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**APPENDIX 1**  
**AMENDMENTS IN RELATION TO EXCHANGE-TRADED FUNDS**  
**Main Market Listing Requirements**

**CHAPTER 1 - DEFINITIONS AND INTERPRETATION**

**PART A - DEFINITIONS**

**1.01 Definitions**

In these Requirements, unless the context otherwise requires -

exchange-traded fund (“ETF”) means a listed ~~index-tracking~~ fund structured as a unit trust scheme ~~or any other approved structure~~ whose ~~primary objective~~principal aim is to -

- (a) track;
- (b) deliver multiples of; or
- (c) deliver opposite of,

~~achieve the returns that correspond to~~ the performance of ~~an particular~~ index or a benchmark using a passive investment strategy.

[End of proposed amendments to Chapter 1]

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**CHAPTER 4 - ADMISSION FOR SPECIFIC APPLICANTS****PART D - ETFS****4.10 Independent directors of management company**

The management company of an ETF must ensure that the composition of its board of directors complies with the requirements of paragraph 3.04 as if it were the applicant mentioned in paragraph 3.04. For the purpose of this paragraph, “independent director” has the meaning given to “independent member” in the SC’s [Guidelines on Exchange-Traded Funds](#)~~ETFs Guidelines~~.

**4.13 ~~Provisions in the deed or constituent document~~[Deleted]**

- ~~(1) — The management company must ensure that the deed or constituent document governing the issue of the ETF units includes the various provisions set out in Appendix 4B.~~
- ~~(2) — The management company must furnish to the Exchange a letter of compliance pursuant to paragraph 2.12 together with the deed or constituent document and a checklist showing compliance with Appendix 4B.~~

**APPENDIX 4B****[Deleted]****~~Contents of deed in respect of an ETF~~  
(paragraph 4.13)**

- ~~(1) — At least 14 days’ notice in writing of any meeting (other than a meeting convened to pass a special resolution) of unit holders shall be given by the trustee. In the case of a meeting convened to pass a special resolution, at least 21 days’ notice shall be given. Such notice will specify in a circular the general nature of the business to be transacted.~~
- ~~(2) — The trustee shall cause at least 14 days’ notice (21 days in the case of a special resolution to be passed) to be given of any meeting by advertisement in a national language daily newspaper and in one other newspaper as may be approved by the SC, and in writing to the Exchange.~~
- ~~(3) — A unit holder shall be entitled to attend and vote at any meeting of unit holders, and shall be entitled to appoint another person (whether a unit holder or not) as his proxy to attend and vote. Where the unit holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a unit holder appoints 2 proxies in accordance with this provision the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Such proxy shall have the same rights as the member to vote, to speak and to be reckoned in a quorum.~~

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~~(4) In the case of an equality of votes the chairman of a meeting of unit holders shall have a casting vote in addition to his votes (if any) as a unit holder.~~

[End of proposed amendments to Chapter 4]

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**CHAPTER 9 - CONTINUING DISCLOSURE****PART A - GENERAL****9.01 Introduction**

(1) - (4) [No change].

(5) For the purpose of this Chapter, unless the context otherwise requires -

(a) - (b) [no change].

(c) “Securities Transactions” means the following transactions conducted pursuant to the Rules of Bursa Malaysia Securities Clearing Sdn. Bhd:

(i) securities lending under the SBL Negotiated Transaction or Bursa SBL Transaction; or

(ii) securities selling under the ISSBNT Negotiated Transaction.

**PART M4 - ETFS****9.46 ~~Announcements~~ Disclosure of information to the Exchange**

(1) A management company of an ETF must ~~announce to the Exchange~~-

(a) make available on the Exchange the indicative ~~optimum~~optimised portfolio value (IOPV) per unit of the fund on a real-time basis, or within such time as may be allowed under the SC’s Guidelines on Exchange-Traded Funds~~ETFs Guidelines~~;

(b) announce to the Exchange the net asset value (NAV) per unit of the fund on daily basis; and

(c) announce to the Exchange the number of units in circulation on a monthly basis.

(2) For the purpose of subparagraph (1)(a) above, the term “indicative ~~optimum~~optimised portfolio value” has the meaning given under the SC’s Guidelines on Exchange-Traded Funds~~ETFs Guidelines~~.

**9.47 Immediate announcements to the Exchange**

(1) In addition to the requirements set out in this Chapter, a management company of an ETF must immediately announce to the Exchange the following events:

(a) any change or proposed change of the trustee or management company;

(b) any change or proposed change in the control of the management company;

(c) any change in the name of the management company or the trustee;

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- 
- (d) any change or proposed change in the rate of management fee or trustee fee and its effective date;
  - (e) any change or proposed change in the general character or nature of the ETF;
  - (f) any intention to ~~vary the duration of, or~~ terminate the ETF;
  - (g) [deleted]
  - (h) any material modification to the deed of the ETF;
  - (i) any material change to the investment objectives set out for the ETF;
  - (j) any change or proposed change to the constituents and weightings of the ~~benchmark or~~ benchmark index basket; ~~or~~
  - (k) any change in the methodology or rules for constructing, compiling or calculating the benchmark or index~~;~~
  - (l) any change in the objective or characteristics of the benchmark or index; or
  - (m) any matter or change that will result in the issuance of a supplementary or replacement prospectus.
- (2) For the purposes of subparagraph (1)(b) above, the term “change in the control” has the meaning given to “controller” in section 60(7) of the CMA.

**9.48 ~~Quarterly~~Semi-annual report of an ETF**

- (1) A management company must announce to the Exchange an interim financial report of the ETF for ~~each of the first three quarters~~ 6 months of its financial year (“ETF ~~Quarterly~~Semi-Annual Report”), as soon as the figures have been approved by the board of directors of the management company, and in any event, not later than 2 months after the ~~quarter ends~~ end of the 6 month period.
- (2) The management company must include in the ETF ~~Quarterly~~Semi-Annual Report -
- (a) the information set out in Part E of Appendix 9B; and
  - (b) any other information as may be required by the Exchange.
- (3) Where there is a change in the financial year proposed by a management company, such management company must consult the Exchange as to the period to be covered by the ETF ~~Quarterly~~Semi-Annual Report.

## APPENDIX 9B

## PART E

Contents of ~~quarterly~~ semi-annual report of ETF  
(paragraph 9.48)

## Statement of Investment Portfolio

- (1) Details of all investments as at the end of the financial period classified by -
- (a) country;
  - (b) industry; and
  - (c) asset class (such as equity, REITs, bonds, derivatives, etc) with the following details:
    - (i) description of investment;
    - (ii) quantity;
    - (iii) fair value; and
    - (iv) fair value as a percentage of the net asset value of the ETF.
- (2) In the case of a synthetic ETF as defined in the SC's Guidelines on Exchange-Traded Funds, the following additional information of the over-the-counter ("OTC") derivatives:
- (a) details as set out in paragraph 1 above in relation to the underlying assets of the OTC derivatives; and
  - (b) the identity of the counterparty to the OTC derivatives.

## Performance Review

- (~~2~~3) The performance review of the ETF during the financial period which must include at least the following information:
- (a) an analysis of the ETF's performance based on changes in total net asset value and net asset value per unit since the last review period or since commencement of operations, if shorter;
  - (b) an analysis of the ETF's performance based on changes in prices since the last review period or since listing, if shorter;
  - (c) review of the market(s) relating to the benchmark or index (including foreign markets) in which the ETF invests in during the period;
  - (d) general assessment of the future prospects of the market(s) relating to the benchmark or index the ETF invests in;

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- (e) a statement confirming whether any soft commission has or has not been received by the management company or ~~its delegate fund manager during for~~ the period under review from ~~its any~~ brokers ~~or~~ dealers by virtue of transactions conducted for the ETF. If soft commission ~~(such as goods and services)~~ is received, the following information:
- (i) identification of the goods or services received; and
  - (ii) manner in which the goods or services received were utilised; ~~and~~ and
- (f) if cross trade transactions have been carried out for the period under review, a statement that the person undertaking the oversight function has reviewed that such transactions are in the best interest of the ETF and transacted on an arm's length and fair value basis.

**Interim Financial Information**

~~(34)~~ The following interim financial information:

- (a) net asset value of the ETF;
- (b) net asset value per unit (before and after distribution);
- (c) number of units listed;
- (d) total amount available for distribution and distribution per unit (interim and final);
- (e) the net income after tax to be shown separately between realised and unrealised portions;
- (f) sources of distribution made to unit holders in the format as follows:

Statement of Income Distribution

	<u>Current quarter period</u>	<u>Corresponding quarter period</u>	<u>Current year-to-date</u>	<u>Corresponding year-to-date</u>
	RM'000	RM'000	RM'000	RM'000
Dividend income	XXX	XXX	XXX	XXX
Interest income	XX	XX	XX	XX
Realised gains [less losses] on sale of investments	XXX	XXX	XXX	XXX
Other income	XXX	XXX	XXX	XXX
	XXXX	XXXX	XXXX	XXXX
Less:				
Expenses	XX	XX	XX	XX
Taxation	XX	XX	XX	XX

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Realised income for the period <del>/year</del>	XXX	XXX	<del>XXX</del>	<del>XXX</del>
Previous year's undistributed realised income	XX	XX	<del>XX</del>	<del>XX</del>
Total realised income available for distribution	<u>XX</u>	<u>XX</u>	<del>XX</del>	<del>XX</del>
Less: Proposed/declared income distribution	XX	XX	<del>XX</del>	<del>XX</del>
	----- ==	----- ==	----- ==	----- ==
Balance undistributed realised income	<u>XXX</u>	<u>XXX</u>	<del>XXX</del>	<del>XXX</del>
Distribution per unit (sen)	X	X	<del>X</del>	<del>X</del>

- (g) the above statement of income distribution must also include unrealised losses (arising during the period or brought forward from previous year) if any, within the ETF.

**Securities Transactions**

(5) The following details in respect of any Securities Transactions undertaken by the ETF:

- (a) the information below as at the end of the financial period:
- (i) amount of the securities involved in the Securities Transactions as a proportion of the total net asset value of the ETF;
  - (ii) description and nature of the collateral holdings; and
  - (iii) marked-to-market value of the non-cash collateral and value of the cash collateral;
- (b) the amount of revenue earned by the ETF and the management company (if any) in respect of the Securities Transactions during the financial period; and
- (c) the fees paid or payable to the lending representative, the lending agent or supplier representative, as the case may be, by the ETF in relation to the Securities Transactions during the financial period, if any.



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**Collateral Holdings**

- (6) Description of collateral holdings if collateral is used to mitigate the ETF's exposure to the counterparty of the OTC derivatives including the following information:
- (a) nature of the collateral;
  - (b) identity of the counterparty providing the collateral;
  - (c) marked-to-market value of the non-cash collateral with breakdown by asset class and credit rating, if applicable; and
  - (d) value and type of investments made with the cash collateral with a breakdown by asset class and credit rating, if applicable.

**APPENDIX 9C****Part F****Contents of annual report of ETFs**  
(paragraph 9.49)

- (1) Description of the ETF including the name, type, duration and termination date of the ETF.
- (2) Distribution policy of the ETF.
- (3) Particulars of the management company as follows:
  - (a) name, address, telephone and facsimile numbers of the registered office of the management company;
  - (b) name, address, telephone and facsimile numbers of each office at which a register of unit holders is kept;
  - (c) the information in relation to directors and chief executive officer of the management company as set out in paragraphs 3 and 4 in Part A of Appendix 9C respectively;
  - (d) name and address of the company secretary of the management company;
  - (e) total number of board meetings in relation to the ETF held during the financial year; and
  - (f) particulars of any public sanction or penalty imposed on the management company by the relevant regulatory bodies during the financial year, if any.
- (4) Name, address, telephone and facsimile numbers of the registered office of the trustee.

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~~(5) Details of the investment committee member including the following:~~

- ~~(a) name, age, nationality, qualification, experience and whether the person is an independent member;~~
- ~~(b) date the person was first appointed to the committee;~~
- ~~(c) any conflict of interest that the person has with the ETF;~~
- ~~(d) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and~~
- ~~(e) the number of committee meetings attended in the financial year.~~

~~(6)~~ In the case of an Islamic ETF, details of the Shariah adviser as follows:

- (a) name, qualification and experience;
- (b) any conflict of interest that the Shariah adviser has with the Islamic ETF;
- (c) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any;
- (d) if a corporation is appointed, in addition to the above -
  - (i) the address, telephone and facsimile numbers of the registered office of the corporation; and
  - (ii) the name, qualification and experience of the designated person responsible for Shariah matters of the Islamic ETF.

~~(6) Name and address of any fund manager or trustee's delegate appointed pursuant to the SC's Guidelines on Exchange-Traded Funds, and a description of their functions.~~

(7) Discussion on the ETF's performance which must include the following information:

**Financial Information**

- (a) A comparative table covering the last 5 financial years, or since commencement of operations, if shorter, showing for the end of each financial year -
  - (i) the total asset value of the ETF;
  - (ii) the net asset value of the ETF (before and after distribution);
  - (iii) the net asset value per unit of the ETF (before and after distribution);
  - (iv) the highest and lowest price per unit;
  - (v) the number of units listed;

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- (vi) the distribution per unit (interim and final);
  - (vii) the distribution yield of the ETF; and
  - (viii) the MER of the ETF together with a statement that the MER has been verified by the auditors. If the MER varies by 10% or more as compared with the preceding year, an explanation for such variation.
- (b) Average total return of the ETF measured over the following periods as at the financial year end:
- (i) 1 financial year, or since commencement of operations, if shorter;
  - (ii) 3 financial years; and
  - (iii) 5 financial years.
- (c) Annual total return of the ETF for each of the last 5 financial years, or since commencement of operations, if shorter.
- (d) The performance of the ETF's benchmark or index.

**Investment Portfolio**

- (e) Details of all investments as at the end of the financial year classified by-
- (i) country;
  - (ii) industry; and
  - (iii) asset class (e.g. equity, REIT, bonds, derivatives, etc) with the following details:
    - (aa) description of investment;
    - (bb) quantity;
    - (cc) fair value; and
    - (dd) fair value as a percentage of the net asset value of the ETF.
- (f) In the case of a synthetic ETF as defined in the SC's Guidelines on Exchange-Traded Funds, the following additional information of the OTC derivatives:
- (i) details as set out in paragraph 7(e) above in relation to the underlying assets of the OTC derivatives; and
  - (ii) the identity of the counterparty to the OTC derivatives.

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## Performance Review

- (fg) Description of the ETF's investment objective and the explanation on whether the ETF has achieved its investment objective.
  - (gh) Description of the strategies and policies employed during the year, and if there is a change in the strategies or policies employed compared with the strategies and policies disclosed in the preceding financial year (or in the case of a newly listed ETF, the strategies and policies disclosed in the prospectus), a statement of such change.
  - (hi) Review of the ~~ETF's result of the~~ operations result and details of significant changes in the state of affairs of the ETF during the financial year.
  - (hj) Comparison between the ETF's performance and the benchmark or index for the last 5 financial years or since commencement of operations, if shorter, illustrated in graphical form.
  - ~~(k) The difference between the annual return of the ETF and the performance of the benchmark or index for the financial year under review, together with an explanation for the difference.~~
  - ~~(l) The size of the tracking error of the ETF at the end of the financial year under review.~~
  - (jm) An explanation on any significant differences in portfolio composition between the financial year under review and previous year (where applicable).
  - (kn) An analysis of the ETF's performance based on changes in total net asset value and net asset value per unit since the last financial year or since commencement of operations, if shorter.
  - (lo) An analysis of the ETF's performance based on changes in prices since the last financial year or since listing.
  - (mp) Review of the market(s) relating to the benchmark or index (including foreign markets) in which the ETF invests in during the financial year.
  - (nq) General assessment of the future prospects of the market(s) relating to the benchmark or index the ETF invests in, and the proposed strategies of the ETF based on the assessment.
- ~~(8) The following details in respect of any Securities Transactions undertaken by the ETF:~~
- ~~(a) the information below as at the end of the financial year:~~
    - ~~(i) amount of the securities involved in the Securities Transactions as a proportion of the total net asset value of the ETF;~~
    - ~~(ii) description and nature of the collateral holdings; and~~
    - ~~(iii) marked-to-market value of the non-cash collateral and value of the cash collateral;~~

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- (b) the amount of revenue earned by the ETF and the management company (if any) in respect of the Securities Transactions during the financial year; and
- (c) the fees paid or payable to the lending representative, the lending agent or supplier representative, as the case may be, by the ETF in relation to the Securities Transactions during the financial year, if any.
- (9) Description of collateral holdings if collateral is used to mitigate the ETF's exposure to the counterparty of the OTC derivatives including the following information:
  - (a) nature of the collateral;
  - (b) identity of the counterparty providing the collateral;
  - (c) marked-to-market value of the non-cash collateral with breakdown by asset class and credit rating, if applicable; and
  - (d) value and type of investments made with the cash collateral with a breakdown by asset class and credit rating, if applicable.
- (810) The following particulars in relation to the audit and non-audit services rendered to the ETF for the financial year:
  - (a) amount of audit fees paid or payable to the ETF's auditors; and
  - (b) amount of non-audit fees paid or payable to the ETF's auditors, or a firm or corporation affiliated to the auditors' firm.
- (911) A breakdown of unit holdings as follows:
 

No. of holders	Holdings	Total Holdings	%
	Less than 100		
	100 - 1,000		
	1,001 - 10,000		
	10,001 - 100,000		
	00,001 to less than 5% of the total number of units issued		
	5% and above of the total number of units issued		
- ~~(10) A statement explaining the management company's responsibility for preparing the annual audited financial statements.~~
- (412) A statement by the board of directors of the management company relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3).

[End of proposed amendments to Chapter 9]

**PRACTICE NOTE 23 - LISTING PROCEDURES FOR SPECIFIC APPLICANTS**

**ANNEXURE PN23-E**

**Part B**

**Additional documents to be filed with a listing application in respect of an ETF**  
(paragraph 7.1(b))

- (1) A management company must file the following documents in support of a listing application for an ETF:
  - (a) a copy of the trust deed registered with the relevant authorities ~~together with the letter of compliance pursuant to paragraph 2.12 and a checklist showing compliance with Appendix 4B of the Listing Requirements;~~
  - (b)-(e) [no change].
- (2) [No change].

**ANNEXURE PN23-H**

**Letter of confirmation by an independent director of a management company of an ETF**  
(paragraph 8.2(b); paragraph 15.03(2) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of “independence” pursuant to Main Market Listing Requirements

I, ..... [name of director], am a director of ..... [name of management company of exchange-traded fund] for the exchange-traded fund .....[name of the fund] (“ETF”) which #has submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) to be admitted to the Official List of Bursa Securities / is listed on the Official List of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent member in the Securities Commission Malaysia’s Guidelines on Exchange-Traded Funds ~~Guidelines~~.

\*\*This Confirmation is deemed to have been made in Malaysia and the construction, validity and performance of this Confirmation are governed in all respects by the laws of Malaysia and I irrevocably submit to the jurisdiction of the Malaysian Courts.

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Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign independent director only.

[End of Appendix 1]