**APPENDIX 1**



**General Instructions**

**APPLICATION FOR REGISTRATION AS A RECOGNISED MARKET OPERATOR**

1. This Application for Registration as a Recognised Market Operator consists of two parts:
2. Form 1 (About the Applicant): This is the general information about the Applicant; and
3. Form 2 (About the Recognised market): Kindly complete the specific form which is relevant to the recognised market you wish to operate.
4. All questions must be answered. If a question is not applicable, please mark “N.A” in the space provided. Should there be insufficient space for your answers, please use separate sheets of paper and clearly mark each separate sheet of paper with the relevant section number.
5. Please tick (√) in the relevant boxes where appropriate.
6. If there are any changes in the information furnished in the application prior to the approval of the registration, the Applicant should notify the Securities Commission Malaysia (SC) immediately.
7. This application must be signed by at least two directors/partners of the Applicant, and must be accompanied by the relevant documents required to complete the application.
8. This application together with the annexures must be submitted to the SC in both physical and electronic forms. The electronic copy to be submitted to [rmo@seccom.com.my](mailto:rmo@seccom.com.my) and the physical copy to be submitted to the address set out in paragraph 18.01 of the Guidelines.
9. This application must be accompanied with an application fee of RM5,000 as prescribed under *Capital Markets and Services Regulation 2012* upon submission to the SC. Cheque payments should be made payable to “Securities Commission” or “Suruhanjaya Sekuriti”.

For interbank transfer, payment details are as follows:

|  |  |
| --- | --- |
| **Account Name** | : Suruhanjaya Sekuriti |
| **Bank and Branch** | : Malayan Banking Berhad  : Bukit Damansara SSC  Jalan Semantan  50490 Kuala Lumpur |
| **Account Number** | : 014329 309987 |
| **Swift Code** | : MBBEMYKL |
| **Branch Code** | : 27-14329 |

1. Only shortlisted Applicants will be notified for further assessment engagement with the SC.
2. The submission of a complete application does not automatically qualify for registration of a Recognised Market Operator.

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| **Declaration** | |
| We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| *Full name Full name* | |
| Declare that:-  1. We are the directors / partners of the Applicant. | |
| 2. The information provided in this form and in the appendices attached to it, is true, correct and complete. | |
| ………………………………………… | ………………………………………… |
| Signature | Signature |
| Name *(Director/Partner)*: | Name *(Director/Partner)*: |
| NRIC No/ Passport No: | NRIC No/ Passport No: |
| Date: | Date: |

**Form 1: About the Applicant**

General information about the Applicant

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1.1 PROFILE OF APPLICANT (CORPORATION) | | | | | |
| **A: Corporation details** | | | | | |
| Name |  | | | | |
| Country of incorporation |  | | | | |
| Company registration number |  | | | | |
| Date of incorporation |  | | | | |
| Website address  \*(Yes / No / Being developed) |  | | | | |
| **B: Contact Detail(s)** | | | | | |
| Registered address |  | | | | |
| E-mail address |  | | | | |
| Contact no | Office: | | Mobile: | | Fax: |
| Business address |  | | | | |
| E-mail address |  | | | | |
| Contact no | Office: | | Mobile: | | Fax: |
| **C: Corporation Status** | | | | | |
| Privately held | Publicly listed | Others *(please specify)*: | | | |
| **D: Share Capital (RM)** |  |  | |  | |
| Total Paid-up capital |  | | | | |
| Total reserves |  | | | | |
| Total equity and shareholders’ funds |  | | | | |

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| **E: Others**  ***(Applicable for foreign incorporated Applicant only)*** |
| At point of application, a foreign incorporated Applicant needs to submit a duly signed undertaking letter by its authorized signatory stating its commitment on the following if it is registered as an recognized market operator by the SC:-  (i) a body corporate shall be incorporated in Malaysia having the applicable financial resource requirements as set out in the Guidelines;  (ii) a minimum of two (2) key personnel shall be in place within 12 months from the date of registration of the recognized market; and  (iii) it will comply with and meet all the requirements of the securities laws and these Guidelines. |
| *Please tick the box to confirm that the document is attached.*  Attached |
| **F: Documents Required - Attach certified true copies of the following:** |
| * Certificate of incorporation/ registration * Memorandum or articles of association, partnership agreement or any constituent document * Most recent annual audited financial statements/ Balance sheet and profit and loss account * Annual return / annual declaration * Return of allotment of shares form (Section 78) * Return giving particulars in Register of Directors, Managers and Secretaries, and Changes of Particulars (Section 58) |
| *Please tick the box to confirm that the documents are attached.*  Attached |

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| 1.2 CONTROLLERS | | | | | | | | | |
| A. Shareholding of Shareholders / Partners *Please provide details of all shareholders/ partners of the Applicant company up to the ultimate shareholder(s) / partner(s)* | | | | | | | | | |
| Individual | | | | | | | | | |
| Name | | Ordinary | | | Preference | | | Others | |
| No. | | % | No. | % | | No. | % |
|  | |  | |  |  |  | |  |  |
| *Individuals who have shareholding or voting rights in the Applicant company. Please provide the details for all shareholders/ partners by filling up and duplicating the row for each individual shareholder/ partner* | | | | | | | | | |
| Corporation | | | | | | | | | |
| Name | | Ordinary | | | Preference | | | Others | |
|  | | No. | | % | No. | % | | No. | % |
|  | |  | |  |  |  | |  |  |
| *Corporation - if 5% or more of the shares in the Applicant are held by one or more corporations, please provide the corporation shareholding structure by filling up and duplicating the row for each corporation* | | | | | | | | | |
| B: Shareholder/ Partner Details | | | | | | | | | |
| Individual | | | | | | | | | |
| Name |  | | | | | | | | |
| Nationality |  | | | | | | | | |
| NRIC No./Passport No. |  | | | | | | | | |
| Date of Birth *(ddmmyy)* |  | | | | | | | | |
| Residential address |  | | | | | | | | |
| E-mail address |  | | | | | | | | |
| Contact no. | Office: | | Mobile: | | | | Fax: | | |
| Corporation | | | | | | | | | |
| Name |  | | | | | | | | |
| Business Registration / Incorporation Number |  | | | | | | | | |
| Place of incorporation |  | | | | | | | | |
| Business address |  | | | | | | | | |
| E-mail address |  | | | | | | | | |
| Contact no. | Office: | | Mobile: | | | | Fax: | | |
| *Please provide the details for all shareholders/ partners by filling up and duplicating the table for each direct shareholder/ partner* | | | | | | | | | |
| **C: Documents Required - Attach copies of the following:** | | | | | | | | | |
| * For Individuals: Certified true copy of the National registration identity card (NRIC) for Malaysian citizen or passport details (for non-Malaysian citizen) * For Corporation: Certified true copy of the certificate of incorporation/ registration * Please provide an organization chart showing the Applicant and its relationship with its shareholder/ partner and up to its ultimate shareholder(s)/partner(s) | | | | | | | | | |
| *Please tick the box to confirm that the documents are attached*  Attached | | | | | | | | | |

**Form 1A: Directors / Compliance officers**

Director is applicable if the Applicant is a body corporate and compliance officer is in the context of the Applicant being a limited liability partnership

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **1A.1 DIRECTORS / COMPLIANCE OFFICERS** | | | | |
| **A: Personal Details** | | | | |
| Name |  | | | |
| Gender | Male | | Female | |
| Date of Birth *(ddmmyy)* |  | | | |
| Age |  | | | |
| Nationality |  | | | |
| NRIC No./Passport No. |  | | | |
| Designation |  | | | |
| Residential address |  | | | |
| E-mail address |  | | | |
| Contact no. | Office: | Mobile: | | Fax: |
| *Please provide the details for all directors/ compliance officers by filling up and duplicating the table for each director/ compliance officer* | | | | |
| **B: Documents Required - Attach copies of the following:** | | | | |
| * For Individuals: Certified true copy of the National registration identity card (NRIC) for Malaysian citizen or passport details (for non-Malaysian citizen) * CVs / qualification / background of the individual | | | | |
| *Please tick the box to confirm that the documents are attached*  Attached | | | | |

**Form 1B: Responsible Person**

The Applicant must appoint at least one (1) responsible person who is primarily responsible for the operations and financial management of the recognized market. The Responsible Person will be the main contact person for liaising with the SC and perform any duty as may be directed by the SC

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| --- | --- | --- | --- | --- |
| **1B.1 RESPONSIBLE PERSON** | | | | |
| **A: Personal Details** | | | | |
| Name |  | | | |
| Gender | Male | Female | | |
| Date of Birth *(ddmmyy)* |  | | | |
| Age |  | | | |
| Nationality |  | | | |
| NRIC No./Passport No. |  | | | |
| Designation |  | | | |
| Residential address |  | | | |
| E-mail address |  | | | |
| Contact no. | Office: | | Mobile: | Fax: |
| *Please duplicate this table and provide the details if there is more than one Responsible Person* | | | | |
| **B: Documents Required - Attach copies of the following:** | | | | |
| * Certified true copy of the National registration identity card (NRIC) for Malaysian citizen or passport details (for non-Malaysian citizen) * CVs / qualification / background of the individual | | | | |
| *Please tick the box to confirm that the documents are attached*  Attached | | | | |

**Form 1C: DECLARATION**

Declaration by all directors/ compliance officers, CEO, responsible person(s) of the Applicant

|  |
| --- |
| Form 1C: DECLARATION BY DIRECTORS/ COMPLIANCE OFFICER/ CEO / RESPONSIBLE PERSON(S) OF THE APPLICANT |
| I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, NRIC No/ Passport No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| *Full name* |
| Declare that: |
| 1. I am a director / compliance officer / CEO / responsible person (*delete whichever non-applicable*) of the Applicant. |
| 2. Within the past 10 years, in Malaysia or elsewhere: |
| 1. Been charged with or convicted of in Malaysia or overseas, any civil and/or criminal offence relating to dishonesty, fraud, misleading or deceptive conduct?   No  Yes *(If “Yes”, please specify details)* |
| 1. Been charged with or convicted of in Malaysia or overseas, of any offence for which you were sentenced to, or liable to be sentenced to, a term of imprisonment (even if you were not imprisoned?)   No  Yes *(If “Yes”, please specify details)* |
| 1. Been charged with or convicted of an offence or subject to a proceeding under the securities laws or any law within or outside Malaysia relating to capital market?   No  Yes *(If “Yes”, please specify details)* |
| 1. Been banned in Malaysia or overseas from providing financial and/or capital market services or acting as a director of a body incorporate or being involved in the management of a body incorporate or unincorporated entity?   No  Yes *(If “Yes”, please specify details)* |
| 1. Been subject to any form of disciplinary proceedings or actions by any professional or regulatory body?   No  Yes *(If “Yes”, please specify details)* |
| 1. Entered into a compromise or arrangement with creditors or members, or a petition presented in a court for its winding up?   No  Yes *(If “Yes”, please specify details)* |
| 1. Had a receiver and manager been appointed in respect of any assets /property(ies) of the Applicant?   No  Yes *(If “Yes”, please specify details)* |
| ………………………………………… |
| Signature |
| Date (*ddmmyy*): |
| ***Please provide the signed declarations of all directors/ compliance officers, CEO and responsible person(s) by filling up and duplicating the table for each director/ compliance officer, CEO and responsible person(s) of the Applicant.*** |

**Form 2: About the Recognized Market (General)**

This Form is to be completed by an Applicant that wish to operate any other recognized markets aside from those provided for in Form 2A (ECF), Form 2B (P2P), Form 2C (DAX) and Form 2D (Property Crowdfunding)

|  |  |  |
| --- | --- | --- |
| **2.1 RECOGNIZED MARKET (GENERAL)** | | |
| **A: Basic information** | | |
| Name of recognized market |  | |
| Trading hours |  | |
| Nature of recognized market | Order routing system | Electronic communication system |
| Internet portal | Trading platform |
| Others *(please specify)*: | |
| Describe type of services provided on the recognized market |  | |
| Describe the financial instruments to be traded on the recognized market |  | |
| Describe the prospective categories of participants including:   * Manner in which the different category of participants would access the recognized market, and * Entry requirements placed on different categories of participants |  | |
| Describe the intended users of the recognized market | Retail clients  Institutional clients  High net worth clients  Licensed brokers/fund houses  Authorised financial institutional  Trustees or custodians  Others *(please specify)*:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |

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| Describe source of remuneration | Fixed fees from users  Basis of computation of fee:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Variable fees from users  Basis of computation of fee:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Advertisement fees  Rebate or commission from intermediaries  Others *(please specify)*:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **B: Transaction Process Flow** | |
| Describe the end-to-end process flow including receiving and execution of a client order, post trade clearing and settlement and any monies handling arrangements, on the recognized market (to be presented in the form of a diagram as an attachment). | |
|  | |
| *Attach a copy of the respective transaction process flows together with this application form.* | |
| **C: Terms and Conditions Imposed on Users** | |
| Provide terms and conditions(including procedures and other documentation) imposed on users for the use of the recognized market (including a brief description of the disclosure documents, terms of business) that the applicant will give to its users, resolution of trade disputes and circumstances for suspension of facilities). | |
|  | |
| *As applicable, related contractual documentation with the intended users to be attached with this application form.* | |
| **D: Controlled functions: Information on Key Personnel** | |
| Provide information on staffing levels of key controlled functions (including market controls, market surveillance, compliance, member regulation, system integrity), including information of their names, relevant experience and qualifications, etc. | |
|  | |
| *Provide on a separate sheet a staff organisational structure chart, clearly indicating senior management/ decision makers/ key officers or employees and their reporting lines.* | |

|  |  |
| --- | --- |
| **F: Systems and Controls** | |
| Describe the IT systems used (including off-the shelf/ customized/ outsourced) |  |
| Describe the security process and procedures |  |
| Describe the capacity of the system |  |
| Describe the business continuity plan and procedures, including details of any third party involvement  (if applicable, provide the name of the third party that will be involved in managing/operating material aspects of the applicant’s operations on behalf of the applicant. Describe the role and responsibilities of each third party to which the applicant has delegated or outsourced its operations) |  |
| Describe risk management systems or procedures including procedures relating to internal audit, internal controls, security |  |
| Describe record keeping and audit trail features and procedures |  |

|  |  |
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| **2.2 REGULATORY STATUS** | |
| If the Applicant is operating similar market(s) or conducting a business in any regulated activity in Malaysia or any other jurisdiction, provide relevant information such as: | |
| The name(s) of such market(s) and/or type of regulated activity(ies) |  |
| The name(s) of such jurisdiction(s) |  |
| The name(s) of any supervisory authority, including self-regulatory organisation, that exercise oversight over the Applicant or its related corporations in these jurisdictions |  |
| Evidence of the Applicant’s authorisation to operate a market or conduct a business of a regulated activity in these jurisdictions, including a copy of any conditions imposed on the Applicant’s market operations and conduct of regulated activity in these jurisdiction(s) |  |
| *As applicable, documentation that would allow the SC to consider if the requirements and supervision of the Applicant is subject to are sufficiently equivalent to the requirements and supervision to which under the CMSA, e.g. a summary of the laws, legislation, regulations and rules applicable to the Applicant in these jurisdiction(s)* | |
| Has the Applicant ever been rejected or refused licence, authorisation or registration to operate similar market(s) or to conduct a business in any regulated activity in any jurisdiction? | |
| Yes *(If “Yes”, please specify details)*  No | |

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| **2.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |

**Form 2A: About the Recognized Market (Equity Crowdfunding Platform)**

Form 2A needs to be completed by an Applicant that wishes to operate an equity crowdfunding platform (ECF platform)

|  |  |
| --- | --- |
| **2A.1 RECOGNIZED MARKET (ECF platform)** | |
| **A: Basic information** | |
| Name of ECF platform |  |
| Services that will be provided on the ECF market |  |
| Does the Applicant intend to carry out any other business activities that may or may not be connected to the ECF market | Yes *(If “Yes”, please specify details)*  No |
| **B. Users**  *(A reference to users includes an issuer or an investor)* | |
| **B1. Investors** | |
| Individuals | Retail  Angel Investors  Sophisticated  Others *(please specify)*: |
| Entities *(please specify)* |  |
| Entry requirements of such user |  |
| **B2. Issuers** | |
| Target sectors  *(please specify)* |  |
| Entry requirements of the different category of users |  |

|  |  |
| --- | --- |
| **C. Offering of Islamic capital market products** | |
| Does the Applicant intend to offer any Islamic capital market products? | Yes  No |
| Name of Shariah adviser |  |
| **D. Due diligence process** |  |
| Describe the due diligence process that it will be carrying on prospective issuers |  |
| **E. Monies handling arrangements** | |
| Describe the monies handling arrangements |  |
| Name of licensed institution |  |
| Name of trustee |  |
| **F. Business risks** | |
| What are the main business risks and how does it intend to manage those risks? |  |

|  |  |
| --- | --- |
| How many users does the Applicant expect to have? | At Go Live  Issuer: \_\_\_\_\_ Investor: \_\_\_\_\_  12 months after Go Live  Issuer: \_\_\_\_\_ Investor: \_\_\_\_\_ |
| Describe the risk management systems or procedures (including procedures relating to internal audit, internal controls and security) |  |
| **G. Transaction process flow** | |
| Describe the transaction process flow |  |
| **H. Terms and conditions imposed on users** | |
| Provide terms and conditions imposed on users (including a brief description of the disclosure documents, terms of business, resolution of disputes and circumstances for suspension of platform)  *(As applicable, related procedures and contractual documentation with the intended users to be attached)* |  |

|  |  |
| --- | --- |
| **I. Fees and charges** | |
| Details of fee structure  *(Please specify the different type of fees, such as fixed fee or variable fee)* |  |
| **J. Systems and controls** | |
| Will the IT systems be proprietary/ off-the-shelf/ outsourced? |  |
| Business continuity and disaster recovery  *(Please tick the box to confirm that the document is available for SC’s inspection)* | Full business continuity procedures  Any agreements/ terms of reference agreed with any third party providing compliance or other services to the Applicant  Any outsourcing arrangements for disaster recovery  *(Please provide details if any of the boxes above is ticked)* |
| Describe record keeping and audit trail features and procedures |  |

|  |  |
| --- | --- |
| **K. Personnel** | |
| Demonstrate that it has an effective management structure and clear reporting lines to ensure key controlled functions (including market controls, surveillance, compliance, user regulation, system integrity)  *(Please include information of names, relevant experience and qualifications of key personnel and staff organisational structure, clearly indicating senior management / decision makers/ key employees and their reporting lines)* |  |

|  |  |
| --- | --- |
| **L. Compliance arrangements** | |
| **Compliance procedures**: Briefly describe its compliance procedures which you will ensure that it meets the regulatory requirements |  |
| **Compliance monitoring programme**: Describe the actions you will take to ensure that you will comply with your compliance procedures |  |
| **Financial** **crime**: Briefly describe the procedures and steps that you will take to counter the risks of the following:  (i) fraud or dishonesty  (ii) misconduct/misuse of information relating to capital markets  (iii) money laundering |  |
| **Market conduct**: Briefly describe the controls, procedures and arrangements to counter market abuse |  |

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| --- |
| **M. Business plan** |
| Outline the Applicant’s business model and plans with regard to the operation of its business over the next three (3) to five (5) years, including:   * why you wish to carry on this business * whether you have identified a particular target market * any long term strategy and expansion plans * where would users be sourced from * what experience does your senior management have to carry out such business, including their background and experience of all persons performing significant controlled functions and how this will help them in their role *(Please attach copies of any relevant qualifications/ examinations)* * details of fees payable by users and how they will be charged |
|  |

|  |  |
| --- | --- |
| **2A.2 REGULATORY STATUS** | |
| If the Applicant is operating similar market(s) or conducting a business in any regulated activity in Malaysia or any other jurisdiction, provide relevant information such as: | |
| The name(s) of such market(s) and/or type of regulated activity(ies) |  |
| The name(s) of such jurisdiction(s) |  |
| The name(s) of any supervisory authority, including self-regulatory organisation, that exercise oversight over the Applicant or its related corporations in these jurisdictions |  |
| Evidence of the Applicant’s authorisation to operate a market or conduct a business of a regulated activity in these jurisdictions, including a copy of any conditions imposed on the Applicant’s market operations and conduct of regulated activity in these jurisdiction(s) |  |
| *As applicable, documentation that would allow the SC to consider if the requirements and supervision of the Applicant is subject to are sufficiently equivalent to the requirements and supervision to which under the CMSA, e.g. a summary of the laws, legislation, regulations and rules applicable to the Applicant in these jurisdiction(s)* | |
| Has the Applicant ever been rejected or refused licence, authorisation or registration to operate similar market(s) or to conduct a business in any regulated activity in any jurisdiction? | |
| Yes *(If “Yes”, please specify details)*  No | |

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| **2A.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |

**Form 2B: About the Recognized Market (P2P Platform)**

Form 2B needs to be completed by an Applicant that wishes to operate a peer-to-peer financing platform (P2P platform)

|  |  |
| --- | --- |
| **2B.1 RECOGNIZED MARKET (P2P platform)** | |
| **A: Basic information** | |
| Name of P2P platform |  |
| Rate model (e.g. pre-set/ fixed rate) |  |
| Type of products (investment notes/ Islamic investment notes) offered including direct or pooled, repayment details, range of rate of financing and tenure |  |
| Name of shariah adviser (if applicable) |  |
| **B. Offering of other business activities** | |
| Does the Applicant intend to carry out any other business activities that may or may not be connected to the P2P market | Yes *(If “Yes”, please specify details)*  No |

|  |  |
| --- | --- |
| **C. Fees and charges** | |
| Details of fee structure  *(Please specify the different type of fees)* |  |
| **D. Secondary market** | |
| Does the Applicant intend to offer a secondary market? | Yes *(If “Yes”, please specify details)*  No |

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| **E. Business plan** |
| Outline the Applicant’s business model and plans with regard to the operation of its business over the next three (3) to five (5) years, including:   * why and how do you intend to carry out this business * any long term strategy and expansion plans including sourcing of your issuers and investors * experience of senior management in carrying out such business, including background information * value proposition to the overall development of the capital market including your contribution to financial inclusion, sustainable development of any sectors of the economy, synergistic value add to any economic policies and social value proposition |
|  |

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| **F. Users**  *(Reference to users includes issuer and investor)* | |
| **F1. Investors** | |
| Individuals | Retail  Sophisticated  Others *(please specify)*: |
| Entities *(please specify)* |  |
| Entry requirements |  |
| Terms and conditions imposed  *(As applicable, related procedures and contractual documentation to be attached)* |  |

|  |  |
| --- | --- |
| **F2. Issuers** | |
| Legal status of issuers | Sole proprietor  Partnership  Private company  Unlisted public company |
| Target sectors *(please specify)* |  |
| Entry requirements |  |
| Terms and conditions  *(As applicable, related procedures and contractual documentation to be attached)* |  |

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| --- | --- |
| **F3. Others** | |
| Will the Applicant be engaging any \*introducer/ referral party?  *(\*Introducer/ referral party means a third party engaged by the P2P operator to refer/introduce an issuer/ investor for a fee)* | Yes *(If “Yes”, please specify details of fee arrangements)*  No |

|  |  |
| --- | --- |
| **G. Credit assessment and risk scoring** | |
| Full details of the procedures and methodology to carry out credit assessment and risk scoring on a prospective issuer |  |
| Is the risk scoring system proprietary or outsourced?  *(If “outsourced”, please specify the outsourced parties and how you will ensure the outsourced services meet the requirement in the Guidelines)* |  |

|  |  |
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| **H. Monies handling arrangements** | |
| Describe the monies handling arrangements |  |
| Name of licensed financial institution |  |
| Name of trustee |  |

|  |  |
| --- | --- |
| **I. Transaction process flow** | |
| Describe the financing process flow (from point of offering of investment notes/ Islamic investment notes until release of funds to issuer) |  |
| Describe the repayment process flow (from point of receiving monies from issuers until repayment to investors) |  |
| Describe the refund process flow (such as unsuccessful financing campaign or any other circumstances) |  |

|  |  |
| --- | --- |
| **J. Compliance arrangements** | |
| **Compliance procedures**: Describe the compliance procedures that meets the regulatory requirements |  |
| **Compliance monitoring programme**: Describe the actions to be taken for compliance |  |
| **Financial** **crime**: Describe the procedures and steps that you will take to counter the risks of the following:  (i) fraud or dishonesty  (ii) misconduct/misuse of information relating to capital markets  (iii) money laundering |  |
| **Market conduct**: Describe the controls, procedures and arrangements to mitigate/ counter market abuse |  |

|  |  |
| --- | --- |
| **K. Business risks** | |
| What are the main business risks and how do you intend to manage those risks? |  |
| Expected users | At Go Live  Number of Investment notes: \_\_\_\_\_ Number of Investor: \_\_\_\_\_ Target funds raised:\_\_\_\_\_  12 months after Go Live  Number of Investment notes : \_\_\_\_\_ Number of Investor: \_\_\_\_\_ Target funds raised:\_\_\_\_\_ |
| Describe the risk management framework (including procedures relating to internal audit, internal controls and security) |  |

|  |  |
| --- | --- |
| **L. Default management & recovery** | |
| Under Section I on Transaction process flow of the repayment arrangements, describe the measures and arrangements to ensure compliance of issuer’s obligations |  |
| Details on default of repayment arrangements (including measures to manage repayment arrears) |  |
| Details on collection arrangements |  |

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| **M. Recovery and resolution** | |
| Describe the recovery and resolution processes including details on the arrangements that will be administered to ensure the continuity of the investment notes / Islamic investment notes |  |

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| **N. Financial resources** | |
| Kindly provide the following: | |
| Monthly cash flow forecast for the first 12 months of Go Live | Attached |
| Proforma income statement for the first 5 years of Go Live or up to the year it achieves profit (\**if the latter is longer than 5 years*)  *(The following minimum items must be disclosed:*  *(i) itemized gross income*  *(ii) itemized expenditure* | Attached |

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| **O. Systems and controls** |  |
| Will the IT systems utilized in the operationalization of the P2P market be proprietary/ off-the-shelf/ outsourced?  *(If outsourced, please specify arrangements and how you will ensure it meets the requirement in the Guidelines)* |  |
| Business continuity and disaster recovery | Full business continuity procedures  Any outsourcing arrangements for business continuity and disaster recovery  *(Please provide details)* |
| Describe record keeping and audit trail mechanism |  |

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| **P. Personnel** | |
| Organizational structure |  |
| Information of key personnel  *(e.g. qualification, employment history, background details)* |  |

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| **Q. User education and awareness** | |
| Describe your plans on user education and awareness |  |

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| **2B.2 REGULATORY STATUS** | |
| If the Applicant is operating similar market(s) or conducting a business in any regulated activity in Malaysia or any other jurisdiction, provide relevant information such as: | |
| The name(s) of such market(s) and/or type of regulated activity(ies) |  |
| The name(s) of such jurisdiction(s) |  |
| The name(s) of any supervisory authority, including self-regulatory organisation, that exercise oversight over the Applicant or its related corporations in these jurisdictions |  |
| Evidence of the Applicant’s authorisation to operate a market or conduct a business of a regulated activity in these jurisdictions, including a copy of any conditions imposed on the Applicant’s market operations and conduct of regulated activity in these jurisdiction(s) |  |
| *As applicable, documentation that would allow the SC to consider if the requirements and supervision of the Applicant is subject to are sufficiently equivalent to the requirements and supervision to which under the CMSA, e.g. a summary of the laws, legislation, regulations and rules applicable to the Applicant in these jurisdiction(s)* | |
| Has the Applicant ever been rejected or refused license, authorisation or registration to operate similar market(s) or to conduct a business in any regulated activity in any jurisdiction? | |
| Yes *(If “Yes”, please specify details)*  No | |

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| **2B.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |

**Form 2C: About the Recognized Market (Digital Asset Exchange)**

Form 2C needs to be completed by an Applicant that wishes to operate a Digital Asset Exchange.

|  |  |
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| **2C.1 RECOGNIZED MARKET (Digital Asset Exchange)** | |
| **A: About the Digital Asset Exchange** | |
| Name of Digital Asset Exchange |  |
| Types of services / facilities offered on the Digital Asset Exchange |  |
| Digital Asset Exchange model (e.g. intermediated, non-intermediated, peer-to-peer, auction, order book, centralised, non-centralised) |  |
| Other business activities that may or may not be connected to Digital Assets, if any |  |
| **B. Digital Assets to be traded** | |
| Digital Assets intended to be traded |  |
| Admission standards / criteria for trading of Digital Assets as specified above |  |
| **C. Investors on the Digital Assets Exchange** | |
| Types of investors targeted | Retail  Institutional  High Net Worth Individuals  Professional traders  Others *(please specify)*: |
| Investors’ eligibility requirements |  |
| Terms and conditions |  |
| Expected number of investors 12 months after Go Live | 12 months after Go Live  Number of investors: \_\_\_\_\_  Target trading volume / value: \_\_\_\_\_ |
| **D. Referral arrangements** | |
| Third party \*introducer / referral, if any  (\*Introducer / referral party means a third party engaged by the Digital Asset Exchange Operator to refer/introduce an investor for a fee) | Yes *(If “Yes”, please specify details of*  No  *arrangement, including incentives structure)* |
| **E. Details of transaction process flow**  (may provide process flow diagram) | |
| Trading and execution process |  |
| Settlement and clearing activities |  |
| Transfer and withdrawal of fiat currency or Digital Asset |  |
| **F. Market Structure** | |
| Description of:  i) Order types  ii) Order matching processes (e.g. matching algorithm)  iii) Trading hours |  |
| Volatility control mechanisms |  |
| Details of arrangements and processes to manage:  i) error trades  ii) systems error, failure and malfunction  iii) investors’ assets in event of any suspension or outage |  |
| **G. Risk management** | |
| IT systems utilised in platform operationalisation |  |
| Business continuity management and disaster recovery plans |  |
| Details of main business risks |  |
| Risk management framework, including framework for cyber risk management |  |
| Details of internal audit function |  |
| Record keeping and audit trail processes |  |
| **H. Compliance arrangements** | |
| Compliance processes and procedures to meet regulatory requirements |  |
| Monitoring processes and procedures to ensure investors’ compliance with Digital Asset Exchange rules |  |
| Arrangements and processes to deter and detect financial crime (e.g. AML / CFT) |  |
| Arrangements and processes to deter and detect market abuse |  |
| Arrangements and processes to manage investors’ disputes and complaints |  |
| Conflict of interest management framework |  |
| Details of recovery and resolution processes |  |
| **I. Client asset protection arrangements** | |
| Details of monies handling arrangements |  |
| Name of licensed financial institution |  |
| Name of trustee |  |
| Details of Digital Asset custody arrangements |  |
| Name of e-wallet service provider(s) |  |
| Details of safeguards for custody of Digital Assets (e.g. multi-signature, two-factor authentication, hot / cold e-wallet) |  |
| **J. Outsourcing arrangements** | |
| Details of functions intended to be outsourced and rationale |  |
| Details of parties that carry out the outsourced functions |  |
| Details of monitoring arrangements on outsourced functions’ service levels |  |
| **K. Proprietary trading / market making** | |
| Proprietary trading for providing liquidity | Yes *(If “Yes”, please specify details)*  No |
| Third-party market maker | Yes *(If “Yes”, please specify details)*  No |
| **L. Business plan** | |
| Details of business model and plans over next five (5) years |  |
| **M. Fees and charges** | |
| Details of all fees structure |  |
| **N. Personnel** | |
| Organizational structure |  |
| Information of key personnel  *(e.g. qualification, employment history, background details)* |  |
| **O. Financial resources** | |
| If operations have yet to commence, please provide:  i) Monthly cash flow forecast for first twelve (12) months of going live  ii) Pro forma income statement for first five (5) years of going live and up to year profit is achieved  If operations have commenced, please provide:  i) Financial statements since commencement of operations, including statement of cash flow, balance sheet, and income statement  ii) Monthly cash flow forecast for first twelve (12) months of going live  iii) Pro forma income statement for first five (5) years of going live and up to year profit is achieved |  |
| **P. User education and awareness** | |
| Describe your plans for public awareness and user education |  |
| **2C.2 REGULATORY STATUS** | |
| Name of jurisdiction(s) in which you are operating a similar market / business |  |
| Types of services / facilities operated in jurisdictions as specified above |  |
| If regulated, name of regulatory authority, including self-regulatory body and evidence of authorisation including a copy of any condition imposed |  |
| Rejection or withdrawal of authorisation in any regulated activity by one or more regulated authorities in any jurisdiction | Yes *(If “Yes”, please specify details)*  No |

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| **2C.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |

**Form 2D: About the Recognized Market (Property Crowdfunding Platform)**

Form 2D needs to be completed by an Applicant that wishes to operate a Property Crowdfunding Platform

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| **2D.1 RECOGNIZED MARKET (Property Crowdfunding Platform)** | |
| **A: About the Property Crowdfunding Platform** | |
| Name of Property Crowdfunding Platform |  |
| Type of products to be offered on the Property Crowdfunding platform  *(Describe the residential property crowdfunding mechanisms/ arrangements)* |  |
| **B. Offering of other business activities** | |
| Details of other business activities that may or may not be connected to the Property Crowdfunding Platform, if any |  |

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| **C. Personnel** | |
| Organizational structure |  |
| Information of key personnel  *(e.g. qualification, employment history, background details)* |  |

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| **D. Users**  *(Reference to users includes issuer (homebuyer) and investor)* | |
| **D.1 Issuers (Homebuyers)** | |
| Entry requirements of prospective issuer/homebuyer |  |
| Verification arrangements on first time issuers/ homebuyers  *(e.g. details on how verification of a first time homebuyer is conducted)* |  |
| Terms and conditions  Imposed  *(As applicable, related*  *procedures and contractual*  *documentation to be attached)* |  |
| **D.2 Investors** | |
| Individuals | Retail  Sophisticated  Others *(please specify)*: |
| Entry requirements |  |
| Terms and conditions  Imposed  *(As applicable, related*  *procedures and contractual documentation to be attached)* |  |

|  |  |
| --- | --- |
| **E. Fees and charges** | |
| Details of all fee/ charges structure  *(to include all fees and charges -*  *stamp duties, legal fees and other costs payable in relation to the sale and purchase of the residential property)* |  |
| Will the Applicant be  engaging any \*introducer/  referral party?  *(\*Introducer/ referral party*  *means a third party engaged*  *by the PCF operator to refer/introduce an issuer/ investor for a fee)* | Yes *(If “Yes”, please specify details of fee arrangements)*  No |
| **F. Business Model** | |
| Details on the types of residential property to be hosted  *(e.g. freehold, leasehold, individual title, strata title, landed, apartments)* |  |
| Price range of the residential properties to be financed |  |
| Location of residential properties |  |
| Intention to enter into any arrangements with property developers | |  |  | | --- | --- | | Yes *(If “Yes”, please provide details of the property developer (eg: names, business registration number, member of REHDA, developer license number), arrangements and the incentive structure)* | No | |
| Panel of Independent registered property valuers  *(e.g. name, licensing information with the Board of Valuers, Appraisers, Estate Agents and Property Managers*) |  |
| Panel of legal firms and the arrangements/ services provided  *(e.g. name, member of Bar Council)* |  |
| Intention to enter into any arrangements with security agents | |  |  | | --- | --- | | Yes *(If “Yes”, please provide details of the security agents, arrangements as well as the incentive structure)* | No | |
| Intention to enter into any arrangements with property manager (if any) | |  |  | | --- | --- | | Yes *[If “Yes”, please provide details of the of the property manager (e.g. names, business registration number, licensing information), arrangements as well as the incentive structure]* | No | |
| Intention to enter into any arrangements with other third party providers | |  |  | | --- | --- | | Yes *[If “Yes”, please provide details of the outsourced services, names of the third party providers, arrangements as well as incentive (fee) structure]* | No | |

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| **G. Details of investment note/ Islamic investment note** | |
| Tenor |  |
| Amount of residential property financing to be offered (e.g.: percentage of the property value) |  |
| Incentive arrangements for investors (if any) |  |
| Intention to offer refinancing/roll-over of the investment note | |  |  | | --- | --- | | Yes *(If “Yes”, please provide details of the arrangements)* | No | |

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| **H. Secondary market** | |
| Intention to offer secondary market for the trading of investment note/ Islamic investment note | |  |  | | --- | --- | | Yes  *If yes, please provide details of:-*   * *Market structure (e.g. bulletin board, order book, negotiated trading, auction) and order types (e.g. limit order, market order)* * *How price is determined for secondary trading of the investment note* * *Trade execution process* * *Clearing and settlement process* | No | |
| **I. Exit Mechanism** | |
| Details of all possible exit mechanisms at the end of the investment note/ Islamic investment note tenor |  |
| Details of the arrangements and procedures to provide exit certainty for issuer/homebuyers and investors at the end of the investment note/ Islamic investment note tenor |  |

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| **J. Transaction process flow** | |
| Describe the process flow of the investment note/ Islamic investment note from point of pre-hosting assessment/ due diligence of the residential property up until funds disbursement |  |
| Describe the refund process flow (unsuccessful financing campaign or any other circumstances) |  |
| Describe the process flow of the exit arrangements at the end of tenor of the investment note/ Islamic investment note (e.g. sale of homes, auction process, refinancing/roll-over) |  |
| **K. Monies handling arrangements** | |
| Describe the monies handling arrangements (in terms of investors, home buyers and any related parties) |  |
| Name of licensed financial institution |  |
| Name of trustee |  |

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| **L. Compliance arrangements** | |
| Compliance procedures: Describe the compliance procedures that meets the regulatory requirements |  |
| Users onboarding: Describe the onboarding and KYC procedures that meets the regulatory requirements |  |
| Financial crime: Describe the procedures and steps that you will take to counter the risks of the following:  (i) fraud or dishonesty  (ii) misconduct/misuse of information relating to capital markets  (iii) money laundering |  |
| Conflict of Interest Framework: Describe the conflict management framework including policies and procedures to address the risk of conflict of interest (e.g. officers financing, investing and trading policies) |  |
| Compliance monitoring programme: Describe the actions to seek and enforce compliance |  |

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| **M. Systems and controls** | |
| PCF platform IT infrastructure  Please provide details of the IT infrastructure:  (i) whether it is proprietary/ off-the-shelf/ outsourced  (ii) if provided by third party, please provide name of vendor |  |
| Business continuity and disaster recovery |  |
| System security and resiliency framework |  |
| Describe record keeping and audit trail mechanism |  |
| **N. Business risks** | |
| What are the main business risks and how do you intend to manage those risks? |  |
| Describe the risk management framework |  |
| Details of internal audit function |  |
| Expected number of users: | At Go Live  Number of residential properties to be financed: \_\_\_\_\_\_\_  Number of Investors: \_\_\_\_\_\_\_  Target funds raised: \_\_\_\_\_\_\_  12 months after Go Live  Number of residential properties to be financed: \_\_\_\_\_\_\_  Number of Investors: \_\_\_\_\_\_\_  Target funds raised: \_\_\_\_\_\_\_ |

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| **O. Recovery and resolution** | |
| Describe the contingency arrangements, including details of the arrangements and processes that will be administered, to ensure the continuity of the investment notes in the event of business cessation or inability to carry out operations |  |

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| **P. Financial resources** | |
| Kindly provide the following: | |
| Monthly cash flow forecast for the first 12 months of Go Live | Attached |
| Proforma income statement for the first 5 years of Go Live or up to the year it achieves profit (\*if the latter is longer than 5 years)  *(The following minimum items must be disclosed:*  *(i) itemized gross income*  *(ii) itemized expenditure* | Attached |

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| **Q. User education and awareness** | |
| Describe your plans for public awareness and user education |  |
| **2D.2 REGULATORY STATUS** | |
| Name of jurisdiction(s) in which you are operating a similar market / business |  |
| Types of services / facilities operated in jurisdictions as specified above |  |
| If regulated, name of regulatory authority, including self-regulatory body and evidence of authorisation including a copy of any condition imposed |  |
| Rejection or withdrawal of authorisation in any regulated activity by one or more regulated authorities in any jurisdiction | Yes *(If “Yes”, please specify details)*  No |

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| **2D.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |

**Form 2E: About the Recognized Market (E-Services Platform)**

Form 2A needs to be completed by an Applicant that wishes to operate an electronic platform which arranges or facilitates the sale, purchase or subscription of a capital market product, on behalf of investors, through a CMSL holder.

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| **2A.1 RECOGNIZED MARKET (e-services platform)** | |
| **A: Basic information** | |
| Name of e-services platform |  |
| Services that will be provided on the e-services platform |  |
| Does the Applicant intend to carry out any other business activities that may or may not be connected to the e-services platform | Yes *(If “Yes”, please specify details)*  No |
| **B. Users** | |
| Describe the intended users of the e-services platform | Retail clients  Institutional clients  High net worth clients  Licensed brokers/fund houses  Authorised financial institutional  Trustees or custodians  Others *(please specify)*:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Entry requirements of such user |  |
| **C. Terms and conditions imposed on users** | |
| Provide terms and conditions imposed on users (including a brief description of the disclosure documents, terms of business, resolution of disputes and circumstances for suspension of platform)  *(As applicable, related procedures and contractual documentation with the intended users to be attached)* |  |
| **D. Arrangement details with CMSL holder** | |
| Name of CMSL holder  *(please provide CMSL details and documentations)* |  |
| Type of product to be offered on e-services platform.  *(please specify)* |  |
| Details of arrangements with CMSL holder  *(including, but not limited to, fee sharing structure, product pricing methodology, data protection arrangements, terms of disclosure, resolution of dispute, circumstances of suspension on the platform, compliance to AML/CFT requirements arrangements and general service level agreement)* |  |

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| **E. Due diligence process** | |
| Describe the due diligence or onboarding process that will be carried out on prospective users. |  |
| **E. Monies handling arrangements** | |
| Describe the monies handling arrangements |  |
| Name of licensed institution |  |
| Name of trustee |  |
| **F. Business risks** | |
| Describe the main business risks and how it intends to manage those risks |  |

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| How many users does the Applicant expect to have? | At Go Live  Users: \_\_\_\_\_  12 months after Go Live  Users: \_\_\_\_\_ |
| Describe the risk management systems or procedures (including procedures relating to internal audit, internal controls and security) |  |
| **G. Transaction process flow** | |
| Describe the end-to-end transaction process flow, including process of execution, settlement and clearing of transactions |  |

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| **I. Fees and charges** | |
| Details of fee structure charged to users  *(Please specify the different type of fees, such as fixed fee or variable fee)* |  |
| **J. Systems and controls** | |
| Will the IT systems be proprietary/ off-the-shelf/ outsourced? |  |
| Business continuity and disaster recovery, including cyber security and resiliency framework  *(Please tick the box to confirm that the document is available for SC’s inspection)* | Full business continuity procedures  Any agreements/ terms of reference agreed with any third party providing compliance or other services to the Applicant  Any outsourcing arrangements for disaster recovery  *(Please provide details if any of the boxes above is ticked)* |
| Describe record keeping and audit trail features and procedures |  |

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| **K. Personnel** | |
| Demonstrate that it has an effective management structure and clear reporting lines to ensure key controlled functions (including market controls, surveillance, compliance, user regulation, system integrity)  *(Please include information of names, relevant experience and qualifications of key personnel and staff organisational structure, clearly indicating senior management / decision makers/ key employees and their reporting lines)* |  |

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| **L. Compliance arrangements** | |
| **Compliance procedures**: Briefly describe its compliance procedures which you will ensure that it meets the regulatory requirements |  |
| **Compliance monitoring procedures**: Describe the actions you will take to ensure that you will comply with your compliance procedures |  |
| **Conflict of Interest:** Briefly describe your conflict of interest framework and relevant procedures for compliance |  |
| **Financial** **crime**: Briefly describe the procedures and steps that you will take to counter the risks of the following:  (i) fraud or dishonesty  (ii) misconduct/misuse of information relating to capital markets  (iii) money laundering |  |

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| **M. Business plan** |
| Outline the Applicant’s business model and plans with regard to the operation of its business over the next three (3) to five (5) years, including:   * why you wish to carry on this business * whether you have identified a particular target market/ product / provider * any long term strategy and expansion plans * where would users be sourced from * what experience does your senior management have to carry out such business, including their background and experience of all persons performing significant controlled functions and how this will help them in their role *(Please attach copies of any relevant qualifications/ examinations)* |
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| **2E.2 REGULATORY STATUS** | |
| If the Applicant is operating similar market(s) or conducting a business in any regulated activity in Malaysia or any other jurisdiction, provide relevant information such as: | |
| The name(s) of such market(s) and/or type of regulated activity(ies) |  |
| The name(s) of such jurisdiction(s) |  |
| The name(s) of any supervisory authority, including self-regulatory organisation, that exercise oversight over the Applicant or its related corporations in these jurisdictions |  |
| Evidence of the Applicant’s authorisation to operate a market or conduct a business of a regulated activity in these jurisdictions, including a copy of any conditions imposed on the Applicant’s market operations and conduct of regulated activity in these jurisdiction(s) |  |
| *As applicable, documentation that would allow the SC to consider if the requirements and supervision of the Applicant is subject to are sufficiently equivalent to the requirements and supervision to which under the CMSA, e.g. a summary of the laws, legislation, regulations and rules applicable to the Applicant in these jurisdiction(s)* | |
| Has the Applicant ever been rejected or refused licence, authorisation or registration to operate similar market(s) or to conduct a business in any regulated activity in any jurisdiction? | |
| Yes *(If “Yes”, please specify details)*  No | |

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| **2E.3 OTHER INFORMATION** |
| Is there any other information which the Applicant considers necessary relevant in the assessment of this application? |
| Yes *(If “Yes”, please specify details)*  No |