

Ref. No.: RPA/JH/TAC/RO(hm)/LD06/23 [Waqf Amendments]

27 March 2023

The Company Secretary
(Listed Issuers)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO LISTED REAL ESTATE INVESTMENT TRUSTS AND EXCHANGE-TRADED FUNDS WITH WAQF FEATURE

1. **INTRODUCTION**

1.1 Pursuant to section 9 of the Capital Markets and Services Act 2007 (“**CMSA**”), Bursa Malaysia Securities Berhad (“**the Exchange**”) has amended the Main Market Listing Requirements (“**Main LR**”) to facilitate issuance of listed real estate investment trusts (“**REITs**”) and exchange-traded funds (“**ETFs**”) with *waqf* feature (“**Waqf Amendments**”).

2. **BACKGROUND**

2.1 In 2017, the Securities Commission Malaysia (“**SC**”) launched the Islamic Fund and Wealth Management Blueprint (“**Blueprint**”) which sets out the strategic direction for Malaysia’s Islamic fund and wealth management industry.

2.2 In the Blueprint, the development of sustainable *waqf* assets through fund management or capital raising has been identified as one of the areas of significant potential for social development, greater public good and wealth distribution. *Waqf* is an Islamic perpetual endowment typically with social development and public good objectives.

2.3 Accordingly in 2020, the SC introduced the *waqf*-featured fund framework for unit trust and wholesale funds¹ and subsequently expanded the framework to include listed funds such as Islamic REITs and ETFs in a chapter dedicated to *waqf* under the Guidelines on Islamic Capital Market Products and Services (“**ICMPS Guidelines**”) issued on 28 November 2022.

2.4 On the part of the Exchange, we are issuing the *Waqf* Amendments which entail enhancements to the post listing disclosure framework, to facilitate the offering of such funds with *waqf* features.

¹ This was initially set out in the SC Guidelines on Unit Trust Funds and SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. The requirements were subsequently consolidated into the ICMPS Guidelines.

AMENDMENTS TO THE MAIN MARKET LISTING REQUIREMENTS IN RELATION TO LISTED REAL ESTATE INVESTMENT TRUSTS AND EXCHANGE-TRADED FUNDS WITH WAQF FEATURE

3. OBJECTIVES

- 3.1 The Exchange believes that the *Waqf* Amendments would, among others -
- (a) promote transparency through enhanced disclosures in immediate announcements and periodic reports; and
 - (b) broaden the range of Islamic capital market products which support socio-economic development, greater public good and wealth distribution, in the Malaysian capital market.

4. KEY WAQF AMENDMENTS AND OTHER MISCELLANEOUS CHANGES

- 4.1 The key *Waqf* Amendments and miscellaneous changes are as follows:
- (a) enhancing the immediate announcement requirement to promote greater transparency on specific key matters in a timely manner such as requiring disclosure of changes to the *waqf* arrangements, together with the reasons for the change [\[paragraph 9.43\(1\)\(q\)\(ii\) of the Main LR for REIT and paragraph 9.47\(1\)\(n\)\(ii\) of the Main LR for ETF\]](#);
 - (b) enhancing contents of periodic reports to facilitate access to meaningful and value-add information by unit holders such as requiring disclosure of -
 - (i) the breakdown of the distribution to *waqf* recipient(s) and unit holders, on an interim basis via the quarterly report for REIT or semi-annual report for ETF [\[paragraph 9A of Part D, Appendix 9B of the Main LR for REIT and paragraph 4\(h\) of Part E, Appendix 9B of the Main LR for ETF\]](#); and
 - (ii) the name of the *waqf* recipient(s), information on the *waqf* initiatives and how investors can obtain more information on the *waqf* recipient and progress of the *waqf* initiatives, on an annual basis via the annual report of the REIT or ETF [\[paragraph 17 of Part E, Appendix 9C of the Main LR for REIT and paragraph 14 of Part F, Appendix 9C of the Main LR for ETF\]](#);
 - (c) enhancing the contents of the distribution statement of a REIT to provide unit holders comprehensive insight into their distribution entitlement by including the net amount per unit recommended to be distributed to unit holders and *waqf* recipient(s) respectively [\[paragraph 9.45\(3\) of the Main LR read together with paragraph 2A of Appendix 9D of the Main LR\]](#);

AMENDMENTS TO THE MAIN MARKET LISTING REQUIREMENTS IN RELATION TO LISTED REAL ESTATE INVESTMENT TRUSTS AND EXCHANGE-TRADED FUNDS WITH WAQF FEATURE

- (d) ensuring unit holders are kept apprised of any changes to the Shariah adviser in a timely manner by requiring immediate announcement of such changes *[paragraphs 9.43(1)(q)(i) of the Main LR for REIT and 9.47(1)(n)(i) of the Main LR for ETF]*; and
- (e) streamlining and updating the relevant terms used in the Main LR for clarity and consistency *[paragraph 16 of Part E, Appendix 9C for REIT, paragraph 13 of Part F, Appendix 9C for ETF and paragraph 9.01(A)(2), Part A(A), Chapter 9 of the Main LR]*.

5. FULL TEXT OF THE WAQF AMENDMENTS

5.1 The full text of the *Waqf* Amendments is attached as **Appendix 1**. For ease of reference, the amendments are reflected in the following manner:

- portions underlined are text newly inserted / added onto the existing rules; and
- portions struck through are text deleted.

6. IMPLEMENTATION

6.1 The *Waqf* Amendments are effective from **3 April 2023** onwards.

7. ADDITIONAL INFORMATION

7.1 In addition, we have also provided “Questions and Answers” as set out in **Appendix 2** to facilitate a listed issuer’s better understanding of, and compliance with, the *Waqf* Amendments.

7.2 This letter as well as **Appendices 1 and 2** are also available at Bursa Malaysia Berhad’s website at:
https://www.bursamalaysia.com/regulation/listing_requirements/main_market/amendments_to_listing_requirements.

7.3 If you have any queries on the above, please do not hesitate to contact Listing Advisory & Development, Listing Division at 03-20347766 or submit your enquiry via <https://asklisting.bursamalaysia.com>.

AMENDMENTS TO THE MAIN MARKET LISTING REQUIREMENTS IN RELATION TO LISTED REAL ESTATE INVESTMENT TRUSTS AND EXCHANGE-TRADED FUNDS WITH WAQF FEATURE

Thank you.

Yours faithfully,



REGULATION

Encls. (2)

TAC/RO/hm