

# AUTHORISATION AND LICENSING

The number of CMSL holders including individual licensees for financial planning and investment advice stood at 238 compared to 234 in 2019. There were 5 cessations, 1 revocation and 10 new licences being issued, which resulted in a net increase of 4 CMSLs in 2020.

The 10 new licences issued during the year were for:

- Fund management (5 companies);
- Advising on corporate finance (1 company);
- Investment advice (1 company); and
- Financial planning (3 companies).

The SC continues to see interest in the fund management and financial planning segments especially in the digital fund management segment.

The 5 cessations in 2020 were mainly due to business realignment, group rationalisation and restructuring and shifts in geographical focus.

Revocation of a licence was in respect of Etalage Sdn Bhd due to the company's failure to carry out its licensed activities for a consecutive period of 3 months. In 2020, 3 CMSLs had varied their CMSL to include at least 1 regulated activity to their existing CMSL.

The number of CMSRL holders increased marginally to 9,734 from 9,660 in 2019. There were 600 cessations, 4 revocations, 1 surrender and 679 new CMSRL licences being issued, which resulted in a net increase of 74 CMSRLs in 2020.

There was an increase in the number of registered Marketing Representatives<sup>1</sup> from 367 as at December 2019 to 464 as at December 2020. The number of registered Trading Representatives<sup>2</sup> remained at 107 for both 2019 and 2020. The number of Employees of Registered Persons<sup>3</sup> increased marginally to 5,068 from 5,025 in 2019.

In 2020, the SC also approved 7 new registrations for the VC industry comprising 1 PEC, 3 PEMC, 1 VC and 2 VCMC.

<sup>1</sup> Marketing representative means a person who acts as an introducer for a principal, undertakes marketing of the services, provides client support services and is registered with the principal under the *Guidelines for Marketing Representative*.

<sup>2</sup> Trading representative means a person who executes securities trade for a participating organisation and is registered with the SC under section 76 of the CMSA.

<sup>3</sup> Registered person means a person registered under section 76 of the CMSA.

Table 1

## Categories of CMSL holders

By core activity	2020	2019
Dealing in securities <sup>1</sup>	36	36
Dealing in derivatives	7	7
Fund management	100	97
Advising on corporate finance	41	42
Investment advice	16	15
Investment advice (individual)	1	1
Financial planning	35	34
Financial planning (individual)	2	2
<b>TOTAL</b>	<b>238</b>	<b>234</b>

Note:

<sup>1</sup> Includes 5 CMSLs for dealing in securities restricted to unit trust and 1 CMSL for dealing in securities restricted to listed securities.

By regulated activity	2020	2019
<b>Dealing in securities</b>		
Investment banks	10	10
Universal brokers	1	1
1+1 stockbroking companies	12	12
Special scheme foreign stockbroking companies	7	7
	<b>30</b>	<b>30</b>
<b>Dealing in derivatives</b>		
Investment banks	5	5
1+1 stockbroking companies	3	3
Special scheme foreign stockbroking companies	2	2
Others	7	7
	<b>17</b>	<b>17</b>
<b>Clearing</b>		
Investment banks	5	5
1+1 stockbroking companies	3	3
Special scheme foreign stockbroking companies	2	2
Others	6	6
	<b>16</b>	<b>16</b>

Table 1

## Categories of CMSL holders (Continue)

Fund management	2020	2019
<i>Portfolio management</i>		
Investment banks	1	1
Unit trust management companies	24	24
Special scheme foreign fund managers	5	5
Islamic fund managers	23	23
Boutique fund managers	5	4
DIM companies	5	2
Others	20	21
<i>Asset management</i>		
Real estate investment trusts	18	18
	<b>101</b>	<b>98</b>
<b>Advising on corporate finance</b>		
Investment banks	10	10
1+1 stockbroking companies	7	6
Special scheme foreign stockbroking companies	5	5
Others/standalone/boutique corporate finance companies	42	43
	<b>64</b>	<b>64</b>
<b>Investment advice</b>		
Investment banks	9	9
1+1 stockbroking companies	8	8
Special scheme foreign stockbroking companies	7	7
Unit trust management companies	3	3
Others/standalone/boutique investment advice companies	23	22
	<b>50</b>	<b>49</b>
<b>Financial planning</b>		
1+1 stockbroking companies	1	-
Unit trust management companies	5	5
Corporate unit trust advisers	18	17
Others/standalone/boutique financial planning companies	20	20
	<b>44</b>	<b>42</b>

Table 1

**Categories of CMSL holders** (Continue)

Fund management	2020	2019
<b>Dealing in securities restricted to unit trusts</b>		
Unit trust management companies	29	29
Islamic fund managers	10	10
Special scheme foreign fund managers	1	-
Corporate unit trust advisers	18	17
Others	1	1
	<b>59</b>	<b>57</b>
<b>Dealing in securities restricted to listed securities</b>		
Others	1	1
	<b>1</b>	<b>1</b>
<b>Dealing in securities restricted to OTC bond</b>		
Others	1	1
	<b>1</b>	<b>1</b>
<b>Dealing in private retirement schemes</b>		
Investment banks	1	1
1+1 stockbroking companies	1	-
Unit trust management companies	9	9
Corporate private retirement scheme advisers	18	17
<b>Others</b>	<b>2</b>	<b>3</b>
	<b>31</b>	<b>30</b>
<b>GRAND TOTAL</b>	<b>414</b>	<b>405</b>

Table 2

**Categories of CMSRL holders**

By core activity	2020	2019
Dealing in securities	6,320	6,326
Dealing in derivatives	450	469
Fund management	807	819
Advising on corporate finance	756	768
Investment advice	285	301
Financial planning	1,116	977
<b>GRAND TOTAL</b>	<b>9,734</b>	<b>9,660</b>

Table 3

## Application for new company licences

Regulated activities	Dealing in securities		Dealing in derivatives		Fund management		Advising on corporate finance		Investment advice		Financial planning	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Issued	-	-	-	1	5	2	1	2	1	-	3	1

Table 4

## Application for new representatives' licences

Regulated activities	Dealing in securities		Dealing in derivatives		Fund management		Advising on corporate finance		Investment advice		Financial planning	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Issued	275	417	36	43	64	90	59	131	31	43	214	196
Withdrawn*	16	70	-	13	10	44	2	27	2	4	45	52
Returned*	202	159	19	27	117	103	33	69	15	16	214	135

Note:

\* By regulated activities

Table 5

## Cessation of company/individual licences

Regulated activities	Dealing in securities		Dealing in derivatives		Fund management		Advising on corporate finance		Investment advice		Financial planning		Financial planning	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Individual)														
Ceased	-	1*	-	2	2	2	2	2	-	1	1	2	-	1
Revoked	-	-	-	-	-	1	-	-	-	-	1	-	-	-
Suspended	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

\* Dealing in securities restricted to unit trust

Table 6

## Cessation of representatives' licences

Regulated activities	Dealing in securities		Dealing in derivatives		Fund management		Advising on corporate finance		Investment advice		Financial planning	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Ceased*	338	514	69	107	76	88	68	121	49	46	66	47
Revoked	-	1	-	-	-	-	-	-	-	-	-	-
Suspended	-	1	-	-	-	-	-	-	-	-	-	-

Note:

\* By regulated activities