

## FREQUENTLY-ASKED-QUESTIONS

### FIMM's GUIDANCE NOTES ON THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON ADVERTISING FOR CAPITAL MARKET PRODUCTS AND RELATED SERVICES DATED 7 FEBRUARY 2022 (FIMM's GUIDANCE NOTES)

---

**1. Is it compulsory for the Distributors to adhere to the FIMM's Guidance Notes?**

It is not compulsory for the Distributors to adhere to the FIMM's Guidance Notes. The FIMM's Guidance Notes is intended to serve as a guide to Distributors in relation to best practices for selected provisions of the Guidelines on Advertising for Capital Market Products and Related Services (SC's Advertising Guidelines); hence, adherence to these Guidance is strongly encouraged.

**2. The funds my company are managing has a steady growth without any negative impact over the last 10 years. Our investors have benefited through this growth achieving their investment goals. Can we market the fund stating best investment option to achieve investment goals with no risk and income guaranteed?**

You may cite the past performance of your fund. However, it is not advisable to promote that the fund in question is the "best investment option to achieve investment goals with no risk and income guaranteed". This statement may be considered as exaggerated, flamboyant, overstated or overzealous as it implies that an investor could profit without risk.

**3. Can we engage key opinion leaders (KOL)/influencers who are not registered/licensed investment advisors to share information or promote our products/services?**

KOL/influencers who are not registered/licensed as investment advisors are not allowed to perform sales and marketing of your products/services as a registered/licensed advisors would do. However, they can be engaged to share information on their personal experiences of investing in your products/services.

**4. An influencer has shared his/her experience investing in our funds on social media platform. But the influencer was not engaged by us to promote our products. Would there be any breach of the FIMM's Guidance Notes?**

Any testimonial and information provided by parties who were not engaged by Distributors on official capacity are not bound by the Guidance Notes. Distributors should seek legal advice to ensure there are no breach of any other laws and regulations.

- 5. Recently we have engaged a public figure to endorse our products to the public for our 6-month marketing campaign. We found out that the public figure is also endorsing similar products by our competitor. Would there be any issues when a public figure or an influencer endorses products from multiple Distributors at the same time?**

There could be a possible conflict of interest arising from endorsements of products of multiple Distributors by a public figure or an influencer which may create confusion among the public. To avoid this, distributors are advised to consider imposing a minimum exclusivity period on public figures, celebrities, influencers, or other well-known identities. Kindly refer to paragraph 3.4 (b) of the FIMM's Guidance Notes and seek legal advice on this.

- 6. To provide better understanding of our funds, we are planning on including economic data from market research providers in the marketing materials. What qualifies as relevant/acceptable market research providers?**

Accredited sources that are widely used and accepted by the industry and public are regarded as relevant / acceptable market research providers.

- 7. The marketing and promotional materials prepared by my company constitutes multiple pages where each page is reflecting information about a single fund or multiple funds with similar strategy. Other information such as warning statements, disclaimers, qualification or terms and conditions are included in the last page as footnote. During dissemination of these materials, it is often broken down to individual pages by other parties and the end reader might not get ahold of the last page with other information. Are we required to include warning statements, disclaimers, qualification or terms and conditions on every page of the marketing and promotional materials?**

It is emphasised in the SC's Advertising Guidelines that the information on advertising and promotional materials are to be clear, fair, and balanced. Distributors need to ensure important information i.e. target investor group, risk factor and warning statements are clearly displayed on the product's advertising and promotional materials.

- 8. We often use social media platform as a medium to advertise our funds. Most social media platforms come with space constraints where we include only minimal information of our funds on each post. We are also employing effective social media marketing strategies where only minimal and important information about a product are included in these posts. Are we breaching the FIMM Guidance Notes by not including full information of our funds in the social media marketing campaigns?**

Distributors who use the internet as a medium for advertisement, should on a best effort basis explain key features of the products. In the event that the channel for advertising could not adequately cover the relevant information, Distributors should make other means to allow readers / potential investors to access additional information (i.e. hyperlink to

another webpage) or providing hotline number to call or a list of office branches for further consultation.

**9. Some of our marketing campaigns are unique and may seem complex. Can we reach out to FIMM to seek for advice on marketing campaign adherence to the guidance?**

Distributors are advised to seek their legal/compliance department to ensure adherence of the marketing campaigns to the FIMM's Guidance Notes.