



The Approval Process of Unit Trust Funds in Malaysia

Acronyms and Abbreviations

SC

Securities Commission

Ts

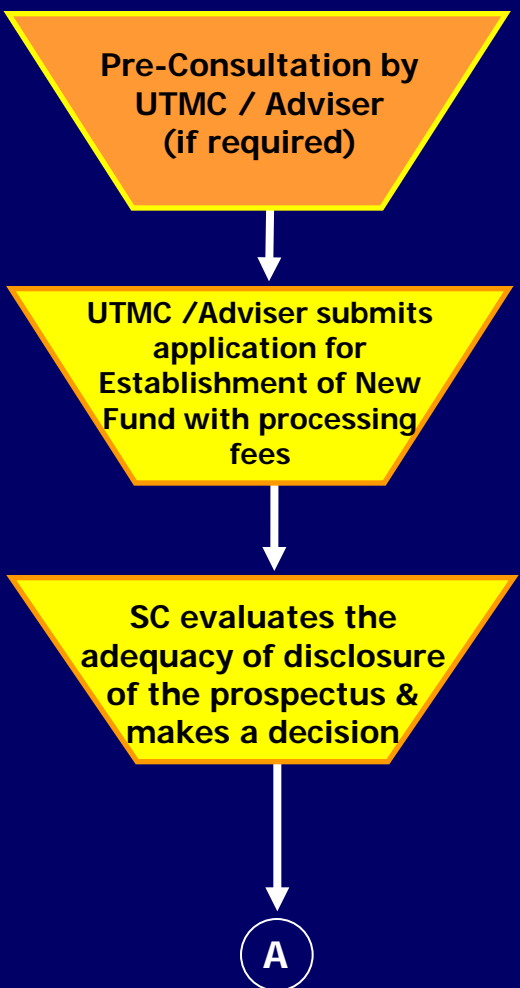
Day of submission for application of new fund

UTMC

Unit Trust Management Company

The authorisation process for the Establishment of New Unit Trust Funds in Malaysia (Disclosure- Based Regulation Approach)

Process Flow



Main activity	Timeline
<ul style="list-style-type: none"> • UTMCs / Advisers are encouraged to have pre-submission consultations with SC to discuss potential issues pertaining to the Establishment of New Fund application. 	
<ul style="list-style-type: none"> • SC expects a full and complete submission from the UTMC/Adviser in order for SC to meet its time charter of 21 days for consideration of the application. Incomplete submissions will cause the submissions to be returned. • Fees where applicable must be submitted along with the application. Failure to do so will also cause submissions to be returned. • Submission documents for the Establishment of New Fund will be checked for the following: <ul style="list-style-type: none"> – Cover letter which includes a declaration by Directors of the management company declaring that the proposal is in full compliance with the Guidelines and Law. – Relevant application forms. – Registrable Deed and Prospectus. 	Ts
<p>In determining relevant information to be disclosed in the prospectus, the SC will take into account, amongst others, the following:</p> <ul style="list-style-type: none"> – The nature of the fund; – The persons likely to consider acquiring units of the fund; – A degree of knowledge amongst professional advisers with whom investors are reasonably expected to consult; and – The risk profile of the fund – appropriate risk disclosures are necessary to match the risk appetite of the potential investor. <p>In arriving at a decision:</p> <ul style="list-style-type: none"> – Assessment is made on the adequacy of disclosure and compliance to the Guidelines on Unit Trust Funds and relevant laws by the Management Company and Trustee. 	

The authorisation process for the Establishment of New Unit Trust Funds in Malaysia (Disclosure- Based Regulation Approach)

Process Flow

A

SC informs the applicant of SC's decision

SC conducts post-vetting of approved fund

Main activity	Timeline
<ul style="list-style-type: none"> • SC issues a decision letter to the applicant. • The Deed and the Prospectus of the fund are registered if the proposed fund is approved. 	Ts+21
<ul style="list-style-type: none"> • Post-vetting review is conducted after the fund has been approved. <ul style="list-style-type: none"> – The Deed, as may be amended via supplemental deeds, is reviewed for compliance to the minimum covenants stipulated in the Guidelines on Unit Trust Funds to ensure that the unit holders' interests are protected. – The prevailing prospectus for the fund is reviewed to ensure the quality of information disclosed by the management company. 	Ongoing post approval vetting until the fund ceases to be offered