



Suruhanjaya Sekuriti
Securities Commission
Malaysia

EFFECT OF COVID-19 TO CAPITAL MARKET IN MALAYSIA:

A Brief Update

Presentation at COMCEC Capital Market Regulators Forum
13 Oct 2020



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1. COVID-19 in Malaysia – *In Brief*

As at 11 Oct 2020

 Malaysia

Coronavirus Cases:

15,657

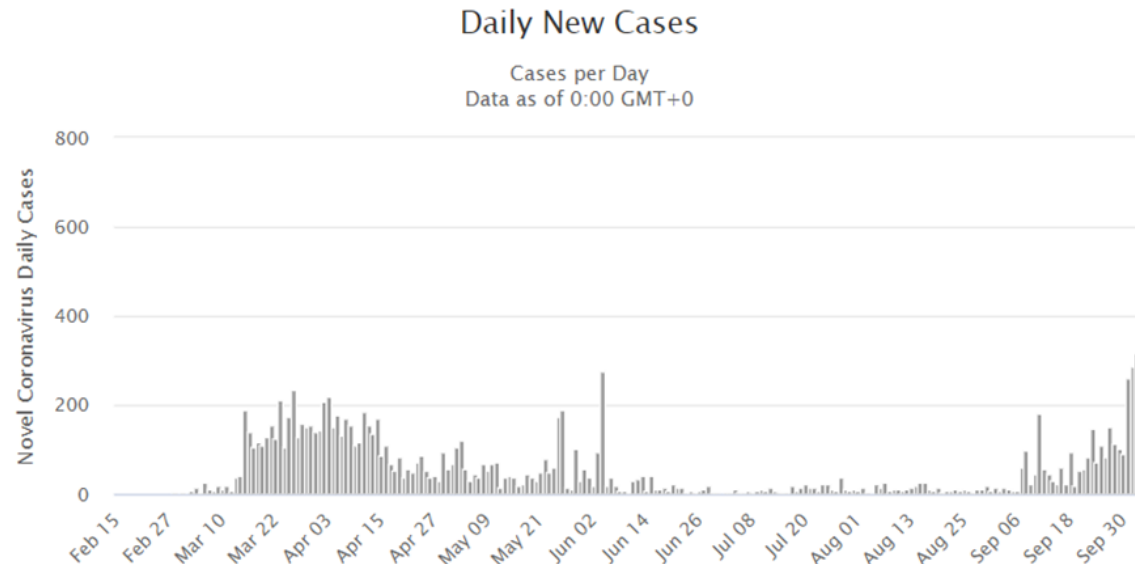
Deaths:

157

Recovered:

10,913

Daily New Cases in Malaysia



- Malaysia implemented lockdown under the **Movement Control Order (MCO)** starting from 18 March 2020.
- Since then, Malaysia went through 6 phases of MCO.
- Since 4 May 2020, Malaysia has progressively introduced conditions to ease the MCO and on 10 June 2020, Malaysia has entered the **recovery phase** of the MCO where most of the sectors and industries have re-opened.
- Malaysia has been recognised as one of the most successful countries in the world in handling and controlling the COVID-19 pandemic

1. COVID-19 in Malaysia - 6R Recovery Plan

COVID-19 response: the 6Rs

The Short-term Economic Recovery Plan is the fourth of the 6Rs in addressing the impact of COVID-19.

- 1 **Resolve**
in addressing and containing COVID-19 by implementing the Movement Control Order
- 2 **Resilience**
through the PRIHATIN Economic Stimulus Packages in order to protect the people and support the economy
- 3 **Restart**
the economy in an orderly and controlled manner
- 4 **Recovery**
plan to be put in place and implemented
- 5 **Revitalize**
the economy as a whole
- 6 **Reform**
the existing economic structure as we leap into the new normal



The first four Rs – covering **Resolve**, **Resilience**, **Restart** and **Recovery** – are presently on track and could be achieved with a stronger political will to move faster.

These aspirations raise our expectations for better economic growth

The last two Rs are **Revitalize** and **Reform** – to achieve these two goals, our present economic model must be transformed significantly.

We cannot carry on with business as usual. Some old norms must be radically reformed and new thinking adopted if we are to be successful.

2. Financial Measures by Government and Financial Regulators

The Malaysian government also introduced 3 separate **Economic Stimulus** packages between February to April 2020 amounting to RM295 billion (US\$71b) to combat the economic effects of this COVID-19 pandemic.

Deferment of loan repayments or moratorium on loan and financing repayment obligation with no penalties and late payment charges for 6 months wef 1 April

Banks to help affected borrowers restructure & reschedule (R&R) their loans

Financing facilities at reduced rates for micro businesses and SMEs to support funding in specific purpose

Others:

- Special grant to qualifying micro SME
- Tax incentives and reliefs
- Grants to support e-learning, digitalization and productivity activities

- **Sukuk Prihatin**

Launched on August as part of Malaysia's National Economic Recovery Plan in response to the public's request to participate and contribute to the rebuilding of our nation post-COVID-19.

- Issuer: Government of Malaysia
- Sukuk size: up to RM500m (US\$120m) nominal value
- Profit rate: 2% p.a.
- Profit payment frequency: quarterly
- Sukuk tenure: 2 years

First ever digital sukuk in Malaysia

3. Capital Market-related Measures to Support the Malaysian Economy

Measures have been deployed to facilitate greater access to funding to maintain confidence and ensure long-term recovery of the market

Measure	Actions
Regulatory Flexibilities for Market Participants	<ul style="list-style-type: none"> • Waiver of listing-related fees, for a period of 12 months, for companies seeking listing on LEAP or ACE Markets (growth and emerging companies) • Extending deadlines for market participants to comply with requirements such as regulatory filings and submissions to the SC and fulfilment of training requirements • Temporary relief measures relating to margin financing to 31 December 2020
Greater Fundraising Access for Smaller Companies	<ul style="list-style-type: none"> • Lifted fundraising limits on Equity Crowdfunding (ECF) platforms • Allowed ECF and peer-to-peer financing (P2P) platforms to operationalise secondary trading

Capital Market-related Measures to Support the Malaysian Economy *(cont'd)*

Measure	Actions
New Co-Investment Fund	<ul style="list-style-type: none">• A new co-investment fund of RM500 million (US\$120m) was set up for investments alongside private investors in early-stage and growth-stage Malaysian companies.• Through this co-investment, the Government seeks to help realise the potential of home-grown start-ups as well as to crowd-in further private sector funds to fuel high growth companies.
Accelerate Digitisation of Capital Markets	<ul style="list-style-type: none">• The SC also called upon the industry to seize the opportunity to accelerate their digitisation transformations and offer more online products and services to investors as the regulator observed a significant increase of new online trading accounts opening in recent months.
Introduce New Guidelines	<ul style="list-style-type: none">• Guidance On Virtual Meetings for Listed Issuers• Guidance On Covid-19 Health and Safety Measures For Capital Market Participants



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*Thank
You!*

