

Guidelines on Regulation of Markets under Section 34 of CMSA

SC-GL/2-2015

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PART A: GENERAL

CHAPTER 1

Introduction

- 1.01 The *Guidelines on Regulation of Markets Under Section 34 of CMSA* (Guidelines) are issued by the Securities Commission (SC) pursuant to section 377 of the *Capital Markets and Services Act 2007* (CMSA) read together with subdivision 4, division 2 of Part II CMSA.
- 1.02 These Guidelines set out the requirements for the registration of a registered electronic facility (REF) and on-going requirements applicable to the person who submits the application for the registration of an electronic facility.
- 1.03 For the purposes of these Guidelines, an application for the registration of an electronic facility must be made by the operator of the electronic facility.
- 1.04 The operator shall be a body corporate or a limited liability partnership.
- 1.05 The SC may, upon application, grant an exemption from or a variation to the requirements of these Guidelines if the SC is satisfied that-
- (a) such exemption or variation is not contrary to the intended purpose of the relevant provision in these Guidelines; or
 - (b) there are mitigating factors which justify the said exemption or variation.
- 1.06 These Guidelines seek to replace the *Guidelines on Regulation of Markets* and shall be read together with other relevant SC guidelines.

Application of these Guidelines

- 1.07 A person who wishes to operate, provide or maintain a stock market or a derivatives market that is an electronic facility in Malaysia must register the electronic facility as a REF with the SC.
- 1.08 An electronic facility under paragraph 1.07 means any electronic facility where the component parts when taken together, is a stock market or derivatives market.
- 1.09 A person may be considered to be operating, providing or maintaining an electronic facility in Malaysia if-
- (a) the electronic facility is operated, provided or maintained in Malaysia; or

- (b) the electronic facility is located outside Malaysia and actively targets Malaysian investors.
- 1.10 An electronic facility will be considered to be operated, provided or maintained in Malaysia where the component parts of the electronic facility when taken together are physically located in Malaysia even if any of its component parts, in isolation, is located outside Malaysia.
- 1.11 An electronic facility that is located outside Malaysia will be considered as actively targeting Malaysian investors if the operator, or the operator's representative, promotes directly or indirectly the electronic facility in Malaysia.
- 1.12 In deciding whether there is direct or indirect promotion of the electronic facility, the following may be taken into consideration by the SC–
 - (a) advertising the electronic facility, products or in the case of equity crowdfunding, an issuer hosted on the electronic facility, in any publication in Malaysia; or
 - (b) sending direct mail or e-mail to Malaysian addresses marketing or promoting the electronic facility.
- 1.13 Notwithstanding the above factors, in determining whether an electronic facility is targeted at Malaysian investors, the SC will assess all relevant facts and circumstances taking into account the protection of Malaysian investors and the integrity of Malaysian capital markets.
- 1.14 These Guidelines comprise of the following parts–
 - (a) requirements for the registration of a REF as set out in Part B of these Guidelines;
 - (b) terms and conditions and on-going obligations of a REF as set out in Part C of these Guidelines;
 - (c) provisions on cessation of business, revocation of registration and review of status of a REF as set out in Part D of these Guidelines;
 - (d) additional requirements applicable to a REF that is an equity crowdfunding platform as set out in Part E of these Guidelines; and
 - (e) application process for the registration of a REF as set out in Part F of these Guidelines.
- 1.15 These Guidelines do not apply to–
 - (a) a technology service provider who merely provides the infrastructure, software or the system to an operator;

- (b) an operator of a communication infrastructure that merely enables orders to be routed to an approved stock market or derivatives market;
- (c) an operator of a financial portal that aggregates content and provides links to financial sites of service and information provider; and
- (d) an operator of a facility that provides information concerning prices of securities or derivatives, and a person is not reasonably expected to sell, purchase or exchange securities or derivatives based solely on the information.

Definitions

1.16 Unless otherwise defined, all words used in these Guidelines shall have the same meaning as defined in the CMSA:

- approved exchange means a stock exchange or a derivative exchange approved under section 8 of the CMSA;
- approved market means a stock market or a derivative market of an approved exchange;
- foreign operator means a body corporate or a limited liability partnership incorporated outside Malaysia who establishes, operates or maintains an electronic facility;
- Malaysian means a person who resides or has a registered address in Malaysia;
- person in breach means a person who breaches the rules of a REF.

PART B: REQUIREMENTS FOR REGISTRATION

1.17 The SC may register an electronic facility subject to the operator satisfying the criteria set out in these Guidelines.

CHAPTER 2: Forms

2.01 The operator is required to submit to the SC the relevant forms and documents as specified in Appendix 1 of these Guidelines and any other information as may be required by the SC.

CHAPTER 3

Criteria for registration

3.01 The SC may register an electronic facility as a REF, if the SC is satisfied that-

- (a) the operator will be able to operate an orderly, fair and transparent market in relation to the securities or derivatives that are traded through its electronic facilities;
- (b) the operator's board, chief executive, and any person who is primarily responsible for the operations or financial management of the body corporate, are fit and proper and have not–
 - (i) been convicted, whether within or outside Malaysia, of an offence involving fraud or other dishonesty or violence or the conviction of which involved a finding that he acted fraudulently or dishonestly;
 - (ii) been convicted of an offence under the securities laws or any law outside Malaysia relating to capital market;
 - (iii) been subjected to any action taken by the SC under section 354, 355 or 356 of the CMSA;
 - (iv) contravened any provision made by or under any written law whether within or outside Malaysia appearing to the SC to be enacted for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts;
 - (v) engaged in any business practices appearing to the SC to be deceitful or oppressive or otherwise improper (whether unlawful or

- not) or which otherwise reflect discredit on his method of conducting business;
- (vi) engaged in or has been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment; or
 - (vii) engaged in or has been associated with any conduct that cast doubt on his ability to act in the best interest of investors, having regard to his reputation, character, financial integrity and reliability;
- (c) the operator will be able to manage any risk associated with its business and operation;
 - (d) the operator will appoint at least one (1) responsible person in compliance with Chapter 4 of these Guidelines;
 - (e) the operator will be able to take appropriate action against a person in breach including directing the person in breach to take any necessary remedial measure;
 - (f) the rules of the REF make satisfactory provisions–
 - (i) for the protection of investors and public interest;
 - (ii) to ensure proper functioning of the market;
 - (iii) to promote fairness and transparency;
 - (iv) to manage any conflict of interest that may arise;
 - (v) to promote fair treatment of its members or any person who applies for its membership;
 - (vi) to promote fair treatment of any person who is hosted, or applies to be hosted, on its platform;
 - (vii) to ensure proper regulation and supervision of its members, or any person utilizing or accessing its platform, including suspension and expulsion of such persons;
 - (viii) to provide an avenue of appeal against the decision of the operator; and
 - (g) the operator has sufficient financial, human and other resources for the operation of the REF, at all times.

- 3.02 In the case of a foreign operator, in addition to the requirements under paragraph 3.01, the SC may register the electronic facility, if the SC is satisfied that–
- (a) the operator is authorized to operate a stock market or derivatives market in a foreign jurisdiction;
 - (b) the operator is from a comparable jurisdiction with whom the SC has regulatory arrangements on enforcement and supervision; and
 - (c) it is in the best interest of Malaysia to register the electronic facility as REF.
- 3.03 In determining the best interest of Malaysia, the SC will give regard to any one or more of the following:
- (a) the area of specialization and level of expertise that can be offered to the capital market including the effect on productivity, transference of skills and efficiency and quality of capital market services;
 - (b) the risk posed on the systemic stability of the capital market including activities and conduct that will likely impact the orderly functioning of the capital market;
 - (c) the contribution towards attracting investments, enhancing market linkages and promoting vibrancy in the capital market;
 - (d) the ability in developing strategic or nascent sectors in the capital market;
 - (e) the degree and significance of participation of Malaysians in the capital market.
- 3.04 Before the REF is allowed to be fully operationalized, the SC may require amongst others–
- (a) the operator to provide an IT assurance regarding the system readiness; and
 - (b) a written declaration by the operator’s internal auditor or chief executive confirming that the operator has, in relation to the REF:
 - (i) sufficient and capable personnel to carry out operations;
 - (ii) adequate securities measures, systems capacity, business continuity plan and procedures, risk management, data integrity and confidentiality, record keeping and audit trail, for daily operations and to meet emergencies; and
 - (iii) sufficient IT and technical support arrangements.

CHAPTER 4

Appointment of responsible person

- 4.01 An operator must have at least one (1) responsible person.
- 4.02 A person to be appointed under paragraph 4.01 must be the chief executive of the operator or any person who is primarily responsible for the operations and financial management, by whatever name called.
- 4.03 At all times, the responsible person must undertake the role of the main contact person for the purpose of liaising with the SC and perform any duty as may be directed by the SC.
- 4.04 Any vacancy in relation to the position of a responsible person shall be filled within 3 months from the date of the departure of the former responsible person in compliance with this chapter.

PART C: TERMS AND CONDITIONS, DIRECTIONS AND ONGOING OBLIGATIONS

CHAPTER 5

Terms and conditions and Directions

- 5.01 The SC may, in registering an electronic facility, impose any term or condition, and at any time vary, add or remove any term or condition.
- 5.02 The SC may issue a direction to the operator, the board, chief executive or any other person regarding–
- (a) compliance with the requirements of the securities laws and these Guidelines;
 - (b) the conduct of business or operations of the REF;
 - (c) the appointment or removal of the responsible person;
 - (d) fees payable;
 - (e) restrictions on the types of investors or participants who may have access to a REF;
 - (f) the capital market products that may be traded on or through a REF;
 - (g) the services that may be offered;
 - (h) the requirement to notify the SC of any changes to the operator's business;
 - (i) the requirement to submit periodic reports to the SC;
 - (j) the requirement to maintain relevant records;
 - (k) the requirement to submit or cause to be submitted to the SC for its approval, any proposed rules or any proposed amendment to existing rules of the REF; and
 - (l) any other matter as the SC considers necessary for the protection of investor or the proper functioning of a REF.

CHAPTER 6

Continuous obligations

- 6.01 The operator's board, or in the case of a limited liability partnership, partners, must:
- (a) ensure the operator complies with all the requirements under these Guidelines including any direction issued or any term or condition imposed by the SC;
 - (b) ensure the responsible person carries out his responsibilities and duties;
 - (c) establish and maintain policies and procedures to:
 - (i) manage conflicts of interest;
 - (ii) monitor trading and other market activity to detect non-compliance with the securities laws or its rules; and
 - (iii) deal with complaints relating to the operations of market or the conduct of its participants;
 - (d) immediately notify the SC:
 - (i) of any irregularity or breach of any provision of the securities laws, these Guidelines or its rules, including any alleged or suspected violations of any law or guidelines in relation to money laundering and terrorism financing by its participants;
 - (ii) of any material change in the information submitted to the SC; and
 - (iii) if it becomes aware of any matter which adversely affects or is likely to adversely affect its ability to meet its obligations or to carry out its functions under these Guidelines.

CHAPTER 7

Reporting and disclosure requirements

- 7.01 An operator must submit to the SC the following-
- (a) an annual compliance report to demonstrate the operator's compliance with any conditions imposed by the SC pursuant to the registration of the REF as well as the CMSA;

- (b) if relevant, a copy of a report by the Shariah adviser certifying that its business and operations are managed in accordance with Shariah principles; and
- (c) its latest audited financial statements, within 3 months after the close of each financial year or such further period that the SC may allow.

PART D: CESSATION, REVOCATION AND REVIEW OF STATUS

CHAPTER 8

Cessation of business or operations

- 8.01 The operator shall not cease the business or operations of a REF without prior engagement with the SC.
- 8.02 Without prejudice to chapter 5 of these Guidelines, the SC may issue a direction or impose any term or condition for the purposes of ensuring the orderly cessation of the business or operations of the REF.

CHAPTER 9

Revocation of Registration

- 9.01 The SC may revoke the registration of a REF if –
- (a) the REF fails to meet the requirements under paragraphs 3.01 and 3.02 of these Guidelines;
 - (b) the operator fails or ceases to operate or maintain the REF for a consecutive period of 6 months;
 - (c) the operator contravenes any condition or restriction imposed under these Guidelines; or
 - (d) there is a failure to pay the fees as prescribed by the SC.

CHAPTER 10

Review of Status

- 10.01 The SC may, on application by an operator or on SC's own initiative, review the status of a REF.
- 10.02 Following the review, the SC may require an operator to make an application for the REF to be an approved market under section 8 CMSA if the SC is of the opinion that the REF would be more appropriately regulated as an approved market.
- 10.03 In conducting review of the status of a REF, the SC may consider the following factors:

(a) The size and structure, or proposed size and structure, of the REF

Consideration will be given to the size and structure of the REF, including the volume and value of transactions conducted on the REF, the number of investors trading on the REF and the number of participants;

(b) The nature of the services provided, or to be provided, by the REF

This relates to the range of services provided by the REF, such as whether the REF offers the full range of services which includes the provision of quotes, matching of orders, clearing and settlement and provision of data services;

(c) The type of the capital market products traded, or to be traded, on the REF

This relates to the different type of capital market products traded on the REF. A REF that offers a variety of products or products that are highly complex or risky may pose a greater risk to the capital market and thus should be regulated as an approved market; and

(d) The nature of the investors or participants, or proposed investors or participants, who may use or have an interest in the REF

Consideration will be given to the level of sophistication of the investors or participants, the systemic importance of the participants and the impact of any failure of the REF on the investors or participants and the broader financial sector.

PART E: ADDITIONAL REQUIREMENTS RELATING TO A REGISTERED ELECTRONIC FACILITY THAT IS AN EQUITY CROWDFUNDING (ECF) PLATFORM

CHAPTER 11

Equity crowdfunding platform

Definitions

11.01 For the purposes of this Part, unless context otherwise requires-

| | |
|----------------|---|
| angel investor | refers to an investor that is accredited by the Malaysian Business Angels Network as an angel investor; |
| ECF operator | means an operator who operates a REF that is an ECF platform; |
| ECF platform | means an equity crowdfunding platform; |
| issuer | means a person who is hosted on an ECF platform to offer its shares on the ECF platform; |
| microfund | means an entity that meets the conditions set out in paragraph 11.16. |

ECF operator

11.02 This chapter sets out the additional requirements applicable to an ECF operator.

11.03 Unless otherwise specified, all other requirements stated in these Guidelines are applicable to an ECF operator.

11.04 All ECF operators must be locally incorporated.

Obligations of ECF operator

11.05 An ECF operator must-

- (a) carry out a due diligence exercise on prospective issuers planning to use its platform;
- (b) monitor conduct of issuer and take action against misconduct of the issuer;

- (c) carry out investor education programmes;
- (d) ensure the issuer's disclosure document lodged with the ECF operator is verified for accuracy and made accessible to investors through the platform;
- (e) inform investors of any material adverse change to the issuer's proposal as set out under paragraph 11.08;
- (f) monitor issuers to ensure that the fundraising limits imposed on the issuer are not breached;
- (g) monitor investors to ensure that the investment limits imposed on the investors are not breached;
- (h) obtain and retain the self-declared risk acknowledgement forms from the investors prior to them investing on an ECF platform;
- (i) have in place processes to monitor anti-money laundering requirements; and
- (j) ensure privacy of information is maintained in accordance with the Personal Data Protection Act 2010.

11.06 The scope of the due diligence exercise by an ECF operator shall include taking reasonable steps to –

- (a) conduct background checks on the issuer to ensure fit and properness of the issuer's board of directors, officers and controlling owner; and
- (b) verify the business proposition of the issuer.

Operation of trust account

11.07 The ECF Operator shall establish and maintain in a licensed institution, one or more trust account designated for the fund raised in relation to a listing on their platform and shall only release the fund to the issuer after the following conditions are met:

- (a) The targeted amount sought to be raised has been met;
- (b) There is no material adverse change relating to the offer during the offer period; and
- (c) The cooling-off period of six (6) business days have expired.

11.08 For the purpose of subparagraph 11.07(b), a material adverse change concerning the issuer, may include any of the following matters:

- (a) The discovery of a false or misleading statement in the disclosure document in relation to the offer;
- (b) The discovery of a material omission of information required to be included in the disclosure document; or
- (c) There is a material change or development in the circumstances relating to the offering and the issuer.

11.09 Notwithstanding paragraph 11.07, the ECF operator may impose any other additional conditions precedent before releasing the fund, provided that they serve the investors' interest.

Managing conflict of interest

11.10 An ECF operator must establish a framework which sets out policies and procedures to effectively and efficiently manage conflicts of interest including potential conflicts of interest which may arise in the course of the ECF operator carrying out its functions. Such conflicts must be managed in a timely manner.

11.11 The ECF operator, including its individual directors and shareholders, may invest in any of the issuers hosted on its platform subject to holding a maximum of 30% of controlling shares in the issuer and the ECF operator must disclose such holding to the public on its platform.

11.12 The ECF operator is prohibited from—

- (a) providing any financial assistance to investors to invest in shares of an issuer hosted on its platform; and
- (b) compensating any finder or introducer for providing the ECF operator with information about potential investors.

Permitted and non-permitted Issuers

11.13 Only locally incorporated private companies (excluding exempt private company) will be allowed to be hosted on the ECF platform.

11.14 The following entities are prohibited from raising funds through an ECF platform:

- (a) commercially or financially complex structures (i.e. investment fund companies or financial institutions);
 - (b) public listed companies and their subsidiaries;
 - (c) companies with no specific business plan or its business plan is to merge or acquire an unidentified entity (i.e. blind pool);
 - (d) companies other than a microfund that propose to use the funds raised to provide loans or make investment in other entities;
 - (e) companies with paid up share capital exceeding RM5 million; and
 - (f) any other type of entity that is specified by the SC.
- 11.15 An issuer shall not be allowed to be hosted concurrently on multiple ECF platforms.
- 11.16 An ECF operator may allow for the hosting of a microfund on its platform provided that these entities–
- (a) are registered with the SC as a venture capital company;
 - (b) have a specified investment objective; and
 - (c) only raise funds from sophisticated investors and angel investors.

Limits to fund raised on an ECF Platform

- 11.17 The following limit shall apply to any listing on an ECF platform-
- (a) An issuer can only raise up to RM3 million within a 12-month period, irrespective of the number of projects an issuer may seek funding for during the 12-month period; and
 - (b) an issuer can only utilise the ECF platform to raise a maximum amount of RM5 million, excluding the issuer's own capital contribution or any funding obtained through private placement exercise.

11.18 Paragraph 11.17 shall not apply to a microfund listed on an ECF platform.

Disclosure requirements

11.19 An issuer proposing to be listed on an ECF platform shall submit the relevant information to the ECF operator including the following:

- (a) information that explains the key characteristics of the company;
- (b) information that explains the purpose of the listing and the targeted offering amount;
- (c) information relating to the business plan of the company; and
- (d) financial information relating to the company–
 - (i) for Offerings below RM300,000: certified financial statements/information by the issuer’s management, if it is required by the operator for verification purposes;
 - (ii) for Offerings between RM300,000 – RM500,000:
 - (A) Audited financial statements of the company where applicable (e.g. where the issuer has been established for at least 12 months); and
 - (B) Where audited financial statements are unavailable (e.g. the issuer is newly established), certified financial statements/information by the issuer’s management;
 - (iii) for Offerings above RM500,000: Audited financial statements of the company

11.20 An ECF operator must disclose and display prominently on its platform, any relevant information relating to ECF including:-

- (a) information relating to issuer as specified under paragraph 11.19;
- (b) investor education materials and appropriate risk disclosure;
- (c) information on how the platform facilitates the investor’s investment including providing communication channels to permit discussions about offerings hosted on its platform;
- (d) a general risk warning in participating in ECF;
- (e) information about complaints handling or dispute resolution and its procedures; and
- (f) the fees, charges and other expenses that it may charge to, impose on an issuer or investor.

Investment Limit

11.21 A person may invest in any listing on the ECF platform subject to the following limits –

- (a) sophisticated investors: No restrictions on investment amount;
- (b) angel investors: A maximum of RM500,000 within a 12-month period;
and
- (c) retail investors: A maximum of RM5,000 per issuer with a total amount of not more than RM50,000 within a 12-month period.

PART F: APPLICATION PROCESS FOR REGISTRATION

CHAPTER 12

Submission of application

12.01 All registration forms, periodic reports and other additional documents as required in these Guidelines shall be submitted to the SC at the following address:

**Market and Corporate Supervision
Securities Commission
No. 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur
Tel: (603) 6204 8000
Fax: (603) 6201 5282**

APPLICATION FOR REGISTRATION AS A REGISTERED ELECTRONIC FACILITY

Explanatory Notes

1. All question 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 attach annex(es) which should be identified as such and signed by the signatories to this application.
2. Where there is an asterisk (*), please delete whichever is inapplicable.
3. Please tick (√) in the relevant boxes where appropriate.
4. 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.
5. 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.
6. This application must be submitted to the SC in both physical and electronic form.
7. The Applicant shall pay to the SC a registration fee of RM5000 as prescribed under *Capital Markets and Services Regulation 2007* once the Applicant is notified that his application has been approved. The cheque should be made payable to "Securities Commission" or "Suruhanjaya Sekuriti".
8. The submission of a complete application does not automatically qualify for registration of a Registered Electronic Facility.

| SECTION I : PROFILE OF APPLICANT (CORPORATION) | | | |
|--|--|---|--------------|
| A: Corporation details | | | |
| Name | | | |
| Place of incorporation | | | |
| Date of incorporation | | | |
| B: Address(es) and contact detail(s) | | | |
| Registered address | | | |
| E-mail | | | |
| Contact no. | Office: | Fax: | |
| Business address | | | |
| E-mail | | | |
| Contact no. | Office: | Fax: | |
| C: Corporation status | | | |
| <input type="checkbox"/> Privately held | <input type="checkbox"/> Publicly listed | <input type="checkbox"/> Others (please specify): | |
| D: Share capital | | | |
| Class of shares | Authorised (RM) | Issued (RM) | Paid-up (RM) |
| Ordinary | | | |
| Preference | | | |
| Others (please specify) | | | |
| Total | | | |
| E: Documents required | | | |
| Certified true copies of most recent annual audited financial statements | | | |

SECTION II: PROFILE OF APPLICANT (DIRECTORS AND CEO)**A: Personal details**

| | | | |
|-----------------------|-----------------------------------|---------------------------------|--|
| Name | | | |
| Gender | <input type="checkbox"/> Male | <input type="checkbox"/> Female | |
| Nationality | | | |
| NRIC No./Passport No. | | | |
| Status | <input type="checkbox"/> Director | <input type="checkbox"/> CEO | <input type="checkbox"/> Others <i>(please specify):</i> |

B: Address and contact detail(s)

| | | |
|---------------------|---------|------|
| Residential address | | |
| E-mail | | |
| Contact no. | Office: | Fax: |

C: Declaration by applicant (Directors and CEO)

Within the past 10 years, has the Applicant;

- i. Been convicted of any offence, or any proceedings pending which may lead to a conviction for such an offence involving fraud or other dishonesty?

No Yes *(please provide details)*

- ii. Had a receiver and manager been appointed in respect of any assets /property(ies) of the Applicant?

No Yes *(please provide details)*

- iii. Entered into a compromise or arrangement with creditors or members, or a petition presented in a court for its winding up?

No Yes *(please provide details)*

- iv. Been subject to any form of disciplinary proceedings or actions by any professional or regulatory body?

No Yes *(please provide details)*

D: Documents required

Certified true copy of national registration identity card (NRIC) for Malaysian citizen or passport details (for non-Malaysian citizen)

SECTION III: PROFILE OF APPLICANT (SHAREHOLDERS)**A. Direct shareholders**Individual *(If any*)*

| Name | Ordinary | | Preference | | Others | |
|------|----------|---|------------|---|--------|---|
| | No. | % | No. | % | No. | % |
| | | | | | | |

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 table for each corporation

B: Shareholders details**Individual** *(If any*)*

| | | |
|-----------------------|---------|------|
| Name | | |
| Nationality | | |
| NRIC No./Passport No. | | |
| Residential address | | |
| E-mail | | |
| Contact no. | Office: | Fax: |

Corporation

| | | |
|------------------------|---------|------|
| Name | | |
| Place of incorporation | | |
| Business address | | |
| E-mail | | |
| Contact no. | Office: | Fax: |

Please provide the details for all direct shareholders by filling up and duplicating the table for each direct shareholder

SECTION IV: PROFILE OF RESPONSIBLE PERSON**A: Personal details**

| | | | |
|-----------------------|-----------------------------------|----------------------------------|--|
| Name | | | |
| Gender | <input type="checkbox"/> Male | <input type="checkbox"/> Female | |
| Nationality | | | |
| NRIC No./Passport No. | | | |
| Status | <input type="checkbox"/> Director | <input type="checkbox"/> CEO/COO | <input type="checkbox"/> Others <i>(please specify):</i> |

B: Address and contact detail(s)

| | | | |
|---------------------|---------|---------|------|
| Business address | | | |
| Residential address | | | |
| E-mail | | | |
| Contact no. | Office: | Mobile: | Fax: |

C: Declaration by responsible person

Within the past 10 years, has the Responsible Person;

i. Been convicted of any offence, or any proceedings pending which may lead to a conviction for such an offence involving fraud or other dishonesty?

No Yes *(please provide details)*

ii. Had a receiver and manager been appointed in respect of any of your assets /property(ies)?

No Yes *(please provide details)*

iii. Have you been declared bankrupt?

No Yes *(please provide details)*

iv. Been subject to any form of disciplinary proceedings or actions by any professional or regulatory body?

No Yes *(please provide details)*

D: Documents required

Certified true copy of national registration identity card (NRIC) for Malaysian citizen or passport details (for non-Malaysian citizen)

E: True and correct information

I hereby declare that all information provided in this section and its annexures (if any) are true and correct.

Signature

Name:

Date:

SECTION V: ELECTRONIC FACILITY

A: Basic information

| | | | |
|---|---|--|--|
| Name | | | |
| Trading hours | | | |
| Nature of electronic facility | <input type="checkbox"/> Order routing system | <input type="checkbox"/> Electronic communication system | |
| | <input type="checkbox"/> Internet portal | <input type="checkbox"/> Trading platform | |
| | <input type="checkbox"/> Others <i>(please specify)</i> : | | |
| Describe type of services provided on the electronic facility | | | |
| Describe the financial instruments to be traded on the electronic facility | | | |
| Describe the prospective categories of participants including; <ul style="list-style-type: none"> • Manner in which the different category of participants would access the electronic facility, and • Entry requirements placed on different categories of participants. | | | |

| | |
|--|--|
| Describe the intended users of the electronic facility | <input type="checkbox"/> Retail clients <input type="checkbox"/> Institutional clients <input type="checkbox"/> High net worth clients <input type="checkbox"/> Licensed brokers/fund houses <input type="checkbox"/> Authorised financial institutional <input type="checkbox"/> Trustees or custodians <input type="checkbox"/> Others (please specify): _____ |
| Describe source of remuneration | <input type="checkbox"/> Fixed fees from users Basis of computation of fee: _____ <input type="checkbox"/> Variable fees from users Basis of computation of fee: _____ <input type="checkbox"/> Advertisement fees <input type="checkbox"/> Rebate or commission from intermediaries <input type="checkbox"/> Others (please specify): _____ |
| B: Transaction process flow | |
| Describe the process flow from receiving through execution of a client order including post trade flow on the electronic facility (to be presented in form of diagram as an attachment). | |
| | |
| C: Terms and conditions imposed on users | |
| Provide terms and conditions(including procedures and other documentation) imposed on users for the use of the electronic facility (including resolution of trade disputes and circumstances for suspension of trading facilities). | |
| | |
| Documents required | |
| Copies of related contractual documentation with the intended users | |
| D: Information on key personnel | |
| Provide information on staffing levels of key functions (including market controls, market surveillance, compliance, member regulation, system integrity), including information of their names, relevant experience and qualifications. | |
| | |

| E: System integrity of electronic facility | |
|--|--|
| Describe the IT systems used (including off-the-shelf/ customized/ outsourced systems) | |
| 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 | |
| Describe risk management systems or procedures including procedures relating to internal audit, internal controls, security and granting of credit | |
| Describe record keeping and audit trail features and procedures | |

F: 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?

No Yes (If "Yes", please specify details)

SECTION VI: OTHER INFORMATION

Other information

Is there any other information which the Applicant considers relevant in the assessment of this application?

No Yes (If "Yes", please specify details)

SECTION VII: TRUE AND CORRECT INFORMATION

We hereby declare that all information provided in this application and its annexures is true and correct.

| | |
|--------------------------|--------------------------|
| ----- | ----- |
| Signature | Signature |
| Name (Director/Partner): | Name (Director/Partner): |