

Client Alert

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Standard Operating Procedures Against COVID-19 for Capital Market Participants

On 3 May 2020, the Malaysian Government issued the Prevention and Control of Infectious Diseases (Measures within Infected Local Areas) (No. 5) Regulations 2020, which allows all economic sectors to commence full operations (save for certain restricted activities) subject to compliance with standard operating procedures issued for each industry ("**Conditional MCO**"). The Conditional MCO period has since been extended to 9 June 2020.

In line with the Conditional MCO and on 8 May 2020, the Securities Commission Malaysia ("**SC**") issued guidance for the standard operating procedures ("**SOP**") on health and safety measures against the COVID-19 pandemic for capital market participants ("**CMP**")¹ to implement in planning and managing the return of its operations to full capacity ("**Guidance**").

Guidance requirements

CMPs are required to, among others:

General workplace requirements

1. Adopt adequate policies and procedures to address, among others:
 - a) situations where an employee, agent or external party (e.g., a customer of a CMP) who has visited its premises or been in close contact with its employee or agent, who later tests positive for COVID-19 or becomes a patient under investigation;
 - b) collection of necessary information to facilitate contact tracing; and
 - c) maintenance of records for contact tracing.
2. Enforce temperature screening at entry points and require the use of face masks at all times while in its premises.
3. Reduce the number of persons at reception or security desks.
4. Limit or restrict the use of communal or confined spaces.
5. Encourage social distancing of 1-meter apart by among others, installing temporary barriers (including between workstations), demarcating the office floors and common seating areas with markers as guides, and limiting the number of people in physical meetings, cafeterias and other common spaces at any given time.

¹ "**Capital market participant**" or "**CMP**" covers entities and individuals that participate in the Malaysian capital market including approved exchanges, capital markets services licence holders, registered persons, auditors registered with the Audit Oversight Board, self-regulatory organisations, recognised market operators and other capital market-related entities.



6. Disinfect all entry and exit doors every 8 hours. Where possible, the entry and exit points should be separated and clearly demarcated to facilitate crowd control.

Managing business operations

1. Determine its business hours based on its location and business needs, subject to directives issued by the relevant authorities.
2. Implement work-from-home arrangements where functions can be performed remotely in a safe, secure and efficient manner are encouraged, with CMPs providing the necessary equipment and support to facilitate such arrangements.
3. Implementing staggered or rotational work schedules or having split teams as possible options to progressively phase employees back to the workplace in parallel with the Conditional MCO.
4. Maintain sufficient records of employees, agents and external parties for contact tracing purposes for at least 3 months. Records should at a minimum include the name, contact number, date, time of visit, location and the person(s) they are meeting.
5. Maintain clear communication on return to work protocols and provide support channels which employees and agents can seek clarification, voice concerns or ask for exemptions to certain procedures.
6. Establish emergency response protocols setting out next steps (including reporting requirements to the relevant authorities) in the event of any COVID-19 infection cases or any investigations on its employees or agents.
7. Establish that the location of the on-site field work is not classified as a high risk zone and that proper measures are in place against COVID-19 when considering whether to permit its employee or agent to visit the location.
8. Appoint a dedicated person(s) to monitor and report compliance with SOPs across its organisation, including each branch location.

Dealing with external parties

1. Establish clear protocols to limit the number of external parties at its premises and manage traffic at customer facing locations.
2. Limit attendance at work-related events hosted by external parties.
3. Restrict all sales and marketing activities outside its premises and in public places until further notice.
4. Restrict external parties' access to specific areas within its premises.
5. Require the sanitisation of hands after each transaction or wearing of single-use gloves if there is any handling of incoming documents from external parties.



Status of the Guidance vis-à-vis the other SOPs and/or directives issued by the relevant authorities

The SC has made it clear that in the event of any inconsistencies between the Guidance with existing SOP and/or directives issued by the National Security Council ("**MKN**"), the Ministry of Health ("**MOH**") and other applicable authorities (collectively, "**Relevant Authorities**"), the SOP and/or directives will prevail.

This means that, for example CMPs such as licensed banks and auditors must fully comply with the SOP for the financial services sector issued by the Ministry of Finance ("**MOF SOP**") and the SOP for professional services and manufacturing issued by the Ministry of International Trade and Industry ("**MITI SOP**") respectively, but must also comply with the Guidance to the extent that the MOF SOP or MITI SOP (as the case may be) does not address the relevant requirement.

The MOF SOP and MITI SOP are largely consistent with the Guidelines, save that each covers additional requirements / measures which are required to be complied with by licensed banks and auditors. Some of which include:

SOP	Requirements
MOF SOP	<ol style="list-style-type: none">1. Prohibit customers who have just returned to Malaysia from entering the premises.2. Minimise the need for staff to be close to each other at the beginning and end of operating hours / change of shifts.3. Restrict the exchange of physical documents among employees to reduce risk of infection.4. Remove materials which cannot be easily cleaned in waiting areas such as newspapers and leaflets.
MITI SOP	<ol style="list-style-type: none">1. Sanitisation process is required to be carried 3 times a day in common places such as, among others, lobby, toilets, cafeteria and meeting rooms.2. Office vehicles must be disinfected after each use.3. Canteens / cafeterias within the premises are permitted to operate provided that the tables are 2-meters apart.

Conclusion

The Guidance is not intended to be comprehensive and at the minimum, CMPs must also adhere to the latest SOP and/or directives issued by the Relevant Authorities. CMPs are encouraged to monitor developments and guidance issued by the Relevant Authorities and where appropriate, reflect these in its SOPs.

As such, CMPs should not merely aim to comply with the Guidance on a simple tick-box basis, but should consider it carefully when developing and tailoring its



SOP according to its respective business operations to create a safe environment for its stakeholders.

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