

Financial Services

Revision to The Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives

The Securities Commission Malaysia has revised its guidelines on market conduct and business practices for stock broking companies and licensed representatives which takes effect on 4 April 2022.

In these revised guidelines, a new Chapter 9A has been introduced to set out the requirements which must be complied by both the stockbroking company and its licensed representative for the licensed representative to offer investment advice on listed securities.

Pioneer transaction-based Islamic benchmark rate in the world

Bank Negara Malaysia has issued a policy document on Malaysia Islamic Overnight Rate (“MYOR-I”) which took effect on 25 March 2022.

According to Bank Negara Malaysia, the MYOR-i is the first transaction-based Islamic benchmark rate in the world and the Shariah Advisory Council of Bank Negara Malaysia confirmed that it is *Shariah*-compliant.

Pursuant to the policy document:

- MYOR-i replaces the Kuala Lumpur Islamic Reference Rate (“KLIRR”) which has been discontinued on 25 March 2022.
- MYOR-I is designed based on the International Organization of Securities Commissions (“IOSCO”) Principles for Financial Benchmarks.
- it applies to the following institutions which are approved by the Bank to deal in the interbank market,

Legal Updates

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whether acting as principals or agents in the wholesale financial markets:

- licensed Islamic banks under the **Islamic Financial Services Act 2013**;
 - licensed banks and licensed investment banks which are approved under paragraph 15(1)(a) of the **Financial Services Act 2013** to carry on Islamic banking business;
 - prescribed development financial institutions approved under subsection 33B(1) of the **Development Financial Institutions Act 2002** to carry on Islamic financial business; and
 - any other interbank institution which is a direct participant of the Real-Time Electronic Transfer of Funds and Securities System (“RENTAS”).
- MYOR-i is calculated as the volume-weighted average rate of return on *Shariah*-compliant unsecured overnight ringgit interbank placements, rounded to two decimal places. Eligible transactions such as:
 - Unsecured placements between interbank institutions (either brokered or direct/bilateral); and
 - Bank Negara Malaysia’s Islamic overnight monetary operations, which comprise tenders conducted through the Fully Automated System for Issuing/Tendering (“FAST”) or manual operations, and direct overnight placements between BNM and interbank institutions but excluding standing facilities.

that are based on an eligible instrument (presently, Commodity Murabahah instrument).

- the list of eligible instruments may be expanded subject to the instrument (i) being approved by the Shariah Advisory Council of Bank Negara Malaysia; and (ii)

meeting all the requirements for MYOR-i as assessed by Bank Negara Malaysia.

- MYOR-i is published by 12 noon on the following business day on the official website of Bank Negara Malaysia.

CONTACT US FOR FURTHER INFORMATION REGARDING FINANCIAL SERVICES MATTERS.

Tax & Revenue

Stamp duty

The following technical guidelines have recently been published on the Inland Revenue Board's official website:

- [Garis Panduan Permohonan Pelepasan Duti Setem di bawah Seksyen 15, Akta Setem 1949](#) (presently available in Malay language only) — issued on 24 March 2022.
- [Garis Panduan Permohonan Pelepasan Duti Setem di bawah Seksyen 15A, Akta Setem 1949](#) (presently available in Malay language only) — issued on 24 March 2022.

Sales tax

The following policy has recently been published on the Royal Malaysian Customs Department's MySST website:

- [Dasar Cukai Jualan Bil. 1/2022 — Layanan Pengecualian Cukai Jualan ke atas Palet](#) (available in Malay language only) – issued on 5 April 2022.

CONTACT US FOR FURTHER INFORMATION REGARDING TAX & REVENUE MATTERS.

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