

**Summary of Amendments to the Guidelines on the Registration of Credit Rating Agencies**  
**(Date of Issuance: 16 April 2020)**

The following table provides a summary of amendments to the revised *Guidelines on the Registration of Credit Rating Agencies* issued on 16 April 2020:

<b>A. Overview</b>			
<p>1. Capital market participants, including credit rating agencies, are required to have anti-corruption policies and procedures in place, as part of the Securities Commission Malaysia's measures to strengthen anti-corruption measures for the capital market, and pursuant to the enactment of the corporate liability provision under section 17A of the <i>Malaysian Anti-Corruption Commission Act 2009</i> effective 1 June 2020.</p> <p>2. Minor and housekeeping amendments throughout the Guidelines, including rephrasing of certain requirements, to enhance clarity and ensure consistency.</p>			
<b>B. Amendment Highlights</b>			
<b>No.</b>	<b>Prior Version Dated 14 May 2019</b>	<b>Revised Version Dated 16 April 2020</b>	<b>Nature of Amendment</b>
1.	<p><b>Paragraph 1.10</b></p> <p>1.10 The SC may exempt where it deems appropriate or upon application, grant exemptions or variations, from compliance with any requirement of these Guidelines, vary any provision in these Guidelines and impose any term or condition as it deems fit.</p>	[Deleted]	Omission of paragraph 1.10 as the provision is updated as paragraph 1.12.
2.	-	<p><b>New paragraphs 1.11 and 1.12</b></p> <p>1.11 Guidance on the application of the relevant requirements of these Guidelines has been inserted, where appropriate. Any departure from the Guidance will be taken into account in the SC's assessment on whether a breach of these Guidelines had occurred.</p>	

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		<p>1.12 The SC may, upon an application, grant an exemption from or a variation to the requirements of these Guidelines, subject to any terms and conditions as it deems necessary if the SC is satisfied that-</p> <p>(a) such variation is not contrary to the intended purpose of the relevant provisions in these Guidelines; or</p> <p>(b) there are mitigating factors which justify the said exemption or variation.</p>	
3a.	<p><b>Paragraph 2.40</b> A CRA shall have detailed <u>whistle-blower</u> policies encouraging all employees to report (with complete confidentiality) any unethical practice or grave misconduct to a designated authority within the CRA. All reported events shall be ...</p>	<p><b>Paragraph 2.40</b> A CRA shall have detailed policies <b>and procedures on anti-corruption and whistleblowing that are appropriate to the nature, scale and complexity of its business. These policies and procedures shall include provisions</b> encouraging all employees to report (with complete confidentiality) any unethical practice or grave misconduct to a designated authority within the CRA. All reported events shall be ...</p>	<ul style="list-style-type: none"> <li>• Enhancement of the registration requirement for a CRA through the inclusion of anti-corruption measures.</li> <li>• Replacement of “whistle-blower policies” with “policies and procedures on anti-corruption and whistleblowing”.</li> </ul>

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3b.	-	<p><b>Insertion of a guidance note at the end of paragraph 2.40</b></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Guidance to paragraph 2.40</b>                      The policies and procedures on anti-corruption should be guided by the <i>Guidelines on Adequate Procedures</i> issued pursuant to section 17A(5) of the <i>Malaysian Anti-Corruption Commission Act 2009</i>.</p> </div>	Insertion of a guidance note on the baseline expectation for the policies and procedures on anti-corruption.
4.	<p><b>Paragraph 4.6</b></p> <p><u>Executive Director</u>  <u>Market Supervision</u>                      Securities Commission of Malaysia                      3 Persiaran Bukit Kiara                      Bukit Kiara                      50490 Kuala Lumpur</p>	<p><b>Paragraph 4.6</b></p> <p><b>Head</b>  <b>Intermediary and Fund Supervision</b>                      Securities Commission Malaysia                      3 Persiaran Bukit Kiara                      Bukit Kiara                      50490 Kuala Lumpur</p>	Reporting by a CRA on compliance matters should be addressed to the Head of the Intermediary and Fund Supervision of the SC.
5.	<p><b>Paragraph 4.7</b></p> <p>A soft copy of all documents to be submitted to the SC under these Guidelines shall be addressed to <u>DS@seccom.com.my</u>.</p>	<p><b>Paragraph 4.7</b></p> <p>A soft copy of all documents shall be submitted to the SC under these Guidelines to <b>CRAsubmission@seccom.com.my</b></p>	Updating of the email address for submissions by a CRA.
6.	<p>Paragraph 5.1                      (c) Impose a <u>fine</u> on CRA;</p>	<p>Paragraph 5.1                      (c) Impose a <b>penalty</b> on CRA;</p>	The word “fine” is substituted with “penalty”, as one of the actions the SC may take for a breach by the CRA.