

Corporate/M&A

Guidelines on Product Governance

The Securities Commission Malaysia ("SC") had on 24 June 2025 issued the Guidelines on Product Governance ("PG Guidelines") as well as a set of Frequently Asked Questions ("FAQs") to provide a better understanding of the PG Guidelines, which will come into effect on 2 January 2026 (the "Effective Date").

The PG Guidelines applies to a product issuer¹ and a product distributor² that issues or distributes unlisted capital market products³ except the following:

- (i) Ordinary shares;
- (ii) Over-the-counter derivatives contracts that are customised specifically for an investor;
- (iii) Venture capital or private equity funds; and
- (iv) Products hosted or funds raised on the platform of a recognized market operator or initial exchange offering operator that is registered by the SC.

The PG Guidelines seeks to strengthen investor protection and to encourage responsible product development and distribution in the capital market.

The product governance framework embodies controls, policies and procedures (CPPs) that are put in place across the lifecycle of unlisted capital market products. These CPPs, among others, ensure that unlisted capital market products are designed and distributed to the identified target market, and perform in the manner the investor has been led to expect.

A product issuer and a product distributor must comply with the requirements in the PG Guidelines for a product that is:

- (i) issued and only made available to investors after the Effective Date; or

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- (ii) existing but has undergone significant changes to the structure, feature and risk profile of the product, and is made available to investors after the Effective Date.

The PG Guidelines can be accessed [here](#).

The FAQs can be accessed [here](#).

CONTACT US FOR FURTHER INFORMATION REGARDING CORPORATE/M&A MATTERS.

¹ A “product issuer” refers to any person who issues an unlisted capital market product and includes an adviser.

² A “product distributor” refers to any person who markets and sells an unlisted capital market product, who may or may not be a product issuer.

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