



Snapshot

by Capital Markets & Accounting Advisory Services

September 2019

Proposed Amendments to the Main Market and ACE Market Listing Requirements

Key dates	The consultation paper was published by Bursa Malaysia ("Bursa") on 30 August 2019. Comment period ends on 31 October 2019.
Reference	Bursa Consultation Paper



Key proposals

1. Enhancing requirements relating to new issue of securities

(a) New disclosures

The following new disclosures are proposed with the objective of ensuring investors continue to receive key information for decision making:

- Details of previous fund-raising exercises in the past 12 months prior to the announcement of the new issue of securities. Listed Issuers are required to disclose the description of such fund-raising exercise, total proceeds raised and details and status of the utilisation of the proceeds.
- If the proceeds from the new issuance are utilised for investment purposes, the listed issuers are required to state the details of the investment and if not identified, how the proceeds will be utilised in the meantime pending identification of the investment.
- If the new securities are to be issued to a corporation, the names of the directors and substantial shareholders of the corporation, together with their respective direct and/or indirect shareholdings.

(b) Imposing a "50% limit" on convertible securities

Listed Issuers which undertake a new issuance of convertible instruments (e.g. convertible preference shares, warrants, irredeemable convertible loan stocks) must ensure that the number of new shares to be issued from the exercise or conversion of all outstanding convertible instruments, does not exceed 50% of the total number of the Listed Issuers' issued shares at all times. This proposal is intended to safeguard the shareholders' interest against the dilution impacts arising from the conversion.

1. Enhancing requirements relating to new issue of securities (continued)

(c) Announcement of DRS share price closer to the book closing date

Listed Issuers are allowed to announce the issue price for shares in a Dividend Reinvestment Scheme (“DRS”) before or on books closing date instead of upon announcement of intention to fix books closing date currently. With this proposal, Listed Issuers can price their DRS shares closer to the election period which is more reflective of the market price of the shares and may reduce the risk of withdrawal of acceptance by shareholders and cancellation of the DRS.

2. Immediate announcement of material loan covenants linked to controlling shareholder

Listed Issuers are required to make an immediate announcement for a material loan or borrowing which contain conditions, covenants or restrictions relating to the shareholding of a controlling shareholder. The announcement shall include:

- 1) details of such conditions, covenants or restrictions; and
- 2) the aggregate level of facilities that may be affected by a breach of such conditions, covenants or restrictions.

3. Cooling-off period for independent directors

- Bursa proposes to increase the current 2-year cooling-off period for independent directors in order to be aligned with international development and practices. However, the proposed cooling-off period is not prescribed in the consultation paper, instead Bursa is seeking feedback from the public on the appropriate period.
- Bursa also proposes that non-independent non-executive directors should also be subject to the same cooling off period.

<p>Do you have any further questions on this topic?</p>	<p>Contact: Edmund Chew Assurance Director from PwC Malaysia CMAAS Email: edmund.c.chew@pwc.com Tel: +60 (3) 2173 0567</p>
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