

## Enhancing the Role of Capital Market Intermediaries

### ENHANCE THE IPO/RTO FRAMEWORK TO ADDRESS CHALLENGES FACED

- To address material issues upfront to facilitate proper preparation of submissions to the SC
- To reinforce accountability standards of all advisers in order to promote quality submissions
- To encourage market feedback through longer prospectus exposure
- To address industry concern on small pool of corporate finance professionals who are able to make submissions to the SC

### UPFRONT ENGAGEMENT WITH VARIOUS KEY STAKEHOLDERS ON MATERIAL ISSUES TO BE ADDRESSED TO SMOOTHEN REVIEW PROCESS



#### ENHANCED IPO/RTO APPROVAL PROCESS

Provide a platform for material issues to be discussed by applicant, principal advisers, lawyers, reporting accountants and other advisers, directly with the SC prior to submission



SC

sets out principle-based rules and regulations



#### PRINCIPAL ADVISERS

Granted flexibility with corresponding accountability reinforced



Industry-driven *Due Diligence Guide*

### BUILD ACCESSIBLE AND AGILE CAPITAL MARKET FOR FUNDRAISING AND INVESTMENT



#### APPLICANT/ISSUER

Promote a more effective approval process for prospective issuers going to the public market



#### INVESTORS

Enable adequate, accurate and timely disclosures for public to make informed investment decisions

The SC issued the *Guidelines on Submission of Corporate and Capital Market Product Proposals* as well as revised the *Equity Guidelines* and *Prospectus Guidelines* in conjunction with the implementation of the new initial public offering (IPO) framework announced in July 2020. The new framework serves to promote shared responsibility among key stakeholders involved in the submission of an IPO for listing on the Main Market of Bursa Malaysia.

One of the key features of the new framework is the introduction of a mandatory pre-submission holistic consultation between the SC and key stakeholders including the applicant, principal advisers, lawyers, reporting accountants and valuers. This mandatory pre-submission session will facilitate discussions of any material issues and concerns prior to the submission of the IPO application.

The new framework also provides a longer exposure period of the draft prospectus until the date of

registration of the prospectus, instead of the current 15-market-day exposure period. This will enable greater participation for the public to provide feedback on the draft prospectus.

In conjunction with the new IPO framework, the SC also announced the new Principal Adviser Framework, which encompasses a new Qualified Person (QP) regime and Senior Officer regime. Corporate finance advisers would no longer require the SC's approval to act as an Approved Principal Adviser to submit specific corporate proposals to the SC. Instead, qualified corporate finance advisers would only need the SC's recognition to act as Recognised Principal Advisers (RPA).

With the introduction of the new QP framework, which replaces the Qualified Senior Personnel (QSP), the RPA must have at least one QP working full time for each specific corporate proposal. Although the