

17 October 2014

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TO : **MEMBERS, IUTA, PRS PROVIDERS & INSTITUTIONAL PRS**
ADVISERS

ATTN. : **AUTHORISED REPRESENTATIVE/CHIEF EXECUTIVE**
OFFICER

**MARKETING AND DISTRIBUTION OF UNIT TRUST SCHEMES (“UTS”)/PRIVATE
RETIREMENT SCHEMES (PRS”) BY INSTITUTIONAL UNIT TRUST ADVISERS
 (“IUTA”)/INSTITUTIONAL PRS ADVISERS**

Your attention is brought to FIMM’s circular dated 15 August 2013 (BR/AL/AZS/HG-tlk/039-13) regarding distribution agreements for marketing and distribution of UTS and PRS, in particular Item 1(b)(i) in Attachment 1 of the abovesaid circular:

“where an IUTA or IPRA enters into a distribution agreement with an IUTA or IPRA that is an Online Provider as defined in the Guidelines on Online Transactions and Activities in relation to Unit Trusts issued by the Securities Commission Malaysia (“SC”), the IUTA or IPRA must hold a Capital Markets Services Licence (“CMSL”) to deal in securities/UTS or PRS (for the avoidance of doubt, an IUTA or IPRA which is a “registered person” under Schedule 4 of the Capital Markets and Services Act 2007 may not enter into such agreement with an Online Provider).”

Please be advised that the above condition has now been removed. Kindly refer to Attachment for the revised requirements imposed on IUTA and IPRA in relation to the distribution agreements for marketing and distribution of UTS and PRS respectively.

Following the abovementioned, an IUTA or IPRA, including an IUTA or IPRA which is a registered person under Schedule 4 of Capital Markets and Services Act 2007, may enter into a distribution agreement with an IUTA or IPRA that is an Online Provider.

If you need further clarification on this matter, kindly contact Ms. Tan Lee Kiaw (ext: 323) or Ms. Sheryl Chia (ext: 322) of Business Registration Department at 03-2093 2600.

Thank you.

Yours faithfully
Federation of Investment Managers Malaysia



MOHAMED NIZA B ABU BAKAR
Chief Executive Officer

c.c. Pn. Shamsul Bahriah Shamsudin
General Manager and Head
Institution Supervision Department
Market Supervision Division
Securities Commission Malaysia

ATTACHMENT

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

INSTITUTIONAL UNIT TRUST ADVISERS		
No.	Present Requirement	Revised Requirements
A.	<p>(1) An IUTA must at all times have an agreement to market and distribute UTS with either:</p> <p>(a) at least one (1) UTMC (if the IUTA is also a UTMC, the IUTA must then have an agreement with at least another UTMC); or</p> <p>(b) an IUTA which is an online provider as defined in the Guidelines on Online Transactions and Activities in relation to Unit Trusts issued by the Securities Commission Malaysia (“SC”) (“Online Provider”), subject to the following:</p> <p>(i) the IUTA must hold a Capital Markets Services Licence (“CMSL”) to deal in securities or 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 an Online Provider);</p> <p>(ii) upon the IUTA entering into an agreement with the Online Provider, the Online Provider must immediately obtain the approval of the UTMC that it has agreements with, to allow the IUTA to market and distribute UTS of the UTMC. The Online Provider must ensure that the IUTA does not market and distribute any UTS of any of the UTMC without the approval of the UTMC (in this</p>	<p>(1) An IUTA must at all times have an agreement to market and distribute UTS with either:</p> <p>(a) a minimum of one (1) UTMC (if the IUTA is also a UTMC, the IUTA must then have an agreement with at least another UTMC); or</p> <p>(b) an IUTA which is an online provider as defined in the Guidelines on Online Transactions and Activities in relation to Unit Trusts issued by the Securities Commission Malaysia (“SC”) (“Online Provider”), subject to the following:</p> <p>(i) the IUTA must hold a Capital Markets Services Licence (“CMSL”) to deal in securities or 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 an Online Provider);</p> <p>(i) upon the IUTA entering into an agreement with the Online Provider, the Online Provider must immediately obtain the approval of the UTMC that it has agreements with, to allow the IUTA to market and distribute UTS of the UTMC. The Online Provider must ensure that the IUTA does not market and distribute any UTS of any of the UTMC without the approval of the UTMC (in this</p>

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INSTITUTIONAL UNIT TRUST ADVISERS	
No.	Revised Requirements
Present Requirement	Revised Requirements
<p>respect, the agreement entered into between the IUTA and Online Provider does not automatically allow the IUTA to market and distribute any UTS of the UTMCM);</p> <p>(iii) upon the agreement by the UTMCM to allow the IUTA to market and distribute their UTS, the UTMCM must provide the IUTA with product training and relevant information, including product highlight sheets and prospectuses;</p> <p>(iv) except where the IUTA operates a nominee system, the IUTA must provide the names and identification card numbers of investors to the Online Provider, and the Online Provider must then furnish such information to the UTMCM; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the IUTA and Online Provider.</p> <p>(2) If the termination or non-renewal of any agreement entered into by an IUTA to market and distribute UTS results in non-observance by the IUTA of the requirement in (1) above, the IUTA must rectify the non-observance within six (6) months of the termination or non-renewal.</p>	<p>respect, the agreement entered into between the IUTA and Online Provider does not automatically allow the IUTA to market and distribute any UTS of the UTMCM);</p> <p>(ii) upon the agreement by the UTMCM to allow the IUTA to market and distribute their UTS, the UTMCM must provide the IUTA with product training and relevant information, including product highlight sheets and prospectuses;</p> <p>(iii) except where the IUTA operates a nominee system, the IUTA must provide the names and identification card numbers of investors to the Online Provider, and the Online Provider must then furnish such information to the UTMCM; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the IUTA and Online Provider.</p> <p>(2) If the termination or non-renewal of any agreement entered into by an IUTA to market and distribute UTS results in non-observance by the IUTA of the requirement in (1) above, the IUTA must rectify the non-observance within six (6) months of the termination or non-renewal.</p>

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INSTITUTIONAL UNIT TRUST ADVISERS	
No.	Present Requirement
(3)	<p>An IUTA may continue any present agreement it has with an Online Provider to market and distribute UTS provided that the Online Provider informs the UTMC that it has agreements with, of its agreement with the IUTA. However, if the Online Provider intends to market and distribute additional or new UTS of the UTMC, the Online Provider must obtain the approval of the UTMC before the IUTA may market and distribute such UTS.</p>
	Revised Requirements
	<p>An IUTA may continue any present agreement it has with an Online Provider to market and distribute UTS provided that the Online Provider informs the UTMC that it has agreements with, of its agreement with the IUTA. However, if the Online Provider intends to market and distribute additional or new UTS of the UTMC, the Online Provider must obtain the approval of the UTMC before the IUTA may market and distribute such UTS.</p>

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

INSTITUTIONAL PRS ADVISERS		
No.	Present Requirement	Revised Requirements
B.	<p>(1) An Institutional PRS Adviser must at all times have an agreement to market and distribute PRS with either:</p> <p>(a) at least one (1) PRS Provider (if the Institutional PRS Adviser is also a PRS Provider, the Institutional PRS Adviser must then have an agreement with at least another PRS Provider); or</p> <p>(b) an Institutional PRS Adviser which is an online provider as defined in the Guidelines on Online Transactions and Activities in relation to Unit Trusts issued by SC (“Online Provider”), subject to the following:</p> <p>(i) the Institutional PRS Adviser must hold a CMSL to deal in PRS (for the avoidance of doubt, an Institutional PRS Adviser which is a “registered person” under Schedule 4 of CMSA may not enter into such agreement with an Online Provider);</p> <p>(ii) upon the Institutional PRS Adviser entering into an agreement with the Online Provider, the Online Provider must immediately obtain the approval of the PRS Providers that it has agreements with, to allow the Institutional PRS Adviser to market and distribute PRS of the PRS Providers. The Online Provider must ensure</p>	<p>(1) An Institutional PRS Adviser must at all times have an agreement to market and distribute PRS with either:</p> <p>(a) a minimum of one (1) PRS Provider (if the Institutional PRS Adviser is also a PRS Provider, the Institutional PRS Adviser must then have an agreement with at least another PRS Provider); or</p> <p>(b) an Institutional PRS Adviser which is an online provider as defined in the Guidelines on Online Transactions and Activities in relation to Unit Trusts issued by SC (“Online Provider”), subject to the following:</p> <p>(i) the Institutional PRS Adviser must hold a CMSL to deal in PRS (for the avoidance of doubt, an Institutional PRS Adviser which is a “registered person” under Schedule 4 of CMSA may not enter into such agreement with an Online Provider);</p> <p>(i) upon the Institutional PRS Adviser entering into an agreement with the Online Provider, the Online Provider must immediately obtain the approval of the PRS Providers that it has agreements with, to allow the Institutional PRS Adviser to market and distribute PRS of the PRS Providers. The Online Provider must ensure</p>

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INSTITUTIONAL PRS ADVISERS	
No.	Revised Requirements
Present Requirement	Revised Requirements
<p>that the Institutional PRS Adviser does not market and distribute any PRS of any of the PRS Providers without the approval of the PRS Provider (in this respect, the agreement between the Institutional PRS Adviser and Online Provider does not automatically allow the Institutional PRS Adviser to market and distribute any PRS of the PRS Providers);</p> <p>(iii) upon the agreement by the PRS Providers to allow the Institutional PRS Adviser to market and distribute their PRS, the PRS Providers must provide the Institutional PRS Adviser with product training and relevant information, including product highlight sheets and disclosure documents;</p> <p>(iv) the Institutional PRS Adviser must provide the names and identification card numbers of contributors to the Online Provider, and the Online Provider must then furnish such information to the PRS Provider; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the Institutional PRS Adviser and Online Provider.</p> <p>(2) An Institutional PRS Adviser may continue any present agreement it has with an Online Provider to market and distribute PRS</p>	<p>that the Institutional PRS Adviser does not market and distribute any PRS of any of the PRS Providers without the approval of the PRS Provider (in this respect, the agreement between the Institutional PRS Adviser and Online Provider does not automatically allow the Institutional PRS Adviser to market and distribute any PRS of the PRS Providers);</p> <p>(ii) upon the agreement by the PRS Providers to allow the Institutional PRS Adviser to market and distribute their PRS, the PRS Providers must provide the Institutional PRS Adviser with product training and relevant information, including product highlight sheets and disclosure documents;</p> <p>(iii) the Institutional PRS Adviser must provide the names and identification card numbers of contributors to the Online Provider, and the Online Provider must then furnish such information to the PRS Provider; and</p> <p>All of the abovementioned conditions must be reflected in the agreement entered into between the Institutional PRS Adviser and Online Provider.</p> <p>(2) An Institutional PRS Adviser may continue any present agreement it has with an Online Provider to market and distribute PRS</p>

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INSTITUTIONAL PRS ADVISERS	
No.	Revised Requirements
	<p>Present Requirement</p> <p>provided that the Online Provider informs the PRS Providers it has agreements with, of its agreement with the Institutional PRS Adviser. However, if the Online Provider intends to market and distribute additional or new PRS of the PRS Providers, the Online Provider must obtain the approval of the PRS Providers before the Institutional PRS Adviser may market and distribute such PRS.</p>
	<p>Revised Requirements</p> <p>provided that the Online Provider informs the PRS Providers it has agreements with, of its agreement with the Institutional PRS Adviser. However, if the Online Provider intends to market and distribute additional or new PRS of the PRS Providers, the Online Provider must obtain the approval of the PRS Providers before the Institutional PRS Adviser may market and distribute such PRS.</p>