

ACFA sets focus on growing Malaysian SMEs' participation in capital market

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(From left) Yoke Nyen, Muh Rong, Wan Asmadi, Muhammad Umar, Feizal and Siow at ACFA's launch ceremony on Thursday.

KUCHING: The Association of Corporate Finance Advisers (ACFA) is committed to supporting the Malaysian government in promoting Small and Medium Enterprises (SMEs), and shall place its primary focus of services in areas where SMEs are underserved or unserved by the financial institutions.

The association sees their members as corporate finance outfits that complement the financial institutions, and describe themselves as financial advisers who would roll up their sleeves to execute tasks, as well as exercise diligence and care in their role as owner-operated advisory firms.

The association was launched by Bursa Malaysia Bhd chief executive officer Datuk Muhammad Umar Swift, accompanied by five founding members of ACFA, namely ACFA chairman Datuk Wan Asmadi Wan Ahmad, ACFA vice-chairman Datuk Feizal Mustapha, CFA Secretary Datin Wong Muh Rong, ACFA Treasurer Wong Yoke Nyen and ACFA Committee Member Datuk Siow Kim Lun.

Also present at the event were the representatives of the senior management of Securities Commission Malaysia and Bursa Malaysia.

At the launching ceremony, Wan Asmadi said: "Based on the economic census 2016 published by the Department of Statistics Malaysia, SMEs accounted for approximately 98.5 per cent of the total business establishments in Malaysia, and contributed about 37.1 per cent to the country's GDP, 66 per cent of employment and 17.3 per cent of exports.

"Members of ACFA see SMEs as their prime focus, given their smaller size and boutique style of operations, which in turn provides the Association greater abilities to engage with the prospective SME candidates.

"The formation of ACFA comes at an opportune time, following the greater expectation of the Corporate Finance Advisers' (CFAs) role, pursuant to the launch of the Leading Entrepreneur Accelerator Platform (LEAP Market) by Bursa Malaysia Securities in July 2017.

"The role of ACFA is crucial in promoting the LEAP Market and ensuring its relevance and attractiveness," said Wan Asmadi.

The LEAP Market allows qualified CFAs to act as the Approved Adviser and Continuing Adviser of companies listed on the platform. The LEAP Market was set up as a platform aimed at creating an additional fund-raising avenue through the capital market, for SMEs with growth potential and prospects.

Wan Asmadi also pointed out that the role of Malaysian CFAs is lagging behind as compared to its peers in Singapore, Hong Kong, Thailand and United Kingdom, in terms of permitted activities within the capital markets.

However, with Bursa Malaysia and the Securities Commission's initiative in launching the LEAP Market, CFAs can now play the roles of principal adviser and continuing adviser.

ACFA was established to formalise the alliance of independent non-bank and non-stockbroking backed licensees of Capital Market and Services Act 2007 (CMSA) for collaborations and contributions towards the development of Malaysia's capital market.

The Association strives to serve as a union for the various licensed CFAs to facilitate effective communication with the relevant regulators.

Since its formation on July 13, 2018, pursuant to the approval of the Association's registration with the Registry of Societies of Malaysia and the Ministry of Home Affairs, the Association has gathered 24 corporate members to date, from the various independent non-bank and non-stockbroking backed licensees of CMSA.