

# KEY DEVELOPMENTS

## HIGHLIGHTS

- As at end of Q3 2022, the size of the Malaysian bond and sukuk market stood at RM1.85 trillion, which represented an increase of 7.6% from Q3 2021.
- The SC issued the revised PRS Guideline, ETF Guidelines, PCIS Guidelines, and LOLA Guidelines, which took effect on 1 September 2022.
- On 18 August 2022, the SC organised a workshop with key stakeholders in the retirement ecosystem to discuss potential policies and product frameworks to address Malaysia's retirement adequacy issue.
- On 23 August 2022, the scope of the SRI Sukuk and Bond Grant Scheme (Grant) was expanded to include issuances under the SRI-Linked Sukuk Framework to facilitate companies raising sukuk to meet their sustainable finance needs, as well as to low-carbon activities.
- To further increase awareness and attract more retail investors' participation of SRI in East Malaysia, two sessions on SRI were held at Bersama InvestSmart®@ Sarawak 2022 on 17 and 18 September 2022.
- The MCII 2022 was launched by the former Minister of Finance, YB Senator Tengku Datuk Seri Utama Zafrul at the Institutional Investors Council Malaysia – Securities Industry Development Corporation (IIC-SIDC) Corporate Governance Conference 2022 held at the SC on 23 September 2022.

## CORPORATE BOND AND SUKUK ISSUANCES

At the end of Q3 2022, the size of the Malaysian bond and sukuk market stood at RM1.85 trillion. This represented a 7.6% increase from the corresponding period in 2021. Government bonds accounted for RM1.04 trillion or 56.2% of total bonds outstanding while corporate bonds constituted the remaining amount of RM802 billion or 43.8%. Total outstanding sukuk stood at RM1.18 trillion or 63.8% of the total bond market (Q3 2021: RM1.10 trillion).

Issuance of corporate bonds amounted to RM31.3 billion in Q3 2022. Of this total, 81.6% comprised sukuk issues while conventional bonds constituted the remaining 18.4%. Total issuance in the corresponding period in 2021 amounted to RM25.2 billion.

Foreign investment in the bond market as at September 2022 amounted to RM255 billion, which represented an increase of 1.6% from the corresponding period in 2021. Total foreign investment is presently equivalent to 13.8% of total outstanding bonds.

## LAW REFORM AND SECURITIES REGULATION .....

### Amendments pursuant to liberalisation of the unit trust framework

In line with the liberalisation measures to enable retail funds to invest in and offer a wider range of investment instruments and activities, the SC issued the following revised guidelines, which took effect on 1 September 2022.

- (a) PRS Guidelines.
- (b) ETF Guidelines.
- (c) PCIS Guidelines; and
- (d) LOLA Guidelines.

The amendments were pursuant to the revised unit trust fund framework issued on 21 December 2021, whereby the liberalisation provides flexibility to management companies to develop more innovative products while ensuring adequate investor protection, which in turn enhanced the competitiveness and operational efficiency of unit trust funds.

Key amendments to the above-mentioned guidelines include the following:

- (a) Liberalisation of requirements on investments to be on par with other major fund jurisdictions i.e., Ireland, Luxembourg, Hong Kong, and Singapore.
- (b) Strengthening requirements in relation to obligations, disclosure and responsibilities of unit trust management companies, PRS providers and ETF managers.

- (c) Enhancing funds' operational and management requirements to align with international standards; and
- (d) Providing operational flexibility by enabling online submission of documents to the SC, which will be specified in respective forms published on the SC's website.

### Amendments to the BMDC Participant's Manual in relation to the enforceability and certainty of Standby Letter of Credit for the central counterparty i.e., BMSC and BMDC

On 14 July 2022, the SC approved amendments to the BMD CP Manual to ensure the enforceability and certainty of Standby Letter of Credit (SBLC) issued for the trading of derivatives as follows:

- (a) To allow any of the specified banks to issue an SBLC or provide confirmation for SBLC issued by a foreign bank. The confirming bank will provide an undertaking to pay to Bursa Malaysia without recourse if demand is presented in accordance with the terms of the SBLC; and
- (b) To allow foreign banks in approved jurisdictions to issue the SBLC under the new Issuing-Confirming Bank model. This would be rolled out in phases starting with banks operating in Singapore.

These amendments took effect on 28 July 2022.

## **Amendments to BMS Participating Organisations' Directives and Guidance and Participating Organisations' Trading Manual in relation to the exemption of ETF units from the total net short position threshold**

The SC approved amendments to the *Bursa Malaysia Securities Bhd Participating Organisations' Directives and Guidance* (BMS Directives) and *Participating Organisations' Trading Manual* (BMS Trading Manual) on 20 July 2022 to exempt ETF units from the total net short position threshold of 10% conducted under Permitted Short Selling (PSS) by ETF market makers. The PSS threshold for ETF market makers has increased to 100% of the outstanding units of the ETF. The new threshold would enable the ETF market makers to fulfil their market making obligations.

These amendments took effect on 29 August 2022.

## **Amendments to the BMD Rules and Directives, BMDC Directives, BMD Trading Manual and BMD CP Manual in relation to the Revision of the FGLD**

On 12 August 2022, the SC approved amendments to the BMD Rules and Directives, BMDC Directives, BMD Trading Manual and BMD CP Manual in support of Bursa's effort to revamp the FGLD Contract and increase the accessibility of the FGLD Contract to foreign investors.

The key amendments, which were intended to enhance the FGLD Contract's attractiveness to foreign investors and market makers, include the following:

- (a) To allow for the quotation of the FGLD Contract in US dollars instead of Malaysian Ringgit (MYR) with settlement in MYR based on a fixed rate; and

- (b) To revise the trading hours for the afternoon session to account for daylight saving and to extend the trading hours to the after-hours night session.

These amendments took effect on 19 September 2022.

## **Amendments to Bursa Malaysia's Main Market Listing Requirements and ACE Market Listing Requirements**

The SC approved Bursa Malaysia's proposal for amendments to the *Main Market Listing Requirements* and *ACE Market Listing Requirements* (collectively referred to as 'Listing Requirements') in relation to the enhanced sustainability reporting by listed issuers on 7 September 2022.

The amendments to the Listing Requirements aimed to—

- (a) improve the quality and comparability of sustainability disclosures.
- (b) ensure sustainability disclosures address the information needs of listed issuers' stakeholders.
- (c) align disclosure requirements with international best practices; and
- (d) promote the adoption of sustainable business practices by listed issuers.

Bursa Malaysia issued the amendments to the Listing Requirements on 26 September 2022 with the relevant prescribed effective dates for Main Market and ACE Market companies.

## Amendments to the BMD Rules and BMD CP Manual in relation to the Introduction of Alternative Delivery Procedures for three Commodity Futures Contracts

The SC approved the amendments to the BMD Rules and BMD CP Manual on 8 September 2022 to introduce Alternative Delivery Procedures (ADP) for the three commodity futures contracts namely Ringgit Malaysia Denominated Crude Palm Oil Futures Contract, Crude Palm Kernel Oil Futures Contract, and Ringgit Malaysia Denominated East Malaysia Crude Palm Oil Futures Contract. This would allow flexibility for market participants to renegotiate delivery terms to make them more compatible with their physical business operations.

The ADP feature was initially introduced for the United States Dollar Denominated Refined, Bleached and Deodorized Palm Olein Futures Contract in 2018.

These amendments took effect on 26 September 2022.

## Amendments to the BMD Trading Manual in relation to Inter-commodity Spread

On 19 September 2022, the SC accepted Bursa Malaysia's notification on amendments made to the BMD Trading Manual to allow traders to execute an inter-commodity spread trading strategy between Ringgit Malaysia Denominated Crude Palm Oil Futures Contract and Ringgit Malaysia Denominated East Malaysia Crude Palm Oil Futures Contract. The amendments were made to provide the codes for the trading of inter-commodity spread in the execution of transactions on BMD. These amendments took effect on 3 October 2022.

## MARKET DEVELOPMENT

### Enhancement of the Sustainability Reporting Framework for listed issuers

1. Bursa Malaysia announced the enhanced Sustainability Reporting Framework (SRF) on 26 September 2022. The review of the SRF follows the need to–
  - (a) improve the quality and comparability of sustainability disclosures by listed issuers and ensure that such disclosures address the information needs of relevant stakeholders;
  - (b) align the disclosure requirements with international best practices; and
  - (c) promote the adoption of sustainable business practices by listed issuers.
2. Under the enhanced framework, listed issuers in the Main Market are expected to disclose information on–
  - (a) a set of common sustainability matters and indicators deemed material across all sectors;
  - (b) climate risks and opportunities that are aligned with the recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD);
  - (c) data and performance targets (if any) on the indicators of at least three years in a prescribed format; and
  - (d) whether the Sustainability Statement of the company has been subjected to internal review by internal auditors or independently assured.

For the ACE Market, listed issuers will be required to disclose the above, except for item 2(b) whereby listed issuers on the ACE Market are required to disclose a basic transition plan towards a low-carbon economy.

Cognisant of the challenges of adapting to the new disclosure requirements, the enhanced SRF accords reasonable grace period for listed issuers in the Main Market and ACE Market to comply with the requirements.

### **Application of Behavioural Insights to encourage retirement planning**

On 18 August 2022, the SC organised a workshop key stakeholders in the retirement ecosystem to discuss potential policies and product frameworks to address Malaysia's retirement adequacy issue. The workshop focused on the application of behavioural insights – an approach that applies behavioural sciences to develop policies and solutions to encourage retirement planning. Attendees included senior representatives from the PRS providers, employers, digital services, and government agencies. The discussions centred around behavioural factors that influenced retirement savings decisions of Malaysians, and potential projects that can be piloted to empower Malaysians to save more for retirement.

Subsequently, the SC will collaborate with relevant stakeholders to prioritise pilot projects that would encourage retirement planning and savings among Malaysians.

### **Roundtable on Catalysing Malaysian High Growth Opportunities**

On 18 July 2022, the SC together with EY, Malaysian Digital Economy Corporation (MDEC) and Cradle Fund organised a roundtable on Catalysing Malaysian High Growth Opportunities. The session saw

participation from government-linked investment companies (GLICs), corporate venturing units, venture capital and private equity firms. The discussion focused around issues concerning the private markets, particularly on encouraging start-up investments, growing the investor community, improving pipeline of quality deal flow and exploring potential alignments between stakeholders in the ecosystem.

### **Private wealth and institutional investor visit to the SC**

On 11 August 2022, the SC hosted several family offices and institutional managers, both foreign and local, at a roundtable discussion. The session was organised by Penjana Kapital and joined by former Minister of Finance, YB Senator Tengku Datuk Seri Utama Zafrul. The aim is to promote Malaysia as an investment destination, understand viewpoints and needs of foreign private wealth to establish a presence in Malaysia, and share insights and experience on investing in Malaysia by current fund managers.

### **Capturing opportunities in the growing environmental, social and governance movement: FTSE4Good Bursa Malaysia Index Futures on Bursa Malaysia**

On 28 September 2022, the SC granted the BMD Approval-in-Principle (AIP) for the introduction of the FTSE4Good Bursa Malaysia Index Futures (F4GM) contract. This is in line with the clear shift to environmental, social and governance (ESG) investing globally and the growing acceptance of such investments in Malaysia.

The F4GM contract will be the first ESG-themed index futures contract available on the derivatives exchange. It is designed to help with the price discovery of ESG assets and caters to investors who have embraced sustainability-themed products and are seeking ways to address risks associated with their current portfolios.

The contract is aligned with the nation's sustainability agenda and complements current initiatives such as the implementation of Malaysian Sustainable Palm Oil (MSPO) Certified Physical Delivery for palm oil on the exchange and the proposed launch of a voluntary carbon market. BMD is currently operationalising the AIP and targets to launch the contract by end 2022.

### **Streamlining the proprietary trading framework for the securities market**

On 28 September 2022, the SC granted BMS the approval-in-principle to streamline the proprietary trading structures for the securities market. This will simplify the framework for proprietary trading and intraday short selling.

Currently, brokers can execute intraday short sell using their investment account (IVT) or through the proprietary day trader (PDT). When the suspension on intraday short selling (IDSS) was uplifted in January 2022, the IDSS flexibilities and controls have also been streamlined. Given that these trading activities are housed under the broker's proprietary accounts, Bursa Malaysia proposed to harmonise the proprietary trading structures where PDTs will be subsumed into the IVT structure. Consequently, the PDT together with the PDT short sale framework will be discontinued.

BMS will make the necessary changes to its rules to effect the above. Additionally, to ensure that there will be no disruption to the market, the Participating Organisations and PDTs will be given sufficient time to adapt to this change.

## **Sustainable and responsible investment**

### **Joint Committee on Climate Change**

On 29 August 2022, the 8<sup>th</sup> meeting of the Joint Committee on Climate Change (JC3) was held where JC3 members discussed the updates on ongoing work of its sub-committees.

The discussions on the key initiatives included the publication of the first report on the application of the Climate Change and Principle-based Taxonomy (CCPT) to Bank Negara Malaysia (BNM); the *Task Force for Financial Disclosures Application Guide for Malaysian Financial Institutions* which was issued on 29 June 2022; and the development of the Data Catalogue which is targeted to be published by end 2022; the Committee also discussed engagements with various ministries and government agencies on exploring suitable pilot programmes to test new green solutions and instruments such as blended finance to support the development of climate-friendly projects; as well as the expansion of offerings of green products and solutions by financial institutions.

On 29 July 2022, the JC3 co-chairs, engaged with the Ministry of Finance (MOF), Economic Planning Unit (EPU), Ministry of Water and Environment (KASA) and Ministry of Energy and Natural Resources (KeTSA). The key initiatives discussed were the formation of an inter-agency working group for the development of thresholds for ASEAN Taxonomy as well as the pilot projects involving new financial solutions/instruments. Further engagements for follow-up meetings with ministries and relevant stakeholders were held to discuss on potential green pilot projects.

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## Expansion of the SRI Sukuk and Bond Grant Scheme to facilitate sustainable finance

Pursuant to the issuance of the SRI-Linked Sukuk Framework and to further encourage potential issuers, the SC announced the expansion of the SRI Sukuk and Bond Grant Scheme (Grant) on 23 August 2022. The scope of the Grant was expanded to include issuances under the SRI-Linked Sukuk Framework to facilitate companies raising sukuk to meet their sustainable finance needs, as well as to transition to low-carbon activities. With the expansion, issuers of the SRI-Linked sukuk may apply to offset up to 90% of the external review costs incurred, subject to a maximum of RM300,000 per issuance.

Established in 2018, the Grant, formerly known as Green SRI Sukuk Grant Scheme, is also applicable to sukuk issued under the SC's SRI Sukuk Framework and bonds issued under the ASEAN Green, Social and Sustainability Bond Standards.

## PERKUKUH Initiative 11 Sustainable Investing Standards Government-Linked Investment Companies Chief Executive Officer Roundtable Discussion

The SC, as the lead of the PERKUKUH Initiative 11 Working Group (PERKUKUH #11 WG), organised the Sustainable Investing Standards (SIS) Government-Linked Investment Companies (GLICs) Chief Executive Officer (CEO) Roundtable Discussion on 15 September 2022. The SC Chairman delivered the welcome remarks, followed by introductory remarks by the SC's Deputy Chief Executive. The SIS GLICs CEO Roundtable Discussion was chaired by MOF and attendees were representatives from LAKSANA and GLICs<sup>1</sup>.

The SIS GLICs CEO Roundtable Discussion discussed the proposed requirements under the SIS and sought endorsement by the GLICs, following the finalisation of the draft SIS by the PERKUKUH #11 WG, which has been delivered to the MOF for publication and issuance.

## SRI awareness and capacity-building initiatives

The SC organised and conducted awareness and capacity-building initiatives as well as participated as key speakers for several external engagements to further enhance SRI knowledge, awareness and profiling. These initiatives are crucial to further accelerate the growth and development of a facilitative SRI ecosystem in Malaysia.

### i. NaviGate: Capital Market Green Financing Series

The SC continues to organise programmes under the NaviGate: Capital Market Green Financing Series where two programmes were held in Q3 2022.

The first NaviGate programme was an SRI-Linked Sukuk Workshop held on 23 August 2022. This virtual workshop discussed core components of the SRI-Linked Sukuk Framework, issuer's internal framework and developments in Sustainability Linked Sukuk (SLS) and Sustainability Linked Bonds (SLB). The workshop aimed to provide participants with an understanding of the Framework as well as gain insights into the application of SRI-linked sukuk characteristics in sukuk documents and the scope of external reviews.

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<sup>1</sup> GLICs involved in the development of the SIS include Employees Provident Fund, Khazanah Nasional Bhd, Kumpulan Wang Amanah Negara, Kumpulan Wang Persaraan (Diperbadankan), Lembaga Tabung Angkatan Tentera, Lembaga Tabung Haji and Permodalan Nasional Bhd.

The second NaviGate programme was a closed-door forum held on 19 September 2022 in Sarawak, focusing on Financing Sarawak's Sustainable Development through the Malaysian capital market. The programme, which focused on SRI sukuk and SRI-linked sukuk, aimed to highlight the financing avenues available in the Malaysian capital market to facilitate financing for sustainability projects.

## ii. **4<sup>th</sup> Islamic Sustainable Finance and Investment Forum 2022 – Innovating Shariah Compliant Green Financing Solutions to Drive Climate Action**

The 4<sup>th</sup> Islamic Sustainable Finance and Investment Forum (the Forum) jointly organised by Capital Markets Malaysia (CMM) and Red Money Events was held on 28 September 2022. The Forum was supported by local regulators and multilateral stakeholders, bringing together the industry's most influential key players including practitioners, investors, and regulators in a meaningful engagement to further drive the sustainability agenda forward. The SC Chairman delivered the opening address at the forum, highlighting that the collective involvement of like-minded parties is essential to address multi-stakeholder issues and barriers to growth that may arise.

A panel session on 'Positioning ESG and Sustainable Finance and Investment – Policy, Regulation and Action' was moderated by the SC. The session focused on leveraging Islamic finance to meet sustainable investment needs and to facilitate a just transition. It also encouraged the use of innovative Shariah-compliant sustainable finance products and solutions, as well as shared the challenges in driving Islamic sustainable finance.

In addition, the SC also moderated another panel session on 'Innovating Shariah Compliant Green Financing Solutions to Drive

Climate Action: A Session by the JC3 Sub-Committee on Product and Innovation'. The session, which involved speakers from the JC3, focused on leveraging value propositions in Islamic finance towards meeting sustainable development and climate goals through innovative Shariah-compliant sustainable finance products and solutions.

## iii. **Asia Asset Management: 10<sup>th</sup> Annual Malaysia Roundtable**

During the Asia Asset Management: 10<sup>th</sup> Annual Malaysia Roundtable on 26 July 2022, the SC's Deputy Chief Executive, delivered the keynote address based on the theme, 'Sustainability Investing: From Aspirational to Attainable'. The focus of the keynote address was on the initiatives steered by the Malaysian capital market to further accelerate the growth of sustainable investment. More than 100 participants from the asset management industry, including institutional investors and asset owners attended the one-day forum, in-person.

## iv. **Bersama InvestSmart® @ Sarawak 2022**

To further increase awareness and attract more retail participation in SRI from East Malaysia, two sessions on SRI were held at Bersama InvestSmart® @ Sarawak 2022 on 17 and 18 September 2022.

The first session was led by the SC focusing on 'Investing in SRI Funds', to increase awareness on SRI funds' value propositions and the profile of the various SRI fund products available in the market, which are accessible to retail investors.

The second session was delivered by Bursa Malaysia, focusing on 'ESG Investing in the Malaysian Stock Market', to increase awareness on ESG investing in the stock market and its value propositions, and educate investors on ESG index.



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## **CORPORATE GOVERNANCE INITIATIVES** .....

### **Launch of the Malaysian Code for Institutional Investors 2022**

On 23 September 2022, the Malaysian Code for Institutional Investors 2022 (MCII 2022) was launched by the Minister of Finance, YB Senator Tengku Datuk Seri Utama Zafrul at the IIC-SIDC Corporate Governance Conference 2022 held at the SC. The conference was attended by more than 300 directors, Chief Executive Officers (CEOs), and representatives from institutional investors and listed companies in Malaysia.

The review of MCII 2022 is an initiative under the PERKUKUH Working Group 12 which the SC chairs, with members comprising representatives from the IIC and MOF. The MCII 2022 which supersedes the first edition of the code (released in 2014) sets out the broad principles and guidance for effective stewardship by institutional investors. The MCII 2022 comprises seven principles, including one new principle on *Collaborative Response on Corporate Governance and Sustainability Issues*.

In addition, the MCII 2022 introduced a new section, the *Stewardship Spotlight* that highlights key corporate governance and sustainability issues that should be on the engagement agenda between institutional investors and their investee companies as well as voting recommendations on these issues.

### **Signing ceremony – MOU between the SC and Monash University Malaysia and Universiti Malaya**

An MOU signing ceremony was held between the SC and Monash University Malaysia (Monash) and Universiti Malaya (UM) on 18 August 2022 at the SC. Two MOUs were signed between the SC and representatives from Monash's School of Business and UM's Faculty of Law.

The signing of the MOUs formalised the collaboration between the SC and the two universities, which is aligned with the SC's effort to promote early understanding and appreciation of good governance among youth and support their development as future leaders and agents of positive change. Discussions are currently ongoing to organise guest lectures at UM and Monash.

## **AUDIT OVERSIGHT BOARD ACTIVITIES** .....

As at 30 September 2022, a total of 356 individual auditors and 37 audit firms were registered with the AOB. In addition, 12 foreign individual auditors from 4 foreign audit firms were recognised by the AOB. During Q3 2022, the AOB team completed inspections on 5 audit firms.

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## DEVELOPMENT OF ISLAMIC CAPITAL MARKET .....

### Shariah Resolutions

The Shariah Advisory Council (SAC) held three meetings in Q3 2022. Below are the key outcomes of these meetings:

#### **Restructuring of Sukuk Musharakah – Existing Sukuk Musharakah as Capital Contribution in the New Sukuk Musharakah**

The SAC had deliberated on the following issues arising from an industry proposal on the restructuring of sukuk *musharakah* by issuing a new sukuk *musharakah*:

- (i) Whether the existing *sukuk musharakah* may be used as capital contribution in the new sukuk *musharakah*; and
- (ii) Whether *qalb al-dayn* (conversion of an existing debt into a new debt) arises in the situation where the existing sukuk *musharakah* which is terminated through constructive liquidation is converted into the new sukuk *musharakah*.

After due deliberation, the SAC had resolved the following:

#### **(1) Existing sukuk *musharakah* as capital contribution in the new sukuk *musharakah***

The existing sukuk *musharakah* which represents the identified assets under the existing *musharakah* venture may be used as capital contribution in-kind to form a new *musharakah* venture in the new sukuk *musharakah* subject to the following conditions:

- (i) The identified assets under the existing *musharakah* venture shall be assessed in monetary value; and
- (ii) The existing *musharakah* venture is terminated through constructive liquidation.

#### **(2) *Qalb al-dayn* in the situation where the existing sukuk *musharakah* which is terminated through constructive liquidation is converted into the new sukuk *musharakah***

In the restructuring of sukuk *musharakah*, the issue of *qalb al-dayn* does not arise since it does not involve the conversion of an existing debt into a new debt. In such circumstance, the conversion that takes place only involves contribution of asset from the *musharakah* venture in the existing sukuk *musharakah* which is terminated through constructive liquidation into the *musharakah* venture in the new sukuk *musharakah*.

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## Industry Proposals

(a) **Islamic Structured Product Programme – Islamic Callable Range Accrual-i and Islamic Callable Inverse Floater-i**

Two structured product series under an existing Programme namely Islamic Callable Range Accrual-i (CRA-i) and Islamic Callable Inverse Floater-i (CIF-i), to be issued by an Islamic bank was presented to the SAC. The CRA-i and CIF-i were based on the Shariah principles of *musawamah* (via *tawarruq* arrangement), *murabahah* (via *tawarruq* arrangement), *wakalah*, *wa'd* and *ibra'*.

(b) **Islamic Structured Product Programme – Islamic Dual Currency Investment**

There was a proposal on a structured product programme namely the Islamic Structured Product Programme 2 (Programme 2) and the product series under the Programme 2 i.e., Islamic Dual Currency Investment (IDCI) to be issued by an Islamic bank. The IDCI was based on the Shariah principles of *murabahah* via *tawarruq* arrangement, *wa'd* (promise) and *bai' al-sarf* (currency exchange);

(c) **Islamic Structured Product Programme – Securities / Index Linked Islamic Structured Product**

A structured product series under an existing Programme namely Securities/Index Linked Islamic Structured Product (Securities/Index Linked), to be issued by an Islamic bank was presented to the SAC. The Securities/Index Linked was based on the Shariah principles of *musawamah* (via *tawarruq* arrangement) and *murabahah* (via *tawarruq* arrangement).

After due deliberation, the SAC had no objection on above-mentioned proposals.

## Shariah-Compliant Securities Review

The SAC reviewed 9 pre-initial public offering (Pre-IPO) applications, 5 IPOs, 415 listed securities and 1 new security on the LEAP Market in Q3 2022.

## Islamic Capital Market Talent Development

The Islamic Capital Market Talent Development (ICMTD) programme (formerly known as the Islamic Capital Market Graduate Training Scheme (ICMGTS)), is a capacity-building initiative developed by the SC and led by the Securities Industry Development Corporation (SIDC) to facilitate the development of human capital for the ICM. Its main objective is to produce entry level professionals with strong fundamental knowledge and skills for the industry.

The ICMTD programme for cohort 2022 commenced on 12 August 2022 with 40 participants. Following the two-month intensive virtual classroom, selected participants are expected to undergo three months internship at participating companies, starting from mid-November to mid-February 2023.

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## SC-OCIS Strategic Collaborations

### 13<sup>th</sup> SC-OCIS Roundtable 2022

The annual SC and Oxford Centre for Islamic Studies (OCIS) roundtable (Roundtable) aims to advance global thought leadership in Islamic finance. Since its inception in 2010, the Roundtable has been recognised as a strategic platform for intellectual discourse among scholars, industry practitioners, regulators, intermediaries, and investors alike to bring greater awareness and understanding on topical issues relating to Islamic finance globally.

The 13<sup>th</sup> SC-OCIS Roundtable themed 'Shaping a Stakeholder Economy for the Islamic Capital Market' was held from 10 to 11 September 2022 at the OCIS in the United Kingdom (UK). The guest of honour, His Royal Highness Sultan Nazrin Muizzuddin Shah, Sultan of Perak Darul Ridzuan and the Royal Patron for Malaysia's Islamic Finance Initiative, graced the event and delivered a special address.

### Scholar-in-Residence Programme

The Scholar-in-Residence (SIR) Programme is part of the SC's continuous efforts to spur knowledge-building initiative for global development of the ICM. It was set up following a resolution made at the SC-OCIS Roundtable in 2012 and has received global response from various jurisdictions in the past 10 years, representing the diversity and worldwide acceptance of Islamic finance. Under this programme, selected academicians, or practitioners of Islamic finance will take up residence at OCIS, to conduct applied research on a contemporary topic in Islamic finance and ICM.

The SIR Programme 2022/2023 intake received 37 applications from across the globe, and one visiting fellow will be selected to commence residence at OCIS in Q4 2022.

## The Royal Award for Islamic Finance 2022

The Royal Award for Islamic Finance (Royal Award) is a biennial Award, co-organised with BNM since 2010. The award aims to recognise visionary individuals whose outstanding achievements and innovative ideas contribute significantly to the growth of Islamic finance, the global economy, and social progress of communities around the world.

In ensuring The Royal Award continues to be a relevant and significant platform that promotes innovative and sustainable solutions in Islamic finance, two new categories were introduced during Q3 2022, namely the Emerging Leader Prize and Impact Challenge Prize.

The Emerging Leader Prize recognises young international talent who have made outstanding contributions in advancing innovative ideas in the field of Islamic finance. Meanwhile, the Impact Challenge Prize recognises digital and innovative solutions based on Islamic finance principles or Islamic finance enablers, and aims to improve the economic and social resilience of financially impacted communities worldwide. The Impact Challenge Prize is jointly organised with the World Bank Group Inclusive Growth and Sustainable Finance Hub in Malaysia and MDEC.

## INVESTOR EMPOWERMENT

### Investor Empowerment Programmes

Following the country's transition towards the endemic phase of COVID-19 in April 2022, the SC conducted InvestSmart® investor education activities physically to expand its reach to the public. In addition, the SC via InvestSmart® continues its digital initiatives to ensure wider reach across the nation. In Q3 2022, the initiatives conducted by InvestSmart® were:

#### Bersama InvestSmart® @ Sarawak 2022 in Kuching

The SC's flagship investor education event for retail investors in East Malaysia was officiated by Sarawak Premier, YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Tun Abang Haji Openg, witnessed by SC Chairman, Dato' Seri Dr. Awang Adek and Deputy Chief Executive, Datuk Zainal Izlan. It was organised to promote, among others, greater awareness of capital markets products and services, informed investment decisions, awareness of investors' rights and responsibilities, financial and retirement planning and enhanced wealth accumulation. The two-day event featured 28 exhibitors, seminars conducted by leading industry experts and influencers and attracted approximately 11,000 visitors.



Furthermore, the event also featured the #FinPlan4U service desk, which provided the opportunity for the public to obtain a free one-on-one consultation on financial planning. For this initiative, InvestSmart® collaborated with the Financial Planning Association of Malaysia (FPAM) and the Malaysian Financial Planning Council (MFPC).

## InvestSmart® Online Series

In Q3 2022, a total of 127 individuals participated in a webinar entitled 'How Can Robo Advisors Help You to Navigate a Volatile Market?'. The InvestSmart® Online Series webinars allow the public to gain knowledge on the basics of capital market products and services, and guide them on how and where to invest.



## Digital Literacy for Seniors Programme

In the wake of the pandemic, the preventive measures under the MCO impacted business operations and the livelihood of Malaysians at large. There was a concern that the 'silver hair' population may face certain challenges in embracing the technology particularly in using the digital financial services. To address this, the SC introduced the digital inclusion for seniors programme. In Q3 2022, the SC conducted two webinars for seniors on 13 July and 15 August 2022, which was attended by 78 participants.



## Agan Bijak Labur Desa Programme

Agan Bijak Labur Desa (ABJAD) programme is an investor education initiative by InvestSmart®, targeting the rural population in Malaysia. ABJAD aims to create financially literate rural communities by building awareness in relation to investment products and improving their digital literacy.

InvestSmart® identified students and teachers from 14 rural secondary schools to undergo financial literacy and digital literacy modules using a computer assisted e-learning platform. Upon completion, these students will guide identified families to complete the same e-learning modules and subsequently impart their knowledge to other family members. A total of 12,500 participants comprising students, family members and teachers are expected to go through this programme, which will end in March 2023.



InvestSmart® also continued to conduct physical engagements with rural communities since its first engagement on 27 June 2022 in Pulau Redang.

## Face-to-Face Digital Clinic for Urban B40

The Face-to-Face Digital Clinic for Urban B40 is an initiative by InvestSmart® leveraging the MDEC #SayaDigital programme, targeting the urban B40 population nationwide through which MDEC aims to increase digital literacy among Malaysians. In this regard, the SC introduced a new module to create awareness on investment scams and ways to avoid such scams. The digital clinic attracted 1,765 participants to date.



On 23 September 2022, the SC was also invited to speak at MDEC's #SayaDigital Facebook Live titled 'Teknik T.I.P.U. Elak Ditipu Scammer'. The online talk attracted 139 viewers and its recording has since attracted more than 1,000 views.



- My Money & Me Programme 2022 by the MFPC:** The SC once again participated in the MFPC's 'My Money and Me' Programme for 2022. In Q3 2022, the SC was invited to speak at two workshops held virtually on 6 August 2022 and 3 September 2022 respectively. The 'Silap Labur Duit Lebur' session attracted over 850 participants.
- Bursa Virtual Marketplace Fair 2022:** The SC participated as an exhibitor at the Bursa Virtual Marketplace Fair 2022 on 23 July 2022. This is an annual retail investment event organised by Bursa Malaysia to educate and enhance investors' understanding of the stock market. It gathered industry players including participating organisations, financial institutions, and public-listed companies (PLCs). The one-day event featured 15 virtual booths and seminars on topics related to investments, PLCs, and market outlook.



- (c) **Other speaking engagements:** InvestSmart® took part in two other speaking engagements in Q3 2022.

The SC was invited by the Financial Education Network (FEN) to give an anti-scam awareness talk at the 'Seminar Pemantapan Literasi Kewangan' in conjunction with the Majlis Konvokesyen Projek Belia Mahir on 23 August 2022.



On 30 September 2022, the SC was also invited to give a talk on 'Avoid Investment Scams: Learn How' in conjunction with the International Day of Older Persons organised by Hire Seniors.

