

**SUMMARY OF AMENDMENTS**  
**PROSPECTUS GUIDELINES FOR COLLECTIVE INVESTMENT SCHEMES**  
**(Date of Issuance: 21 December 2021)**

The following tables provide the summary of key amendments to the revised *Prospectus Guidelines for Collective Investment Schemes* (Guidelines) issued on 21 December 2021:

<b>(A) Overview</b>	
1.	Amendments made include consequential amendments made to the <i>Guidelines on Unit Trust Funds</i> (UT Guidelines) as well as incorporating amendments as proposed in the SC's Public Consultation Paper No. 1/2020 (CP) that was issued on 11 November 2020. These include the following: <ul style="list-style-type: none"><li>(a) Introduction of requirements on embedded derivatives. As a consequence to this, structured products are now subsumed under embedded derivatives; and</li><li>(b) Introduction of requirements on oversight arrangements which replaces the requirements for investment committee.</li></ul>
2.	Inserted a section containing a set of Guidance to the Guidelines. As a consequence, all Guidance provided in guidance boxes have been relocated to this new section of the Guidelines.
3.	Housekeeping amendments throughout the Guidelines to provide greater clarity and consistency. These amendments include stylistic or formatting changes and necessary changes of an editorial nature such as renumbering and rephrasing of certain requirements and contents, standardisation of terminology, updating of information, grammatical corrections and alphabetical order. These include the following: <ul style="list-style-type: none"><li>(a) Substitution of terms used to be consistent with the terms used in the UT Guidelines i.e. "Shariah-compliant fund" with "Islamic fund", "debentures" with "debt securities", etc.;</li><li>(b) Global change in drafting i.e. adding the word "the" before "Securities Commission Malaysia", and "Bhd" is replaced with "Berhad".</li></ul>
4.	Save for editorial or housekeeping amendments, no amendments were made to the following parts in the Guidelines: <ul style="list-style-type: none"><li>(a) Part III – Content of Prospectus for Listed Funds;</li><li>(b) Part IV – Content of Abridged Prospectus;</li><li>(c) Part V - Supplementary/Replacement Prospectus; and</li><li>(d) Part VII – Prospectus Related Guidelines for Listed Funds.</li></ul>

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<b>(B) Amendment Highlights</b>			
<b>No.</b>	<b>Prior To 21 December 2021</b>	<b>Revised Version Dated 21 December 2021</b>	<b>Comment</b>
<b>Part I – Chapter 1: Introduction</b>			
1.	–	Paragraph 1.06	New paragraph inserted to incorporate the Guidance to the Guidelines.
<b>Part I – Chapter 2: Definitions And Interpretations</b>			
2.	Paragraph 2.01	Paragraph 2.01	<p>Inserted new definition of “country-specific government bond or fixed income fund” pursuant to the introduction of a new sub-category for fixed income or bond fund in the UT Guidelines.</p> <p>Inserted new definition of “ISSBNT” to provide for Islamic securities selling and buying negotiated transactions.</p> <p>Inserted new definition of “repurchase transactions” to provide better clarity.</p> <p>Amended definition of “SC” pursuant to the deletion of the term “SCMA”.</p> <p>Deleted definition of “SCMA” as the term is not being used in these Guidelines.</p>

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			<p>Inserted new definition of "securities lending" following liberalisation of new permissible activities of a fund.</p> <p>Inserted new definition of "securities lending and repurchase transactions" to provide better clarity and to cover both conventional and Shariah-compliant transactions.</p>
<b>Part II – Chapter 1: Cover Page</b>			
3.	–	Paragraph 1.05	New paragraph inserted to provide for the requirement for the disclosure of warning statement to inform investors of the risk they may be exposed to when investing in a fund that pays distribution out of capital.
<b>Part II – Chapter 3: Table Of Contents, Definitions and Directory</b>			
4.	Paragraph 3.04	Paragraphs 3.04 and 3.05	Amended paragraphs to provide better clarity and to allow for incorporation by reference.
<b>Part II – Chapter 4: The Fund</b>			
5.	Paragraphs 4.02(f)(i) and (ii)	Paragraphs 4.02(f)(i) and (ii)	Amended paragraphs to provide better clarity, incorporate the disclosure requirement for a country-

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			specific bond or fixed income fund and remove the mandatory disclosure for the policy on active and frequent trading of securities.
6.	Paragraph 4.02(g)	Paragraph 4.02(g)	Amended paragraph to provide for the disclosure on derivatives or embedded derivatives.
7.	–	Paragraph 4.02(h)	New paragraph inserted to provide for the disclosure requirements on securities lending and repurchase transactions.
8.	–	Paragraph 4.02(i)	New paragraph inserted to provide for the disclosure requirements on collateral policy and criteria.
9.	Paragraph 4.02(h)	Paragraph 4.02(j)(iii)	Amended paragraph to provide for the disclosure pertaining to liquidity risks.
10.	Paragraph 4.02(k)	Paragraph 4.02(k)	Amended paragraph to provide for the disclosure on liquidity risk management.

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11.	–	Paragraph 4.02(q)	New paragraph inserted to provide for the disclosure of distribution out of capital.
12.	Paragraph 4.02(o)	Paragraph 4.02(r)	Amended paragraph to provide better clarity as the requirement for a fund’s performance benchmark is optional for certain funds.
13.	–	Paragraph 4.02(t)	New paragraph inserted to codify expectation on the disclosure of cross trades.
14.	–	Paragraph 4.02(u)	New paragraph inserted to codify expectation that additional warning is provided in the event there is reference to capital preservation in the disclosure.
15.	Paragraph 4.02(r)(i)	Paragraph 4.02(w)(i)	Amended paragraph for editorial purpose and to provide better clarity.
<b>Part II – Chapter 5: Fees, Charges and Expenses</b>			

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16.	Paragraph 5.07	Paragraph 5.07	Amended paragraph to provide for the disclosure requirement of the management company's policy on rebates and soft commissions received.
<b>Part II – Chapter 6: Transaction Information</b>			
17.	–	Paragraph 6.06	New paragraph inserted to provide for the disclosure requirement in relation to incorrect pricing.
18.	–	Paragraph 6.07	New paragraph inserted to provide optional requirement to foreign funds in the event there are no such requirements in the jurisdictions where the funds are primarily regulated.
19.	–	Paragraph 6.08	New paragraph inserted to codify the disclosure requirement on material costs involved in acquiring or disposing fund's assets.
20.	–	Paragraph 6.10	New paragraph inserted to provide for the disclosure requirement in allowing variable price funds to have non-daily dealing as part of a fund's liquidity risk management.

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21.	–	Paragraph 6.11	New paragraph inserted to provide for the disclosure requirements in allowing the use of suspension and deferment of redemption of units as part of a fund's liquidity risk management.
22.	–	Paragraph 6.12	New paragraph inserted to provide the disclosure requirement in relation to dealing with redemptions.
23.	Paragraph 6.09	Paragraph 6.15	Amended paragraph to allow management company to specify circumstances in which it may terminate the fund, provided it is in the best interest of unit holders.
<b>Part II – Chapter 7: The Management Company</b>			
24.	Paragraph 7.03	-	Deletion pursuant to removal of requirement for investment committee.
25.	Paragraph 7.04	Paragraph 7.03	Amended paragraph for editorial purpose and the removal of requirement for a panel of advisers.

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26.	Paragraph 7.07	Paragraph 7.06	Amended paragraph due to removal of requirements for investment committee and panel of advisers.
27.	–	Paragraph 7.07	New paragraph inserted to provide for incorporation of disclosure by reference to the management company's website.
<b>Part II – Chapter 11: Related-Party Transactions and Conflict of Interest</b>			
28.	Paragraph 11.03	-	Deleted
<b>Part II – Chapter 15: Documents Available For Inspection</b>			
29.	Paragraph 15.01	Paragraph 15.01	Amended paragraph to provide for the requirement that it is no longer mandatory for a prospectus of an open-ended fund to have an expiry date.
<b>Part II – (Previous) Chapter 19: Specific Requirements For Capital Protected Funds</b>			
30.	Paragraphs 19.01 to 19.06	[Deleted]	Deleted pursuant to the prohibition on the use of the term "capital protected".



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<b>Part II – (New) Chapter 19: Specific Requirements For Feeder Funds</b>			
31.	Paragraph 20.02	Amended paragraph 19.02	Amended paragraph for editorial purpose and to clarify that the information required is on collective investment scheme which a feeder fund will invest in.  New Paragraph (g) inserted to require disclosure on the target fund’s redemption policy and how the redemption policy may impact the dealing of redemptions of the feeder fund, if necessary.
32.	–	Paragraph 19.06	New paragraph inserted to provide for disclosure requirement for investment in an ETF by a feeder fund.
<b>Part II – (New) Chapter 20: Specific Requirements For Real Estate Investment Trusts</b>			
33.	Paragraph 21.04	Amended paragraph 20.04	Amended paragraph to provide better clarity.
34.	Paragraph 21.06(a)	Paragraph 20.06(a)	Amended paragraph for editorial purpose and for better clarity.

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<b>Part VI – Chapter 1: General</b>			
35.	Paragraph 1.03	Paragraph 1.03	Amended paragraph to provide for the expansion on the mode of electronic submission and to provide for other methods which the SC may specify.
36.	-	Paragraph 1.08	New paragraph inserted to provide clarity that all checklists mentioned in Part Vi of the Guidelines are available on SC's website.
<b>Part VI – Chapter 2: Registration Of An Unlisted Fund's Prospectus</b>			
37.	Paragraph 2.02 and 2.03	Paragraph 2.02 and 2.03	Amended paragraphs for editorial purpose.
<b>Part VI – Chapter 3: Registration of a Listed Fund's Prospectus</b>			
38.	Guidance to Paragraph 3.01	Paragraph 3.02	Amended paragraph to provide better clarity.

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<b>Part VI – Chapter 4: Lodgement of a Prospectus</b>			
39.	Paragraphs 4.01(a)(iii) and (c)	Paragraphs 4.01(a)(iii) and (c)	Amended paragraphs to ensure consistency with the requirement in Paragraph 1.03, Part VI of these Guidelines.
<b>[New] Part VIII – Guidance</b>			
40.	-	Guidance	Part III is incorporated pursuant to Paragraph 1.06.