

Steps to boost capital market

> Cutting shares trading stamp duty would draw more funds, encourage IPO offerings, says prime minister

KUALA LUMPUR: Reducing the stamp duty for shares traded on Bursa Malaysia Securities to promote corporate ventures and ease listing process were among measures announced by Prime Minister Datuk Seri Anwar Ibrahim to beef up the capital market and create more wealth for the people.

Effective July, stamp duty for shares traded will be reduced to 0.10% of the contract value from the current 0.15%, subject to a maximum cap of RM1,000 per contract.

"(This is being done) as the capital market looks to widen affordable investment choices for the people, and with the intent to deepen investor interest in our market," he said at the launch of the Capital Market Graduate Programme at the Securities Commission Malaysia (SC) yesterday.

Anwar, who is also finance minister, said this change would directly reduce the cost of securities transactions and make the Malaysian stock market more competitive.

"I am confident this step will stimulate the market and enhance its attractiveness."

He said the increase in market liquidity would attract more domestic and foreign

funds into the stock market, thereby encouraging small and medium enterprises (SME) to pursue initial public offerings (IPO) and facilitating public listed companies in raising funds to expand their businesses and create more jobs.

He added that to attract a larger pool of investors to support financing for SME and the new economy, the Finance Ministry and SC would look at policies to facilitate and attract the setting up of family offices in Malaysia.

He said they would also look into promoting corporate venturing to drive greater domestic direct investment through more facilitative tax and incentive policies, including "enabling tax losses from corporate venturing to be utilised by a parent company to set off other sustainable investments in the group."

Anwar said the ministry and SC would work on widening the definition of sophisticated investors to include angel investors, venture capitalists and private equity firms, Bernama reported.

"Finally, I recognise that longer-term

market and structural reforms will be required for Malaysia's capital market and economic transformation."

He added that for a start, to encourage more companies to be listed on Bursa Malaysia, SC and Bursa Malaysia would implement reforms this year to make it easier and faster to list on the exchange by expediting the IPO process and reducing marketing time to ensure Malaysia's competitiveness and attractiveness.

Anwar said all the measures to enable a higher level of market vibrancy and the attractiveness of the Malaysian capital market were worked out by the ministry and SC, with feedback from Bursa Malaysia and the capital market industry.

He also said the three pillars to enable a higher level of market vibrancy and attractiveness of the Malaysian capital market are widening of investment and wealth creation opportunities for the people, attracting a larger pool of investors to support financing for SME and the new economy, as well as implementing market and structural reforms to restore confidence in Malaysia's dynamism and competitiveness.

"Any reform requires discipline and patience. It also requires confidence and courage to do new things and make difficult decisions for the benefit of the people and the nation."