

ASEAN+3 MULTI-CURRENCY BOND ISSUANCE FRAMEWORK

Implementation Guidelines for Malaysia

ASEAN+3 BOND MARKET FORUM
SUB-FORUM 1 PHASE 3 REPORT

August 2015



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Abbreviations

ABMF	ASEAN+3 Bond Market Forum
ADB	Asian Development Bank
ADRB	AMBIF Documentation Recommendation Board
AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of Southeast Asian Nations
ASEAN+3	ASEAN plus the People's Republic of China, Japan, and the Republic of Korea
Bhd.	Berhad (private); equivalent to a private limited company in Malaysia
BMS	Bursa Malaysia Securities Sdn. Bhd. (Malaysian securities exchange)
BNM	Bank Negara Malaysia
BPAM	Bond Pricing Agency Malaysia Sdn. Bhd.
CHATS	Clearing House Automated Transfer System (USD clearing system)
CMSA	Capital Market and Services Act
CSD	central securities depository
ETP	Electronic Trading Platform
FAST	Fully Automated System for Issuing/Tendering
FEA	Foreign Exchange Administration (rules governing foreign exchange and swap transactions)
MARC	Malaysian Rating Corporation Bhd.
MTN	medium-term note
MyClear	Malaysian Electronic Clearing Corporation Sdn. Bhd.
MYR	Malaysian ringgit (ISO code)
OTC	over-the-counter
PDS	private debt securities (collective term used by in Malaysia for non-government securities, not equivalent to private placements)
PTC	principal terms and conditions (of a bond or note issue)
RAM	RAM Holdings Bhd. (formerly Rating Agency Malaysia Bhd.)
RENTAS	Real-time Electronic Transfer of Funds and Securities System
SC	Securities Commission Malaysia
Sdn. Bhd.	Sendirian Berhad (incorporated in Malaysia)
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
SRO	self-regulatory organization
SSF	Single Submission Form
USD	US dollar (ISO code)

AMBIF Elements in Malaysia

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond market in Malaysia.¹

Summary of AMBIF Elements

The Malaysian bond market is well established and the largest local currency bond market in the Association of Southeast Asian Nations (ASEAN); the *sukuk* (Islamic bond) market in Malaysia is the largest in the world. Table 1 identifies the features and practices of the domestic bond and *sukuk* markets in Malaysia that directly correspond with or are equivalent to the AMBIF Elements.

Description of AMBIF Elements and Equivalent Features in Malaysia

Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets of ASEAN+3. To be recognized as a domestic bond or note, an AMBIF bond or note needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement needs to be a key feature of an AMBIF bond or note.

In Malaysia

According to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, 2015, Part 3, Chapter 2, Section 2.22, all MYR-denominated private debt securities (PDS) or *sukuk* must be issued and/or tendered on the Fully Automated System for Issuing/Tendering (FAST), and settled in the Real-time Electronic Transfer of Funds and Securities System (RENTAS) unless an admission for listing and trading is sought on an exchange. PDS must be issued on a scripless basis and deposited into RENTAS, which is operated by MyClear—the CSD for bonds, notes, and *sukuk* traded over-the-counter (OTC), and a wholly-owned subsidiary of Bank Negara Malaysia (BNM).

In the context of AMBIF, RENTAS provides the following services:

- multi-currency funds and debt securities (government and corporate) settlement,
- CSD and paying agent for scripless debt securities, and
- MYR–USD Payment-versus-Payment and Delivery-versus-Payment settlement via USD Clearing House Automated Transfer System (CHATS).

¹ ASEAN+3 refers to the 10 members of the Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China, Japan, and the Republic of Korea.

Table 1: AMBIF Elements and Equivalents in Malaysia

AMBIF Elements	Brief Description	Equivalent in Malaysia
Domestic Settlement	Bonds and notes are settled at a national CSD in ASEAN+3 markets.	Settlement of OTC bonds, notes, and <i>sukuk</i> in the Real-time Electronic Transfer of Funds and Securities System (RENTAS)
Harmonized Documents for Submission (Single Submission Form)	A common approach is of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	Since June 2015, the Lodge and Launch Framework no longer requires pre-issuance approval; SSF can serve as checklist and support submission of listing application for BMS Exempt Regime.
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bonds, notes, and issuers needs to be disclosed continuously in ASEAN+3 markets. Registration or a listing authority function is required to ensure continuous and quality disclosure.	Continuous disclosure obligations as per regulations, via FAST and/or trustee; Exempt Regime disclosure requirements under BMS listing rules
Currency	The denomination of an issue is generally expected to be in the domestic currency of each ASEAN+3 market.	Malaysian ringgit and US dollars; bonds, notes, and <i>sukuk</i> denominated in other currencies also issued in Malaysia
Scope of Issuers	Resident of ASEAN+3	Domestic and foreign issuers are treated the same under the Lodge and Launch Framework; BNM approves LCY issuances by foreign issuers; certain exemptions apply for FCY issuances.
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations, or market practice, in each market in ASEAN+3.	Sophisticated Investors concept as per CMSA

ADRB = AMBIF Documentation Recommendation Board; AMBIF = ASEAN+3 Multi-Currency Bond Issuance Framework; ASEAN+3 = Association of Southeast Asian Nations plus the People's Republic of China, Japan, and the Republic of Korea; BMS = Bursa Malaysia Securities; BNM = Bank Negara Malaysia; CMSA = Capital Market and Services Act; CSD = central securities depository; FAST = Fully Automated System for Issuing/Tendering; FCY = foreign currency; LCY = local currency; OTC = over-the-counter; SC = Securities Commission Malaysia; SSF = Single Submission Form.

Source: ABMF SF1.

Harmonized Documents for Submission (Single Submission Form)

AMBIF

Based on the review of application forms for issuance approval, offering circulars, information memoranda, and program information formats in ASEAN+3, the core information was similar or comparable across markets. Hence, the Single Submission Form (SSF) that can be applied to all of the relevant regulatory processes for bond and note issuance across markets was proposed. The information contained in the SSF can be submitted to all relevant regulatory authorities and market institutions for relevant approvals or consent, or used in the context of the submission (e.g., as a checklist) in anticipation of an AMBIF bond or note issuance.

In Malaysia

The introduction of the Lodge and Launch Framework in June 2015 removed the need for pre-issuance approval by the Securities Commission Malaysia (SC), toward which the purpose of and information in the SSF has been geared.

Under the Lodge and Launch Framework, an issuer needs to lodge specific information and disclosure items, such as the principal terms and conditions (PTC), to the SC via the Principal Adviser prior to launching a bond, note, or *sukuk* issuance. (For more details on the Principal Adviser, please refer to Chapter II.) The information required is defined in the Lodgement Kit, which is a supplement to the Lodge and Launch Guidelines; the lodgement is to be done electronically via the SC's dedicated Online Submission System. (For more details, see Chapter III.) Some parts of the lodgement require the execution and scanning of specific forms, such as a prescribed Declaration by the Issuer.

From a practical perspective, in the context of the Lodge and Launch Framework, the SSF may be used as guidance or a checklist for the information stipulated in the Lodgement Kit and required for lodgement to the SC. This may be of particular practical value for those issuers intending to access a number of AMBIF markets at the same time, and thereby using the SSF for the submission to a number of other regulatory authorities to obtain issuance approval. It is the intention of ABMF to maintain the SSF as a living document, and to work toward a convergence of common issuance information requirements with the applicable regulatory processes in ASEAN+3.

In Malaysia, the SSF may also help to facilitate the submission of a Listing Application to Bursa Malaysia Securities (BMS) if a bond, note, or *sukuk* were intended to be listed for profiling under the Exempt Regime feature on BMS, which is described in more detail below.

Documents, application forms, and correspondence in English are accepted for official submissions.

Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuers, bonds, and notes needs to be disclosed continuously in ASEAN+3 markets. A registration or listing authority function to facilitate the continuous disclosure is required. This can ensure the quality of disclosure and help create a well-organized market for AMBIF issuances with transparency and a quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to emerge as the number of issuances increases.

A profile listing is a listing without trading on an exchange. The objective of the listing is to make bonds and notes visible and more information available to investors via a recognized listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile listing at a designated listing place can ensure the flow of continuous disclosure information and possibly even reference pricing in some markets.

In Malaysia

Lodgement of the issuance documentation and initial disclosure items with the SC, and the regulatory requirement for an issuer to provide regular updates on financial information to an appointed trustee and via FAST, together with the added feature of regular price determination by the Bond Pricing Agency Malaysia (BPAM), form the basis of the available disclosure for offers aimed at Sophisticated Investors. In addition, the PTC are available on the SC website, as well as via BPAM, and issuers must provide a pricing supplement for each drawdown (new issuance) under a debt or *sukuk* program.

To complement these requirements with a mandated continuous disclosure regime, BMS provides the option for both listed and nonlisted issuers to list PDS and *sukuk* for profiling under its Exempt Regime. PDS or *sukuk* to be listed under the Exempt Regime will not be quoted or traded on BMS. The Exempt Regime, provided for under Chapter 4B of the BMS Listing Rules, has been available since December 2008 under a government initiative that targets the listing of PDS and *sukuk* in conjunction with the development of the Malaysian bond market and the Malaysian International Islamic Finance Centre.

The Exempt Regime is specifically for issuers intending to list PDS or *sukuk* to obtain listing status and for profiling purposes, and where the targeted investor group comprises Sophisticated Investors, as defined under the Capital Market and Services Act, 2007 (CMSA). PDS or *sukuk* that are profile listed on the BMS Exempt Regime may be denominated in a foreign currency (FCY) but must have an original maturity of more than 1 year. The trading of PDS and *sukuk* under the Exempt Regime takes place in the OTC market and is inaccessible to retail investors.

In case of a profile listing under the BMS Exempt Regime, the issuer must observe the continuous disclosure requirements for material information specified in the BMS Listing Rules, in addition to regulatory disclosure requirements. BMS acts as listing authority for all its listings and will take enforcement action in case of a breach.

At the same time, the issuer may choose to opt for a profile listing in another regional market in order to achieve listing status closer to the intended investor universe. This may be a consideration, particularly if bonds, notes, or *sukuk* issued in Malaysia are to be marketed and offered to professional investors in other ASEAN+3 markets. In such cases, the professional investors would be able to obtain continuous disclosure information via the listing place and/or that market's mechanisms for information dissemination.

Currency

AMBIF

In the context of AMBIF, the denomination of an issue is generally expected to be in the domestic currency of each ASEAN+3 market. But this does not exclude the possibility of issuing in other currencies if market practice regularly supports these other currencies, and the relevant domestic currency or cash clearing capabilities exist. At this stage, US dollars, Japanese yen, and offshore Chinese renminbi are the currencies other than domestic currencies in which bonds and notes tend to be issued in ASEAN+3 markets.

In Malaysia

In addition to settlement for bonds, notes, and *sukuk* issued in Malaysian ringgit and offshore Chinese renminbi, RENTAS is also able to settle bonds, notes, and *sukuk* denominated in US dollars through USD CHATS. A number of FCY-denominated bonds, notes, and *sukuk* have been issued in the Malaysian market.

Scope of Issuers

AMBIF

As AMBIF is aimed at supporting the development of domestic bond markets in the region and promoting the intraregional recycling of funds, an issuer needs to be a resident of an ASEAN+3 market.

In Malaysia

The SC does not distinguish between resident and nonresident issuers of private debt securities in the applicable Lodge and Launch Guidelines, or between different types of corporate issuers. All issuers are principally subject to the same requirements and obligations under the Lodge and Launch Guidelines, and other applicable regulations. At the same time, some concessions exist for FCY-denominated issuances, and exemptions are provided for multilateral financial institutions and multilateral development banks.

Nonresident issuers issuing MYR-denominated bonds, notes, or *sukuk*, and resident issuers issuing FCY-denominated bonds, notes, or *sukuk* are subject to the Foreign Exchange Administration (FEA) rules administered by BNM.

Details of the related approvals are provided in Chapter III.

Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions have a clear definition of professional investors while other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by a self-regulatory organization, such as an exchange or a market association.

In Malaysia

The issuance of bonds, notes, and *sukuk* to Sophisticated Investors—under Schedules 6, 7, and 9 of the CMSA—constitutes the professional bond market in Malaysia. The descriptions of the regulatory processes in Chapter III are for the issuance of bonds, notes, and *sukuk* offered to Sophisticated Investors only.

As promulgated in the Lodge and Launch Guidelines issued in March 2015, Sophisticated Investors refer to any person specified under Schedule 1 of the Guidelines on Sales Practices of Unlisted Capital Market Products, 2013. “Sophisticated Investors” is a collective term and includes

1. High Net Worth Individuals,
2. High Net Worth Entities, and
3. Accredited Investors.

Accredited Investors are further defined as

1. Bank Negara Malaysia;
2. a holder of a Capital Markets Services License;
3. an executive director or chief executive officer of a holder of a Capital Markets Services License;
4. a unit trust scheme or a prescribed investment scheme;
5. a closed-end fund approved by the SC;
6. a licensed institution as defined in the Financial Services Act, 2013 or an Islamic bank as defined in the Islamic Financial Services Act, 2013;

7. a Labuan bank as defined under the Labuan Financial Services and Securities Act, 2010;
8. an insurance company registered under the Insurance Act, 1996;
9. an insurance licensee licensed under the Labuan Financial Services and Securities Act, 2010;
10. a *takaful* (Islamic insurance) licensee licensed under the Labuan Islamic Financial Services and Securities Act, 2010;
11. a *takaful* operator registered under the Takaful Act, 1984; and
12. a private retirement scheme as defined in the CMSA.

There is no distinction in the CMSA or the Lodge and Launch Guidelines between domestic and foreign investors. At the same time, foreign investors who wish to invest in the Malaysian market tend to fall under the definitions and provisions for High Net Worth Entities and High Net Worth Individuals. There are many foreign institutional investors already investing in Malaysia and holding their assets with domestic custodian banks.

Professional investors who are residents in Malaysia may invest in overseas markets. But investments in FCY-denominated assets abroad by residents are subject to the prevailing FEA rules, and subject to review and approval by BNM.

AMBIF Bond, Note, and *Sukuk* Issuance: Relevant Features in Malaysia



In addition to the market features corresponding to the AMBIF Elements, a number of general market features of AMBIF bond, note, and *sukuk* issuance to Sophisticated Investors in the Malaysian domestic bond market need to be considered, and are described in this chapter.

Governing Law and Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond or note issuance may have relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country or market other than the place of issuance. The choice of governing law or the contractual preferences of stakeholders can affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond or note were issued under the laws of the place of issuance. However, it is necessary to point out that laws related to bond and note issuance and settlement must be governed by the laws and regulations of the place of issuance since AMBIF bonds and notes are domestic bonds and notes.

Malaysian law permits the use of governing laws or jurisdictions other than Malaysian law in contracts, provided that such provisions do not contravene any existing laws of Malaysia. The decision on the governing law and jurisdiction for bonds, notes, or *sukuk* issued to Sophisticated Investors in Malaysia tends to be investor driven. The key question in the setting of the underlying law is the enforcement in case of a dispute arising. For example, in the case of a secured bond or note, regulations prescribe that the governing law must follow the jurisdiction in which the underlying assets are located. In this manner, governing law and jurisdiction provisions in bond, note, and *sukuk* issuance documentation follow the standard practices in common loan documents.

In the case of issuance of MYR-denominated bonds, notes, or *sukuk* in Malaysia, even in cases when the contracting parties choose a governing law other than Malaysian law for the contract, it is expected that Malaysian law would prevail with respect to issuance- and settlement-related matters.

In any case, the actual use of governing laws or jurisdictions other than those of Malaysia may be subject to clarification or legal advice from a qualified law firm, as may be necessary.

Language of Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the use of a common document in English; however, some markets may require

the submission of approval-related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English, in addition to the local language and formats, may be sought.

Contracts; bond, note, and *sukuk* issuance documentation and disclosure items; and all applications, approvals, and correspondence with regulatory authorities and market institutions can be in English in Malaysia.

Credit Rating

In principle, all bonds, notes, and *sukuk* issued in Malaysia and denominated in Malaysian ringgit require a credit rating from a credit rating agency approved by the SC.

Under the Lodge and Launch Guidelines (Chapter 2), FCY-denominated issuances do not require a credit rating. Since August 2014, the SC has given issuers the flexibility not to have MYR-denominated issuances aimed at Sophisticated Investors rated, but this concession comes with the limitation that such PDS and *sukuk* cannot be traded for at least 2 years.

The complete removal of the mandatory credit rating requirements for bonds, notes, and *sukuk* issued in the Malaysian market will take effect in 2017.

Although international ratings are accepted, domestic investors seem to favor a domestic credit rating for MYR-denominated bonds, notes, and *sukuk*. The credit rating of a bond, note, or *sukuk* issue must be made available to the SC upon an application to issue, offer, or invite to subscribe or purchase PDS or *sukuk*.

At present, domestic credit ratings are available from Malaysian Rating Corporation (MARC) and RAM Holdings (RAM), formerly Rating Agency Malaysia. Both MARC and RAM are registered with the SC, pursuant to the Guidelines on Registration of Credit Rating Agencies, 2011.

Selling and Transfer Restrictions

Selling and transfer restrictions for bonds, notes, and *sukuk* intended for professional investors (Sophisticated Investors) only are well defined in Malaysia, and are expressed and observed through a number of regulations and practices in the market.

Prior to issuance, the issuer or its agents are required to make explicit reference to Schedules 6, 7, and 9 of the CMSA in all offer documents and related correspondence to Sophisticated Investors, including the PTC of a proposed bond, note, or *sukuk* issuance to Sophisticated Investors. A similar reference, to Schedules 6 and 9 of the CMSA only, will have to be present in all documentation and disclosure items after the bond, note, or *sukuk* issuance.

At the same time, the marketing or offers for sale and distribution of bonds, notes, and *sukuk* aimed at Sophisticated Investors may only be undertaken by Malaysian legal entities with a Capital Market Services License, or holders of a Capital Market Services Representative's License, regardless of (i) whether the bonds, notes, or *sukuk* were issued by domestic or foreign issuers; and (ii) where the bonds, notes, or *sukuk* were originally issued. This license is awarded by the SC to eligible institutions and individual dealers. Licensing requirements

include the commitment of the institution and individual holders to observe any applicable selling restrictions.

A bond, note, or *sukuk* listed for profiling under the BMS Exempt Regime, by its nature, would be limited to Sophisticated Investors at issuance or in secondary market transactions. These limitations would also need to be observed by transaction intermediaries or Capital Market Services License holders, as per the prevailing regulations.

Note Issuance Programs

AMBIF promotes the use of note issuance programs, such as the medium-term note (MTN) format, because they not only give funding flexibility to issuers but also represent the most common format of bond and note issuance in the international bond market. This means that potential issuers, as well as investors and intermediaries, are likely to be familiar with note issuance programs and related practices. Hence, this would make AMBIF comparable to the relevant practices in the international bond market. At the same time, it is expected that potential issuers may benefit from reusing or adopting existing documentation or information on disclosure items.

Note issuance programs are well established and widely accepted in the Malaysian market. In addition to MTN programs for bonds and notes, the market also features Islamic MTN programs for the issuance of *sukuk*.

In the Lodge and Launch Guidelines published in March 2015, note issuance programs are referred to as “debt programmes,” with the same meaning as described above.²

Issuance and Trading Platforms for Bonds, Notes, and *Sukuk*

The Fully Automated System for Issuing/Tendering (FAST) is a system designed to facilitate the primary issuance of all debt securities, including *sukuk*, and money market instruments approved by BNM and/or relevant authorities that are either issued via tender or on a private placement basis.

FAST also provides the following information via terminal access for its members:

1. daily indicative yield to maturity for government and BNM papers,
2. weekly indicative yield to maturity for PDS, and
3. Malaysian Government Securities indicative prices.

The Electronic Trading Platform (ETP) is an electronic trade reporting and trading platform for the domestic bond market, and operated by Bursa Malaysia Bonds (Bursa Bonds).

Among other features, the ETP provides the following facilities:

1. mandatory reporting of all secondary bond market transactions;
2. an electronic order matching platform for the matching of bid and ask quotes for Malaysian Government Securities, Government Investment Issues, and corporate issues; and

² Securities Commission Malaysia. Lodge and Launch Framework. <http://www.sc.com.my/legislation-guidelines/lodge-and-launch-framework/>

3. an advertisement and a negotiation platform where dealers can advertise and negotiate for one-to-one deals for all debt securities and *sukuk*.

Any person may apply to Bursa Bonds to access information on the ETP. Membership to deal securities on the ETP is open only to money brokers and applicants registered for the purpose of dealing in debt securities. The ETP interfaces with FAST.

Information Dissemination and Reference Pricing via BPAM

At the same time, BPAM captures, calculates, and makes available reference pricing for all bonds, notes, and *sukuk* issued and traded in the Malaysian market, regardless whether OTC or on exchange. This includes pricing to maturity and information on these bonds, notes, and *sukuk*, often including issuance documentation and disclosure items. BPAM pricing data are available to the public via its website and are disseminated to securities data vendors and subscribers in customized formats. Non-market participants, such as foreign investors, typically obtain Malaysian bond, note, and *sukuk* information via BPAM.

Bond Trustee and Trust Deed

The SC prescribes the use of a trust deed—and appointment of a bond trustee—for a bond, note, or *sukuk* issuance, in accordance with underlying provisions in the CMSA, Sections 258ff. Certain exceptions to this requirement exist, such as when the bond, note, or *sukuk* issuance is offered exclusively to foreign investors or other entities specifically mentioned in Schedule 8 of the CMSA.

The bond trustee is to be appointed by the Principal Adviser.

The need for a trust deed is prescribed by the SC in Chapter 2 (Trust Deed and Trustee) of the Lodge and Launch Guidelines. At the same time, the minimum content requirements of the trust deed are detailed separately in the Guidelines on Trust Deeds, 2011.

Bond trustees must be registered with the SC, and are licensed trust companies or public companies. Bond trustees are expected to be involved in the bond, note, or *sukuk* issuance documentation process.

Principal Adviser

Principal Adviser is the term used in the Malaysian market—in the Lodge and Launch Guidelines and other relevant regulations, in particular the Principal Adviser Guidelines, 2009 issued by the SC—for the lead underwriter or arranger of a bond, note, or *sukuk*. Only institutions registered with the SC and listed in the Principal Adviser Guidelines (available on the SC website) can act as Principal Adviser.

AMBIF Bond, Note, and *Sukuk* Issuance Process in Malaysia



This chapter describes the regulatory processes and necessary steps to be observed for the issuance of PDS and *sukuk* to Sophisticated Investors in Malaysia.³

Overview of Regulatory Processes

Regulatory Processes by Corporate Issuer Type

Since 15 June 2015, the Lodge and Launch Framework promulgated by the SC has allowed potential issuers of bonds, notes, and *sukuk* aimed at Sophisticated Investors (professional investors) to simply lodge with the SC the stipulated issuance documentation and disclosure items, and then launch the bond, note, or *sukuk* issuance. There are no distinctions in the process under the Lodge and Launch Framework for particular corporate issuer types. The only notable distinction is that issuers qualifying as multilateral development banks are required to lodge the required information directly with the SC, without the involvement of a Principal Adviser.

Foreign issuers intending to issue MYR-denominated bonds, notes, or *sukuk* aimed at Sophisticated Investors require prior approval from BNM under the FEA rules. BNM also needs to approve the issuances by resident issuers of FCY-denominated bonds, notes, or *sukuk*.

Details of the individual regulatory processes are further explained in this section.

Table 2 provides an overview of these regulatory processes by corporate issuer type. In order to make the issuance processes by issuer type more comparable across ASEAN+3 markets, the table features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types.

Regulatory Process Map: Overview

The regulatory process map may help with the navigation of the applicable regulatory processes to be applied to a given proposed bond, note, or *sukuk* issuance (Figure 1).

In the Malaysian market, issuers of proposed bonds, notes, or *sukuk* are required to appoint an underwriter, officially referred to as a Principal Adviser, in applicable regulations. A Principal Adviser needs to be registered with the SC.

³ The official term for PDS in the CMSA is debentures.

Table 2: Regulatory Processes by Corporate Issuer Type

Type of Corporate Issuer	SC	BNM	BMS
Resident issuer			
Resident nonfinancial institution	O	X ¹	X
Resident financial institution			
Resident issuing FCY-denominated bonds, notes, and <i>sukuk</i>		X ²	
Nonresident issuer			
Nonresident nonfinancial institution	O	X	X
Nonresident financial institution		X	
Nonresident issuing FCY-denominated bonds, notes, and <i>sukuk</i>			

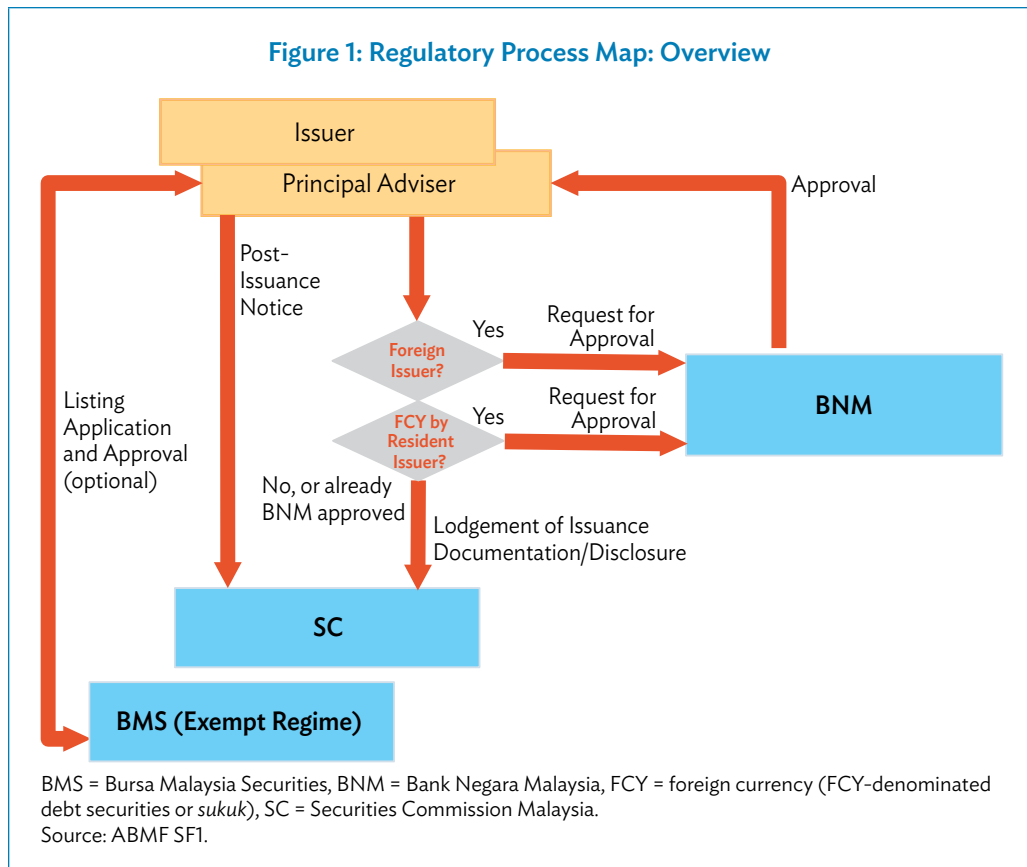
BMS = Bursa Malaysia Securities, BNM = Bank Negara Malaysia, FCY = foreign currency, SC = Securities Commission Malaysia.

Notes: O indicates the need to lodge information and documents only; X indicates approval required.

¹ BNM approval required only if nontradable private debt securities are issued to nonresidents.

² BNM approval required under specific circumstances only; please refer to Chapter III.

Source: ABMF SF1.



An issuer of bonds, notes, or *sukuk* is expected to lodge or submit, respectively, all approval-relevant information and necessary documents to the regulatory authorities via the Principal Adviser. Only multilateral development banks are expected to lodge or submit their information directly.

Issuance Processes in Local Currency

This section describes the issuance processes for MYR-denominated bonds, notes, and *sukuk* aimed at Sophisticated Investors only under the SC's Lodge and Launch Framework. There are no distinctions by individual corporate issuer type, only between domestic and foreign issuers. Sovereign issuers are not covered in this section.

Issuance Process for Resident Issuer (Nonfinancial and Financial Institutions)

Since 15 June 2015, issuers have been able to issue bonds, notes, or *sukuk* aimed at Sophisticated Investors once they have lodged the required documents and information with the SC. A formal approval from the SC is not required, provided all documentation and disclosure requirements (specified in the Lodgement Kit, a supplement to the Lodge and Launch Guidelines) have been observed. The lodgement of necessary documents and information is to be done electronically, via the SC's dedicated Online Submission System.

The provisions of the Lodge and Launch Framework are also applicable for PDS and *sukuk* issued in Malaysia and offered only to investors outside Malaysia.

Figure 2 illustrates the straightforward process for bond, note, or *sukuk* issuance for a resident issuer under the Lodge and Launch Framework in Malaysia.

If a resident issuer intends to issue nontradable PDS or *sukuk* to nonresident investors only, then additional, prior approval from BNM would need to be obtained. The process of issuance approval from BNM is comparable to the corresponding approval described below.

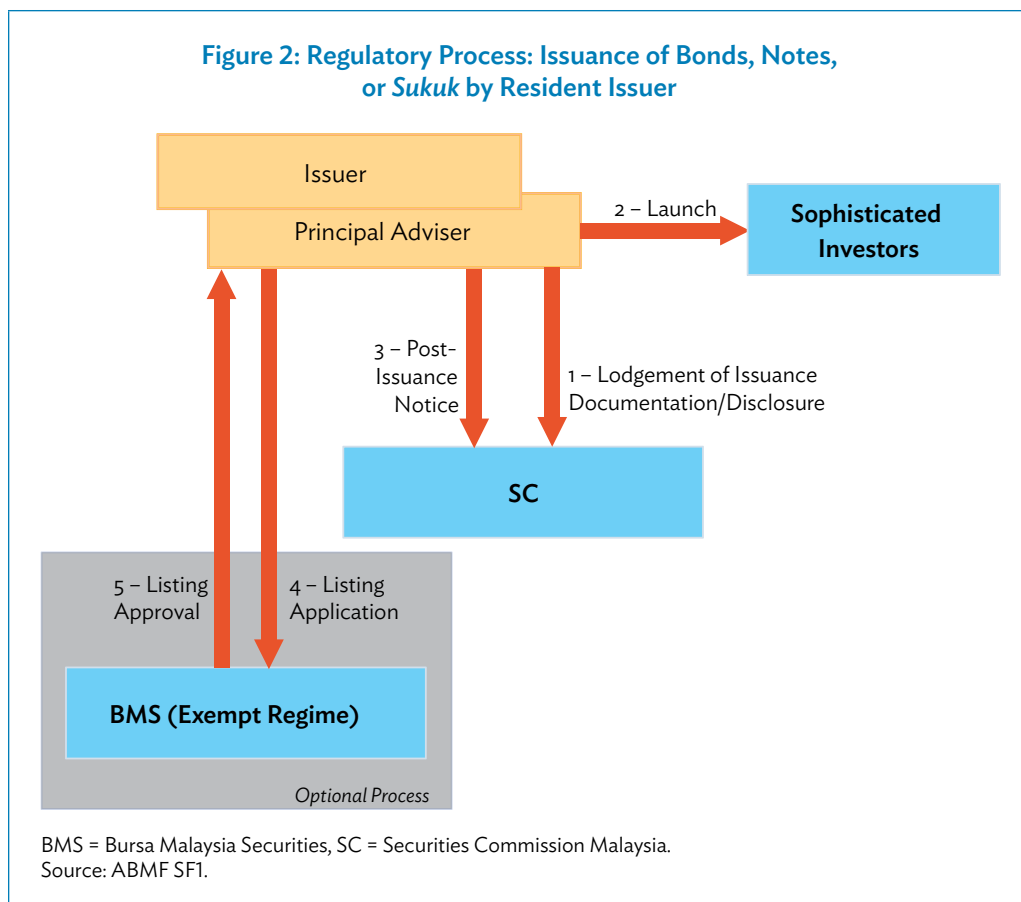
The following steps will need to be observed when a resident issuer wants to issue bonds, notes, or *sukuk* to Sophisticated Investors under the Lodge and Launch Framework.

Step 1: Online Submission to SC (Lodgement)

In the case of *sukuk* intended to be issued under the Lodge and Launch Framework, prior approval from the SC's Islamic Capital Market Department is required, on the Shariah aspects of the *sukuk*, before a lodgement may be done.

The lodgement is to be completed by the issuer (in the case of a multilateral development bank) or the Principal Adviser. This role is designated as the Lodgement Party. There must be a Lodgement Party at all times during the lifecycle of PDS or *sukuk* issued under this framework.

The Lodgement Party is required to identify other Responsible Parties, which are the parties involved in the issuance, and their roles and responsibilities in the context of the product issuance.



Part 3, Section 1 of the Lodgement Kit lays out the detailed information requirements to be lodged, as listed for easy reference below.⁴ Depending on the nature of an instrument, not all requirements may be applicable for all lodgements:

1. name;
2. date of incorporation;
3. place of incorporation;
4. business registration number;
5. residence status;
6. place of listing, if applicable;
7. date of listing, if applicable;
8. state if the issuer is a Malaysian government-linked company;
9. industry sector of the issuer;
10. principal activities;
11. principal activities of issuer's subsidiaries, where applicable;
12. if the issuer is a special purpose vehicle company (SPV), state the name of the entity that established it;

⁴ Information provided is current at the time of publication. Since the SC regularly reviews and updates its guidelines, interested parties are asked to access the latest version of the Lodgement Kit to ensure they are aware of the effective information and disclosure requirements in force. The Lodgement Kit is available on the SC website at the following link: http://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/lola/lodgementKit_lola_150615.pdf

13. authorized, issued, and paid-up capital;
14. structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders;
15. ultimate shareholder(s);
16. state if issuer is a related corporation of any Malaysian public listed company;
17. board of directors, including
 - a. National Registration Identity Card numbers for Malaysian directors and
 - b. passport numbers for non-Malaysian directors;
18. name, designation, and contact details of the contact person of the issuer;
19. name, designation, and contact details of the contact person of the key management personnel of the issuer;
20. disclosure of the following:
 - a. if the issuer or its board members have been convicted or charged with any offense under any securities law, corporation law, or other law involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same for the past 10 years prior to the lodgement (or since incorporation for issuers incorporated less than 10 years); and
 - b. if the issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past 5 years prior to the lodgement; and
21. any other material information.

Where the PDS or *sukuk* involve originator(s), obligor(s), or corporate guarantor(s), the relevant information must also be provided on the said entities:

1. name of facility;
2. one-time issue or program;
3. Shariah principles (for *sukuk*);
4. facility description (for MYR-denominated *sukuk*, to provide description as cleared by SC);
5. currency;
6. expected facility or program size (for program, to state the option to upsize);
7. tenure of facility or program;
8. availability period for debt and *sukuk* program;
9. clearing and settlement platform;
10. mode of issue;
11. selling restrictions;
12. tradability and transferability;
13. details of security or collateral pledged, if applicable;
14. details of guarantee, if applicable;
15. convertibility of issuance;
16. exchangeability of issuance and details of the exchangeability;
17. call option and details, if applicable;
18. put option and details, if applicable;
19. details of covenants;
20. details of designated account(s), if applicable, including
 - a. names of account;
 - b. parties responsible for opening the account;
 - c. parties responsible for maintaining and operating the account;
 - d. signatories to the account;
 - e. sources and utilization of funds; and
 - f. diagram illustrating the flow of monies and conditions for disbursements;

21. name of credit rating agency, credit rating (state whether final or indicative), and amount rated, if applicable;
22. conditions precedent;
23. representations and warranties;
24. events of default or enforcement events, where applicable, including recourse available to investors;
25. governing laws;
26. provisions on buy-back, if applicable;
27. provisions on early redemption, if applicable;
28. voting;
29. permitted investments, if applicable; and
30. other terms and conditions.

Other information in relation to the lodgement includes

1. primary and secondary sources of repayment;
2. detailed breakdown of all upfront and recurring fees and expenses for the facility or program;
3. waivers from complying with the Lodge and Launch Guidelines and other relevant guidelines of the SC obtained for the facility or program, if any;
4. conflict-of-interest situations and appropriate mitigating measures, if any;
5. detailed information of the existing PDS or *sukuk* issue or loans or financing to be refinanced by the facility or program, if applicable;
6. details of approval from other relevant regulatory authorities, if any; and
7. any other material information.

Documents to be attached together with the lodgement, where applicable:

1. trust deed;
2. disclosure documents;
3. Shariah pronouncement;
4. latest audited financial statements;
5. copies of approval from other relevant regulatory authorities;
6. compliance checklist with guidelines;
7. Declaration by the Issuer
8. Declaration by the Trustee (where the appointment of trustee falls under subsection 260(2) of the CMSA);
9. Rating Letter;
10. confirmation by Principal Adviser(s);
11. diagram illustrating the *sukuk* structure with explanatory notes (for MYR-denominated *sukuk*, to provide description as cleared by SC);
12. copy of letter issued by SC in relation to the endorsement by the Shariah Advisory Council; and
13. any other documents.

The Lodgement Kit contains a template for the Declaration by the Issuer in the format prescribed by the SC.

Since the actual lodgement is done via the SC Online Submission System, the prescribed documents need to be scanned and uploaded via the system.

The lodgement may be done at any time prior to the launch of the product. For *sukuk*, the initial lodgement is prescribed to be done at least 10 business days prior to the targeted launch date, since it involves the approval of the Shariah aspects of the *sukuk* prior to the acceptance of the lodgement by the SC.

Each lodgement must be accompanied by the relevant fees prescribed by the SC.

Any revision to the documents or disclosure information after an initial lodgement but prior to the launch would result in the need to resubmit the full set of documentation and disclosure information, and the timeline would reset.

Step 2: Launch of Product under the Lodge and Launch Framework

Under the Lodge and Launch Framework, no formal approval for the issuance of debt instruments or *sukuk* is required from the SC. Instead, provided that all documents and disclosure items required for a lodgement have been submitted online and were accepted by the system, the issuer and its Principal Adviser may launch the product(s), here debt securities or *sukuk*, for which the documents and information have been lodged with the SC.

In this context, the launch refers to (i) making available, (ii) offering for subscription or purchase of, or (iii) issuing an invitation to subscribe for or purchase PDS or *sukuk*. This includes any issuance, publication or release of any information, notice, or advertisement with respect to any of the activities specified above.

The debt securities and *sukuk* must be launched within 60 business days from lodgement date; otherwise, the launch authorization will be null and void, and another lodgement would have to be made. In the case of a debt or *sukuk* program, the first issuance under the program must be launched within 60 business days.

The ability to launch PDS and *sukuk* commences after the fee payment to the SC has cleared.

Step 3: Submission of Post-Issuance Notice to the SC

Under the Lodge and Launch Framework, the Lodgement Party (issuer) must submit a post-issuance notice, as prescribed in the Lodgement Kit, to the SC within 7 business days from the date of issuance. In the case of a debt or *sukuk* program, the submission of a post-issuance notice would apply to each issuance under the program.

The contents requirements for the post-issuance notice are prescribed in the Lodgement Kit, Part 3, Section 2, and include

1. FAST facility code;
2. issue date;
3. details of PDS or *sukuk* issue(s):
 - a. FAST primary stock code;
 - b. maturity date;
 - c. currency;
 - d. Shariah principles (for *sukuk*);
 - e. identified and trust assets;
 - f. issue amount (nominal value);
 - g. issue price (cash raised);
 - h. details on interest, coupon, and profit or rental:

- i. interest, coupon, and profit or rental rate;
 - ii. payment frequency; and
 - iii. basis of calculation;
 - i. yield-to-maturity;
 - j. purchase price, where applicable;
 - k. selling price, where applicable;
 - l. mode of issue;
 - m. list of subscribers and tender panel members, and amount subscribed;
 - n. utilization of proceeds by the issuer:
 - i. purpose;
 - ii. amount utilized;
 - iii. details of conditions imposed on the utilization, including conditions imposed by the Shariah Advisory Council, if any; and
 - iv. confirmation from the Shariah Adviser that the conditions imposed on the utilization are or will be met;
 - o. name of credit rating agency, credit rating (final) and amount rated, if applicable; and
 - p. clearing and settlement platform;
- 4. designated account(s):
 - a. confirmation by the Principal Adviser that the account(s) has been opened,
 - b. confirmation by the Principal Adviser that the authorized signatories are signatories of the respective account(s), and
 - c. confirmation that account(s) is administered according to the terms;
- 5. confirmation from the Principal Adviser that
 - a. prospective investors and relevant parties have been informed of any instance where a conflict of interest may arise, together with the relevant mitigating measures, including the agreement from the board of directors of the issuer to proceed with such arrangements; and
 - b. with respect to PDS, *sukuk* issues, or debt programs issued by a private company, the PDS, *sukuk* issue, or debt program shall not constitute an offer to the public within the meaning of sub-section 4(6) of the Companies Act 1965, and are not offered or sold, directly or indirectly, other than to a person falling under Schedule 6 or paragraph 229(1)(b) and Schedule 7 or paragraph 230(1)(b), read together with Schedule 9 or sub-section 257(3) of the CMSA; and
- 6. confirmation from the Shariah Adviser dated no later than 3 business days from the issue date of the *sukuk* or the first issue under a *sukuk* program that
 - a. all documentation for the *sukuk* issuance has been vetted,
 - b. all documentation for the *sukuk* issuance has been executed in proper sequence, and
 - c. all documentation comply with Shariah requirements.

The Lodgement Party also needs to advise the SC of all parties involved in the transaction and through the lifecycle of the PDS or *sukuk*, and their roles and responsibilities. In the case of a *sukuk*, the Lodgement Party will also need to attach any necessary confirmation by the Shariah Adviser under the regulations.

The issuer must also update the SC of any revision to the principal terms and conditions after issuance through the Lodgement Party within 14 business days of the proposed revision coming into effect. Such update must follow specific information and format requirements stipulated in Appendix 4 of the Lodge and Launch Guidelines.

In addition, the issuer must ensure that the actual utilization of proceeds is consistent with the proposed use of proceeds advised at the time of lodgement.

Step 4: Listing Application to Bursa Malaysia Securities (Optional)

In the event an issuer wishes to list its bonds, notes, or *sukuk* for profiling in Malaysia, BMS offers the Exempt Regime listing feature. (For more details, please refer to Chapter 1.)

Issuers already listed as entities on BMS, as well as nonlisted entities, may list bonds, notes, or *sukuk* under the BMS Exempt Regime. An issuer may submit an application before or after the issuance of the bonds, notes, or *sukuk*. For a pre-issuance submission, an issuer may submit its listing application to BMS at the same time it lodges its documentation with the SC under the requirements of the Lodge and Launch Framework. However, BMS approval for listing, if granted, will be conditional upon the ability to actually launch products under the framework.

Any issuer intending to list under the BMS Exempt Regime will need to submit, through their Principal Adviser, a Listing Application, accompanied by the prescribed documentation and disclosure items.

The Exempt Regime market-specific documentation and initial disclosure requirements, which differ significantly from the requirements for retail offers on the BMS main board, need to be observed when submitting the application. These requirements are defined in Chapter 4B of the BMS Listing Rules, as well as in Part B of BMS Practice Note 26-A.

BMS charges initial and annual listing fees, as per the prevailing tariff in the Listing Rules and related conditions, which are accessible via its website. (For a link, please refer to Appendix 1.)

Step 5: Listing Approval from BMS

BMS will check the listing application, following the submission of the relevant information in documentation and disclosure items. BMS may, at its discretion, request from the issuer or Principal Adviser supplementary information, if so required. BMS is committed to provide a response to a listing application to the issuer or Principal Adviser within 5 business days or less.

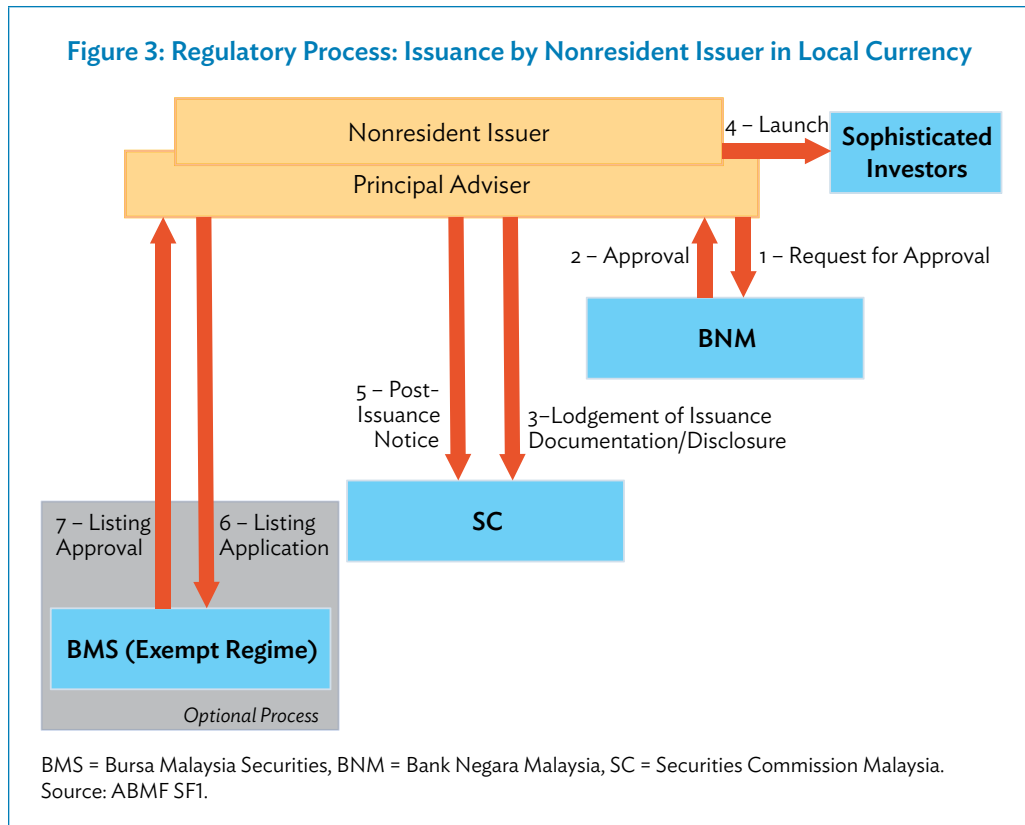
Provided that the information in the listing application and enclosed documents is in order and the review is satisfactory, BMS will issue an approval letter to the issuer or Principal Adviser, indicating that the listing has been approved, or state any conditions that may apply.

The listing approval from BMS does not have an expiry date, since the listing becomes effective once approved.

Issuance Process for Nonresident Issuer

A nonresident issuer must obtain approval from BNM before issuing MYR-denominated bonds, notes, or *sukuk* in Malaysia. There are no quotas or allocation of issuance amounts for nonresident issuers.

The following steps need to be observed when a nonresident issuer wants to issue bonds, notes, or *sukuk* to Sophisticated Investors under the Lodge and Launch Framework (Figure 3).



Step 1: Submission of Application for Approval to BNM

The nonresident issuer or the Principal Adviser to the nonresident issuer of a MYR-denominated bond, note, or *sukuk* to be issued in Malaysia will need to submit an application for approval to the Foreign Exchange Administration Department at BNM.

The detailed information requirements for the application are laid out in the Appendix of the Joint Information Note on the Issuance and Subscription of Ringgit and Foreign Currency-Denominated *Sukuk* and Bonds in Malaysia, issued in July 2013 by both BNM and the SC, and are listed here for reference:⁵

1. profile of the issuer (e.g., business activities, country of incorporation, shareholders, board of directors, financial report);
2. credit rating of issuer and name of credit rating agency (credit rating report);
3. type of *sukuk* or bonds;
4. size of issuance;
5. currency of issuance;
6. tenure;
7. benchmark or interest rate (e.g., fixed or floating) and frequency;
8. utilization of proceeds;

⁵ Information provided is current at time of publication. Since BNM regularly reviews and updates the regulations relevant for the bond market, interested parties are asked to access and review the latest versions of these and other detailed information requirements prior to any submission to BNM.

9. additional information to be provided if proceeds of issuance are to be on-lent wholly or partly:
 - a. name of borrower;
 - b. relationship of issuer with borrower, if any;
 - c. purpose of financing or loan utilization; and
 - d. terms of financing and loan, including amount, tenure, benchmark or interest rate, repayment period, and prepayment or callable option;
10. lead manager, lead arranger, or adviser;
11. other manager, if any;
12. guarantor or underwriter, if any;
13. listing details, if any;
14. method of issuance (e.g., open tender, book-building, or private placement);
15. past *sukuk* or bonds issuances, if any;
16. proposed hedging counterparty, if any; and
17. details of contact person in Malaysia or abroad.

The relevant transaction or offering documents accompanying the application for approval must clearly state the applicable governing law.

BNM does not levy a fee for this approval process.

Step 2: Approval from BNM

The Foreign Exchange Administration Department will review the application and applicable documents and may, at its discretion, require further clarification or additional information. Upon receipt of full information, BNM will respond to the application within 15 working days.

BNM will review the application and issue a formal approval or rejection letter in regard to the bond, note, or *sukuk* issuance. The approval letter contains a number of standard conditions referencing applicable laws and regulations.

The issuer is required to obtain approval from the SC for the issuance of PDS or *sukuk* within 2 years of the BNM approval. SC approval in the context of the issuance of PDS and *sukuk* to Sophisticated Investors refers to the issuer having successfully lodged the required information and disclosure items with the SC, and being able to launch the underlying product as a result.

The issuer may use the local currency proceeds from the bond, note, or *sukuk* issuance in Malaysia, or swap the proceeds into foreign currency. The swap arrangement must be undertaken with a licensed onshore bank, or back-to-back with a licensed onshore bank in Malaysia. There is no restriction on the tenure of the swap transaction.

Step 3: Online Submission to SC (Lodgement)

Step 4: Launch of Product under the Lodge and Launch Framework

Step 5: Submission of Post-Issuance Notice to the SC

Approval from BNM is a prerequisite for a MYR-denominated issuance by a nonresident issuer (Step 2).

The process of the lodgement with the SC of information on an intended issuance under the Lodge and Launch Framework, and the corresponding launch of a product follow the descriptions detailed above.

Step 6: Listing Application to BMS (Optional)

Step 7: Listing Approval from BMS

Completion of the lodgement with the SC (Section 1) and the corresponding launch of a product under the Lodge and Launch Framework is a prerequisite for a listing under the Exempt Regime to become effective.

The process of applying for a listing under the Exempt Regime on BMS, and the granting of such an approval by BMS follow the description above.

Issuance Process for FCY Bonds, Notes, and Sukuk

In principle, the regulatory process for FCY-denominated PDS approval is similar to the one for a MYR-denominated issuance by a resident issuer. There is no requirement for approval from BNM.

Issuance Process for Resident Issuer of FCY Bonds, Notes, or Sukuk

In principle, the regulatory process for the issuance of FCY-denominated bonds, notes, or *sukuk* by a resident issuer is similar to the one for a MYR-denominated issuance by a resident issuer; in most cases, there is no requirement for approval from BNM.

As such, the regulatory process follows the description above. The profile listing under the BMS Exempt Regime is optional. See Figure 4 for reference.

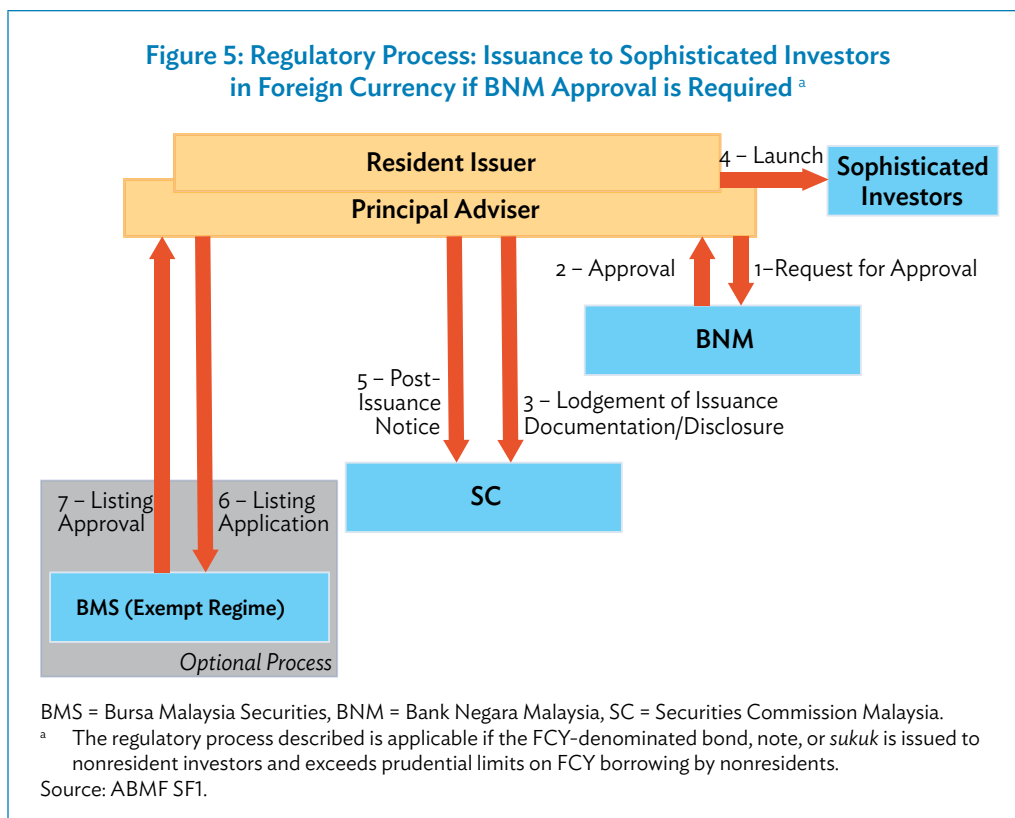
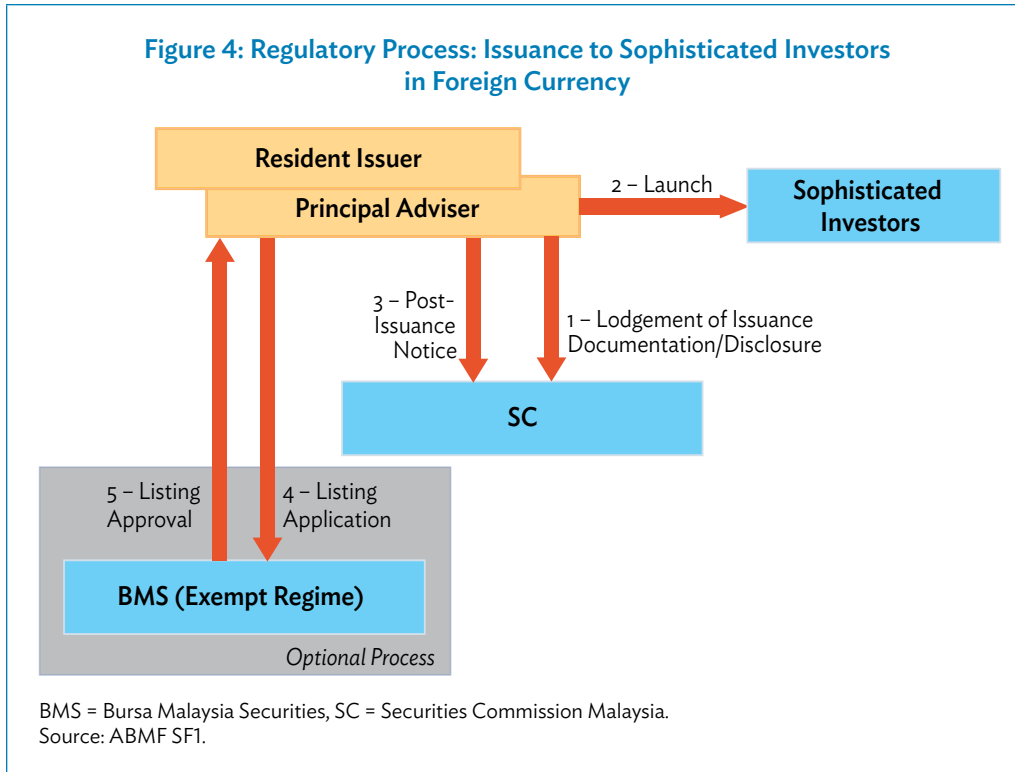
However, should the resident issuer wish to issue FCY-denominated bonds, notes, or *sukuk* to nonresident (professional) investors exceeding the prudential limit on FCY borrowing from nonresidents, the issuer will need to seek approval from BNM.

In such cases, the regulatory process follows the description of the issuance approval described above and in Figure 5. The profile listing under the BMS Exempt Regime is optional and may depend on specific issuer and investor needs.

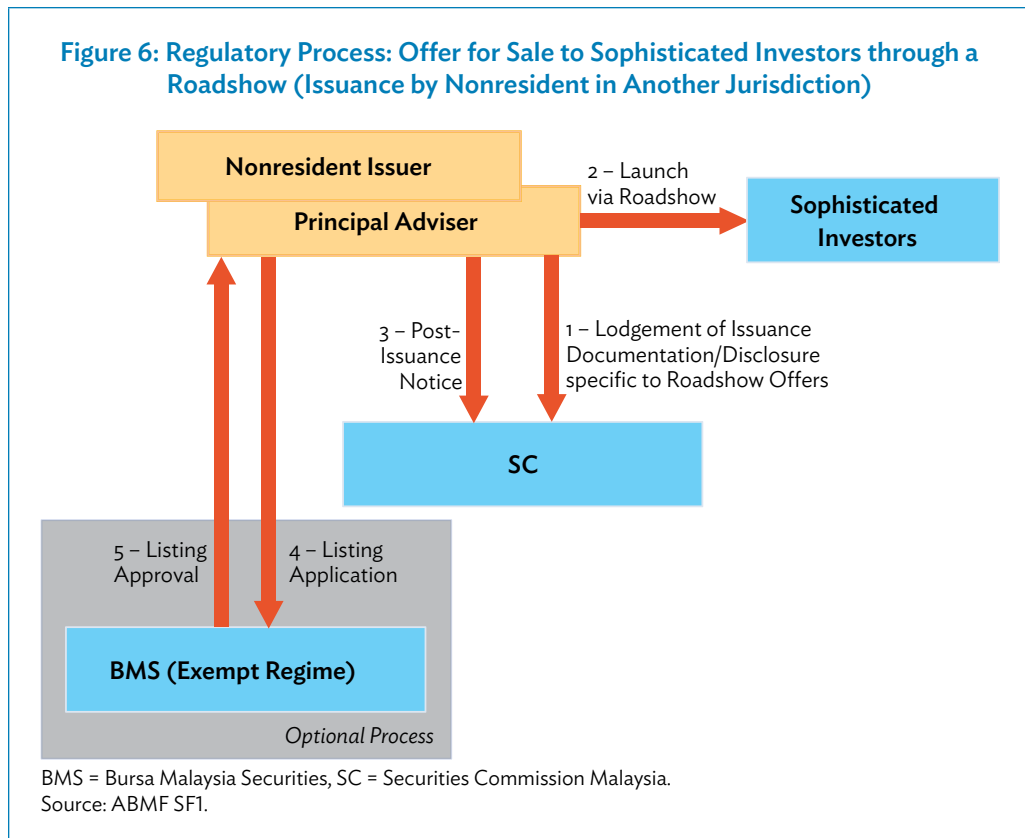
Offer for Sale Process for Nonresident Issuer of FCY Bonds, Notes, and Sukuk Not Issued in Malaysia (Offer for Sale through a Roadshow)

In case a nonresident issuer plans to offer for sale FCY-denominated PDS or *sukuk* issued in another jurisdiction (and offered to investors in at least one economy other than Malaysia), the issuance of FCY-denominated PDS or *sukuk* has to follow a specific process prescribed by the SC in the Lodge and Launch Guidelines and in other regulations relating to “foreign currency-denominated private debt securities or *sukuk* through a roadshow.”

The Lodge and Launch Guidelines (Part 3) and the Lodgement Kit (Part 3, Section 3) contain distinct prescriptions for these offers through a roadshow. The regulatory process itself follows the approval process outlined above; that is, a lodgement to the SC has to be



done prior to commencing the launch—or offer—of the FCY-denominated PDS or *sukuk* (Figure 6). A profile listing under the BMS Exempt Regime is optional.



While the steps outlined below are the same as for the lodgement of a MYR-denominated bond, note, or *sukuk*, the amount and level of detail of the information and disclosure items prescribed for a roadshow offer differ. Hence, the lodgement process is detailed for easy reference.

Step 1: Online Submission to SC (Lodgement)

The lodgement process for FCY-denominated PDS or *sukuk* by a nonresident issuer through a roadshow principally follows the one described above.

At the same time, the issuance information and disclosure requirements laid out in the Lodgement Kit for this type of offer represent a concession from those described earlier. Part 3, Section 3 prescribes a smaller number of information and disclosure items:⁶

⁶ Information provided is current at time of publication. Since the SC regularly reviews and updates its guidelines, interested parties are asked to access the latest version of the Lodgement Kit to ensure they are aware of the effective information and disclosure requirements in force. The Lodgement Kit is available on the SC website at the following link: http://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/lola/lodgementKit_lola_150615.pdf

1. name;
2. date of incorporation;
3. place of incorporation;
4. business registration number;
5. principal activities of the issuer;
6. board of directors of the issuer as well as their passport numbers;
7. structure of shareholdings and names of shareholders of issuer;
8. if the issuer is an SPV, state the name of the entity that established it;
9. authorized, issued, and paid-up share capital;
10. rating of the issuer, if any; and
11. name, designation, and contact details of the contact person of the issuer.

Where the issuer is an SPV, relevant information must also be provided on the ultimate entity that receives the proceeds from the issue:

1. name of facility;
2. facility description;
3. one-time issue or program;
4. Shariah principles;
5. currency;
6. selling restrictions to persons in Malaysia;
7. governing laws;
8. name, designation, and contact details of the contact person of the Malaysian adviser; and
9. other terms and conditions.

The Lodgement Party needs to also list all Responsible Parties in the roadshow and their respective roles. Disclosure documents used at the time of issuance, if any, should be enclosed in the lodgement as well. In addition, the Principal Adviser is expected to confirm the following information items at the time of lodgement:

1. the issuance satisfies the roadshow requirements as follows:
 - a. issued by a foreign issuer, and the issuer is either a corporation within the meaning of sub-section 2(1) of the CMSA or a foreign government eligible to issue, offer, or make an invitation to subscribe or purchase *sukuk*;
 - b. not originated in Malaysia; and
 - c. issued or offered to investors in Malaysia and at least one other economy; or
 - d. an invitation to subscribe or purchase made to investors in Malaysia and at least one other economy;
2. after having made all reasonable inquiries and to the best of their knowledge and belief, there is no false or misleading statement contained in the lodgement, or material information from the information that is lodged with the SC;
3. the proposal does not fall under the existing Schedule 5 of the CMSA;
4. the proposal is in full compliance with the requirements for issuance of PDS or *sukuk* under the Lodge and Launch Guidelines;
5. the issuance is in full compliance with the relevant requirements under the CMSA;
6. the issue is in full compliance with the requirements of BNM, including the Controller of Foreign Exchange (where applicable);
7. the Principal Adviser is to undertake to disclose to the SC all such information and documents as the SC may require in relation to the proposal;
8. the disclosure document that is lodged with the SC is similar to the one given to investors; and

9. the documents and information that have been submitted for purposes of lodgement are true, accurate, and complete.

Step 2: Launch of Product via a Roadshow

Step 3: Submission of Post-Issuance Notice to the SC

The launch of the product for which information was lodged under the Lodge and Launch Framework may be undertaken by the issuer and its Principal Adviser once the lodgement has been completed and the prescribed fees have been paid.

In the case of FCY-denominated issuances of PDS or *sukuk* through a roadshow, the Post-Issuance Notice must be submitted only when the PDS or *sukuk* have been issued to bond- or *sukuk*-holders in Malaysia.

At the same time, since this type of offer represents bonds, notes, or *sukuk* issued and settled in another jurisdiction, the Post-Issuance Notice need not include the FAST facility code that is otherwise required.

Step 4: Listing Application to BMS (Optional)

Step 5: Listing Approval from BMS

Completion of the lodgement with the SC (Step 1) and corresponding launch of a product under the Lodge and Launch Framework via a roadshow is a prerequisite for a listing under the Exempt Regime to become effective.

The process of applying for a listing under the Exempt Regime on BMS, and the granting of such an approval by BMS follow the description above.

Appendix 1

Resource Information

For easy reference and access to further information about the topics discussed in the AMBIF Implementation Guidelines for Malaysia—including the relevant policy bodies, regulatory authorities, and securities market-related institutions, and the Malaysian bond market at large—interested parties are encouraged to utilize the following links (all websites in English):

ASEAN+3 Bond Market Guide—Malaysia

http://www.waseda.jp/win-cls/CA_BMGS/ABMF%20Vol1%20Part%202%20Sec%207_MAL.pdf

ASEAN+3 Multi-Currency Bond Issuance Framework—Single Submission Form

<http://tinyurl.com/AMBIF-Single-Submission-Form>

Bank Negara Malaysia

<http://www.bnm.gov.my>

Bank Negara Malaysia—RENTAS

http://www.bnm.gov.my/index.php?ch=ps_mps&pg=ps_mps_type&lang=en&z=1#rentas

Bond Pricing Agency Malaysia Sdn. Bhd.

<http://www.bpam.com.my>

Bursa Malaysia Bhd.—Exempt Regime

<http://www.bursamalaysia.com/market/securities/bonds/products/listed-under-exempt-regime-copy/overview/>

Fully Automated System for Issuing/Tendering (FAST)

<https://fast.bnm.gov.my/fastweb/public/MainPage.do>

Malaysian Rating Corporation Bhd.

<http://www.marc.com.my/>

Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear)

<http://www.myclear.org.my>

RAM Holdings Bhd. (formerly Rating Agency Malaysia Bhd.)

<http://www.ram.com.my>

Securities Commission Malaysia

<http://www.sc.com.my>

Securities Commission Malaysia—Lodge and Launch Guidelines

<http://www.sc.com.my/legislation-guidelines/lodge-and-launch-framework/>

Appendix 2

Glossary of Technical Terms

launch	Action of making available or offering wholesale bonds for sale
listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure, or profiling
lodgement	Action of submitting issuance documentation and disclosure items to the Securities Commission Malaysia
Lodgement Party	Party who is carrying out the lodgement under the Lodge and Launch Framework, typically the Principal Adviser
Principal Adviser	Specific term for underwriter in regulations (Malaysia only)
registration	Action of registering a bond issue for reference pricing or disclosure purposes
Responsible Party	Party to a debt instrument and <i>sukuk</i> issuance under the Lodge and Launch Framework
Sophisticated Investors	Capital Market and Services Act definition of professional investor types using specific eligibility criteria
<i>sukuk</i>	Islamic finance securities
<i>takaful</i>	Islamic insurance