ATTACHMENT

TABLE OF COMMENTS

COMMENTS TO ISSUES RAISED IN CONSULTATION PAPER NO. 3/2016

PROPOSED RULES GOVERNING THE LISTING, TRADING AND DEPOSITORY FRAMEWORK OF BURSA MALAYSIA SECURITIES BERHAD’S (NEW) MARKET

Regulatory Policy & Advisory

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| --- | --- | --- |
| NAME OF RESPONDENT | : |  |
| NAME OF COMPANY | : |  |
| CONTACT PERSON & CONTACT NUMBER | : |  |
| EMAIL ADDRESS | : |  |

| ISSUES | | COMMENTS |
| --- | --- | --- |
| PROPOSAL 1.1 | | |
|  | Do you think the Proposed Admission Criteria are clear and adequate for the (New) Market [paragraph 3 of the Consultation Paper]?  Please state the reasons for your views. |  |
|  | Do you have any other suggestion for the Proposed Admission Criteria for the (New) Market?  Please state the reasons for your suggestions, if any. |  |
| PROPOSAL 1.2 | | |
|  | Do you have any comments on the proposed initial listing process?  Please state the reasons for your views. |  |
| PROPOSAL 1.3 | | |
|  | Do you think the proposed moratorium requirement of 45% on the promoters’ aggregate shareholdings based on the nominal issued and paid-up ordinary share capital of the listed corporation as at the date of listing for the entire duration of the listing of a listed corporation is reasonable and appropriate? [paragraph 20 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.4 | | |
|  | Is there any other information which should be disclosed in the IM? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.5 | | |
|  | Do you agree that the Trust Account should be jointly operated by both the applicant and a custodian (i.e. either be the Approved Adviser, a placement agent or an issuing house appointed by the applicant)? [paragraph 26 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with the events which require the applicant and the custodian to refund the monies to the investors? [paragraph 28 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you have any other suggestion to strengthen investor protection in a listing exercise on the (New) Market that is appropriate for a qualified market? |  |
| PROPOSAL 1.6 | | |
|  | Do you think the minimum eligibility requirements proposed in relation to the Approved Adviser and Continuing Adviser are clear and appropriate? [paragraphs 33 and 34 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Is there any other requirement which should be included before a person can be eligible to act as an Approved Adviser or the Continuing Adviser? If yes, please provide your suggestions and the reasons for such suggestions. |  |
|  | Do you think an AOB registered audit firm should be allowed to act as a Continuing Adviser?  Please state the reasons for your views. |  |
| PROPOSAL 1.7 | | |
|  | Are the proposed factors for consideration set out in paragraphs 37 and 38 of the Consultation Paper sufficient and appropriate for the purpose of guiding an Approved Adviser in making its suitability assessment on an applicant?  Please state the reasons for your views. |  |
|  | In your opinion, what other requirements should be imposed on an Approved Adviser, if any, for it to carry out its suitability assessments more effectively? |  |
| PROPOSAL 1.8 | | |
|  | Do you agree that an Approved Adviser who has advised and brought the applicant for listing on the (New) Market must remain as the applicant’s Continuing Adviser for at least 1 full financial year after listing or the entire advisory period of 3 full financial year after listing?  Please state the reasons for your views. |  |
|  | Do you agree with the duration of the Advisory Period which is limited to only 3 full financial years post listing, or do you think it is more appropriate to require the presence of a Continuing Adviser throughout the listing of a SME on the (New) Market?  Please state the reasons for your views. |  |
|  | Do you agree that a listed corporation which is unable to comply with the requirements on Continuing Adviser should face the risk of suspension and delisting? [paragraph 44 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.9 | | |
|  | Do you think the proposed roles and responsibilities of the Continuing Advisers as stated in paragraphs 45 and 46 of the Consultation Paper are adequate in terms of advising a listed corporation post listing?  Please state the reasons for your views. |  |
|  | Where an existing Continuing Adviser is appointed to undertake a corporate proposal which requires the appointment of an Adviser, do you agree that the Continuing Adviser must perform the roles as stated in paragraph 48 of the Consultation Paper?  Please state the reasons for your views. |  |
|  | In your opinion, is there any other role and responsibility which should be imposed on a Continuing Adviser? If yes, please provide your suggestions and the reasons for such suggestions. |  |
|  | Do you agree with the prescribed corporate proposals where an Approved Adviser or Adviser (as the case may be) must be appointed as stated in paragraph 47 of the Consultation Paper? |  |
| PROPOSAL 1.10 | | |
|  | Do you agree with the threshold for the Proposed General Mandate [paragraph 51 of the Consultation Paper]?  Please state the reasons for your views. |  |
|  | Do you think the safeguards on issuance of shares or convertible securities to interested parties on a non-pro rata basis in paragraph 53 of the Consultation Paper are adequate for investor protection? Do you have any other proposal?  Please state the reasons for your views. |  |
|  | Do you agree that the Proposed General Mandate should be subject to annual renewal and the proposed disclosure required for the statement accompanying the proposed resolution as set out in paragraph 55 of the Consultation Paper? |  |
| PROPOSAL 1.11 | | |
|  | Do you agree with the proposed minimum contents of the announcement and the circular to shareholders in respect of a new issue of shares? [paragraph 56 of the Consultation Paper]?  Please state the reasons for your views. |  |
|  | Is there any other information which should be disclosed in the announcement or circular to shareholders in relation to a new issue of shares? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.12 | | |
|  | Do you agree with the condition specified in paragraph 58 above to be applied to a listed corporation undertaking a non-renounceable rights issue?  Please state the reasons for your views. |  |
|  | If a listed corporation uses the Proposed General Mandate to undertake a right issue, in the absence of the prospectus and IM issued to shareholders, do you agree that the announcement on the rights issue is an adequate source of information for the shareholders to rely on to decide whether to subscribe to the rights issue? If not, how else should the shareholders be notified about the rights issue?  Please state the reasons for your views. |  |
|  | Do you think the information proposed to be disclosed in the announcement is adequate and sufficient for the shareholders to make informed investment decision in relation to the proposed rights issue? Is there any other information which should be disclosed in the announcement in relation to rights issue? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.13 | | |
|  | Do you agree with the criterion proposed by the Exchange for a bonus issue i.e. there must be available reserves for capitalisation on a consolidated basis that are adequate to cover the entire bonus issue of shares, based on the listed corporation’s latest audited financial statements as well as its latest semi-annual unaudited financial statements? [paragraph 65 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Is there any other criterion which the Exchange should consider in respect of a bonus issue? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.14 | | |
|  | Do you agree that the SPEEDS process should be utilised for a bonus issue of shares by a listed corporation which is not conditional upon any other corporate proposal or if it is conditional upon another corporate proposal but that other corporate proposal has been completed or becomes unconditional? [paragraph 68 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.15 | | |
|  | Do you agree with our proposal to allow issuance of non-listed convertible securities by a listed corporation subject to complying with the requirements set out in paragraphs 70 to 72 of the Consultation Paper?  Please state the reasons for your views. |  |
| PROPOSAL 1.16 | | |
|  | Do you agree on the proposed steps to be taken and time given to a listed corporation which is unable to comply with the requirement of a clearly identifiable core business? [paragraph 74 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree that the Exchange should compel the promoters or controlling shareholders of a listed corporation which fails to maintain a clearly identifiable core business to make an exit offer to all the other shareholders before de-listing by the Exchange? Do you foresee any practical issues with such proposal?  Please state the reasons for your views. |  |
| PROPOSAL 1.17 | | |
|  | Do you think the corporate disclosure policies are clear and adequate to ensure timely, complete and accurate disclosure of material information to the investors and public? [paragraph 77 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with the circumstances proposed by the Exchange in which an information is considered material in paragraph 78 of the Consultation Paper as well as the examples of material information in paragraph 79 of the Consultation Paper?  Please state the reasons for your views. |  |
|  | Do you agree with the circumstances where a listed corporation must make an immediate announcement of information withheld to the Exchange? [paragraph 81 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.18 | | |
|  | Do you agree with the events prescribed by the Exchange which require immediate announcement by the listed corporation? [paragraph 84 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | In your opinion, is there any other event which would require the immediate announcement by the listed corporation? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.19 | | |
|  | Do you agree that a listed corporation should be allowed to issue documents to its shareholders by electronic means?  Please state the reasons for your views. |  |
|  | Do you think the electronic means mentioned in paragraph 88 are suitable for sending documents to shareholders? Are there other electronic means that should be included for sending documents to shareholders?  Please state the reasons for your views. |  |
|  | Do you agree that a listed corporation should be permitted to issue documents to its shareholders electronically so long as it is so authorised in its constitution without having to obtain individual consent? Do you agree that the shareholders must always be given a right to request for a hard copy of such document?  Please state the reasons for your views and suggestions, if any. |  |
|  | Do you agree that the listed corporation must forward a hard copy of the documents to the shareholder within 4 market days from the date of receipt of the request for a hard copy of the document? Is the time given appropriate both from the listed corporation’s and shareholder’s perspective? [paragraph 90 of the Consultation Paper]  Please state the reasons for your views and suggestions on a reasonable timeframe, if any. |  |
|  | Is the proposed safeguard for the publication of documents on a listed corporation’s website sufficient? [paragraph 91 of the Consultation Paper]  Please state the reasons for your views and suggestions, if any. |  |
|  | Do you agree that documents relating to take-over offers and rights issues must be sent in hard copy unless a shareholder has expressly consented to receive such documents by electronic means?  Please state the reasons for your views. |  |
|  | Is there any other document that should not be sent by electronic means? If so, what are they? [paragraph 92 of the Consultation Paper]  Please state the reasons for your suggestions, if any. |  |
| PROPOSAL 1.20 | | |
|  | Do you agree with the proposed financial reporting timeframe, which is 2-month for each of the semi-annual unaudited financial statements, followed by annual audited financial statements within 4 months from the close of the financial year end (Option 1)?  The other option which the Exchange may consider is to require a listed corporation to announce its first half unaudited financial statements within 2 months from the first half of its financial year, followed by its annual audited financial statements within 3 months from the close of the financial year end. (Option 2).  Please state your preferred option for financial reporting and reasons for your choice. |  |
|  | Do you think the information required in the notes to the financial statements as well as the information accompanying the announcement of the annual audited financial statements is appropriate and adequate? Is there any other information that should be included? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.21 | | |
|  | Do you agree with the Exchange’s proposals in relation to the suspension of trading of the listed corporation’s shares if the listed corporation fails to issue its Financial Statements within the Relevant Timeframes? [paragraph 103 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.22 | | |
|  | Do you agree with the Exchange’s proposals in relation to the thresholds and obligations of a non-RPT? [paragraph 105 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with the proposed contents of an announcement and circular of a non-RPT? Is there any other additional information which you would like to propose? |  |
| PROPOSAL 1.23 | | |
|  | Do you agree with our proposed ambit of RPT, as set out in the definitions on RPT and “related party”? [paragraphs 107 and 108 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with our proposal to prescribe the functions of the board of directors of a listed corporation as a safeguard for the proposed RPT framework? [paragraph 109 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with the Exchange’s proposals in relation to the thresholds and obligations for a RPT? [paragraph 110 of the Consultation Paper]  Please state the reasons for your views. |  |
|  | Do you agree with the proposed requirements on interested directors, related party and any other interested shareholder as set out in paragraphs 111 and 113 of the Consultation Paper?  Please state the reasons for your views. |  |
| PROPOSAL 1.24 | | |
|  | Do you think RM250,000 is the appropriate monetary limit under the de minimis requirements for both a RPT and non-RPT? [paragraph 116 of the Consultation Paper]  Please state the reasons for your views. |  |
| PROPOSAL 1.25 | | |
|  | Do you agree with our proposal to require shareholder approval for the following transactions:   1. A transaction which will result in a significant change in the business direction or policy of the listed corporation; and 2. A Major Disposal.   Please state the reasons for your views. |  |
|  | Do you agree with the proposed requirements relating to the transaction which will result in a significant change in the business direction or policy of the listed corporation as set out in paragraph 118 of the Consultation Paper?  Please state the reasons for your views. |  |
|  | Do you agree with the proposed requirements relating to the Major Disposal as set out in paragraph 119 of the Consultation Paper?  Please state the reasons for your views. |  |
| PROPOSAL 1.26 | | |
|  | Do you agree with the proposed minimum contents of the announcement and the circular to shareholders in respect of a transaction? [paragraph 120 of the Consultation Paper]?  Please state the reasons for your views. |  |
|  | Is there any other information which you would like a listed corporation to disclose in the announcement or circular in relation to a transaction? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.27 | | |
|  | Do you agree with our proposed requirements relating to the withdrawal for listing on the (New) Market? [paragraphs 124 to 126 of the Consultation Paper]?  Please state the reasons for your views. |  |
|  | Do you think the proposed contents of the circular to shareholders as set out in Appendix 8B of the Proposed New LR are sufficient for the consideration of the shareholders regarding the withdrawal of listing and exit offer? |  |
|  | Do you agree with the proposed events for de-listing? Are there any other circumstances which the Exchange should have the power to de-list a listed corporation on the (New) Market e.g. due to poor financial condition or inadequate level of operations? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 1.28 | | |
|  | Do you agree with our proposed enforcement framework for the (New) Market? [paragraphs 128 to 129 of the Consultation Paper]?  Please state the reasons for your views. |  |
| PROPOSALS 2.1 to 2.7 | | |
|  | Do you agree with proposals 2.1 to 2.7, as set out in the Consultation Paper?  Please state the reasons for your views. |  |
|  | Is there any other requirement which, in your view, should be put in place in relation to trading on the (New) Market? If yes, please provide your suggestions and the reasons for such suggestions. |  |
| PROPOSAL 3.1 | | |
|  | Do you agree with the framework for the treatment of cash distributions and other cash payments under the BMDepo Rules as explained in Part 3 of the Consultation Paper?    Please state the reasons for your views. |  |

[End of Attachment]