



**INTEREST SCHEMES ACT 2016
PRACTICE DIRECTIVE NO. 1/2019**

**PERIOD FOR VALIDITY OF
PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT**

1. This Practice Directive is issued pursuant to subparagraph 35(a) of Part I of Second Schedule of the Interest Schemes Act 2016 [Act 778] (“ISA 2016”).

OBJECTIVE

2. The objective of this Practice Directive is to specify the period pursuant to subparagraph 35(a) of Part I of Second Schedule of the ISA 2016 which provides that the Prospectus or Product Disclosure Statement shall not be valid later than a period as determined by the Registrar.

**VALIDITY PERIOD OF PROSPECTUS OR PRODUCT
DISCLOSURE STATEMENT**

3. For the purpose of this Practice Directive, the Prospectus or Product Disclosure Statement shall be valid for a period of six (6) months after its approval by the Registrar.

4. Notwithstanding paragraph 3 above, an application may be made for the Prospectus or Product Disclosure Statement to be valid for a period of twelve (12) months based on the following eligibility criteria:

NO	CATEGORY OF SCHEME	ELIGIBILITY CRITERIA
1.	<p>All Small Schemes (All Nature)</p>	<ol style="list-style-type: none"> 1) There has been a Product Disclosure Statement registered with Companies Commission of Malaysia (SSM) which is valid up to a date that is not later than fourteen (14) days prior to the renewal; 2) The independent consultant has certified that the progress of the scheme is on track to achieve all key milestones prior to the renewal of the Product Disclosure Statement; 3) There are no material breach of the terms of the Contractual Agreement or Product Disclosure Statement; and 4) There are no actions taken by the Management Company and no action pending to wind up the scheme by the members within the validity period of the current Product Disclosure Statement.
2.	<p>Premium Schemes (Interest For Money)</p> <p>Investment nature that have the effect of providing monetary return</p>	<ol style="list-style-type: none"> 1) The scheme has been in operation for four (4) years or longer from the date of the first Prospectus or sold all units (whichever is earlier); 2) There has been a Prospectus registered with SSM which is valid up to a date that is not later than fourteen (14) days prior to the renewal; 3) There is no material breach of the terms of the Trust Deed or Prospectus; 4) The independent consultant has certified that the progress of the scheme is on track to achieve all key milestones prior to the renewal of the Prospectus; and 5) There are no actions taken by the Management Company or any action pending to wind up the scheme by the members within the validity period of the current Prospectus.
3.	<p>Premium Schemes (Interest Not For Money)</p>	<ol style="list-style-type: none"> 1) The scheme has been in operation for three (3) years or longer from the date of the first Prospectus or sold all units (whichever is earlier); 2) There has been a Prospectus registered with

NO	CATEGORY OF SCHEME	ELIGIBILITY CRITERIA
	<ul style="list-style-type: none"> • Time-sharing Scheme • Recreational Membership Scheme • Memorial Park Schemes <p>Or</p> <p>Other interest schemes not for money.</p>	<p>SSM which is valid up to a date that is not later than fourteen (14) days prior to the renewal;</p> <p>3) There is no material breach of the terms of the Trust Deed or Prospectus;</p> <p>4) The independent consultant has certified that the progress of the scheme is on track to achieve all key milestones prior to the renewal of the Prospectus; and</p> <p>5) There are no actions taken by the Management Company or any action pending to wind up the scheme by the members within the validity period of the current Prospectus; and</p> <p>6) All infrastructures and facilities are completed.</p>

PROCEDURE OF APPLICATION AND REVOCATION

5. For the renewal of the Prospectus or Product Disclosure Statement for a period of six (6) months, the application must be lodged with the Registrar at least fourteen (14) days prior to the expiry of the Prospectus or Product Disclosure Statement.

6. For the renewal of the Prospectus or Product Disclosure Statement for a period of twelve (12) months, the eligibility criteria must be fulfilled and the application must be lodged with the Registrar at least two (2) months prior to the expiry of the Prospectus or Product Disclosure Statement.

7. The application for renewal of the Prospectus or Product Disclosure Statement must not include any material changes in the Prospectus or Product Disclosure Statement from the last preceding Prospectus or Product Disclosure Statement.

8. If an application for the validity of the Prospectus or Product Disclosure Statement is approved by the Registrar for the period of twelve (12) months, subsequent Prospectus or Product Disclosure Statement shall be renewed for the same period in the following years.

9. The Registrar reserves the right, at any time, in accordance to the Prospectus or Product Disclosure Statement, to revoke the validity period of twelve (12) months and reinstate the validity period of six (6) months if the fulfilment of any of the eligibility criteria under paragraph 4 above has ceased or is discontinued.

REGISTRAR OF COMPANIES

COMPANIES COMMISSION OF MALAYSIA

25 July 2019