
**QUESTIONS AND ANSWERS IN RELATION TO
BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
(As at 10 January 2023)**

CHAPTER 2 – GENERAL

Practice Notes

2.1 If a listed issuer breaches a requirement set out in a Practice Note, will it be in breach of the Main LR?

Yes, Practice Notes form part of the Main LR. Hence, a listed issuer that fails to comply with a Practice Note would be in breach of the Main LR and would be subject to enforcement action by Bursa Securities.

Letters of compliance

2.2 What should be contained in a "letter of compliance" referred to in paragraph 2.12 of the Main LR and to whom must the "letter of compliance" be addressed?

The "letter of compliance" must be addressed to Bursa Securities and should confirm that the provisions of the document to which it relates, comply with the Main LR and the Rules of Bursa Malaysia Depository Sdn Bhd.

2.3 Can a listed issuer provide a letter of compliance which contains certain qualifications, for example, that generally a particular document complies with the Main LR except for a few provisions, which are specifically set out in the letter of compliance itself?

Listed issuers must ensure that the constitution, trust deed, deed poll or bylaws of a Share Issuance Scheme and any amendments to the said documents comply with the Main LR. As such, a letter of compliance must not contain any qualifications. The letter of compliance must state that the whole document complies with the Main LR and the Rules of Bursa Malaysia Depository Sdn Bhd.

2.4 Who should write the letter of compliance?

Pursuant to paragraph 2.12(4) of the Main LR, the letter of compliance must be written by a person with legal qualifications provided that in circumstances set out below, it may be written by the following additional persons:

- (a) in the case of bylaws of a Share Issuance Scheme (and any amendment to the bylaws), by the listed issuer's advisers; and
- (b) in the case of an amendment to constitution, by the listed issuer's advisers or its company secretary.

2.5 Can the in-house legal adviser of a listed issuer write the letter of compliance to Bursa Securities?

Yes, the in-house legal adviser of a listed issuer may write the letter of compliance to Bursa Securities.

Undertaking by advisers

2.6 Are advisers required to file undertakings with Bursa Securities?

Under paragraph 2.21 of the Main LR, only advisers who present, submit or disclose an application, circular or any information or other document to Bursa Securities on behalf of an applicant or a listed issuer, must file undertakings with Bursa Securities.

2.7 Must an adviser who is subject to paragraph 2.21(1) of the Main LR file an undertaking each time it acts for a listed issuer?

No, an adviser who is subject to paragraph 2.21(1) has to file only 1 undertaking. Such undertaking will be applicable for all clients. The form of the undertaking has been prescribed in Appendix 2A of the Main LR.

2.8 When must an adviser who is subject to paragraph 2.21(1) of the Main LR file an undertaking with Bursa Securities?

An adviser who is subject to paragraph 2.21(1) must file an undertaking with Bursa Securities before the submission of documents to Bursa Securities.

Application of Main LR to a management company of collective investment scheme or trustee manager of business trust

2.9 If a listed issuer was a collective investment scheme or business trust, how does it ensure compliance with the Main LR?

Pursuant to paragraph 2.09 of the Main LR, if a listed issuer was a collective investment scheme (for example a real estate investment trust or an exchange-traded fund) or business trust, the management company or trustee-manager must ensure that the collective investment scheme or business trust, as the case may be, complies with the Main LR.

Qualification of directors, chief executive and chief financial officer

2.10 A listed issuer must ensure that each of its directors, chief executive and chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, of the listed issuer. How does the listed issuer comply with this requirement as set out in paragraph 2.20A of the Main LR?

In ensuring that its directors, chief executive and chief financial officer meet the requirements set out in paragraph 2.20A of the Main LR, a listed issuer should, as a minimum, be guided by the principles, practices and guidance set out in the MCGG, particularly Principle A on Board Leadership and Effectiveness. This assessment should be undertaken whenever –

- (i) the listed issuer appoints, elects or re-elects its directors, chief executive or chief financial officer, as the case may be; or
- (ii) the listed issuer conducts its yearly assessment on the performance of its directors, chief executive or chief financial officer, as the case may be; or
- (iii) material information involving the said persons comes to the knowledge of the listed issuer.

2.10A What are some of the factors which a listed issuer and its nominating committee should consider when assessing whether a director has the time to effectively discharge his or her role as director pursuant to paragraph 2.20A of the Main LR?

In undertaking the assessment on the director's time commitment, the listed issuer and its nominating committee should evaluate whether sufficient time and attention is given to the affairs of the listed issuer, in light of the position(s) the director holds in the listed issuer. In this regard, the listed issuer and its nominating committee should consider, among others, the director's –

- attendance at board or committee meetings, major company events, briefings or site visitations;
- participation in continuing training programmes;
- directorships in other listed issuers, public companies and corporations incorporated and listed outside Malaysia; and
- other commitments or positions and the time commitment involved.

Share registrar**2.11 How does a listed issuer ensure compliance with paragraph 2.21A of the Main LR in relation to the appointment of its share registrar?**

The requirements under paragraph 2.21A of the Main LR set out the general criteria and factors to be taken into account by a listed issuer when appointing and retaining a share registrar. The main objectives of the requirements are to facilitate the appointment and retention of suitable share registrars who are able to ensure the proper performance of the listed issuer's obligations under the Main LR and provide better quality services in a professional manner.

Hence, a listed issuer in appointing a share registrar, must be satisfied that the share registrar is able to provide the services that meet with its needs and expectations in line with the objectives of the requirements. For this purpose, the listed issuer may, amongst others:

- (a) make reasonable due enquiries to ensure and satisfy itself that the share registrar complies with paragraph 2.21A of the Main LR prior to the appointment of the share registrar; and
- (b) reflect the relevant provisions in paragraph 2.21A of the Main LR in the terms of engagement or service agreements entered into between the listed issuer and the share registrar, where appropriate.

2.12 How does a listed issuer ensure that the share registrar it has appointed continues to comply with the provisions set out in paragraph 2.21A of the Main LR?

A listed issuer may, for instance, monitor and review the performance of the share registrar in providing its services from time to time. Again, the listed issuer must be guided by the requirements of paragraph 2.21A where relevant, in making its assessment. For example, the listed issuer should take into account whether the share registrar had, from the last review, provided its services in a timely and efficient manner. In this regard, the listed issuer should take into account the feedback received from its shareholders, and also take the appropriate steps to investigate into complaints received from its shareholders in relation to the services provided by its share registrar.

Controlling Person**2.13 Who are the Controlling Person referred to in paragraph 2.22 of the Main LR?**

"Controlling Persons" is defined in paragraph 2.22 as a person who is, pursuant to a court order or otherwise, appointed to take possession or control over all or major assets of, or becomes responsible for the management of a listed issuer. This includes an interim liquidator appointed by the court.

2.14 Must a Controlling Person file an undertaking each time it acts for a listed issuer?

Yes, a Controlling Person must file 1 undertaking for each listed issuer it acts for. The form of the undertaking has been prescribed in Appendix 2B of the Main LR.

Issuance of documents through electronic means

- 2.15 Paragraph 2.19B of the Main LR provides that a listed issuer may send any document required to be sent under the Main LR to its securities holders (“Documents”), by electronic means subject to compliance with certain prescribed conditions. What constitutes electronic means under Paragraph 2.19B of the Main LR?**

Some of the electronic means contemplated include electronic mail (“**email**”), listed issuer’s website, or other electronic mode of communication agreed between the listed issuer and its securities holders.

- 2.16 A listed issuer which intends to send Documents to its securities holders via electronic means must, among others, ensure that its constitution provides for the use of electronic means, specifies the manner in which the electronic means is to be used and states that the contact details of a securities holder as provided to the Depository shall be deemed as the last known address provided by the securities holder to the listed issuer for purposes of communication with the securities holder.**

What are the details that a listed issuer’s constitution should specify relating to the manner in which the electronic means is to be used?

The listed issuer may set out operational details pertaining to the use of the electronic means such as information on –

- the type of electronic means adopted and specific provisions relating to such electronic means such as the requirement for separate notification for publication on website and proof of delivery for Documents issued via email;
 - the type of Documents which may be issued via electronic means;
 - the addresses or contact details in which the Documents will be sent to;
 - when a Document is deemed delivered pursuant to the electronic means; and
 - alternative arrangements to send the Documents to securities holders in the event of delivery failure.
- 2.17 If a listed issuer chooses website as the mode of communication with its securities holders, how may the listed issuer give the separate notification in writing as required under paragraph 2.19B(b) of the Main LR?**

The listed issuer may give the separate notification in writing in hard copy (e.g. letter) or by way of electronic means other than through the listed issuer’s website (e.g. email, short messaging service (“**SMS**”)) or any other form of communication permitted under the listed issuer’s constitution for purposes of written notification.

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- 2.18 Paragraph 2.19B(c) of the Main LR stipulates that there must be proof of delivery if a Document or notification is sent to securities holders through email. How does a listed issuer show proof of email delivery?**

An email is deemed delivered if there is no written notification of delivery failure and there is record of the email being sent. This would serve as proof of email delivery as required under the Main LR.

- 2.19 Where a listed issuer sends the Documents via email to its securities holders, what should a listed issuer do in the event of a delivery failure?**

In the event of a delivery failure, the listed issuer must immediately send the Documents to the affected securities holders by other appropriate means as permitted under the listed issuer's constitution, such as in hardcopies. In this regard, the listed issuer should ensure that its constitution sets out, among others, the manner of which the Documents are to be sent to the affected securities holders in the event of a delivery failure.

- 2.20 What are the additional information which a listed issuer should provide to its securities holders when sending them the Documents by electronic means?**

A listed issuer should, among others, inform the securities holders that they have the right to request for a hard copy of the Documents and how may they make such a request.

- 2.21 Paragraph 2.19B(e) of the Main LR stipulates that a listed issuer must send documents required to be completed by securities holders for a rights issue or offer for sale ("Rights Issue and Offer for Sale Documents") through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time. What are the documents that fall within the ambit of Rights Issue and Offer for Sale Documents?**

The Rights Issue and Offer for Sale Documents are documents or forms that securities holders need to complete and submit to the listed issuer within a specified timeframe in relation to a rights issue or offer for sale. These include, the notices of provisional allotment and rights subscription forms (in the case of a rights issue), notices of provisional offer and offer acceptance forms (in the case of an offer for sale).

- 2.22 Is the Notice of Election and Dividend Reinvestment Form ("DRS Document") in relation to the Dividend Reinvestment Scheme subject to the requirements set out in paragraph 2.19B(e) of the Main LR which must be sent via email, hardcopy or in any other manner prescribed by the Exchange?**

No, the DRS Document is not subject to the requirements set out in paragraph 2.19B(e). A listed issuer may determine how the DRS Document should be sent to its securities holders in accordance with its constitution to encourage greater participation.

- 2.23 Is a listed issuer in compliance with paragraph 2.19B(e) of the Main LR if it publishes its abridged prospectus in relation to a rights issue on its website and forward the rights subscription form in hardcopies to its securities holders?**

Yes. The listed issuer is in compliance with the requirement under the Main LR so long as the documents which are required to be completed by securities holders in relation to the rights issue (e.g. notices of provisional allotment and rights subscription forms) are sent in hardcopy, by way of email, or in any other manner as the Exchange may prescribe from time to time.

- 2.24 A listed issuer has opted to send the Rights Issue and Offer for Sale Documents via email to its shareholders who have given their email addresses to the Depository. Must the listed issuer forward hard copies of the documents if these shareholders request for hard copies of the same?**

Yes, the listed issuer is still required to send hard copies of the notices of provisional allotment and rights subscription forms to its shareholders who request for the same pursuant to paragraph 2.19B(d) of the Main LR.

- 2.25 Paragraph 2.19B(d) of the Main LR requires a listed issuer to forward a hard copy of the Document to the securities holder as soon as reasonably practicable after the receipt of the request. What is the reasonably practicable timeframe for a listed issuer to forward hard copies of the Document after the receipt of such request?**

Generally, hardcopies of the Rights Issue and Offer for Sale Documents, should be given within 2 market days after the receipt of the request. This is to ensure that securities holders have sufficient time to understand the procedures involved and act immediately or promptly to complete the forms within the specified timeframe for the rights issue or offer for sale.

As for Documents other than the Rights Issue and Offer for Sale Documents, hardcopies of such documents should be given within 4 market days after receipt of the request.

Obligation to comply with the Main LR on a Surprise Holiday which is a market day

- 2.26 Will a listed issuer be required to fulfill its obligations under the Main LR if the Exchange operates on a Surprise Holiday? Will the answer be any different if the listed issuer is not open on such day?**

Yes, a listed issuer is expected to make the necessary arrangements to execute its duties and obligations on the Surprise Holiday, irrespective whether it remains open or otherwise.

There may be some instances of Surprise Holidays that are sudden, or announced pursuant to the Holidays Act 1951 with short notice. The Exchange will take into consideration all facts and circumstances before deciding if any variation to the obligations or timelines applicable to the listed issuer under the Main LR should be considered on a case-to-case basis, in such instances.

A listed issuer may consult the Exchange for guidance if it foresees any issues with meeting its obligations.

2.27 How will a period of market days be computed if there is a Surprise Holiday within that period where the Exchange is open for trading in securities?

The Surprise Holiday will be included in the computation of the period of market days. This means that a listed issuer must also comply with, or give effect to, the provisions in the Main LR within a stipulated timeframe which falls on, or includes, the Surprise Holiday.

Please see the Illustration below:

ILLUSTRATION

Facts:

- *Mr. A* is a director of *ABC Berhad*, a listed issuer.
- *Mr. A* deals in the listed securities of *ABC Berhad* on 16 January 2023, which is outside a closed period.

Computation of time in respect of the listed issuer’s obligations:

Under paragraph 14.09 of the Main LR, *Mr. A* must, within 3 market days after the dealing has occurred, give notice of the dealing in writing to the company secretary of *ABC Berhad* and *ABC Berhad* must immediately announce such notice to the Exchange.

Based on the scenarios above, the last day on which *Mr. A* and *ABC Berhad* must comply with their obligations is as follows:

Example	Monday 16.1.2023	Tuesday 17.1.2023	Wednesday 18.1.2023	Thursday 19.1.2023	Friday 20.1.2023
If there is no Surprise Holiday	* Dealing by <i>Mr. A</i>			✓ <i>Mr. A</i> gives notice of dealing ✓ <i>ABC Berhad</i> makes immediate announcement of the notice	
If there is a Surprise Holiday on the last day of the notice period i.e. Thursday, 19 January	* Dealing by <i>Mr. A</i>			✓ <i>Mr. A</i> gives notice of dealing ✓ <i>ABC Berhad</i> makes immediate announcement of the notice	

2023 where the Exchange is open for trading				
If there is a Surprise Holiday in between the notice period i.e. Tuesday, 17 January 2023 where the Exchange is open for trading	* Dealing by <i>Mr. A</i>			<ul style="list-style-type: none"> ✓ <i>Mr. A</i> gives notice of dealing ✓ <i>ABC Berhad</i> makes immediate announcement of the notice

As illustrated above, there is no change to the computation of market days under the Main LR if the Exchange is open for trading on a Surprise Holiday.