

CIRCULAR

Date:	6 October 2023	Ref No.:	LRA/ALL/SM-AB-HY/016-23
To:	UTMC, IUTA, CUTA, PRS PROVIDER, IPRA AND CPRA (“DISTRIBUTORS”)		
Attn:	Authorised Representatives / Chief Executive Officers / Compliance Officers		

AMENDMENTS TO FIMM’s CODE OF ETHICS (3rd EDITION) DATED 13 JANUARY 2020

1. FIMM’s Code of Ethics (3rd Edition) (Revised Code) came into force on 13 January 2020. Having implemented the Revised Code, FIMM have conducted a Post-Implementation Review to assess and evaluate the impact and effectiveness of the Revised Code to identify, among others, the following:
 - i. whether the ethical standards and professional conduct prescribed under the Revised Code are accomplishing its intended purposes; and
 - ii. whether any provision of the Revised Code has caused or is causing any unintended consequences to the industry.
2. Subsequent to having obtained industry’s feedback and approval from the Securities Commission Malaysia, FIMM have amended certain provisions of the Revised Code, details of which are reflected in **Appendix 1**.
3. Distributors are hereby advised to take note of the amendments and implement necessary actions to comply with the amended provisions of the Revised Code.

Additional controls for Financial Institutions (FI) specified as “registered persons” under item (1)(g) Part 1 of Schedule 4 of the Capital Markets and Services Act 2007 (CMSA)

4. In view of the new Paragraph 4.3A in the Revised Code, Distributors who are FI specified as “registered persons” under item (1)(g) Part 1 of Schedule 4 of the CMSA may accept cash or cash deposits from investors subject to such persons complying with the following additional controls:
 - i. The cash transactions related to unit trust scheme (UTS) or private retirement scheme (PRS) can only be conducted over the counter and through tellers;
 - ii. The UTS or PRS consultants are not allowed to accept cash or cash deposits from investors for purpose of investment in UTS or PRS; and
 - iii. Proper internal controls must be in place prior to conducting the cash transactions;

5. Supervision on the conduct of the UTS or PRS consultants must be enforced to ensure that there is no acceptance of cash or cash deposits from investors for UTS or PRS investments.

Implementation Date

6. Please be informed that the amendments will come into effect on 10 October 2023.

Any queries in relation to the amendments to the Revised Code may be submitted via email to info@fimm.com.my

Thank you.
Yours sincerely,



SAHLAWATI MUSTAFA
General Manager
Regulatory Services Division

APPENDIX 1

List of Amendments			
No.	Prior to 10 October 2023	Revised Version dated 10 October 2023	Comments
Chapter 2: Definition			
1.	Paragraph 2.1	Paragraph 2.1	Removed the definition of “Authorisation Card”
Chapter 3: Core Principles of Ethical Standards and Professional Conduct			
Core Principle 2: Professionalism			
2.	Paragraph 3.7	Paragraph 3.7	Amended draft of the paragraph
3.	Paragraph 3.13	Paragraph 3.13	Added a provision requiring Distributors to inform investors of all free switching options available under the Schemes
4.	Paragraph 3.24	Paragraph 3.24	Amended draft of the paragraph
Chapter 4: List of Prohibited Conduct			
Core Principle 2: Professionalism			
5.	Paragraph 4.3(k)	Paragraph 4.3(k)	Amended draft of the Paragraph
6.	-	Paragraph 4.3A	Added a provision exempting financial institutions specified as “registered persons” under item (1)(g), Part 1 of Schedule 4 of the CMSA from complying with paragraph 4.3(c) of the Revised Code.