provider's insolvency or bankruptcy...</p> <p>(7) Transactions in other jurisdictions</p> <p>... You should ask the CFD provider with which you conduct your transactions for details about type of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.</p> <p>(10) Trading facilities</p> <p>... Your ability to recover certain losses may be subject to limits on liability imposed by the system provider or CFD providers. Such limits may vary. You should ask the CFD provider with which you deal for details in this respect.</p>	

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	(12) Over-the-counter (OTC) Transactions ... The <u>firm</u> with which you conduct your transaction is acting as your counterparty to the transaction...	(12) Over-the-counter (OTC) Transactions ... The CFD provider with which you conduct your transaction is acting as your counterparty to the transaction...	
42.	APPENDIX <u>3</u> DECLARATION BY THE CFD PROVIDER	APPENDIX 4 DECLARATION BY THE CFD PROVIDER	Renumbered the appendix.
43.	APPENDIX <u>4</u> REPORTING TEMPLATE FORM 1 – TRANSACTION REPORTING BY THE CFD PROVIDER	APPENDIX 5 REPORTING TEMPLATE FORM 1 – TRANSACTION REPORTING BY THE CFD PROVIDER	Renumbered the appendix and amended Table 1, 2, 3 and 4 to provide clarity on the specific information requested as well as to streamline with current reporting requirements.
44.	FORM 2 – LIQUID CAPITAL COMPUTATION TEMPLATE	FORM 2 – LIQUID CAPITAL COMPUTATION TEMPLATE	Amended to clarify the specific information requested and streamline with current reporting requirements, such as inclusion of “expected credit loss” in line with the introduction of MFRS9.