

## **Chapter 1**

### **INTRODUCTION**

- 1.01 The *Prospectus Guidelines for Collective Investment Schemes* (Guidelines) is issued by the Securities Commission Malaysia (SC) under section 377 of the *Capital Markets and Services Act 2007* (CMSA).
- 1.02 The minimum information set out in these Guidelines are in addition to the information set out in sections 235(1)(a) to (e) of the CMSA.
- 1.03 These Guidelines are general in nature and should not be viewed as the only criteria for disclosure in a fund's prospectus. Directors of management companies, promoters, advisers and experts have the obligation and liability for the contents of a fund's prospectus.
- 1.04 The SC may require the disclosure of additional information in any particular case, where it deems appropriate.
- 1.05 Unless otherwise specified, all requirements in these Guidelines are applicable to a prospectus issued in respect of a foreign fund as defined in the *Guidelines for the Offering, Marketing and Distribution of Foreign Funds*.

- 1.06 Guidance on the application of the requirements of these Guidelines has been provided, where appropriate. Any departure from the Guidance will be taken into consideration in the SC's assessment on whether a breach of these Guidelines had occurred.
- 1.07 Information provided in a prospectus must be disclosed in a true, complete and accurate manner.
- 1.08 Information given to investors must be presented in a manner that can be easily understood to enable them to assess and make an informed investment decision in relation to a fund. In drafting a fund's prospectus, a person who is responsible for the content of the prospectus must ensure that—
- (a) all information is written in a clear and concise manner, and easy-to-understand sentences are used;
  - (b) plain and simple language is used. Legal or financial jargon, technical terms, or complicated methodologies or analyses are avoided, unless they can be explained;
  - (c) comparative information is meaningful and presented in a fair and balanced way, and the source of information is disclosed; and

- (d) key information is prominently presented.
- 1.09 The cut-off date for information to be disclosed in a prospectus must be at the latest practicable date available prior to the issue of the prospectus.
- 1.10 A management company or its adviser must update a prospectus where there is any significant change or new matter arising that will affect the content of the prospectus via a supplementary prospectus or replacement prospectus.
- 1.11 A prospectus must be legible and printed in typefaces which are not smaller than Times New Roman eight points and all pages must be numbered.
- 1.12 Full accountability for the accuracy of all information in the prospectus and the responsibility to ensure there is no omission of facts which would make any of the statements therein misleading, remains with the promoters or directors of the management company or any other person who is a party to the preparation of the prospectus or any of its relevant portions.
- 1.13 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 requirement in these Guidelines; or
- (b) there are mitigating factors which justify the said exemption or variation.