



**GUIDELINES ON REGISTRATION  
OF PRIVATE RETIREMENT SCHEME  
DISTRIBUTORS AND CONSULTANTS**

**FIRST EDITION**

*Date Issued : 29 June 2012*

## TABLE OF CONTENTS

Introduction.....	5
-------------------	---

<b>PART I - DEFINITIONS AND INTERPRETATIONS</b>
---

1.0 Definitions and Interpretations.....	6
--	---

<b>PART II - REGISTRATION REQUIREMENTS</b>
--

2.0 Requirements for Registration.....	9
--	---

<b>PART III - REGISTRATION AND OBLIGATIONS OF PRS DISTRIBUTORS</b>
--

**SECTION A : PRS PROVIDERS**

3.0 Operational Audit.....	10
4.0 Continuous Obligations and Responsibilities of PRS Providers.....	10
5.0 Duration and Revocation of Registration.....	11

**SECTION B : INSTITUTIONAL PRS ADVISERS**

6.0 Application for Registration.....	12
7.0 Duration of Registration.....	12
8.0 Suspension, Revocation and Cessation.....	12
9.0 Commencement of Operation.....	13
10.0 Operational Audit.....	14
11.0 Agreement to Market and Distribute Private Retirement Schemes.....	14
12.0 Marketing and Distribution of Private Retirement Schemes.....	14
13.0 Continuous Obligations and Responsibilities of Institutional PRS Advisers.....	15
14.0 Merger and Acquisition.....	16

## **SECTION C : CORPORATE PRS ADVISERS**

15.0	Application for Registration.....	17
16.0	Duration of Registration.....	17
17.0	Suspension, Revocation and Cessation.....	17
18.0	Commencement of Operation.....	18
19.0	Operational Audit.....	19
20.0	Agreement to Market and Distribute Private Retirement Schemes.....	19
21.0	Marketing and Distribution of Private Retirement Schemes.....	19
22.0	Continuous Obligations and Responsibilities of Corporate PRS Advisers.....	20
23.0	Merger and Acquisition.....	21

## **PART IV - REGISTRATION OF PRS CONSULTANTS**

24.0	Application for Registration.....	22
25.0	Restrictions relating to Registration.....	22
26.0	Duration and Re-registration.....	23
27.0	Revocation, Suspension, Termination and Resignation.....	23

## **PART V - MISCELLANEOUS**

28.0	Rights and Powers of FIMM.....	25
29.0	Submissions, Notifications and Communications.....	25
30.0	Loss of FIMM Authorisation Card or Certificate.....	26
31.0	Certification of Documents.....	26

**APPENDICES AND ATTACHMENTS**

- Appendix A - ELIGIBLE PERSONS FOR REGISTRATION AS INSTITUTIONAL PRS ADVISERS, CORPORATE PRS ADVISERS AND PRS CONSULTANTS
- REQUISITES FOR REGISTRATION AS INSTITUTIONAL PRS ADVISERS AND CORPORATE PRS ADVISERS
- Appendix B - AUDIT AND DUE DILIGENCE

**FEDERATION OF INVESTMENT MANAGERS MALAYSIA**  
**GUIDELINES ON REGISTRATION OF PRIVATE RETIREMENT SCHEME**  
**DISTRIBUTORS AND CONSULTANTS**

---

**Introduction**

1. The Guidelines on Registration of Private Retirement Scheme Distributors and Consultants (“Guidelines”) are issued by the Federation of Investment Managers Malaysia (“FIMM”) pursuant to Article 58(g) of the Articles of Association of FIMM.
2. The Guidelines set out the requirements relating to the registration of private retirement scheme providers (“PRS Providers”), institutional private retirement scheme advisers (“Institutional PRS Advisers”), corporate private retirement scheme advisers (“Corporate PRS Advisers”) and private retirement scheme consultants (“PRS Consultants”) for marketing and distribution of private retirement schemes (“PRS”).
3. FIMM may review the Guidelines as and when necessary subject to SC’s approval as provided under the Capital Markets and Services Act 2007.
4. FIMM may from time to time, issue notices, directives, standards, manuals and/or circulars to provide further clarity and guidance. The notices, directives, standards, manuals and circulars must be complied with in the same manner as the Guidelines.
5. The Guidelines come into effect on **29 June 2012**.
6. Any query regarding the Guidelines may be addressed to:

General Manager  
Regulatory Services  
Federation of Investment Managers Malaysia  
19-07-3, 7<sup>th</sup> Floor, PNB Damansara  
No. 19, Lorong Dungun  
50490 Kuala Lumpur

Tel. No.: 603-2093 2600  
Fax No.: 603-2093 2700  
E-mail: [legalcomp@fimm.com.my](mailto:legalcomp@fimm.com.my)

## PART I - DEFINITIONS AND INTERPRETATIONS

### 1.0 Definitions and Interpretations

1.1 In the Guidelines, unless the context otherwise requires, the following words and expressions when used have the meanings set against them:

- (a) “Authorised Representative” means the person duly appointed by a PRS Distributor and notified to FIMM as its authorised representative for the purpose of attending to all matters pertaining to FIMM and its registration pursuant to the Guidelines;
- (b) “BNM” means the Bank Negara Malaysia;
- (c) “Board” means the board of directors of FIMM for the time being which is constituted in accordance with the Articles of Association of FIMM;
- (d) “business day” means any day from Monday to Friday, excluding Saturdays, Sundays and public holidays declared in Kuala Lumpur;
- (e) “Client” means a client of a PRS Distributor who make contribution into private retirement schemes;
- (f) “CMSA” means the Capital Markets and Services Act 2007;
- (g) “CMSL” means the Capital Markets Services Licence issued by SC under CMSA;
- (h) “CMSRL” means the Capital Markets Services Representative’s Licence issued by SC under CMSA;
- (i) “Collection Point” means a branch or premise used by a PRS Distributor to only collect documents and/or non-cash contributions from Clients pertaining to any transaction relating to private retirement schemes and no marketing or distribution of private retirement schemes is carried out at such branches or premises;
- (j) “Corporate PRS Adviser” means a corporate PRS adviser registered with FIMM in accordance with the Guidelines to market and distribute private retirement schemes;
- (k) “day” means calendar day;
- (l) “deal in private retirement schemes” or “dealing in private retirement schemes” has the same meaning as “dealing in private retirement schemes” as defined in CMSA;

- (m) “Distribution Point” means the registered branch or premise used by a PRS Distributor to market and distribute private retirement schemes;
- (n) “Eligible Persons” means those institutions and individuals described in **Appendix A** of the Guidelines who are eligible to apply for registration as Institutional PRS Advisers, Corporate PRS Advisers and PRS Consultants respectively;
- (o) “FIMM” means the Federation of Investment Managers Malaysia (Company No: 272577 – P) that is incorporated as a company limited by guarantee under the Companies Act 1965 and includes its successors-in-title and permitted assigns;
- (p) “FIMM Authorisation Card” means the card issued by FIMM to a PRS Consultant that verifies the PRS Consultant is registered with FIMM and authorised to market and distribute private retirement schemes for the period indicated therein;
- (q) “Institutional PRS Adviser” means an institutional PRS adviser registered with FIMM in accordance with the Guidelines to market and distribute private retirement schemes;
- (r) “Manual” means the Private Retirement Scheme Registration Procedures Manual issued by FIMM;
- (s) “Mobile Distribution Points” means movable or temporary distribution points, including exhibition booths, used by a PRS Distributor to market and distribute private retirement schemes;
- (t) “market and distribute” in relation to private retirement schemes, means the promotion, offering, marketing and/or distribution of private retirement schemes or attempt to promote, offer, market and/or distribute private retirement schemes to any person; and the expressions “marketing and distributing” and “marketing and distribution” have the same meaning; “month” means thirty (30) days;
- (u) “Operation” means the business and operation of the PRS Distributor in relation to its dealing in private retirement schemes;
- (v) “Principal” in relation to a PRS Consultant, means the PRS Distributor that the PRS Consultant represents;
- (w) “PRS” means “private retirement scheme” as defined in CMSA;
- (x) “PRS Consultant” means an individual PRS consultant registered with FIMM to market and distribute private retirement schemes;
- (y) “PRS Distributor” means any one of the PRS Providers, Institutional PRS Advisers and Corporate PRS Advisers;

- (z) “PRS Examination” means the private retirement scheme examination conducted by FIMM for registration of PRS Consultants;
  - (aa) “PRS Provider” has the same meaning as “private retirement scheme provider” as defined in CMSA;
  - (bb) “SC” means the Securities Commission of Malaysia established under the Securities Commission Act 1993;
  - (cc) “securities laws” has the same meaning as assigned to that expression in the Securities Commission Act 1993;
  - (dd) “UTMC” means a unit trust management company and, in relation to unit trust funds, has the same meaning as “management company” as defined in CMSA;
  - (ee) “year” means calendar year;
- 1.2 References in the Guidelines to words importing the masculine gender include the feminine and neuter genders and vice versa.
- 1.3 References in the Guidelines to words in the singular number include the plural number and vice versa.
- 1.4 References in the Guidelines to any person include any individual, sole proprietorship, partnership, joint venture, statutory or governmental body, trust and any other body, organisation, association or group of persons; whether corporate or unincorporated.
- 1.5 The headings and subheadings to the Guidelines are inserted for the purpose of convenience only and not deemed to form part thereof or taken into consideration in the interpretation or construction of the Guidelines.
- 1.6 The appendices and attachments hereto are deemed as part of the Guidelines and construed in accordance with the same. In case of any inconsistency between the Guidelines and the provisions contained in any of the appendices or attachments hereto, the provisions of the Guidelines prevail.
- 1.7 References in the Guidelines to any statute or subsidiary legislation or any provision of any statute or subsidiary legislation include all modifications, extensions, substitutions or re-enactments thereof in force at any particular time and all regulations, rules, orders, directives, notices and other instruments then in force and issued under or deriving validity from the relevant statute or subsidiary legislation or provision.

*[The remainder of this page is intentionally left blank]*



## **PART II - REGISTRATION REQUIREMENTS**

### **2.0 Requirements for Registration**

- 2.1 A person shall not market or distribute private retirement schemes unless such person is registered with FIMM in accordance with the Guidelines and Manual.
- 2.2 A PRS Provider who intends to market and distribute private retirement schemes and who holds a CMSL to carry out the regulated activity of dealing in private retirement schemes shall register with FIMM before commencing Operation.
- 2.3 All applicants who submit an application to be registered as an Institutional PRS Adviser, Corporate PRS Adviser or PRS Consultant must meet the requirements set out in Appendix A hereto.

*[The remainder of this page is intentionally left blank]*

## **PART III - REGISTRATION AND OBLIGATIONS OF PRS DISTRIBUTORS**

### **SECTION A : PRS PROVIDERS**

#### **3.0 Operational Audit**

- 3.1 A PRS Provider must appoint an external auditor to conduct an operational audit after the commencement of Operation based on the scope and timeline prescribed by FIMM and the cost of conducting the operational audit must be borne by the PRS Provider. Any information and/or document requested by FIMM in relation to the operational audit must be submitted to FIMM in the manner and within the timeline prescribed by FIMM.
- 3.2 Where the PRS Provider seeks to defer the operational audit, the PRS Provider must submit a written request for the deferment to FIMM within fourteen (14) days from the date of the notice issued by FIMM instructing the PRS Provider to carry out the operational audit and include the reason(s) for the deferment.

#### **4.0 Continuous Obligations and Responsibilities of PRS Providers**

A PRS Provider must:

- (a) at all times possess the approval as a PRS Provider pursuant to CMSA and be a holder of a valid CMSL to carry out the regulated activity for dealing in private retirement schemes;
- (b) comply with all relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations and guidelines issued by SC, securities laws and such other applicable laws;
- (c) comply with relevant reporting or submission requirements as prescribed by FIMM or SC;
- (d) comply with relevant disclosure and notification requirements as prescribed in the Guidelines and Manual;
- (e) conduct its Operation in a professional manner, comply with sound business practices and be thoroughly knowledgeable in all areas and aspects of the capital market and private retirement scheme industry;
- (f) provide FIMM with information (including any relevant documentation) on its Operation as and when requested by FIMM;
- (g) provide full assistance by furnishing information and documents requested or required by FIMM pursuant to the Guidelines;

- (h) at all times ensure that all information pertaining to the following is accurate and current:
  - (i) its registration and the registration of its PRS Consultants (in particular, the contact details of its Authorised Representative and PRS Consultants), as submitted to FIMM and maintained by the PRS Provider in the records of FIMM; and
  - (ii) its Distribution Points;
- (i) ensure that relevant information and directives from FIMM relating to PRS Consultants and private retirement schemes are properly disseminated to its PRS Consultants;
- (j) establish, maintain and implement written policies and procedures to ensure that complaints from Clients are handled in a timely and appropriate manner; and Clients' complaints are satisfactorily resolved. A PRS Provider must maintain a register of complaints received and actions taken and a copy of such register;
- (k) conduct the audit and due diligence reviews as prescribed in Appendix B hereto; and
- (l) pay all the necessary fees as prescribed in the Manual.

## **5.0 Duration and Revocation of Registration**

- 5.1 The registration of a PRS Provider will continue unless and until it is either withdrawn or revoked, provided always that the PRS Provider settles all the necessary fees as prescribed in the Manual in a timely manner.
- 5.2 Withdrawal of the CMSL granted to a PRS Provider to carry out the regulated activity of dealing in private retirement schemes will result in revocation of the PRS Provider's registration with FIMM.

*[The remainder of this page is intentionally left blank]*

## **SECTION B : INSTITUTIONAL PRS ADVISERS**

### **6.0 Application for Registration**

6.1 FIMM reserves the right to:

- (a) refuse any application that does not meet any of the requirements prescribed under the Guidelines;
- (b) when approving an application made pursuant to this clause 6.1, impose such conditions and/or restrictions as FIMM deems fit.

6.2 FIMM will not, in the exercise of any of the rights mentioned in clause 6.1 above, be liable for any losses, damages and/or costs incurred by any applicant.

6.3 FIMM will refund any annual fee paid by an Eligible Person pursuant to the Guidelines in the event that:

- (a) the Eligible Person withdraws its application before the application is approved by FIMM; or
- (b) FIMM does not approve the application of the Eligible Person.

### **7.0 Duration of Registration**

7.1 The registration of an Institutional PRS Adviser will continue unless and until it is either withdrawn or revoked, provided always that the Institutional PRS Adviser settles all the necessary fees as prescribed in the Manual in a timely manner.

### **8.0 Suspension, Revocation and Cessation**

#### **8.1 Suspension and Revocation**

Without prejudice to other rights and powers of FIMM under the Guidelines, the registration of an Institutional PRS Adviser may be suspended or revoked in the event that:

- (a) the CMSL held by the Institutional PRS Adviser to carry out the regulated activity of dealing in private retirement schemes is suspended or revoked;
- (c) the Institutional PRS Adviser fails to comply with or contravenes any of the relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations or guidelines issued by SC, securities laws or such other applicable laws;

- (d) the Institutional PRS Adviser fails to comply with the requirement prescribed in clause 11.1 herein;
- (e) the Institutional PRS Adviser ceases to be an Eligible Person for whatever reason or at any time during its registration fails to meet any of the requisites prescribed in Appendix A hereto;
- (f) SC issues a directive to FIMM to revoke the registration of the Institutional PRS Adviser;
- (g) the Institutional PRS Adviser becomes a bankrupt or makes any arrangement or composition with its creditors generally;
- (h) the Institutional PRS Adviser enters into liquidation, whether compulsory or voluntary; or
- (i) a receiver or a receiver and manager is appointed over the Institutional PRS Adviser or the whole or any part of its assets or undertaking.

## 8.2 Cessation

Any Institutional PRS Adviser intending to cease its Operation must notify FIMM in writing at least thirty (30) business days prior to the cessation.

## 9.0 **Commencement of Operation**

- 9.1 An Institutional PRS Adviser must commence its Operation within six (6) months from the date of its registration with FIMM. The Institutional PRS Adviser must notify FIMM of the commencement of its Operation in the format and manner set out in the Manual at least five (5) business days before the commencement date.
- 9.2 Where an Institutional PRS Adviser seeks to defer the commencement of its Operation, the Institutional PRS Adviser must submit a written request for the deferment to FIMM at least thirty (30) days before the expiry of the period prescribed for commencement of Operation in clause 9.1 above and include the reason(s) for the deferment. The FIMM may allow a onetime deferment only which will not exceed three (3) months from the date of the request.
- 9.3 The registration of the Institutional PRS Adviser will lapse in the event that it:
  - (a) fails to commence its Operation within the period prescribed in clause 9.1 above;
  - (b) fails to commence its Operation within the deferment period prescribed in clause 9.2 above; or

- (c) FIMM has not allowed any deferment pursuant to clause 9.2 above.

## **10.0 Operational Audit**

- 10.1 An Institutional PRS Adviser must appoint an external auditor to conduct an operational audit after the commencement of Operation based on the scope and timeline prescribed by FIMM. The cost of conducting the operational audit must be borne by the Institutional PRS Adviser. Any information and/or document requested by FIMM in relation to the operational audit must be submitted to FIMM in the manner and within the timeline prescribed by FIMM.
- 10.2 Where the Institutional PRS Adviser seeks to defer the operational audit, the Institutional PRS Adviser must submit a written request for the deferment to FIMM within fourteen (14) days from the date of the notice issued by FIMM instructing the Institutional PRS Adviser to carry out the operational audit and include the reason(s) for the deferment.

## **11.0 Agreement to Market and Distribute Private Retirement Schemes**

- 11.1 Upon commencement of Operation and thereafter, an Institutional PRS Adviser must ensure that, at all times, it has a valid agreement with at least one (1) PRS Provider to market and distribute private retirement schemes. For the avoidance of doubt, where the Institutional PRS Adviser is a PRS Provider, the Institutional PRS Adviser must ensure that, at all times, it has a valid agreement with at least one (1) other PRS Provider to market and distribute private retirement schemes.
- 11.2 In the event that any agreement entered by the Institutional PRS Adviser to market and distribute private retirement schemes is terminated, the Institutional PRS Adviser must immediately notify FIMM in writing of the termination. For the purpose of this clause 11.0, termination includes non-renewal of any agreement to market and distribute private retirement schemes.
- 11.3 Where the termination mentioned in clause 11.2 above results in non-compliance by the Institutional PRS Adviser with clause 11.1 herein, the Institutional PRS Adviser must rectify the non-compliance within six (6) months from the date of the said termination. If the Institutional PRS Adviser fails to rectify the said non-compliance within the period prescribed herein, the registration of the Institutional PRS Adviser is thereby revoked.

## **12.0 Marketing and Distribution of Private Retirement Schemes**

- 12.1 An Institutional PRS Adviser must lodge the necessary documents as prescribed in the Manual in respect of any private retirement scheme that it intends to market and distribute.

- 12.2 An Institutional PRS Adviser is not allowed to market or distribute any private retirement scheme without having received FIMM's notification on the completion of the lodgement made by the Institutional PRS Adviser pursuant to clause 12.1 above.

### **13.0 Continuous Obligations and Responsibilities of Institutional PRS Advisers**

Without prejudice to other obligations and responsibilities of Institutional PRS Advisers prescribed in the Guidelines, an Institutional PRS Adviser must:

- (a) at all times meet the eligibility requirements and requisites prescribed in the Guidelines;
- (b) comply with all relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations and guidelines issued by SC, securities laws and such other applicable laws;
- (c) comply with relevant reporting or submission requirements as prescribed by FIMM or SC;
- (d) comply with relevant disclosure and notification requirements as prescribed in the Guidelines and Manual;
- (e) conduct its business in a professional manner, comply with sound business practices and be thoroughly knowledgeable in all areas and aspects of the capital market and private retirement scheme industry;
- (f) provide FIMM with information (including any relevant documentation) on its Operation as and when requested by FIMM;
- (g) provide full assistance when furnishing information and documents requested or required by FIMM pursuant to the Guidelines;
- (h) at all times ensure that all information pertaining to the following is accurate and current:
  - (i) its registration and the registration of its PRS Consultants (in particular, the contact details of its Authorised Representative and PRS Consultants), as submitted to FIMM and maintained by the Institutional PRS Adviser in the records of FIMM; and
  - (ii) its Distribution Points;

- (i) ensure that relevant information and directives from FIMM relating to PRS Consultants and private retirement schemes are properly disseminated to its PRS Consultants;
- (j) ensure it has adequate human resources, expertise and experience to handle the business in a proper and fit manner;
- (k) ensure that adequate policies and procedures relating to the marketing and distribution of private retirement schemes are in place at each Distribution Point and a copy is made available to its PRS Consultants. Its PRS Consultants must be familiar and well versed with the policies and procedures relating to the marketing and distribution of private retirement schemes;
- (l) adopt procedures to prevent conflict of interest arising from the marketing and distribution of private retirement schemes through its Distribution Points against the marketing and distribution of other financial products of the Institutional PRS Adviser;
- (m) establish, maintain and implement written policies and procedures to ensure that complaints from Clients are handled in a timely and appropriate manner; and Clients' complaints are satisfactorily resolved. An Institutional PRS Adviser must maintain a register of complaints received and actions taken and a copy of such register;
- (n) conduct the audit and due diligence reviews as prescribed in Appendix B hereto; and
- (o) pay all the necessary fees as prescribed in the Manual.

## **14.0 Merger and Acquisition**

- 14.1 In the event that an Institutional PRS Adviser becomes involved in a merger and acquisition exercise, the Institutional PRS Adviser must within thirty (30) days from the date that all approvals are obtained from the relevant authorities, subject to the relevant laws governing matters relating to mergers and acquisition, inform FIMM in writing of the exercise.
- 14.2 Where the merger and acquisition exercise results in the formation of a new entity, the new entity is given a grace period of six (6) months from the date of the completion of the merger and acquisition exercise, or order made by the High Court for the transfer of assets, to register itself as an Institutional PRS Adviser and re-register any former PRS Consultant affected by the exercise as its PRS Consultants.

*[The remainder of this page is intentionally left blank]*



## **SECTION C : CORPORATE PRS ADVISERS**

### **15.0 Application for Registration**

15.1 The FIMM reserves the right to:

- (a) refuse any application that does not meet any of the requirements prescribed under the Guidelines;
- (b) when approving an application made pursuant to this clause 15.1 above, impose such conditions and/or restrictions as FIMM deems fit.

15.2 The FIMM will not, in the exercise of any of the rights mentioned in clause 15.1 above, be liable for any losses, damages and/or costs incurred by any applicant.

15.3 The FIMM will refund any annual fee paid by an Eligible Person pursuant to the Guidelines in the event that:

- (a) the Eligible Person withdraws its application before the application is approved by FIMM; or
- (b) FIMM does not approve the application of the Eligible Person.

### **16.0 Duration of Registration**

The registration of a Corporate PRS Adviser will continue unless and until it is either withdrawn or revoked, provided always that the Corporate PRS Adviser settles in full all the necessary fees as prescribed in the Manual in a timely manner.

### **17.0 Suspension, Revocation and Cessation**

#### **17.1 Suspension and Revocation**

Without prejudice to other rights and powers of FIMM under the Guidelines, the registration of a Corporate PRS Adviser may be suspended or revoked in the event that:

- (a) the CMSL held by the Corporate PRS Adviser to carry out the regulated activity of dealing in private retirement schemes is suspended or revoked;
- (c) the Corporate PRS Adviser fails to comply with or contravenes any of the relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations or guidelines issued by SC, securities laws or such other applicable laws;

- (d) the Corporate PRS Adviser fails to comply with the requirement prescribed in clause 20.1 herein;
- (e) the Corporate PRS Adviser ceases to be an Eligible Person for whatever reason or at any time during its registration fails to meet any of the requisite prescribed in Appendix A hereto;
- (f) SC issues a directive to FIMM to revoke the registration of the Corporate PRS Adviser;
- (g) the Corporate PRS Adviser becomes a bankrupt or makes any arrangement or composition with its creditors generally;
- (h) the Corporate PRS Adviser enters into liquidation, whether compulsory or voluntary; or
- (i) a receiver or a receiver and manager is appointed over the Corporate PRS Adviser or the whole or any part of its assets or undertaking.

## 17.2 Cessation

Any Corporate PRS Adviser intending to cease its Operation must notify FIMM in writing at least thirty (30) business days prior to the cessation.

## 18.0 **Commencement of Operation**

- 18.1 A Corporate PRS Adviser must commence Operation within six (6) months from the date of its registration with FIMM. The Corporate PRS Adviser must notify FIMM of the commencement of its Operation in the format and manner set out in the Manual at least five (5) business days before the commencement date.
- 18.2 Where a Corporate PRS Adviser seeks to defer the commencement of its Operation, the Corporate PRS Adviser must submit a written request for the deferment to FIMM at least thirty (30) days before the expiry of the period prescribed in clause 18.1 above for commencement of Operation and include the reason(s) for the deferment. The FIMM may allow a onetime deferment only which will not exceed three (3) months from the date of the request.
- 18.3 The registration of the Corporate PRS Adviser shall lapse in the event that it:
  - (a) fails to commence its Operation within the period prescribed in clause 18.1 above;
  - (b) fails to commence its Operation within the deferment period prescribed in clause 18.2 above; or

- (c) FIMM has not allowed any deferment pursuant to clause 18.2 above.

## **19.0 Operational Audit**

- 19.1 A Corporate PRS Adviser must appoint an external auditor to conduct an operational audit after the commencement of Operation based on the scope and timeline prescribed by FIMM. The cost of conducting the operational audit must be borne by the Corporate PRS Adviser. Any information and/or document requested by FIMM in relation to the operational audit must be submitted to FIMM in the manner and within the timeline prescribed by FIMM.
- 19.2 Where the Corporate PRS Adviser seeks to defer the operational audit, the Corporate PRS Adviser must submit a written request for the deferment to FIMM within fourteen (14) days from the date of the notice issued by FIMM instructing the Corporate PRS Adviser to carry out the operational audit and include the reason(s) for the deferment.

## **20.0 Agreement to Market and Distribute Private Retirement Schemes**

- 20.1 Upon commencement of Operation and thereafter, a Corporate PRS Adviser must ensure that, at all times, it has valid agreements with at least two (2) PRS Providers to market and distribute private retirement schemes.
- 20.2 In the event that any agreement entered by the Corporate PRS Adviser to market and distribute private retirement schemes is terminated, the Corporate PRS Adviser must immediately notify FIMM in writing of the termination. For the purpose of this clause 20.0, termination includes non-renewal of any agreement to market and distribute private retirement schemes.
- 20.3 Where the termination mentioned in clause 20.2 above results in non-compliance by the Corporate PRS Adviser with clause 20.1 herein, the Corporate PRS Adviser must rectify the non-compliance within six (6) months from the date of the said termination. If the Corporate PRS Adviser fails to rectify the said non-compliance within the period prescribed herein, the registration of the Corporate PRS Adviser is thereby revoked.

## **21.0 Marketing and Distribution of Private Retirement Schemes**

- 21.1 A Corporate PRS Adviser must lodge the necessary documents as prescribed in the Manual in respect of any private retirement scheme that it intends to market and distribute.
- 21.2 A Corporate PRS Adviser is not allowed to market or distribute any private retirement scheme without having received FIMM's notification on the completion of the lodgement made by the Corporate PRS Adviser pursuant to clause 21.1 above.

## **22.0 Continuous Obligations and Responsibilities of Corporate PRS Advisers**

Without prejudice to other obligations and responsibilities of Corporate PRS Advisers prescribed in the Guidelines, a Corporate PRS Adviser must:

- (a) at all times meet the eligibility and registration requirements prescribed in the Guidelines;
- (b) comply with all relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations and guidelines issued by SC, securities laws and such other applicable laws;
- (c) comply with relevant reporting or submission requirements as prescribed by FIMM or SC;
- (d) comply with relevant disclosure and notification requirements as prescribed in the Guidelines and Manual;
- (e) conduct its business in a professional manner, comply with sound business practices and be thoroughly knowledgeable in all areas and aspects of the capital market and private retirement scheme industry;
- (f) provide FIMM with information (including any relevant documentation) on its Operation as and when requested by FIMM;
- (g) provide full assistance by furnishing information and documents requested or required by FIMM pursuant to the Guidelines;
- (h) at all times ensure that all information pertaining to the following is accurate and current:
  - (i) its registration and the registration of its PRS Consultants (in particular, the contact details of its Authorised Representative and PRS Consultants), as submitted to FIMM and maintained by the Corporate PRS Adviser in the records of FIMM; and
  - (ii) its Distribution Points;
- (i) ensure that relevant information and directives from FIMM relating to PRS Consultants and private retirement schemes are properly disseminated to its PRS Consultants;
- (j) ensure it has adequate human resources, expertise and experience to handle the business in a proper and fit manner;

- (k) ensure that adequate policies and procedures relating to the marketing and distribution of private retirement schemes are in place at each Distribution Point and a copy is made available to its PRS Consultants. Its PRS Consultants must be familiar and well versed with the policies and procedures relating to the marketing and distribution of private retirement schemes;
- (l) adopt procedures to prevent conflict of interest arising from the marketing and distribution of private retirement schemes through its Distribution Points against the marketing and distribution of other products by the Corporate PRS Adviser;
- (m) establish, maintain and implement written policies and procedures to ensure that complaints from Clients are handled in a timely and appropriate manner; and Clients' complaints are satisfactorily resolved. A Corporate PRS Adviser must maintain a register of complaints received and actions taken and a copy of such register;
- (n) conduct the audit and due diligence review as prescribed in Appendix B hereto; and
- (o) pay all the necessary fees as prescribed in the Manual.

## **23.0 Merger and Acquisition**

- 23.1 In the event that a Corporate PRS Adviser becomes involved in a merger and acquisition exercise, the Corporate PRS Adviser must within thirty (30) days from the date that all approvals are obtained from the relevant authorities, subject to the relevant laws governing matters relating to mergers and acquisition, inform FIMM in writing of the exercise.
- 23.2 Where the merger and acquisition exercise results in the formation of a new entity, the new entity is given a grace period of six (6) months from the date of the completion of the merger and acquisition exercise, or the order made by the High Court for the transfer of assets, to register itself as a Corporate PRS Adviser and re-register any former PRS Consultant affected by the exercise as its PRS Consultants.

*[The remainder of this page is intentionally left blank]*

## **PART IV - REGISTRATION OF PRS CONSULTANTS**

### **24.0 Application for Registration**

- 24.1 An Eligible Person intending to register as a PRS Consultant may make an application for registration through a PRS Distributor.
- 24.2 The PRS Distributor may then make an application to FIMM to register the Eligible Person as its PRS Consultant in the format and manner set out in the Manual.
- 24.3 PRS Distributors are responsible for ensuring the eligibility of any applicant and the accuracy, veracity and completeness of information and documents furnished by the applicant.
- 24.4 PRS Distributors must, at all times, have at least two (2) PRS Consultants at each of their Distribution Points and Mobile Distribution Points.

### **25.0 Restrictions relating to Registration**

- 25.1 PRS Distributors must ensure that their PRS Consultants observe the following:
- (a) A PRS Consultant must only represent one (1) Principal;
  - (b) A PRS Consultant must only deal in the private retirement schemes of his Principal or those marketed and distributed by his Principal. Therefore, a PRS Consultant must not make arrangements, in whatever manner, to market and distribute private retirement schemes of other PRS Distributors or those marketed and distributed by other PRS Distributors;
  - (c) A PRS Consultant of a PRS Provider or an Institutional PRS Adviser who holds a CMSRL to carry out the regulated activity of financial planning as defined in the CMSA and intends to represent a Corporate PRS Adviser must duly terminate his registration as the PRS Consultant of the PRS Provider or Institutional PRS Adviser before applying to register as a PRS Consultant of the Corporate PRS Adviser.
- 25.2 Institutional PRS Advisers must ensure that only their fulltime employees may register as PRS Consultants. This restriction does not apply where an Institutional PRS Adviser is a UTMC or a licensed insurance company or a registered takaful operator.
- 25.3 Corporate PRS Advisers must ensure that only their fulltime employees who hold a CMSRL to carry out the regulated activity of financial planning may register as PRS Consultants.

## **26.0 Duration and Re-registration**

- 26.1 The registration of a PRS Consultant will continue unless and until it is either terminated or revoked, provided always that the PRS Consultant settles in full all the necessary fees as prescribed in the Manual in a timely manner and fulfill all the requirements of the continuing professional development programme as prescribed by FIMM.
- 26.2 A PRS Distributor may re-register the following PRS Consultants or former PRS Consultants in the format and manner set out in the Manual:
- (a) a PRS Consultant who has changed his agency or employment status with the PRS Distributor;
  - (b) a former PRS Consultant who resigned from the PRS Distributor;
  - (c) a former PRS Consultant whose registration was not renewed by the PRS Distributor whereby the non-renewal was not due to any misconduct or non-compliance of the former PRS Consultant;
  - (d) a former PRS Consultant of another PRS Distributor.
- 26.3 Any former PRS Consultant who has left the private retirement scheme industry for more than three (3) years must sit for the PRS Examination if he intends to re-register as a PRS Consultant.

## **27.0 Revocation, Suspension, Termination and Resignation**

- 27.1 In the event that a PRS Consultant resigns from or is terminated by his Principal, the Principal must:
- (a) require the PRS Consultant to surrender his FIMM Authorisation Card; and
  - (b) update the registration status of the PRS Consultant in the records of FIMM.
- 27.2 Without prejudice to other rights and powers of FIMM under the Guidelines, FIMM may suspend or revoke the registration of a PRS Consultant in the event that:
- (a) the PRS Consultant ceases to be an Eligible Person for whatever reason;
  - (b) the relevant CMSRL of the PRS Consultant is suspended or revoked by SC;
  - (c) the PRS Consultant fails to comply with or contravenes any of the relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations or guidelines issued by SC, securities laws or such other applicable laws;

- (d) SC issues a directive to FIMM to suspend or revoke the registration of the PRS Consultant; or
- (e) any information or declaration in any statutory declaration provided by the PRS Consultant for purposes of his registration with FIMM is found to be false, in part or as a whole.

27.3 The registration of a PRS Consultant will lapse in the event that:

- (a) the registration of his Principal is revoked;
- (b) the registration of his Principal is suspended; or
- (c) his Principal ceases Operation.

*[The remainder of this page is intentionally left blank]*



## PART V - MISCELLANEOUS

### 28.0 Rights and Powers of FIMM

Subject to the provisions of the CMSA and without prejudice to its other rights under the Guidelines, FIMM may exercise its powers in such manner and on such terms as it deems necessary or expedient to enforce and ensure compliance of its rules, guidelines, by-laws, codes, directives, standards and reporting or submission requirements by PRS Distributors and PRS Consultants, including, without limitation:

- (a) to inspect the books and records of PRS Distributors from time to time;
- (b) to require PRS Distributors and PRS Consultants to appear before any of the councils or committees of FIMM;
- (c) to require PRS Distributors to produce their books and records for review by any of the councils or committees of FIMM;
- (d) to require PRS Distributors to furnish information and documents relating to their Operation, their private retirement schemes or the private retirement schemes that they market and distribute and to their Clients;
- (e) to require PRS Distributors and PRS Consultants to answer any question regarding any contravention of the relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations or guidelines issued by SC, reporting or submission requirements prescribed by FIMM or SC, securities laws or such other applicable laws; and
- (f) to take such action(s) as it deems appropriate or necessary against any PRS Distributor or PRS Consultant, including (without limitation) to publish the name and status of any PRS Distributors or PRS Consultant in the website of FIMM, print, electronic media and wherever else deemed necessary by FIMM, who has failed to comply with or has contravened any of the relevant rules, guidelines, by-laws, codes, directives or standards issued by FIMM, regulations or guidelines issued by SC, reporting or submission requirements prescribed by FIMM or SC, securities laws or such other applicable laws.

### 29.0 Submissions, Notifications and Communications

- 29.1 Save as otherwise provided in the Guidelines, all notifications, reports and submissions of documents and payments by PRS Distributors must be accompanied by a covering letter addressed and delivered by hand, registered post or courier to:

**Chief Executive Officer  
Federation of Investment Managers Malaysia  
19-07-3, 7<sup>th</sup> Floor  
PNB Damansara  
19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur**

- 29.2 The FIMM may from time to time issue notices, directives, standards and information to PRS Distributors through circulars addressed to the Authorised Representative of the PRS Distributor and sent by facsimile transmission. The FIMM is not responsible for any non-receipt of such notices, directives, standards or information due to the failure of any PRS Distributor to ensure the accuracy and validity of information submitted by the PRS Distributor to FIMM and maintained by the PRS Distributor in the online system of FIMM. Further, such non-receipt does not absolve the PRS Distributor from compliance with the notices, directives or standards and FIMM reserves the right to take appropriate action(s) against the PRS Distributor for any non-compliance resulting therefrom.

### **30.0 Loss of FIMM Authorisation Card or Certificate**

- 30.1 In the event that a PRS Consultant loses his FIMM Authorisation Card or any certificate issued by FIMM in relation to the PRS Examination, the Principal may apply for a replacement in the format and manner set out in the Manual.
- 30.2 Similarly, corrections may be made to FIMM Authorisation Card or any certificate issued by FIMM in relation to the PRS Examination in the format and manner set out in the Manual.

### **31.0 Certification of Documents**

- 31.1 Where the Guidelines requires certified true copy of documents, the following persons (without limitation) may certify such copy as identical to the original document:
- (a) a person who is in the employment of the organisation that issued the original document and has been authorised by the organisation to certify documents;
  - (b) a person who is in the employment of the organisation that issued the original document and has sighted the original document;
  - (c) if the document to be certified true copy is an agreement, a person who is a witness to the signing of the agreement;
  - (d) a Commissioner for Oaths;

- (e) an advocate and solicitor;
  - (f) a notary public.
- 31.2 Prior to certifying a document as a true copy, the person certifying the document must ensure that the copy to be certified is an identical copy of the original.
- 31.3 A suggested form for certification is as follows:

*“I certify that this appears to be a true copy of the document produced to me on (insert date).*

*Signature:*

*Name:*

*Qualification (e.g. Head of Customer Care Unit of PRS Provider):”*

- 31.4 As the person certifying the document is stating his opinion that the document is a true copy of the original, the certification does not in any way authenticate either the original document or its true copy.
- 31.5 If the original document has multiple pages, the person certifying the true copy of the document must scrutinise and compare each page of the true copy with each page of the original document to ensure correctness. The person must then:
- (a) affix his signature or initial on each page of the true copy;
  - (b) number the pages of the true copy as, for example, “page 1 of 40”, “page 2 of 40”, so on and so forth;
  - (c) certify the last page of the true copy as follows:

*“I certify that this (number of pages)-page document, each page of which I have numbered and signed/initialled, appears to be a true copy of the original document produced to me on ( date ).*

*Signature:*

*Name:*

*Qualification (e.g. Head of Customer Care Unit of PRS Provider):”*

- 31.6 A person certifying any document must not certify a document that is in a language that he does not understand.

*[The remainder of this page is intentionally left blank]*

**ELIGIBLE PERSONS FOR REGISTRATION AS INSTITUTIONAL PRS ADVISERS,  
CORPORATE PRS ADVISERS AND PRS CONSULTANTS**

<b>Type of Registration</b>	<b>Eligible Persons</b>
<b>PRS Providers, Institutional PRS Advisers</b>	<ul style="list-style-type: none"> <li>(a) Those persons who hold a CMSL to carry out the regulated activity of dealing in private retirement schemes.</li> <li>(b) “registered persons” as described under the CMSA for the purpose of carrying out the regulated activity of dealing in private retirement schemes.</li> </ul>
<b>Corporate PRS Advisers</b>	<p>Companies incorporated under the Companies Act 1965 that hold:</p> <ul style="list-style-type: none"> <li>(a) a CMSL to carry out the regulated activity of financial planning as defined in CMSA; and</li> <li>(b) a CMSL to carry out the regulated activity of dealing in private retirement schemes.</li> </ul>
<b>PRS Consultants</b>	<ul style="list-style-type: none"> <li>(1) Any individual who fulfils the following: <ul style="list-style-type: none"> <li>(a) is twenty one (21) years of age or more;</li> <li>(b) has passed the Sijil Pelajaran Malaysia (SPM) and obtained a credit in Bahasa Malaysia, English or Mandarin and a credit in Mathematics;</li> <li>(c) has passed the PRS Examination (unless exempted by FIMM as set out in paragraph (2) below) in accordance with the Manual;</li> <li>(d) has not been convicted by any court of law or other competent authority, either locally or abroad, of any fraudulent or dishonest act;</li> <li>(e) has not been convicted of any criminal offence either locally or abroad;</li> <li>(f) has not been convicted of any offence pursuant to the securities laws either locally or abroad;</li> <li>(g) has not been found to have contravened any laws (local or foreign) that protect members of the public against any financial loss as a result of any dishonest or incompetent act or malpractice;</li> <li>(h) has not been censured or reprimanded by any professional or trade body; or denied or disqualified from membership of any professional or trade body; or refused any regulatory licence, registration or similar approval;</li> <li>(i) does not have any regulatory licence, registration or similar approval revoked;</li> <li>(j) is not an undischarged bankrupt or subjected to any bankruptcy proceedings or has failed to meet any judgement debt.</li> </ul> </li> </ul>

Type of Registration	Eligible Persons
	<p>(2) The following individuals may be exempted from having to sit for the PRS Examination:</p> <ul style="list-style-type: none"> <li>(a) Chief executive officers of PRS Providers;</li> <li>(b) Fund managers who hold a CMSRL to carry out the regulated activity of fund management as defined in CMSA;</li> <li>(c) Holders of the following qualifications (based on the revised syllabus that includes private retirement schemes): <ul style="list-style-type: none"> <li>(i) Certified Financial Planner (CFP) designation and a member of the Financial Planning Association of Malaysia (FPAM); or</li> <li>(ii) Islamic Financial Planner (IFP) designation and a member of the Financial Planning Association of Malaysia (FPAM); or</li> <li>(iii) Chartered Financial Consultant (ChFC) designation and a member of the Malaysian Association of Chartered Financial Consultant (MACHFC); or</li> <li>(iv) Registered Financial Planner (RFP) designation and an ordinary member of the Malaysian Financial Planning Council (MFPC).</li> </ul> </li> </ul>

**REQUISITES FOR REGISTRATION AS INSTITUTIONAL PRS ADVISERS AND CORPORATE PRS ADVISERS**

Category of PRS Distributors	Requisites
<b>Institutional PRS Advisers</b>	<ul style="list-style-type: none"> <li>(a) Minimum paid-up capital of RM5 million;</li> <li>(b) Minimum shareholders' fund of RM5 million;</li> <li>(c) At least one (1) director who has at least ten (10) years experience in the capital market.</li> </ul> <p>Eligible Person may be up to hundred per cent (100%) foreign owned.</p>
<b>Corporate PRS Advisers</b>	<ul style="list-style-type: none"> <li>(a) Minimum paid-up capital of RM100,000;</li> <li>(b) Minimum shareholders' fund of RM100,000;</li> <li>(c) At least one (1) director who has at least ten (10) years experience in the capital market, holds a CMSRL to carry out the regulated activity of financial planning in accordance with the CMSA and is registered as a PRS Consultant.</li> </ul> <p>Eligible Person may be up to hundred per cent (100%) foreign owned.</p>

**AUDIT AND DUE DILIGENCE**

<b>A. AUDIT</b>		
<b>No.</b>	<b>Type of Audit</b>	<b>Requirements</b>
1.	<b>Compliance Audit on Distribution</b>	<ul style="list-style-type: none"> <li>• PRS Providers, Institutional PRS Advisers and Corporate PRS Advisers must appoint an external auditor to conduct the audit every five (5) years.</li> <li>• In the event that a PRS Provider, an Institutional PRS Adviser or a Corporate PRS Adviser seeks an extension of the period prescribed above, the PRS Provider, Institutional PRS Adviser or Corporate PRS Adviser must submit a written request for the extension, including the reason(s) for the extension, within fourteen (14) days from the date of the notice issued by FIMM instructing the PRS Provider, Institutional PRS Adviser or Corporate PRS Adviser to conduct the audit.</li> <li>• The audit must be conducted based on the scope and timeline prescribed by FIMM.</li> <li>• Any information and/or documents requested by FIMM in relation to the audit must be submitted to FIMM in the manner and within the timeline as specified by FIMM.</li> </ul>

<b>B. DUE DILIGENCE</b>		
<b>No.</b>	<b>Type of Due Diligence</b>	<b>Requirements</b>
1.	<b>Review on Distribution</b>	<ul style="list-style-type: none"> <li>• The due diligence review must be conducted by the internal auditor of PRS Providers, Institutional PRS Advisers and Corporate PRS Advisers (or external auditor, if a PRS Provider, Institutional PRS Adviser or Corporate PRS Adviser does not have an internal audit function) in the year where the PRS Providers, Institutional PRS Advisers and Corporate PRS Advisers are not subject to the compliance audit on distribution prescribed in A(1) above.</li> <li>• In the event that a PRS Provider, an Institutional PRS Adviser or a Corporate PRS Adviser seeks an extension of the period prescribed above, the PRS Provider, Institutional PRS Adviser or Corporate PRS Adviser must submit a written request for the extension, including the reason(s) for the extension, within fourteen (14) days from the date of the notice issued by FIMM instructing the PRS Provider, Institutional PRS Adviser or Corporate PRS Adviser to conduct the due diligence review.</li> </ul>

<b>B. DUE DILIGENCE</b>		
<b>No.</b>	<b>Type of Due Diligence</b>	<b>Requirements</b>
		<ul style="list-style-type: none"> <li>• The due diligence review must be conducted based on the scope and timeline prescribed by FIMM.</li> <li>• Any information and/or documents requested by FIMM in relation to the due diligence review must be submitted to FIMM in the manner and within the timeline as specified by FIMM.</li> </ul>
2.	<b>Review on Compliance with Standards Issued by FIMM</b>	<ul style="list-style-type: none"> <li>• The due diligence review must be conducted by PRS Providers, Institutional PRS Advisers and Corporate PRS Adviser annually.</li> <li>• The due diligence review must be conducted based on the scope and timeline prescribed by FIMM.</li> <li>• Any information and/or documents requested by FIMM in relation to the due diligence review must be submitted to FIMM in the manner and within the timeline as specified by FIMM.</li> </ul>