

MEDIA RELEASE

BURSA MALAYSIA SEEKS PUBLIC FEEDBACK ON PROPOSALS RELATING TO THE ACE MARKET ONE-STOP CENTRE

Kuala Lumpur, 3 August 2021 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) today issued a consultation paper seeking public feedback on the proposed amendments to the ACE Market Listing Requirements which aims to facilitate the Exchange as the one-stop centre for all approvals in relation to ACE Market initial public offerings (“IPOs”) and prospectus registration.

A holistic review of the ACE Market Listing Requirements was undertaken by the Exchange, arising from amendments to Schedules 6 and 7 of the Capital Markets and Services Act 2007 (“CMSA”), which would enable the Exchange to assume the prospectus registration function from the Securities Commission Malaysia (“SC”), effective from 1 January 2022.

The salient enhancements to the ACE Market Listing Requirements proposed by the Exchange are as follows:

- i. enhancing the ACE Market IPO framework by, among others, introducing a mandatory consultation process prior to a submission of the IPO application, incorporating interest of investors as one of the considerations for an ACE Market IPO and imposing a moratorium on pre-IPO investors’ shares which were subscribed or acquired on more favourable terms compared to other investors;
- ii. prescribing the requirements in relation to the contents, standard of disclosure and registration process of a prospectus;
- iii. enhancing the ACE Market Sponsorship regime by:
 - expanding the pool of Sponsors by liberalising their eligibility requirements;
 - strengthening the role and duty of care of a Sponsor in advising a listing applicant or listed corporation, by clarifying their duties and standard of care;

- enhancing the accountability of a Sponsor by extending the regulatory and enforcement ambit to its key officers involved in submitting an IPO and certain significant corporate proposals to the Exchange; and
 - removing the prescription on how a Sponsor and other relevant parties must conduct due diligence, empowering them to make due and careful enquiries about the suitability of a listing applicant using duty of care and professional standards commensurate with industry best practices instead; and
- iv. streamlining the ACE Market Listing Requirements with SC's Licensing Handbook, Guidelines on Submission of Corporate and Capital Market Product Proposals, Equity Guidelines and Prospectus Guidelines, where appropriate.

Through this review, the Exchange seeks to achieve the following objectives:

- (a) greater market efficiency and efficacy through the enhanced regulatory framework, with the Exchange being the single approving authority for ACE Market IPOs;
- (b) value-added sponsorship regime on the ACE Market with quality and responsible sponsors and officers; and
- (c) uphold investor protection via adequate and quality disclosure in an IPO application and prospectus, as well as enhanced enforcement regime under the ACE LR.

The consultation paper on the proposed amendments to the ACE Market Listing Requirements is available at https://www.bursamalaysia.com/regulation/public_consultation. The Exchange welcomes views from the public. Interested parties are invited to submit their comments and feedback to Bursa Malaysia by 14 September 2021.

About Bursa Malaysia

Bursa Malaysia is an Exchange holding company incorporated in 1976 and listed in 2005, and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to *Creating Opportunities, Growing Value*. Learn more at www.bursamalaysia.com.

For media enquiry, please contact:

Ashraff Taharim

Group Strategic Communications

DID: +603 2034 7348

E-mail: ashrafft@bursamalaysia.com