

**Summary of Amendments to the Licensing Handbook  
(Date of Issuance: 16 April 2020)**

The following table provides a summary of amendments to the revised *Licensing Handbook* issued on 16 April 2020:

<b>A. Overview</b>			
<p>1. Capital market participants, including licensed intermediaries, and Capital Markets Services Licence (CMSL) applicants, are required to have anti-corruption policies and procedures in place, as part of the Securities Commission Malaysia's efforts to strengthen anti-corruption measures for the capital market, and pursuant to the enactment of the corporate liability provision under section 17A of the <i>Malaysian Anti-Corruption Commission Act 2009</i> effective 1 June 2020.</p> <p>2. Housekeeping amendments throughout the <i>Licensing Handbook</i> to enhance clarity and ensure consistency. Such amendments include stylistic or formatting changes and necessary changes of an editorial nature such as renumbering and rephrasing of certain requirements and contents, standardisation of terminology, updating of information, grammatical corrections, and alphabetical order.</p>			
<b>B. Amendment Highlights</b>			
<b>No.</b>	<b>Prior Version Dated 14 May 2019</b>	<b>Revised Version Dated 16 April 2020</b>	<b>Nature of Amendment</b>
<b>1.</b>	<b>Chapter 1: Introduction</b>		
a.	[New paragraph 1.04]	<b>Paragraph 1.04</b> <b>Guidance on the application of the relevant requirements of this handbook has been inserted, where appropriate. Any departure from the guidance will be taken into account in the SC's assessment on whether a breach of this handbook had occurred.</b>	Insertion of a new paragraph to clarify the purpose of the guidance provided in the <i>Licensing Handbook</i> .
b.	Paragraphs 1.03A and 1.04	Paragraphs 1.03A and 1.04 have been renumbered as 1.05 and 1.06	Renumbering of paragraphs as a result of the insertion of the new paragraph above.

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<b>2.</b>	<b>Chapter 4: Licensing Criteria</b>		
a.	<p>Paragraph 4.02: Organisational requirements</p> <p><b>Organisational competence</b></p> <p>(3) As a CMSL applicant, you must ensure that your business is properly established, which includes the following:</p> <ul style="list-style-type: none"> <li>• Risk management policies and <u>processes</u>, including having in place a business continuity plan and processes;</li> <li>• Policies and procedures on conflict management and the monitoring of unethical conduct and market abuse that are appropriate to the nature, scale and complexity of its business; and</li> <li>• Policies and procedures to ensure compliance with applicable laws and regulations.</li> </ul>	<p>Paragraph 4.02: Organisational requirements</p> <p><b>Organisational competence</b></p> <p>(3) As a CMSL applicant, you must ensure that your business is properly established, which includes the following:</p> <ul style="list-style-type: none"> <li>• Risk management policies and <b>procedures</b>, including having in place a business continuity plan and processes;</li> <li>• Policies and procedures on conflict management, <b>anti-corruption, whistleblowing</b>, and the monitoring of unethical conduct and market abuse that are appropriate to the nature, scale and complexity of its business; and</li> <li>• Policies and procedures to ensure compliance with applicable laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement of “processes” with “procedures” for the requirement of having risk management policies and procedures.</li> <li>• Insertion of new obligation for licensed intermediaries and CMSL applicants to have policies and procedures on anti-corruption and whistleblowing.</li> </ul>
b.	Paragraph 4.02(3)	<p>Insertion of a guidance note at the end of paragraph 4.02(3)</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Guidance to paragraph 4.02(3)</b></p> <p>The policies and procedures on anti-corruption should be guided by the <i>Guidelines on Adequate Procedures</i> issued pursuant to section 17A(5) of the <i>Malaysian Anti-Corruption Commission Act 2009</i>.</p> </div>	Insertion of a guidance note on the baseline expectation for the policies and procedures on anti-corruption.

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c.	<p>Paragraph 4.05: What are the requirements for a CMSRL?</p> <p><b><i>Exemption from licensing examination</i></b></p> <p>(8) You may apply for exemption from the relevant SC <u>licensing examination modules</u> if you are an individual with distinguished service, which includes having–</p> <p>(a) a total of at least 20 <u>years' working</u> experience;</p>	<p>Paragraph 4.05: What are the requirements for a CMSRL?</p> <p><b><i>Exemption from licensing examinations</i></b></p> <p>(8) You may apply for exemption from the relevant <b>modules of the SC Licensing Examinations</b> if you are an individual with distinguished service, which includes having–</p> <p>(a) a total of at least 20 <b>years of work</b> experience;</p>	<p>Editorial amendment to provide clarity.</p>
d.	<p>Paragraph 4.06: What are the requirements for key management of a CMSL holder and compliance officer?</p> <p><b><i>Qualification and experience requirement</i></b></p> <p>(7) The candidate for head of operations, head of compliance and compliance officer will also be expected to possess relevant and adequate experience in carrying out the respective functions. <u>Table 5</u> sets out the minimum qualification and experience requirements for the head of operations, head of compliance and compliance officer.</p>	<p>Paragraph 4.06: What are the requirements for key management of a CMSL holder and compliance officer?</p> <p><b><i>Qualification and experience requirement</i></b></p> <p>(7) The candidate for head of operations, head of compliance and compliance officer will also be expected to possess relevant and adequate experience in carrying out the respective functions. <b>Table 4</b> sets out the minimum qualification and experience requirements for the head of operations, head of compliance and compliance officer.</p>	<p>Rectification of table reference number.</p>

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<b>3.</b>	<b>Chapter 6: Application Procedures and Fees</b>		
	<p>Paragraph 6.04: How to apply for a new licence?</p> <p>(2) Due to the nature and amount of information and documents required for a new CMSL, you cannot apply through ELA. Instead, you must submit the relevant information and documents required in printed and soft copies (thumb drive or CD-ROM). You must also submit the fees together with the application, in the form of bank drafts or cheques, made payable to the "Securities Commission Malaysia" and sent to the address stated in paragraph (8) of Appendix 2.</p>	<p>Paragraph 6.04: How to apply for a new licence?</p> <p>(2) <b>CMSL applicants must submit the relevant information and all required documents in both hard and soft copy versions (USB flash drive), together with the fees – in the form of cheques, bank drafts or postal/money orders, made payable to the "Securities Commission Malaysia" – to the address stated in paragraph 8 of Appendix 2.</b></p>	<p>Editorial amendment to provide clarity.</p>
<b>4.</b>	<b>Chapter 10: Outsourcing Arrangement by CMSL Holders</b>		
	<p>Paragraph 10.05: Contact</p> <p>(1) For any enquiries in relation to this chapter, you may contact:</p> <p>Intermediary and Fund Supervision Business Group Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur <u>Telephone: 03-20910720</u></p>	<p>Paragraph 10.05: Contact</p> <p>(1) For any enquiries in relation to this chapter, you may contact:</p> <p>Intermediary and Fund Supervision Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur <b>Tel: +603-6204 8000</b></p>	<p>Updating of contact number.</p>

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<b>5. Appendix 2: Electronic Licensing Application (ELA)</b>			
a.	<p><b>General requirement for a supporting document</b></p> <p>5. <u>A document to be uploaded and submitted to the SC through ELA shall not exceed 512KB and be in the following format:</u></p> <p>(a) Joint Photographic Experts Group (JPEG);</p> <p>(b) Adobe Portable Document (PDF);</p> <p>(c) Microsoft Word;</p> <p>(d) Microsoft Excel; or</p> <p>(e) ASCII Text.</p>	<p><b>File upload specifications</b></p> <p>5. <b>Any supporting document for submission to the SC through ELA shall not exceed 10MB and be in one of the following formats:</b></p> <p>(a) Joint Photographic Experts Group (JPEG);</p> <p>(b) <b>Portable Document Format</b> (PDF);</p> <p>(c) Microsoft Word;</p> <p>(d) Microsoft Excel; or</p> <p>(e) ASCII Text.</p>	<p>Change of maximum file size limit for uploads to the ELA system and editorial amendment to provide clarity.</p>
b.	<p><b>Unavailability of ELA</b></p> <p>7. For manual submissions, all duly completed forms and relevant supporting documents must be submitted in printed and soft copies (diskette or CD-ROM). The SC may, through its website or via the mass media, inform the public of measures put in place for accepting such submissions until the ELA system resumes operation.</p>	<p><b>Unavailability of ELA</b></p> <p>7. For manual submissions, all duly completed forms and relevant supporting documents must be submitted in <b>both hard and soft copy versions (USB flash drive)</b>. The SC may, through its website or via the mass media, inform the public of measures put in place for accepting such submissions until the ELA system resumes operation.</p>	<p>Editorial amendment to provide clarity.</p>
<b>6. Other Key Amendments Throughout the Licensing Handbook</b>			
a.	<p>“note” in guidance boxes</p>	<p>“note” in certain guidance boxes have been replaced with “guidance”</p>	<p>Replacement of terminology in light of the new paragraph 1.04, which clarifies the purpose of the guidance provided in the <i>Licensing Handbook</i>.</p>

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b.	Uniform Resource Locator (URL) of the SC's public register of licence holders: <a href="http://www.sc.com.my/licensing/public-register-of-licence-holders">http://www.sc.com.my/licensing/public-register-of-licence-holders</a>	URL of the SC's public register of licence holders: <a href="http://www.sc.com.my/regulation/licensing/licensed-and-registered-persons">www.sc.com.my/regulation/licensing/licensed-and-registered-persons</a>	Updating of website URL, where applicable.
c.	Table and column naming convention such as: <ul style="list-style-type: none"> <li>• Table 4: Minimum Qualification and Experience Requirement</li> <li>• Table 5: Licensing Examinations</li> <li>• Column 1 of Tables 4 and 5: "Key Management Positions"</li> <li>• Table 8: Forms <u>on Anniversary Date</u></li> </ul>	Table and column naming convention such as: <ul style="list-style-type: none"> <li>• Table 4: Minimum Qualification and Experience Requirements <b>for Key Management and Compliance Officer</b></li> <li>• Table 5: Licensing Examinations <b>for Key Management and Compliance Officer</b></li> <li>• Column 1 of Tables 4 and 5: "Key Management Positions" has been replaced with "Position"</li> <li>• Table 8: Forms <b>for Anniversary Reporting</b></li> </ul>	Standardisation of table and column naming convention throughout the <i>Licensing Handbook</i> , where appropriate.
d.	"calendar days"	"calendar days" has been replaced with "days"	Standardisation of terminology. All references to "days" in the <i>Licensing Handbook</i> shall mean calendar days unless otherwise stated.
e.	Number style and format: ...two <u>2</u> weeks ... <u>7</u> business days ... <u>3</u> modules	Number style and format: ...two weeks ...seven business days ...three modules	Standardisation of number format, where applicable.