



## FOREWORD

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Malaysia is steadfastly moving forward to achieve its aspiration to become a developed nation. The New Economic Model (NEM) and Economic Transformation Programme (ETP) jointly provide a broad overarching framework for structural reforms to catalyse change and to initiate a continuous sequence of high-impact investment projects to accelerate the economic growth momentum.

The Capital Market Masterplan 2 (CMP2) forms another vital contribution to the collective and coordinated efforts to invigorate the economy through expanding the role of the capital market in financing the country's development.

CMP2 is a comprehensive plan that provides clarity on the strategic direction of the Malaysian capital market over this decade. It is envisaged that the Malaysian capital market will play an increasingly important role in the efficient intermediation of ample domestic savings in seeding emergent companies, promoting the growth of small and mid-cap companies and financing the undertaking of large investment projects. It also identifies new growth opportunities to widen the complement of competitive strengths of Malaysia's capital market.

The CMP2 strategies are intended to create a conducive environment to enlarge the role of the private sector and the financing of entrepreneurial and innovative economic activities that are so critical to the future of the Malaysian economy. This will create new growth opportunities for capital market intermediaries to expand their range of value-add products and services. In tandem with this, it will be necessary to build capacity and to change the mindset for competitiveness, risk-taking and innovation for the country to meet the challenges in the future global landscape.

The lessons from past financial crises are that rapid growth is not sustainable unless it is underpinned by well-grounded ethical beliefs and high levels of integrity. CMP2 provides equal emphasis to achieving governance objectives to ensure Malaysia's capital market continues to be well-regulated with participants strengthening their capabilities and professional standards and exercising a strong sense of responsibility towards the interests of their customers.

In pursuing growth objectives, CMP2 also provides for greater prominence to be given to social and environmental issues. Through integrating social and environmental considerations into business operations, the capital market can assist in the building of a sustainable and inclusive economy that generates long-term wealth.

I would like to express my appreciation for the contribution of the Securities Commission Malaysia and also to others who have provided their valuable input and support to the formulation of the Masterplan. In this regard, the first Capital Market Masterplan (CMP1) provided the strategic vision for Malaysia to develop a broad and well-regulated capital market that contributed to nation-building efforts. I am confident that CMP2 will shape greater collaboration and partnership with domestic and international participants for Malaysia to achieve a fully developed capital market within this decade.

***1Malaysia "People First, Performance Now"***



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