

The Authorisation Process for New Unit Trust Funds

Updated as at June 2023

Acronyms and Abbreviations

Acronym/Abbreviation	Definition
SC	Securities Commission Malaysia
T	Day(s) of submission for application of new fund
UTMC	Unit trust management company
SAP	Standard Authorisation Process
EAP	Expedited Authorisation Process

The Authorisation Process for New Unit Trust Funds

Symbols:

Manual process



Link



Automated process



Decision



Process Flow	Main Activity	Timeline
<pre> graph TD A[Pre-Submission Consultation by UTMC/Adviser with the SC (if required)] --> B[UTMC/Adviser submits application for establishment of new unit trust fund] B --> C((A)) </pre>	<ul style="list-style-type: none"> UTMCs/Advisers are encouraged to consult the SC to discuss potential issues pertaining to the proposed unit trust fund prior to the submission of application for the SC's authorisation, including the following: <ul style="list-style-type: none"> Investments in derivatives (other than for the sole purpose of hedging); Investment in 'other assets' as defined in the SC's Guidelines on Unit Trust Funds (Guidelines), which includes digital assets; Intention to undertake securities lending, sale and repurchase transactions, or reverse repurchase transactions; If the proposed unit trust fund has novel (new) feature, which includes employing method of calculating performance fee other the methods provided in the Guidelines); and Regulatory issues. 	
	<ul style="list-style-type: none"> The SC expects a full and complete submission from the UTMC/Adviser in order for the SC to meet its time charter of 10 business days [for submission under the Expedited Authorisation Process (EAP)] or 21 calendar days [submission under the Standard Authorisation Process (SAP)]. Incomplete submissions may cause delays in consideration of the application or may even result in the submissions being returned. 	Ts

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Decision



Process Flow	Main Activity	Timeline
<pre> graph TD A((A)) --> B1[/The SC reviews the application/] B1 --> B2[/The SC informs UTM/ Adviser of the SC's decision/] B2 --> B((B)) </pre>	<ul style="list-style-type: none"> In arriving at a decision, review is conducted to determine – <ul style="list-style-type: none"> compliance with the relevant guidelines and securities laws; and any potential false and misleading disclosures that could adversely impact to investors' interest. In determining whether relevant information has been disclosed in the prospectus, the SC will take into account, amongst others, the following: <ul style="list-style-type: none"> Investments and features of the fund; Risk associated with the fund's investments or features of the fund; and The degree of knowledge amongst professional advisers with whom investors are reasonably expected to consult. The SC may seek clarification on information or documents submitted. Any delays in response may affect overall timelines. 	
	<ul style="list-style-type: none"> If the information submitted is complete and satisfactory, the SC issues a decision letter to UTM/Adviser for authorisation of the fund and registration of the prospectus and deed. If the application for the SC's authorisation is also accompanied by an application for relief from compliance with guidelines or qualification (SRI or Qualifying CIS) in relation to the fund, the decision letter will also indicate the SC's decision pertaining to the application. 	<p>T + 10 business days from the date of complete submission (for submission under EAP)</p> <p>T + 21 calendar days excluding public holidays (for submission under SAP)</p>

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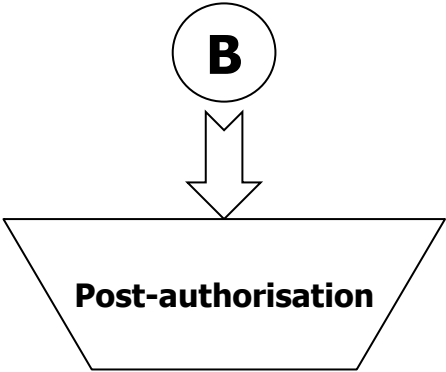


Automated process



Decision



Process Flow	Main Activity	Timeline
 <p>Post-authorisation</p>	<ul style="list-style-type: none"> UTMC/Adviser are required to lodge or submit the following to the SC: <ul style="list-style-type: none"> The prospectus and product highlights sheet (PHS) of the fund; The semi-annual and annual reports of the fund (fund's reports); Notifications as required by the guidelines; and Statistical returns, compliance returns and compliance review report. Post-authorisation application UTMC/Adviser may submit to the SC application to register – <ul style="list-style-type: none"> supplemental deed; or supplementary or replacement prospectus, to update or amend the contents of the above said documents. 	<p>For lodgement or submission of:</p> <ul style="list-style-type: none"> Prospectus/PHS – <u>before the date of issue of the document</u> Fund's reports – within two (2) months after the end of the financial period the report covers Notifications – immediately Statistical returns – within seven (7) business days of the month following the month of reporting Compliance returns – within 14 business days of the month following the month of reporting, after trustee's verification Compliance review report – no later than seven (7) business days from the date of submission of the compliance returns