

Chapter 1

INTRODUCTION

- 1.01 The *Guidelines on Unit Trust Funds* (Guidelines) is issued by the SC pursuant to section 377 of the *Capital Markets and Services Act 2007* (CMSA). These Guidelines set out the requirements to be complied with by any person seeking authorisation under the CMSA to make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase a unit trust fund.
- 1.02 These Guidelines are aimed at providing a regulatory environment that would protect the interests of the investing public and facilitate the orderly development of the unit trust industry in Malaysia. In addition, these Guidelines are also drawn up to govern the operation of unit trust funds established in Malaysia.
- 1.03 The securities laws and these Guidelines form the regulatory framework for unit trust funds in Malaysia, and must be read together. All parties to a unit trust fund are expected to be guided by the letter and spirit of the regulatory requirements.
- 1.03A In addition to complying with these Guidelines, any person seeking authorisation under the CMSA to make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase an Islamic unit trust fund must also comply with the *Guidelines on Islamic Capital Market Products and Services*.

- 1.04 Guidance on the application of the requirements of these Guidelines has been provided, where appropriate. Any departure from the Guidance will be taken into consideration in the SC's assessment on whether a breach of these Guidelines had occurred.
- 1.05 An applicant is encouraged to consult the SC on the application of these Guidelines.
- 1.06 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 variation is not contrary to the intended purpose of the relevant requirement in these Guidelines; or
 - (b) there are mitigating factors which justify the said exemption or variation.
- 1.07 In addition to the requirements under these Guidelines, any person intending to offer a unit trust fund in any jurisdiction of an ACMF Signatory must also observe and ensure compliance with the Standards of Qualifying CIS¹.
- 1.08 A prospectus for the issuance of, offering for subscription or purchase, or invitation to subscribe for or purchase, any unit in a unit trust fund must be registered by the SC and comply with the requirements of the CMSA and the *Prospectus Guidelines for Collective Investment Schemes*.

¹ The Standards can be found at www.acmf.org