

SECTION A

GENERAL REQUIREMENTS

Chapter 1

INTRODUCTION

- 1.01 The *Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework* (Guidelines) is issued by the Securities Commission Malaysia (SC) pursuant to section 377 of the *Capital Markets and Services Act 2007* (CMSA).
- 1.02 These Guidelines set out the requirements that must be observed for the purposes of exclusively making available unlisted capital market products to the persons described in paragraph 1 of Part 1, Schedule 5 of the CMSA.
- 1.03 For the purposes of these Guidelines, unlisted capital market products shall not include shares¹ and real estate investment trusts.
- 1.04 These Guidelines are divided into the following four sections:
- (a) **Section A** sets out the general requirements on the Lodge and Launch framework that apply to all unlisted capital market products and Responsible Party;
 - (b) **Section B** sets out the specific requirements for each type of unlisted capital market products' structure, the roles and responsibilities of the Responsible Party and their continuous obligations, and revision to information lodged;
 - (c) **Section C** [Deleted]; and
 - (d) **Section D** sets out the transitional provisions that apply to unlisted capital market products which have been approved or authorised by the SC prior to the Lodge and Launch framework.

¹ For the purpose of these Guidelines, 'shares' includes any right, option or interest in respect thereof.

- 1.05 In relation to the making available of unlisted capital market products to persons described in paragraph 1 of Part 1, Schedule 5 of the CMSA, the following guidelines are superseded:
- (a) *Guidelines on Wholesale Funds;*
 - (b) *Guidelines on the Offering of Structured Products;*
 - (c) *Guidelines on Private Debt Securities;*
 - (d) *Guidelines on Sukuk;* and
 - (e) *Guidelines on the Offering of Asset-backed Securities.*
- 1.06 These Guidelines are in addition to and not in derogation of any other guidelines issued by the SC or any requirements as provided for under securities laws.
- 1.06A To assist with the interpretation of the requirements under these Guidelines and their application, Guidance has been inserted, where appropriate. Any action or conduct which departs from the Guidance will be taken into account by the SC in determining compliance with these Guidelines.
- 1.07 The SC may, upon application, grant an exemption from or a variation to the requirements of these Guidelines if the SC is satisfied that—
- (a) such variation, if granted is not contrary to the intended purpose of the relevant provision in these Guidelines; or
 - (b) there are mitigating factors which justify the said exemption or variation.
- 1.08 The approval for exemption or variation under paragraph 1.07 above must be obtained prior to lodgement.
- 1.09 Failure to comply with the requirements of these Guidelines will be taken into account in the fit and proper assessment of the licensed and registered persons.

Lodge and Launch Framework

- 1.10 The Lodge and Launch framework seeks to promote process efficiency, shorten time to market and provide certainty to product offering.
- 1.11 Under the Lodge and Launch framework, unlisted capital market products will not require the SC's approval, authorisation or recognition under section 212 of the CMSA, provided all the requirements under these Guidelines are complied with.

Lodge

- 1.12 'Lodge' refers to the submission of information and documents as may be specified by the SC. Such information and documents must be true, complete and accurate.
- 1.13 For each product, the Lodgement Party is required to lodge the relevant information and documents with the SC prior to the launching of the product.
- 1.14 The information and documents that must be lodged with the SC as required under these Guidelines are set out in the Lodgement Kit.
- 1.15 Each lodgement must be accompanied by the relevant fees prescribed by the SC.

Launch

- 1.16 'Launch' refers to the—
- (a) making available;
 - (b) offering for subscription or purchase of; or
 - (c) issuing of an invitation to subscribe for or purchase,
- an unlisted capital market product and includes any issuance, publication or release of any information, notice or advertisement in respect of any of the act specified above.

- 1.17 An unlisted capital market product must be launched within the timeframe, if any, as specified under Section B of these Guidelines. If the unlisted capital market product is not launched within the specified timeframe, the lodgement will be null and void.
- 1.17A A new lodgement must be made by the Lodgement Party accompanied by the relevant fees, before such product can be launched.

Revision

- 1.18 Any revision to the information or documents originally lodged with the SC must be made by the Lodgement Party.
- 1.19 Such Lodgement Party must immediately make a revision upon becoming aware of any change or a likelihood of any change that may render any information or document lodged with the SC or provided to investors to be false, misleading or contain any material omission.
- 1.20 All the information and documents of the initial lodgement remain valid and effective to the extent that such information or documents have been revised pursuant to any subsequent lodgement in accordance with the requirements under these Guidelines. In the event of any conflict or inconsistency between any information contained in the initial lodgement and the subsequent lodgement, the information or documents in the subsequent lodgement shall prevail.
- 1.21 Such Lodgement Party must have in place relevant systems, procedures and operational arrangements to ensure that it is, at all times, aware of changes to the information or documents lodged with the SC.
- 1.22 In addition to the requirements above, the Lodgement Party must comply with requirements for revision under Section B of these Guidelines.
- 1.23 Each revision must be accompanied by the fees prescribed by the SC.

Chapter 2

DEFINITIONS

2.01 Unless otherwise defined, all words used in these Guidelines shall have the same meaning as defined in the CMSA. In these Guidelines, unless the context otherwise requires –

ACMF	means the ASEAN Capital Markets Forum
adviser	means an adviser as described in the <i>Guidelines for the Offering, Marketing and Distribution of Foreign Funds</i> ;
assets	in relation to ABS, means such assets which are the subject matter of a securitisation transaction and satisfy all criteria as stipulated in these Guidelines;
asset-backed securities or ABS	means corporate bonds or sukuk that are issued pursuant to a securitisation transaction. Such ABS shall exclude any corporate bonds or sukuk with convertible or exchangeable features; Examples of such excluded securities include exchangeable bonds and corporate bonds or sukuk with attached warrants;
business day	means a day on which commercial banks settle payments in Kuala Lumpur;
CMSL	means a Capital Markets Services Licence granted to a person pursuant to section 61 of the CMSA;
collective investment scheme	means any arrangement where— (a) it is made for the purpose, or having the effect of providing facilities for persons to participate in or receive profits or income arising from the acquisition,

holding, management or disposal of securities, derivative or any other property (hereinafter referred to as scheme's assets) or sums paid out of such profits or income;

- (b) the persons who participate in the arrangements do not have day-to-day control over the management of the scheme's assets; and
- (c) the scheme's assets are managed by an entity who is responsible for the management of the scheme's assets and is approved, authorised or licensed by a securities regulator to conduct fund management activities.

commercial paper or CP has the meaning assigned to it under the Operational Procedures for Securities Services issued by Bank Negara Malaysia;

corporate bonds means debentures as defined in the CMSA but do not include structured product;

credit enhancement in relation to ABS, means one or more arrangements within a securitisation transaction to enhance the credit rating of the ABS issue by, for example, the provision of a cash collateral, profit retention, third party guarantee, over collateralisation, etc;

debt programme means a facility which allows multiple issues, offers or invitations to subscribe or purchase MTNs, CPs or a combination of CPs and MTNs, within an availability period which is disclosed to the SC and bondholders;

digital assets means a digital currency or a digital token;

digital currency means a digital currency that is prescribed as securities under the *Capital Markets and Services (Prescription of*

Securities)(Digital Currency and Digital Token) Order 2019;

digital token	means a digital token that is prescribed as securities under the <i>Capital Markets and Services (Prescription of Securities)(Digital Currency and Digital Token) Order 2019;</i>
disclosure document	means a document as described in the <i>Guidelines on Disclosure Documents;</i>
eligible market	means an exchange, government securities market or an over-the-counter (OTC) market– (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or a substantial number of market participants; and (c) on which financial instruments are regularly traded;
Exempt Regime	has the meaning assigned to it under the Bursa Malaysia Main Market Listing Requirements;
foreign currency-denominated corporate bonds or sukuk through a roadshow	means foreign currency-denominated corporate bonds or sukuk that are– (a) issued by a foreign issuer; (b) not originated in Malaysia; and (c) issued or offered to investors in Malaysia and at least one other country or an invitation to subscribe or purchase made to investors in Malaysia and at least one other country;
Foreign Exempt Scheme	has the meaning assigned to it in the <i>Guidelines for the Offering, Marketing and Distribution of Foreign Funds;</i>
fund management company	means a holder of a Capital Markets Services Licence for the regulated activity of fund management in relation to portfolio management;

IEO operator	has the meaning assigned to it in the <i>Guidelines on Digital Assets</i> ;
interested person	has the meaning assigned to it in the <i>Guidelines on Trust Deeds</i> ;
investment account	has the meaning assigned to it in the <i>Islamic Financial Services Act 2013</i> ;
IOSCO	means International Organization of Securities Commissions;
issuer	means any person who makes available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase an unlisted capital market product;
licensed bank	has the meaning assigned to it in the <i>Financial Services Act 2013</i> ;
licensed investment bank	has the meaning assigned to it in the <i>Financial Services Act 2013</i> ;
licensed Islamic bank	has the meaning assigned to it in the <i>Islamic Financial Services Act 2013</i> ;
Lodgement Kit	means a manual that provides for the relevant information and documents that must be lodged with the SC as required under these Guidelines;
Lodgement Party	means the Responsible Party specified in Section B of these Guidelines who is required to lodge the relevant information and documents with the SC;
medium-term note or MTN	has the meaning assigned to it in the Operational Procedures for Securities Services issued by Bank Negara Malaysia;

NAV	in relation to a wholesale fund, means the net asset value of the fund, that is the value of all the fund's assets less the value of all the fund's liabilities, at the point of valuation;
Obligor	means an entity that is contractually obliged to honour the financial obligations of an issuer;
operator	has the meaning assigned to it in the <i>Guidelines for the Offering, Marketing and Distribution of Foreign Funds</i> ;
originator	in relation to ABS, means any entity that is seeking to transfer or dispose of its assets to a special purpose vehicle (SPV) in a securitisation transaction;
principal adviser	has the meaning assigned to it in the <i>Licensing Handbook</i> ;
private company	has the meaning assigned to it in subsection 2(1) of the <i>Companies Act 2016</i> ;
private debt notes and Islamic private debt notes	means an instrument as described in paragraph 1.01 of Section B, Part 5, of these Guidelines;
product distributor	means any person who markets and sells a wholesale product, who may or may not be an issuer;
qualified bank	refers to— (a) a licensed bank; (b) a licensed Islamic bank; or (c) a licensed investment bank;

- qualified dealer means a holder of Capital Markets Services Licence for dealing in securities under the CMSA and which is a—
- (a) universal broker as defined in the *Licensing Handbook*;
 - (b) 1+1 broker as defined in the *Licensing Handbook*; or
 - (c) special scheme broker as defined in the *Licensing Handbook*;
- real estate means land and all things that are a natural part of the land as well as things attached to the land both below and above the ground and includes rights, interests and benefits related to the ownership of the real estate, but excludes mineral, or oil and gas assets and resource;
- Representative means a person who is appointed by an operator under the *Guidelines for the Offering, Marketing and Distribution of Foreign Funds*;
- Responsible Party means any person who is accountable or responsible, whether solely or jointly with other persons in the lifecycle of an unlisted capital market product and includes the following:
- (a) The issuer;
 - (b) Persons licensed by, or registered, with the SC;
 - (c) Any person whose profession gives authority to a statement made by him, or is responsible or accountable for having prepared or certified any opinion or statement or report for use in connection with the unlisted capital market product; or
 - (d) Any other persons identified by the issuer as having:
 - (i) authority over, makes or has substantial influence in making, decisions that affect the whole or a part of the lifecycle of the unlisted

capital market product; or

- (ii) a significant role, function, accountability or responsibility in relation to an unlisted capital market product;

securitisation	in relation to ABS, means an arrangement which involves the transfer of assets or risks to a third party where such transfer is funded by the issuance of corporate bonds or sukuk to investors. Payments to investors in respect of such corporate bonds or sukuk are principally derived, directly or indirectly, from the cash flows of the assets;
servicer	in relation to ABS, means any entity that is undertaking to administer the assets or perform such other services on behalf of the special purpose vehicle as may be required in a securitisation transaction;
Shariah adviser	has the meaning assigned to it in the <i>Guidelines on Islamic Capital Market Products and Services</i> ;
sophisticated investor	means any person who:- (a) is determined to be a sophisticated investor under the <i>Guidelines on Categories of Sophisticated Investors</i> ; or (b) acquires any capital market product specified under these Guidelines where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise ¹ ;

¹ To be read together with Technical Note No.1/2024.

structured product means any investment product that falls within the definition of “securities” under the CMSA and which derives its value by reference to the price or value of an underlying reference;

sukuk means certificates of equal value evidencing undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Shariah Advisory Council.

For avoidance of doubt, sukuk does not include sukuk issued by –

- (a) the Federal Government;
- (b) any State Government; or
- (c) Bank Negara Malaysia;

sukuk programme means a facility which allows multiple issues, offers or invitations to subscribe or purchase Islamic MTNs, Islamic CPs or a combination of Islamic CPs and Islamic MTNs, within an availability period which is disclosed to the SC and sukuk holders;

system means such system specified by the SC for the purposes of lodgement;

underlying reference means any security, index, currency, commodity or other assets or reference, or combination of such assets or reference;

unlisted capital market product means a capital market product, whether manufactured or issued in or outside Malaysia that is not listed and traded on the stock exchange, or traded on the derivatives exchange, in Malaysia.

For the purpose of these Guidelines, “unlisted capital market

product” includes corporate bonds or sukuk under the Exempt Regime;

wholesale fund means a unit trust scheme established where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to sophisticated investors and any other person as may be determined by the SC.

Chapter 3

RESPONSIBLE PARTY

3.01 A Responsible Party must–

- (a) carry out its roles and responsibilities in relation to the unlisted capital market product;
- (b) discharge its functions with integrity, due care, knowledge, skill and diligence;
- (c) declare any conflict of interest, actual or potential, and effectively manage them in the best interest of the investors; and
- (d) have in place policies and processes to identify, monitor, manage and mitigate conflict of interest that are appropriate to the nature, scale and complexity of its business. Such policies and processes must be continuously reviewed to ensure their continued effectiveness.

3.02 A Responsible Party who is aware of any change or a likelihood of any change, that may render any information or document lodged with the SC or provided to investors to be false, misleading or contain any material omission, must immediately notify the Lodgement Party to enable the Lodgement Party to make the necessary revision.

3.03 No person shall frustrate or impede the performance of the roles and responsibilities of a Responsible Party.

Specific requirements applicable to a Lodgement Party

3.04 The Lodgement Party must identify all other Responsible Parties accountable or responsible in the lifecycle of an unlisted capital market product. In the event a

Responsible Party ceases to be accountable or responsible for any of the roles or responsibilities relating to a product, the Lodgement Party must identify a new Responsible Party to undertake such role and responsibility.

- 3.05 All Responsible Parties must declare their respective roles and responsibilities in relation to the unlisted capital market product.
- 3.06 The lodgement of such information under paragraphs 3.04 and 3.05 above must be made by the Lodgement Party.
- 3.07 There must be a Lodgement Party at all times throughout the lifecycle of an unlisted capital market product.
- 3.08 In the event that the Lodgement Party is replaced by another party, the latter must undertake the roles and responsibilities of a Lodgement Party and shall be responsible for any information or document lodged subsequent to its appointment.