



Suruhanjaya Sekuriti
Securities Commission
Malaysia

GUIDELINES FOR THE OFFERING, MARKETING AND DISTRIBUTION OF FOREIGN FUNDS

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1.0 APPLICATION OF GUIDELINES

- 1.01 The *Guidelines for the Offering, Marketing and Distribution of Foreign Funds* (Guidelines) is issued by the Securities Commission Malaysia (SC) under section 377 of the *Capital Markets and Services Act 2007*.
- 1.02 These Guidelines set out the—
- (a) types of foreign funds that may be offered, marketed or distributed in Malaysia;
 - (b) requirements for the offering, marketing or distribution of a foreign fund; and
 - (c) application process for the approval or recognition of a foreign fund, pursuant to any agreement or arrangement between securities regulators including any circular, announcement, notice or guidance issued pursuant thereto, or as otherwise specified by the SC, in relation to the offering, marketing and distribution of foreign funds in Malaysia.
- 1.03 These Guidelines must be read together with other relevant SC guidelines including—
- (a) *Guidelines on Unit Trust Funds*;
 - (b) *Exchange-traded Funds Guidelines*;
 - (c) *Guidelines on Real Estate Investment Trusts*;
 - (d) *Guidelines for Islamic Real Estate Investment Trusts*;
 - (e) *Guidelines for Public Offerings of Securities of Closed-end Funds*;
 - (f) *Guidelines on Wholesale Funds*;
 - (g) *Guidelines on Sales Practices of Unlisted Capital Market Products*;
 - (h) *Prospectus Guidelines for Collective Investment Schemes*;
 - (i) *Guidelines on Marketing and Distribution of Unit Trust Funds*;
 - (j) *Guidelines on Unit Trust Advertisements and Promotional Materials*;
 - (k) *Guidelines on Online Transactions and Activities in Relation to Unit Trusts*;
 - (l) *Principal Adviser Guidelines*;
 - (m) *Guidelines for the Appointment of a Related-Party Trustee*;
 - (n) *Guidelines on Unlisted Capital Market Products: Structured Products and Unit Trust Schemes*; and
 - (o) *Guidelines on Disclosure Documents*.

- 1.04 Save as specifically stated otherwise in these Guidelines, a foreign fund that is listed on an exchange in a foreign jurisdiction may only be offered in Malaysia through a listing and quotation of its units on Bursa Securities. In such instances, these Guidelines must be read together with the relevant provisions in the *Main Market Listing Requirements* of Bursa Securities.
- 1.05 These Guidelines do not apply to the offering, marketing and distribution of a foreign business trust.
- 1.06 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 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.

2.0 DEFINITIONS

- 2.01 In these Guidelines, the following words have the following meanings, unless the context otherwise requires:

ACMF	means the ASEAN Capital Markets Forum.
ACMF NRI MoU	means the memorandum of understanding concerning co-operation and exchange of information on cross-border offers of ASEAN collective investment schemes to non-retail investors.
ACMF Retail MoU	means the memorandum of understanding on streamlined authorisation framework for cross-border public offers of ASEAN collective investment schemes.
ACMF Signatory	means the securities regulator of the ASEAN jurisdiction which has signed the ACMF NRI MoU and/or ACMF Retail MoU.
adviser	means a holder of a CMSL for advising on corporate finance or such other person as may be approved by the SC based on the person's qualification, expertise and experience.
ASEAN CIS	means Qualifying CIS.
authorised	means an authorisation, approval, registration or recognition (as the case may be) granted by a securities regulator in a foreign jurisdiction.

Bursa Securities	means Bursa Malaysia Securities Bhd.
capital market products	has the same meaning assigned to it under the CMSA.
closed-end fund	has the same meaning assigned to it in the <i>Guidelines for Public Offerings of Securities of Closed-end Funds</i> .
CMSA	means the <i>Capital Markets and Services Act 2007 [Act 671]</i> .
CMSL	means a Capital Markets Services Licence granted to a person pursuant to section 61 of the CMSA.
collective investment scheme (CIS)	means, any arrangement where— <ul style="list-style-type: none"> (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, derivatives 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/licensed by a securities regulator to conduct fund management activities.
CUTA	means an institution, a corporation or an organisation of financial planners that is registered as a corporate unit trust adviser with FIMM.
foreign fund or fund	means a CIS that is primarily regulated in a jurisdiction other than Malaysia, whether unlisted or listed on an exchange in that jurisdiction.
FIMM	means Federation of Investment Managers Malaysia, a self-regulatory organisation recognised by the SC under the CMSA.

home jurisdiction	<p>means the jurisdiction in which–</p> <p>(i) a Qualifying CIS is constituted or established, and authorised by the securities regulator of that jurisdiction for offer to the public in that jurisdiction; or</p> <p>(ii) a NRI CIS is constituted or established, and managed by an operator licensed by or registered with the securities regulator of that jurisdiction in accordance with the ACMF NRI MoU,</p> <p>as the case may be.</p>
home regulator	means the securities regulator of the home jurisdiction.
host jurisdiction	<p>means a jurisdiction (other than the home jurisdiction) in which–</p> <p>(i) a Qualifying CIS is offered or to be offered to the public in that jurisdiction; or</p> <p>(ii) a CIS is offered or to be offered to the non-retail investors in that jurisdiction, as the case may be.</p>
host regulator	means the securities regulator of the host jurisdiction.
IUTA	means an institution, a corporation or an organisation that is registered as an institutional unit trust adviser with FIMM.
IOSCO	means the International Organization of Securities Commissions.
IOSCO MMoU	means the IOSCO multilateral memorandum of understanding concerning consultation and co-operation, and the exchange of information among securities regulators.
net asset value (NAV)	means the value of all the fund’s assets less the value of all the fund’s liabilities at the valuation point.
NAV per unit	means the NAV of the fund divided by the number of units in circulation, at the valuation point.
Non-retail Investors (NRI)	refers to the investors as set out under Part I of Schedule 6 and Part I of Schedule 7 of the CMSA.

NRI CIS	means a CIS that is recognised by the SC to be offered, marketed or distributed to Non-retail Investors.
offering document	means a prospectus, disclosure document, information memorandum, or any other document, as the case may be, inviting subscriptions or offering to subscribe for or purchase units of the foreign fund.
operator	means a person that operates or manages, and is responsible for, the foreign fund.
prospectus	has the same meaning assigned to it under section 226 of the CMSA.
Qualifying CIS	means a CIS– <ul style="list-style-type: none"> (a) constituted or established in its home jurisdiction which has been authorised by the home regulator for offer to the public in the home jurisdiction; and (b) has been assessed by the home regulator as suitable pursuant to the Standards of Qualifying CIS to apply to a host regulator for cross-border offering to the public in a host jurisdiction pursuant to the ACMF Retail MoU.
Qualifying CIS Operator	means an operator that complies with the requirements of the Standards of Qualifying CIS.
registered distributor	means an IUTA or CUTA.
related corporation	has the same meaning assigned to it under subsection 2(1) of the CMSA.
securities regulator	means a foreign authority which carries out similar functions to that of the SC as provided for under section 15 of the <i>Securities Commission Act 1993 [Act 498]</i> .
Standards of Qualifying CIS	means a set of rules and regulations as agreed and may be amended from time to time among the ACMF Signatories, which applies only to the Qualifying CIS under the ACMF Retail MoU.

2.02 Where relevant, references to “unit(s)” in these Guidelines should be read to include shares or any other instrument representing a right or interest in a foreign fund and “unit holder(s)” should be read to refer to shareholders or any persons entitled to be recognised as owner of such right or interest in that foreign fund.

3.0 PERMITTED FOREIGN FUNDS

- 3.01 Subject to the requirements under these Guidelines, a foreign fund may be offered, marketed or distributed in Malaysia provided the foreign fund is–
- (a) a fund from a jurisdiction as specified under Appendix 1 of these Guidelines; or
 - (b) a foreign fund as specified under Appendix 2 of these Guidelines.

4.0 REQUIREMENTS FOR THE OFFERING, MARKETING OR DISTRIBUTION OF FOREIGN FUNDS

General

- 4.01 A foreign fund as specified under Appendix 1 of these Guidelines may be offered, marketed or distributed in Malaysia provided that–
- (a) the fund complies with the requirements as stipulated in the said Appendix; and
 - (b) if the fund is listed and traded on an exchange in that jurisdiction, the exchange must be regulated by the relevant regulator in that jurisdiction.
- 4.02 A foreign fund as specified under Part 1 of Appendix 2 of these Guidelines may be offered, marketed or distributed in Malaysia provided that the home regulator of the NRI CIS is a signatory to the ACMF NRI MoU.
- 4.03 A foreign fund as specified under Part 2 of Appendix 2 may be offered, marketed or distributed in Malaysia provided that–
- (a) the fund is domiciled in a jurisdiction where the securities regulator for the fund is a full signatory of the IOSCO MMoU as listed in its Appendix A;
 - (b) the fund is primarily regulated by a securities regulator that–
 - (i) is a full signatory of the IOSCO MMoU as listed in its Appendix A; and
 - (ii) has satisfactorily implemented the IOSCO principles and objectives of securities regulations;
 - (c) the fund complies with the applicable requirements imposed on a comparable fund constituted and primarily regulated in Malaysia;
 - (d) the legal and regulatory framework governing such fund and the enforcement of investors rights should provide a level of investor protection equivalent to that offered in Malaysia; and

- (e) if the fund is listed and traded on an exchange in the foreign jurisdiction, the exchange must be an exchange that–
 - (i) is a member of the World Federation of Exchanges; and
 - (ii) have standards of disclosure that are at least equivalent to that of Bursa Securities.

Operator of a foreign fund

4.04 An operator of a foreign fund must be licensed or otherwise regulated and supervised by the following:

- (a) for a fund as specified under Part 1 of Appendix 1 of these Guidelines, the securities regulator as specified under that part; or
- (b) for a fund as specified under Part 2 of Appendix 1 of these Guidelines, an ACMF Signatory to the ACMF Retail MoU; or
- (c) for a fund as specified under Part 1 of Appendix 2 of these Guidelines, an ACMF Signatory to the ACMF NRI MoU; or
- (d) for a fund as specified under Part 2 of Appendix 2 of these Guidelines, the securities regulator that–
 - (i) is a full signatory of the IOSCO MMoU as listed in its Appendix A; and
 - (ii) has satisfactorily implemented the IOSCO principles and objectives of securities regulations.

Offering of listed foreign funds in Malaysia

4.05 A foreign fund that is listed on an exchange in a foreign jurisdiction may only be offered in Malaysia through a listing and quotation of its units on Bursa Securities.

4.06 Notwithstanding paragraph 4.05, a foreign fund as specified under Part 2 of Appendix 1 of these Guidelines that is listed on an exchange in its home jurisdiction may be offered in Malaysia as an unlisted capital market product.

Requirements for Shariah-compliant funds

4.07 A foreign fund may be offered, marketed or distributed as a Shariah-compliant fund in Malaysia provided–

- (a) it complies with all Shariah requirements imposed by the SC under the securities laws and the relevant guidelines; or

(b) where it does not satisfy the requirement under subparagraph 4.07(a) but it is authorised or offered as a Shariah-compliant fund in the jurisdiction where it is primarily regulated, the foreign fund may be offered in Malaysia provided the offering document includes the following:

(i) a statement as follows:

"While [name of the fund] has not been recognised as a Shariah-compliant fund under the Shariah requirements of Malaysia, this fund has been [approved/authorised/recognised/registered] or offered as a Shariah-compliant fund in [name of the foreign jurisdiction]."*

*Note: Whichever is applicable under the laws and regulations of the foreign jurisdiction;

and

(ii) the relevant disclosure requirements pertaining to a Shariah-compliant fund as specified under paragraphs 5.01 or 5.02 of these Guidelines, as the case may be.

5.0 OFFERING DOCUMENT AND CONSTITUTIVE DOCUMENT FOR A FOREIGN FUND

Offering document

5.01 An offering document for a foreign fund offered to retail investors must comply with the relevant disclosure requirements as provided under the securities laws of Malaysia, the *Prospectus Guidelines for Collective Investment Schemes* and any other applicable guidelines issued by the SC.

5.02 An offering document for a foreign fund offered to Non-retail Investors must comply with the relevant disclosure requirements as provided under the securities laws of Malaysia, *Guidelines on Wholesale Funds*, Appendix 3 of these Guidelines and any other applicable guidelines issued by the SC.

Constitutive document

5.03 Nothing in the constitutive document of a foreign fund may exclude the jurisdiction of the courts of Malaysia to entertain any action concerning the foreign fund.

6.0 REQUIREMENT TO APPOINT A REPRESENTATIVE IN MALAYSIA

- 6.01 An operator must appoint a representative in Malaysia in relation to each foreign fund that is to be offered, marketed and distributed in Malaysia.
- 6.02 The operator must, at all times, ensure that there is an appointed representative-
- (a) throughout the duration the foreign fund is offered in Malaysia; and/or
 - (b) so long as there is a unit holder of such foreign fund in Malaysia.
- 6.03 The operator shall remain responsible for the conduct and obligations of the appointed representative.
- 6.04 In relation to a foreign fund as specified below, only the following persons can be appointed as a representative:

Foreign Funds	Representative
Specified under Appendix 1 and Part 1 of Appendix 2	<ul style="list-style-type: none">(a) Holder of a CMSL;(b) Registered distributor;(c) Audit firm registered with the Audit Oversight Board, Securities Commission Malaysia;(d) Trustee registered pursuant to guidelines issued by the SC; or(e) Any other person as may be approved by the SC.
Specified under Part 2 of Appendix 2	Holder of a CMSL for fund management that is a related corporation to the operator.

- 6.05 Notwithstanding paragraph 6.03, the SC may take action against a representative who fails to carry out the functions of a representative as set out under these Guidelines.

Obligations of a representative

- 6.06 Such appointed representative must-
- (a) represent the foreign fund and its operator for all matters relating to that foreign fund including representing the operator of that foreign fund in any dispute resolution scheme that the said operator may be subject to;

- (b) submit or make available to the SC any information relating to that foreign fund, the business of the operator or the representative, and any other information as may be required by the SC from time to time;
- (c) accept any notice or correspondence, including service of process, which unit holders may wish to serve on the foreign fund, its trustee/fund supervisor/custodian or its operator and forwarding the same to the said trustee/fund supervisor/custodian or operator, as the case may be;
- (d) keep a consolidated register¹ of unit holders, which must include the following information:
 - (i) For individuals, the name, address and the number of the identity card issued under the *National Registration Act 1959*, or passport number in the case of a foreigner;
 - (ii) For corporations, the name, registered address and registration number of that corporation;
 - (iii) The number of units held by each unit holder;
 - (iv) The date on which the name was entered in the register as a unit holder;
 - (v) The date on which any person ceased to be a unit holder; and
 - (vi) Any other relevant information or particulars of the unit holder;
- (e) provide unit holders² with information on the foreign fund in a timely and efficient manner, including any periodic reports, notices and public announcements issued in relation to the foreign fund;
- (f) concurrently deliver a copy of the information referred to in subparagraph 6.06(e) to the SC;
- (g) make available for public inspection at its registered office in Malaysia, at no charge, the following:
 - (i) The current offering document and constitutive document;
 - (ii) Each material contract disclosed in the current offering document and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the

¹ Where there are multiple registered distributors, this register should be a consolidation of the registers maintained by each registered distributor pursuant to paragraph 7.02 of these Guidelines.

² In the case where units are held under a nominee system, the representative must ensure that such nominee provides the said information to the ultimate beneficial owners of the units.

- contracts; and
- (iii) The audited financial statements of the foreign fund for the current financial year and-
 - A. the audited financial statements for the last three financial years; or
 - B. if established/ incorporated less than three years, all audited financial statements preceding the date of the current offering document;
 - (iv) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the current offering document. Where a summary expert's report is included in the current offering document, the corresponding full expert's report should be made available for inspection;
 - (v) Writ and relevant cause papers for all material litigation and arbitration disclosed in the current offering document; and
 - (vi) All consents given by experts disclosed in the current offering document;
- (h) notify the SC immediately–
- (i) of any material change to or development in the foreign fund, or parties responsible for the foreign fund;
 - (ii) of any material action taken against the parties responsible for the foreign fund by the securities regulator of each jurisdiction where the fund is offered, marketed or distributed;
 - (iii) when the dealing of units in the fund has been suspended in the jurisdiction where it is primarily regulated or in Malaysia;
 - (iv) when the fund is no longer authorised to be offered in the foreign jurisdiction where it is primarily regulated;
 - (v) upon the commencement and completion of the termination or winding up of the foreign fund; or
 - (vi) of any change to its registered address or any other contact details;
- (i) ensure that the offering document and reports of the foreign fund, and all information meant for investors in Malaysia are in either Bahasa Malaysia or English language;

- (j) provide the SC details of all contracts between the representative and its operator in respect of the foreign fund. The SC must be notified of subsequent material amendments to these contracts;
 - (k) ensure that the NAV per unit of the foreign fund is made publicly available on a daily basis except in the case of a–
 - (i) closed-end fund listed on Bursa Securities, where the NAV per unit of the foreign fund must be made publicly available at the frequency required by the relevant regulator in the jurisdiction where it is primarily regulated or at least on a weekly basis; and
 - (ii) foreign property fund (including real estate investment trust) listed on Bursa Securities, where the NAV per unit of the foreign fund must be made publicly available at the frequency required by the relevant regulator in the jurisdiction where it is primarily regulated or at least on a quarterly basis; and
 - (l) submit to the SC the relevant Statistical Returns Form³ of the foreign fund in accordance with the requirements set out under paragraphs 9.01 to 9.11 of these Guidelines.
- 6.07 If the representative is undertaking a regulated activity, it must obtain the necessary licence for that regulated activity.

Replacement of representative

- 6.08 If the position of the representative becomes vacant, the offering, marketing or distribution of the foreign fund must immediately cease.
- 6.09 The operator must appoint a new representative within 30 calendar days from the date of the vacancy, or any such period as may be allowed by the SC.
- 6.10 The operator must immediately notify the SC of such appointment.

7.0 REQUIREMENT TO APPOINT A REGISTERED DISTRIBUTOR IN MALAYSIA

- 7.01 An operator must appoint a registered distributor in Malaysia for the purpose of offering, marketing or distributing a foreign fund that is to be offered in Malaysia as an unlisted capital market product.

³ The Statistical Returns Form is available at www.sc.com.my

- 7.02 Such registered distributor must keep a register of unit holders, which shall include the following information:
- (a) For individuals, the name, address and the number of the identity card issued under the *National Registration Act 1959*, or passport number in the case of a foreigner;
 - (b) For corporations, the name, registered address and registration number of that corporation;
 - (c) The number of units held by each unit holder;
 - (d) The date on which the name was entered in the register as a unit holder;
 - (e) The date on which any person ceased to be a unit holder; and
 - (f) Any other relevant information or particulars of the unit holder.
- 7.03 A registered distributor must also comply with the relevant guidelines, codes of conduct and any other rules in relation to the marketing and distribution of unlisted funds issued by the SC and/or FIMM, as the case may be.

8.0 APPLICATION FOR SC'S APPROVAL OR RECOGNITION

General

- 8.01 Applications to the SC for the approval or recognition of a foreign fund to be offered in Malaysia must be submitted by an adviser appointed by the operator of that foreign fund.
- 8.02 Notwithstanding paragraph 8.01 above, in relation to the listing and quotation of securities of a foreign exchange-traded fund (ETF) where the ETF operator has at least five years of experience in managing ETF (local or foreign), the application may be submitted by:
- (a) the ETF operator, if the ETF operator is a holder of a CMSL for fund management in relation to portfolio management, dealing in securities or advising on corporate finance; or
 - (b) in the case where the ETF operator is not a holder of a CMSL for fund management in relation to portfolio management, dealing in securities or advising on corporate finance, its related corporation who is a holder of a CMSL for such regulated activities, on behalf of the ETF operator.
- 8.03 Where the above paragraph 8.02 applies, all provisions in these Guidelines relating to advisers would be applicable to the ETF operator or the ETF operator's related corporation as the case may be.

- 8.04 Unless specified otherwise, applications should be submitted in accordance with the requirements set out under paragraphs 8.11 to 8.17 of these Guidelines.
- 8.05 The adviser and operator have a duty to ensure that all the requirements of the SC pertaining to submission of an application are met and is responsible for dealing with the SC on all matters relating to the application.
- 8.06 Submissions of applications that do not comply with the requirements of the SC or which are unsatisfactory may be returned.
- 8.07 The operator, adviser and any other persons accepting responsibility for all or any part of the information and documents submitted to the SC should exercise due diligence for such information.
- 8.08 The adviser must submit to the SC any additional information as may be requested by the SC.
- 8.09 The SC must be immediately informed of–
- (a) any material change or development in circumstances that would affect the SC’s consideration of the application; and/or
 - (b) any material change or development in circumstances relating to the application occurring subsequent to the SC’s approval.
- 8.10 The SC may consider an application to vary any terms and conditions of an SC approval or recognition, as the case may be. Such application must be supported by justifiable grounds which may include changes in circumstances beyond the control of the relevant parties.

Submission of applications and documents

- 8.11 An application to the SC for the approval or recognition of a foreign fund to be offered in Malaysia must be made by submitting a duly completed SC/FF – NEW Form⁴ together with the following:
- (a) a cover letter, signed by two authorised signatories of the adviser, stating (where applicable):
 - (i) the approval or recognition sought;
 - (ii) the application complies with these Guidelines. Where there are departures from any relevant guidelines, to confirm that exemption or variation has been sought from the SC;
 - (iii) declaration of conflict of interest, if any, by advisers or experts in respect of the application. If a conflict of interest exists, to

⁴ The SC/FF-NEW Form is available at www.sc.com.my

- provide full disclosure of the nature of the conflict and steps to address the conflict; and
- (iv) particulars of other required approvals obtained or pending (if applicable).
- (b) two copies of the fund's constitutive document, certified by at least one of the directors of the operator that such constitutive document is–
- (i) identical to the version filed or lodged or registered, as the case may be, with the securities regulator that primarily regulates the fund; and
 - (ii) a true and accurate translation of the original constitutive document if the constitutive document submitted is a translated version of the original constitutive document.
- (c) a declaration from the operator that–
- (i) the foreign fund is being offered, marketed or distributed to investors in the jurisdiction of the securities regulator that primarily regulates the fund;
 - (ii) the relevant licence held by the operator is not being subject to any suspension or revocation order by its securities regulator;
 - (iii) the operator complies with the relevant regulatory requirements or is not being investigated for violation of any regulatory requirements;
 - (iv) the application complies with these Guidelines. Where there are departures from any relevant guidelines, to confirm that exemption or variation has been sought from the SC; and
 - (v) there is no omission of material information that may affect the SC's decision in considering the application;
- (d) an undertaking from the operator that–
- (i) it will submit to the non-exclusive jurisdiction of the courts of Malaysia;
 - (ii) it will ensure that the constitutive document of the fund will not contain any provisions that exclude Malaysia's courts from entertaining an action or legal proceedings against the fund, the operator or the fund's trustee/fund supervisor/custodian in connection with the fund; and

- (iii) it will immediately cease the offering, marketing or distribution of the fund in Malaysia and will notify the SC accordingly in the event–
 - (A) the foreign fund ceases to be offered, marketed or distributed to investors in the jurisdiction of the securities regulator that primarily regulates the fund; or
 - (B) the relevant licence held by the operator has been suspended or revoked;
- (e) a copy of the authorisation letter issued by the securities regulator that primarily regulates the fund and in the case of a foreign fund permitted under Part 2 of Appendix 1 of these Guidelines, that such securities regulator has no objection to the foreign fund being deemed as a Qualifying CIS pursuant to the Standards of Qualifying CIS;
- (f) where the foreign fund is to be offered, marketed or distributed exclusively to non-retail investors and the document referred to in paragraph 8.11(e) is not issued in relation to the foreign fund, a letter from the operator certifying that units of the foreign fund are offered, marketed or distributed to non-retail investors in the relevant foreign jurisdiction;
- (g) a copy of the operator’s letters appointing its representative and where applicable, registered distributor(s) for the fund in Malaysia;
- (h) a written undertaking to the SC by the representative appointed pursuant to paragraph 6.01 that it will perform the duties required of a representative under these Guidelines;
- (i) in the case of a foreign fund permitted under Part 2 of Appendix 1 of these Guidelines, the ASEAN CIS Application Form;
- (j) submission of application to the SC must be made in either Bahasa Malaysia or English. All accompanying documents furnished to the SC, which are in a language other than Bahasa Malaysia or English, must be accompanied by a translation confirmed by the operator or the adviser as being an accurate translation of the original documents; and
- (k) where the SC deems necessary, a table comparing the rules on the operation and management of the fund under the laws and regulations of the jurisdiction where the fund is primarily regulated with the relevant laws and regulations in Malaysia.

- 8.12 In relation to a foreign fund that is to be offered to retail investors, the application under paragraph 8.11 must be accompanied with an application to register the offering document in accordance with the requirements set out in the *Prospectus Guidelines for Collective Investment Schemes*.
- 8.13 In relation to a foreign fund that is to be offered to Non-retail Investors, a copy of an offering document, if issued, must be deposited with the SC within seven calendar days after it has been issued.
- 8.14 Submission of an application must be addressed to—
The Chairman
Securities Commission Malaysia
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur
(Attention: Executive Director, Corporate Finance and Investments)

Application fees

- 8.15 Applications should be accompanied with the relevant fee (where applicable).
- 8.16 The details on fees payable to the SC for various types of applications are set out in the *Capital Markets and Services (Fees) Regulations 2012*, as may be amended from time to time.
- 8.17 Payment should be made in the form of a crossed cheque/draft order made in favour of "Suruhanjaya Sekuriti" or "Securities Commission".

9.0 REPORTING TO THE SECURITIES COMMISSION MALAYSIA

General

- 9.01 A representative of a foreign fund must submit a Statistical Returns Form in relation to that fund. The Statistical Returns Form must be submitted on a monthly basis, via the Trusts and Investment Management Electronic Reporting System (TIM-ERS), unless specified otherwise by the SC.
- 9.02 The report should cover a period starting from the first day of a month until the last day of that month. For information required at a certain cut-off, it must be as at the last day of the month.
- 9.03 For a fund newly offered, marketed or distributed in Malaysia, the Statistical Returns Form must commence from the month in which the fund's offer period in Malaysia ends. For example, if a fund was launched on 28 June and the offer period ends on 18 July, the first Statistical Return should be submitted for the month of July. In this instance, the Statistical Return will consist of data for more than one month, i.e. from 28 June to 31 July.

- 9.04 The representative must take all necessary steps to ensure that the information provided in the Statistical Returns Form is complete and accurate.
- 9.05 The chief executive officer of the operator is ultimately responsible for all information entered into TIM-ERS. The chief executive officer is expected to ensure that necessary policies and procedures are in place, and that the information submitted to the SC via TIM-ERS is true and accurate.
- 9.06 The representative must-
- (a) keep a printed copy of the Statistical Returns Form at its registered office or a designated place approved by the SC at all times for a period of seven years from the date the Statistical Returns Form is submitted to the SC; and
 - (b) ensure that the particulars in the printed copy of the Statistical Returns Form and that submitted to the SC via TIM-ERS are identical.
- 9.07 For guidance on the use of TIM-ERS, the representative may refer to the TIM-ERS user manual, which is available at TIM-ERS website at <https://ers.seccom.com.my/tims>.

Access to TIM-ERS

- 9.08 The representative must, within 30 days of the launch of its first fund in Malaysia, apply to the SC for access to TIM-ERS, by submitting the following:
- (a) External User ID Request Form; and
 - (b) the duly completed Terms and Conditions of Use of TIM-ERS.

Submission of Statistical Returns Form

- 9.09 The representative must submit the Statistical Returns Form within seven business days (by 5.00 pm on a weekday) of the month following the month of reporting.
- 9.10 Should there be errors and/or omissions discovered after the submission of a Statistical Returns Form, the representative must immediately rectify and submit an amended Statistical Returns Form to the SC via TIM-ERS.

Submission of Statistical Returns Form During Termination/Winding Up

- 9.11 While a fund is being terminated/wound up, a representative should continue to submit the Statistical Returns Form until the termination/winding up is complete.

Appendix 1

PERMITTED FOREIGN FUNDS SPECIFIED UNDER PARAGRAPH 3.01(a)

Part 1 - Jurisdictions and Funds under Mutual Recognition Agreements

Jurisdictions	Funds
Dubai International Financial Centre	Islamic funds which are– (a) constituted and domiciled in the Dubai International Financial Centre; and (b) notified or registered with the Dubai Financial Services Authority and includes: <ul style="list-style-type: none">– Public funds– Private funds [100 participants]– Umbrella funds– Property funds (including REITs)– Feeder funds– Fund-of-funds– Private equity funds– Commodity-related funds
Hong Kong	Islamic funds (excluding hedge funds and leveraged funds) which are– (a) authorised and primarily regulated by Securities and Futures Commission Hong Kong (SFC) but exclude funds that are authorised under any mutual recognition agreement between SFC and another jurisdiction; (b) managed by SFC licensed managers; and (c) domiciled in– <ul style="list-style-type: none">– Hong Kong; or– jurisdictions that have broadly implemented IOSCO Principles for Collective Investment Schemes and are signatories to the IOSCO MMoU as listed in its Appendix A.

Part 2 –Jurisdictions and Funds under the ACMF Retail MoU

Jurisdictions	Funds
(a) Singapore (b) Thailand	Qualifying CIS

Appendix 2

PERMITTED FOREIGN FUNDS SPECIFIED UNDER PARAGRAPH 3.01(b)

Part 1 – Permitted Foreign Funds for Non-retail Investors under the ACMF NRI MoU

1. An unlisted fund which–
 - (a) is constituted or established in the jurisdiction of an ACMF Signatory to the ACMF NRI MoU;
 - (b) is offered for sale in the jurisdiction where it is primarily regulated and is not subject to any prohibition order imposed by its home regulator on the marketing, distribution or offering of units of such fund;
 - (c) complies with the requirements as set out under the *Guidelines on Wholesale Funds*; and
 - (d) where the fund invests 85% or more of its NAV in another fund, the fund manager of such other fund–
 - (i) must be suitably authorised, regulated and supervised by an acceptable securities regulator; and
 - (ii) such regulator of the fund manager must be a signatory to the IOSCO MMoU as listed in its Appendix A or has a bilateral agreement or arrangement with the SC, in particular, with regard to co-operation on supervision, investigation, enforcement and information sharing.

Guidance:

For the purposes of subparagraph 1(d)(i), the SC will take into consideration among other things, whether the securities regulator has been assessed to have satisfactorily implemented the IOSCO principles and objectives of securities regulations.

Part 2 – Other Permitted Foreign Funds

1. Exchange-traded funds which are index-tracking and non-synthetic (ETF).
2. Listed closed-end funds (CEF).

Appendix 3

ADDITIONAL DISCLOSURE REQUIREMENTS FOR AN OFFERING DOCUMENT OF A FOREIGN FUND OFFERED TO NON-RETAIL INVESTORS

1. The offering document must contain statements that clearly describe the following:
 - (a) Name of the fund;
 - (b) The fund is approved, authorised, or registered (as the case may be) by the securities regulator in the foreign jurisdiction;
 - (c) The foreign jurisdiction where the fund is domiciled, the name of the securities regulator regulating the fund, and operator for the fund; and
 - (d) The applicable legislation in the foreign jurisdiction governing the fund and that the legal and regulatory environment in the foreign jurisdiction may differ from that prevailing in Malaysia.
2. The offering document–
 - (a) must be dated;
 - (b) must, if it has an expiry date, contain a statement that no unit of the fund will be issued on the basis of the offering document after its expiry date; and
 - (c) must, if it contains statements made by an expert or contains what purports to be a copy of or an extract from a report, memorandum or valuation of an expert, state the date on which the statement, report, memorandum or valuation was made and whether or not it was prepared by the expert for incorporation in the offering document.
3. The offering document must contain the following warning and disclaimer statements:

"The fund is established in a foreign jurisdiction and is regulated by the regulator in the foreign jurisdiction. As such, the fund is not subjected to the requirements of the Guidelines on Wholesale Funds issued by the Securities Commission Malaysia."

"The Securities Commission Malaysia has recognised the fund. The recognition should not be taken to indicate that the Securities Commission Malaysia recommends the fund."

"The Securities Commission Malaysia is not liable for any non-disclosure on the part of the operator responsible for the said fund and takes no responsibility for the contents of this [insert type of offering document]. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this [insert type of offering document], and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents."

4. The statements required under paragraphs 1, 2 and 3 must be in a prominent position or attached firmly to the offering document of the fund.
5. The offering document must disclose the material differences between the applicable legal and regulatory requirements in Malaysia and the foreign jurisdiction in which the fund is regulated. Such information should include but is not limited to the following areas:
 - (a) operations and management of a fund;
 - (b) rights and liabilities of unit holders; and
 - (c) the dispute resolution mechanism (if any) and the procedures for initiating a court process.

Specific requirements for a Shariah-compliant fund

6. The offering document of a Shariah-compliant fund must contain the following statement:

"[Name of fund] has been certified as Shariah-compliant by the Shariah adviser appointed for the fund".
7. The following information should also be clearly disclosed in the offering document:
 - (a) The names, relevant qualifications and experience of each member of the Shariah adviser. Where the Shariah adviser is a company, the corporate information of the company, experience relevant to its appointment, number of funds for which it currently acts as an adviser and staff strength including the name, relevant qualifications and experience of the designated person responsible for Shariah matters of the fund;
 - (b) Roles and primary functions of the Shariah adviser including the frequency of meetings;
 - (c) Clear description of the Shariah approval process including details in relation to methodologies, rulings and screening process; and

- (d) Frequency of review by the Shariah adviser on the investments of the fund to ensure compliance with Shariah principles at all times.
- 8. The statement required under paragraph 6 must be in a prominent position or attached firmly to the offering document of the fund.