



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

14 September 2021

Regulatory Policy & Advisory  
Bursa Malaysia Securities Berhad  
9<sup>th</sup> Floor Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Dear Sir/Madam,

**FEEDBACK ON BURSA MALAYSIA'S CONSULTATION PAPER NO. 2/2021 AND  
CONSULTATION PAPER NO. 3/2021**

The Malaysian Institute of Accountants ("MIA") is pleased to provide comments on the Consultation Papers by Bursa Malaysia Berhad ("Bursa Malaysia") on Proposed Amendments to the ACE Market Listing Requirements in Relation to ACE Market One-Stop Centre and on Proposed Amendments to the Main Market Listing Requirements in Relation to Enhanced Adviser Framework, Submission of Corporate Proposals and Other Amendments as attached in Appendix 1 and Appendix 2 respectively to this letter.

We hope our comments would contribute to Bursa Malaysia's deliberation in finalising the matter. If you have any queries or require clarification on this submission, please contact Simon Tay Pit Eu, Executive Director of Professional Practices and Technical Division by email at [simontaypiteu@mia.org.my](mailto:simontaypiteu@mia.org.my).

Yours sincerely,

**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

**DR NURMAZILAH DATO' MAHZAN**  
Chief Executive Officer

ATTACHMENT  
TABLE OF COMMENTS

COMMENTS TO ISSUES RAISED IN CONSULTATION PAPER NO. 2/2021  
PROPOSED AMENDMENTS TO THE ACE MARKET LISTING REQUIREMENTS  
IN RELATION TO ACE MARKET ONE-STOP CENTRE

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NAME OF RESPONDENT	:	DR NURMAZILAH DATO' MAHZAN
NAME OF COMPANY	:	MALAYSIAN INSTITUTE OF ACCOUNTANTS
CONTACT PERSON & CONTACT NUMBER	:	SIMON TAY PIT EU, +603 2722 9271
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ISSUES		COMMENTS
1.	<p>Do you agree with the regulatory approach to streamline -</p> <p>(a) the initial public offering (“IPO”) processes of the ACE Market, where appropriate, with that of the Main Market; and</p> <p>(b) prospectus registration processes and requirements for the ACE Market, with that of the Main Market?</p> <p>Please state the reasons for your view.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>The streamlining of regulatory approach relating to IPO of the ACE Market would enhance the efficiency and consistency of the Malaysian capital markets.</b></p> </div>
2.	<p>Do you agree with the proposed requirement to make the inclusion of the independent market research report optional in an ACE Market IPO application and prospectus?</p> <p>Please state the reasons for your view.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>The option should be available to the applicant and its principal adviser.</b></p> </div>
3.	<p>In respect of an ACE Market IPO and rights issue, do you agree that there should be similar disclosure requirements with that of the Main Market, and therefore the same contents of a prospectus and an abridged prospectus applicable to the Main Market shall apply for the ACE Market?</p> <p>Please state the reasons for your view.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Yes, similar disclosure requirements should be maintained for both markets to promote consistency. Presumably, the cost to compile such disclosure will not be prohibitive for the ACE market constituent.</b></p> </div>

ISSUES		COMMENTS
4.	<p>Do you have any issue to cross-refer to the Securities Commission Malaysia's Prospectus Guidelines in preparing an ACE Market prospectus?</p> <p>Please state the reasons for your view.</p>	<p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No   <input type="checkbox"/> No comment</p> <p><i>Reasons and/or suggestions:</i></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>This is consistent with the fact that there are similar disclosure requirements for prospectus between Main Market and ACE Market as mentioned in Point 3 above.</b></p> </div>
5.	<p>Do you have any other suggestions to improve the readability of, and ease compliance with, the ACE LR?</p> <p>Please state your suggestions, if any.</p>	<p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p><i>Suggestions:</i></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Nothing further to add.</b></p> </div>
6.	<p>Do you agree that a promoter and chief executive officer of an ACE Market applicant should be held responsible for disclosures made in a pre-admission consultation pack, IPO application and prospectus, along with the applicant, its directors and Sponsor?</p> <p>Please state your reasons and alternative suggestions, if any.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><i>Reasons and/or suggestions:</i></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Yes. This is based on the shared responsibility concept.</b></p> </div>

ISSUES		COMMENTS
7.	<p>Do you agree with the proposed moratorium requirements imposed on listed shares held by pre-IPO investors?</p> <p>Please state the reasons for your view.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons and/or suggestions:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Yes. This is an effective mechanism to protect the retail investors and safeguard the interest of the listed entity.</b></p> </div>
8.	<p>Do you agree that an applicant's directors must complete the Mandatory Accreditation Programme prior to listing?</p> <p>Please state the reasons for your view.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Yes. It is essential for the directors to be familiar with their obligations under the security laws and listing requirements. In fact, it would be better if this is a requirement pre-listing, as there is a 4 months' gap post-listing in the current proposal, during the period of which the directors might omit or breach certain security laws and listing requirements. In addition, previous surveys have shown that directors of new IPO entities can really benefit from such programmes.</b></p> </div>
9.	<p>Do you agree with the proposal to align the eligibility requirements of a Sponsor with the recognised principal adviser framework for the Main Market, under paragraph 29.1 of the Consultation Paper?</p> <p>Please state the reasons for your views.</p>	<p><input checked="" type="checkbox"/> Agree   <input type="checkbox"/> Disagree   <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p>

ISSUES		COMMENTS
		<p><b>We have no objection to this. It also promotes consistency.</b></p>
10.	<p>Do you have any comment or further suggestion on the proposed enhanced roles and responsibilities of -</p> <p>(a) a Sponsor as set out in paragraph 29.2 and 29.3(c)(i) of the Consultation Paper;</p> <p>(b) its Senior Officer and Qualified Person as set out in paragraphs 29.3(c)(ii) to (iv)?</p> <p>Please state your comments or suggestions (if any).</p>	<p><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p><u>Comments and/or suggestions:</u></p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p><b>Nothing further to add.</b></p> </div>
11.	<p>Do you agree that the ambit of Specific Proposals under the ACE LR as set out in paragraph 29.3(b) should also include a Major Disposal?</p> <p>Please state the reasons for your views.</p>	<p><input checked="" type="checkbox"/> Agree    <input type="checkbox"/> Disagree    <input type="checkbox"/> No comment</p> <p><u>Reasons and/or suggestions:</u></p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p><b>Yes. This is because of the potential impact on the business continuity and to ensure good governance.</b></p> </div>
12.	<p>Apart from the proposals as set out in paragraph 29.3(b) of the Consultation Paper, are there any other proposals which should be classified as a Specific Proposal under the ACE LR?</p>	<p><input type="checkbox"/> Agree    <input type="checkbox"/> Disagree    <input checked="" type="checkbox"/> No comment</p> <p><u>Reasons and/or suggestions:</u></p>

ISSUES		COMMENTS
	Please provide your suggestions and the reasons for your suggestions.	Nothing further to add.
13.	<p>Do you agree with the proposal in paragraph 29.4(b) as follows:</p> <p>(a) proposal to remove the prescription on how due diligence is to be conducted; and</p> <p>(b) proposal for the relevant party to make due and careful enquiries and comply with the equivalent obligations and standards imposed under the Submission Guidelines instead?</p> <p>Please state the reasons for your views.</p>	<p><input checked="" type="checkbox"/> Agree    <input type="checkbox"/> Disagree    <input type="checkbox"/> No comment</p> <p><u>Reasons:</u></p> <div style="border: 1px solid black; padding: 5px;"> <p>Yes, it should instead be principles-based rather than being prescriptive.</p> </div>

[End of Attachment]