

Client Alert

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Q&A For Capital Market Participants Operating During the MCO

The Movement Control Order ("**MCO**") has now been extended until 14 April 2020 ("**Restricted Period**"). The Securities Commission Malaysia ("**SC**") has provided guidance on the temporary dispensation that it will afford to capital market participants and intermediaries.

Are the regulators open as usual?


1. SC continues to operate during the Restricted Period. The officers at SC remain available for discussion although communications are through conference or video calls and e-mails. All front-line services have been suspended.
2. The Companies Commission of Malaysia ("**CCM**") is closed during the Restricted Period. CCM's counter and online services will not be available. Similarly, the Inland Revenue Board of Malaysia, including the Stamp Office is closed during the MCO period as well. However, signed agreements can still be stamped and adjudicated by way of the STAMPS portal.

Are there rules in relation to business operations of all licensed and registered capital market participants (e.g. CMSL Holder, trading participants, brokers etc.)?

1. All licensed and registered capital market participants, including capital market services licence holders ("**CMSL Holders**") and capital market services representative's licence holders ("**CMSRL Holders**") must remain fully operational during the Restricted Period.
2. Brokers, trading participants, clearing participants and authorised depository agents are encouraged to operate shorter counter service hours during the Restricted Period.
3. Listed REIT managers are given an extension for up to 2 months (up to 30 June 2020) to hold their annual general meetings.

What are the flexibilities offered to licensed and registered capital market participants?

1. Extension of time until 30 June 2020 for CMSL Holders to:
 - a. fulfil the training requirements of their trading representatives, marketing representatives and directors;
 - b. submit their auditors' report, audited financial statements and Anniversary Reporting for Authorisation of Activity Report; and

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- c. complete the appointment of the key employees, where such recruitments are delayed due to the cancellation or postponements of licensing examinations.
 2. Extension of time until 30 April 2020 for CMSL Holders to submit various monthly and quarterly reports/returns.
 3. Extension of time for submission or notifications to the SC in relation to the issuance, redemption or upsizing of a product under the Lodge and Launch Framework for Corporate Bonds and Sukuk.
 4. Waiver of annual licensing fees for year 2020 for certain qualifying CMSL Holders, and for all individual CMSL Holders and CMSRL Holders.
 5. Reduction of minimum Continuing Professional Education ("**CPE**") points to 10 CPE points for CMSRL Holders and Employees of Registered Persons, effective from 1 July 2020 for 12 months.
 6. Reduction of minimum training requirements to 3 days for Trading Representatives and Marketing Representatives, effective from 1 July 2020 for 12 months.
 7. Provide one-off training subsidy of up to MYR 30,000 for Approved Training Programs.
 8. Provide greater flexibility and discretion for brokers to manage margin accounts until 30 September 2020, including a broader list of accepted collaterals.

The SC has strived to remain open and facilitative during the Restricted Period. It is imperative for licensed and registered capital market participants to be proactive and maintain their communication channels with the SC and notify the SC of any specific challenge in complying with the relevant regulations.

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