Suruhanjaya Sekuriti
Securities Commission
Malaysia

Licensing and Registration Process for New CMI and New CMSRL

February 2024
Public (Umum)

Acronyms

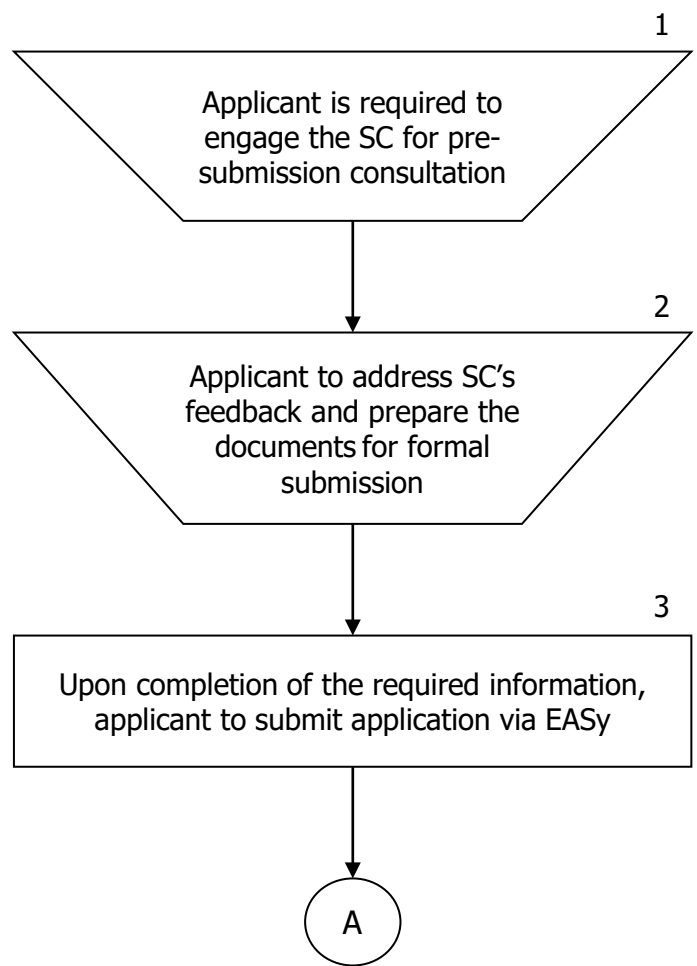| Acronym	Definition
ALD	Authorisation and Licensing Department
CMI	Capital Market Intermediary
CMSL	Capital Markets Services Licence
CMSRL	Capital Markets Services Representative's Licence
EASy	Electronic Application System
FSA	Focused Scope Assessment
LHB	Licensing Handbook
SC	Securities Commission Malaysia

Licensing and Registration Regimes

Licensing Regime	Registration Regime
CMIs licensed as principals (CMSL): 1. Dealing in securities 2. Dealing in derivatives 3. Clearing for securities and derivatives 4. Fund management* 5. Dealing in Private Retirement Schemes 6. Advising on corporate finance** 7. Investment advice** 8. Financial planning** Representatives carrying out regulated activities for CMSL holders (CMSRL): 1. Dealing in securities (except for dealing in securities restricted for unit trust products) 2. Dealing in derivatives 3. Fund management 4. Advising on corporate finance 5. Investment advice 6. Financial planning	CMIs registered as principals (Registered Person): 1. Venture Capital/ Private Equity** 2. Bond Pricing Agency 3. Credit Rating Agency 4. Capital Market Services Provider i.e. Trustee and Issuing House 5. Digital Asset Custodians**

* The application for boutique portfolio management shall be processed under the FSA Framework.
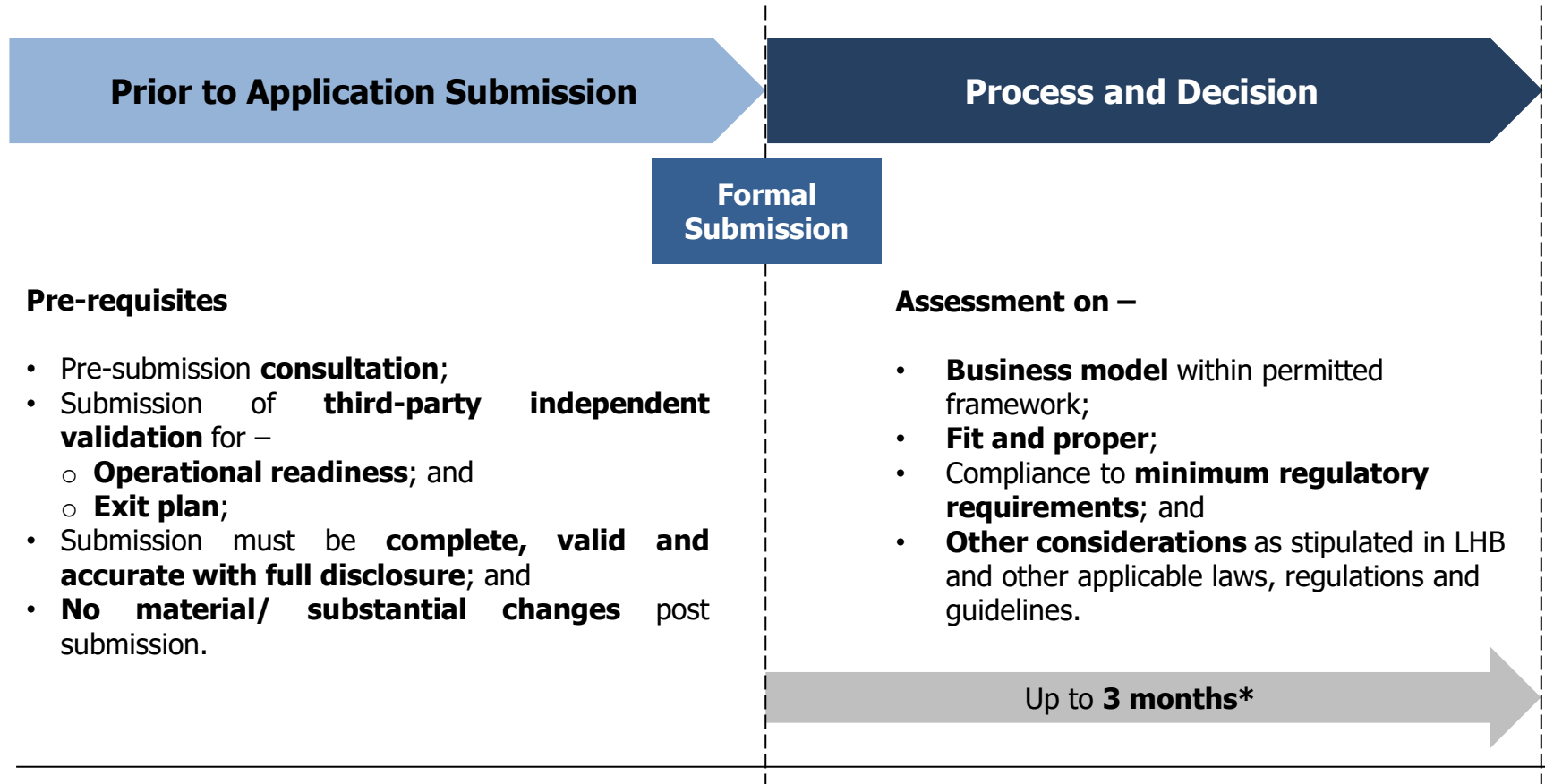** The application shall be processed under the FSA Framework.

Licensing and Registration Process for New CMI

Licensing and Registration Process for New CMI

Symbols:
Manual process
Automated process
Link

Process Flow	Remarks

Process Flow

1. Applicant is required to engage the SC for pre-submission consultation

2. Applicant to address SC's feedback and prepare the documents for formal submission

3. Upon completion of the required information, applicant to submit application via EASy

A

Remarks

Fig. 1
Applicant is required to submit a business proposal which sets out the introduction and overview of the applicant's company as well as type of the regulated activities applying for and its proposed business model.

Fig. 2
Checklists for the submission of application are available in SC's website to ensure that all forms, supporting documents including the report from third-party independent validator for applicable and eligible CMI, and relevant information required are submitted to the SC.

Fig. 3
- Applicant is responsible to submit complete, accurate, valid with full disclosure and consistent information to the SC, failure which may result in return/ withdrawal of application.
- Applicant to request for creation and opening of the SC's electronic licence application submission platform (EASy) account and submit EASy's Acceptance of Terms and Conditions with wet signatures.
- Further information and guidance on EASy should be directed to the Licensing Helpdesk at (03) 6204 8139 or through e-mail, easyhelp@seccom.com.my.

Licensing and Registration Process for New CMI

Symbols:
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Process Flow	Remarks

Process Flow

(A)

4
Application will be processed according to the requirements stated in the LHB and other applicable laws, regulations and guidelines

5
Decision of the application will be communicated to applicant via letter and/or notification in EASy

6
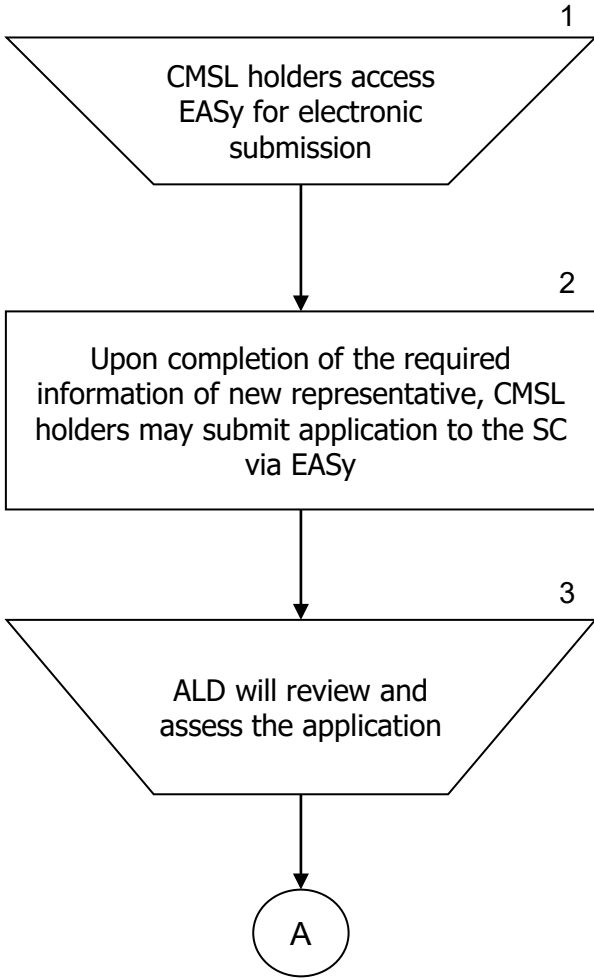Once authorised, CMI must ensure continuous compliance with licensing and registration requirements

Remarks

Fig. 4
The assessment involves a review of completeness of the submission and fulfilment of licensing or registration requirements and expectations such as –
- Business model;
- Fit and proper; and
- Compliance to minimum regulatory requirements, including but not limited to, meeting the minimum financial requirement at the time of submission.

Significant incompleteness, including inconsistencies and inaccuracies, or material/substantial changes post submission is likely to result in return/ withdrawal of application.

Fig. 5
CMI shall communicate to SC on the fulfilment of the relevant licensing or registration conditions or progress updates of the same.

Fig. 6
The licensing and registration requirements are stipulated in the LHB, securities laws, regulations, guidelines and any other applicable law that may govern the activities carried on by the CMI.
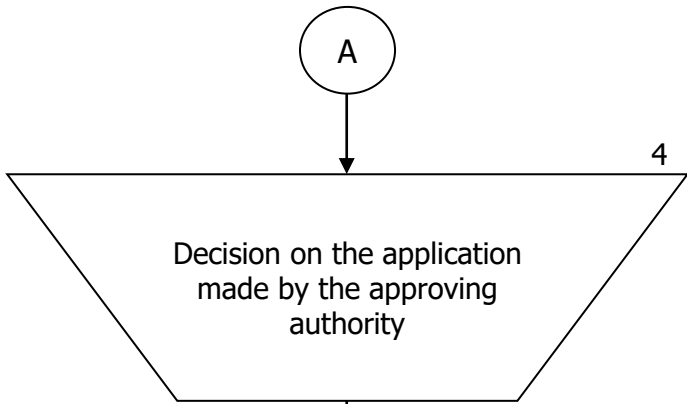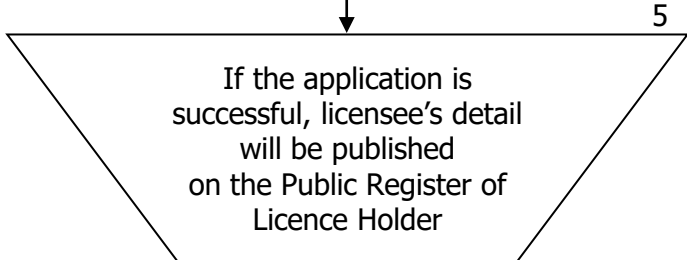
FSA Framework

Prior to Application Submission

Process and Decision

Formal Submission

Pre-requisites

- Pre-submission **consultation**;
- Submission of **third-party independent validation** for –
  o **Operational readiness**; and
  o **Exit plan**;
- Submission must be **complete, valid and accurate with full disclosure**; and
- **No material/ substantial changes** post submission.

Assessment on –

- **Business model** within permitted framework;
- **Fit and proper**;
- Compliance to **minimum regulatory requirements**; and
- **Other considerations** as stipulated in LHB and other applicable laws, regulations and guidelines.

Up to **3 months***

* Client Charter of up to 6 weeks upon complete submission.

Licensing Process for
New CMSRL

Licensing Process for New CMSRL

Symbols:
Manual process
Automated process
Link

Process Flow	Remarks

Process Flow

1
CMSL holders access EASy for electronic submission

2
Upon completion of the required information of new representative, CMSL holders may submit application to the SC via EASy

3
ALD will review and assess the application

A

Remarks

Fig. 1
- Further information and guidance on EASy should be directed to the Licensing Helpdesk at (03) 6204 8139 or through e-mail, easyhelp@seccom.com.my.
- The EASy Frequently Asked Questions are available within EASy.

Fig. 2
The appointed administrator and users of EASy from the CMSL holders will assist in submitting new licence application for its representatives via EASy.

Fig. 3
The assessment involves a review of the application for completeness and fulfilment of licensing requirements set out in Chapter 4 of the LHB such as:
- Fit and proper status of representatives; and
- Conduct of security vetting on the representatives.

Licensing Process for New CMSRL

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Process Flow	Remarks

A

4

Decision on the application made by the approving authority

Fig. 4
The decision for the application by new representatives of CMSL holders lies with the approving authority.

5

If the application is successful, licensee's detail will be published on the Public Register of Licence Holder

Fig. 5
Details of the licensees can be viewed from the Public Register of Licence Holders at the SC's website.

6

Once licensed, the representatives must ensure continuous compliance with licensing requirements

Fig. 6
The licensing requirements are stipulated in the LHB, securities laws, regulations, guidelines and any other applicable law that may govern the activities carried on by the CMSL holders and its CMSRL holders.

Ends