

SUMMARY OF AMENDMENTS
REVISED GUIDELINES FOR THE OFFERING, MARKETING AND DISTRIBUTION OF FOREIGN FUNDS
(Date of Issuance: 29 August 2023)

The following table provides a summary of key amendments to the revised *Guidelines for the Offering, Marketing and Distribution of Foreign Funds* (Guidelines) issued on 29 August 2023:

A. Overview

1. The Guidelines was revised to introduce the Foreign Exempt Scheme (FES) Framework, for the offering of foreign funds to certain accredited investors and high-net worth entities of Part 1, Schedules 6 and 7 of the CMSA 2007 by local fund management companies or their related corporations;
2. Amendments to allow foreign exchange-traded fund (ETF) operators to list up to five non-plain vanilla ETFs (i.e. leveraged ETF, inverse ETF, and synthetic ETF) and insertion of additional obligations for foreign ETF operators;
3. Insertion of additional obligations relating to the roles and responsibilities of parties involved in a submission to the SC for foreign funds;
4. Amendments made to Qualifying CIS related provisions to reflect the admission of new signatory to the ACMF Retail MoU and the issuance of the *ASEAN Sustainable and Responsible Fund Standards*; and
5. Editorial amendments to enhance clarity of certain requirements under the Guidelines.

B. Amendment Highlights			
No.	Prior to 29 August 2023	Revised Version Dated 29 August 2023	Comments
Chapter 2: Definitions			
1.	Paragraph 2.01	Paragraph 2.01	<p>Inserted definitions on 'ASEAN SRFS', 'ASEAN Sustainable and Responsible Fund', 'Main Market Listing Requirements', 'digital assets', 'digital currency', 'digital token', 'digital investment management', 'exchange-traded fund', 'Foreign Exempt Scheme', 'inverse ETF', 'leveraged ETF', and 'synthetic ETF'.</p> <p>Amended definition for 'closed-end fund', 'principal adviser', and 'Qualifying CIS' to provide greater clarity.</p>
Chapter 3: Permitted Foreign Funds			
2.	-	Paragraph 3.01(e)	Inserted provision to allow FES.
3.	-	Paragraph 3.03	Inserted provision to disapply requirements within the Guidelines, save for Appendix 4 for FES.
Chapter 4: Requirements for the Offering, Marketing or Distribution of Foreign Funds			
4.	Paragraph 4.03(c)	Paragraph 4.03(c)	Amended to provide clarity for foreign funds under Part 2 of Appendix 2 and Appendix 3 of the Guidelines.
Chapter 6: Requirement to Appoint a Representative in Malaysia			
5.	Paragraph 6.04	Paragraph 6.04	Updated the list of persons that are permitted to be

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			appointed as representative for foreign funds under Part 2 of Appendix 2.
Chapter 7: Additional Obligations of an Operator of a Foreign Exchange-traded Fund			
6.	-	Paragraphs 7.01 to 7.04	Inserted new Chapter 7 to provide for the additional obligations of an operator of a foreign ETF.
Chapter 8: Requirement to Appoint a Registered Distributor in Malaysia			
7.	Paragraph 7.03	Paragraph 8.03	Amended to provide clarity that registered distributor must comply among others with the rules issued by SC or Federation of Investment Managers Malaysia.
Chapter 9: Application for SC's Approval or Recognition for the Offering of a Foreign Fund to Retail Investors			
8.	Paragraph 8.11	Paragraph 9.11	Amended the provision where submission to SC must be done as specified on the SC's website.
Chapter 10: Additional Obligations of an Adviser in Relation to a Submission			
9.	-	Paragraphs 10.01 to 10.12	Inserted new Chapter 10 to provide for the additional obligations of an adviser in relation to submission to the SC.
Chapter 11: Obligations of an Operator in Relation to a Submission			
10.	-	Paragraphs 11.01 to 11.03	Inserted new Chapter 11 to provide for the additional obligations of an operator in relation to submission to the SC.
Chapter 12: Offering of a Foreign Fund to Sophisticated Investors			
11.	Paragraph 9.05	Paragraph 12.05	Amended to impose obligations on principal adviser

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			to comply with Chapter 5 of the <i>Guidelines on Submission of Corporate and Capital Market Product Proposals</i> .
12.	-	Paragraph 12.05A	Inserted provision where submission to SC must be done as specified on the SC's website.
13.	Paragraphs 9.06 to 9.08	Deleted paragraphs 12.06 to paragraphs 12.08	Deletion of the paragraphs pursuant to the insertion of the new paragraph 12.05A.
Chapter 13: Reporting to the Securities Commission Malaysia			
14.	Paragraph 10.01	Paragraph 13.01	Amended the provision for the statistical information to be submitted through SC's online submission system, unless specified otherwise.
15.	Paragraphs 10.10 to 10.13	-	Deletion of the paragraphs pursuant to the revision in paragraph 13.01.
Appendix 1 – Part 2: Jurisdictions and Funds under the ACMF Retail MoU			
16.	Appendix 1 - Part 2	Appendix 1 - Part 2	Amended to specify that the Qualifying CIS must be from jurisdiction of the signatory to the ACMF Retail MoU.
Appendix 2 – Part 1: Permitted Foreign Funds for Non-retail Investors under the ACMF NRI MoU			
17.	-	Paragraph 2	Inserted restriction for foreign funds offered to non-retail investors under the ACMF NRI MoU.
Appendix 2 – Part 2: Other Permitted Foreign Funds			
18.	Paragraph 1	Paragraphs 1 and 2	Amendment made to allow foreign ETF operator to list up to five (5) non-plain vanilla ETF (i.e. leverage ETF, inverse ETF, and synthetic ETF).

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Appendix 4: Permitted Foreign Funds under paragraph 3.01(e)			
19.	-	Paragraphs 1 to 16	Insertion of provisions relating to FES.