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TO : MEMBERS, CUTA, IUTA, PRS PROVIDERS, INSTITUTIONAL
PRS ADVISERS & CORPORATE PRS ADVISERS

ATTN. : AUTHORISED REPRESENTATIVE/CHIEF EXECUTIVE
OFFICER

**REVISION OF REQUIREMENTS IMPOSED ON CORPORATE UNIT TRUST ADVISERS
("CUTA")/CORPORATE PRS ADVISERS REGARDING DISTRIBUTION AGREEMENTS FOR
MARKETING AND DISTRIBUTION OF UNIT TRUST SCHEMES ("UTS")/PRIVATE RETIREMENT
SCHEMES ("PRS")**

In a continuous effort to promote the marketing and distribution of UTS and PRS, the requirements imposed on CUTA and Corporate PRS Advisers respectively regarding the distribution agreement for marketing and distribution of UTS and PRS have been revised. The revised requirements are set out in Attachment 1 enclosed.

Consequently, the following provisions of the respective guidelines will no longer be applicable:

- (1) Paragraph 2 of clause 3.6 and clause 18.2(d) of the Guidelines for Registration of Corporate Unit Trust Advisers (CUTA) for the Marketing and Distribution of Unit Trusts; and
- (2) Clause 20.1 of the Guidelines on Registration of Private Retirement Scheme Distributors and Consultants.

If you need further clarification on this matter, kindly contact Ms. Tan Lee Kiaw (ext: 208) or Ms. Sheryl Chia (ext: 209) of Business Registration Department at 03-2093 2600.

Thank you.

Yours faithfully
Federation of Investment Managers Malaysia



AHMAD ZAKIE HJ AHMAD SHARIFF
Chief Executive Officer

c.c. Pn. Shamsul Bahriah Shamsudin
Head, Institution Supervision Department
Market Supervision Division
Securities Commission Malaysia

REVISION OF REQUIREMENTS IMPOSED ON CORPORATE UNIT TRUST ADVISERS (“CUTA”)/CORPORATE PRS ADVISERS REGARDING DISTRIBUTION AGREEMENTS FOR MARKETING AND DISTRIBUTION OF UNIT TRUST SCHEMES (“UTS”)/PRIVATE RETIREMENT SCHEMES (PRS”)

CORPORATE UNIT TRUST ADVISERS	
Present Requirement	Revised Requirement
<p>A CUTA must at all times have an agreement with at least two (2) unit trust management companies (“UTMC”) to market and distribute UTS.</p>	<p>(1) A CUTA must at all times have an agreement to market and distribute UTS with either:</p> <ul style="list-style-type: none"> (a) at least two (2) UTMCs; or (b) an IUTA, subject to the following: <ul style="list-style-type: none"> (i) the IUTA must hold a Capital Markets Services Licence (“CMSL”) to carry out the regulated activity of dealing in securities or dealing in securities restricted to UTS (for the avoidance of doubt, an IUTA which is a “registered person” under Schedule 4 of the Capital Markets and Services Act 2007 may not enter into such agreement with the CUTA); (ii) the IUTA must at all times have an agreement with at least two (2) UTMCs to market and distribute UTS, and the CUTA must market and distribute UTS of at least two (2) UTMCs that the IUTA has agreements with; (iii) upon the CUTA entering into an agreement with the IUTA, the IUTA must immediately obtain the approval of the UTMC that it has agreements with, to allow the CUTA to market and distribute UTS of the UTMC. The IUTA must ensure that the CUTA does not market and distribute any UTS of any of the UTMC without the approval of the UTMC (in this respect, the agreement entered into between the CUTA and IUTA does not automatically allow the CUTA to market and distribute any UTS of the UTMC); (iv) upon the agreement of the UTMCs to allow the CUTA to market and distribute

ATTACHMENT 1

REVISION OF REQUIREMENTS IMPOSED ON CORPORATE UNIT TRUST ADVISERS (“CUTA”)/CORPORATE PRS ADVISERS REGARDING DISTRIBUTION AGREEMENTS FOR MARKETING AND DISTRIBUTION OF UNIT TRUST SCHEMES (“UTS”)/PRIVATE RETIREMENT SCHEMES (PRS”)

	<p>their UTS, the UTMCS must provide the CUTA with product training and relevant information, including product highlight sheets and prospectuses;</p> <p>(v) the CUTA must provide the names and identification card numbers of investors to the IUTA, and the IUTA (except where it operates a nominee approach) must then furnish such information to the UTMCS; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the CUTA and IUTA.</p> <p>(2) If the termination or non-renewal of any agreement entered into by a CUTA to market and distribute UTS results in non-observance by the CUTA of the requirement in (1) above, the CUTA must rectify the non-observance within six (6) months of the termination or non-renewal.</p> <p>(3) A CUTA may continue any present agreement it has with an IUTA to market and distribute UTS provided that the IUTA informs the UTMCS that it has agreements with, of its agreement with the CUTA. However, if the IUTA intends to market and distribute additional or new UTS of the UTMCS, the IUTA must obtain the approval of the UTMCS before the CUTA may market and distribute such UTS.</p>
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CORPORATE PRS ADVISERS	
Present Requirement	Revised Requirement
<p>A Corporate PRS Adviser must at all times have an agreement with at least two (2) PRS Providers to market and distribute PRS.</p>	<p>(1) A Corporate PRS Adviser must at all times have an agreement to market and distribute PRS with either:</p> <ul style="list-style-type: none"> (a) at least two (2) PRS Providers; or (b) an Institutional PRS Adviser, subject to the following: <ul style="list-style-type: none"> (i) the Institutional PRS Adviser must hold a CMSL to carry out the regulated activity of dealing in PRS (for the avoidance of doubt, an Institutional PRS Adviser which is a “registered person” under Schedule 4 of the Capital Markets and Services Act 2007 may not enter into such agreement with the Corporate PRS Adviser); (ii) the Institutional PRS Adviser must at all times have an agreement with at least two (2) PRS Providers to market and distribute PRS, and the Corporate PRS Adviser must market and distribute PRS of at least two (2) PRS Providers that the Institutional PRS Adviser has agreements with; (iii) upon the Corporate PRS Adviser entering into an agreement with the Institutional PRS Adviser, the Institutional PRS Adviser must immediately obtain the approval of PRS Providers that it has agreements with, to allow the Corporate PRS Adviser to market and distribute PRS of the PRS Providers. The Institutional PRS Adviser must ensure that the Corporate PRS Adviser does not market and distribute any PRS of any of the PRS Providers without the approval of the PRS Providers (in this respect, the agreement between the Corporate PRS Adviser and Institutional

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	<p>PRS Adviser does not automatically allow the Corporate PRS Adviser to market and distribute any PRS of the PRS Providers);</p> <p>(iv) upon the agreement of the PRS Providers to allow the Corporate PRS Adviser to market and distribute their PRS, the PRS Providers must provide the Corporate PRS Adviser with product training and relevant information, including product highlight sheets and disclosure documents;</p> <p>(v) the Corporate PRS Adviser must provide the names and identification card numbers of contributors to the Institutional PRS Adviser, and the Institutional PRS Adviser must then furnish such information to the PRS Providers; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the Corporate PRS Adviser and Institutional PRS Adviser.</p> <p>(2) A Corporate PRS Adviser may continue any present agreement it has with an Institutional PRS Adviser to market and distribute PRS provided that the Institutional PRS Adviser informs the PRS Providers that it has agreements with, of its agreement with the Corporate PRS Adviser. However, if the Institutional PRS Adviser intends to market and distribute additional or new PRS of the PRS Providers, the Institutional PRS Adviser must obtain the approval of the PRS Providers before the Corporate PRS Adviser may market and distribute such PRS.</p>
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