

CHAPTER 5

IMPLEMENTATION FRAMEWORK



Implementation Framework

OVERVIEW

The previous chapter sets out a number of recommendations aimed at achieving the objectives and strategic initiatives of the Masterplan. The realisation of these objectives and strategic initiatives will ultimately depend on the effective implementation of the recommendations.

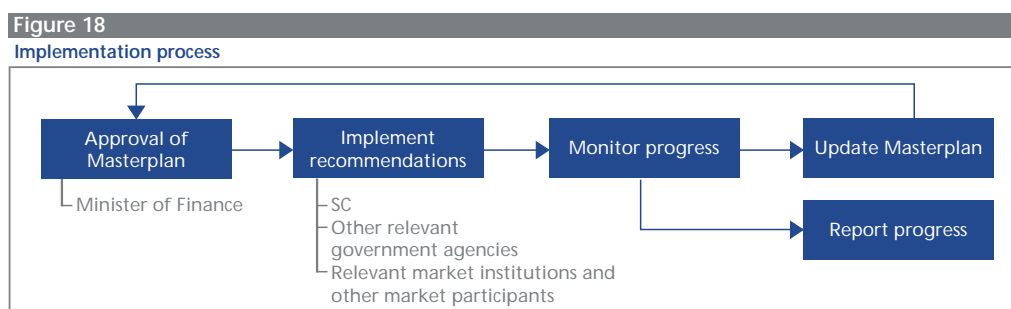
The implementation framework:

- Prescribes a mechanism for co-ordinating the implementation of the Masterplan, which addresses issues relating to the implementation process, structure and phasing, and outlines the roles and responsibilities of parties involved
- Highlights the skills, capacity and resources required for implementation
- Contains guidelines for regular performance monitoring and progress reporting
- Describes the communication programme to disseminate and obtain feedback on the Masterplan

It also identifies the sequence in which the recommendations might be implemented, and priority areas which would benefit most from early action.

IMPLEMENTATION PROCESS

The exhibit below sets out the approach to implementing the Masterplan.



The specific parties involved in the implementation process are detailed in the next section.

The overall progress of the implementation process will be closely monitored by the SC to ensure that recommendations are implemented within the stipulated timeframes. Where timeframes need to be adjusted, other affected initiatives will be reviewed and rescheduled accordingly.

Progress will also be benchmarked against predetermined performance measures. Variances in performance will be analysed and highlighted to the relevant authorities and affected parties for further action. In addition, progress reports will be posted on the SC website to ensure that industry participants as well as the general public are kept informed of the progress.

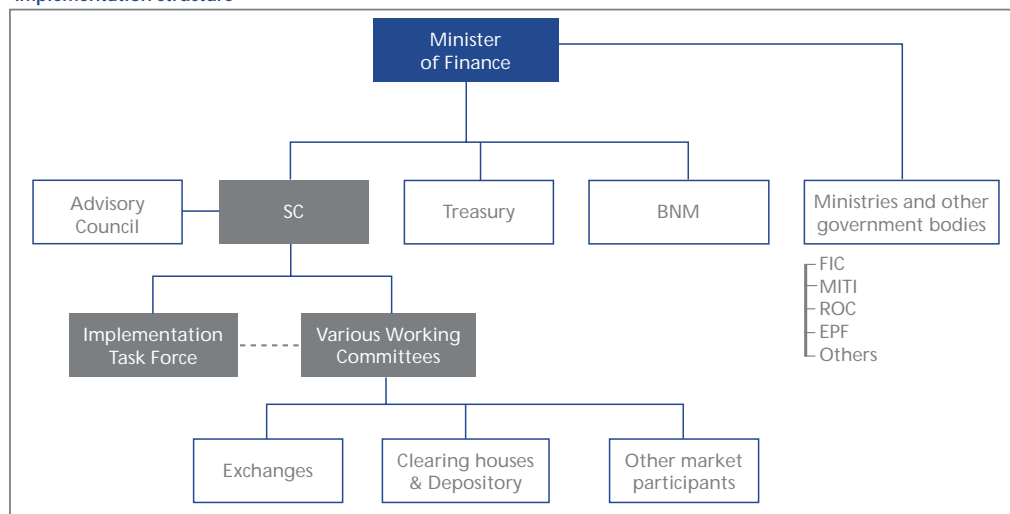
However, it is recognised that the environment in which the Malaysian capital market operates today is evolving rapidly. The future cannot be predicted with certainty. While the broad objectives and strategic initiatives of the Masterplan should remain relevant throughout the period which it covers, it is foreseeable that there may be developments that may affect the implementation timeframe and other details of certain recommendations.

To provide a timely, pragmatic and systematic response to new developments and changing circumstances, the Masterplan's objectives and strategic initiatives, and in particular, the recommendations, will be regularly reviewed and updated to ensure their continued applicability. With this in mind, a comprehensive review of the overall Masterplan will be conducted periodically, and appropriate revisions and additions will be made where necessary.

IMPLEMENTATION STRUCTURE

Figure 19 depicts the structure for the implementation and monitoring of the Masterplan, as well as the various parties responsible or involved in the process.

Figure 19
Implementation structure



Securities Commission

In the first instance, the SC will commence work on the implementation of recommendations that directly affect its areas of responsibility. These constitute a significant number of the recommendations, and include areas relating to the review of the relevant guidelines, regulations and laws; the development and promotion of various segments of the capital market; and the restructuring and streamlining of regulatory and institutional processes. In addition, active measures will be taken to further facilitate innovation and the application of e-commerce within the capital market, and to provide training and education for market participants.

The implementation of many of the recommendations will also be reflected within the SC's business plans.

Implementation Task Force

The SC will establish an Implementation Task Force to ensure effective and efficient implementation of the Masterplan. The use of this centralised structure facilitates a consistent approach to implementation, reduces duplication of resources and allows communication and public relations efforts to be synchronised.

The key responsibilities of the Task Force include:

- Functioning as the secretariat for the implementation of the Masterplan
- Co-ordinating the implementation of recommendations, including liaising with the various Working Committees and other relevant parties
- Identifying and managing the resolution of issues which may arise in the course of implementation
- Undertaking the monitoring of progress and performance assessment based on specific performance measures
- Co-ordinating the communication programme for the Masterplan

Working Committees

Responsibility for the operational implementation of various recommendations will be largely devolved to Working Committees. Amongst other things, Working Committees will be formed to take on the implementation of key proposals, such as, the consolidation and demutualisation of the market institutions, and the subsequent integration of systems and trading platforms.

These Working Committees will comprise representatives from the relevant industry associations and other market participants from the private sector. They will be responsible for liaising and consulting with the various government bodies, industry associations and participants, professional bodies, and other affected parties in the implementation of their respective recommendations.

Each Committee will include at least one representative from the SC to facilitate the process of obtaining approvals from the various authorities, and to enable the overall monitoring and co-ordination of tasks in implementing the Masterplan. The implementation of recommendations relating to the corporate bond market will continue to be undertaken through the NBMC.

Inter-agency Co-ordination

Apart from the private sector, the implementation of recommendations will also require interaction among the different ministries and government bodies such as the Treasury, BNM, EPF, LOFSA, FIC, MITI and EPU.

In particular, the implementation of the Masterplan will take cognisance of the Financial Sector Masterplan prepared by BNM as well as the initiatives undertaken by other relevant agencies such as LOFSA to ensure harmonised and structured development of the Malaysian financial sector. In addition, the implementation will also take into account the *Malaysia Plans* and the *Outline Perspective Plans* as well as the forthcoming *Masterplan on the Knowledge Economy*.

The co-ordination of the implementation of the Masterplan with the work of other government agencies will look into:

- Facilitating co-operation and implementation strategies among all relevant agencies
- Synchronising the communication of issues and developments in areas involving more than one jurisdictional authority to the general public

Capital Market Advisory Council

A Capital Market Advisory Council will be appointed to advise the SC on, *inter alia*, the following:

- New and potential developments in the capital markets globally and regionally, and their potential implications for Malaysia
- Independent external views on the progress of implementation of the Masterplan
- Means to promote and facilitate smooth implementation of the Masterplan
- Areas where it may be necessary to revise the Masterplan and its recommendations to reflect evolving market developments

The Advisory Council will be composed primarily of senior persons from the private sector with substantial expertise and experience in domestic and foreign capital markets. It is expected that members of the Advisory Council will be drawn from leading domestic and foreign financial market participants and experts, with appropriate representation from the spectrum of capital market activities.

PERFORMANCE MONITORING

Performance monitoring is essential in achieving the objectives of the Masterplan and can be measured in terms of:

- The timeliness of implementation
- The effectiveness of implementation

Performance monitoring is aimed at ensuring that recommendations contained in the Masterplan are implemented within their stipulated timeframes. Any delays will be carefully reviewed to take into account their effects on other dependent or associated recommendations.

Apart from monitoring the timely completion of the various tasks, it is necessary to develop specific measures and targets to gauge the effectiveness of implementation in realising the objectives and strategic initiatives of the Masterplan.

To this end, the SC has identified a series of measures to be used in assessing performance, based on performance indicators both for specific segments of the capital market as well as for the capital market as a whole. These include specific measures designed for particular market segments such as the profile of issuers, investors, intermediaries and market institutions; the size of funds raised; the efficiency of regulatory processes; and the range of products traded on the equity market, the bond market, the derivatives market and the Islamic capital market.

In addition, there are broad market indicators such as the relative size and contribution of the various segments to the overall capital market, market capitalisation, trading volumes, the number of listed companies, and execution costs relative to other markets.

Predetermined targets will be established for each of these measures and benchmarked against actual performance by the Implementation Task Force.

COMMUNICATION PROGRAMME

A co-ordinated communication programme for the Masterplan is particularly important given the need for broad awareness and understanding of the objectives and strategic initiatives of the Masterplan, in view of the key role that market participants will play in ensuring the successful implementation of its recommendations.

The main objectives are to:

- Create awareness amongst the relevant parties of the objectives and strategic initiatives of the Masterplan
- Establish clear communication and feedback channels with all the relevant interest groups
- Ensure that information about the Masterplan and updates on the progress of implementation are disseminated in a timely and consistent manner
- Enhance the transparency of the implementation process and ensure the accountability of the parties involved

The primary audience comprises parties directly or indirectly affected by the recommendations in the Masterplan. They include the general public, domestic and foreign investors and intermediaries, existing and prospective issuers, market institutions, industry associations, professional bodies, and the local and international media. The communication process will be made, among other means, through the following channels:

- Press releases and other public communiqués
- The SC website
- Briefings, seminars, forums and conferences which are directed at targeted audiences such as domestic and foreign investors, and industry groups
- Information circulars and guidance notes to industry groups, where necessary

The SC will continue to undertake consultation with the relevant parties on an ongoing basis to obtain their feedback and input throughout the course of the Masterplan's implementation. Before embarking on the implementation of major recommendations, consultation papers will be published to provide an opportunity for market participants to provide feedback on key aspects of the proposals in question.

IMPLEMENTATION PLAN

The development of the Malaysian capital market will be characterised by a phased approach towards the implementation of the recommended measures to realise the vision of the Masterplan. The sequencing of this process takes into account the objectives of the Masterplan, and the attainability of those objectives based on prevailing market conditions.

The implementation of the recommendations will take into account the readiness of domestic financial services intermediaries and market institutions to respond to the changes, and the impact of these changes on enhancing the quality, breadth and efficiency of their services. Indicators of readiness include opportunities to develop a diversified services and income base; the financial strength and soundness of local market institutions and intermediaries; and the depth and breadth of technical skills and knowledge available in the domestic market.

The deregulation and liberalisation of the capital market are two areas in which pragmatic sequencing is particularly essential. Appropriate preparatory measures must precede the facilitation of greater competition within the domestic market, to enhance the resilience of market participants and reduce the severity of economic displacement arising from an increase in competitive pressures.

As such, in most cases, liberalisation will be preceded by a preparatory stage where the relevant domestic market participants are given the time and opportunity to prepare and respond to the challenges posed by more open market access. This preparatory stage will be characterised by consolidation in order to achieve critical mass and financial strength followed by deregulation and re-regulation. At the same time, there must be corresponding broad-based efforts and commitment from the outset by both public and private sector participants to take the necessary steps to prepare themselves appropriately.

The overall sequencing framework also balances the urgency for change with the need to consider potential implications for market stability and integrity, and to ensure that the programme of change is consistent with broad national policy objectives. In addition, the availability of resources, in terms of both capacity and capabilities, from the standpoint of the government, the regulatory authorities as well as market participants, is taken into account.

Finally, in establishing the pace and sequence of change, priority will be given to the implementation of certain recommendations that carry broad-based implications, such as the demutualisation of the KLSE.

Taking into account the above issues, the implementation of the Masterplan can be characterised into three distinct phases:

- **Phase 1: Strengthen domestic capacity, and develop strategic and nascent sectors (2001–03)**

The immediate priority for the next few years up to the end of 2003 is the strengthening of domestic players, building market capacity, enhancing efficiency and competitiveness through progressive deregulation and rationalisation of the various sectors, and exploring opportunities for value-added strategic alliances. There is also a continued commitment to upgrading the skills of local professionals while efforts will be made to further streamline and strengthen the regulatory framework.

At the same time, there will be some relaxation of specific barriers to entry in certain nascent sectors of the capital market that require greater impetus to develop in order to expedite the overall development of these sectors, but in a manner that would ensure an orderly and harmonised transition.

- **Phase 2: Further strengthen key sectors and gradually liberalise market access (2004–05)**

Over the medium term, efforts will be made to further develop the quality and breadth of services and facilities in selected strategic niches, such as the Islamic capital market, to be on par with international standards in these fields. At the same time, there will be continued efforts to strengthen core segments of the capital market, with greater liberalisation where necessary. Opportunities for mutually beneficial strategic alliances with other jurisdictions will also continue to be explored. Another priority in this phase includes the further strengthening of market infrastructure through, for example, the creation of an integrated trading platform for multiple product segments within the capital market.

- **Phase 3: Further expansion and strengthening of market processes and infrastructure towards becoming a fully-developed capital market, and enhancing international positioning in areas of comparative and competitive advantage (2006–10)**

Measures taken over the first two phases should have established the foundation and initial momentum for an efficient and competitive capital market. Hence, initiatives in the third phase will centre on promoting and further enhancing the regional and international profile of the Malaysian capital market, all the while identifying and developing new areas of comparative and competitive advantage as they emerge, contingent on periodic assessments of prevailing conditions and market readiness. Efforts will also be focused on further improving market efficiency and integrity with the ultimate aim of achieving end-to-end STP.

Table 4

Sequencing framework

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Strengthen domestic capacity, and develop strategic and nascent sectors									
			Further strengthen key sectors and gradually liberalise market access						
					Further expansion and strengthening of market processes and infrastructure towards becoming a fully-developed capital market, and enhancing international positioning in areas of comparative and competitive advantage				
Phase 1			Phase 2		Phase 3				

SEQUENCING OF RECOMMENDATIONS

The phasing for the implementation of recommendations in the various segments of the market is set out below.

Market Institutions

No	Phase 1	Phase 2	Phase 3
1	A single Malaysian exchange should be established through the consolidation of all existing exchanges by 2002		
2	MESDAQ should be merged with KLSE as part of the exchange consolidation process		
3	The Malaysian exchange should demutualise and list on the stock market by 2003		
4	The Malaysian exchange should implement a programme to enhance its value recognition both domestically and internationally		
5	The Malaysian exchange should pursue appropriate strategic alliances internationally		
6		A common trading platform across all exchange-traded products should be established following exchange consolidation	
7		An integrated clearance and settlement system for all exchange-traded products should be established	
8	A single clearance and settlement institution for all exchange-traded products should be created by 2002		
9			The money settlement system should be directly linked with the capital market trading and clearing systems
10	The settlement cycle should be shortened to T+3 in line with international best practice		
11	A global depository account for each investor will be established in the central depository		
12	The SCANS clearing fee will be reduced from 0.05% to 0.04% with effect from 1 July 2001, subject to a maximum of RM200 per contract		
13	The SCORE fee will be reduced in two stages to 0.005% and 0.0025% with effect from 1 September 2000 and 1 July 2001 respectively. Subsequently, SCORE fees will be reviewed further		

No	Phase 1	Phase 2	Phase 3
14	The SC levy will be reduced to 0.015% from the present 0.02% with effect from 1 July 2001		
15	Stamp duty should be capped at RM200 per contract for all trades on the KLSE and be further considered for eventual removal		
16	Administrative procedures and rule-structures in relation to portfolio investments should be streamlined in order to reduce operational costs to investors		

Equity Market

No	Phase 1	Phase 2	Phase 3
17	A full disclosure-based framework for the offer and issuance of equity securities will be implemented in 2001		
18	The involvement of multiple approving authorities in the fund-raising process should be further rationalised		
19	A shelf-registration scheme for the issuance of equity securities will be introduced		
20	The market for the provision of corporate advisory services will be further deregulated		
21	Technological solutions that enhance the efficiency of the fund-raising process will be identified and implemented		
22	Breadth of listings in the Malaysian equity market will be gradually widened to include listings of foreign companies		
23	The introduction of Exchange Traded Funds will be allowed		
24	Comprehensive measures to enhance MESDAQ's role as a fund-raising centre for high-growth companies will be implemented		
25	The listing of technology incubators will be allowed in 2001		
26	The promotion and development of the venture capital industry should be centrally co-ordinated		
27	Venture capital companies will be granted exempt dealer status under the SIA		
28	The establishment of venture capital trusts that can invest up to 100% in unquoted companies will be allowed		
29	The SC will undertake a review of the tax framework for the venture capital industry in collaboration with the tax authorities, industry participants and the central co-ordinating agency for the industry		
30	Joint investment programmes between the government and private sector venture capitalists should be increased to boost private sector participation in disbursing government funds for seed and start-up capital		
31	The participation of local institutional investors in venture capital funds should be promoted		
32	Greater foreign participation in the venture capital industry should be allowed		

Bond Market

No	Phase 1	Phase 2	Phase 3
33	A full disclosure-based framework for the issuance of corporate bonds will be implemented		
34	A shelf-registration scheme for the issuance of corporate bonds will be introduced		
35		The mandatory requirement for credit ratings on corporate bond issues will be removed	
36	A framework for the issuance of asset-backed securities will be introduced		
37	The existing taxation framework for Special Purpose Vehicles should be clarified to reflect economic substance, and the stamp duty and Real Property Gains Tax on transactions relating to the issuance of asset-backed securities should be removed to encourage asset securitisation		
38	Liquidity in benchmark issues should be developed and established		
39	A programme to issue MGS should be encouraged and promoted with a view to establishing them as the immediate benchmark securities for the Malaysian bond market		
40	Regulated short selling of MGS and corporate bonds should be allowed		
41	Non-financial institutions should be allowed to conduct the entire scope of repo activities		
42	Markets in MGS futures and options should be established		
43	EPF's investment requirements should be eased to free up its "captive demand" for MGS		
44	Access to trading on the over-the-counter market should be extended to a wider range of participants		
45		A phased programme to encourage international financial institutions and multinational corporations to issue ringgit bonds should be considered	
46		International ratings for domestic bond issuance will be allowed	
47		A programme for the establishment of a centralised platform for the clearing and settlement of listed and unlisted bonds should be pursued	
48	The participation of retail investors in the corporate bond market will be encouraged through the promotion of the establishment of bond funds		
49	The tax framework should be reviewed to encourage issuance and investment in debt securities		

Derivatives Market

No	Phase 1	Phase 2	Phase 3
50	Restrictions on the participation of unit trust funds and closed-end funds in exchange-traded derivatives will be deregulated		
51	Derivatives funds will be allowed to be established and offered to investors in 2001		
52	Restrictions on the participation of local institutions, including EPF and insurance companies, in exchange-traded derivatives should be deregulated		
53	KLOFFE and COMMEX should actively pursue the introduction of more derivative products		
54	The process for the introduction of new domestic exchange-traded derivative products will be streamlined		
55	Local futures market intermediaries will be allowed to trade approved international financial derivative products by end-2001		
56	A new category of International Members with full derivatives trading and broking rights will be allowed by 2002		
57	Equity ownership requirements of futures broking firms will be liberalised to allow foreign majority ownership by 2003		
58	Foreign Direct Clearing Memberships will be allowed to be established within MDCH by 2002		
59	The SC will introduce guidelines for Introducing Brokers by end-2001		
60	The futures broking commission rate will be fully negotiable by 1 January 2002		
61	The futures clearing and exchange trading fees will be reviewed by 1 January 2002		
62	The commission sharing structure between futures brokers and their representatives will be fully negotiable in 2002		
63	Recognised foreign exchanges will be allowed to place remote access terminals with Malaysian futures brokers in return for reciprocal remote access arrangements by 2002		
64	Regulated short selling and securities borrowing and lending activities should be reintroduced by 2002		

Islamic Capital Market

No	Phase 1	Phase 2	Phase 3
65	Efforts to introduce more competitive and innovative Islamic financial products and services will be actively pursued		
66	Efforts to introduce and promote a wider range of Islamic collective investment schemes will be facilitated		
67	Investment restrictions for the Takaful industry should be further liberalised to facilitate greater mobilisation of Takaful funds into the Islamic capital market		
68	Efforts to mobilise untapped Islamic assets through securitisation should be pursued		
69	Efforts to increase the pool of Islamic capital market expertise through training and education will be enhanced		
70	A single Syariah Advisory Council should be established for the Islamic financial sector		
71	A facilitative tax and legal framework should be established for the Islamic capital market		
72	Efforts to develop an appropriate financial reporting framework for the Islamic capital market in collaboration with MASB will be pursued		
73	Increased efforts to enhance the awareness of Malaysia's Islamic capital market at the domestic and international levels will be pursued		
74	Strategic alliances between Malaysia and other Islamic capital markets should be established		
75	The government and government-related entities should consider issuing Islamic debt securities in the global market		
76	The listing of Malaysian Islamic equity funds in international markets should be pursued		
77	Incentives to encourage the entry of foreign intermediaries and professionals with expertise in Islamic capital market-related businesses should be provided		

Stockbroking Industry

No	Phase 1	Phase 2	Phase 3
78	Efforts to promote consolidation of the stockbroking industry will be pursued		
79	A new category of full-service intermediaries to be known as Universal Brokers will be introduced		
80	Branching restrictions on stockbroking companies will be deregulated		
81	The scope of capital market services that may be offered by stockbroking companies will be widened		
82	Stockbroking companies and their representatives will be allowed to offer a range of services under a single license		

No	Phase 1	Phase 2	Phase 3
83	Stockbroking commission rates will be liberalised in two stages: Stage 1 - with effect from 1 September 2000, commission rates for all trades above RM100,000 will be fully negotiable while trades with contract values of RM100,000 and below are subject to a fixed rate of 0.75% Stage 2 - with effect from 1 July 2001, commission rates will be fully negotiable for all trades, subject to a cap of 0.70%		
84	Commission sharing arrangements between remisiers and stockbroking companies will be fully negotiable in 2002		
85	Foreign equity participation in domestic stockbroking companies will be liberalised in stages beginning from 2003		
86	Measures to facilitate online trading will be introduced		
87	Efforts to develop a standardised and centralised back-office system for the stockbroking industry will be facilitated		
88	Efforts to further promote the use of information technology and e-commerce by intermediaries will be facilitated		
89	The scope of activities carried out by remisiers should be expanded to a wider range of value-added capital market services, including financial planning		

Investment Management

No	Phase 1	Phase 2	Phase 3
90	A more market-based approach to regulation will be applied to the investment management industry		
91	The process for introducing new investment management products will be streamlined		
92		A uniform regulatory framework streamlining the licensing rules for the investment management industry will be introduced	
93	The management of investment funds should be further deregulated to allow for greater international portfolio diversification		
94	The SC will recognise industry self-regulation within the investment management industry, subject to appropriate criteria and under strong supervision, to complement the SC's regulatory function		
95	EPF's investment guidelines should be liberalised to allow the adoption of the "prudent person" approach		

No	Phase 1	Phase 2	Phase 3
96	EPF should further diversify the management of its funds by placing out a greater portion with external fund managers		
97	The eligibility rules pertaining to the EPF's Members' Investment Scheme should be lowered over the longer term		
98	Measures to facilitate the development of a private pensions industry will be actively pursued		
99	The further outsourcing of the management of funds by insurance companies should be promoted		
100	Restrictions on the management of funds by Foreign Fund Management Companies will be liberalised		
101	Foreign ownership requirements will be liberalised to allow foreign majority ownership of unit trust management companies from 2003		
102	The SC will examine the viability of implementing an investor compensation programme		
103	Further tax incentives to encourage investments in collective investment schemes will be examined		
104	Further efforts to promote investors' awareness of managed funds investment will be undertaken		
105	Training and professional development needs of the Malaysian investment management industry will be facilitated		
106	The development of the financial planning industry will be facilitated		
107	The further development of the trust/custodial services industry will be promoted		

Corporate Governance

No	Phase 1	Phase 2	Phase 3
108	The recommendations contained in the <i>Report on Corporate Governance</i> will be effected in a timely and comprehensive manner		
109	The SC will further facilitate efforts towards enhancing shareholder rights, especially those of minority shareholders, and broadening avenues for private enforcement of these rights		
110	Minority shareholders' rights in respect of related party transactions will be further strengthened		
111	Public listed companies will be required to provide appropriate shareholder value disclosures for securities issuance, restructuring, take-overs and merger exercises		
112	A set of principles, best practices and standards will be developed to encourage institutional investor activism in corporate governance and the promotion of shareholder value recognition		
113	The SC will strongly support the efforts of Badan Pengawas Pemegang Saham Minoriti Berhad in promoting shareholder activism in Malaysia		
114	The SC will work with relevant industry bodies in enhancing the quality and independence of auditors of public listed companies		

No	Phase 1	Phase 2	Phase 3
115	The SC will encourage the improvement of channels of communication between companies and their shareholders		
116	The SC and KLSE will initiate further measures to promote timely, comprehensive and regular dissemination of material and relevant company information to shareholders		
117	Efforts to further enhance disclosures in annual reports by public listed companies will be examined		

Regulatory Framework

No	Phase 1	Phase 2	Phase 3
118	The SC will put in place a comprehensive programme that will gradually implement a system of market-based regulation across all segments of the capital market		
119	The SC will maintain the existing regulatory structure in relation to arrangements for the regulation of wholesale and retail markets		
120	Relevant identified market institutions will be established as full front-line regulators to complement the SC's role in the regulation of capital markets		
121	Appropriate industry associations will be identified and recognised as self-regulatory organisations to complement the SC's regulatory functions		
122	Further efforts will be pursued to achieve regulatory parity in the treatment of all participants in the capital market through functional regulation		
123	Efforts to create a single licensing regime and consolidation of securities and futures legislation will be pursued		
124	Measures to eliminate market segmentation in respect of underwriting, corporate finance, asset management and brokerage services will be introduced		
125	Cross-market surveillance as well as co-operation and co-ordination between regulatory authorities should be enhanced to strengthen market oversight, and to ensure the consistency and effective pursuit of regulatory objectives and priorities		
126	Measures to enhance regulatory transparency, accountability and independence will be introduced		
127	Measures will be introduced to enhance processes and capabilities for effective enforcement		
128	Measures will be taken to enhance the enforcement capacity of the SC		
129	The regulatory framework will be enhanced to provide for appropriate mechanisms for systemic risk management		
130	The SC will develop a regulatory framework for the implementation of electronic commerce in the capital market		

No	Phase 1	Phase 2	Phase 3
131	The SC will introduce measures to improve the assessment of regulatory cost-effectiveness		
132	A five-year review to monitor effectiveness of regulatory structure and framework will be conducted		
133	A comprehensive review of the current tax framework relating to the capital market should be carried out		

Technology and E-Commerce

No	Phase 1	Phase 2	Phase 3
134	Capital market regulation will be technology-neutral and facilitative of innovation		
135	Access to the market's trading infrastructure will be enhanced		
136	Regulatory issues relating to the primary market offering and secondary market trading of capital market products through electronic means will be clarified		
137			End-to-end straight-through processing in the Malaysian capital market should be achieved, with appropriate linkages with international systems to be facilitated
138	The facilitation of electronic trade settlement through the integration of the technologies of the clearing and settlement system with the payment system will be examined		
139	The development of online value-added services and innovations such as financial portals and financial hubs will be facilitated		
140	Online trading of units in unit trust funds will be permitted		
141	Surveillance and enforcement capabilities of online capital market activities will be enhanced		
142	Training and education programmes for market institutions, market participants and investors on the use of technology and e-commerce will be enhanced		
143	International standards of security, reliability and privacy will apply to technology infrastructure		

Training and Education

No	Phase 1	Phase 2	Phase 3
144	Training programmes to create highly skilled and flexible market professionals will be developed		
145	A culture of continuous learning and skill enhancement will be encouraged through Continuing Professional Education programmes		
146	Skills of regulators, including front-line regulators and self-regulatory organisations, will be strengthened		
147	Efforts will be made to increase the availability of skilled graduates for the capital market through arrangements with universities in curriculum development		
148	Licensing examinations for capital market professionals will be streamlined		
149	Education, training and licensing examinations will be made more accessible		
150	The skills, knowledge and competencies of Bumiputera intermediaries will be enhanced		
151	Investor protection and education will be further promoted through awareness programmes		
152	The SC will develop SIDC as a regional capital market training centre		