

CHECKLIST

Note:	
1*	All categories
2*	All categories except not suitable given the business nature
3*	Investment schemes that provide monetary returns
4*	Golf, Recreational, Marina, Timeshare
5*	Investment schemes that provide monetary returns and other categories where the scheme infrastructure is incomplete
6*	Memorial Park

(Please ensure that checklist has been marked and submitted together with the documents before submission to the COMPANIES COMMISSION OF MALAYSIA)

A	COVERING DOCUMENTS	APPLY TO	CHECKLIST	APPENDIX
1.	Cover Letter	1*		
2.	Fee Calculation Checklist	1*		
3.	Conceptual Paper/Write up to explain about the business model, nature of business and mode of operations of the scheme	1*		
B	CORPORATE PROFILE OF THE MANAGEMENT COMPANY	APPLY TO	CHECKLIST	APPENDIX
a)	Main Requirements			
1.	Name of Company and Date of Incorporation	1*		
2.	Registered office address	1*		
3.	Principal Business / Office Address	1*		
4.	The date for change of status to a public company (for Premium Scheme)	1*		
5.	Shareholders – Names and percentage of their shareholdings	1*		

	<i>(The majority shareholding must be held by Malaysian)</i>			
6.	Company constitution stating that the managing of interest scheme is one of its main objects.	1*		
b)	Capital Requirements			
7.	<p>Paid-up capital (RM) <i>(Minimum of RM500,000 to RM5 Million, refer to Item No.3 FAQ)</i></p> <p>Document required:</p> <ul style="list-style-type: none"> (i) Return of Allotment (ROA) and/or (ii) Bank Statement 	1*		
c)	Profit Test			
8.	Audited financial statement for the last 4 years for the management company; or	1*		
9.	<p>Alternatively, audited financial statement for the last 4 years of the holding company can be used if the holding company :</p> <ul style="list-style-type: none"> (i) is able to fulfill the profit requirements over the profit track record period; and (ii) have common controlling shareholders; OR 	1*		
10.	<p>Alternatively, if neither the management company nor the holding company is able to fulfill the profit test requirement, Audited financial statement for the last 4 years of a related company can be used if the related company:</p> <ul style="list-style-type: none"> (i) is able to fulfill the profit requirements over the profit track record period; (ii) have common controlling shareholders ; and (iii) have the same core business or have related business activities 	1*		

11.	<p>Alternatively, if neither the management company nor any of the companies within the group is able to fulfill the profit test requirement, the management company must provide the following documents:</p> <ul style="list-style-type: none"> (i) Provide proof/substantiate claim that the management company falls within Appendix 1 of this Checklist; (ii) Detailed turnaround plan to return to profitability level; (iii) Detailed profit forecast; and (iv) Proof of healthy cash flow position 	1*		
d)	Operating History and Management Capability and Continuity			
12.	Directors and Company Secretary - (Names and Residential address)	1*		
13.	A write up detailing the relevant track record of the management company for the past 5 years. Supporting documents - Annual Return and Financial Statement of the company	1*		
14.	<p>Alternatively, a write up detailing the relevant track record of the Holding company or related company for the past 5 years and have common controlling shareholders.</p> <p>Supporting documents - Annual Return and Financial Statement of the company</p>	1*		
15.	Alternatively, a write up detailing the relevant track record or expertise for the past 5 years of any individual(s) engaged by the company as a member of the management team directly responsible to manage and supervise the operation of the scheme	1*		
16.	Any members of the management team including the CEO of the scheme must be a fit and proper person and shall not be a person who could face disqualification to act as a director on	1*		

	the grounds set out under sections 198 and 199 of the Companies Act 2016											
e)	Information on the Scheme											
17.	Name of the Scheme	1*										
18.	CEO of the scheme (i) Profile and experiences (CV). The CEO must be familiar with the operation and responsibility of the scheme. (ii) Be a Member of the Board/Report directly to the Board	1*										
19.	Address of the Scheme Location	1*										
20.	Type / Nature / Category of Scheme <table border="1" data-bbox="288 952 911 1989"> <thead> <tr> <th>Types of Scheme</th> <th>Types of Management Company</th> </tr> </thead> <tbody> <tr> <td>Small Scheme</td> <td>Private or public company limited by shares incorporated under the Companies Act 2016 and must meet the criteria in the definition of SME set by SME Corporation Malaysia (as revised from time to time) Please refer to Appendix 2 of this Checklist.</td> </tr> <tr> <td>Premium Scheme</td> <td>Public company limited by shares incorporated under the Companies Act 2016</td> </tr> <tr> <td>Foreign Scheme</td> <td>Public company limited by shares locally incorporated under the Companies Act 2016</td> </tr> </tbody> </table>	Types of Scheme	Types of Management Company	Small Scheme	Private or public company limited by shares incorporated under the Companies Act 2016 and must meet the criteria in the definition of SME set by SME Corporation Malaysia (as revised from time to time) Please refer to Appendix 2 of this Checklist.	Premium Scheme	Public company limited by shares incorporated under the Companies Act 2016	Foreign Scheme	Public company limited by shares locally incorporated under the Companies Act 2016	1*		
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21.	Duration of the scheme and date/year of expiry <i>(For leased land, the scheme must not be less than 2 years from the lease expiry date)</i>	1*		
22.	Duration of each interest unit	1*		
23.	License Category / Unit Category	1*		
24.	Fund Size / (Sales) Value of the scheme (RM)	1*		
25.	Fund Raising Objective	1*		
26.	Detailed explanation on Fund Utilization	1*		
27.	Pricing : (i) License Fee/Unit Price according to category/package; (ii) Method of calculation of the Unit Price; (iii) For schemes that provide monetary return, the price offered to interest holders must reasonably correspond to the expected financial returns	1* 1* 3*		
28.	Maximum number of interest units offered (depending on the size of the business / operations / facilities)	1*		
29.	(i) Maximum public offer to reserve ratio=70:30 (ii) Public offer ratio – To state based on type of scheme: a) In RM value; or b) In number of units; or both if applicable (iii) Any subsequent change to the public offer ratio must be applied by way of a Relief application to the Registrar under Section 34 of the Interest Schemes Act 2016	3*		
30.	Return /profits / interim return to the interest holders :	3*		

	<p>(i) Source of fund for the indicated return prior to producing yield;</p> <p>(ii) Method of computation of the return (Please provide supporting documents e.g. prevailing market price, sales record and etc);</p> <p>(iii) Manner of distribution of such payment (submit schedule / interval of payment of profits/returns either interim / final for the period of the scheme)</p>			
f)	Scheme Infrastructure			
31.	<p>Land/property information:</p> <p>(i) Status/category of land use as reflected in the title deed is suitable and permissible to be used for the proposed scheme. If necessary obtain clarification letter/correspondence from the Land Office / relevant authority on the status of the Land;</p> <p>(ii) Land restrictions;</p> <p>(iii) Land tenure;</p> <p>(iv) The total land area for the scheme;</p> <p>(v) Size per unit (if applicable);</p> <p>(vi) Owner of the land (either as lessor or Joint Venture Partner)– must be made a party to the trust deed;</p> <p>(vii) The said land must be free from encumbrances/consent from the chargee to be obtained;</p> <p>(viii) If the property is leased/purchased – A copy of Lease Agreement or the Sale & Purchase Agreement;</p> <p>(ix) If the land is leased from any State / Federal Government or Bodies, to</p>	2*		

	obtain clearance letter from such Government or Bodies;			
32.	<p>Facilities and Amenities:</p> <p>(i) Type and unit of facilities and amenities offered;</p> <p>(ii) Facilities attributable in respect of a unit of interest subscribed, the plot and the corresponding facilities must be fully completed and ready for use. The plot must be properly zoned, identified, constructed and completed; and</p> <p>(iii) Stage of completion/ready for usage of principal and supporting infrastructure (Provide proof-e.g. parking, access road, etc.)</p>	2*		
33.	<p>Business and operation infrastructure:</p> <p>(i) Supporting document to prove that company has suitable or appropriate infrastructure for the nature and size of business; and</p> <p>(ii) Supporting document to prove that company has sufficient resource to operate and manage the scheme;</p> <p>(iii) In addition, an Independent Consultant must also express his views on the scheme infrastructure as part of his initial report</p>	3*		
g)	Relevant Approvals, Permits, License			
34.	<p>(i) The relevant certified copy of Certificate of Completion and Compliance (CCC) to be provided (for completed infrastructure); and</p> <p>(ii) In addition, the infrastructure that relates to or supports the provision or usage of such plot and facilities must also be fully completed and (where applicable) certified as habitable or fit for occupation by the</p>	2*		

	relevant authority responsible for such matter under the law			
35.	A certified copy of approval letter/permits/license from the relevant authorities governing the industry/business/operations which is the subject matter of the scheme	1*		
36.	A copy of letter or Environmental Impact Assessment Report in connection with the proposed scheme	2*		
37.	Relevant development plan, building plan approval in respect of the scheme infrastructure (for incomplete infrastructure)	2*		
C	APPOINTMENT OF AND REPORT BY INDEPENDENT CONSULTANT	APPLY TO	CHECKLIST	APPENDIX
1.	Name	5*		
2.	Corporate / firm /personal profile	5*		
3.	Qualification attained (see criteria under item 4 below (to provide supporting documents)	5*		
4.	<p>Criteria/Main Requirements</p> <p>The independent consultant must comply with three (3) or more of the following criteria upon application:-</p> <ul style="list-style-type: none"> (i) Has extensive and practical experience in the management and operation of the scheme and / or in the areas requiring his certification; (ii) Certified by relevant authorities (possessed valid certificate); (iii) A member of trade associations of the relevant industry; (iv) Has acted as independent consultant for a number of projects in related areas (to provide past client list); 	5*		

	<p>(v) Has undertaken a number of related research projects funded by recognized local/international universities at doctorate level;</p> <p>(vi) Has won international acclaim for work in related areas;</p> <p>(vii) Has served as an employee at management/technical operation level at governmental agencies primarily responsible for the related areas/industries; or</p> <p>(viii) Has been commissioned by any governmental institutions to carry out a number of related research projects</p>			
5.	<p>Report on the proposed scheme to contain:</p> <p>(i) Overview of the industry;</p> <p>(ii) Analysis on the scheme viability and sustainability;</p> <p>(iii) Views on the scheme infrastructure;</p> <p>(iv) Risk factors; and</p> <p>(v) Other material and relevant information.</p> <p>(vi) In addition, for a scheme with incomplete infrastructure the report to contain relevant information on the progress of the project and quality of the work carried out from the independent consultant with photos attached</p>	5*		
6.	<p>Additionally for Memorial Park Scheme, the Initial report to contain a social impact and feasibility analysis comprising:</p> <p>(i) Market supply and demand matrix</p> <p>(ii) Competition analysis</p>	6*		

	(iii) Impact to local/surrounding community			
D	FOREIGN SCHEME – MAIN REQUIREMENT	APPLY TO	CHECKLIST	APPENDIX
1.	Comply with the main requirement under Section 8 (1) of the Interest Schemes Act 2016	1*		
2.	Provide documents required under Section 9 (3) (c) of the Interest Schemes Act 2016	1*		
E	FOREIGN SCHEME – ADDITIONAL INDEPENDENT CONSULTANT	APPLY TO	CHECKLIST	APPENDIX
1.	<p>Independent local consultant which is an established institution such as registered audit firm or legal firm with an international affiliate practicing at the country of origin of the foreign scheme. The consultant to provide the following due diligence confirmation:</p> <p>(i) Credit rating report from the foreign credit rating agency (Foreign CRA) that has information from the country of origin of the foreign schemes. The local consultant must ensure that the Foreign CRA is credible;</p> <p>(ii) Information about the regulatory framework of the scheme carried out in the country of origin including the details of investor protection accorded under that framework;</p> <p>(iii) Core corporate and financial information including shareholding structure, board of directors, solvency status including receivership, winding up or similar status, profit and loss and years in operation in respect of the Management Company or its holding or related company undertaking the scheme in the foreign country subject to the same period of review to fulfill</p>	1*		

	<p>the profit and operating history requirements; and</p> <p>(iv) Legal verification regarding the scheme including land status, land restriction or conditions and business activities carried out</p>			
F	TRUSTEE	APPLY TO	CHECKLIST	APPENDIX
1.	Appointment of trustee under section 22 of the Act - A copy of Appointment Letter	1*		
2.	A copy of the certificate of registration of trust Company under the Trust Companies Act 1949	1*		
3.	Corporate profile - to provide the Certificate of Attestation of Company Good Standing (ACGS)	1*		
4.	List of club/scheme where proposed trustee was appointed as trustee	1*		
5.	Other trusteeship work undertaken by the Trustee	1*		
6.	<p>Compliance Monitoring Plan by the Trustee</p> <p>The scope of the Compliance Monitoring Plan includes the following:-</p> <p>(i) Schedule based inspection at reasonable interval corresponding to the risk profile of the scheme</p> <p>(ii) Timeline and procedures for event based inspection, e.g. complaints, special items withdrawal from the trust account or when Interest Holder's Fees are being raised requiring the consent of the Trustee</p> <p>(iii) Such other proactive measures to properly monitor the operation of the scheme in accordance with the Trust</p>	1*		

	Deed or Contractual Agreement or to avoid money laundering			
G	TRUST ACCOUNT	APPLY TO	CHECKLIST	APPENDIX
1.	Number and type of trust account. Example : (i) Primary trust account (ii) Sinking Fund / Continuity fee trust account (iii) Retention fund / reserve fund trust account	1*		
2.	Purpose of the account (Including the percentage to be kept in the account)	1*		
3.	Monthly / yearly subscription fees /One-Off Continuity Fee / Maintenance fee	2*		
H	TRUST DEED OR CONTRACTUAL AGREEMENT	APPLY TO	CHECKLIST	APPENDIX
1.	A copy of the Trust Deed or Contractual Agreement for the scheme	1*		
2.	Requirement : (i) Containing the covenants and particulars prescribed under the Interest Schemes Act 2016, First Schedule of the Act. – to provide checklist where the provisions of the First Schedule of the Act are complied with by stating the relevant clause and page of the copy of the Trust Deed or Contractual Agreement; (ii) The Trust Deed or Contractual Agreement must not contain provisions which are unfair or likely to cause detriment to the interest of the interest holder	1*		
I	PROSPECTUS OR PRODUCT DISCLOSURE STATEMENT	APPLY TO	CHECKLIST	APPENDIX
1.	A copy of Prospectus or Product Disclosure Statement for the scheme	1*		

2.	<p>Requirement :</p> <p>(i) Containing the covenants and particulars prescribed under the Interest Schemes Act 2016, Second Schedule of the Act. – to provide checklist where the provisions of the Second Schedule of the Act are complied with by stating the relevant clause and page of the copy of the Prospectus or Product Disclosure Statement;</p> <p>(ii) Relevant information relating to the marketing agent that has been / proposed to be appointed;</p> <p>(iii) The Management Company must state in the Prospectus or Product Disclosure Statement the risk assessments carried out and the practical and effective measures that would address or mitigate any risk assessed;</p> <p>(iv) The Prospectus or Product Disclosure Statement must not contain provisions which are unfair or likely to cause detriment to the interest of the interest holder;</p>	1*		
J	OTHER CONTRACTUAL INSTRUMENT BETWEEN MANAGEMENT COMPANY AND INTEREST HOLDER - MEMBERSHIP / SUBSCRIPTION AGREEMENT, RULES & REGULATIONS, PURCHASE ORDER ETC	APPLY TO	CHECKLIST	APPENDIX
1.	Membership / Subscription Agreement	1*		
2.	Rules & Regulations	1*		
3.	For avoidance of doubt the Membership / Subscription Agreement, Rules & Regulations, purchase order will not form part of the Trust Deed or Contractual Agreement and will only be relied as a form of guidance. In the event of any inconsistency, the provision of the Trust Deed or Contractual Agreement shall prevail	1*		

K	INFORMATION ON INSURANCE COVERAGE	APPLY TO	CHECKLIST	APPENDIX
1.	Name of Insurance Company	2*		
2.	Type of Coverage	2*		
3.	Policy Holder	2*		
L	EXEMPTION (FULL OR PARTIAL)	APPLY TO	CHECKLIST	APPENDIX
1.	Exemptions from other provisions, if any (state the justification/reason for the exception applied)	1*		
M	MARKETING AGENT	APPLY TO	CHECKLIST	APPENDIX
1.	To provide profile of the marketing agent comprising the relevant background information of the proposed marketing agent including personal or corporate information such as name, address, particulars of directors and relevant track record or experience at the time when making application. (If any appointed)	1*		
N	ADDITIONAL SUBMISSION REQUIREMENT	APPLY TO	CHECKLIST	APPENDIX
1.	<p>The director of the management company responsible for the scheme to submit the following:</p> <ul style="list-style-type: none"> (i) Written confirmation on company's compliance with relevant laws; (ii) Director's declaration that he/she is fit and proper person; (iii) Written confirmation on company's and director's compliance with the Companies Act 2016 - to provide the Certificate of Attestation of Company Good Standing (ACGS); (iv) Certified copies of approval, license, permit, title deed, certificate, plans, drawings from the relevant authorities 	1*		

APPENDIX 1 [Item B.(c)11 of this Checklist]

VOL.	DESCRIPTION OF COMPANY / NATURE OF SCHEME
1	Serves to promote or is aligned with the national economic agenda to drive domestic economy in economic growth areas identified by the Government under the Economic Transformation Plan (ETP) in particular the EPP partners or participating companies.
2.	Has achieved certification from related agencies in areas like innovation, halal development, ICT, green technology, renewable and clean energy and sustainable development. Examples are Bio Nexus status, 1-innoCERT, MSC status companies.
3.	Serves to promote or is aligned with initiatives to promote linkage between university and industry to increase market driven collaborations in R&D, product commercialization, consultancy, industrial trainings and job placements.
4.	Serves to promote or is aligned with Government led policies to increase Bumiputera equity participation, or support the Bumiputera agendas like entrepreneur development, mentorship programme, industrial training and Bumiputra recruitment policy.

APPENDIX 2 [B.(e)20 of this Checklist]

Definition of SME set by SME Corporation Malaysia.

A business can qualify as an SME if it meets either one of the two specified criteria, namely sales turnover or full-time employees, whichever is lower

- (i) Manufacturing Sector: Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200.
- (ii) Services and other sectors: Sales turnover not exceeding RM 20 million OR full time employees not exceeding 75

Detailed definition by category and size of operation namely Micro, Small and Medium is as follows:

Size	Micro		Small		Medium	
	Sales Turnover (RM)	Employees	Sales Turnover (RM)	Employees	Sales Turnover (RM)	Employees
Manufacturing	<300,000	< 5 employees	300,000 to < 15 Million	5 to < 75 employees	15Million to < 50 Million	75 to < 200 employees
Services & Others			300,000 to < 3 Million	5 to < 30 employees	3 Million to < 20 Million	30 to < 75 employees
Note < is less than / is not exceeding						

All the SMEs must be entities registered with SSM or other equivalent bodies. However it excludes the following:

- (i) Entities that are public-listed on the main board; and
- (ii) Subsidiaries of:
 - ❖ Publicly-listed companies on the main board;
 - ❖ Multinational corporations (MNCs);
 - ❖ Government-linked companies (GLCs);
 - ❖ Syarikat Menteri Kewangan Diperbadankan (MKDs); and
 - ❖ State-owned enterprises.