

Corporate/M&A

New Era for Carbon Capture: Carbon Capture, Utilization and Storage Act 2025

The **Carbon Capture, Utilization and Storage Act 2025** (“CCUS Act”) came into operation on 1 October 2025. The CCUS Act aims, among others, to reduce carbon dioxide (“CO₂”) emissions, mitigate the effects of climate change, and catalyse the development of the carbon capture, utilization and storage (“CCUS”) industry as a new source of economic growth.

The CCUS Act sets out a regulatory framework for the entire CCUS value chain, including, among others, the establishment of the CCUS Agency responsible for the administration and implementation of the CCUS Act and the introduction of a licensing regime for CCUS activities.

This includes registration requirements for carbon capture installations, the transportation of CO₂ obtained through carbon capture, and the utilisation of CO₂ through carbon capture in Malaysia, as well as permit and licensing requirements for activities such as conducting offshore or onshore geological assessments of potential storage complexes or geological formations and the operation of storage sites in the offshore or onshore areas of Malaysia for the permanent storage of CO₂ captured within or outside Malaysia.

The Carbon Capture, Utilization and Storage (Offshore Permit and Licensing) Regulations 2025, which is issued pursuant to the CCUS Act, also came into operation on 1 October 2025 (“CCUS Regulations”). The CCUS Regulations set out the detailed permit and licensing framework governing offshore CCUS activities.

While the CCUS Act lacks clarity in certain areas, such as the treatment of carbon credits, it nevertheless offers greater certainty to potential investors by establishing a formal regulatory framework for CCUS activities in Peninsular Malaysia and Labuan. This marks an important first step for Malaysia to leverage its natural resources and advance toward achieving its net-zero emissions targets.

You can find the CCUS Act [here](#) and CCUS Regulations [here](#).

Legal Update

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MITI: Steel Industry Roadmap 2035

On 29 September 2025, the Ministry of Investment, Trade and Industry (“MITI”) has introduced the Steel Industry Roadmap 2035 (“SIR2035”). SIR2035 sets out a practical framework to stabilise and reset the steel industry. SIR2035 presents a structured approach to managing production capacity, reinforcing local supply chains, and supporting the transition to low-carbon manufacturing.

Key initiatives of the roadmap include:

- (a) Restructuring manufacturing licences for the steel industry;
- (b) Reviewing and renegotiating licence terms for companies with approved but unbuilt capacity in the iron and steel industry; and
- (c) Enhancing regulatory oversight and inter-agency coordination (for example, active collaboration between MITI, the Malaysian Investment Development Authority and the Royal Malaysian Customs Department).

It remains to be seen how these strategic intentions will be translated into guidelines and policies by the relevant authorities.

For more details, please refer to the SIR2035 in full [here](#).

Headline: Securities Commission’s New Guidelines on Social Exchange Platforms

On 19 September 2025, the Securities Commission Malaysia (“SC”) issued the Guidelines on Social Exchange Platforms (“Guidelines”), providing the regulatory framework for social exchange platform (“SEP”) operators and non-profit organisations (“NPO”) to raise funds through the capital market.

SEP refers to an electronic platform operated by an SEP operator that facilitates fundraising by an NPO for a social impact project.

SEP Operator

An SEP operator shall be registered with the SC in accordance with the Guidelines. The key criteria for registration include, amongst others:

- (a) be a locally incorporated company operating in Malaysia;
- (b) have a minimum paid-up share capital of RM500,000;

- (c) maintain minimum shareholders' funds of RM500,000 at all times;
- (d) appoint at least one responsible person from senior management (subject to the SC's prior approval); and
- (e) the applicant, directors, controller and responsible person are fit and proper pursuant to the Guidelines.

NPO

An NPO seeking to raise funds through an SEP must, amongst others:

- (a) be a locally incorporated entity (based on the applicable acts) and be an approved entity registered under section 44(6) of the **Income Tax Act 1967**;
- (b) be carrying out a social impact project in Malaysia aligned with the categories set out under the Guidelines — the three main categories are social welfare; cultural preservation and heritage; and environmental sustainability and conservation;
- (c) have the requisite operation track record; and
- (d) comply with the prescribed fundraising conditions.

For further details on other obligations and requirements, please refer to the Guidelines [here](#).

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Financial Services

BNM Issues New Policy Document on Personal Financing

On 30 September 2025, Bank Negara Malaysia (“BNM”) issued a *Policy Document on Personal Financing* (“New Policy Document”) which aims to promote prudent and responsible financing practices with respect to the provision of personal financing by financial service providers, while encouraging responsible borrowing behaviours by financial consumers.

The New Policy Document introduces new requirements to:

- (a) ensure clear reporting by financial service providers with regards to BNM’s existing expectations on the application of the maximum tenure of 10 years for financing offered under a home financing product or secured by an unencumbered property for personal use;
- (b) prohibit the offering of personal financing where interest/profit charges are computed using flat rate and/or Rule of 78 method;
- (c) reinforce expectations for financial service providers to disclose the effective interest/profit rate to financial consumers; and
- (d) ensure that financial consumers who apply for personal financing with amounts exceeding RM100,000 attend and complete a financial education module.

The New Policy Document supersedes the *Policy Document on Personal Financing* issued on 15 December 2023 (BNM/RH/PD 028-130).

The New Policy Document can be accessed at [here](#).

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