

FREQUENTLY-ASKED-QUESTIONS
GUIDELINES ON CORPORATE GOVERNANCE
FOR CAPITAL MARKET INTERMEDIARIES

(Issued: 29 April 2022)

1. RELATED PROVISION

1.1 For a CMSL holder that is regulated by more than one regulatory body, which governance-related requirements would apply?

Where a CMSL holder is subject to more than one governance-related requirements, the strictest requirement shall apply. Please refer to Paragraph 3.02 of the *Guidelines on Corporate Governance for Capital Market Intermediaries* (CGGL).

2. BOARD COMPOSITION

2.1 Is the requirement for 30% women on board mandatory for all CMSL holders including public and private companies?

The requirements in the CGGL are mandatory for all CMSL holders. Paragraph 2.01 of the CGGL states that the CGGL applies to a CMSL holder which is a company and does not apply to an individual. In addition to complying with the CGGL, a CMSL holder is strongly encouraged to adopt the recommended corporate governance best practices in the *Malaysian Code on Corporate Governance* (Para 1.04).

2.2 To calculate the number of women directors required under Paragraph 5.06, should a CMSL holder take into account alternate directors?

No. The CMSL holder **should exclude alternate directors** for the purpose of calculating the percentage of women directors in order to comply with Paragraph 5.06. The 30% women representation on the board of directors is applicable to the appointed directors (and not their alternate(s)).

2.3 A CMSL holder has four (4) directors on its board. However, there is only one woman director. Does the CMSL holder comply with Paragraph 5.06 or must the CMSL holder appoint more woman directors?

The CMSL holder would be in compliance with Paragraph 5.06 as the **number nearest to 30% shall apply**, which in this scenario would be 1 woman director (25%).

In calculating the number of women directors on the board, a CMSL holder is allowed to round up the percentage of women directors to 30%, subject to a maximum rounding up of 5%.

Premised on the above, further illustration of calculations are provided below:

Example:	Current % (A)	Min. Requirement (%) (B)	Rounding Up Difference (i.e. B less A)	Further action(s)¹
Five (5) board members with one (1) woman director	20%	30%	10%, which is >5%	The CMSL holder will need to appoint another woman director to comply with the requirement.
Six (6) board members with one (1) woman director	17%	30%	13%, which is >5%	The CMSL holder will need to appoint another woman director which will bring the percentage to 29%. The CMSL holder is allowed to round up to 30%, as the rounding up is less than 5% i.e. only 1%.

3. ACTIVE POLITICIAN

3.1 Is the requirement in relation to active politicians applicable to a former politician who has retired?

No, this requirement is only applicable to an individual who is **currently** a member of Parliament, State Assemblymen or holds a position at the Supreme Council, or a division level in a political party.

4. ENQUIRIES

For any enquiries in relation to the CGGL and FAQ, you may contact:

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¹ Assuming the total number of board members remains the same, as illustrated in the example.