

FREQUENTLY ASKED QUESTIONS ON THE REQUIREMENTS UNDER THE GUIDELINES ON UNLISTED CAPITAL MARKET PRODUCTS UNDER THE LODGE AND LAUNCH FRAMEWORK

1.0 GENERAL

1.01 When will the requirements under the Guidelines be implemented?

The *Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework* (the Guidelines) is issued on 9 March 2015 to enable the industry to familiarise itself with the requirements under the Lodge and Launch framework. This practice is in line with the current practice for the issuance of new guidelines. However, the full compliance with the requirements of the Guidelines is targeted to be effective from 15 June 2015.

1.02 Will the Lodge and Launch framework be applicable to unlisted capital market products which have been approved, authorised or recognised under section 212 of the CMA prior to the effective date of the Guidelines?

The Guidelines, particularly provisions relating to continuous obligations, will also be applicable to unlisted capital market products which have been approved, authorised, or recognised prior to the effective date of the Guidelines.

However, the information and documents which have been submitted earlier to the SC need not be lodged for an unlisted capital market product which was approved, authorised or recognised prior to the effective date of the Guidelines, unless specified by the SC.

1.03 How is a lodgement for a wholesale fund, private debt securities (PDS), sukuk, structured product or asset-backed securities (ABS) made to the SC?

A lodgement must be made online via a system which will be available at the SC's website on the effective date of the Guidelines.

1.04 When does a lodgement take effect?

The effective date of a lodgement is after the clearance of the fee payment due.

1.05 What will happen to an application for an approval, authorisation or recognition of a wholesale fund, PDS, sukuk, structured product or an ABS that has been submitted on or before 14 June 2015 but that is still pending decision by the SC, upon the effective date of the Guidelines?

Such applications will continue to be assessed under the approval, authorisation or recognition regime.

1.06 What are the applicable fees under the Lodge and Launch framework?

The relevant fees for the Lodge and Launch framework will be provided under the SC's Fees Regulations pertaining to the same.

1.07 Is there a cut-off date for an application for an unlisted capital market product to be submitted manually prior to the effective date of the Guidelines?

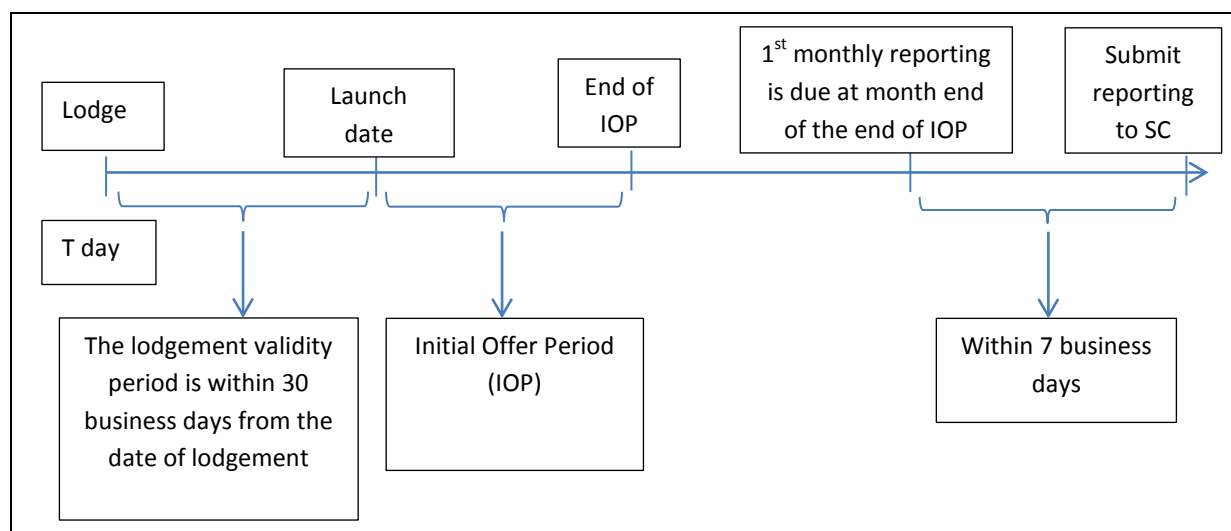
The cut-off date for the manual submission of the application for an unlisted capital market product is 14 June 2015.

1.08 What will happen to an application for an unlisted capital market product that has been submitted manually after 14 June 2015?

Any submission made manually after 14 June 2015 will not be accepted by the SC. Such application must come under the Lodge and Launch framework.

2.0 WHOLESALE FUND

Initial Lodgement



2.01 What is the timeframe for the launch of a wholesale fund subsequent to lodgement with the SC?

A wholesale fund must be launched within 30 business days from the date of lodgement, i.e. T day (lodgement date) + 30 business days.

2.02 Can a wholesale fund be launched after the 30-business day period?

No, the lodgement is deemed to have lapsed after the 30-business day period.

2.03 What should I do if I intend to launch a wholesale fund after the lodgement has lapsed, i.e. after the 30-business day period?

A new lodgement will have to be submitted to the SC with the applicable lodgement fee.

2.04 Can I make lodgement of information and documents for a wholesale fund if I have other approvals pending from the SC (e.g. approvals for variations and exemptions) or other regulatory bodies in relation to the said wholesale fund?

No, a wholesale fund can only be lodged after all relevant approvals have been obtained.

2.05 Must I have a launch date for a wholesale fund when I make a lodgement in the system?

Yes. You will be required to state the launch date of the wholesale fund when you make the lodgement in the system.

2.06 Can I revise the launch date for a wholesale fund after I have made the lodgement in the system?

Yes. Should you intend to revise the launch date, you will be required to submit a revision to lodgement. If you fail to submit the revision, the original launch date stated in the lodgement will be deemed as the actual launch date of the fund.

Revisions

2.07 What would constitute a revision?

- (a) Revision to lodgement information; or
- (b) Revision to documents previously lodged, such as:
 - (i) product highlights sheet (PHS);
 - (ii) offering document;
 - (iii) deed; or
 - (iv) custodial agreement.

2.08 If I submit a revision through the online system and the revision comprises of multiple changes, can I have different effective dates for each of the changes?

No. Each revision submitted through the online system can only have one effective date of change, regardless of the number of changes made within one submission. Should you require different effective dates for the multiple changes, you would need separate submissions for each change.

2.09 Will I be charged a fee for revision to lodgement of a wholesale fund?

A revision fee will be charged only for revisions that are made prior to the launch of the wholesale fund. However, where such revision is solely to amend the launch date, no revision fee will be charged.

A revision fee will not be charged for revisions made post launch of the wholesale fund.

2.10 What are the applicable fees for revisions to lodgement?

Relevant fees for the Lodge and Launch framework will be provided under the SC's Fees Regulations pertaining to the same.

2.11 Where there are revisions to information and documents previously lodged with the SC, when will I be required to submit the revision to lodgement?

You will be required to submit the revision to lodgement as soon as practicable, whether prior to or subsequent to the effective date of change.

2.12 How do I make revision to the features of a wholesale fund that has been launched prior to the effective date of the Guidelines?

Any revision to the features of a wholesale fund that has been launched prior to the effective date of the Guidelines must be submitted manually, by depositing a supplemental information memorandum or a replacement information memorandum, as the case may be, until further notice.

Reporting-Statistical Returns

2.13 When do I need to submit the statistical returns of a wholesale fund?

You must submit the statistical returns of a wholesale fund on a monthly basis to the SC, no later than the 7th business day of each month.

2.14 What will happen if I submit the statistical returns later than the 7th business day?

Any late submission of statistical returns will be subjected to a late submission fee under the SC's Fees Regulations.

2.15 How do I submit statistical returns for a wholesale fund?

The method of submitting statistical returns for wholesale funds will be advised accordingly at a later date prior to the effective date of the Guidelines.

Submission of applications pertaining to a wholesale fund approved, authorised or recognised prior to the effective date of the Guidelines

2.16 Is there a cut-off date for applications* to be submitted manually in relation to a wholesale fund approved, authorised or recognised (as the case may be) prior to the effective date of the Guidelines?

Applications are to be submitted manually, until further notice.

Thereafter, the SC will no longer accept submissions done manually. All such applications must then be submitted via the system.

2.17 What will happen to applications* that are submitted manually after 30 September 2015?

Applications submitted manually after such date as may be specified by SC will not be accepted. All such applications must be submitted online via the system

** Example of applications include an application for a variation to an approved proposal prior to the launch of a wholesale fund. However, such applications would exclude application for extension of time (EOT application) to launch the wholesale fund as an EOT application must be done manually before and after the cut-off date.*

Applicability of the Guidelines to a wholesale fund approved, authorised or recognised prior to the effective date of the Guidelines?

2.18 There are provisions in the Guidelines, particularly under Part 1 of Section B, which require investors to be informed of certain events. For a wholesale fund which has been launched prior to the effective date of the Guidelines, is there a timeframe within which investors of such wholesale fund must be informed?

For a wholesale fund which has been launched prior to the effective date of the Guidelines, investors of such wholesale fund must be informed within 1 month from the effective date of the Guidelines.

3.0 STRUCTURED PRODUCTS

3.01 Does an Islamic structured product programme require Shariah clearance prior to lodgement?

Yes. The relevant documents as specified in the Guidelines must be submitted to the SC's Islamic Capital Market Business Group for the purpose of seeking Shariah Advisory Council's endorsement.

3.02 What is the validity period of a structured product programme upon lodgement?

Within three years from the lodgement date (T day).

3.03 Can issuance of structured products be made from the structured product programme after the lapse of the validity period?

No.

3.04 What if there is unutilised balance still remaining under the structured product programme after the lapse of the validity period?

Any unutilised balance will be forfeited.

3.05 What should the issuer do if it intends to continue issuing structured products after the validity period of its structured product programme has lapsed?

Such issuer must lodge a new structured product programme together with the relevant fees to the SC.

3.06 How will the new framework affect the structured product programmes which were previously approved, authorised or recognised by the SC?

These structured product programmes will remain valid until full utilisation of the structured product programmes subject to paragraph 3.07 below. New structured products under such existing structured product programmes must comply with the requirements of the Guidelines from its effective date.

3.07 Are the existing structured product programmes subject to a validity period as well?

Yes. The existing structured product programmes must be fully utilised within the following timeframe:

- (a) Within two years from the effective date of the Guidelines for structured product programmes outstanding for more than five years from the date of the SC's approval or authorisation; or
- (b) Within three years from the effective date of the Guidelines for structured product programmes outstanding for five years or less from the date of the SC's approval or authorisation.

3.08 How is the monthly post-issuance report submitted to the SC?

The monthly post-issuance report must be submitted via the system.

3.09 When should a monthly post-issuance report be submitted to the SC?

A monthly post-issuance report must be submitted no later than seven calendar days from the end of the applicable period.

3.10 What if a monthly post-issuance report is submitted later than the period specified in the Guidelines?

Any late submission of a post-issuance report will be subjected to a late submission fee under the SC's Fees Regulations.

3.11 How does the issuer seek an exemption from a requirement of the Guidelines in relation to a structured product programme?

Under the Guidelines, an exemption from a requirement of the Guidelines has to be obtained prior to lodgement by submitting an application to the SC supported with strong justifications and accompanied by the relevant fees.

3.12 Would the issuer be required to submit the monthly post-issuance report for a structured product programme approved, authorised or recognised prior to the effective date of the Guidelines?

Yes.

3.13 Can the issuer make revisions or amendments to the terms of a structured product programme after lodgement?

No. However, the issuer can make changes or updates on information related to the issuer such as the business address, directors, contact persons and credit rating of the issuer.

3.14 Would the issuer be required to lodge the information and documents used in the issuance of each new structured product series under the structured product programme?

Yes. The information and documents must be submitted at least one business day prior to the date of the first issuance of that structured product series. The information and documents to be lodged are as specified in the Lodgement Kit.

3.15 Can the issuer make revisions or amendments to the terms and conditions of the structured product issued under the programme?

No, as such revision would tantamount to a new structured product series.

However, the issuer can make changes or updates on information related to the issuer such as the business address, directors, contact persons and credit rating of the issuer. If the changes or updates result in amendments to be made in the products highlights sheet (PHS) and other documents and materials used in the issuance, a replacement PHS and revised documents and materials would need to be submitted via the system together with payment of applicable fee.

3.16 What is considered a new structured product series under the structured product programme?

A new structured product series refers to structured products that have any change in its terms and conditions such as change(s) in the class of underlying reference, change(s) in the risk(s) associated with the structured product or any change in regulatory requirements.

3.17 Would the information and documents submitted via the system require a fee?

The disclosure documents and PHS will attract a filing fee per lodgement for each new structured product series.

4.0 PDS AND SUKUK

Diagram 1: Bullet or one-off issuance of PDS or Sukuk

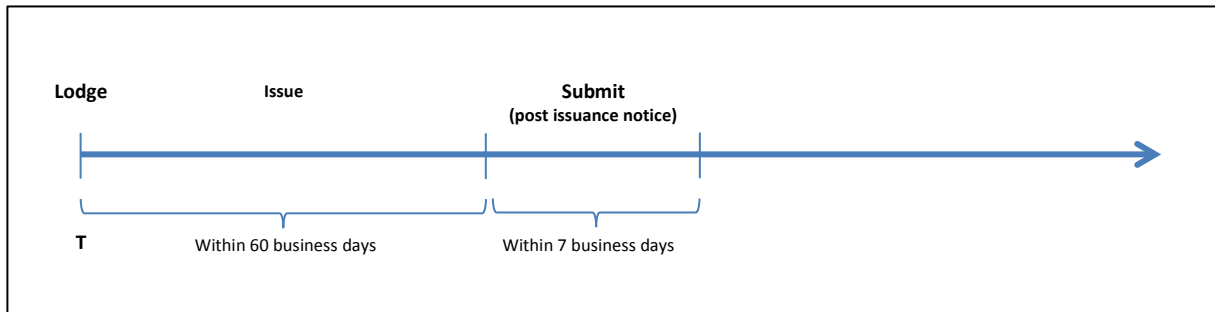
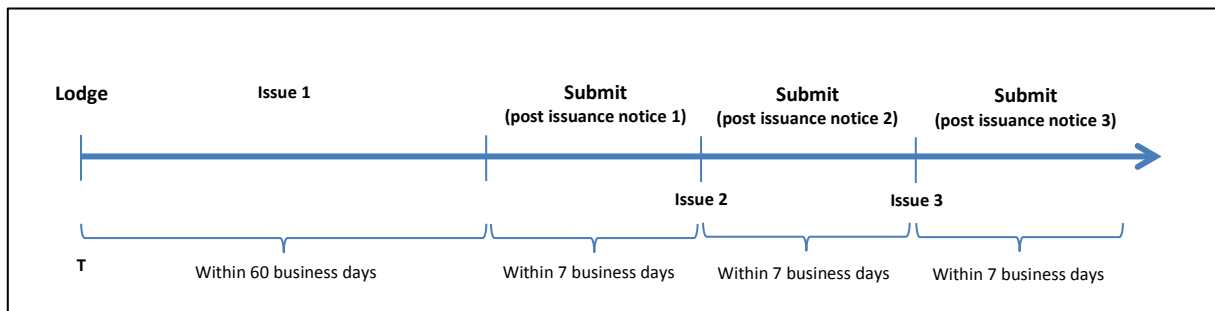


Diagram 2: Issuance under PDS or Sukuk Programme



4.01 Does a ringgit-denominated sukuk issue require Shariah clearance prior to lodgement?

Yes. Relevant information and documents as specified in the Guidelines must be submitted to the SC's Islamic Capital Market Business Group for the purpose of seeking Shariah Advisory Council's endorsement at least 10 business days prior to the date of lodgement.

4.02 What is the implementation timeframe for issuance of PDS or sukuk upon lodgement?

Within 60 business days from the lodgement date (T day).

4.03 Can the PDS or sukuk be issued after the lapse of the 60 business days?

No.

4.04 What should the issuer do if it intends to proceed with the issuance after 60 business days have lapsed?

A new lodgement has to be made with payment of applicable fees to the SC.

4.05 How is a post-issuance notice submitted to the SC?

A post-issuance notice must be submitted to the SC via the system, within seven business days from the issuance date.

4.06 What if a post-issuance notice is submitted later than the period specified in the Guidelines?

Any late submission of a post-issuance notice will be subjected to a late submission fee under the SC's Fees Regulations.

4.07 Who can lodge the PDS or sukuk proposal if there are joint principal advisers for such proposal?

Where there are joint principal advisers, there must be one identified principal adviser who must make the lodgement. However, all joint principal advisers will be responsible for the information and documents submitted to the SC.

4.08 In the case where there are joint principal advisers, should the party who makes the lodgement submit the post-issuance notice?

Any one of the joint principal advisers may submit the post-issuance notice. However, all joint principal advisers will be responsible for the post-issuance notices submitted to the SC.

4.09 How does the issuer seek an exemption from the requirements of the Guidelines in relation to a PDS or sukuk?

Under the Guidelines, an exemption from any requirements has to be obtained prior to the lodgement by submitting an application to the SC supported with strong justifications and accompanied by the relevant fees.

4.10 Is a post-issuance notice required to be submitted for a PDS or sukuk that has been approved, authorised or recognised?

A post-issuance notice is only required for such PDS or sukuk where the issuance of the PDS or sukuk is made after the effective date of the Guidelines.

For debt or sukuk programmes, post-issuance notices are required after each issuance under the programme.

The post-issuance notice is required to be submitted to the SC via the system for every issuance made after the effective date of the Guidelines.

4.11 How does an issuer upsize the issue size of a PDS or sukuk that was approved, authorised or recognised?

The issue size of a PDS or sukuk can only be upsized after all relevant requirements for upsizing are fulfilled. A new lodgement has to be made based on the total issue size, with fees charged only on the "increased" portion. This would apply to an upsizing of a PDS or sukuk either before or after issuance.

4.12 How does an issuer upsize the issue size of a PDS or sukuk after lodgement?

An amendment has to be made to the total issue size in the lodgement form, with fees charged only on the "increased" portion. This would apply to an upsizing of a PDS or sukuk either before or after issuance. However, the issue size of a PDS or sukuk can only be upsized after all relevant requirements for upsizing are fulfilled.

4.13 How does an issuer revise the principal terms and conditions of a PDS or sukuk after lodgement?

Revision pre-issuance

For revision to principal terms and conditions made **pre-issuance** (or in the case of a debt or sukuk programme, prior to the first issuance), a re-lodgement has to be made by amending the terms and conditions in the original lodgement form. The fees payable for this revision will be 10% of the relevant fees paid at the initial lodgement.

Revision post-issuance

For revision to principal terms and conditions made **post-issuance**, an update has to be made by amending the terms in the original lodgement form. There will be no fees charged.

4.14 Are PDS or sukuk approved, authorised or recognised prior to the effective date of the Guidelines subject to the T+60 business days implementation timeframe?

No. PDS or sukuk approved, authorised or recognised by the SC prior to the effective date of the Guidelines are subject to the original implementation timeframe.

4.15 Would an addendum or supplemental document submitted via the system require a fee?

A filing fee is charged for any addendum or supplemental disclosure document, information memorandum or trust deed.

4.16 Does revision to the principal terms and conditions of a sukuk issuance require Shariah clearance prior to relodgement or update?

If the revision to the principal terms and conditions has any Shariah implications, relevant information and documents as specified in the Guidelines must be submitted to the SC's Islamic Capital Market Business Group for the purpose of seeking Shariah Advisory Council's endorsement at least 10 business days prior to the re-lodgement or update. This requirement applies to revision to terms and conditions of Ringgit-denominated sukuk only.

4.17 In relation to revision post-issuance, what does "proposed revision coming into effect" mean?

"Proposed revision coming into effect" is when all necessary requirements to effect the revision have been met.

4.18 How does the issuer revise the principal terms and conditions of a PDS or sukuk approved, authorised or recognised prior to the effective date of the Guidelines?

Revision pre-issuance

Any revision to the principal terms and conditions made **pre-issuance** would require an application to be submitted manually to the SC for approval. This application for revision must be supported with strong justifications and accompanied by the relevant fees.

Revision post-issuance

Any revision to the principal terms and conditions made **post-issuance** would require updated information and documents to be submitted via the system.

Except for the filing fee for any supplemental document, there will be no fees charged for the revision to principal terms and conditions post-issuance.