

CAPITAL MARKETS AND SERVICES ACT 2007

CAPITAL MARKETS AND SERVICES (AMENDMENT OF SCHEDULES 5, 6 AND 7)
ORDER 2021

IN exercise of the powers conferred by subsection 380(1) of the Capital Markets and Services Act 2007 [Act 671], the Minister, on the recommendation of the Commission, makes the following order:

Citation and commencement

1. (1) This order may be cited as the **Capital Markets and Services (Amendment of Schedules 5, 6 and 7) Order 2021**.

(2) This Order comes into operation on 1 July 2021 except—

(a) paragraph 3 in relation to Part III of Schedule 6; and

(b) paragraph 4 in relation to Part III of Schedule 7.

(3) Paragraph 3 in relation to Part III of Schedule 6 and paragraph 4 in relation to Part III of Schedule 7 come into operation on 1 January 2022.

Substitution of Schedule 5

2. The Capital Markets and Services Act 2007, which is referred to as the “principal Act” in this Order, is amended by substituting for Schedule 5 the following schedule:

“SCHEDULE 5

[Subsection 212(8)]

Proposals not requiring approval, authorization or recognition

Categories of transactions not subject to the requirements of subsections 212(2), (3) and (4), paragraph 212(5)(a) and subsection 212(6).

Part 1

Proposal under Lodge and Launch Framework

1. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, unlisted capital market products as may be determined by the Commission to—

(a) sophisticated investors as specified in Part I of Schedule 6 or Part I of Schedule 7;

(b) a person who acquires the unlisted capital market product where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;

(c) in the case of debentures or sukuk, exclusively to a person in Labuan or outside Malaysia; or

(d) any other person as may be determined by the Commission,

provided that the making available of, offering for subscription or purchase of, or issuance of an invitation to subscribe for or purchase, such unlisted capital market products complies with the requirements of the guidelines issued by the Commission in relation to the Lodge and Launch Framework.

Part 2

A. Securities

(i) General

2. Any proposal, scheme, transaction, arrangement or activity, or issuance of securities, or offer for subscription or purchase of securities, or issuance of an invitation to subscribe for or purchase securities, in relation to—
 - (a) the listing or quotation of securities issued or guaranteed by the Federal Government or Bank Negara on a stock market of a stock exchange;
 - (b) the listing or quotation of securities issued or guaranteed by the Corporation as defined in the International Islamic Liquidity Management Corporation Act 2011 [*Act 721*];
 - (c) the listing and quotation of structured warrants on a stock market of a stock exchange, provided that the issuer of the structured warrants complies with eligibility requirements determined by the Commission;
 - (d) an acquisition or disposal of asset which results in a significant change in the business direction or policy of a corporation whose shares are listed on the alternative market of a stock exchange except where such acquisition or disposal is carried out in relation to paragraph 212(2)(b);
 - (e) a disposal of asset which results in a significant change in the business direction or policy of a corporation whose shares are listed on the main market of a stock exchange that is not part of any other proposal that requires approval from the Commission; or

- (f)* the listing and quotation of securities of a corporation on a stock market of a stock exchange as a result of a restructuring exercise involving a transfer of the listing status of a corporation to the first-mentioned corporation except where it forms part of a proposal involving an acquisition of asset under paragraph 212(2)(d) or a proposal under subsection 212(3).
3. Any proposal, scheme, transaction, arrangement or activity, or issuance of securities, or offer for subscription or purchase of securities, or issuance of an invitation to subscribe for or purchase of securities, where a corporation whose shares are listed on a stock market of a stock exchange distributes securities that it holds in another corporation or a unit trust scheme to its own members.
4. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase—
- (a)* securities issued or guaranteed by the Federal Government or Bank Negara;
- (b)* securities issued or guaranteed by any State Government;
- (c)* securities issued or guaranteed by the Corporation as defined in the International Islamic Liquidity Management Corporation Act 2011;
- (d)* securities of a company to existing members of the company within the meaning of section 457 of the Companies Act 2016 [Act 777]; or
- (e)* securities of any entity established or registered under the laws applicable in Labuan—
- (i)* exclusively to persons in Labuan or outside Malaysia; or

- (ii) to another entity established or registered under the laws applicable in Labuan.
5. Invitation or offering to underwrite or subunderwrite securities pursuant to an underwriting agreement in relation to the listing and quotation of securities on a stock market of a stock exchange.
 6. Issuance or allotment of securities to an underwriter or subunderwriter pursuant to an underwriting agreement in relation to the listing and quotation of securities on a stock market of a stock exchange.
 7. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, securities of a venture capital or private equity fund structured as limited partnership provided that the corporation managing the venture capital or private equity fund is registered with the Commission.

(ii) Shares

Shares of unlisted company

8. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase—
 - (a) shares of a private company; or
 - (b) shares of a public company whose shares are not listed and is not seeking for its shares to be listed on a stock market of a stock exchange, provided that the making available of, offering for subscription or purchase of, or issuance of an invitation to subscribe for or purchase, such shares complies with the requirements as may be determined by the Commission.

Shares of public company or listed corporation

9. In relation to subsection 212(4), any proposal to make available, offer for subscription or purchase of, or issue an invitation to subscribe for or purchase, in Labuan or outside Malaysia, shares of a public company or a listed corporation, or to list such shares on a securities exchange in Labuan or outside Malaysia.

10. In respect of a corporation whose shares are listed on the main market of a stock exchange, making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, shares pursuant to—
 - (a) the exercise of a warrant, option or transferable subscription right, conversion of a convertible note or preference share, or the exchange of an exchangeable note;
 - (b) an entitlement in respect of a warrant, option or right without consideration;
 - (c) a subdivision or consolidation of shares;
 - (d) an employee share or employee share option scheme;
 - (e) a bonus issue;
 - (f) a rights issue;
 - (g) a private placement exercise;
 - (h) a distribution in lieu of dividends;

- (i) an acquisition of asset that does not result in a significant change in the business direction or policy of that corporation; or
- (j) any other corporate exercise under the rules of the stock exchange as may be determined by the Commission,

except where it forms part of a proposal involving an acquisition of asset under paragraph 212(2)(d) or a proposal under subsection 212(3).

Shares of corporation listed or to be listed on alternative market of stock exchange

11. Any proposal, scheme, transaction, arrangement or activity, or issuance of shares, or offer for subscription or purchase of shares, or issuance of an invitation to subscribe for or purchase, shares, in relation to the listing and quotation of shares of a corporation on an alternative market of a stock exchange.
12. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, shares of a corporation whose shares are listed on the alternative market of a stock exchange other than a proposal falling under paragraph 212(2)(b).

Shares relating to foreign corporation

13. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase—
 - (a) shares of a corporation whose shares are listed on a securities exchange in Labuan or outside Malaysia pursuant to—
 - (i) an employee share or employee share option scheme;

- (ii) a bonus issue;
 - (iii) a rights issue;
 - (iv) the exercise of a warrant, option or transferable subscription right, conversion of a convertible note or preference share, or the exchange of an exchangeable note;
 - (v) an entitlement in respect of a warrant, option or right without consideration;
 - (vi) a subdivision or consolidation of shares; or
 - (vii) any other corporate exercise as may be determined by the Commission;
- (b) shares of a corporation whose shares are not listed on a stock market of a stock exchange or a securities exchange in Labuan or outside Malaysia—
- (i) pursuant to—
 - (A) an employee share or employee share option scheme;
 - (B) a bonus issue; or
 - (C) a non-renounceable rights issue; or
 - (ii) to their existing shareholders or any other person as may be determined by the Commission in any guideline issued under section 377; or
- (c) shares pursuant to a take-over offer of a foreign corporation.

14. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, shares, except shares in a closed-end fund, that are listed or approved for listing and quotation on a securities exchange in Labuan or outside Malaysia to—

(a) sophisticated investors as specified in Part I of Schedule 6 or Part I of Schedule 7;

(b) a person who acquires shares pursuant to a private placement, where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or

(c) any other person as may be determined by the Commission,

provided that, in the case of a securities exchange in Labuan or outside Malaysia, such exchange is determined by the Commission and the distribution of such shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities.

Distribution of shares in lieu of dividends

15. Any distribution of shares in lieu of dividends to existing shareholders.

(iii) Unit trust schemes, private retirement schemes and prescribed investment schemes

16. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, units in a unit trust scheme, private retirement scheme or prescribed investment scheme by a personal representative, liquidator, receiver or trustee in bankruptcy or liquidation, as the case may be, in the normal course of realization of assets.

17. Any proposal, scheme, transaction, arrangement or activity, issuance of, offer for subscription or purchase of, or issuance of an invitation to subscribe for or purchase, units in a unit trust scheme or prescribed investment scheme in relation to—
- (a)* an acquisition of asset which results in a significant change in the business direction or policy of a unit trust scheme or prescribed investment scheme that is listed on the main market of a stock exchange other than a business trust; or
 - (b)* a disposal of asset which results in a significant change in the business direction or policy of a unit trust scheme or prescribed investment scheme that is listed on the main market of a stock exchange except in the case of a business trust where the disposal of asset by the business trust forms part of any other proposal that requires approval from the Commission.
18. In respect of a unit trust scheme or prescribed investment scheme that is listed on the main market of a stock exchange, making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, units pursuant to—
- (a)* a subdivision of units;
 - (b)* a bonus issue;
 - (c)* a rights issue;
 - (d)* a private placement exercise;
 - (e)* a distribution of income in units in lieu of cash;

- (f)* an acquisition of asset that does not result in a significant change in the business direction or policy of that unit trust scheme or prescribed investment scheme; or
- (g)* any other corporate exercise under the rules of the stock exchange as may be determined by the Commission,

except in the case of a business trust where it forms part of a proposal involving an acquisition of asset under paragraph 212(2)(d).

19. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase—

(a) units of a unit trust scheme or prescribed investment scheme that is listed on a securities exchange in Labuan or outside Malaysia pursuant to—

- (i)* a subdivision of units;
- (ii)* a bonus issue;
- (iii)* a rights issue;
- (iv)* a distribution of income in unit in lieu of cash; or
- (v)* any other corporate exercise as may be determined by the Commission;

(b) units held by a foreign unit trust scheme or foreign prescribed investment scheme that is listed on a securities exchange in Labuan or outside Malaysia pursuant to a distribution of income in units in lieu of cash;

(c) units pursuant to a take-over offer of a foreign unit trust scheme or foreign prescribed investment scheme; or

(d) units of a foreign unit trust scheme or foreign prescribed investment scheme that is not listed on a stock market of a stock exchange or a securities exchange in Labuan or outside Malaysia pursuant to—

(i) a bonus issue;

(ii) a distribution of income in units in lieu of cash; or

(iii) a non-renounceable rights issue.

(iv) Debentures, sukuk and structured products

20. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, debentures or sukuk by a corporation to its related corporation where such debentures or sukuk include a term that prohibits the transfer of such debentures or sukuk, as the case may be, to any other person.

21. In the case of a public company where its debentures or sukuk have been approved by the Commission, a proposal for the listing of the debenture or sukuk on a securities exchange in Labuan or outside Malaysia.

22. Any proposal, scheme, transaction, arrangement or activity, issuance of shares, offer for subscription or purchase of shares, or issuance of an invitation to subscribe for or purchase shares, in relation to an acquisition or disposal of asset which results in a significant change in the business direction or policy of a corporation where only its debentures or sukuk are listed on a stock market of a stock exchange.

23. All secondary transactions of debentures, sukuk or structured products.

24. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, structured product or Islamic structured product exclusively to persons in Labuan or outside Malaysia.

B. Digital Currency and Digital Token

25. (1) Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, digital currency or digital token to any person through a recognized market and in compliance with the requirements as may be determined by the Commission.

- (2) For the purposes of subparagraph (1)—

(a) “digital currency” means digital currency that is prescribed as securities under the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 [P.U. (A) 12/2019]; and

(b) “digital token” means digital token that is prescribed as securities under the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019.

C. Derivatives

26. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase—

(a) derivatives issued or guaranteed by the Federal Government or Bank Negara;

(b) derivatives issued or guaranteed by any State Government;

(c) derivatives issued or guaranteed by the Corporation as defined in the International Islamic Liquidity Management Corporation Act 2011; or

(d) derivatives of any entity established or registered under the laws applicable in Labuan—

(i) exclusively to persons in Labuan or outside Malaysia; or

(ii) to another entity established or registered under the laws applicable in Labuan.

27. Making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, or dealing in, over-the-counter derivatives where—

(a) the over-the-counter derivative is proposed to be made available, offered for subscription or purchase to;

(b) an invitation to subscribe for or purchase the over-the-counter derivative is made to; or

(c) the dealing in the over-the-counter derivative involves,

sophisticated investors as specified in Part I of Schedule 6 or Schedule 7.”.

Substitution of Schedule 6

3. The principal Act is amended by substituting for Schedule 6 the following schedule:

“SCHEDULE 6

[Section 229]

Excluded offers or excluded invitations

For the purposes of paragraph 229(1)(a), an excluded offer or excluded invitation shall be—

- (a) an offer or invitation to a sophisticated investor as specified in Part I; and
- (b) any other type of offer or invitation as specified in Part II and Part III.

Part I

Sophisticated investors

A. Accredited investors

- 1. A unit trust scheme, private retirement scheme or prescribed investment scheme.
- 2. Bank Negara.
- 3. A licensed person or a registered person.
- 4. An exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator.

5. A corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the Commission.
6. A bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [*Act 704*].
7. An Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [*Act 705*].
8. A chief executive officer or a director of any person referred to in paragraphs 3, 4, 5, 6 and 7.
9. A closed-end fund approved by the Commission.

B. High-net worth entities

10. A company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies.
11. A corporation that—
 - (a) is a public company under the Companies Act 2016 which is approved by the Commission to be a trustee under the Act and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or
 - (b) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies.

12. A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts.
13. A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
14. A statutory body established under any laws unless otherwise determined by the Commission.
15. A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967.

C. High-net worth individuals

16. An individual—
 - (a) whose total net personal assets, or total net joint assets with his or her spouse, exceeding three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
 - (b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months;
 - (c) who jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or
 - (d) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding one million ringgit or its equivalent in foreign currencies.

Part II

Other types of excluded offers or excluded invitations

17. An offer or invitation in respect of shares of a private company.
18. An offer or invitation made in respect of any sale of units in a unit trust scheme, private retirement scheme or prescribed investment scheme by a personal representative, liquidator, receiver or trustee in bankruptcy or liquidation, as the case may be, in the normal course of realization of assets.
19. All secondary trades in securities effected on a stock market of a stock exchange or such other securities exchange in Labuan or outside Malaysia as may be determined by the Commission.
20. An offer or invitation of securities made or guaranteed by the Federal Government, any State Government or Bank Negara.
21. An offer or invitation made pursuant to a take-over offer which complies with the relevant law applicable to such offers.
22. (1) Subject to subparagraph (2), all secondary trades in debentures or sukuk.
 - (2) In the case of secondary trade in debentures or sukuk involving retail investors, subparagraph (1) shall only apply if—
 - (a) a prospectus has been issued at the primary issuance; or
 - (b) the debenture or sukuk complies with the requirements of the guidelines issued by the Commission in relation to the Seasoned Bond Framework.

23. An offer or invitation in respect of debentures or sukuk that complies with the requirements of the guidelines issued by the Commission in relation to the Qualified Issuer Framework.
24. An offer or invitation made to employees or directors of a corporation or its related corporation pursuant to an employee share or employee share option scheme.
25. An offer or invitation made to any creditor or holder of securities of a company undergoing a scheme of arrangement or compromise under the Companies Act 2016 or a restructuring scheme under the Pengurusan Danaharta Nasional Berhad Act 1998 which may not be renounced to any person other than a creditor or holder of securities of the company.
26. An offer or invitation made exclusively to persons in Labuan or outside Malaysia.
27. An offer or invitation to enter into an underwriting or subunderwriting agreement or an offer or invitation made to an underwriter under such agreement.
28. An offer or invitation made to a person who acquires securities pursuant to a private placement where the consideration for the acquisition is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise.
29. An offer or invitation made by or to the Corporation as defined in the International Islamic Liquidity Management Corporation Act 2011.
30. An offer or invitation made by or to Danamodal Nasional Berhad.

31. An offer or invitation in respect of securities of a corporation made to existing members of a company within the meaning under section 457 of the Companies Act 2016.
32. An offer or invitation in respect of securities of a corporation or unit trust scheme having gained admission on a securities exchange in Labuan or outside Malaysia as determined by the Commission, made to existing securities holders of such corporation or unit trust scheme by means of a rights issue, provided that, in the case of a renounceable rights issue, such offer or invitation has been accompanied by a prospectus or disclosure document approved or registered by or lodged with the authority in Labuan or outside Malaysia, as the case may be, which exercises functions corresponding to the functions of the Commission.
33. An offer or an invitation in respect of securities of a corporation made to existing securities holders of the corporation by means of a non-renounceable rights issue or a rights issue which is renounceable in favour of the existing members or securities holders only.
34. An offer or invitation where no consideration, whether in cash or otherwise, is or will be given for the offer or invitation.

Part III

Alternative market

35. *(a)* An offer or invitation in respect of shares of a corporation that are listed or approved for listing and quotation on the alternative market of a stock exchange; or

(b) In the case of an initial listing of shares of a corporation on the alternative market of a stock exchange,

provided that—

- (i) the offer or invitation, or initial listing is accompanied with a prospectus which is registered by the stock exchange; and
- (ii) the offer or invitation, or initial listing complies with any other requirements as may be specified in the listing requirements.

A prospectus registered by the stock exchange under this Part shall not be considered as an information memorandum for purposes of this Act.

Part IV

Non-application

- 36. Sections 232, 233, 234, 235, 236, 237, 238, 239, 240, 241 and 244 shall not apply to an excluded offer or excluded invitation under Part I and Part II of this Schedule.
- 37. Sections 232, 233, 234, 235, 237, 238, 239, 240, 241 and 244 shall not apply to an excluded offer or excluded invitation under Part III of this Schedule.”.

Substitution of Schedule 7

- 4. The principal Act is amended by substituting for Schedule 7 the following schedule:

“SCHEDULE 7

[Section 230]

Excluded issues

For the purposes of paragraph 230(1)(a), an excluded issue shall be—

- (a) an issue to a sophisticated investor as specified in Part I; and

(b) any other type of issue as specified in Part II and Part III.

Part I

Sophisticated investors

A. Accredited investors

1. A unit trust scheme, private retirement scheme or prescribed investment scheme.
2. Bank Negara.
3. A licensed person or a registered person.
4. An exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator.
5. A corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the Commission.
6. A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
7. An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
8. A chief executive officer or a director of any person referred to in paragraphs 3, 4, 5, 6 and 7.

9. A closed-end fund approved by the Commission.

B. High-net worth entities

10. A company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies.
11. A corporation that—
 - (a) is a public company under the Companies Act 2016 which is approved by the Commission to be a trustee under the Act and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or
 - (b) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies.
12. A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts.
13. A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
14. A statutory body established under any laws unless otherwise determined by the Commission.
15. A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967.

C. High-net worth individuals

16. An individual—

- (a) whose total net personal assets, or total net joint assets with his or her spouse, exceeding three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
- (b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months;
- (c) who jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or
- (d) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding one million ringgit or its equivalent in foreign currencies.

Part II**Other types of excluded issue**

- 17. An issue in respect of shares of a private company.
- 18. An issue made in respect to any sale of units in a unit trust scheme, private retirement scheme or prescribed investment scheme by a personal representative, liquidator, receiver or trustee in bankruptcy or liquidation, as the case may be, in the normal course of realization of assets.

19. All secondary trades in securities affected on a stock market of a stock exchange or such other securities exchange in Labuan or outside Malaysia as may be determined by the Commission.
20. An issue of securities made or guaranteed by the Federal Government, any State Government or Bank Negara.
21. An issue in respect of securities which are acquired pursuant to a take-over offer which complies with the relevant law applicable to such offers.
22. (1) Subject to subparagraph (2), all secondary trades in debentures or sukuk.

(2) In the case of secondary trade in debentures or sukuk involving retail investors, subparagraph (1) shall only apply if—
 - (a) a prospectus has been issued at the primary issuance; or
 - (b) the debenture or sukuk complies with the requirements of the guidelines issued by the Commission in relation to the Seasoned Bond Framework.
23. An issue of debentures or sukuk that complies with the requirements of the guidelines issued by the Commission in relation to the Qualified Issuer Framework.
24. An issue in respect of securities which are acquired by employees or directors of a corporation or its related corporation pursuant to an employee share or employee share option scheme.
25. An issue made to any creditor or holder of securities of a company undergoing a scheme of arrangement or compromise under the Companies Act 2016 or a restructuring scheme under the Pengurusan

Danaharta Nasional Berhad Act 1998 which may not be renounced to any person other than a creditor or holder of securities of the company.

26. An issue made exclusively to persons in Labuan or outside Malaysia.
27. An issue made to an underwriter under an underwriting or subunderwriting agreement.
28. An issue made to a person who acquires securities pursuant to a private placement where the consideration for the acquisition is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise.
29. An issue made by or to the Corporation as defined in the International Islamic Liquidity Management Corporation Act 2011.
30. An issue made by or to Danamodal Nasional Berhad.
31. An issue of securities of a corporation made to existing members of a company within the meaning of section 457 of the Companies Act 2016.
32. An issue in respect of securities of a corporation or unit trust scheme having gained admission on a securities exchange in Labuan or outside Malaysia as may be determined by the Commission, made to existing securities holders of such corporation or unit trust scheme by means of a rights issue, provided that, in the case of a renounceable rights issue, such issue has been accompanied by a prospectus or disclosure document approved or registered by or lodged with the authority in Labuan or outside Malaysia, as the case may be, which exercises functions corresponding to the functions of the Commission.

33. An issue in respect of securities of a corporation made to existing securities holders of the corporation by means of a non-renounceable rights issue or a rights issue which is renounceable in favour of the existing securities holders only.
34. An issue of securities where no consideration, whether in cash or otherwise, is or will be given for the issue of such securities.
35. An issue of securities by a corporation pursuant to the exercise of an option, a warrant or a transferable subscription right, in respect of which a prospectus has been registered under this Act or in respect of which the securities to which the option, warrant or transferable subscription right converts into are listed securities.
36. An issue of shares by a corporation pursuant to a provision contained in a convertible note, whether the note was issued by that corporation or by another corporation, in respect of which a prospectus has been registered under this Act or in respect of which the shares to which the note converts into are listed shares.
37. An issue in respect of shares or units in a unit trust scheme or prescribed investment scheme, whether inside or outside Malaysia, which are issued in satisfaction of dividends or distributions payable by the issuer to the holders of existing shares or units that were issued pursuant to a prospectus.
38. A bonus issue of securities made by a corporation, unit trust scheme or prescribed investment scheme.

Part III

Alternative market

39. (a) An issue in respect of shares of a corporation that are listed or approved for listing and quotation on the alternative market of a stock exchange; or
- (b) In the case of an initial listing of shares of a corporation on the alternative market of a stock exchange,
- provided that—
- (i) the issue or initial listing is accompanied with a prospectus which is registered by the stock exchange; and
- (ii) the issue or initial listing complies with any other requirements as may be specified in the listing requirements.

A prospectus registered by the stock exchange under this Part shall not be considered as an information memorandum for the purposes of this Act.

Part IV

Non-application

40. Sections 232, 233, 234, 235, 236, 237, 238, 239, 240, 241 and 244 shall not apply to an excluded issue under Part I and Part II of this Schedule.
41. Sections 232, 233, 234, 235, 237, 238, 239, 240, 241 and 244 shall not apply to an excluded issue under Part III of this Schedule.”.

Made 28 June 2021

[MOF.SID(S)700-1/2/13(SK.2); PN(PU2)662/XIV]

TENGGU DATUK SERI UTAMA ZAFRUL BIN TENGGU ABDUL AZIZ
Minister of Finance