

**APPENDIX 1**

**General Instructions**

**APPLICATION FOR REGISTRATION AS A RECOGNIZED MARKET**

**OPERATOR**

1. This Application for Registration as a Recognized 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 Recognized market): Kindly complete the specific form which is relevant to the recognized 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 is to be submitted to [RMO.Registrations@seccom.com.my](mailto:RMO.Registrations@seccom.com.my) and the physical copy is to be submitted to the address set out in paragraph 18.01 of the *Guidelines on Recognized Markets* ("**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 Malaysia” or “Suruhanjaya Sekuriti Malaysia”.

For interbank transfer, payment details are as follows:

|  |  |
| --- | --- |
| **Account Name** | : Suruhanjaya Sekuriti Malaysia |
| **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 |

If payment is made via online banking/interbank transfer, please indicate in the payment reference the applicable RMO application i.e. “APPLY ECF”, “APPLY P2P”, “APPLY DAX” or “APPLY ESP”. Proof of payment must also be included with this application.

1. Only an applicant who has submitted a complete application will be notified by the SC for further assessment engagement. The SC reserves the right to return an incomplete application.
2. Please note that any application fee paid in respect of a complete application shall not be refundable upon acknowledgement of its receipt by the SC.
3. The submission of a complete application does not automatically qualify for registration of a recognized 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 |  | | | | |
| **E: 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) * CVs, qualifications and experience of the individual Controller(s). Controller is as defined in Guidelines * For Corporation: Certified true copy of the certificate of incorporation/ registration * Please provide an organisation 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, qualifications and experience 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, qualifications and experience of the individual | | | | |
| *Please tick the box to confirm that the documents are attached*  Attached | | | | |

**Form 1C: Declaration (Individual)**

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

|  |
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| 1C: DECLARATION BY DIRECTORS/ PARTNERS/ CEO / RESPONSIBLE PERSON(S) OF THE APPLICANT |
| I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, NRIC No/ Passport No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ declare that I am a director / partner / CEO / responsible person (*delete whichever non-applicable*) of the Applicant. |
| Further declare that myself : |
| 1. 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 I/We 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 a petition presented in a court for bankruptcy?   No  Yes *(If “Yes”, please specify details)* |
| ………………………………………… |
| Signature |
| Date (*ddmmyy*): |
| ***Please provide the signed declarations of all directors/ partners, CEO and responsible person(s) by filling up and duplicating the table for each director/ partner, CEO and responsible person(s) of the Applicant.*** |

**Form 1D: Declaration (Applicant)**

Declaration by directors/ partners of the Applicant on behalf of the Applicant

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| 1D: DECLARATION BY DIRECTORS/ PARTNERS OF THE APPLICANT |
| We \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, NRIC No/ Passport No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, NRIC No/ Passport No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_declare that we are the directors / partners (*delete whichever non-applicable*) of the Applicant. |
| We further declare on behalf of the Applicant: |
| 1. 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 it was 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?   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 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)* |
| (1)  ………………………………………… |
| Signature |
| Date (*ddmmyy*): |
| (2)  ………………………………………… |
| Signature |
| Date (*ddmmyy*): |
| ***The directors to sign Declaration Form 1D should be the same as the directors / partners who sign the Declaration form on Page 3 of this Application Form.*** |

**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)

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| **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**  *(Reference to users includes issuer or investor)* | |
| **B1. Investors** | |
| Individuals | Retail  Angel Investors  Sophisticated  Others *(please specify)*: |
| Entities *(please specify)* |  |
| Entry requirements of such user |  |
| Proposed salient terms and conditions imposed |  |
| Describe the framework and procedures to undertake Know Your Customer (KYC), Customer Due Diligence (CDD), Ongoing Due Diligence (ODD), Enhanced Due Diligence (EDD) and Renewal of CDD as set out under the relevant AML/ CFT requirements for purposes of identification and verification of investors using the platform |  |

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| **B2. Issuers** | |
| Target sectors  *(please specify)* |  |
| Entry requirements of the different category of users |  |
| Proposed salient terms and conditions imposed |  |
| Describe the framework and procedures in relation to:   1. customer onboarding 2. CDD/EDD/ODD, EDD measures 3. Renewal of CDD as set out under the relevant AML/CFT requirements for purposes of identification and verification of issuers |  |
| **B3. Others** | |
| Will the Applicant be engaging any \*introducer/ referral party?*(\*Introducer/ referral party means a third party engaged by the ECF operator to refer/introduce an issuer/ investor for a fee)* | Yes *(If “Yes”, please specify details of fee arrangements)*  No |
| **C. Offering of Islamic capital market products** | |
| Name of shariah adviser\*  *\*Mandatory for applicants applying for offering of Islamic capital market products* |  |
| Please provide shariah pronouncement on the proposed structure and mechanism of the product, where available |  |
| **D. Issuer’s Assessment & Fundraising Exercise** | |
| Describe the Applicant’s governance framework and assessment methodologies including criteria and processes, for the purposes of onboarding an issuer. |  |
| Describe any independent data sources and/or third party system that will be used for the purposes of onboarding an issuer |  |
| Describe how will the requirements prescribed under the Guidelines be applied for the assessment of the prospective issuer and the fundraising exercise |  |
| Describe the approval process prior to hosting a campaign on the platform |  |
| Outline the disclosure requirements and processes in relation to publishing relevant information and documents relating to a campaign on the platform |  |
| Outline the process for continuous monitoring of issuer’s updates to investors post fund disbursement |  |
| **E. Monies handling arrangements** | |
| Describe the monies handling arrangements  (Please provide an explanation on how the Applicant would manage, access and disburse investors’ funds to the issuers, together with the related process flows) |  |
| Name of licensed financial institution |  |
| Name of trustee |  |
| **F. Compliance & Risk Management** | |
| **Compliance Function**  Describe the enterprise-wide compliance function, including the proposed governance framework, roles and responsibilities and reporting line |  |
| Describe the risk management framework (including policies and procedures relating to internal audit, internal controls and security) to manage identified risks |  |

|  |  |
| --- | --- |
| Please describe the following key risks and associated mitigating controls as listed, where applicable:   1. Operational/ business disruption 2. Third-party service provider 3. Conflict of Interest, 4. Anti-Corruption and Whistleblowing 5. ML/TF & other financial crime, 6. Other relevant risks |  |
| Describe the processes and arrangements to manage potential disputes and/ or complaints from issuers and investors |  |
| **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)* |  |

|  |  |
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| **I. Fees and charges** | |
| Details of all fee structures applicable including the rationale for imposing such fees. |  |
| **J. Systems and Technology** | |
| Describe the high-level IT architecture and technology components to operate the proposed platform, including management and maintenance of relevant records and information disclosures |  |
| Describe the proposed governance, framework , including the structure and processes relating to technology risk management |  |
| Describe the proposed cyber security governance framework, including control measures that commensurate with the proposed business profile and associated risks. |  |
| Describe the proposed data management controls, policies and procedures to safeguard the confidentiality, integrity and availability of data. |  |
| Information of key personnel responsible for technology operations and technology risk management *(e.g. qualification, employment history, background details)* |  |
| Information on whether the IT systems utilised for the operationalisation of the ECF market will be proprietary/ off-the-shelf/ outsourced  *If it is a proprietary system, please provide information on the person in charge of building the systems and their relevant competencies.*  *If outsourced, please provide information on the outsourcing arrangement and how the Applicant will ensure the competency of the appointed service providers and their compliance with the requirements in the Guidelines* |  |
| 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)* |

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| **K. Personnel** | |
| Organisational structure and job descriptions for key functions, (*e.g., due diligence, technology, operations, compliance*) with clear demonstration of reporting lines and segregation of duties |  |
| Estimated headcounts required, including hiring plan for each identified key function to operationalise the proposed platform over the next three (3) to five (5) years. |  |
| Information of key personnel carrying out key functions  (e.g. qualification, employment history, background details) |  |

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| **L. Value Proposition and Strategy** |
| Outline the applicant’s business plans and financial projections with regard to the operation of its business over the next three (3) to five (5) years, including:   * Value proposition of the proposed platform * Vision, objectives, and key strategies to serve the targeted segments, e.g., hosting of shariah-compliant ECF campaigns in specific market/industry segment * Collaboration or partnership with industry players (private/ public) to source for prospective issuer or investors to build potential pipeline within the target segments * Innovative strategic partnership and linkages with technology solution partners/ data source to enhance operational effectiveness and performance * Plans on user education and awareness for prospective retail, sophisticated and institutional investors regarding the target segments * Other additional unique differentiating factors of proposed platform and/ or services from other competing platforms * Financial projections as per the following reporting format:  1. Monthly cash flow forecast for the first 12 months of Go-Live 2. 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 financial projections must provide itemised gross income and expenditures and supported with the proposed fee charges and resources plans – financial, human and system*)   * Past experiences/ track records and experiences of key personnel applicable to the proposed value propositions and target segments. |

|  |  |
| --- | --- |
| **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 |  |
| Proposed target market segment *(Please select only one)* | Shariah-Compliant Financing *(Proposed platform is required to host Islamic Investment Notes only)*  Mid-Tier / Public Listed Companies Financing *(Proposed platform is required to host Investment Notes/Islamic Investment notes with minimum fundraising size of RM5 million)* |
| 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 |  |
| **Offering of Islamic capital market products** | |
| Name of shariah adviser\*  *\*Mandatory for applicants applying for offering of Islamic capital market products* |  |
| Please provide shariah pronouncement on the proposed structure and mechanism of the product, where available |  |
| **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 |

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| --- | --- |
| **C. Fees and charges** | |
| Details of all fee structures applicable and the rationale for imposing such 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. Value Proposition and Strategy** |
| Outline the Applicant’s business plans and financial projections with regard to the operation of its business over the next three (3) to five (5) years, including:   * Value proposition of the proposed platform * Vision, objectives, and key strategies to serve the targeted segments e.g., offering of investment notes with issuance amount larger than RM 5 million or shariah-compliant financing activities * Collaboration or partnership with industry players (private/ public) to source for prospective issuer or investors to build potential pipeline within the target segments * Innovative strategic partnership and linkages with technology solution partners/ data source to enhance operational effectiveness and performance * Plans on user education and awareness for prospective retail, sophisticated and institutional investors regarding the target segments * Other additional unique differentiating factors of proposed platform and/ or services from other competing platforms * Financial projections as per the following reporting format:  1. Monthly cash flow forecast for the first 12 months of Go-Live 2. 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 financial projections must provide itemised gross income and expenditures and supported with the proposed fee charges and resources plans – financial, human and system*)   * Past experiences/ track records and experiences of key personnel applicable to the proposed value propositions and target segments. |
|  |

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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 |  |
| Proposed salient terms and conditions imposed |  |
| Describe the framework and procedures to undertake KYC, CDD, ODD, EDD and Renewal of CDD. as set out under the relevant AML/CFT requirements for purposes of identification and verification of investors using the platform |  |

|  |  |
| --- | --- |
| **F2. Issuers** | |
| Legal status of issuers | Sole proprietor  Partnership  Limited liability partnership  Private company  Unlisted public company  Listed public company |
| Target sectors *(please specify)* |  |
| Entry requirements |  |
| Proposed salient terms and conditions imposed |  |
| Describe the framework and procedures to undertake KYC, CDD, ODD, EDD and Renewal of CDD as set out under the relevant AML/CFT requirements for purposes of identification and verification of issuers. |  |

|  |  |
| --- | --- |
| **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. Issuer’s Assessment & Default Management** | |
| Describe the Applicant’s governance framework and assessment methodologies including criteria and processes for the purposes of onboarding an issuer, shariah screening, and credit assessment, including risk scoring and determination of limits/ rates |  |
| Full details of theindependent data sources, *e.g., credit bureaus and data repositories* used for the purposes of credit assessment, including any other additional/ alternate credit data source. |  |
| Is the risk scoring system proprietary or outsourced?  *(If “outsourced”, please specify the outsourced parties and how the Applicant will ensure the outsourced services meet the requirement in the Guidelines)* |  |
| Describe the proposed processes and mechanism to monitor issuer’s repayment status post disbursement |  |
| Details of the governance framework, processes, and criteria to assess and approve applications from issuer for any deferment / extension of time / restructuring / rescheduling, as the case may be, of payment to investors |  |
| Details on the governance framework, processes, and criteria for the recovery and resolution of defaulted investment notes, including collection arrangements (inhouse or outsourced) |  |
| Describe the mechanism and processes to enable timely and accurate disclosure of material information to prospective issuers and investors, *e.g., credit scoring methodology, updates to investors on investment note’s status, historical default rates and changes to default rates over time on a periodic basis* |  |

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| **H. Monies and collateral handling arrangements** | |
| Describe the monies handling arrangements  (Please provide an explanation on how the Applicant would manage, access and disburse investors and issuers funds, together with the related process flows) |  |
| Name of licensed financial institution |  |
| Name of trustee |  |
| Describe arrangements relating to the handling issuer’s assets/collateral pledged to the platform, where applicable |  |

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| **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) |  |

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| **J. Compliance & Risk Management** | |
| **Compliance Function**  Describe the enterprise-wide compliance function, including the proposed governance framework, roles and responsibilities and reporting line |  |
| Describe the risk management framework (including policies and procedures relating to internal audit, internal controls and security) to manage identified risks |  |
| Please describe the following key risks and associated mitigating controls as listed, where applicable:   1. Operational/ business disruption 2. Third-party service provider 3. Conflict of Interest, 4. Anti-Corruption and Whistleblowing 5. ML/TF & other financial crime, 6. Other relevant risks |  |
| Describe the processes and arrangements to manage potential dispute and/or complaints from issuers and investors |  |

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| **K. Systems and Technology** |  |
| Describe the high-level IT architecture and technology components to operate the proposed platform, including management and maintenance of relevant records and information disclosures  . |  |
| Describe the proposed governance framework,, including the structure and processes relating to technology risk management |  |
| Describe the proposed cyber security governance framework, including control measures that are commensurate with the proposed business profile and associated risks. |  |
| Describe the proposed data management controls, policies and procedures to safeguard the confidentiality, integrity and availability of data. |  |
| Information of key personnel responsible for technology operations and technology risk management *(e.g. qualification, employment history, background details)* |  |
| Information on whether the IT systems utilised for the operationalisation of the P2P market will be proprietary/ off-the-shelf/ outsourced  *If it is a proprietary system, provide information on the person in charge of building the systems and their relevant competencies.*  *If outsourced, please provide information on the outsourcing arrangement and how the Applicant will ensure the competency of the appointed service providers and continuous compliance with the requirements in the Guidelines* |  |
| 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)* |
| **L. Personnel** | |
| Organisational structure and job descriptions for key functions (e.g., *due diligence, technology, operations, compliance*) with clear demonstration of reporting lines and segregation of duties |  |
| Estimated headcounts required including hiring plan for each identified key function to operationalise the proposed platform over the next three (3) to five (5) years |  |
| Information of key personnel carrying out key functions *(e.g. qualification, employment history, background details)* |  |

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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 |  |
| Proposed trading model *(Please select)* | Order Book *( listing of buy/sell orders that will be matched by trading engine)*  Digital Broker *(counterparty to every buy/sell order on or through the platform)* |
| Types of services / facilities offered on the Digital Asset Exchange including:   * Clear description of each service that the Applicant will provide * Flowcharts or decision-making trees (if any) that illustrate the function and process flow of each service facilitated by the platform   Any other relevant information or documents that describe the services to be provided. |  |
| Please describe unique differentiating factors of proposed platform and/or services from other competing platforms or the gaps within the market that the platform is able to address |  |
| Please provide a functional organisational chart and expected total headcount |  |
| Please describe the experiences of the senior management in performing their functions and experiences in relations to blockchain/cryptocurrency (please attach copies of any relevant qualifications) |  |
| Does the Applicant intend to carry out any other business activities that may or may not be connected to the Digital Assets, if any? | Yes *(If “Yes”, please specify details)*  No |
| **B. Digital Assets to be traded** | |
| Digital Assets intended to be offered  (Please explain reasons) |  |
| Policies and procedures used to assess digital asset prior to offering the digital asset to be traded on its platform to |  |
| Policies and procedures relating to-   1. the conditions and thresholds that will trigger a delisting of a digital asset; 2. the management of the delisting of the digital asset offered on its platform. |  |
| **C. Investors on the Digital Assets Exchange** | |
| Types of investors targeted | Retail  Institutional  High-Net-Worth Individuals  Professional traders  Others *(please specify)*: |
| Investors’ entry requirements  (Please explain the specific entry requirements for the types of investors targeted selected above) |  |
| Proposed salient terms and conditions |  |
| Expected number of investors 12 months after Go Live | 12 months after Go Live  Number of investors: \_\_\_\_\_  Target 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, offering and/or execution process |  |
| Settlement and clearing activities  (Please explain both on-chain and off-chain processes) |  |
| 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  (please describe the parameters and thresholds which will be considered) |  |
| Market Surveillance and controls  (please describe the surveillance tools that will be utilised, the risks that may arise by using the surveillance tools and the mitigation measures to be taken) |  |
| Details of arrangements and processes to manage:   1. error trades 2. systems error, failure and malfunction 3. investors’ assets in event of any suspension or outage |  |
| Please explain how the platform manages its own digital asset inventory in relations to:   * Sourcing * Storage * Segregation |  |
| **G. Systems & Technology** | |
| IT systems utilised in platform operationalisation  Please include:   1. High-level description of the IT infrastructure underpinning the platform 2. Description of the technology component required to operate the platform (which should include record keeping, cyber security, access control and disclosures) 3. Where relevant, description of how the platform would rely on the blockchain technology 4. Any other relevant information relating to the IT systems. |  |
| Describe the proposed governance framework including the structure and processes relating to technology risk management |  |
| Will the technology and IT infrastructure be developed in-house (proprietary) / outsourced  If it is a proprietary system, please provide information on the person in charge of building the systems and their relevant competencies.  If outsourced, please provide information on the outsourcing arrangement and how the Applicant will ensure the competency of the appointed service providers and their compliance with the requirements in the Guidelines. |  |
| Estimated headcounts required to build/maintain the necessary technology component of the platform |  |
| Business continuity management and disaster recovery plans  *(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 the proposed cyber security governance framework, including control measures that commensurate with the proposed business profile and associated risks. |  |
| Describe the proposed data management controls, policies and procedures to safeguard the confidentiality, integrity and availability of data. |  |
| Record keeping and audit trail processes |  |
| **H. Compliance arrangements & Risk Management** | |
| Describe the framework and procedures in relation to :   1. customer onboarding 2. CDD/EDD/ODD measures as set out under the relevant AML/CFT requirements for purposes of identification and verification of issuers 3. risks based approach (including Renewal of CDD, risk parameters, thresholds and mitigation measures) 4. Travel rule requirements |  |
| Describe the enterprise-wide compliance function, including the proposed governance framework, roles and responsibilities and reporting line |  |
| Monitoring processes and procedures to ensure investors’ compliance with Digital Asset Exchange rules  (Please describe in detail the onchain and offchain processes, parameters and thresholds) |  |
| Arrangements and processes to deter and detect financial crime (e.g. AML / CFT) |  |
| Please explain the tools or service providers that will be adopted as part of the compliance function and manual escalation processes of compliance issue (where applicable) |  |
| Arrangements and processes to deter and detect market abuse |  |
| Please describe the resources to be provided (including headcount) to conduct the compliance arrangements. |  |
| Arrangements and processes to manage investors’ disputes and complaints |  |
| Conflict of interest management framework |  |
| Details of recovery and resolution processes |  |
| Describe overview process towards compliance of PDPA and Anti-Bribery and Anti-Corruption requirements. |  |
| Details of main business risks including operational risk and any other risk together with how the platform intends to manage and mitigate the risks identified. |  |
| Details of internal audit function  Please include processes to be undertaken, frequency, reporting line and any other information. |  |
| **I. Client asset protection arrangements** | |
| Details of monies handling arrangements Please provide :   * explanation on the management and access of funds received and settlement to investors; and * process flow and proposed turnaround time for monies that are received and released |  |
| Name of licensed financial institution |  |
| Name of trustee |  |
| Details of digital asset custody arrangements |  |
| Name of custody service provider(s) |  |
| Details of safeguards for custody of digital assets  (please provide explanation on wallet and key generation, key management and key lifecycle including details on–   * storage * security measures to mitigate hacking risk, system outages, risks of collusion and any other risks deemed applicable) |  |
| Explanation on how digital assets will be segregated and how settlement of digital assets will be carried out  (please explain on-chain and off-chain processes) |  |
| **J. Outsourcing arrangements** | |
| Details of functions intended to be outsourced and rationale |  |
| Details of parties that carry out the outsourced functions |  |
| Details of outsourcing, assessment and monitoring processes including-   * Intended outsourced functions; * Suitability Assessment of the service provider or the sub-contractor; * Performance tracking * Risk Assessment; and * Termination process of the service provider or the sub-contractor |  |
| **K. Proprietary trading / market making** | |
| Proprietary trading for providing liquidity  Details should include the rules and parameters to which the provision of liquidity would be subjected, and process flow to ensure market fairness and transparency.  Also, please describe how the platform intends to manage its DA inventory to facilitate this. | Yes *(If “Yes”, please specify details)*  No |
| Third-party market maker  Details should include the rules and parameters to which the market makers would be subjected, and process flow to ensure market fairness and transparency.  Also, please describe how the platform will assess the suitability of a market maker which should include the credibility, the experience and how the market maker sources the DA | 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 applicable to each of the services offered including the rationale for imposing such fees |  |
| Please explain the pricing model of the proposed services including where applicable, price fetching and inventory pricing |  |
| **N. Personnel** | |
| Organisational structure and job descriptions for key functions, (*e.g., due diligence, technology, operations, compliance*) with clear demonstration of reporting lines and segregation of duties |  |
| Estimated headcounts required, including hiring plan for each identified key function to operationalise the proposed platform over the next three (3) to five (5) years. |  |
| Information of key personnel carrying out key functions  *(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 the plans for public awareness and user education |  |

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| **2C.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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| **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** | |
| Organisational 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)* |  |

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| **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 the Applicant 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 does the Applicant 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 five (5) years of Go Live or up to the year it achieves profit (\*if the latter is longer than five (5) years)  *(The following minimum items must be disclosed:*  *(i) itemised gross income*  *(ii) itemised expenditure* | Attached |

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| **Q. User education and awareness** | |
| Describe the Applicant’s plans for public awareness and user education |  |

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| **2D.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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| **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 (eSP)**

Form 2E 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 offered by a CMSL holder or another RMO.

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| **2E.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 |
| Is the Applicant currently regulated by another sectorial regulator?  *(If “Yes”, please provide the SC with the necessary no objection/approval letter)* | 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 or RMO** | |
| Name of CMSL holder or RMO  *(please provide the details and documentations)* |  |
| Type of product to be offered on e-services platform.  *(please specify)* |  |
| Details of arrangements with CMSL holder or RMO  *(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. All relevant documents reflecting the details of arrangements to be attached)* |  |

|  |  |
| --- | --- |
| **E. Due diligence process** | |
| Describe the due diligence or onboarding process that will be carried out on prospective users, if any |  |
| **F. Monies handling arrangements** | |
| Describe the monies handling arrangements  (Please provide an explanation on how the applicant would manage, access and transfer investors’ funds to the CMSL holder or RMO, together with the related process flows) |  |
| Name of licensed financial institution |  |
| Name of trustee |  |
| **G. Business risks** | |
| Describe the main business risks and how it intends to manage those risks |  |

|  |  |
| --- | --- |
| 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) |  |
| **H. 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 all fee structures applicable including the rationale for imposing such fees. |  |
| **J. Systems and controls** | |
| Information on whether the IT systems utilised for the operationalisation of the e-services platform will be proprietary/ off-the-shelf/ outsourced?  *(If proprietary, provide information on the person in charge of building such systems and their relevant competencies.*  *If outsourced, please provide information on the outsourcing arrangement and how the applicant will ensure the competency of the appointed service providers and their compliance with the requirements in the Guidelines)* |  |
| 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)* |  |
| Estimated headcounts required, including hiring plan for each identified key function to operationalise the proposed platform over the next three (3) to five (5) years. |  |

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| **L. Compliance arrangements** | |
| **Compliance procedures**: Briefly describe the compliance procedures which will ensure that it meets the regulatory requirements |  |
| **Compliance monitoring procedures**: Briefly describe the monitoring actions to ensure the compliance with the compliance procedures |  |
| **Conflict of Interest:** Briefly describe the conflict of interest framework and relevant procedures for compliance |  |
| **Financial** **crime**: Briefly describe the procedures and steps 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. Value Proposition and Strategy** |
| Outline the applicant’s business plans and financial projections with regard to the operation of its business over the next three (3) to five (5) years, including:   * Value proposition of the proposed platform * Vision, objectives, and key strategies to serve the targeted segments * Collaboration or partnership with industry players (private/ public) to build potential pipeline within the target segments * Innovative strategic partnership and linkages with technology solution partners/ data source to enhance operational effectiveness and performance * Plans on user education and awareness for prospective retail, sophisticated and institutional investors regarding the target segments * Other additional unique differentiating factors of proposed platform and/ or services from other competing platforms * Financial projections as per the following reporting format:  1. Monthly cash flow forecast for the first 12 months of Go-Live 2. 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 financial projections must provide itemised gross income and expenditures and supported with the proposed fee charges and resources plans – financial, human and system*)   * Past experiences/ track records and experiences of key personnel applicable to the proposed value propositions and target segments. |
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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 he 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 |

**Form 3: 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), Form 2D (Property Crowdfunding) and Form 2E (eSP).

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| **3.1 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). | |
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| *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. | |
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| *Provide on a separate sheet a staff organisational structure chart, clearly indicating senior management/ decision makers/ key officers or employees and their reporting lines.* | |

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| **E: Systems and Controls** | |
| Describe the IT systems used (including off-the shelf/ customised/ 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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| **3.2 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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| **3.3 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 |