

PART 04 ENABLING IMMEDIATE OPPORTUNITIES AND FACILITATING RECOVERY

INTRODUCTION

The capital market continued to play an important role in supporting the Malaysian economy amid a challenging and turbulent environment. The SC had focused its efforts on enabling immediate opportunities and facilitating recovery across the spectrum of issuers, investors, intermediaries and companies by enhancing accessibility to the capital market both in terms of financing as well as investments.

Measures undertaken include enabling wider adoption of digital technology, facilitating new opportunities to spur continued growth and vibrancy of the capital market, accelerating the development of an ecosystem that promotes sustainable and responsible investments (SRI) as well as building capabilities and opportunities within the capital market.

BROADENING ACCESS TO THE CAPITAL MARKET VIA TECHNOLOGY

The year 2020 brought significant acceleration to digital adoption in the capital market, particularly towards ECF and P2P financing, DIMs and DAX as investors, issuers and intermediaries adapted to the new normal. At the onset of the implementation of the MCO, the SC took immediate action to manage the impact of the MCO on fundraising activities by micro, small and medium enterprises (MSMEs) on the ECF and P2P financing markets. Appropriate steps were taken to mitigate the lower demand from investors due to uncertainties seen in the alternative market, especially on the ECF and P2P financing platforms.

Sustaining MSME Fundraising via ECF and P2P Financing Markets

When the ECF market was introduced in 2015, a fundraising limit of RM3 million per campaign and a RM5 million lifetime limit for each issuer were put in place to protect investors from excessive exposure.

However, as the ECF market continues to mature, as evidenced by the steady increase in the size of fundraising rounds and growing interest from issuers, further liberalisation measures were introduced. This involved raising the single lifetime fundraising limit from RM5 million to RM10 million per issuer and widening the scope of eligible ECF issuers to companies with up to RM10 million in paid-up capital from the initial RM5 million in paid-up capital.