



**GOVERNMENT OF SARAWAK**

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**GUIDELINES FOR SUBMISSION OF APPLICATION  
REQUIRING APPROVAL UNDER  
THE STATUTORY BODIES (FINANCIAL AND ACCOUNTING  
PROCEDURE) ORDINANCE, 1995  
(VER. 01/2026)**

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**STATE FINANCIAL SECRETARY'S OFFICE  
SARAWAK**

**GUIDELINES FOR SUBMISSION OF APPLICATION  
REQUIRING APPROVAL UNDER  
THE STATUTORY BODIES (FINANCIAL AND ACCOUNTING PROCEDURE)  
ORDINANCE, 1995 (FAPO 1995)**

**(Ver. 01/2026)**

<b>TABLE OF CONTENTS</b>	<b>Page</b>
<i>Glossary</i>	5
<b>1.0 INTRODUCTION, OBJECTIVES, AND APPLICATION OF THESE GUIDELINES</b>	<b>6</b>
1.1 Background	
1.2 Objective of the Guidelines	
1.3 Legal and Regulatory Framework	
1.4 Scope of FAPO 1995 Application	
1.5 Confidentiality and Data Governance	
1.6 General Information	
<b>2.0 GUIDELINES FOR SUBMISSION OF APPLICATIONS REQUIRING APPROVAL UNDER SECTION 9(1)(d), (e) AND (f) – RESTRICTIONS ON ACTS OF STATUTORY BODIES</b>	<b>11</b>
<b>2.1 Introduction</b>	<b>11</b>
<b>2.2 Section 9(1)(d): Take-Over, Dissolution or Winding-Up of Holding or Subsidiary Companies</b>	<b>11</b>
2.2.1 Statutory Extract – Section 9(1)(d)	
2.2.2 Purpose and Regulatory Intent	
2.2.3 Checklist for Submission to the State Financial Authority for Approval	
<b>2.3 Section 9(1)(e): Borrowing from Non-Bank Financial Sources</b>	<b>14</b>
2.3.1 Statutory Extract – Section 9(1)(e)	
2.3.2 Purpose and Regulatory Intent	
2.3.3 Checklist for Submission to the State Financial Authority for Approval	

<b>2.4</b>	<b>Section 9(1)(f): Financial Assistance to Members or Directors</b>	17
2.4.1	Statutory Extract – Section 9(1)(f)	
2.4.2	Purpose and Regulatory Intent	
2.4.3	Checklist for Submission to the State Financial Authority for Approval	
<b>3.0</b>	<b>GUIDELINES FOR SUBMISSION OF APPLICATIONS REQUIRING APPROVAL UNDER SECTION 10 – CAPITAL OF HOLDING AND SUBSIDIARY COMPANIES</b>	19
<b>3.1</b>	<b>Introduction</b>	19
<b>3.2</b>	<b>Section 10: Capital of Holding and Subsidiary Companies</b>	19
3.2.1	Statutory Extract – Section 10	
3.2.2	Purpose and Regulatory Intent	
3.2.3	Checklist for Submission to the State Financial Authority for Recommendation	
<b>4.0</b>	<b>GUIDELINES FOR SUBMISSION OF APPLICATIONS REQUIRING APPROVAL UNDER SECTION 11 – RESTRICTIONS ON CERTAIN ACTS OF HOLDING, SUBSIDIARY OR RELATED COMPANIES</b>	23
<b>4.1</b>	<b>Introduction</b>	23
<b>4.2</b>	<b>Section 11(a): Increase or Reduction of Issued or Paid-Up Capital of Holding or Subsidiary Companies</b>	23
4.2.1	Statutory Extract – Section 11(a)	
4.2.2	Purpose and Regulatory Intent	
4.2.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.3</b>	<b>Section 11(b): Borrowings by Holding or Subsidiary Companies Beyond Approved Limits or from Non-Bank Sources</b>	27
4.3.1	Statutory Extract – Section 11(b)	
4.3.2	Purpose and Regulatory Intent	
4.3.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.4</b>	<b>Section 11(c): Provision of Guarantees or Security for Loans or Obligations of Holding, Subsidiary or Related Companies</b>	30

4.4.1	Statutory Extract – Section 11(c)	
4.4.2	Purpose and Regulatory Intent	
4.4.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.5</b>	<b>Section 11(e): Payment of Salaries, Allowances or Other Privileges to Members or Nominees of Holding, Subsidiary or Related Companies</b>	<b>34</b>
4.5.1	Statutory Extract – Section 11(e)	
4.5.2	Purpose and Regulatory Intent	
4.5.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.6</b>	<b>Section 11(f): Acquisition or Holding of Shares in Holding, Subsidiary or Related Companies by Officers or Employees</b>	<b>36</b>
4.6.1	Statutory Extract – Section 11(f)	
4.6.2	Purpose and Regulatory Intent	
4.6.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.7</b>	<b>Section 11(g): Merger or Amalgamation of Holding, Subsidiary or Related Companies with Non-Related Companies</b>	<b>38</b>
4.7.1	Statutory Extract – Section 11(g)	
4.7.2	Purpose and Regulatory Intent	
4.7.3	Checklist for Submission to the State Financial Authority for Approval	
<b>4.8</b>	<b>Section 11(h): Appointment of Auditors of Holding or Subsidiary Companies</b>	<b>41</b>
4.8.1	Statutory Extract – Section 11(g)	
4.8.2	Purpose and Regulatory Intent	
4.8.3	Checklist for Submission to the State Financial Authority for Approval	
<b>5.0</b>	<b>Flowchart of Approval Process and Post-Approval Reporting Requirements</b>	<b>44</b>
5.1	Flowchart of Approval Process	44
5.2	Post-Approval Reporting Requirements	47

**6.0 Consolidated Summary of Checklists and Standard Information Requirements for Application Letters** 48

6.1 Consolidated Summary of Checklists 48

6.2 Standard Information Requirements for Application Letters 52

***Appendix 1: Application for Appointment of Auditor*** 53

## **Glossary**

State Financial Authority	As defined in the Financial Procedure Act, 1957 [Act 61], is a principal officer, by whatever title called, in charge of the financial affairs of a State.
State Statutory Body	A state agency that is established under the specific ordinance of the Government of Sarawak.
Holding Company	A company in which the statutory body owns more than 50% equity or otherwise exercises control.
Subsidiary Company	A company in which the holding company holds more than 50% equity or has effective control.
Related Company	A company that is associated through shareholding, common control, or other relationships defined under the Companies Act 2016.
Paid-Up Capital	The amount of capital that has been fully paid by shareholders.
Borrowing Limit	The maximum borrowing amount approved by the Minister and State Financial Authority for a subsidiary or holding company.
Guarantee / Security	Any commitment—financial or contractual—by the statutory body to assume liability for another entity.
Remuneration	Salary, allowance or benefits provided to board members appointed by the shareholders.

## **1.0 INTRODUCTION, OBJECTIVES, AND APPLICATION OF THESE GUIDELINES**

### **1.1 Introduction**

The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 (“FAPO 1995”) was enacted to strengthen the financial governance, accountability, and administrative discipline of statutory bodies within the State of Sarawak.

As statutory bodies increasingly expand into commercial, developmental and investment-related activities beyond their core public service mandates, effective regulatory oversight becomes essential. FAPO 1995 provides the necessary oversight framework to ensure that such activities are properly controlled, financially sound, transparent, and consistent with State governance requirements and financial management standards.

Under the Ordinance, statutory bodies are required to obtain the prior written approval or recommendation of the State Financial Authority for specified financial and corporate actions. This requirement ensures that all financial commitments involving public funds are carefully evaluated and consistent with the State’s financial governance expectations.

These Guidelines are developed to facilitate statutory bodies in preparing and submitting complete, consistent, and compliant applications to the State Financial Authority in accordance with the requirements of FAPO 1995, to ensure high-quality submissions and expeditious decision-making.

### **1.2 Objective**

The objectives of these Guidelines are to:

- (i) facilitate the timely and efficient processing of applications submitted to the State Financial Authority by ensuring complete and accurate documentation;
- (ii) standardize the documentation and submission process to ensure consistency across all applications;
- (iii) enhance understanding of the intent, interpretation, and governance principles embedded within the relevant provisions of FAPO 1995;

- (iv) improve transparency and clarity in the preparation, justification and presentation of applications, while facilitating compliance with FAPO 1995 through clearly defined requirements and supporting documentation;
- (v) support statutory bodies in upholding fiscal discipline, public accountability, and compliance with State investment policies and financial directives; and
- (vi) promote sound financial governance by strengthening internal financial management, due diligence, and decision-making within statutory bodies.

### **1.3 Legal Framework**

The legal and regulatory framework governing the financial powers, approvals, and investment activities of statutory bodies and their holding, subsidiary, or related companies includes, but is not limited to, the following:

- (i) Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 [Chapter 15]; and
- (ii) State Financial Secretary Circular No. 10/2024: Investment Policy and Guidelines for State Statutory Body, State Local Authority and Government-Linked Company of the Government of Sarawak.

Compliance with the above shall be subject to and aligned with the latest circulars, directives, and guidelines issued by the State Financial Secretary’s Office (“SFSO”) that are in force from time to time.

### **1.4 Scope of FAPO 1995 Application**

FAPO 1995 governs all statutory bodies established under State Ordinances and sets out the procedures for financial management, accounting, borrowing, lending, investment and the establishment of subsidiaries. FAPO 1995 applies to all statutory bodies in Sarawak and, where applicable, their holding, subsidiary, and related companies.

For these Guidelines, the relevant provisions of FAPO 1995 include the following:

- (if) Section 9(1)(d), (e), and (f) : Restrictions on acts of statutory bodies
- (ii) Section 10 : Capital of holding and subsidiary companies

- (iii) Section 11 (a), (b), (c), (e), (f), (g), and (h) : Restrictions of certain acts of holding or subsidiary or related companies

These provisions form the State's regulatory framework governing financial commitments, corporate restructuring, investments, borrowings, guarantees, capital setting, remuneration controls, shareholding arrangements, and the appointment of auditors.

For the avoidance of doubt, **these Guidelines apply only to the provisions expressly stated above** and do not extend to other provisions of FAPO 1995, including, Section 9(1)(a), (b) and (c), and Section 11(d), which are governed by separate circulars issued by the State Financial Secretary's Office, as follows:

<b>FAPO 1995 Provision</b>	<b>Subject Matter</b>	<b>SFS Circulars &amp; Guidelines in Force</b>
Section 9(1)(a)	Procurement of works, services or purchases.	<i>Surat Pekeliling Setiausaha Kewangan Negeri Bil. 09/2017: Tatacara Perolehan Badan-Badan Berkanun Negeri Sarawak</i>
Section 9(1)(b) and (c)	Disposal of capital assets and write-off of bad debts and arrears of revenue.	<i>Pekeliling PKP 1/96: Arahan Mengenai Penyimpanan dan Pelupusan Rekod Perakaunan dan Perkara-Perkara Berkaitan</i>
Section 11(d)	Appointment of consultants, contractors or professional advisers by holding or subsidiary companies.	<i>Surat Pekeliling Setiausaha Kewangan Negeri Bil. 01/2021: Manual Perolehan Perkhidmatan Perunding Kerajaan Negeri</i>

## **1.5 Confidentiality and Data Governance**

All information and documents submitted to the State Financial Secretary's Office shall be treated as confidential and used solely for the purpose of regulatory assessment and evaluation.

Notwithstanding the above, statutory bodies remain fully responsible for ensuring:

- (i) the accuracy, completeness, and reliability of all information submitted;
- (ii) the protection of sensitive financial, commercial, and personal information; and
- (iii) compliance with applicable personal data protection and public-sector information security requirements.

Where information provided involves third-party data, the statutory bodies shall ensure that the necessary consent, authorisation, or legal basis for disclosure has been duly obtained prior to submission.

## **1.6 General Information**

All applications submitted to the State Financial Authority shall be complete, properly documented, and fully aligned with these Guidelines. Incomplete, inconsistent, or insufficient submissions may result in delays in evaluation or requests for further clarification.

In this regard, statutory bodies are expected to:

- (i) conduct appropriate internal assessments, financial analysis, and due diligence prior to submission;
- (ii) ensure that all relevant Board approvals of the statutory body and, where applicable, the holding or subsidiary company, are properly deliberated, minuted, and certified;
- (iii) provide clear justification, supported by risk assessments and relevant supporting documents, commensurate with the nature and complexity of the proposal;
- (iv) ensure full compliance with directives, circulars, and guidelines issued by the SFSO; and
- (v) engage with the SFSO at an early stage where clarification or guidance is required.

These principles are intended to support efficient decision-making, facilitate timely evaluation of applications, and strengthen financial governance, accountability, and consistency across all statutory bodies.

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## **2.0 GUIDELINES UNDER SECTION 9(1)(d), (e), AND (f) – RESTRICTIONS ON ACTS OF STATUTORY BODIES**

### **2.1 Introduction**

This section sets out the procedures and documentation requirements for statutory bodies submitting applications pursuant to Section 9(1)(d), (e) and (f) of the FAPO 1995. These provisions regulate matters relating to corporate restructuring activities, borrowing from non-financial sources, and the provision of loans or other forms of financial assistance. The requirements herein are intended to ensure that such proposals are subject to appropriate oversight and assessment prior to the granting of approval by the State Financial Authority.

### **2.2 Section 9(1)(d): Take-Over, Dissolution or Winding-Up of Holding or Subsidiary Companies**

#### 2.2.1 Statutory Extract - Section 9(1)(d)

***A statutory body shall not without the prior written approval of the State Financial Authority permit the take over, dissolution or winding up (except in the case of compulsory winding up by the court or its creditors) of any of its holding or subsidiary companies.***

#### 2.2.2 Purpose and Regulatory Intent

This provision is intended to ensure that any action or decision on major restructuring involving the takeover, dissolution or winding up of a statutory body's holding or subsidiary company is carried out in a controlled, transparent, and properly authorized manner.

It seeks to promote accountability and safeguards public funds by ensuring that such restructuring decisions are subject to proper evaluation, are fiscally responsible, and are aligned with the State's governance framework and public sector objectives.

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### 2.2.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete prior to submitting the application to the State Financial Authority. The following documents shall be submitted, where applicable:

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
1.	Justification for the Application	A clear and comprehensive justification outlining the rationale, objectives, and necessity of the proposed takeover, dissolution, or winding-up exercise.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Approval of the Holding or Subsidiary Company's Board of Directors ( <i>where applicable</i> )	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of shareholding structure. For takeover proposals, the acquirer's corporate profile shall also be provided.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
5.	Financial Position of the Statutory Body	Latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed exercise.
6.	Financial Position of the Holding or Subsidiary Company	Latest audited financial statements or management accounts to assess the financial standing of the holding or subsidiary company involved.
7.	Assessment of Financial Impact	An analysis of the financial implications of the proposed transaction on the statutory body, including projected impacts on cash flow, liabilities, and financial sustainability.
8.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to substantiate the application, including due diligence reports, valuation reports, risk assessments and mitigation measures, implementation plan and timeline, or legal opinions, where applicable.

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## 2.3 Section 9(1)(e): Borrowing from Non-Bank Financial Sources

### 2.3.1 Statutory Extract – Section 9(1)(e)

***A statutory body shall not without the prior written approval of the State Financial Authority borrow from a financial source other than a bank or financial institution.***

### 2.3.2 Purpose and Regulatory Intent

This provision is intended to ensure that any borrowing undertaken by a statutory body from a source other than a bank or licensed financial institution, which may involve higher risk exposures or less regulatory oversight, is carried out in a controlled, transparent, and properly authorized manner.

This process seeks to ensure that such borrowing arrangements are subject to appropriate scrutiny, are financially sound, and are aligned with the State’s public financial management principles and risk mitigation measures, thereby supporting prudent fiscal management and safeguarding public funds.

### 2.3.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted in full prior to the submission of the application to the State Financial Authority, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear and comprehensive justification outlining the purpose, rationale, and necessity of the proposed borrowing.
2.	Approval of the Statutory Body’s Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		the resolution, approval decision, and date.
3.	Five-Year Cash Flow Projection	A minimum five-year cash flow projection, prepared based on reasonable and clearly stated assumptions, and supported by relevant financial indicators, including Return on Investment (ROI), Return on Equity (ROE), and Debt Service Coverage Ratio (DSCR), demonstrating the financial viability and sustainability of the proposed borrowing.
4.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed borrowing.
5.	Impact on the Statutory Body's Financial Position	An assessment of the financial implications of the proposed borrowing, including its impact on liquidity, gearing, and overall financial sustainability.
6.	Repayment Schedule	A detailed repayment schedule outlining the tenure, instalment amounts, interest obligations, and the statutory body's capacity to meet repayment commitments.
7.	Letter of Offer from the Financier	A formal Letter of Offer issued by the financier, specifying the approved financing amount, applicable terms and conditions, interest rates, security requirements, and any covenants imposed.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
8.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including risk assessments and mitigation measures, implementation plan and timeline, valuation report or legal opinions, where applicable.

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## 2.4 Section 9(1)(f): Financial Assistance to Members or Directors

### 2.4.1 Statutory Extract – Section 9(1)(f)

***A statutory body shall not without the prior written approval of the State Financial Authority provide loans, credit facilities or financial assistance to any of its members or the Directors of any of its holding or subsidiary or related companies.***

### 2.4.2 Purpose and Regulatory Intent

This provision is intended to ensure that any loans, credit facilities, or other forms of financial assistance extended by a statutory body to its members or to the directors of its holding, subsidiary, or related companies are undertaken in a controlled, transparent, and duly authorised manner.

This process seeks to promote prudent financial management by ensuring that such assistance is properly justified, subject to appropriate oversight, and free from actual or perceived conflicts of interest. This approach supports sound corporate governance practices and safeguards public funds in line with the State's broader public financial management objectives. It also prevents the misuse of public resources and ensures that financial dealings involving board members or directors are conducted ethically and transparently.

### 2.4.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to the consideration of the application, as outlined below:

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
1.	Justification for the Application	A clear and comprehensive explanation of the rationale, purpose, and necessity of the proposed loan, credit facility, or financial assistance.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors,

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed financial assistance.
4.	Impact on the Statutory Body's Financial Position	An assessment of the financial implications of the proposed assistance, including its impact on liquidity, gearing, and overall financial sustainability.
5.	Repayment Schedule	A detailed repayment schedule outlining the tenure, instalment amounts, interest obligations (if any), and the statutory body's capacity to meet repayment commitments.
6.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including legal opinions, risk assessments, or supporting analyses, where applicable.

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## **3.0 GUIDELINES UNDER SECTION 10 – CAPITAL OF HOLDING AND SUBSIDIARY COMPANIES**

### **3.1 Introduction**

Pursuant to Section 10 of the Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 (“FAPO 1995”), statutory bodies are required to seek the concurrence of the State Financial Authority in matters relating to the authorised and paid-up capital of their holding or subsidiary companies.

Accordingly, applications submitted under this section are subject to recommendation by the State Financial Authority to the Minister for Approval.

This section sets out the applicable requirements and documentation to be submitted to enable the State Financial Authority to assess, evaluate, and formulate its recommendation in respect of such proposals.

### **3.2 Section 10: Capital of Holding and Subsidiary Companies**

#### **3.2.1 Statutory Extract - Section 10**

***Where a statutory body is authorized under any State law to form, establish or incorporate any holding or subsidiary company, the authorized and paid up capital of such holding or subsidiary company shall be fixed only after consultation with the State Financial Authority and the Minister has agreed to the limit of the authorized and paid up capital of such holding or subsidiary company.***

#### **3.2.2 Purpose and Regulatory Intent**

This provision is intended to ensure that any decision relating to the determination of the authorised or paid-up capital of a statutory body’s holding or subsidiary company is carried out in a controlled, transparent, and properly authorised manner.

This process enables statutory body to form, establish or incorporate any holding or subsidiary with capital levels that are appropriate, well-justified, and aligned with operational requirements, while promoting sound financial management and supporting the broader public-sector objectives of the State. It also prevents

undercapitalisation or excessive capital allocation, ensures the prudent use of public funds, and supports long-term financial sustainability.

### 3.2.3 Checklist for Submission to the State Financial Authority for Recommendation

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear and comprehensive explanation outlining the rationale, objectives, and necessity of the proposed application.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Approval of Holding or Subsidiary Company's Board of Directors ( <i>where applicable</i> )	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Compliance with State Financial Secretary Circular No. 10/2024	Confirmation that the proposal complies with the <i>Investment Policy and Guidelines for State Statutory Bodies, State Local Authorities and Government-Linked Companies</i> , particularly

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		provisions relating to investments, joint ventures, or incorporation of subsidiary companies.
5.	Confirmation of Alignment with Statutory Objectives	Confirmation that the proposed application is consistent with the statutory body's mandated functions and objectives as prescribed under its establishing legislation.
6.	Comprehensive Five-Year Business Plan	<p>A detailed business plan comprises:</p> <ul style="list-style-type: none"> <li>(i) objectives, goals and strategic rationale;</li> <li>(ii) business and operational plan;</li> <li>(iii) market analysis and risk assessments; and</li> <li>(iv) a minimum five (5)-year cash flow projection, prepared based on reasonable and clearly stated assumptions.</li> </ul> <p>including relevant financial indicators such as Return on Investment (ROI), Return on Equity (ROE) and Debt Service Coverage Ratio (DSCR).</p>
7.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of the current shareholding structure.
8.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed exercise.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
9.	Financial Position of the Holding or Subsidiary Company	The latest audited financial statements or management accounts of the holding or subsidiary company, where applicable, to assess financial viability and sustainability.
10.	Impact on the Statutory Body's Financial Position	An assessment of the financial implications of the proposed exercise, including its impact on liquidity, gearing, and overall financial sustainability.
11.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including draft shareholders agreement / joint venture agreement, legal opinions, valuation reports, or risk assessments, where applicable.

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## **4.0 GUIDELINES UNDER SECTION 11 – RESTRICTIONS OF CERTAIN ACTS OF HOLDING OR SUBSIDIARY OR RELATED COMPANIES**

### **4.1 Introduction**

This section sets out the procedures and documentary requirements applicable to statutory bodies seeking approval under Section 11(a), (b), (c), (e), (f), (g), and (h) of the Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 (“FAPO 1995”). These provisions govern matters relating to capital adjustments, borrowing limits, the granting of guarantees or financial assistance, remuneration and shareholding controls, mergers or amalgamations, and the appointment of auditors involving holding, subsidiary, or related companies.

The requirements outlined herein are intended to ensure that such transactions and arrangements are subject to appropriate oversight, financial discipline, and governance controls, and are aligned with the State’s public sector financial management objectives.

### **4.2 Section 11(a): Increase or Reduction of Issued or Paid-Up Capital of Holding or Subsidiary Companies**

#### **4.2.1 Statutory Extract – Section 11(a)**

***No statutory body shall without the prior written approval of the State Financial Authority cause an increase or reduction of the issued or paid up capital of any of its holding or subsidiary company.***

#### **4.2.2 Purpose and Regulatory Intent**

This provision is intended to ensure that any decision to increase or reduce the issued or paid-up capital of a statutory body’s holding or subsidiary company is undertaken in a controlled, transparent, and duly authorised manner.

It seeks to promote sound financial governance by ensuring that capital adjustments are properly justified, responsibly managed, and aligned with the State’s broader public-sector financial and fiscal objectives.

#### 4.2.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
1.	Justification for the Application	A clear and comprehensive explanation outlining the rationale, objectives, and necessity of the proposed application.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Approval of Holding or Subsidiary Company's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Five-Year Cash Flow Projection	A minimum five-year cash flow projection, prepared based on reasonable and clearly stated assumptions, supported by relevant financial indicators, including Return on Investment (ROI), Return on Equity (ROE), and Debt Service Coverage Ratio (DSCR), demonstrating the financial

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		viability and sustainability of the proposed exercise.
5.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of the current shareholding structure.
6.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed increase or reduction of issued or paid-up capital.
7.	Financial Position of the Holding or Subsidiary Company	The latest audited financial statements or management accounts of the holding or subsidiary company, to assess its financial position in relation to the proposed increase or reduction of issued or paid-up capital.
8.	Impact on Statutory Body's Financial Position	An assessment of the financial implications of the proposed exercise, including its impact on liquidity, gearing, and overall financial sustainability.
9.	Impact on the Holding or Subsidiary Company's Financial Position	An assessment of the financial implications of the proposed exercise, including its impact on liquidity, gearing, and overall financial sustainability.
10.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including valuation reports, risk

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		assessments and mitigation measures, implementation plan and timeline, legal opinions, or risk assessments, where applicable.

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### 4.3 Section 11(b): Borrowings by Holding or Subsidiary Companies Beyond Approved Limits or from Non-Bank Sources

#### 4.3.1 Statutory Extract - Section 11(b)

***No statutory body shall without the prior written approval of the State Financial Authority permit borrowings by any of its holding or subsidiary company beyond a limit approved in writing by the Minister after consultation with the State Financial Authority or from a source other than a bank or financial institution.***

#### 4.3.2 Purpose and Regulatory Intent

This provision is intended to ensure that any borrowing undertaken by a statutory body's holding or subsidiary company is carried out in a controlled, transparent, and properly authorised manner.

It seeks to ensure that such borrowing activities are carried out within approved financial limits, subject to appropriate oversight, and aligned with sound financial management practices and the State's broader fiscal governance objectives.

#### 4.3.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete before submitting the application to the State Financial Authority, as follows:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear and comprehensive explanation outlining the rationale, objectives, and necessity of the proposed borrowing.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
3.	Approval of Holding or Subsidiary Company's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Five-Year Cash Flow Projection	A minimum five-year cash flow projection, prepared based on clearly stated and reasonable assumptions, and supported by relevant financial indicators including Return on Investment (ROI), Return on Equity (ROE), and Debt Service Coverage Ratio (DSCR), demonstrating the financial viability, sustainability, and repayment capacity of the proposed borrowing.
5.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of the current shareholding structure.
6.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed borrowing.
7.	Financial Position of the Holding or Subsidiary Company	The latest audited financial statements or management accounts of the holding or subsidiary company, to assess its financial position in relation to the proposed borrowing.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
8.	Impact on the Statutory Body's Financial Position	An assessment of the financial implications of the proposed borrowing, including its impact on liquidity, gearing, and overall financial sustainability.
9.	Impact on the Holding or Subsidiary Company's Financial Position	An assessment of the financial implications of the proposed borrowing on the holding or subsidiary company, including liquidity and solvency considerations.
10.	Repayment Schedule	A detailed repayment schedule outlining the tenure, instalment amounts, interest obligations, and the statutory body's capacity to meet repayment commitments.
11.	Letter of Offer from the Financier	A formal Letter of Offer issued by the financier, specifying the approved financing amount, applicable terms and conditions, interest rate, security requirements, and any covenants imposed.
12.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including legal opinions, valuation reports, risk assessments and mitigation measures, implementation plan and timeline or risk assessments, where applicable.

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#### 4.4 Section 11(c): Provision of Guarantees or Security for Loans or Obligations of Holding, Subsidiary or Related Companies

##### 4.4.1 Statutory Extract - Section 11(c)

***No statutory body shall without the prior written approval of the State Financial Authority guarantee or provide any form of security for any loan, or liability or obligation, contractual or otherwise, any of its holding or subsidiary or related company.***

##### 4.4.2 Purpose and Regulatory Intent

This provision is intended to ensure that any guarantee or form of security issued by a statutory body in favour of its holding, subsidiary, or related companies is undertaken in a controlled, transparent, and duly authorised manner.

It seeks to strengthen financial governance by ensuring that such guarantees or security arrangements are subject to proper evaluation, clear justification, and appropriate approval, thereby safeguarding public resources and ensuring that all financial commitments are aligned with the State's long-term fiscal and risk management objectives.

##### 4.4.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear and comprehensive explanation outlining the rationale, objectives, and necessity of the proposed guarantee or provision of security.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Approval of Holding or Subsidiary Company's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Five-Year Cash Flow Projection	A minimum five-year cash flow projection, prepared based on reasonable and clearly stated assumptions, supported by relevant financial indicators, including Return on Investment (ROI), Return on Equity (ROE), and Debt Service Coverage Ratio (DSCR), demonstrating the financial viability and sustainability of the proposed arrangement.
5.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of the current shareholding structure.
6.	Financial Position of the Statutory Body	The latest audited financial statements or, where applicable, the most recent management accounts, to assess the statutory body's financial capacity in relation to the proposed guarantee or provision of security.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
7.	Financial Position of the Holding or Subsidiary Company	The latest audited financial statements or management accounts of the holding or subsidiary company, to assess its financial position in relation to the proposed guarantee or security arrangement.
8.	Impact on the Statutory Body's Financial Position	An assessment of the financial implications of the proposed guarantee or security arrangement, including its impact on liquidity, gearing, and overall financial sustainability.
9.	Impact on the Holding or Subsidiary Company's Financial Position	An assessment of the financial implications of the proposed guarantee or security arrangement on the holding or subsidiary company.
10.	Repayment Schedule	A detailed repayment schedule outlining the tenure, instalment amounts, interest obligations, and the statutory body's capacity to meet repayment commitments arising from the guarantee or security arrangement.
11.	Letter of Offer from the Financier	A formal Letter of Offer issued by the financier, specifying the approved financing amount, terms and conditions, interest rates, security requirements, and any covenants applicable to the facility.
12.	Other Supporting Documents (if any)	Any additional documentation deemed relevant to support the application, including legal opinions, valuation reports, risk assessments and mitigation measures, implementation

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		plan and timeline or risk assessments, where applicable.

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## 4.5 Section 11(e): Payment of Salaries, Allowances or Other Privileges to Members or Nominees of Holding, Subsidiary or Related Companies

### 4.5.1 Statutory Extract - Section 11(e)

***No statutory body shall without the prior written approval of the State Financial Secretary cause or permit any of its members and nominees on the Board of Directors of that statutory body's holding or subsidiary or related company, to be paid or receive, salaries, allowances or other privileges, in excess of the amount approved by the Government.***

### 4.5.2 Purpose and Regulatory Intent

This provision is intended to ensure that any salaries, allowances, or other privileges granted to statutory body representatives appointed to the boards of holding, subsidiary, or related companies are determined in a controlled, transparent, and duly authorised manner.

It seeks to promote sound governance by ensuring that remuneration decisions are fair, properly justified, and compliant with approved limits, while supporting the prudent management of public resources and upholding accountability within the public sector.

### 4.5.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear and comprehensive explanation outlining the rationale, objectives, and necessity of the proposed application.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Approval of Holding or Subsidiary Company's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Company Profile and Shareholding Structure	The latest company profile issued by the Suruhanjaya Syarikat Malaysia (SSM), including details of the current shareholding structure.
5.	Financial Position of the Holding or Subsidiary Company	The latest audited financial statements or management accounts of the holding or subsidiary company, to assess its financial position in relation to the proposed arrangement.
6.	Impact on the Holding or Subsidiary Company's Financial Position	An assessment of the financial implications of the proposed arrangement on the holding or subsidiary company, including liquidity and solvency considerations.
7.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including legal opinions, valuation reports, or risk assessments, where applicable.

## 4.6 Section 11(f): Acquisition or Holding of Shares in Holding, Subsidiary or Related Companies by Officers or Employees

### 4.6.1 Statutory Extract - Section 11(f)

***No statutory body shall without the prior written approval of the State Financial Secretary cause or permit any of its officers or employees to acquire or hold, directly or indirectly, any shares in any holding or subsidiary or related company without the prior written approval of the Minister.***

### 4.6.2 Purpose and Regulatory Intent

This provision is intended to ensure that any acquisition or holding of shares, whether directly or indirectly, by officers or employees in any holding, subsidiary, or related company is undertaken in a controlled, transparent, and duly authorised manner.

It seeks to promote strong governance by preventing conflicts of interest, ensuring integrity in decision-making, and safeguarding the proper use of public resources, while ensuring that all shareholding arrangements remain aligned with the State's public sector governance and accountability framework.

### 4.6.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Application	A clear explanation of the purpose and necessity of the proposed acquisition or holding of shares by the officer or employee, including the nature and extent of the interest to be acquired.
2.	Approval of the Statutory Body's Board of Directors	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		minutes duly certified by the Company Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Declaration of Interest	A formal declaration by the officer or employee disclosing the nature of the interest, relationship to the entity, and confirmation of absence of conflict of interest, or details of how potential conflicts will be managed.
4.	Details of the Shareholding or Equity Interest	Information on the percentage of shareholding, voting rights, acquisition price (if applicable), and nature of the interest to be acquired or held.
5.	Impact Assessment on Governance and Independence	An assessment of potential conflicts of interest and the measures proposed to mitigate such risks, including recusal arrangements where applicable.
6.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, such as declarations, undertakings, or legal opinions.

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## 4.7 Section 11(g): Merger or Amalgamation of Holding, Subsidiary or Related Companies with Non-Related Companies

### 4.7.1 Statutory Extract - Section 11(g)

***No statutory body shall without the prior written approval of the State Financial Secretary cause or permit any of its holding or subsidiary or related company to merge or amalgamate with another company which is not a holding or subsidiary or related company of that statutory body without the prior written approval of the Minister.***

### 4.7.2 Purpose and Regulatory Intent

This provision is intended to ensure that any merger or amalgamation involving a statutory body's holding, subsidiary, or related company is undertaken in a controlled, transparent, and duly authorised manner.

It seeks to ensure that such corporate restructuring exercises are subject to appropriate scrutiny, are aligned with the State's strategic priorities, and are consistent with sound governance principles and the broader public sector interest.

### 4.7.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

No.	Information / Document Required	Description / Purpose
1.	Justification for the Proposed Merger or Amalgamation	A comprehensive rationale explaining the strategic objectives, expected benefits, and necessity of the proposed merger or amalgamation.
2.	Board Approvals of the Statutory Body	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
		Secretary or the Head of the Statutory Body; or (ii) a certified extract indicating the resolution, approval decision, and date.
3.	Board Approvals of another company which is not a holding or subsidiary or related company of that statutory body	Documentary evidence confirming that the proposal has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date.
4.	Compliance with State Financial Secretary Circular No. 10/2024	Confirmation that the proposal complies with the <i>Investment Policy and Guidelines for State Statutory Bodies, State Local Authorities and Government-Linked Companies</i> , particularly the provisions relating to investment, joint ventures, and incorporation of subsidiaries.
5.	Confirmation of Alignment with Statutory Objectives	Written confirmation that the proposed transaction aligns with the statutory body's objectives as stipulated in its establishing legislation.
6.	Proposed Merger / Amalgamation Structure	A detailed description of the proposed transaction structure, including pre- and post-merger organisational charts and ownership structure.
7.	Business and Strategic Rationale	An assessment of the strategic fit, operational synergies, and anticipated benefits of the merger or amalgamation.

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
8.	Financial Impact Assessment	An evaluation of the financial implications of the merger or amalgamation, including effects on assets, liabilities, cash flows, and financial sustainability.
9.	Legal and Regulatory Compliance Assessment	Confirmation of compliance with applicable laws, regulatory requirements, and approvals required under relevant statutes, including the Companies Act and other applicable legislation.
10.	Post-Merger Integration Plan	A plan outlining governance arrangements, organisational structure, operational integration, and risk mitigation measures following the merger or amalgamation.
11.	Risk Assessments and Mitigation Measures	Identification of key risks arising from the proposed transaction and corresponding mitigation strategies.
12.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the evaluation, including legal opinions, valuation reports, implementation plan and timeline or due diligence findings.

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## 4.8 Section 11(h): Appointment of Auditors of Holding or Subsidiary Companies

### 4.8.1 Statutory Extract - Section 11(h)

***No statutory body shall without the prior written approval of the State Financial Secretary cause or permit any person to be appointed to audit the accounts of any of its holding or subsidiary company.***

### 4.8.2 Purpose and Regulatory Intent

This provision is intended to ensure that appointment and re-appointment of an auditor for the accounts of a statutory body's holding, or subsidiary company is undertaken in a controlled, transparent, and duly authorised manner.

It seeks to promote strong governance by ensuring that audit appointments are made in accordance with established standards of independence, accountability, and professional integrity, thereby safeguarding the reliability of financial reporting and reinforcing public confidence in the management of public resources.

In line with good governance principles and best practices, the appointment of a new auditor shall be subject to evaluation by the Audit Committee. In recommending such appointment, the Audit Committee shall assess the auditor's professional competence, audit quality, independence, adequacy of resources, relevant industry experience, and the reasonableness of the proposed audit fee in relation to the scope and complexity of the audit engagement.

Whereas the re-appointment of the auditor shall be subject to periodic review by the Audit Committee. Such review shall include an assessment of the auditor's professional competence, audit quality, independence, adequacy of resources, and the appropriateness of the audit fee relative to the scope of work and value delivered.

In addition, the Audit Committee shall consider the need for a change of auditor upon the auditor reaching six (6) consecutive years of appointment, in order to safeguard audit objectivity and independence, unless otherwise justified and documented by the Audit Committee.

#### 4.8.3 Checklist for Submission to the State Financial Authority for Approval

The agency shall ensure that all required supporting documents are complete and submitted to the State Financial Authority prior to consideration of the application, as outlined below:

<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
1.	Justification for the Appointment	A clear explanation of the need for the appointment or reappointment of the auditor, including justification for the selection and the proposed audit scope.
2.	Approval of Holding or Subsidiary Company's Board of Directors	Documentary evidence confirming that the proposed appointment, including the tenure of the auditor, has been duly deliberated and approved by the Board of Directors, supported by either (i) full Board minutes duly certified by the Company Secretary or the Chief Executive Officer / General Manager; or (ii) a certified extract indicating the resolution, approval decision, and date
3	Corporate profile of the Audit Firm	A corporate profile of the proposed audit firm, including details of firm registration, principal place of business, partners and key personnel, areas of practice, and relevant audit experience, to enable assessment of the firm's suitability, capacity, and professional standing.
4.	Letter of Offer from the Proposed Auditor	A formal Letter of Offer issued by the proposed audit firm, clearly stating the scope of audit, audit fees, duration of engagement, terms and conditions, and confirmation of compliance with applicable professional standards.

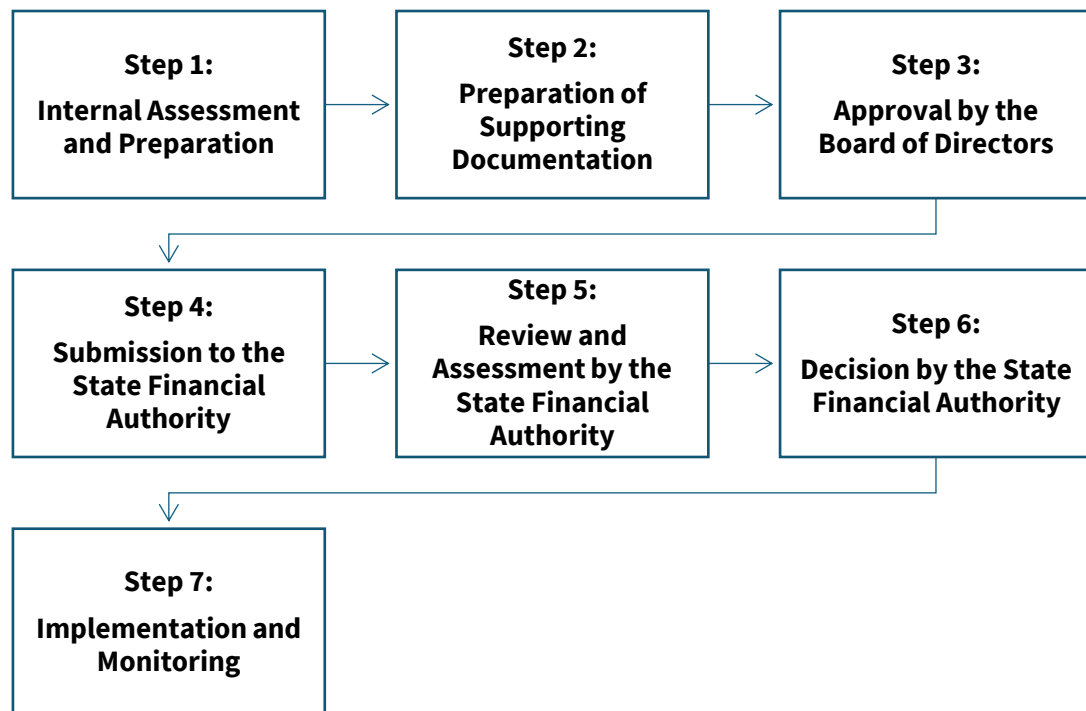
<b>No.</b>	<b>Information / Document Required</b>	<b>Description / Purpose</b>
5.	Audit License	A valid practising license of the proposed audit firm issued by the relevant professional or regulatory authority, to confirm that the firm is duly licensed and authorised to provide statutory audit services in Malaysia.
6.	Appendix 1 – Application for Appointment of Auditor	A completed application form for the appointment of an auditor, as prescribed by the State Financial Secretary’s Office.
7.	Other Supporting Documents <i>(if any)</i>	Any additional documentation deemed relevant to support the application, including professional certificates, regulatory clearances, or correspondence with oversight bodies, where applicable.

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## 5.0 Flowchart of Approval Process and Post-Approval Reporting Requirements

### 5.1 Flowchart of Approval Process

This section outlines the procedural flow for the preparation, submission, review, and approval of applications under the relevant Sections 9, 10, and 11 of the FAPO 1995.



Details of the process flow for approval are set out below to outline the roles, sequence of actions, and approval authorities involved.

		<b>Responsible Party</b>
<b>Step 1: Internal Assessment and Preparation</b>	Identifies the proposed transaction or action falling under Sections 9, 10, or 11 and conducts an internal assessment to determine its necessity, scope, and implications. This includes evaluating financial, operational, legal, and governance considerations.	<b>Statutory Body</b>

		<b>Responsible Party</b>
<b>Step 2: Preparation of Supporting Documentation</b>	Prepares all required documentation in accordance with the relevant section, including justifications, financial analyses, board papers, and supporting materials as prescribed under the applicable guidelines.	<b>Statutory Body</b>
<b>Step 3: Approval by the Board of Directors</b>	The proposal is submitted to the Board of Directors of the statutory body for deliberation and approval. Where applicable, approval from the board of the holding or subsidiary company shall also be obtained.	<b>Statutory Body</b>
<b>Step 4: Submission to the State Financial Authority</b>	Upon approval by the Board, the complete documentation of application shall be formally submitted to the State Financial Authority for evaluation and consideration.	<b>Statutory Body</b>
<b>Step 5: Review and Assessment by the State Financial Authority</b>	<p>Upon receipt of a complete and satisfactory submission, the review process shall be undertaken in accordance with established procedures and completed in a timely manner, commensurate with the nature and complexity of the application.</p> <p>Where additional information or clarification is required, the review process shall commence only upon receipt of the complete and satisfactory documentation.</p>	<b>State Financial Secretary's Office</b>
<b>Step 6:</b>	Based on the assessment, the State Financial Authority may: (i) Approve the application;	<b>State Financial</b>

		<b>Responsible Party</b>
<b>Decision by the State Financial Authority</b>	<p>(ii) Approve the application subject to specified conditions; OR</p> <p>(iii) Reject the application, with reasons provided.</p> <p>Where practicable, the decision shall be issued <b>within fourteen (14) working days</b> upon confirmation by the SFSO that the submission is complete, satisfactory and ready for assessment and evaluation.</p>	<b>Secretary's Office</b>
<b>Step 7: Implementation and Monitoring</b>	<p>Upon approval, the statutory body shall implement the approved action in accordance with the conditions imposed and submit any required post-approval reports or updates to the State Financial Authority.</p>	<b>Statutory Body</b>

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## **5.2 Post-Approval Reporting Obligations**

Depending on the nature and conditions of the approval granted, statutory bodies may be required to submit post-approval reports to the State Financial Authority, including but not limited to:

- (i) implementation status updates on approved actions or transactions;
- (ii) financial or progress reports (quarterly, annually, or as specified);
- (iii) compliance statements confirming adherence to conditions imposed under the approval; and
- (iv) revised financial projections, particularly for major restructuring, capital adjustments, or borrowing-related approvals.

Statutory bodies shall ensure that all post-approval reporting requirements are complied with within the prescribed timelines. Failure to comply with approval conditions or reporting obligations may result in the withdrawal of approval or the imposition of additional conditions, as deemed appropriate by the State Financial Authority.

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## 6.0 CONSOLIDATED SUMMARY OF CHECKLISTS AND STANDARD INFORMATION REQUIREMENTS FOR APPLICATION LETTERS

### 6.1 Consolidated Summary of Checklists

This consolidated checklist is provided as a general reference only. Statutory bodies shall refer to the specific checklist under the relevant section of these Guidelines, as not all requirements apply to every provision.

No.	Document / Information Required	Section 9	Section 10	Section 11	Remarks / Conditions
1	Justification and Rationale	✓	✓	✓	Mandatory for all applications
2	Approval of Statutory Body's Board of Directors	✓	✓	✓	Certified Board resolution / extract  Not applicable to 11(h)
3	Approval of Holding / Subsidiary Board	✓ (9(1)(d))	✓	✓ (where applicable)	Not applicable to 11(f) and 11(h)
4	Board Approvals of another company which is not a holding or subsidiary or related company of that statutory body	✗	✗	✓ (11(g))	Mandatory for Merger or Amalgamation of Holding, Subsidiary or Related Companies with Non-Related Companies

<b>No.</b>	<b>Document / Information Required</b>	<b>Section 9</b>	<b>Section 10</b>	<b>Section 11</b>	<b>Remarks / Conditions</b>
<b>5</b>	Compliance with State Financial Secretary Circulars	✓ (where applicable)	✓ (where applicable)	✓ (where applicable)	Including Circular No. 10/2024
<b>6</b>	Company Profile & Shareholding Structure (SSM)	✓ (9(1)(d))	✓	✓	Not applicable to 11(f)
<b>7</b>	Confirmation of Alignment with Statutory Mandate	✓ (where applicable)	✓	✓ (11(g))	Mandatory for capital and restructuring cases
<b>8</b>	Financial Position – Statutory Body	✓	✓	✓	Not applicable to 11(e), 11(h)
<b>9</b>	Financial Position – Holding / Subsidiary Company	✓ (9(1)(d))	✓	✓ (11(a)–(c), 11(e), 11(g))	Not applicable to 11(f), 11(h)
<b>10</b>	Financial, Operational & Governance Impact Assessment	✓ (9(1)(d)-(f))	✓	✓ (11(a)–(c), 11(e)-(g))	Scope to match nature of application
<b>11</b>	Cash Flow Projections (minimum 5 years)	✓ (9(1)(e))	✓	✓ (11(a)–(c))	With assumptions and key ratios

<b>No.</b>	<b>Document / Information Required</b>	<b>Section 9</b>	<b>Section 10</b>	<b>Section 11</b>	<b>Remarks / Conditions</b>
<b>12</b>	Letter of Offer from the Financier	✓ (9(1)(e))	✗	✓ (11(b)-(c))	Mandatory for borrowing from non-bank financial sources
<b>13</b>	Repayment Schedule / Financing Terms	✓ (9(1)(e)-(f))	✗	✓ (11(b)- (c))	Borrowing-related approvals only
<b>14</b>	Business Plan / Strategic Assessment	✓ (9(1)(d))	✓	✓ (11(g))	Mandatory for capital & merger cases
<b>15</b>	Declaration of Interest / Conflict Management	✗	✗	✓ (11(f))	Officer / employee shareholding only
<b>16</b>	Details of Shares to be Acquired or Held	✗	✗	✓ (11(f))	Percentage, rights, conditions
<b>17</b>	Proposed Merger / Amalgamation Structure	✗	✗	✓ (11(g))	Merger or amalgamation of holding, subsidiary, or related companies with non-related companies

<b>No.</b>	<b>Document / Information Required</b>	<b>Section 9</b>	<b>Section 10</b>	<b>Section 11</b>	<b>Remarks / Conditions</b>
<b>18</b>	Legal and Regulatory Compliance Assessment	✗	✗	✓ (11(g))	Merger or amalgamation of holding, subsidiary, or related companies with non-related companies
<b>19</b>	Auditor's Profile & Letter of Offer	✗	✗	✓ (11(h))	Auditor appointment only
<b>20</b>	Corporate profile of the Audit Firm	✗	✗	✓ (11(h))	Auditor appointment only
<b>21</b>	Audit License	✗	✗	✓ (11(h))	Auditor appointment only
<b>22</b>	Appendix 1 – Application for Appointment of Auditor	✗	✗	✓ (11(h))	Prescribed SFSO format
<b>23</b>	Other Supporting Documents (if any)	✓	✓	✓	As required by State Financial Authority

**Legend:**

✓ Applicable ✗ Not applicable

## **6.2 STANDARD INFORMATION REQUIREMENTS FOR APPLICATION LETTERS SUBMITTED TO THE STATE FINANCIAL AUTHORITY FOR APPROVAL / RECOMMENDATION**

This section sets out the standard information requirements for application letters to be complied with by statutory bodies when submitting applications to the State Financial Authority for approval or recommendation.

### **PART A: APPLICANT INFORMATION**

- (i) Name of Statutory Body;
- (ii) Name of Holding / Subsidiary / Related Company (where applicable);
- (iii) Type of Application (specify the relevant provision(s) under FAPO 1995);
- (iv) Reference Number; and
- (v) Date of Submission

### **PART B: CONTENT OF THE APPLICATION**

- (i) The content of the application shall comprise the information required under the relevant checklist as outlined in the respective Sections, together with the supporting documents.

### **PART C: DECLARATION**

- (i) The statutory body confirms that the information provided in this application is true, complete, and accurate, that the proposal complies with FAPO 1995 and all applicable circulars and guidelines issued by the State Financial Secretary's Office, and that any conflict of interest has been fully disclosed and appropriately managed; and
- (ii) This application shall be signed by the Head of Statutory Body or an authorized officer of the Statutory Body.

Prepared by:  
Statutory Body Monitoring Unit  
State Financial Secretary's Office

**APPENDIX 1: APPLICATION FOR APPOINTMENT OF AUDITOR**



**APPLICATION FOR APPOINTMENT OF AUDIT FIRM FOR SUBSIDIARY COMPANY OF A STATUTORY BODY**

**Section A: Applicant Details**

- 1. Name of Subsidiary Company : .....
- 2. Name of Statutory Body (Holding Entity) : .....

**Section B: Audit Firm Details**

- 3. Name of Audit Firm : .....
- 4. Registered Address of Audit Firm :  
.....  
.....  
.....

**Section C: Appointment Details**

- 5. Status of Appointment :  New Appointment  
 Re-appointment
- 6. Tenure Since Initial Appointment : .....  
(Applicable for re-appointment only)
- 7. Proposed Audit Period (Financial year(s) to be audited) : .....

**Section D: Board Approval**

- 8. Approval by Board of Directors of the Subsidiary Company :  Yes  No
- 9. Date of Board Approval : .....

**Section E: Supporting Documents**

10. The following supporting documents shall be submitted together with this application:

- (i) Certified extract of approval by the Board of Directors;
- (ii) Valid license issued to the audit firm;
- (iii) Corporate profile of the audit firm; and
- (iv) Letter of offer for auditor appointment.

Notes:

- *All documents listed under Item 10 are mandatory.*
- *This application form shall be completed for one subsidiary company only.*
- *Incomplete applications or applications without the required supporting documents may be returned for rectification and resubmission.*

