

ANNEXURE 1

PROPOSED AMENDMENTS TO RULES OF BURSA SECURITIES
IN RELATION TO DISCIPLINARY ACTIONS

CHAPTER 13 DISCIPLINARY ACTIONS

RULE 1301 DISCIPLINARY POWERS

RULE 1301.1 ~~PARTICIPANTS~~GENERAL

- (1) ~~For the purpose of~~In this Chapter, ~~the expression~~
- (a) “Participant” includes a Participating Organisation and registered person(s) of the Participating Organisation ~~or such other person to whom these Rules are directed, unless otherwise expressly provided;~~and
- (b) “disciplinary proceeding” where the context permits includes appeal proceeding under Rule 1305.
- (2) Where the acts or omissions of a registered person(s), employee or agent of a Participating Organisation would have been subject to these Rules had such acts or omissions been committed by the Participating Organisation, then such acts or omissions shall be deemed to be committed by that Participating Organisation and disciplinary action may be taken against it.

RULE 1301.2 ~~DISCIPLINARY POWERS~~ACTIONS

- (1) If a Participant is found to have breached any of these Rules, the disciplinary actions the Exchange may take against the Participant include any one or more of the following action:~~The Exchange may exercise any of the following disciplinary powers:-:~~
- (a) ~~to reprimand~~reprimanding (publicly or privately) a Participant ~~and to direct whether and if so the manner such reprimand shall be published;~~
- (b) ~~to impose~~imposing a fine on a Participant;
- (c) ~~to suspend~~suspending a Participant ~~from trading on or through the stock market of the Exchange on such terms and for such periods as the Exchange shall think fit;~~
- (d) ~~to strike~~striking off a Participant ~~off from the Register of the Exchange on such terms as the Exchange shall think fit where the Participant will immediately cease to enjoy the privileges of Participantship;~~ and
- (e) ~~to impose~~imposing any restrictions or conditions on ~~any~~ activities that of the a Participant ~~on such terms and for such periods as the Exchange shall think fit.~~undertakes;
- (f) imposition of one or more conditions for compliance including making a directive requiring Participant to take steps to remedy or mitigate the breach including making restitution or compensation to any person aggrieved by such breach;
- (g) directing a Participant to take appropriate action against any of the Participant's employees or agents if such a person causes the Participant to commit the breach;
- (h) require a Participant to undertake a compliance program;

- (i) impose restrictions or directives in relation to the breach committed; and
- (i) any other action the Exchange considers appropriate.

~~Nothing herein contained shall prevent the Exchange from taking one or more of the above actions against a defaulter.~~

- ~~(2) The disciplinary powers referred to above may be exercised separately or cumulatively and in no circumstances shall the exercise of such powers prejudice in any way any right that may be vested in the Exchange to seek redress against a Participant.~~

~~RULE 1301.3 APPOINTMENT OF COMMITTEE~~

- ~~(1) The Exchange shall appoint a committee, sub-committee or officer(s) of the Exchange or Exchange holding company to discharge the exercise of its powers under this Chapter.~~
- ~~(2) The duties and responsibilities of the Committee abovementioned shall include -~~
 - ~~(a) to preside over matters referred to it relating to disciplinary proceedings instituted against Participants by the Exchange;~~
 - ~~(b) to require the Participants to be present at the proceedings involving any of its employees;~~
 - ~~(c) to impose disciplinary and other sanctions, including trading restrictions, on the Participants; and~~
 - ~~(d) to deal with any other matters as may be directed by the Exchange.~~

RULE 1301.4 PROCEDURES

- (1) The Exchange shall will determine the regulate procedures applicable relating to any disciplinary proceeding disciplinary actions taken under this Chapter. in such manner as it may in its absolute discretion deem fit or expedient and such Such procedures may vary to adapt to the circumstances of any particular case.
- (2) The Exchange is not bound by legal rules of evidence and procedure in any disciplinary proceedings under this Chapter.

RULE 1301.5 AGREED SETTLEMENT

- (1) A Participant may, at any time before the Exchange makes a decision under Rule 1303.3 or Rule 1305.4, propose a settlement of the disciplinary action by agreeing to a set of facts, liability or penalty with the Exchange.
- (2) The Exchange may reject, accept or vary the proposed settlement based on terms that the Exchange deems fit.
- (3) Where the Exchange accepts the proposed settlement the agreed settlement will be recorded as a decision of the Exchange.
- (4) If the Exchange is not agreeable to the proposed settlement, the proceedings under Rule 1303 or Rule 1305 will apply.
- (5) Any representations, information or document proffered by the Participant in the proposed settlement will not be used against the Participant without the Participant's consent.

RULE 1301.6 ~~Rights of Participants~~ REQUEST FOR ORAL REPRESENTATIONS

- (1) The Exchange may allow an oral representation, submission or the attendance of witnesses for any proceeding commenced against a Participant under this Chapter 13.
- (~~1~~2) ~~The Defaulting A~~ Participant may only request for an oral representation hearing before the Exchange, make submissions and procure the attendance of witnesses ~~to for proceedings commenced against the Participant if a written response is submitted under Rule 1303.2 or if a Notice of Appeal is submitted under Rule 1305.2.~~ answer the case made against him by the Exchange.
- (3) If the Exchange allows for the attendance of a witness, the Participant bears the onus of procuring the attendance of the witness and all costs of attendance of the witness.

RULE 1301.7 COST OF PROCEEDINGS

- (1) ~~Without prejudice to the relevant provisions in Chapter 12, the Exchange may at the conclusion of disciplinary actions require a Defaulting Participant to pay or reimburse the Exchange, subject to an internal criteria as approved by the Commission, The Exchange may, at the conclusion of a disciplinary proceeding as the case may be-, require the Participant to bear all or part of the costs and expenses incurred by it in connection with such disciplinary proceeding action taken against the Defaulting Participant, including but not limited to the costs of the inspection, investigation, hearing, audit fees and legal costs incurred.~~
- (2) All such costs or fees shall be paid by the ~~parties~~ Participant concerned within the time stipulated by the Exchange. ~~fourteen days from date of notice~~

RULE 1301.8 ~~BURDEN OF PROOF~~ STANDARD OF PROOF

- (1) The Exchange ~~shall~~ will not find an allegation proved ~~n~~ unless ~~it~~ the Exchange is satisfied that the allegation is proven on the balance of probabilities.

RULE 1301.9 CUMULATIVE ACTIONS OR PENALTIES

- (1) The imposition of any one or more of the disciplinary actions set out in Rule 1301.2 does not preclude the Exchange from later taking or imposing further disciplinary actions as the Exchange thinks fit on the same or further facts.

RULE 1301.10 OTHER RIGHTS

- (1) The exercise of powers in Rule 1301.2 does not in any way prejudice the other rights of the Exchange against a Participant, or any other person to whom these Rules are directed.

RULE 1302 VIOLATIONS

RULE 1302.1 VIOLATION BY PARTICIPANTS

- (1) Any Participant ("Defaulting Participant") who, in any circumstances, directly or indirectly –
- (a) commits a breach of or violates any of these Rules;
 - (b) has failed to comply with any of the Exchange's decisions, directives, rulings or guidelines (other than those guidelines which are expressed to be non-binding) made under these Rules and/or by the Exchange holding company;
 - (c) violates any provision of the rules of a clearing house or a central depository;
 - (d) is found by the Exchange to be guilty of misconduct;
 - (e) fails to pay, when due, any debt incurred by it to another Participant in respect of any dealing in securities;
 - (f) becomes insolvent;
 - (g) fails to perform his duties efficiently, honestly or fairly;
 - (h) being a Participating Organisation –
 - (i) after becoming aware of any inability on its part to comply with the minimum financial requirements as contained in these Rules, fails to notify the Exchange of such inability;
 - (ii) fails to submit its financial reporting statements or annual audited accounts as required by these Rules within the time prescribed for submission;
 - (iii) provides false representation(s) to the Exchange and/or omits to provide any material information to the Exchange;
 - (i) being a Dealer's Representative –
 - (i) without prejudice to the generality of the foregoing –
 - (aa) falsely declares authentication of an account opening application; or
 - (bb) without proper authority, makes use of another person's particulars of an account;
 - (ii) falsifies particulars of an account;
 - (iii) unlawfully transacts on another person's account;
 - (iv) commits any act in breach of his fiduciary position in respect of the foregoing matters;
 - (v) unlawfully delegates powers or assigns duties properly vested in him to unauthorised person or persons; or
 - (vi) applies any amount paid or securities deposited by a client to any person not entitled thereto or for payment other than the said client's trading account;

shall be liable and be dealt with in accordance with the provisions of these Rules relating to the same.

RULE 1303 DISCIPLINARY PROCEEDINGS

RULE 1303.1 REQUISITE NOTICE

- (1) The Exchange will serve A-a Defaulting Participant against whom disciplinary action is proposed to be taken ~~shall be notified by the Exchange of such action in writing a written notice specifying the nature and particulars of the breach the Defaulting Participant has alleged to have committed~~ (“Requisite Notice”).
- ~~(2) The Requisite Notice shall specify the following—~~
 - ~~(a) the nature and particulars of the charge against the Defaulting Participant;~~
 - ~~(b) in the case of a hearing on a charge, the time, place and date of the meeting (being not less than fourteen (14) days after the date when such notice is served) when such charge is to be heard.~~

RULE 1303.2 RESPONSE TO REQUISITE NOTICE

- (1) The Defaulting Participant may ~~respond to the charge by submitting~~ submit to the Exchange a written response to the Requisite Notice (“Response”) to the Exchange ~~within fourteen (14) days from the date of the notice issued under this Rule~~ the time stipulated in the Requisite Notice.
- ~~(2) Unless otherwise provided in these Rules, where an alleged defaulter warrants, if proven, the suspension or striking off of the Defaulting Participant, the Exchange shall conduct a hearing on the allegation against the Defaulting Participant for which notice under Rule 1303.1(2)(b) has been given, and the Defaulting Participant may attend and be heard at such hearing.~~
- ~~(3) If the Defaulting Participant fails, within the time stipulated under foregoing Rule to respond to, or appear before, the Exchange, the Exchange may proceed to deal with the charge against the Defaulting Participant.~~
- ~~(4) The proceedings of the hearing shall be properly recorded.~~
- ~~(1) The Defaulting Participant may request for an oral hearing before the Exchange, make submissions and procure the attendance of witnesses to answer the case made against him by the Exchange.~~

RULE 1302~~3~~4 NOTIFICATION OF DECISION

- (1) ~~Where the Exchange issues a reprimand to, imposes a fine on or suspends the Defaulting Participant, the Defaulting Participant shall be notified in writing of such reprimand, fine or suspension, as the case may be~~ After the conclusion of a disciplinary proceeding, the Exchange will notify the Defaulting Participant in writing of the decision including the penalty imposed (if any).

~~RULE 1303.4 APPOINTMENT OF MANAGER OR RECEIVER~~

- ~~(1) The Exchange may in its absolute discretion appoint a manager or receiver for the purpose of enabling any Defaulting Participant to clear all outstanding contracts entered into with any member of the public or with other Participating Organisations by application to the High Court.~~

RULE 1304 EXPEDITED PROCEEDINGS

RULE 1304.1 SCOPE

- (1) The Exchange may initiate expedited proceeding under this Rule 1304 against a Defaulting Participant against whom disciplinary action is proposed to be taken instead of the proceeding under Rule 1303 in circumstances the Exchange deems fit.

RULE 1304.2 PROCEDURE

- (1) The Exchange will notify the Defaulting Participant in writing that the matter will be proceeded with as an expedited proceeding. The notice will specify the breach and penalty imposed on that breach ("Determination").
- (2) The Defaulting Participant must, within the time specified in the Determination, inform the Exchange in writing whether or not the Defaulting Participant agrees with the Determination. A Defaulting Participant is deemed to have agreed with the Determination if the Defaulting Participant does not respond within the specified time.
- (3) If the Defaulting Participant agrees or deemed to have agreed with the Determination, disciplinary action will be recorded as having been taken against the Defaulting Participant upon the expiry of the specified time.
- (4) If the Defaulting Participant does not agree with the Determination, the matter will proceed under Rule 1303. The Defaulting Participant may submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 1303.1. In deliberating the matter under Rule 1303, the Exchange is not bound by the Determination and may impose a higher penalty.

RULE 1304.3 NO LIMITATION

- (1) Nothing in this Rule prevents the Exchange from proceeding with disciplinary proceedings under Rule 1303 for any breach of a Rule.

~~RULE 1304 EFFECT OF DISCIPLINARY ACTION~~

~~RULE 1304.1 PERIOD OF PAYMENT AND EFFECT OF NON-PAYMENT OF FINE~~

- ~~(1) A fine imposed by the Exchange shall be paid by the Defaulting Participant within fourteen (14) days after the date of service of the notice under Rule 1303.3 by the Exchange, failing which the Defaulting Participant shall be immediately suspended from further trading, or as the case may be, from its functions and activities.~~
- ~~(2) Where the fine remains unpaid seven (7) days after the suspension under the foregoing Rule, the Exchange may at any time thereafter summarily strike the Defaulting Participant off the Register by notice in writing.~~
- ~~(3) Notwithstanding the suspension or striking off under this Rule 1304.1, the Defaulting Participant shall remain liable to pay the fine and such fine or any portion remaining unpaid shall constitute a debt owing to the Exchange which shall not be discharged until full payment thereof.~~

~~RULE 1304.2 EFFECT OF SUSPENSION~~

- ~~(1) A suspension imposed by the Exchange upon the Defaulting Participant shall~~

- ~~(a) — take effect on the date notified in the notice given by the Exchange under Rule 1303.3 ("the said notice");~~
- ~~(b) — remain for such period as specified in the said notice but the period may be extended by the Exchange for such period as it considers appropriate.~~
- ~~(2) — A Defaulting Participant with access to trade on or through the stock market of the Exchange who has been suspended for any reason shall immediately cease to trade on the Exchange but nothing herein contained shall be construed as releasing or discharging such Defaulting Participant from remaining liable in all respects to fulfil all its obligations pursuant to or under these Rules.~~
- ~~(3) — Notwithstanding Rule 1303, a Participant against whom proceedings are instituted in any Court alleging the commission of any offence arising out of the conduct of business of dealing in securities may, if in the opinion of the Exchange it is desirable to do so in order to protect the interest of the Exchange or the public, be suspended immediately by the Exchange by notice in writing.~~
- ~~(4) — The suspension under Rule 1304.2(3) shall cease upon —~~
- ~~(a) — the acquittal of the Participant (provided that no appeal is lodged against such acquittal); or~~
- ~~(b) — withdrawal of the prosecution against the Participant.~~
- ~~(5) — Notwithstanding Rule 1303 —~~
- ~~(a) — the failure of any Dealer's Representative to honour any duties and obligations directly related to his dealings in securities pursuant to the Standard Remisier's Agreement referred to in Chapter 3; or~~
- ~~(b) — the bankruptcy of any Dealer's Representative;~~
- ~~may result in the automatic suspension of the Dealer's Representative.~~
- ~~(6) — Notwithstanding Rule 1303 —~~
- ~~(a) — the failure of any Participating Organisation to honour any commitments relating to its business of dealing in securities to other Participating Organisations or to any recognised clearing house; or~~
- ~~(b) — the insolvency of any Participating Organisation,~~
- ~~may result in the automatic suspension of the Participating Organisation.~~

~~**RULE 1304.3 — STRIKING OFF REGISTER**~~

- ~~(1) — A Defaulting Participant found guilty by any Court of a criminal offence involving fraud or dishonesty or of any offence under the Securities Laws or declared insolvent or bankrupt, shall have its/his name struck off the Register summarily by the Exchange by notice in writing.~~
- ~~(2) — The striking off of the Register of a Defaulting Participant shall immediately terminate its privileges as a Participant under these Rules.~~

~~**RULE 1304.4 — PUBLIC NOTIFICATION**~~

- ~~(1) — The Exchange shall have the power to publish in the local newspapers, circulars to Participants or any other manner as it deems fit or expedient the name of any Defaulting Participant against whom disciplinary action has been taken.~~

~~**RULE 1304.5 — EXCHANGE TO NOTIFY COMMISSION**~~

~~The Exchange shall notify the Commission, the Clearing House and the central depository on any default by a Participant and the action taken by the Exchange in respect thereof.~~

RULE 1305 APPEAL

RULE 1305.1 RIGHT OF APPEAL

- (1) In amplification of Rule 201.3, ~~any Participant against whom a decision has been made by the Exchange on matters referred under this Chapter (in this Rule 1305 referred to as the "appellant") may appeal against such decision by notifying the Exchange of his intention to appeal within fourteen (14) days from receipt of the notification from the Exchange, unless otherwise provided~~ a Defaulting Participant who is dissatisfied with a disciplinary action resulting from disciplinary proceeding taken under Rule 1303 and Rule 1304.2(4), may appeal against such disciplinary action in the manner specified in Rule 1305.2(1).
- (2) ~~Pending the determination of an appeal under this Rule 1305, t~~The Exchange may suspend ~~the~~ enforcement of any ~~such~~ disciplinary action ~~against the appellant that is with regards to~~ the subject of the appeal ~~shall be suspended~~ until the disposal of the appeal, unless the suspension or striking off under appeal was effected pursuant to Rule 1304.6.32(5)(b), Rule 1304.6.32(6) or Rule 1304.6.34(1).

RULE 1305.2 NOTICE OF APPEAL

- (1) ~~If a Defaulting Participant appeals against a disciplinary action referred to in Rule 1303.4(1), the Defaulting Participant must within the time stated in the notification of decision given under Rule 1303.4(1), give to the Exchange a notice ("Notice of Appeal") that:~~
 - (a) ~~identifies the disciplinary action against which the appeal is made; and~~
 - (b) ~~sets out the ground(s) of the appeal together with the representations to justify the ground(s) relied upon.~~

RULE 1305.3 ADMINISTRATIVE FEE FOR APPEAL

- (1) ~~A Defaulting Participant must pay an administrative fee of RM2,000 when submitting a Notice of Appeal.~~
- (2) ~~The administrative fee is not refundable unless:~~
 - (a) ~~the Defaulting Participant informs the Exchange in writing of the withdrawal of the appeal before the date of deliberation of the appeal; or~~
 - (b) ~~the appeal is successful.~~

RULE 1305.4 DELIBERATION OF APPEAL

- (1) ~~A Defaulting Participant may, produce evidence that was not presented at the initial disciplinary proceeding if:~~
 - (a) ~~the evidence was not available at the time of the initial disciplinary proceedings; and~~
 - (b) ~~the evidence would have been likely to have had a determining influence upon the disciplinary action appealed against.~~
- (2) ~~The Defaulting Participant must produce the new evidence as stated in Rule 1305.4(1) when submitting the Notice of Appeal.~~
- (3) ~~The Exchange may exercise its powers under Rule 1204 and produce new evidence arising from the Notice of Appeal submitted by the Defaulting Participant.~~
- (4) ~~The Exchange may affirm, vary or set aside the disciplinary action appealed against.~~

RULE 1305.5 NOTIFICATION OF DECISION ON APPEAL

- (1) After the conclusion of an appeal, the Exchange will notify the Defaulting Participant in writing of the decision of the appeal and such decision is final.

RULE 1306 EFFECT OF DISCIPLINARY ACTION

RULE 1306.1 GENERAL

- (1) A Defaulting Participant must give effect to a disciplinary action taken under Rule 1303 or Rule 1304 or a disciplinary action affirmed or varied under Rule 1305 within the time the Exchange stipulates (if any).
- (2) If a Defaulting Participant fails to give effect to such disciplinary action taken, affirmed or varied within the stipulated time, the Defaulting Participant is deemed to have committed a breach of these Rules and the Exchange may take further disciplinary action as stated in Rule 1301.2(1).

RULE 1306.2 PERIOD OF PAYMENT AND EFFECT OF NON-PAYMENT OF FINE

- (1) Without prejudice to Rule 1306.1(2), A fine imposed by the Exchange shall be paid by the Defaulting Participant within fourteen (14) days after the date of service of the notice under Rule 1303.3 or Rule 1305.5 by the Exchange, failing which the Defaulting Participant shall be immediately suspended from further trading, or as the case may be, from its functions and activities.
- (2) Where the fine remains unpaid seven (7) days after the suspension under ~~the foregoing~~ Rule 1306.2(1), the Exchange may at any time thereafter summarily strike the Defaulting Participant off the Register by notice in writing.
- (3) ~~Notwithstanding the suspension or striking off under this Rule 1304.1, the Defaulting Participant shall remain liable to pay the fine and such~~ A fine or any portion of a fine remaining unpaid by a Defaulting Participant shall constitute ~~is~~ a debt owing by the Defaulting Participant to the Exchange, ~~which shall will not be discharged until full payment thereof of such debt.~~

RULE 13046.23 EFFECT OF SUSPENSION

- (1) A suspension imposed by the Exchange upon the Defaulting Participant shall -
 - (a) take effect on the date notified in the notice given by the Exchange under Rule 1303.3 or Rule 1305.5 ("the said notice"); and
 - (b) remain for such period as specified in the said notice but the period may be extended by the Exchange for such period as it considers appropriate.
- (2) A Defaulting Participant with access to trade on or through the stock market of the Exchange who has been suspended for any reason shall immediately cease to trade on the Exchange but nothing herein contained shall be construed as releasing or discharging such Defaulting Participant from remaining liable in all respects to fulfil all its obligations pursuant to or under these Rules.
- (3) Notwithstanding Rule 1303, a Participant against whom proceedings are instituted in any Court alleging the commission of any offence arising out of the conduct of business of dealing in securities may, if in the opinion of the Exchange it is desirable to do so in order to protect the interest of the Exchange or the public, be suspended immediately by the Exchange by notice in writing.
- (4) The suspension under Rule 13046.23(3) shall cease upon -
 - (a) the acquittal of the Participant (provided that no appeal is lodged against such acquittal); or
 - (b) withdrawal of the prosecution against the Participant.

- (5) Notwithstanding Rule 1303 -
- (a) the failure of any Dealer's Representative to honour any duties and obligations directly related to his dealings in securities pursuant to the Standard Remisier's Agreement referred to in Chapter 3; or
 - (b) the bankruptcy of any Dealer's Representative;
- may result in the automatic suspension of the Dealer's Representative.
- (6) Notwithstanding Rule 1303 -
- (a) the failure of any Participating Organisation to honour any commitments relating to its business of dealing in securities to other Participating Organisations or to any recognised clearing house; or
 - (b) the insolvency of any Participating Organisation,
- may result in the automatic suspension of the Participating Organisation.

RULE 13046.34 STRIKING OFF REGISTER

- (1) A Defaulting Participant found guilty by any Court of a criminal offence involving fraud or dishonesty or of any offence under the Securities Laws or declared insolvent or bankrupt, shall have its/his name struck off the Register summarily by the Exchange by notice in writing.
- (2) The striking off of the Register of a Defaulting Participant shall immediately terminate its privileges as a Participant under these Rules.

RULE 13046.45 PUBLIC NOTIFICATION

- (1) The Exchange shall have the power to publish to all Participating Organisations or to the public or both, any action taken against the Participating Organisation or registered persons by the Exchange under these Rules and the publication may be made in the local newspapers, circulars to Participants or any other manner as ~~it~~ the Exchange deems fit or expedient. ~~the name of any Defaulting Participant against whom disciplinary action has been taken.~~

~~**RULE 1304.5 — EXCHANGE TO NOTIFY COMMISSION**~~

~~The Exchange shall notify the Commission, the Clearing House and the central depository on any default by a Participant and the action taken by the Exchange in respect thereof.~~

**RULE 1306~~7~~ GENERAL PROVISIONS ON
DISCIPLINARY ACTIONS**

~~RULE 1306.1 PROCEDURES~~

- ~~(1) The Exchange shall regulate procedures relating to disciplinary actions in such manner as it may in its absolute discretion deem fit or expedient and such procedures may vary to adapt to the circumstances of any particular case.~~

~~RULE 1306.2 COST OF PROCEEDINGS~~

- ~~(1) Without prejudice to the relevant provisions in Chapter 12, the Exchange may at the conclusion of disciplinary actions require a Defaulting Participant to pay or reimburse the Exchange, subject to an internal criteria as approved by the Commission, all costs and expenses incurred by it in connection with such disciplinary action taken against the Defaulting Participant, including but not limited to the costs of the inspection, investigation, hearing, audit fees and legal costs incurred.~~
- ~~(2) All such costs or fees shall be paid by the parties concerned within fourteen days from date of notice.~~

~~RULE 1306.3 RIGHTS OF DEFAULTING PARTICIPANT~~

- ~~(1) The Defaulting Participant may request for an oral hearing before the Exchange, make submissions and procure the attendance of witnesses to answer the case made against him by the Exchange.~~

~~RULE 1306.4 BURDEN OF PROOF~~

- ~~(1) The Exchange shall not find an allegation proved unless it is satisfied on the balance of probabilities.~~

RULE 1307.1 DISCLOSURE OF INFORMATION

- (1) Notwithstanding any other provisions in these Rules, the Exchange may in relation to any suspected breach or breach of these Rules or the securities laws, disclose any information including confidential information obtained or in the possession of the Exchange to the Commission, Depository, Clearing House or any other relevant body, authority or parties as the Exchange deems fit.

RULE 1306~~7~~.5~~2~~DISAPPLICATION

- (1) **Disapplication:** For the avoidance of doubt, the disciplinary proceedings stipulated in Rule 1303 shall be disappplied to any actions taken under Rule 201.1(2)(o).
- (2) **Representations:** Where an action is taken under Rule 201.1(2)(o), a Participating Organisation, a Head of Dealing or a Dealer's Representative may make representations to the Exchange for the discontinuance of the action taken. The Exchange may, after considering the representations made, discontinue with the action taken. However such discontinuance shall not be construed as an omission or error of any kind on the part of the Exchange in undertaking the action under Rule 201.1(2)(o) in the first place.
- (3) **Extent of actions:** In the event that the Exchange undertakes any of the actions under Rule 201.1(2)(o) directed against a Participating Organisation, a Head of Dealing or a Dealer's Representative or the clients of the Participating Organisation, Head of Dealing or Dealer's Representative, such actions shall also be applicable and be binding to any person who is the proxy, agent, nominee or acting in concert with that Participating Organisation,

Head of Dealing or Dealer's Representative or that particular client of the Participating Organisation, Head of Dealing or Dealer's Representative, as the case may be.

- (4) **Liability of the Exchange:** The Exchange shall not be held liable for any loss or damage suffered by any party arising or in connection with the action taken by the Exchange under Rule 201.1(2)(o).
- (5) **Public notification:** The Exchange shall have the power to publish in the local newspapers, circulars, and/or any other public medium or in any other mode or manner, as it deems fit or expedient, the action it has taken under Rule 201.1(2)(o).

**CONSEQUENTIAL AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES
BERHAD ARISING FROM PROPOSED AMENDMENTS TO CHAPTER 13**

RULE 201.1 EXERCISE OF POWERS

- (1) **Description of powers:** Subject to the provisions of the Securities Laws, the Exchange may exercise its powers in such manner and on such terms as it shall deem necessary or expedient and which powers shall include, without limitation, the following –
- (g) to release at its absolute discretion information [including any confidential information](#) concerning any Participating Organisation or registered person(s) to the Commission, Depository, Clearing House or any other relevant body or authority when so requested.

[End of Proposed Rule Amendments]