FINANCIAL PLANNING FIRMS OPERATING STANDARDS (FOS)

For Financial Planning Firms licensed by Securities Commission

Funded by

CMDF

Dana Pembangunan Pasaran Modal

Capital Market Development Fund

TABLE OF CONTENTS

Foreword by FPAM President

The financial planning profession is rooted in trust, expertise, and an unwavering commitment to improving the financial well-being of individuals, families, and businesses. As our industry continues to grow and evolve, it is crucial to establish a framework that promotes consistency, professionalism, and ethical standards across all firms.

It is my privilege, as President of the Financial Planning Association of Malaysia (FPAM), to introduce the Firms Operating Standards (FOS). This document represents a shared effort among industry leaders, practitioners, and stakeholders, all driven by the goal of strengthening the financial services sector and ensuring firms are equipped to meet the demands of an increasingly dynamic environment.

The FOS is particularly valuable for firms that are just beginning their journey in financial planning. Starting a practice comes with unique challenges, and this document provides essential guidance to help firms establish a strong foundation. From governance and compliance to client relationship management and professional development, the FOS offers practical tools and insights that can support firms in navigating the complexities of setting up and operating in this competitive field.

At the same time, the FOS offers established firms an opportunity to refine their practices and uphold the highest standards in their operations. By adopting these standards, all firms—regardless of their size or stage—can build robust internal structures, enhance the quality of their services, and foster greater trust with clients and the broader community.

This initiative is a reflection of the financial planning community's collective vision for excellence and sustainability. It showcases the power of collaboration, with contributions from across the industry working together to create a resource that elevates the entire profession.

As we launch this document, I encourage all financial planning firms to embrace the principles outlined within. Whether you are starting out or building on years of experience, the FOS serves as a foundation for growth and a benchmark for operational excellence.

I would like to extend my heartfelt gratitude to everyone who contributed to the development of the FOS. Your dedication and expertise have brought this initiative to life, providing a valuable resource that will shape the future of financial planning in Malaysia.

Special thanks to the Securities Commission Malaysia for entrusting FPAM with the opportunity to lead the development of Firm Operating Standards under the Joint Action Plan. Our gratitude also extends to AFA, MFPC, and MFPAA for their efforts in gathering valuable feedback from their licensed corporate members, which played a crucial role in the successful completion of this initiative.

Together, let us continue to lead by example, uphold the highest standards of professionalism, and build a legacy of trust and excellence in financial planning.

Alvin Tan

President
Financial Planning Association of Malaysia

Foreword by AFA President

The FIRMS OPERATING STANDARDS (FOS) FOR LICENSED FINANCIAL PLANNING FIRMS represents a significant milestone in the evolution of financial planning practices in Malaysia. This comprehensive set of standards is the product of a collaborative effort between four financial planning associations, namely the Association of Financial Advisers (AFA), Financial Planning Association of Malaysia (FPAM), Malaysian Financial Planning Council (MFPC), and Malaysian Financial Planners and Advisers Association (MFPAA), all working together towards a shared goal of enhancing the professionalism and consistency of financial planning services in the country.

The FOS was first conceptualized in 2020 under Financial Planning Professional Standards Working Group as part of an initiative to streamline professional standards across the four associations. This effort has been greatly enriched by the expertise of foreign professionals, including expert advisors from Australia, who have helped shape the standards based on global best practices.

Under the leadership of the Financial Planning Association of Malaysia (FPAM), and with invaluable guidance from Jas Bir Kaur, the Financial Planning Working Group adviser, the FOS has been carefully crafted to ensure that it not only meets the evolving needs of the industry but also enhances the integrity, transparency, and trust in the financial planning profession.

We strongly encourage Licensed Financial Planning Firms to adopt the FOS in their practice and operations. We strongly believe that implementation of these standards will contribute to the continued growth and development of the financial planning sector, providing greater confidence to consumers and a robust foundation for practitioners to navigate the increasingly complex financial landscape.

Adjunct Professor John Chan Ninyii

President
Association of Financial Advisers (AFA)

Foreword by MFPC President

The Malaysian Financial Planning Council (MFPC) supports the implementation of Firm Operating Standards (FOS) as a foundational document for the financial planning industry. As economic growth accelerates and consumer expectations evolve, the role of licensed financial planning firms becomes increasingly critical in ensuring robust, transparent, and ethical practices.

This comprehensive guide, developed in collaboration with the Joint Action Plan of Securities Commission Malaysia, underscores the industry's commitment, including regulators and practitioners, to building a strong framework for Malaysian financial planning firms. It provides practical reference material for firms to align operations with best practices in essential areas such as client engagement, breach management, confidentiality, and conflict resolution, which are vital to building public trust and supporting long-term client relationships.

Aligned with MFPC's commitment to upholding the highest ethical standards, this guide offers a well-rounded set of policies to equip both established and emerging firms with the tools to assess and refine their internal processes, ensuring compliance while fostering innovation and efficiency. Furthermore, firms can proactively minimize risks and adapt to changes in the financial planning process through integrated training, operational security, and transparency protocols.

MFPC also commends the firms and associations that shared their views during the exposure draft review. The feedback has been invaluable in refining these standards and ensuring their practical relevance. With the rollout of the FOS throughout the industry, we expect greater professionalism, improved client relationships, and sustainability.

The positive impact of these standards on the industry is multifaceted. By establishing clear guidelines and best practices, the FOS enhances the credibility and reliability of financial planning firms, fostering greater consumer confidence. This, in turn, can lead to increased client retention and satisfaction, as well as attracting new clients who value transparency and ethical conduct. Additionally, the FOS encourages continuous professional development and adherence to high standards, which can drive innovation and elevate the overall quality of services provided by financial planning firms.

MFPC remains committed to supporting the industry’s development and looks forward to a future defined by excellence and innovation. Together, let us leverage these standards to drive meaningful progress in the financial planning sector, benefiting clients, practitioners, and the broader community in Malaysia and beyond.

Andy Ng Yen Heng

President
Malaysian Financial Planning Council (MFPC)

Foreword by MFPAA President

Advancing Professional Standards Together

In this transformative period for the financial planning profession in Malaysia, I am delighted to present the Financial Planning Firm Operating Standards (FOS), a comprehensive framework that marks a significant milestone in our industry's development. On behalf of the Malaysian Financial Planners and Advisers Association (MFPAA), I am proud to support this crucial initiative that will shape the future of financial planning practices across our nation.

The financial planning profession has grown tremendously in recent years, bringing with it increased responsibility to maintain the highest standards of service and professionalism. The introduction of the FOS responds to this evolution, providing a robust framework that addresses the complex operational challenges faced by financial planning firms today. This comprehensive guide reflects our commitment to fostering excellence and consistency across the industry.

Standardised operating procedures form the bedrock of professional excellence and client trust in financial planning. These standards serve as a blueprint for both new and existing firms, ensuring that all practitioners operate within a framework that prioritises client interests, maintains professional integrity and adheres to regulatory requirements. The FOS initiative represents our collective dedication to elevating the professional standards of financial planning in Malaysia.

We envision these guidelines becoming a cornerstone for financial planning firms, providing clear direction in establishing and maintaining effective operational structures. For new firms, these standards offer invaluable guidance in setting up robust systems and processes. For established practices, they present an opportunity to benchmark and enhance existing operations, ensuring alignment with industry best practices.

Looking ahead, we are confident that the FOS will play a pivotal role in strengthening the foundation of our profession. These guidelines will not only help standardise operations across firms but also enhance the quality of service delivery to clients, ultimately contributing to greater public trust in our profession. The comprehensive nature of these standards—covering everything from client engagement to data security—reflects our holistic approach to professional excellence.

As we embrace these standards, I encourage all financial planning firms to view them as an opportunity for growth and improvement. Together, let us commit to implementing these guidelines with diligence and purpose, knowing that they will contribute to the continued development and maturation of our profession.

Kesavan A/L Ragavan

President, MFPAA

Firms Operating Standards Committee Members

The development of this Firms Operating Standards booklet has been made possible through the expertise, dedication, and collaboration of our esteemed committee members. Their hard work and commitment have played an essential role in setting benchmarks for the financial services sector. We are deeply grateful for their contributions.

Committee Members

1. Alvin Kwan Tzen Yet, FPAM Board Member, Redvest Wealth & Asset Management Sdn Bhd
2. Hanna Abdullah, Independent Consultant
3. Linnet Lee, Resolute Planning Sdn Bhd
4. Samantha Yeoh Yen Lin / Siti Nurhidayati Saidin*, Wealth Vantage Advisory
5. Kelly Wong Li Yuin / Joey Lim Syu Ying*, Alpine Advisory
6. Ooi Beng Cheang, CFP Professional

* Alternate committee member

1 Introduction

The Firm Operating Standards identify the key practices the firms should follow to ensure a sound operation. The fifteen policy documents are drafted in alignment with regulatory requirements.

2 Applicability

This policy document is applicable to all financial planning firms and when finalised, will be adopted by the financial planning industry.

3 Effective date

This policy document will come into effect upon issuance of the final policy document.

4 How to Apply these Standards in Your Firm

a) **New Firms:** Utilize the provided templates to establish your structure and policies.

b) **Existing Firms:** Compare your current policies with the 15 basic standards to ensure alignment and build a solid foundation.

c) **Guidelines:** These standards serve as guidelines. If some policies are not applicable to your business model, document the rationale for their exclusion.

d) **Policy Integration:** If combining two policies, ensure that the integration is consistent with industry standards.

e) **Template Use:** The provided template is for firms without existing policies. Firms may use their own formats and content as long as they are clearly documented.

2. Breach Management

Company Logo

Company Name
Company Address

POLICY NAME	Breach Management			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Compliance Manager/Director	**CONTACT INFORMATION**		
APPLIES TO Apply group names to define applicable areas of staff.				
GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - **should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).**

The financial planning industry is a highly regulated environment where industry participants, such as licensed financial planning firms, are subjected to a string of obligations and requirements by the relevant regulators and industry associations. Breaches of obligations and requirements do occur from time to time. This policy aims to provide a process on how to handle a breach.

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Breach	An act of breaking or failing to observe a law, agreement, code of conduct, policy or standard.
Obligation Register	A register that contains a description of all the obligations and requirements imposed on the Firm.
Compliance Schedule	A schedule that organises the activities needed to be undertaken to check and monitor compliance with those identified obligations.
Corrective action	Actions to stop a breach from causing further harm, loss or non-compliance.
Preventive action	Measures put in place to avoid repeat occurrences.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The policy applies to all employed staff, it sets out:

A. The source of regulatory obligations, industry standards, code of conduct and/or policies imposed on the firm
B. Steps and procedures in breach handling & management
C. Management and Reporting
D. Record keeping

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. The Firm must outline all the relevant regulatory obligations, industry standards, code of conduct, policies and/or contractual obligations imposed on the firm.
2. For efficient reference, create an Obligation Register. Then, create a Compliance Schedule. The register and schedule assists in maintaining compliance with all the obligations and requirements.
3. Depending on the size and nature of operations in the Firm, designate a team member in each department and create a Compliance Committee. Meet regularly (e.g. monthly, quarterly) to discuss matters.
4. Create a breach report template for use when a breach is identified to ensure proper handling and management can be achieved.
5. Depending on the type, nature and extent of the breach, a report needs to be raised to the relevant parties, e.g. directors, vendors, regulators.
6. Breaches do not need to be actual breaches. They can be potential breaches.

Breach Management

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

A. The source of regulatory obligations, industry standards, code of conduct and/or policies imposed on the firm

- Identify the sources. Depending on the source and their requirements, outline the principle-based obligation or specific requirements.

    - Examples of sources:
    - Regulatory - Securities Commission, Bank Negara, Department of Personal Data Protection
    - Industry Association - Financial Planning Association of Malaysia - e.g. Code of Ethics
    - Firm policies - e.g. training, record keeping, outsourcing
    - Contract/Agreement with 3rd party vendors

- For practical and efficiency purposes, it is good business practice to create and maintain an Obligation Register. This register contains the following information:
    - description of the obligation
    - source of the obligation and the reference number
    - monitoring controls
    - monitoring frequency
    - person responsible for monitoring

- From the Obligation Register, create and maintain a Compliance Schedule. This Schedule contains the following information:
    - The time period for an activity to occur. E.g monthly (January, February, March, etc) or quarterly (Jan-Mar, April-June, etc)
    - The activity connected to the particular obligation listed in the Obligation Register
    - Due date for the activity to be completed
    - Completion status and additional remarks

B. Steps and procedures in breach handling & management

- Identify the actual or potential breach;
    - Breach can be identified from various sources:
        - Client complaint
        - Finding from activities undertaken per the Compliance Schedule
        - Incidents raised by staff

- Collect relevant information about the breach and complete a Breach Report. The Report should contain 2 sections. Section 1 should be drafted within 3 business days from when the breach was identified.. Section 1 contains the following information:
    - Person handling the breach (this is typically the Compliance Manager)
    - Date of the report
    - Date the breach was identified
    - Description of the breach
    - Type of breach - e.g. regulatory, industry, firm standards
    - How the breach was identified
    - Staff involved (if applicable)
    - Client involved (if applicable)
    - Cause of breach
    - Potential/Actual costs to client, Firm and/or other parties
    - Proposed/Actual Corrective actions
    - Proposed/Actual Preventive actions

- Discuss the Breach Report with the relevant persons within the Firm, e.g. Compliance Consultant, Compliance Committee, Directors as soon as possible depending on the nature, size and gravity of the breach. Matters to be discussed will form Section 2 of the Breach Report and are as follows:
    - Whether the breach is material/significant
    - Whether the proposed/actual corrective and preventive actions are adequate
    - Who should be informed of this breach

- The following is a set of recommended factors to be considered when determining if a breach or likely breach is significant:
  - the number or frequency of similar previous breaches. The more frequent the number of similar breaches the more likely the breach may be significant;
  - the impact the breach has on the Firm's ability to provide financial planning activities and/or the financial services covered by the relevant licence. Where the ability or capacity to provide financial services covered by the licence is reduced, then the breach may be significant;
  - the extent to which the breach indicates that the firm's arrangements to ensure compliance with their obligations is inadequate. For example, if the breach indicates the compliance arrangements are inadequate only in an isolated instance, then the breach may not be significant;
  - the actual or potential financial loss to the clients or to the firm, arising from the breach. If the breach causes actual or potential financial loss to clients, it is likely to be significant. If the breach is isolated or occasional, the amount of the loss is minimal and impacts only a small number of clients, the breach is less likely to be significant. If the breach causes actual or potential loss to the firm, then whether it is significant or not depends on the size of the loss as compared to the overall business.

- Example of significant breaches:
  - Firms operating outside the scope of their authorisations and/or licence
  - Fraud, criminal breach of trust, misleading or deceptive conduct
  - Systemic breaches

C. Breach Management & Reporting

- The Compliance Manager or person handling the breach must ensure that the breach is resolved/rectified in a timely manner. Some parts of the rectification can be delegated to others within or outside the Firm, but it must be undertaken by a suitably qualified/ experienced person. Oversight of the matter and the goal of resolving the breach must remain within the Firm.

- If the breach is required to be reported to external parties, the Compliance Manager or a suitable person must handle the communication and have all correspondences in writing.

- Relevant details of the breaches (extracted from the Breach Report) should be entered into a Breach Register for monitoring and management purposes. The Breach Register will assist the Firm management in identifying trends and create an action plan to reduce the number and gravity of future breaches.

- Examples of action plans (may also be used as preventive actions) are as follows:
  - Staff training
  - Automation of certain functions
  - Revamp of processes
  - Segregation of duties to enhance checks and balances
  - Targeted audits

D. Record keeping

- All records and breach reports must be kept for at least 7 years from when those records are created.

Breach Management

EXCEPTIONS

Describe exceptions here.

1. A pandemic
2. Organisation winding up
3. Take-over of merger of a company

RELATED POLICIES AND OTHER REFERENCES

1. Organisation chart
2. Outsourcing policy
3. Conflicts of interest policy
4. Complaints handling

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Compliance Manager	Oversee all compliance functions and reports to the CEO/MD/Director

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL

3. Client's Letter of Engagement

Company Name
Company Address

ABC SDN BHD

ABC Sdn Bhd
Address
03-XXXX XXXX
Email

Client Name:
Address:

Date:

Engagement Letter for Financial Planning and Product Advisory Services

Following our recent meeting, I have pleasure in providing you with details of the services ABC (Company name) offer and our costs.

Which type of advice will we provide you with?

ABC Sdn Bhd offers independent advice. We will advise and make a recommendation for you after we have assessed your needs. Our recommendations will be:

- based on a comprehensive and fair analysis of the relevant market
- unbiased and unrestricted

This means that we are not restricted by a single product provider and can consider all types of retail investment products or financial products allowed by our licences.

CLIENT SERVICE AGREEMENT

1. Scope of Services

1.1 xxxxxxxxx

1.2 xxxxxxxx

1.3 xxxxxxxx

2. Fees

2.1 We will charge you a fee for the services we provide under this agreement as set out in Item 1 of Schedule 1.

2.2 You agree that these fees will be calculated in the manner set out in Item 2 of Schedule 1.

3. Implementation of the Financial Product

3.1 We emphasise that the services described above are a separate and distinct advisory exercise and it is not obligatory on your part to make any purchases from us except if you agree to do so.

4. Tenure of Appointment

4.1 Our tenure as your personal Financial Adviser will include providing product advisory. Thus, our tenure would be complete upon recommendation.

5. Client Representation

5.1 We rely solely on your oral and written representation to us in preparing your product advisory and we shall not be held responsible for any misrepresentations and/or omissions made by you.

6. Indemnity

6.1 You acknowledge and agree that while we and our representatives will exercise due care and skill when recommending financial products, we do not give any assurance or warrant any particular financial product performance or rate of return.

6.2 We are not responsible for any loss incurred by you as a result of any act, omission, deceit, neglect, mistake or default of any third party except to the extent that the loss is attributable to our negligence, deceit or default.

6.3 We shall also not be held liable for any losses, damages or claims resulting from your non compliance with our advice. We also have your agreement that we shall not be liable for errors of fact or judgement so long as we act in good faith except for any wilful misconduct or gross negligence on our part.

6.4 While reasonable care shall be taken in the preparation of our report, proposal and/or advice, no warranty is given to the accuracy of the opinion contained therein or liability accepted, if any, for any statement of opinion or for any errors or omission, our loss shall be limited to our sum fees stated in our report and/or proposal.

7. Disclosure of interest

7.1 In the course of our work and if we encounter any areas of potential conflict of interest, we will advise you in writing at the earliest opportunity and we will explain to you the implications thereof to enable you to make informed decisions.

8. Joint/Multiple Client

8.1 If we are providing services to you jointly, we accept instructions both jointly and severally from you, and it must be expressly agreed in writing by all the Parties concerned (unless stated otherwise) and such instructions shall be binding on all parties.

9. Confidentiality

9.1 All information given to us by you and all recommendations and advice furnished by us to you will be kept confidential by each of us and by any professionals whose services are utilised in the preparation of the product advisory, and will not be disclosed to anyone except as we may agree in writing or as may be required by law.

10. Termination

10.1 Our appointment can be terminated by either party giving notice of 14 days. It is suggested that the notice period be agreed upon by both the planner and the client. We will bill you for work completed and any out of pocket expenses up to the date of termination. The final bill will be due and payable by you immediately. No refund upon termination.

10.2 Upon termination of this agreement, you may be liable to pay us any outstanding fees and charges associated with the services we have provided.

11. Assignment

11.1 We will not assign our role as your personal Financial Adviser to any other person without your prior written consent.

12. Client Monies

12.1 We do not handle client monies. All cheques for premium, investment monies of any kind and valuation fees, etc. must be made payable to the relevant companies and not to our company and its members or registered individuals.

13. Acceptance of Terms

13.1 If you agree with the above terms of engagement, kindly confirm your acceptance by signing on the space provided below and returning to us the duplicate copy of this letter.

13.2 We may amend the terms on which we provide our services (including the fees we charge for those services) by providing you 60 days' written notice.

13.3 In addition to clause 13.2, this agreement may be amended by the mutual agreement of the parties.

13.4 You have also acknowledged that you:

13.4.1 This client letter is not intended for any other person.
13.4.2 Understand the fees that will be incurred by implementing the recommendations.
13.4.3 Have received a copy of our Financial Services Guide
13.4.4 Have read and understood our Privacy Policy, and consent to the collection, use and disclosure of your personal and other information including use in order to verify your personal information for Anti-Money Laundering/Counter Terrorism Financing purposes.

14. Avenue of Recourse

If you are unhappy with the advice received or a product which you have bought, please direct your dissatisfaction at first instance to us and we will make every endeavour to resolve your complaints in a prompt and fair manner.

Client's Letter of Engagement

Complaint Unit

Company Name
Company Address

ABC Sdn Bhd

(Address)

Financial Markets Ombudsman Service (FMOS)
Level 25, Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
T: +603-2272 2811
https://www.fmos.org.my/

Please contact us if you have any questions or would like to discuss further before making your decision.

Yours sincerely,

_____
Name of Financial Planner:

Date:

This is our standard agreement upon which we intend to rely upon along with the Terms of Business attached. For your own benefit and protection, you should read these terms carefully before making your selection on both the initial services and ongoing services order forms and signing below. If you do not understand any point, please ask for further info.

Company Name
Company Address

SCHEDULE 1

ITEM 1: SERVICES

Comprehensive Financial Planning	
Product Advisory – Risk Management	
Product Advisory – Investment Planning	
Product Advisory – Others (Please state)	
Conduct Review – (Please state)	

ITEM 2: FEE

All payments should be effected by crossed cheque or bank draft made payable to "ABC Sdn Bhd" or you may remit via Telegraphic Transfer.

Banking details are as below:

Bank Name:

Account Name:

Account Number:

The Fee for providing the above scope of service would be:

Professional Fee	RM
Miscellaneous Expenses	RM
Total Fee	RM

ACKNOWLEDGEMENT

I have read, understood and accepted the terms outlined in this letter of engagement.

Name Of Client:
NRIC/Passport No.
Address:

Name Of Client:
NRIC/Passport No.
Address:

4. Complaints Handling

Company Logo

Company Name
Company Address

POLICY NAME	Complaints Handling			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	1

ACCOUNTABLE PERSON	Compliance Director	**CONTACT INFORMATION**	example@fp.com
APPLIES TO Apply group names to define applicable areas of staff.			
GROUP 1	Financial Planners	GROUP 2	All staffs
GROUP 4		GROUP 5	

GROUP 3	
GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law, Regent's policy).

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The Policy is intended to address complaints made to the Company. A complaint under this Policy is defined as "An expression of dissatisfaction made to an organisation, related to its products, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected". Any person or organisation (the complainant) who is dissatisfied with a product or service provided by the firm or its financial planners, for any reason, may contact the Company to complain. A complaint may be verbal, walk-in, write-in via website form, email and post

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. There should be an email address for client complaints which should go to the Compliance Personnel of the firm.
2. An assessment of the nature and complexity of the complaint, once received, should be undertaken by the Compliance Personnel.
3. Simpler and/or less complex complaints can be handled by the LFP. Should the complaint be of a more serious nature for which the LFP should not be handling, the Compliance Personnel should handle it instead.
4. Complaints through all channels of communication should be addressed if the complainant can be identified and contacted (email, social media, verbal, walk-in, postal mail). Details of the complaint must also be provided to be addressed by the firm.

Complaints Handling

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

Procedures upon receipt of complaint

1. Upon receipt of a complaint, if the recipient of the complaint is not the Compliance Personnel, the matter should be brought up to the Compliance Personnel for attention immediately.
2. There should be an acknowledgement of receipt of the complaint to the client by the person handling the complaint, within 2 working days via email or any formal mode of communication by the recipient.
3. If it is the LFP, the Compliance Personnel should be kept in the loop at all times.
4. The LFP to discuss with the client for further clarification (if needed).
5. Propose the course of action within 7 working days.
6. Propose a longer timeframe with the client if a complaint can't be resolved within 7 working days.
7. When the complaint has been resolved, the Compliance Personnel must update the Complains Register and the action for the resolution.
8. If the complaint cannot be resolved within SIDREC, FiMM or SC stipulated duration, the client should be advised on their right to refer to the respective bodies.
9. The firm also has the option to shorten the duration to refer to the respective bodies if they so desire.
10. If the complaint is resolved, through either of these channels, it should also be recorded by the firm in its Complaints Registry..

SIDREC: Securities Industry Dispute Resolution Center
SC: Securities Commission
FIMM email: Federation of Investment Managers, Malaysia

EXCEPTIONS

Describe exceptions here.

Complaints can be by way of negative feedback, which may not require a resolution or formal follow-up. While this type of feedback is valuable to the firm, the Policy does not apply to feedback of this nature.

RELATED POLICIES AND OTHER REFERENCES

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY

CONTACTS – who should contact

List contacts in the table.

SUBJECT	CONTACT	PHONE	EMAIL
	Compliance Director	012-9990000	example@fp.com

5. Confidentiality & Conflict of Interest

Company Logo

Company Name
Company Address

POLICY NAME	Confidentiality & Conflict of Interest			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	1

ACCOUNTABLE PERSON(S)	1) HR Manager 2) Compliance Manager	**CONTACT INFORMATION**	example@fp.com

APPLIES TO Apply group names to define applicable areas of staff.					
GROUP 1	All LFPs	GROUP 2	All staffs	GROUP 3	Marketing Reps
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law, Regent's policy).

This policy is to address how the firm manages:

- confidentiality of the clients' data & information
- confidentiality of employees' & firm's data & information
- how to mitigate and address conflict with clients
- how to mitigate and address internal conflicts of interest.

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Data	Data stored on clients and employees which are personal required by law or nature of the business
Information	Information on clients and employees which are stored by the firm for the nature of the business.
Conflict of interest	When the staff or LFPs' personal interest could compromise his/her judgement, decisions or actions at the workplace.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The Policy is intended to safeguard clients, employees and firm's information and data. It is applicable to all board members, employees, independent contractors (LFP, outsource service providers) and marketing representatives.

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. All firms, clients & staff's data and information must be kept confidential at all times.
2. Any conflict of interest arising from employees, outsource contractors, Board of Director, LFPs must be reported to the Compliance department.
3. The firm must keep a registry of conflict of interest which records the conflict and relevant details, including assessment outcome and course of action.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

1) Employees confidentiality of data and Information

a) Information of candidates given in job application for employment will be kept confidential by Human Resource Department (HRD),
b) Employees shall ensure confidential documents are kept and properly locked after work each day.
c) Employees are required to keep confidential their quantum of remuneration and annual bonuses awarded.
d) Employee's personal file stored by the HRD can be accessed by direct supervisors for disciplinary and performance appraisal purposes and must be returned to HRD after usage.
e) Access of information in line with work should be kept confidential where necessary, avoid divulging to colleagues whose work is not related.
f) Employees & board of directors shall use their best endeavour, during and after employment, to keep confidential all firms' trade secrets, confidential information concerning the business of the firm and any confidential information concerning any of its associated companies and clients.

2) Examples of Employees Conflict of Interest (non-exhaustive)

a) To declare when the family members work in a competitor organisation.
b) Use of a firm's time and resources for personal, private work or business.
c) Engaging in private work or business within or outside the firm which is in conflict with the business of the firm.
d) Disclosing to a third party's firm's information of confidential nature, secrets relating to the affairs and activities of the firm.
e) LFP must disclose if they are also associated to other organisations be it in conflict or otherwise to the firm which may become a point of conflict to the client at a later date.

3) Clients' confidentiality of data and Information

a) Firm's must get the client to sign the PDPA disclosure.
b) Protect the confidentiality and sensitivity of all client information and maintain it in such a manner that allows access only to those who are authorised or consent is given by the client.
c) Storage of a copy of clients' data, information and financial plans must be in the firm's central depository held by the authorised department of the firm which can be accessed for regulatory purposes.
d) LFPs should notify clients of data & information required by applicable regulations before implementation of clients approved solutions.

4) LFPs Conflict of Interest

a) LFP should determine and disclose in writing any existing or potential conflicts of interest(s).
b) LFP should disclose any conflict(s) of interest not previously disclosed, if it arises and explains how such conflicts impact the financial planning recommendations.
c) The LFP must avoid presenting his or her opinion as fact.
d) LFP must seek the decision of the client whether they are agreeable to proceed despite the conflict or seek alternative solutions. Decisions of the client must be documented.

EXCEPTIONS

Confidentiality of data and information of employee and clients may be set aside when required by government law, regulator and industry regulation which will align with the PDPA.

RELATED POLICIES AND OTHER REFERENCES

a) Employee handbook
b) Employee Code of Ethics
c) LFP Code of Ethics & Best Practices
d) Regulator(s) licencing handbook(s)
e) PDPA
f) Outsourcing policy(ies)

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Board of Directors	Establish policies in line with internal, external and regulatory requirements
Management & HR	Uphold and administer the implementation of the policies, coordinate with relevant regulators where necessary.
Compliance Team	Cooperation with regulators and legislators on the disclosure of necessary data and information required. Assess all reported conflicts of interest and determine appropriate course of action.

CONTACTS – who should contact

List contacts in the table.

SUBJECT	CONTACT	PHONE	EMAIL
	Compliance Director	012-9990000	example@fp.com

6. Contract Recruitment

Company Logo

Company Name
Company Address

POLICY NAME	Recruitment: Contract & Ad Hoc Manpower			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	1.0

ACCOUNTABLE PERSON		**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

Essential to provide a structured, transparent and fairness in recruitment and selection of personnel.
The aim is to attract the right candidates and to comply with:

1. Malaysian Employment Act 1955 (amended 2022)
2. Malaysian Labour Law
3. Malaysia Standard Classification of Occupations2 (MASCO), Ministry of Human Resources

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Ad Hoc Personnel	Individuals employed on a temporary, as-needed basis for specific projects or periods, this includes interns.
Contract Personnel	Individuals hired under fixed-term contracts for defined roles or projects.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

This policy provides a general framework for the recruitment of ad hoc and contract personnel. It's also essential to involve legal and HR experts to ensure compliance with relevant labour laws.

POLICY - A set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. Compensation and Benefits:
   a) Ad hoc and contract personnel will be compensated according to agreed-upon terms and in compliance with applicable labour laws.
   b) Specify any benefits, such as healthcare, vacation, or retirement contributions, if applicable.

2. Work Conditions and Expectations:
   a) Define working hours, location, and expectations of ad hoc and contract personnel.
   b) Clearly communicate performance standards and any reporting structures.

3. Termination and Renewal:
   a) Specify conditions for contract termination, renewal, or extension.
   b) Provide notice periods or termination procedures, as required by law.

4. Interview Process:
   a) To determine who will make up the panel of interviewers.
   b) To determine mode of interview.

5. Confidentiality and Intellectual Property: Outline the organisation's expectations regarding the protection of confidential information and intellectual property.

6. Compliance with Labor Laws: Ensure all recruitment practices comply with local, state, and federal labor laws.

7. Record-Keeping: Maintain records of recruitment processes, contracts, and related documents.

8. Review and Amendments: Periodically review and update this policy to reflect changing needs, legal requirements, and best practices.

9. Communication: Ensure that ad hoc and contract personnel are provided with a copy of this policy and understand their rights and responsibilities.

Contract Recruitment

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

Recruitment Process:

1. Job Vacancy Announcement:
   a) Clearly define the scope of work, role and responsibilities.
   b) Specify the anticipated duration of employment.
   c) Determine the qualifications, skills, and experience required.

2. Advertisement:
   a) Advertise job openings through appropriate channels and in compliance with regulatory requirements where applicable.
   b) Include a clear description of the job and application instructions.

3. Application and Screening:
   a) Accept applications through a designated process.
   b) Screen applications to ensure candidates meet the required qualifications.

4. Interview and Selection:
   a) Conduct interviews to assess candidates' suitability.
   b) Select candidates based on their qualifications, experience, and fit with the organisation.

5. Offer and Contract:
   a) Award contract to selected candidates.
   b) Create and provide written contracts specifying terms and conditions of employment.

6. Onboarding: Provide necessary orientation and training to new hires.

EXCEPTIONS

Describe exceptions here.

This does not include services outsourced to organisations who assign specific liaison and support personnel.

RELATED POLICIES AND OTHER REFERENCES

Equal Opportunity and Non-Discrimination:
[Your Organization] is committed to equal employment opportunity and prohibits discrimination in recruitment based on race, colour, religion, gender, national origin, age, disability, or any other protected status.
Client Record Keeping Policy

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
HR HOD	Liaise with Departmental HODs for required talent
HR Executive	Prepare for advertisement, interview of shortlisted candidates & onboarding of suitable candidates
Department HOD	Liaise with HR HOD on talent requirement, training to be carried out
Departmental Team	Assist Departmental HOD with on-boarding of ad-hoc/contract personnel
Legal	Ensure that documents and policies are in compliance with regulations.

CONTACTS – who should contact

List contacts in the table. (respective organisations should list the above contact details in this section).

SUBJECT	CONTACT	PHONE	EMAIL
HR Manager			

7. Data Key Control

Company Logo

Company Name
Company Address

POLICY NAME	Data Key Control			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ADMINISTRATOR PERSON	Compliance Director	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1	Financial Planners	GROUP 2	All staffs	GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**
1				
2				

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE

The purpose of this Key Control Policy is to help protect secure confidentiality of the company Statutory documents, Intellectual Property and Client Information.

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
BOD	Board of Director
CEO	Chief Executive Officer
CD	Compliance Director
OE	Operation Executive
FAR	Financial Adviser's Representative
LFP	Licensed Financial Planner

POLICY SECTIONS

POLICY STATEMENT/SCOPE

POLICY

Description	Accessibility	Security Documentation
Statutory File	BOD, CEO, CD	All are required to sign Confidentiality Agreement
Cloud Based File Sharing & Storage – Management Related	BOD, CEO, CD & OE	All are required to sign Confidentiality Agreement
Cloud Based File Sharing & Storage – Materials	All	All are required to sign Confidentiality
Clients File	BOD, CEO, CD & OE and Respective FP/FAR	All are required to sign Confidentiality
Account File	BOD, CEO, CD & Account Staffs	All are required to sign Confidentiality Agreement
ID & Password for Insurance Portal (Master Account)	BOD, CEO, CD & OE	• Insurers Portal Form & Agreement • Confidentiality Agreement
ID & Password for Insurance Portal (FAR)	Respective LFP/FAR Only	Insurers Portal Form & Agreement
Email	Respective User	Confidentiality Agreement
Office Key	All	All are required to sign a letter of undertaking before granting them an access card and main door key.
File Cabinet Key	BOD, CEO, CD, OE	• Main Key is held by CD. • Duplicate Keys are held by OE.

Example:
Physical Layout – filing room with a lock that is only accessible by the management team, for management in accounting, compliance and also client files. FAR/LFP will not allow access without permission of the management team.

Data Key Control

PROCEDURE

EXCEPTIONS

Describe exceptions here.

RELATED POLICIES AND OTHER REFERENCES

Client Record Keeping

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
{to assign}	
{to assign}	
{to assign}	

CONTACTS

List contacts in the table.

CONTACT	PHONE	EMAIL
{to assign}		
{to assign}		

8. Declaration of Interest

Company Logo

Company Name
Company Address

POLICY NAME	Declaration of Interest			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON		**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			
GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

The objective of this policy is to establish guidelines for the declaration of interest by employees of the firm to ensure that any potential conflicts of interest are identified and addressed in a transparent and ethical manner.

Declaration of Interest

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Interest	Any financial or personal interest that may influence the advice or recommendations provided to clients.
Immediate Family Member (Personal relationship)	Immediate family members refer to parents, spouse, siblings and childrens.
Financial Interest	Any compensation or reward that a financial planner or advisor may receive for recommending or selling a particular financial product or service. These incentives may include commissions, bonuses, or other forms of compensation
Ownership or investment in a particular financial product or service	Any financial stake that a financial planner or advisor may have in a particular investment or financial product that they recommend to a client.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

Firm's members should not let their personal interest interfere with their judgement when performing a job to ensure there is fair treatment of the customers. Where there is a situation that involves or appears to involve potential conflict of interest between the firm's personnel or a member of his family and the firm's, declaration of interest shall be completed at its earliest opportunity.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

Firm's Declaration of Interest policy should therefore entail the standard procedure for the disclosure of interest which may include:

i. situation that involves conflict of interest

In the context of the activities of a Licensed Financial Planner, "interest" can be defined as any financial or personal interest that may influence the advice or recommendations provided to clients. This includes any interest that may create or give rise to a conflict of interest, whether actual or potential.

Examples of interests that may create a conflict of interest include:

Type of Interest	Example	Justification	Measure to be taken
Personal relationships – Immediate Family Members (Parents, Siblings, Childrens, Spouse,)	This refers to a situation where a financial advisor or planner has a personal relationship with a client --- that is their immediate family member, which may create a conflict of interest that can influence the advice given to the client.	Providing financial advice to immediate family may create a conflict of interest as the advisor may be biassed in favour of the client due to their personal relationship, potentially leading to recommendations that are not in the client's best interest.	Any financial or personal involvement with immediate family members that may influence advice or recommendations must be disclosed to the firm. As long as there is a fee, commission or financial benefit paid to the financial planner, it must be disclosed to the firm.
Financial incentives	This refers to a situation where a financial advisor or planner receives financial incentives, such as commissions or referral fees, from third-party service providers for recommending certain financial products or services to their clients.	Receiving commissions or referral fees from third-party service providers may create a conflict of interest as the advisor may be incentivized to recommend products or services that offer higher commissions or fees, rather than those that are the best fit for the client's needs.	In line with LFP best practices, the firm must ensure that the declaration of interest is made to the client in the relevant documents. Should the LFP enjoy any financial benefits from the recommendations from other than approved products list, the benefits must be declared to the firm and client.
Ownership or investment in a particular financial product or service	This refers to a situation where a financial advisor or planner has a personal stake in a particular financial product or service, such as owning shares in a company, which may influence the advice or recommendations given to clients.	Owning shares in a particular financial product or service may create a conflict of interest as the advisor may be biassed in favour of the product or service they own, potentially leading to recommendations that are not in the client's best interest.	In line with LFP best practices, the firm must ensure that the declaration of interest is made to the client in the relevant documents. Should the LFP enjoy any financial benefits from the recommendations from other than approved products list, the benefits must be declared to the firm and client.
Entity-Level Conflicts	This is refer to the business affiliations or relationships that may affect the firm's objectivity	Proactive approach in acknowledging potential conflicts arising from business affiliations, relationships, or activities, not only mitigates risks but also fosters stakeholder trust and regulatory compliance, ensuring that decisions are made in the best interest of clients and stakeholders	Any business affiliations or relationships that may have an impact on the firm's integrity or objectivity must be disclosed to the client in relevant documents.

ii. Tools for declaration of interest

The declaration of interest tools shall be designed to serve the purpose of identifying and addressing both actual and potential conflict of interest issues. While there are questions related to the disclosure, the guidance, and examples on how to answer these questions shall be provided. In designing the tools, firm may also consider:

- the type of tools to be used in the disclosure (i.e., hardcopy declaration form, online form, or system embedded declaration form).
- the access to the tools i.e. where is it stored and how these tools can be accessed by the firm's members.
- the difference of tools used (if any) for different categories or levels of personnel.

iii. The procedures for declaration of interest

The procedure for the disclosure should be clearly defined. Firm shall indicate:

- When will personnel be obliged to do or update the declaration of interest? This should consider both standard (e.g. annually/ every 6 months) and ad hoc circumstances (e.g. within 2 days).
- How and where should it be submitted upon completion?
- Who will evaluate the form and how it will be evaluated?
- Who will keep the record, how it will be kept and how long it will be available for access?

iv. Conflict of Interest identification

In the event of any conflict of interest, whether at the individual or entity level, the involved party shall be channelled to the following:

- Identification and treatment: Guidelines On Conduct For Capital Market Intermediaries (Chapter 7, Page, 8).
- Application and action: Conflict of interest in practice, please refer to the LFPs Code of Ethics, SC's Licensing Handbook, respective professional bodies Code of Conduct and LFPs Best Practices.

EXCEPTIONS

Describe exceptions here.

Outlines any exceptions to the policy and the circumstances under which they may apply. This section may outline specific situations that may not require disclosure, such as gifts or entertainment, and when employees may be exempt from disclosure if the potential conflict of interest is deemed insignificant or unlikely to impact their work.

RELATED POLICIES AND OTHER REFERENCES

Lists other relevant policies and references that employees should be aware of in relation to conflicts of interest.

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
{To assign}	Responsible for disclosing any actual or potential conflicts of interest.
[At least to assign]	Responsible for reviewing and assessing the Declaration of Interest forms submitted by their personnel.
[At least to assign]	Responsible for evaluating any potential conflicts of interest and determining appropriate actions to mitigate the conflict.

CONTACTS – who should contact

List contacts in the table.

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			
{To assign}			

9. Employee Handbook

Company Logo

Company Name
Company Address

POLICY NAME	Employee Handbook			**POLICY NO.**	HR1
EFFECTIVE DATE	18.4.2023	DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	HR Manager/HR Executive	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**
1.				

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

Purpose of the Handbook is to provide guidance and information of an organisation for all staff. It outlines company policies as well as indicates how employees are expected to behave and perform. It is also a guide for the management on how to treat employees. The clauses in the handbook must be aligned with the Malaysian Employment Act 1955 amended on 1 January 2023.

The Labor Law in Malaysia is regulated mainly by the Employment Act, 1955. It governs the terms and conditions of employment such as working hours, holidays and rest periods, wages, overtime, and other employment conditions.

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The employee handbook applies to all employed staff, it sets out:

A. Introduction: The firm's Vision and Mission
B. Terms & Conditions of Service
C. Firm Policies & Procedures
D. Employee Code of Conduct
E. Consequence Management

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. Employment Letter of Offer to be signed when the prospective employee is agreeable with the term of condition of the appointment.
2. New employees are required to complete their personal details for HR records purposes.
3. Employee pre-employment medical must be completed before starting work, if required by the organisation.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

A) INTRODUCTION

1. Firm Vision Statement
   a) Provides direction to its employees.
   b) Defines the firm, its core ideals and ultimate goal it aspires to reach.

2. Firm Mission Statement
   a) Based in the present.
   b) States why the business exists to the members of the company and its stakeholders.
   c) Identify the service it provides, primary market and geographical region of operation.

3. Definitions: Explains terminology used in the handbook.

4. Validity of Employee Handbook: States the duration of its validity

B) TERMS & CONDITIONS OF SERVICE

1. Position: Refers to the position as stated in the letter of appointment and who the employee reports to.

2. Employee Provident Fund & Social Security Organisation
   a) States the statutory contribution of employee and employer.
   b) Shows the contribution for different levels of employee.

3. Resignation/Termination
   a) States:
      - mode of delivery of the letter
      - who it should be addressed to
      - how salary is calculated in accordance to Labour Law
   b) Tables the duration required for different levels of employees during probation and upon confirmation.

4. Working Hours
   States:
   a) the working and break time for employees
   b) Procedure for stepping away from work station
   c) Procedure for working outside normal hours
   d) Tables meal allowances for different levels of employees outside working hours.

5. Overtime and Claims for Non-Executives
   a) States what constitutes as working overtime
   b) Authorisation of overtime work
   c) Compliance to Employment Act
   d) Rate for overtime claims

6. Special Projects Outside Working Hours
   a) Specify what constitutes special projects
   b) Procedures for special projects

7. Types of Leave
   a) Sets out different types of leave and its entitlement for different levels of employees and their years of service.
   b) Procedure for leave application
   c) Policy for unused leave.

8. Medical and Dental Benefits
   a) Tables the claims entitlement for different levels of employees.
   b) Sets out what is claimable.

9. Travel Expenses for Meals & Mileage Claims
   a) Sets out claimable expenses
   b) Tables meal allowances for different levels of employees

10. Insurance & Hospitalisation
    a) Sets out types of coverage
    b) Quantum of coverage
    c) Pay-out policy of the organisation.

11. Subscription Fee Waiver (optional): Policies on subscriptions and waiver of fees.

C) FIRM POLICIES & PROCEDURES
Purpose of this section is to ensure orderly work ethics and guide employees on their actions and behaviours. It sets out procedures and processes for each area.

1. Observance of Working Hours
2. Confidentiality of Information
3. Attire
4. Keep Office Premises Clean
5. Respect the Usage of Office Premises
6. Reception Area
7. Receiving Guests
8. Training and Development
9. Upgrading & Promotion
10. Annual Bonus
11. Personal Files
12. Personal Belongings

D) EMPLOYEE CODE OF CONDUCT
This section sets out the code on how employees are to conduct themselves at work.
1. Fit & Proper Behaviour
2. Maintain Good Working Environment & Relationship
3. Honesty & Integrity at Work.

E) CONSEQUENCE MANAGEMENT
This section sets out the consequences for breaking firm policies and conduct.

1. Firms should have a structure to handle various levels of breaches and misconduct.
2. The consequences will vary from verbal warning letter to termination. Non-exhaustive examples include the following:
   a) verbal warning from the Manager
   b) Formal warning letter
   c) Suspension with or without pay
   d) Termination.

EXCEPTIONS Describe exceptions here.

1. A pandemic
2. Organisation winding up
3. Take-over of merger of a company

RELATED POLICIES AND OTHER REFERENCES

1. Organisation chart
2. SOPs of individual departments
3. Constructive dismissal claim by employees

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Shared Services Manager	Oversee all shared services: accounts, HR & administration of office and reports to the CEO
HR Manager	Oversee the day-to-day operations of HR matters and reports to the Shared Services Manager
HR Executive	Execute daily operations of HR matters and reports to the HR Manager

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			
{To assign}			

10. Employee Recruitment

Company Logo

Company Name
Company Address

POLICY NAME	Recruitment: Employee			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	1.0

ACCOUNTABLE PERSON		**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**
1.				

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

To establish guidelines and procedures for the recruitment and selection of employees to attracts and hire qualified and diverse individuals who will contribute to the achievement of our mission and goals which complies with the following regulation:

1. Malaysian Employment Act 1955 (amended 2022)
2. Malaysian Labour Law
3. Malaysia Standard Classification of Occupations2 (MASCO), Ministry of Human Resources

Employee Recruitment

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

This policy provides a general framework for the recruitment of employees and guides employees on their conduct whilst under employment.

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. Offer of Employment
   a) Offers of employment will be made in writing and will specify job title, salary, start date, and any conditions of employment.
   b) Candidates may be required to undergo a background and health check and provide proof of eligibility to work in the country.

2. Onboarding
   Upon acceptance of the job offer, new employees will undergo an onboarding process, which includes orientation, training, and completion of necessary paperwork.

3. Compensation and Benefits:
   a) Employees will be compensated according to agreed-upon terms and in compliance with applicable labour laws.
   b) Specify any benefits, such as healthcare, vacation, or retirement contributions, if applicable.

4. Work Conditions and Expectations:
   a) Define working hours, location, and expectations of employees.
   b) Clearly communicate performance standards and any reporting structures.
   c) The hiring department should assess a candidate's alignment with the organisation's culture and values.

5. Termination and Renewal:
   a) Specify conditions for termination.
   b) Provide notice periods or termination procedures, as required by law.

6. Confidentiality and Intellectual Property: Outline the organisation's expectations regarding the protection of confidential information and intellectual property.

7. Compliance with Labor Laws: Ensure all employment practices comply with local, state, and federal labour laws.

8. Record-Keeping: Maintain records of recruitment processes, contracts, and related documents.

9. Review and amendments: Periodically review and update this policy to reflect changing needs, legal requirements, and best practices.

10. Communication: Ensure that employees are provided with a copy of this policy and understand their rights and responsibilities.

11. Policy Compliance: All employees involved in the recruitment process are expected to comply with this policy. Violations may result in disciplinary action.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

Recruitment Process:

1. Job Vacancy Announcement:
   a) Clearly define the role and responsibilities.
   b) Specify the anticipated duration of employment.
   c) Determine the qualifications, skills, and experience required.

2. Advertisement:
   a) Advertise job openings through appropriate channels.
   b) Include a clear description of the job and application instructions.

3. Application and Screening:
   a) Accept applications through a designated process.
   b) Screen applications to ensure candidates meet the required qualifications.

4. Interview and Selection:
   a) Conduct interviews to assess candidates' suitability.
   b) Select candidates based on their qualifications, experience, and fit with the organisation.

5. Reference Checks: Before making an offer, reference checks will be conducted to verify candidates' qualifications and employment history.

6. Offer and Contract:
   a) Make formal job offers to selected candidates.
   b) Create and provide written contracts specifying terms and conditions of employment.

7. Onboarding: Provide necessary orientation and training to new employees.

EXCEPTIONS

Describe exceptions here.

Employee Recruitment

RELATED POLICIES AND OTHER REFERENCES

Equal Opportunity and Non-Discrimination:
[Your Organization] is committed to equal employment opportunity and prohibits discrimination in recruitment based on race, colour, religion, gender, national origin, age, disability, or any other protected status.

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
HR HOD	Liaise with Departmental HODs for required talent
HR Executive	Prepare for advertisement, interview of shortlisted candidates & onboarding of suitable candidates
Department HOD	Liaise with HR HOD on talent requirement, training to be carried out
Departmental Team	Assist Departmental HOD with on-boarding of ad-hoc/contract personnel
Legal	Ensure that documents and policies are in compliance with regulations.

CONTACTS – who should contact

List contacts in the table. (respective organisations should list the above contact details in this section.

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			
{To assign}			

11. Facilities Security

Company Logo

Company Name
Company Address

POLICY NAME	Facilities Security			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Operations/Office/Compliance Manager	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**
1.				

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

Facility security is the process of protecting your physical workspace, subscription services, hardware and software from unauthorised internal factors and external threats. It considers access control mechanisms, inventory management, visitor management and maintenance records.

Facility security includes ensuring the firm's safety rules are observed. It affects everyone in the office - from staff to clients, suppliers to guests – with the aim of having everyone safe and sound at all times.

A facility security policy also protects the firm's information from anyone who does not have the firm's best interests in mind. Threats can come from anyone from rival businesses to disgruntled employees.

Facilities Security

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Facility	The physical workspace for staff and where client meetings and appointments are held, typically the firm's office. This excludes public meeting places and private residences.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The policy applies to everyone who works or visits the firm's office - all staff, visiting clients as well as product and service suppliers. It aims at protecting the firm's physical assets (such as building and equipment), and intellectual property (such as data and information).

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. Physical security policies protect all physical assets in a firm, including buildings, vehicles, inventory and machines. These assets include IT equipment, such as servers, computers and hard drives.
2. Protecting IT physical assets is particularly important because the physical devices contain company data. If a physical IT asset is compromised, the information it contains and handles is at risk. In this way, information security policies are dependent on physical security policies to keep company data safe.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

A. Evaluate the security needs of the firm's premise.
   a. Evaluate the threats to the premise, such as fire, natural disasters, theft & fraud (from both internal and external factors, both physical and digital theft).
   b. Assess and determine suitable measures to reduce, if not avoid, the security risks.
      i. Entry and exit gates, locked doors, security passes and building security guards are some of the ways to protect physical assets.
      ii. Passwords, segregated duties, multi-factor authentication, biometric ID (fingerprint or facial detection) are some of the ways to protect digital assets.
   c. Document the evaluation and decision in a manager or a Board meeting.

B. Evaluate whether a register of the following is necessary and/or suitable for the firm:
   a. Sign in/out register (for clients, guests and suppliers accessing the premise).
   b. IT equipment register

   Document the evaluation and decision in a manager or a Board meeting.

C. Create a Disaster Response and Recovery Plan – a practical list of steps to follow if a disaster (fire, natural disasters, theft & fraud) occurs.
   a. List the steps to be undertaken for each reasonable disaster.
   b. Designate who is responsible for which step and nominate a backup in the event the designated person is not available. These will be the firm's internal response team.
   c. Undertake a practice run (i.e. a drill) at least annually to prepare for the disaster.

D. Maintain a list of contacts and responsible persons for each of the product and service vendors the firm engages with. Only authorised persons from these vendors should be allowed to access relevant data and information.

EXCEPTIONS

Describe exceptions here.

1. A pandemic
2. Organisation winding up
3. Take-over or merger of a company

RELATED POLICIES AND OTHER REFERENCES

1. Organisational structure
2. Outsourcing policy
3. Breach Management Policy
4. Record Keeping Policy
5. Internal Control Policy

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Operations Manager	Oversee all shared services: accounts, HR & administration of office and reports to the CEO
Compliance Manager (where applicable)	Provide regulatory guidance to ensure the policy aligns with applicable regulations.

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL
Back-office issues	Operations Manager		
Compliance issue	Compliance Manager (where applicable)		

12. Internal Control

Company Logo

Company Name
Company Address

POLICY NAME	Internal Controls			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON		**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

The Internal Control Policy of Financial Planner Firm aims to provide a comprehensive framework for managing risks, ensuring compliance with regulations and laws, and maintaining accurate financial reporting and record-keeping. The policy also establishes guidelines for information technology and data security, ethical conduct, and monitoring and reporting.

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

Provides a detailed statement of the policy's scope and what it covers

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

The policy sections may be divided into the following sections. This list may not be exhaustive.

1. Governance
2. Code of conduct
3. Compliance Policy
4. Financial reporting and record-keeping policy
5. Information technology and data security policy
6. Recruitment and Appointment of LFPs and Employees
7. Training and Supervision of LFPs and Employees
8. Complaint Handling
9. Breach Management
10. Declaration of Interest
11. Conflict of Interest
12. Outsourcing of Functions
13. Monitoring and reporting

For the policies section, it should at least highlight and confirm the availability of the policies and summary of the policies. This can cover the ownership or responsible person for that particular policy, approval and maintenance activities (review frequency & record preservation).

Internal Control

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

This section outlines the specific procedures that employees must follow when carrying out related activities. Procedures should entail the following:

1. Governance
   The delineation of organisational structure, reporting lines, and relationships. Roles and responsibilities of the board, senior management, and compliance officers etc. Establish a clear hierarchy of decision-making and accountability within an organisation. This is essential for effective management and control of the organisation.

2. Code of conduct
   Code of conduct that sets the standard for ethical conduct, including guidelines on conflicts of interest, confidentiality, and professional conduct. For example, the firm may have policies on confidentiality, professional conduct, and conflicts of interest.

3. Compliance policy
   This shall entail the firm's compliance framework. This includes procedures for ensuring compliance with all relevant laws, regulations, and internal policies. For example, the firm may have a compliance monitoring program that includes regular testing and reporting on compliance activities.

4. Financial Reporting and Record-Keeping Policy
   Policies and procedures for accurate and timely recording of financial transactions, maintenance of proper books of accounts, and regular reconciliation of accounts. For example, the firm may have policies on record retention, archiving, and disposal.

5. Information Technology and Data Security Policy
   Guidelines for data protection, cybersecurity, and disaster recovery. For example, the firm may have policies on data classification, access control, and incident management.

6. Recruitment and Appointment of LFPs and Employees Policy
   Procedures for recruiting and appointing LFPs and employees. For example, the firm may have policies on background checks, qualifications, and references.

7. Training and Supervision of LFPs and Employees
   Procedures for training and supervising LFPs and employees. For example, the firm may have a training program for new LFPs and employees, and regular assessments of their skills, knowledge as well as their CMSRLs' conduct and compliance to relevant laws and regulations.

8. Complaint Handling
   Procedures for handling client complaints. For example, the firm may have a process for logging, investigating, and resolving complaints, and regular reporting on complaint statistics.

9. Breach Management
   Procedures for managing breaches of the internal control policies and reporting such breaches to the relevant authorities. For example, the firm may have a breach management plan that outlines the steps to take in the event of a breach, and regular reporting on breach statistics.

10. Declaration of Interest
    Procedures for employees to declare their interests. For example, the firm may have a process for employees to disclose their financial interests, including those that may give rise to conflicts of interest.

11. Conflict of Interest
    Procedures to manage conflict of interest as it is identified. For example, the firm may have policies management of conflicts of interest, and regular monitoring of potential conflicts.

12. Outsourcing of Functions
    Procedures for outsourcing functions to third parties. For example, the firm may have policies on selecting and monitoring outsourcing providers, and regular reporting on outsourcing activities.

13. Monitoring and Reporting
    Process for monitoring and reporting on the implementation of the internal control policies. For example, the firm may have a regular reporting schedule that includes key performance indicators and other metrics.

The areas above can be further expanded by the firm's principal as they scale up. The detailed procedures for each policy and section are outlined in separate documents that are available to all employees.

EXCEPTIONS

Describe exceptions here.

Outlines any exceptions to the policy and the circumstances under which they may apply

RELATED POLICIES AND OTHER REFERENCES

List of specific policy documents as per highlighted in the policy sections and other related policies and references. Lead the reader to the specific documents (name & location) for details.

References may not be exhaustive to these:
1. Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
2. Capital Markets and Services Act 2007
3. FIMM Code of Ethics
4. Guideline on Corporate Governance for Capital Market Intermediaries
5. Guidelines for Marketing Representative
6. Guidelines on Advertising for Capital Market Products and Related Services
7. Guidelines on Application for Financial Adviser's under the Insurance Act 1996
8. Guidelines on Compliance with the Continuous Professional Education Requirement
9. Guidelines on Conduct for Capital Market Intermediaries
10. Guidelines on Management of Cyber Risk
11. Guidelines on Online Transactions and Activities in Relation to Unit Trust
12. Guidelines on the Use of Electronic Signature for Documents Submitted to the Securities Commission Malaysia
13. Licensing Handbook
14. Prudent and Professional Conduct by Financial Advisers (Exposure Draft)
15. Term of Reference [SIDREC]
16. Whistleblower Protection Act 2010
17. Guidelines on Technology Risk Management
18. Section 17A of MACC Act 2009
19. Guidelines on Islamic Capital Market Products and Services (ICMPS)

Note: It should be acknowledged that the aforementioned list of regulatory documents is non-exhaustive. For further guidance and to ensure adherence to the latest versions and relevant updates, please consult the respective regulatory resource centres. In instances of discrepancies in versions or content, prioritise the utilisation of the most current and authenticated versions of these documents.

Internal Control

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
[To assign]	Overseeing the implementation of the internal control policies.
[To assign]	Monitoring compliance with applicable laws and regulations, and reporting compliance issues to the board of directors.
[To assign]	Implementing the policies and procedures outlined in this policy document.

CONTACTS – who should contact

List contacts in the table.

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			
{To assign}			

13. Operational Structure

Company Logo

Company Name
Company Address

POLICY NAME	Operational Structure			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Director/Operations Manager	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			
GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

A firm's operational structure defines how things get done in a business. It is the combination of operational activities as well as the relationships between them. The operational structure of a business also determines how resources are used and any rules or parameters that limit those activities.

An operational structure defines the 'how' and 'what', while an organisational structure defines the 'who'. A firm's organisational structure is a roadmap that details how work duties, authority, and responsibilities flow within an organisation.

Operational Structure

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

This policy essentially outlines what an operational structure should look like in a financial planning firm, and how an organisational structure can support it.

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. A financial planning firm will typically have the following functions and roles to ensure its business operations run smoothly:
   a. Management - company director, licensed director
   b. Client acquisition - business development, marketing
   c. Client advice - licensed financial planner, junior planner
   d. Client service & support - research, paraplanning and solutioning
   e. Compliance - compliance manager/officer
   f. Shared services - Human Resources, Training & Development, Accounts, Administration, IT, Operations

2. Depending on the size of the firm, one person can hold multiple roles, or one role/function can be held by multiple people. For example, in a small firm, the company director can also be the licensed financial planner and undertake all the client acquisition, client advice and client service & support roles, as long as the multiple roles do not result in a conflict of interest. In a big firm, there can be several financial planners with differing seniority and experience, and several paraplanners to support these planners.

3. Regardless of the size of the firm, these functions/roles can be categorised into 3 distinct operational sections - Front, Middle and Back offices.
   a. Front Office - this section is involved in client-facing functions and tasks. The client acquisition and client advice roles belong in this section.
   b. Middle Office - this section is involved in supporting the Front Office functions in delivering to the firm clients what the business has expressed as its service offering. The client service & support functions, such as research, paraplanning and solutioning, sit within this section.
   c. Back Office - this section is involved in managing the overall operations of the firm and is the glue that holds the business. This section ensures the Front and Middle Offices can continue to function. The compliance and shared services roles sit in this section.

The firm directors sit above these operational functions. They provide strategic direction and oversight function.

4. Operational strategy and organisational structure are two functions that contribute to the success or failure of a business. Each of these things also impacts the other. There are different philosophies on whether businesses should be founded with the organisational structure being defined first or the operational structure strategy.

5. Regardless of how a business is formed, there is a high possibility that both its operational strategy and organisational structure will evolve. Operational strategies evolve more frequently and at a faster pace than changes to the organisational structure. Operational strategies are driven by internal factors, such as the decision to expand the firm, pursue a new client target market, or introduce a new product or service. Operational strategies can also be impacted by outside influences. For example, a new competitor or regulatory changes. However, these changes are driven, the firm must create new strategies and modify processes. As management decides how these changes should be implemented, they may realise that the structure of the organisation or its teams needs to undergo changes.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

1. To identify the most suitable organisational model, the firm should undertake the following steps:
   a. Define the company strategy - The company strategy is what the firm wants to accomplish. Think in terms of the firm mission, vision, and long and short-term goals.
   b. Identify the characteristics of the business - Is the firm a startup or an established business, is it large or small, etc. A firm that is a startup for example and growing rapidly may integrate a decentralised organisational structure better than one with a large team and a well-established hierarchy.
   c. Assess the firm's target market and its characteristics - A firm that targets young professionals that embrace more modern values may work better in a more modern organisational structure that has less hierarchy and adopts a more informal approach. A firm that targets a more mature client segment with traditional values may thrive better in a more traditional structure that is more formal and authoritarian. Traditional structures tend to embrace clearly defined roles and responsibilities as well as reporting and decision-making.
   d. Set the company core values and governance the working principles of the company so that it is congruent.

2. Create an organisational chart to ensure all staff are aware and understand where they sit within the organisation, and how their functions contribute to the overall objectives of the firm.

3. Align the organisational chart to the operational structure which will clarify the operational strategy.

4. Review the operational structure and organisational structure regularly, e.g. yearly during corporate planning activities, to ensure the structures are still aligned and support the objectives of the firm.

EXCEPTIONS

Describe exceptions here.

1. Organisation winding up

Operational Structure

RELATED POLICIES AND OTHER REFERENCES

1. LFP Code of Ethics, SC licensing handbook & Best Practices
2. Employee Handbook

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Director	Oversight over this policy and procedure.

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			
{To assign}			

14. Outsourcing of Functions

Company Logo

Company Name
Company Address

POLICY NAME	Outsourcing of Functions			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Operations/Office/Compliance Manager	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			

GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

Even if certain business functions are outsourced, firms remain responsible for the outcomes and consequences of the functions as if those functions were undertaken by the firms themselves. The policy is designed to ensure:

- that where any task, function or activity is outsourced, both the firm and the external service provider comply with the requirements set out in this policy;
- that all staff are familiar with the procedures for outsourcing any function, task or activity of the firm;
- that all staff are familiar with the type of terms and conditions that need to be negotiated and inserted into outsourcing agreements; and
- that all staff are familiar with the policies regarding breaches by the external service provider.

Outsourcing of Functions

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
Outsourced function	Any function that is ordinarily required to be undertaken within a firm, e.g. accounting, research, HR, to ensure that its business operates efficiently and complies with all applicable regulations and industry standards.
Vendor	To clarify

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The policy applies to all employed staff, it sets out:

A. Obligations in respect of outsourced functions
B. Outsourcing steps and procedures
C. Outsourcing agreement
D. Monitoring performance of the external service provider
E. Managing conflicts of interest, dispute with and breaches of the external service provider

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. The Firm must outline all the relevant functions (including duties and tasks) it requires in running its business operations smoothly.
2. The Firm must identify which of those functions will be undertaken internally, and which ones would be outsourced.
3. The Firm must undertake reasonable research and due diligence into the external service providers it intends to work with.
4. The Firm should have the outsourcing arrangement in writing, with both parties agreeing to a set of terms and conditions.
5. The arrangement should be monitored regularly for performance and quality purposes.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

A. Obligations in respect of outsourced functions
   - Outline any regulation and industry standards relating to outsourced functions

B. Outsourcing steps and procedures
- Choosing a suitable external service provider;
- Particular care must be taken if the external service provider is a related party or associate of the Firm or its Directors.
- A list of potential external service providers should be prepared. An evaluation of potential external service providers should be undertaken giving consideration to such matters as:
  1. experience, industry qualifications, membership and licences held where appropriate;
  2. experience, qualifications and character of key personnel who will be providing the service;
  3. sufficient human, technical and financial resources to undertake the outsourced task, function or activity;
  4. actual and potential conflicts of interest;
  5. confirmation of validity and amount of professional indemnity insurance and fraud insurances, where appropriate; and
  6. reference checks from existing clients (preferably in the same industry) of the external service provider.

- Engaging the services of the external service provider;
  - The Firm should evaluate the external service provider by ranking them in order of suitability and preference based on the above criteria.

- Appointing relevant responsible persons;
  - Designate the staff who will be the contact point for the external service provider

- Monitoring and reporting on the performance of the external service provider;
  - The frequency and level of supervision and reporting will vary depending on the nature of the task, function or activity outsourced.

- Managing actual or potential conflicts of interest; and
  - Potential conflicts of interest should be identified during the initial assessment of the external service provider.
  - The external service provider must put in place mechanisms which deal with conflicts of interest between the provider and the Firm. These mechanisms should be documented and agreed between all relevant parties.
  - If the conflict of interest is material, serious consideration must be given to terminating the appointment (this is to be provided for in the outsourcing agreement).

- Dealing with and reporting on potential and actual breaches of outsourcing agreements by external service providers;
  - Any breaches or non-compliance with the outsourcing agreement by an external service provider must be reported to the appropriate authority within the Firm.
  - All breaches must be addressed in a timely manner by the provider.
  - There must be a process for escalation to ensure contractual obligations if breaches are not resolved adequately and in a timely manner.
  - The outsourcing agreement may provide that any breach or non-compliance that may result in the Firm being in breach of the laws or its licensing obligations, is to be grounds for immediate termination of the agreement.

C. Outsourcing agreement
- The outsourcing agreement must clearly specify the terms of engagement and the level of services to be provided. The outsourcing agreement would normally be expected to include, at a minimum, the following:
  - unambiguous descriptions and definitions of tasks, functions or activities to be performed by each party;
  - the respective duties and responsibilities of each party;
  - any requirement for regular reporting at a specified frequency from the external service provider in respect of its duties and activities;
  - provisions relating to records, adequate access by the Firm or its auditor; and
  - provisions relating to adequate data protection and the return of records in the event of termination of the relationship.

Outsourcing of Functions

EXCEPTIONS

Describe exceptions here.

1. A pandemic
2. Organisation winding up
3. Take-over of merger of a company
4. A small, non-critical aspect of an outsourced function that is not part of the business function or offering, e.g. janitorial services.

RELATED POLICIES AND OTHER REFERENCES

1. Chapter 10 of Securities Commission's Licensing Handbook.
2. Organisation chart
3. Breaches policy
4. Conflicts of interest policy
5. Complaints handling

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Operations Manager	Oversee all shared services: accounts, HR & administration of office and reports to the CEO

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			

15. Record Keeping (Clients)

Company Logo

Company Name
Company Address

POLICY NAME	Record Keeping (Clients)			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Operations/Office/Compliance Manager	**CONTACT INFORMATION**	
APPLIES TO Apply group names to define applicable areas of staff.			
GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

Maintaining a good policy and procedure in the collection, retention and storage of client records is paramount for any firm. It results not only in compliance with privacy legislation as well as financial services law, it also ensures high quality client service and differentiates the firm from the rest. Proper client record keeping can also assist in the firm defending its advice and service provision in the event of a complaint.

Record Keeping (Clients)

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

The policy applies to all employed staff, it sets out:

A. Record collection
B. Record storage and accessibility
C. Clients' rights to view or change details on record
D. Retention timeframe
E. Backup of records
F. Other matters to consider

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

1. The Firm must determine the types of client record or information it requires to provide its services.
2. The Firm must identify how it will collect those information and where to store them.
3. The Firm must put in place measures to ensure the records are securely stored and accessible to relevant personnel only.
4. The Firm must put in place procedures to manage the accuracy and validity of the records.
5. The policy and procedure should be monitored regularly for quality purposes.

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

A. Record collection
- In providing its financial planning services, the firm will require a set of client data/ information/record for it to analyse the client circumstances and provide appropriate advice.
- The firm must determine which information is:
  - mandatory - these are the set of information without which the advice may be incomplete or inaccurate.
  - optional - these are the set of information that will assist in providing more context and granularity to the advice analysis
  - irrelevant - these are the set of information that is not required
- The firm must determine how the information will be collected, e.g. in a client information booklet or in a particular client relationship management software.
- Determination of the extent of information to be collected, the medium of collection and storage of the information depends on the nature, size and complexity of the firm's offering.
- Regardless of the medium and storage of the records, the information collected should be organised such that there is a consistency to the data collected for ease of analysis, e.g. group the set of information according to whether they are mandatory or optional.
- Client records include:
  - client data collection documents/system
  - copies of ID documents
  - supporting documents, e.g. payslips, bank statements, insurance policies
  - all advice documents
  - file notes on interactions with clients
  - email correspondences
  - working/analysis papers
  - completed application forms
  - any correspondences/documents by the product providers in relation to the client

B. Record storage and accessibility
- For efficiency of record handling and to maintain data hygiene, the storage of the client records should be properly thought out to minimise data transfer (reducing data loss and/ or error) and maximise accessibility. For example, the firm would be wise to invest in an online client relationship management (CRM) system where data can be directly entered into the system by the client or while communicating with the client, and the data can be accessed from anywhere without the restriction of location.
- Security of the records must be taken into account when storing and accessing the records. For paper-based data storage, the records must be securely stored, e.g. in a locked cabinet. For online storage, secure logins and passwords should be in place.
- There are advantages and disadvantages with each storage and accessibility options. The security of and accessibility to client records should take into account privacy legislation and data protection regulation.
- The ease of accessibility and analysis of the client records could mean a difference between a mediocre advice and service to clients, and a highly rated service and a commercial advantage to the firm.

C. Clients' rights to view or change details on record
- Client records should be kept up-to-date and reviewed regularly, to ensure proper financial planning service can be provided and maintained. Regular review, at least annually, is encouraged.
- The method and approach of updating client records should take into account the retention of historical information and audit trail of when and who updated the details.
- The firm must determine which client record can be accessible to the client upon request. As a general rule, any information given directly by the client and written advice to the client can be accessible to the client, whereas any internal work product by the firm advisers can remain as the property of the firm and not shared to the client. In cases of a complaint or litigation, the firm should seek legal advice to determine which information can be shared.

D. Retention timeframe
- Unless there are specific regulations to the contrary, all client records must be retained for at least 7 years from the date it was created.

E. Backup of records
- All client records should be backed up or duplicated in case of an incident that can destroy those records, e.g. fire, flood, theft.
- It is recommended that the backup is stored off-site, i.e. not in the same premise or location of the original records.

F. Other matters to consider
- When an adviser leaves the firm, the firm must determine who 'owns' the client - the firm or the adviser, as this will dictate whether the adviser has the right to bring with them the client records when they exit. The client ownership is usually determined or stipulated in the employment contract between the adviser and the firm.
- If the client record or any of the client data is lost, stolen, or accessed by unauthorised individuals, the firm must consult its internal/external compliance personnel to quickly assess if a data breach has occurred, and if reports and/or notification are required to be issued to relevant parties such as the affected client and the regulator.
- A client record/data audit should be considered and carried out on a regular basis, e.g. annually to assess the following:
  - security of the records
  - efficiency in accessing the records
  - quality of the data collection - the method and medium of collection
  - quality of the data backup process

EXCEPTIONS

Describe exceptions here.

RELATED POLICIES AND OTHER REFERENCES

1. Privacy legislation
2. Complaints handling

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
Operations Manager	Oversee all shared services: accounts, HR & administration of office and reports to the CEO
Compliance Manager	Oversee and manage all compliance related functions

CONTACTS – who should contact

List contacts in the table. To be filled in by the organisation

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			

16. Training and Assessment

Company Logo

Company Name
Company Address

POLICY NAME	Training & Assessment			**POLICY NO.**	001
EFFECTIVE DATE		DATE OF LAST REVISION		VERSION NO.	

ACCOUNTABLE PERSON	Training & Development / Firm principals	**CONTACT INFORMATION**	

APPLIES TO Apply group names to define applicable areas of staff.					
GROUP 1		GROUP 2		GROUP 3	
GROUP 4		GROUP 5		GROUP 6	

VERSION HISTORY				
VERSION	**APPROVED BY**	**REVISION DATE**	**DESCRIPTION OF CHANGE**	**AUTHOR**

ADDITIONAL NOTES

POLICY INTRO/OBJECTIVE - should include the policy's purpose (e.g., to promote, assure, protect, comply with, etc.) and any other information needed to contextualise and introduce the policy. If applicable, include the authoritative basis for the policy (e.g., legislation, state law).

For training of new and existing financial planners :
1) Financial planning certification for licencing
2) To meet regulatory requirement of a min 20 CPE points annually
3) To acquire a wide variety of knowledge areas: eg products, refresher on professional standards, planning & advice skills, regulatory requirements

TERMS AND DEFINITIONS

Define any acronyms, jargon, or terms that might have multiple meanings.

TERM	DEFINITION
LFP	Licenced Financial Planners (issued by SC and renewable annually with terms & conditions)
Firm Principals	Owners and shareholders of the firm who are responsible for its direction.

POLICY SECTIONS

POLICY STATEMENT/SCOPE - Describe the policy and the reason for the policy, to what and to whom this policy applies.

Areas	New LFP	Experienced LFP	Senior LFP	Firm Principals
Knowledge area	1) Licencing certification 2) products, 3) professional standards, 4) planning & advice skills, 5) regulatory requirements	1) products 2) professional standards refresher, 3) planning & advice skills upgrade 4) regulatory requirements update	1) products, 2) professional standards refresher 3) regulatory requirements update	1) Regulatory Compliance 2) Company policies & procedures 3) Entrepreneurship & management 4) Leadership & coaching & mentoring skill 5) Record keeping & document administration
Methodology	1) Mentoring, 2) workshops	1) Workshops 2) Related voluntary work	1) Attend/ conduct workshops	1) Firm Principals dialogues 2) Workshops & Seminars

POLICY - a set of general guidelines. They outline your organisation's plan for tackling certain issues.

Training and Assessment

PROCEDURE - provide step-by-step instructions for specific routine tasks. They may even include a checklist or process steps to follow.

Progression of LFP from new to experience through mentoring by experience LFP with checklist:
1) new LFP shadow experienced LFP > 2) Joint visits with new LFP involvement > 3) new LFP lead visits, guided by experienced LFP > 4) new LFP runs the meeting, experience LFP will observe & feedback after meeting

Experienced LFP may recommend required workshops for new LFP.

Progression of experience LFP to Senior LFP based on performance for 6 months:
mentored 3 new LFPs + complete 6 financial plans

Mentoring LFP are entitled to a mentoring & plan vetting fee which may be taken from revenue of new LFP. Remuneration to be decided by the FP Firms.

EXCEPTIONS

Describe exceptions here.

RELATED POLICIES AND OTHER REFERENCES

Firm mentoring on financial services:
- New LFP (mentor by 1 experienced LFP)
- experienced LFP (vet plan)
- senior LFP eg 5-7 yrs with 60-100 clients

ROLES AND RESPONSIBILITIES

List the job titles and business offices directly responsible for the policy.

ROLE	RESPONSIBILITY
New LFPs	Be mentored by experienced LFP & attend related workshops
Experienced LFP	Attend workshops & do related voluntary work (eg #FinPlan4U), industry speaker, mentoring new LFP
Senior LFP	Attend relevant workshops, conduct industry related workshops, industry speaker/writer, mentoring new LFP
Firm Principals	Participate in industry dialogues, attend/conduct workshops, industry speaker, volunteer leader

CONTACTS – who should contact

List contacts in the table.

SUBJECT	CONTACT	PHONE	EMAIL
{To assign}			
{To assign}			

Appendix

Appendix 1

Related regulatory links (non-exhaustive):

1) Capital Market Services Act 0107-2021
2) Companies Commission of Malaysia Act 2001
3) Employment Act 1955 1 January 2023
4) FiMM Consolidated Rules 10 October 2023
5) Financial Services Act 2013
6) Islamic Financial Services Act 2013
7) Licencing Handbook revised 5 February 2024

Appendix 2

Frequently Asked Questions

This document is non-exhaustive and will be updated and circulated as needed. Only Policies and Procedures (PnP) with specific questions are addressed in this FAQ.

Section & Heading	Comments	Reponse
2 Breach Management	Definition of breach – In view of the bulk of regulatory bodies, associations Act/rules/ policy documents/ handbook/ standards/ procedures etc and many business agreements with representatives/ suppliers/strategic partners etc, it will be a burden for FP firms to manage this vast breach scope especially small, micro and/or newly set-up firms. For example, will delay of notification to regulatory bodies considered a breach as notification requirement is tabulated in all Act/policies/rules? How about compliance reporting requirement, will overdue be considered a breach as reporting requirements are part of Bank Negara policy document (PD)? Will it possible to narrow down the definition to breach of regulations/ policies that will impact FP firms licenses and businesses e.g. disallowed by Bank Negara to use "independent financial advisor" wording unless with Bank Negara's prior written approval, application of Balanced Scorecard Framework in FP's insurance business, receipt of clients' money (FIMM FCR disallows cash receipts from clients and on the other hand, Bank Negara allows receipt of clients' money but with trust account set-up), etc.?	This PnP sets out the policies in managing breaches on a broad based for different regulations. It is principle based to accommodate regulatory changes. Each firm's compliance personnel will have the governance documents for ease of reference. Scenarios for breach management will differ from each firm based on their areas of risks. Securities Commission breach management stresses on 2 main areas: i. Reporting of the breach, and ii. steps to rectify the breach. Policies should highlight those main 2 things above all else.
	Scope of policy – The scope is set to include all employed staff only. As advisers/consultants may not be staff of FP firms, will they be out of scope?	Financial planners and advisers are guided by the Licencing Handbook and industry led LFP Best Practices.

Section & Heading	Comments	Reponse
	a) Compliance schedule – Some incidents may not be routine, and they will not be able to be listed with fixed date/period e.g. notification requirement. b) Compliance committee – It is not viable for small and/or new firm. c) Breach report – It is drafted that "potential" breach should be taken in as breach. How to define a potential breach, will it include grumbling from client?	a) Uncommon incidences can still be registered and the mode of action taken be recorded for future references. b) There can be a compliance officer who holds dual role eg as operations officer in a small firm. c) Potential breach are situations where there is a risk of the breach occurring (refer item 1).
3 Client's Letter of Engagement (LOE)	a) Is it a format to be used by every firm or it is merely for reference only? b) How about Bank Negara's Complaint Unit contact information, Ombudsman for Financial Services? c) How about tax element on fee schedule? d) Suggest excluding bank detail from the letter as it may change during business course.	a) Reference only, each firm may have their own LOE template. b) May be added in the LOE if required. c) Can be included in the LOE where necessary. d) Individual firm has the option to whether to include its bank details.
	Tenure of appointment - Tenure should not be considered as "complete upon recommendation" as it will involve regular review and advisory thereafter.	Appointment tenure is a business decision of each firm, hence the Policies and Procedures should be drafted in accordance to the respective firms.
4 Complaints Handling	a) Policy – In respect of email address for client complaint, it may be confusing to have many email addresses for clients, i.e. payment proof supporting to business support person and complaint to compliance personnel. b) Procedures – i. Acknowledgement for receipt of complaint within 2 business days will be tight for small and/or new firms. Suggest being at least 3 business days (staff bandwidth concern). ii. Course of actions time limit is suggested to be 10 business days instead of 7 business days in view of firm size. iii. Is it relating to investment related complaints only?	a) A dedicated email to handle clients' complaints is necessary to ensure it is checked regularly and complaints are addressed in a timely manner to reduce the risk of the matter being escalated to the regulator. b) i) With a dedicated complaints email, the assigned staff would be able to email an acknowledgement of the client's complaint only, within 2 business days. ii) Proposing course of action is to inform the client on the duration for further action and follow-up by the firm. It will allow the client to either accept or counter propose through further discussion with the firm. iii) is for all complaints related to the services and products of the firm, not restricted to a particular product. This is the first line of action when a complaint is received.

Appendix

Section & Heading	Comments	Reponse
	Have standard guidelines on complaint handling and reporting process (how to), next course of action involving a LFP, internal investigation, reporting to relevant Regulators to act on LFP status in the system besides FMOS, especially if it is a misconduct/malpractice complaint or even receiving a whistleblower. FMOS relates more to consumer/ investors complaints/feedback on practitioners and have a process flow as guidance.	This PnP covers Licensed and non-licensed manpower. It is for the firm to have an internal process on how it will handle different types of complaints, eg duration for resolution of complaints, who will be handling with the complaint. If employee related, to refer to Employee Handbook or HR practices and for Licensed personnel, refer to respective regulator handbook.
6 Contract Recruitment	Should CPD/CPE maintenance to be part of this policy?	CPD/CPE is not included as contract appoint-ment may include not licensed personnel eg lawyers and accountants. It can be included in the firm's SOP in accordance to each professional regulatory requirements. CPE/ CPD is reflected under training.
7 Data Key Control	a) What is confidentiality agreement? Is it referring to Non-Disclosure Agreement (NDA)? Instead of a separate NDA, suggest confidentiality and/or non-disclosure clause to be included in all employment contracts and/or terms of business contracts with advisers and/or consultants. BOD does not involve in firm's daily operation and does not have access to the operational files/ documents. b) Insurance portal form is not applicable. Insurance portal accesses are managed per valid FAR licenses by insurance providers. Similarly for investment platform where accesses are managed per valid CMSRL licenses.	a) The financial planning firm has the option to incorporate the confidentiality agreement into the NDA. Suggestion to incorporate NDA in employment contracts, terms of business contracts as well as adviser/ consultants contract is also acceptable and the firm may reword this portion of the PnP in their documents. More importantly, it can be clearly shown to respective clients, regulators and auditors. Initially the BOD may also take on a managerial role especially in smaller or start up firms. If the firm is already matured, and there is clear delineation of responsibilities, this point can be removed. b) This section of the PnP is to outline who in the firm has access to the levels of the portals for services and products that is provided by the companies providing the services or products. This is to be defined by the management of the firm.

Section & Heading	Comments	Reponse
8 Declaration of Interest	As an approved adviser and/or registered consultant, it is part of his/her code of conduct to stay independent and keep clients' interest as the utmost priority. As part of humanistic behaviour, if the client is his/her family member, the beloved family member's interest will be taken care of by him/her. By having many declarations of interests, wouldn't they be additional administrative burden?	A declaration of interest by the LFP is intended to provide both the client and the LFP a transparent platform which both can work with each other with the knowledge that there are areas where the LFP may have some form of interest. This will help to build client-planner relationship and also to for the LFP to mindful of areas to be cautious when working with the client. At the same time, the client can make informed decisions. SC requires some outsourcing functions to be reviewed on an annual basis in terms of their service level and security among others.
9 Employee Handbook	Due to our advisers/consultants are in term of business arrangement, they are not in scope of handbook. Applicability of handbook is very limited for small firms with handful staff. Instead of handbook, we're in the opinion that handful employees should be subject to employment contract and company own HR policy only (if available).	For smaller organisations, the Employee Handbook serves as the central documents for common terms and conditions for all the different levels of employee for easy reference. It will be expanded as and when the firm grows Employment Contract includes specific terms for a particular employee. However, it is also acceptable for firms which does not have an employee handbook or have a business contract with their FPs/FAs or if they have listed the terms and conditions of employment in the contract for employed FPs/FAS.
11 Facilities Security	Micro/small and new firms are having much lesser risk with handful persons accessing the firm facility/office. Besides, visits are on appointment basis. Hence, priority is not on having this policy type. Authorized physical access may just a part of customer data management (Bank Negara's PD).	Depending on the nature and size of the firm, this policy can be implemented in full or in parts. The firm should have good rationale for certain parts are not applicable to them.
	May want to consider extending for CMSL leasing co-working space, on control and security factors which may be slightly different from CMSL leasing office space.	CMSL operating from co-working space have to ensure documents must be secured. The Policies and Procedures should be adjusted for such premises.

Appendix

Section & Heading	Comments	Reponse
12 Internal Control	As per the listed areas in the Procedures section, this policy seems to be a summary list for all other policies drafted in this 15 policies package. As many areas are clearly stipulated in SC or FIMM handbook and guidelines, won't they be duplication again? Besides, FP firms must comply with Financial Services Act 2023 and all Bank Negara's policy documents and guidelines. For example, organization structure is one of the required documents for both Bank Negara's FA land SC's CMSL license renewals. Isn't a policy depicting organization structure a duplication? Another duplication example is about financial planners' training. Financial planners must meet CPD/CPE requirements before they can renew their FAR licenses or CMSRL licenses or FIMM registered consultants' status. Each license type CPD/CPE requirement is different. Isn't a policy on financial planners' training a duplication?	The Firm Operating Standards Policies and Procedures serve to incorporate and harmonise all the regulatory requirements in one document for ease of new and existing firms' easy access and implementation. It also helps the compliance personnel to make amendments to regulatory changes in one document as well. This is the prerogative for the firm whether it wants to harmonise the policies under a single Policies and Procedures document.
13 Operational Structure	Operational strategy and structure evolve from time to time and subject to changes in the market, industry and regulatory environment. Why are they documented as policy?	Operational strategy and structure do not change regularly, hence it will only be updated when necessary. The Standard Operating Procedure is a separate document which will address processes which can be changed as and when necessary to accommodate the market.
14 Outsourcing of Functions	SC requires some outsourcing functions to be reviewed on an annual basis in terms of their service level and security among others.	Each financial planning firm may decide to conduct their review periodically instead of annually to accommodate different start dates within the year.
16 Training & Assessment	Limited application to small and new firms in view of handful financial planners.	Training and assessment is applicable to all employees and manpower under business contract as well. Grouping and mentoring of LFP can be adjusted to suit the business models of different financial planning firms. (i.e. new, experienced, senior LFPs)

Financial Planning Association of Malaysia (FPAM)
Unit 305, Block A, Phileo Damansara I, Jalan 16/11, Off,
Jalan Damansara, Seksyen 16, 46350 Petaling Jaya, Selangor

Malaysian Financial Planning Council (MFPC)
1, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur

Association of Financial Advisers (AFA)
HSpace Co-working, 28-3, 2nd Floor, Jalan PJU 5/4, Dataran Sunway,
Kota Damansara, 47810 Petaling Jaya, Selangor

Malaysian Financial Planners and Advisers Association (MFPAA)
No.49-2, Jalan Puteri 1/4, Dataran Financial Centre, Bandar Puteri,
47100 Puchong, Selangor, Malaysia

The Financial Planning Firms Operating Standards is an initiative of:
Capital Market Development Fund (CMDF)
Level 1 Securities Commision Building 3 Persiaran Bukit Kiara,
Kuala Lumpur, 50490, Kuala Lumpur, WP Kuala Lumpur, 50490