

## CHECKLIST FOR INTEREST SCHEME

- ✓ Only a public company is allowed to offer to the public a right to participate in an interest scheme.
- ✓ The application form for the purchase of interest schemes must be attached with a copy of a **valid prospectus**. The prospectus must contain the details of the scheme offered.
- ✓ The scheme has a **trust deed** that is registered with SSM. The trust deed binds the promoter of the scheme to its obligations towards the interest holders. A copy of the trust deed can be obtained from SSM for a fee at RM1.00 per page.
- ✓ A **trustee** must be appointed for the scheme.
- ✓ Interest Holders are given a **minimum of 10 days Cooling-off Period** if they wish to withdraw the application and any payment made must be refunded without penalty.
- ✓ The sales personnel are employees of the promoter of the scheme or a marketing company that is appointed by the promoter and approved by SSM.

For more information on interest scheme, please contact

Hotline : 03-2299 5500

E-mail : [enquiry@ssm.com.my](mailto:enquiry@ssm.com.my)

e-Complaint accessible through SSM's website at [www.ssm.com.my](http://www.ssm.com.my)

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## WHAT IS AN INTEREST SCHEME?

Interest Scheme is a way of doing business in Malaysia. Interest Scheme involves the pooling of financial contribution from the public in exchange for an interest in a particular scheme.

Such interest includes the usage of the facilities and services provided under the scheme or profit or returns, depending on the nature of the scheme.

Promoter of an interest scheme must register the scheme with SSM before it can be offered to the public. The sale of interest is governed by the provisions of Division 5 of Part IV of the Companies Act. The promoter of an interest scheme is also required to comply with the Policy Guidelines and Requirements issued by SSM from time to time.

'Interest' is defined under section 84 of the Companies Act as:

*'A right to participate or interest in any:*

- (a) profits, assets or realization of a business;*
- (b) common enterprise with expectation of profits, rent or interest;*
- (c) time sharing scheme; and*
- (d) investment contract.*

## HOW TO IDENTIFY AN INTEREST SCHEME?

- ✓ You will be required to make payment to participate in the scheme
- ✓ You are not a shareholder of the company
- ✓ You are not involved in the day-to-day management of the scheme
- ✓ You have interest in the business or the scheme offered

AND any one of the following criteria:

- ✓ You have interest in the profit, asset and realization of a business or a scheme in Malaysia or elsewhere
- ✓ You are promised that you will procure returns from the payment you made
- ✓ You acquire the rights/interest in a property which includes the right to use the facilities on the property for a period of more than 12 months
- ✓ You have the right to occupy any property for 2 or more times during tenure of the time-sharing scheme

## TYPES OF INTEREST SCHEMES

- ✓ Offer of membership subscriptions of more than 12-month by Golf Clubs, Recreational Clubs and Fitness Clubs
- ✓ Offer to participate in any Time-Sharing Scheme
- ✓ Offer to invest in plantation and aquaculture scheme for commercial purposes. The scheme is also known as 'Sharefarming Scheme' or 'Grower's Plot Scheme'
- ✓ Offer to invest in the Breeding of Livestock (such as ostriches, horses, leeches, earthworms, swiftlets, cows, goats and catfish) for commercial purposes
- ✓ Offer to invest in a particular business whereby the investors are not involved in the day-to-day management of the business
- ✓ Offer to purchase burial plots, urns and columbaria by Memorial Park
- ✓ Offer to purchase undivided interest in greenbelt land where by purchasers are led to expect profit from the sale of the appreciated value of the land pursuant to the efforts of the company/3rd party to obtain approval for the rezoning of the land. The scheme is also known as Land Banking Scheme