

RULES OF BURSA MALAYSIA SECURITIES BERHAD

AMENDMENTS TO THE PARTICIPATING ORGANISATIONS' DIRECTIVES IN RELATION TO INTRADAY SHORT SELLING ("IDSS")

(a) DIRECTIVES ON READINESS AUDIT – SELF ASSESSMENT APPROACH, DECLARATORY APPROACH AND GREEN LANE – NO. 2.01(2)-006

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
3.3	<p>Non-application of directives</p> <p>This directive is not applicable to readiness audits or inspection by the Exchange in respect of Securities Borrowing & Lending, ISSBNT and Regulated Short Selling activities, for which the relevant provisions of the Rules continue to apply.</p>	3.3	<p>Non-application of directives</p> <p>This directive is not applicable to readiness audits or inspection by the Exchange in respect of Securities Borrowing & Lending, ISSBNT, and Regulated Short Selling <u>and Intraday Short Selling</u> activities, for which the relevant provisions of the Rules continue to apply.</p>

(b) DIRECTIVES ON CONDUCT OF BUSINESS – NO. 5-001

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
4.1	<p>Written policies and procedures and internal controls</p> <p>A Participating Organisation must have adequate and effective written policies and procedures in relation to:</p> <p>Supervision of business activities</p> <p>(2) Trading, transactions and business:</p>	4.1	<p>Written policies and procedures and internal controls</p> <p>A Participating Organisation must have adequate and effective written policies and procedures in relation to:</p> <p>Supervision of business activities</p> <p>(2) Trading, transactions and business:</p> <p style="padding-left: 40px;">(k) on Regulated Short Selling, if the Participating Organisation is desirous of executing</p>

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	(k) on Regulated Short Selling, if the Participating Organisation is desirous of executing Regulated Short Selling under these Rules, that must include the items listed in Appendix 3 of this Directive;		Regulated Short Selling under these Rules, that must include the items listed in Appendix 3 of this Directive; <u>(l) on Intraday Short Selling, if the Participating Organisation is desirous of executing Intraday Short Selling under these Rules, that must include the items listed in Appendix 3A of this Directive;</u>
8.1	Essential information The essential information referred to in Rule 5.15(1)(a) includes essential facts about the Client's background including: (e) whether the Client is trading for himself as a Beneficial Owner or as an Authorised Nominee; and (f) in respect of Clients who intend to trade on the LEAP Market, the Client's qualification as a Sophisticated Investor as defined in Chapter 16 or as a current securities holder as specified in Rule 16.02(2)(b).	8.1	Essential information The essential information referred to in Rule 5.15(1)(a) includes essential facts about the Client's background including: (e) whether the Client is trading for himself as a Beneficial Owner or as an Authorised Nominee; and (f) in respect of Clients who intend to trade on the LEAP Market, the Client's qualification as a Sophisticated Investor as defined in Chapter 16 or as a current securities holder as specified in Rule 16.02(2)(b); and <u>(g) in respect of Clients who intend to execute Intraday Short Selling, the Client's compliance with the conditions prescribed by the Exchange for executing Intraday Short Selling pursuant to Rule 8.34(2).</u>

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	New Appendix	New Appendix 3A	<p style="text-align: center;"><u>APPENDIX 3A</u> <u>[Paragraph 4.1(2)(I) and Rule 8.35(a)]</u></p> <p style="text-align: center;"><u>Intraday Short Selling:</u> <u>Minimum requirements for written policies and procedures and internal controls</u></p> <p>(1) <u>Criteria to assess the suitability of a Client in carrying out Intraday Short Selling and on an ongoing basis;</u></p>
	New Appendix	New Appendix 3A	(2) <u>The authority matrix in relation to the approval process within the Participating Organisation for carrying out of Intraday Short Selling by the Client and the Participating Organisation respectively;</u>
	New Appendix	New Appendix 3A	(3) <u>The list of Approved Securities for which the Participating Organisation will not allow Intraday Short Selling (if any);</u>
	New Appendix	New Appendix 3A	(4) <u>Procedures on amendments of orders and amendments of Contracts for Intraday Short Selling, including the supervision, monitoring and approval request for the amendments;</u>
	New Appendix	New Appendix 3A	(5) <u>Relevant documentation in relation to the carrying out of Intraday Short Selling;</u>
	New Appendix	New Appendix 3A	(6) <u>Risk management policies and procedures which address the market risk, operational risk, counterparty risk, settlement risks, credit risk and regulatory risk in relation to the conduct of Intraday Short Selling including limits in terms of volume and value prescribed for the carrying out of Intraday Short Selling</u>

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
			<u>by each eligible Client and the Participating Organisation; and</u>
	New Appendix	New Appendix 3A	<p><u>(7) The carrying out of review in relation to the requirements and controls set out in the internal guidelines for Intraday Short Selling and compliance with the laws and rules relating to Intraday Short Selling.</u></p> <p style="text-align: right;"><i>[End of Appendix 3A]</i></p>

(c) DIRECTIVES ON THE USE OF DAY TRADING ACTIVITIES ACCOUNT – NO. 7.05(1)-001

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
1	<p>(3) For the purposes of these Directives only:</p> <p>“associated” has the same meaning as associated person in section 3 of the Capital Markets and Services Act;</p> <p>“Eligible Securities” means the securities prescribed by the Exchange under paragraph 2(1) including any changes that may be made by the Exchange under paragraph 2(2);</p>	1	<p>(3) For the purposes of these Directives only:</p> <p>“associated” has the same meaning as associated person in section 3 of the Capital Markets and Services Act;</p> <p>“<u>Day Trading</u> Eligible Securities” means the securities prescribed by the Exchange under paragraph 2(1) including any changes that may be made by the Exchange under paragraph 2(2);</p>
2	<p>Eligible Securities</p> <p>(2) The Exchange may amend the list of Eligible Securities from time to time.</p>	2	<p><u>Day Trading</u> Eligible Securities</p> <p>(2) The Exchange may amend the list of <u>Day Trading</u> Eligible Securities from time to time.</p>

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
3	Rule 7.05(1) (2) In undertaking Day Trading, including executing a short sale in Eligible Securities and in discharging the obligations under Rule 7.05(1), a Participating Organisation must comply with the following Directives.	3	Rule 7.05(1) (2) In undertaking Day Trading, including executing a short sale in <u>Day Trading</u> Eligible Securities and in discharging the obligations under Rule 7.05(1), a Participating Organisation must comply with the following Directives.
3.2	Limit on Day Trading (1) Without prejudice to any other powers that may be conferred on the Exchange in these Rules and these directives, where a suspension is imposed against the carrying out of Regulated Short Selling on an Approved Acurities in accordance with Part C of Chapter 8 of these Rules, the Participating Organisation and its Proprietary Day Traders are prohibited from making any order entry into the ATS for the purpose of execution of any short sale of the Eligible Securities of an Issuer, where the Eligible Securities is also an Approved Securities.	3.2	<u>Limit Suspension</u> on Day Trading (1) Without prejudice to any other powers that may be conferred on the Exchange in these Rules and these directives, <u>the Exchange may suspend any order entry into the order book in the ATS for any further short sale of the Day Trading Eligible Securities of an Issuer, where the Day Trading Eligible Securities is also an Approved Securities, if where</u> a suspension is imposed against the carrying out of <u>Regulated Short Selling on an Approved A</u> Securities in accordance with Part C of Chapter 8 of these Rules <u>or Intraday Short Selling on an Approved Securities in accordance with Part D of Chapter 8 of these Rules.</u> , the Participating Organisation and its Proprietary Day Traders are prohibited from making any order entry into the ATS for the purpose of execution of any short sale of the Eligible Securities of an Issuer, where the Eligible Securities is also an Approved Securities.
3.2	(2) Where the Eligible Securities in paragraph 3.2(1) are shares of an Issuer, the prohibition in paragraph 3.2(1) is also applicable to the following:	3.2	(2) Where the <u>Day Trading</u> Eligible Securities in paragraph 3.2(1) are shares of an Issuer, the <u>suspension imposed on the Day Trading Eligible Securities</u> prohibition in pursuant to paragraph 3.2(1) is also applicable to the following:

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	<p>(a) all classes of securities other than the shares issued by the Issuer; and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued comprise solely the shares of an Issuer in relation to which the prohibition pursuant to paragraph 3.2(1) has been imposed.</p>		<p>(a) all classes of securities other than the shares issued by the Issuer; and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued comprise solely the shares of an Issuer in relation to which the prohibition<u>suspension</u> pursuant to paragraph 3.2(1) has been imposed.</p>
3.2	(3) Unless directed otherwise by the Exchange, the prohibition imposed on the Eligible Securities pursuant to paragraph 3.2(1) must only be removed when the suspension imposed against the carrying out of Regulated Short Selling as stipulated in paragraph 3.2(1) is uplifted.	3.2	(3) Unless directed otherwise by the Exchange, the prohibition <u>suspension</u> imposed on the <u>Day Trading</u> Eligible Securities pursuant to paragraph 3.2(1) must only will be removed <u>concurrently</u> when the suspension imposed against the carrying out of Regulated Short Selling <u>and/or Intraday Short Selling</u> as stipulated in paragraph 3.2(1) is uplifted.
3.2	(4) The Head of Compliance of a Participating Organisation must report any breach of paragraph 3.2 in its monthly compliance report pursuant to Rule 3.39(5) of these Rules.	3.2	(4) The Head of Compliance of a Participating Organisation must report any breach of paragraph 3.2 in its monthly compliance report pursuant to Rule 3.39(5) of these Rules. <i>[Deleted]</i>
3.5	Participating Organisation's association with Issuer Without prejudice to any other provisions in these Rules, no Participating Organisation is permitted to execute any short sale of Eligible Securities in relation to its Day Trading where the Participating Organisation is associated with the body corporate that issued or made available the Eligible Securities.	3.5	Participating Organisation's association with Issuer Without prejudice to any other provisions in these Rules, no Participating Organisation is permitted to execute any short sale of <u>Day Trading</u> Eligible Securities in relation to its Day Trading where the Participating Organisation is associated with the body corporate that issued or made available the <u>Day Trading</u> Eligible Securities.

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
3.6	<p>Actions by the Exchange</p> <p>(1) Without prejudice to any other powers of the Exchange contained in Part A of Chapter 15 of these Rules, the Exchange may summarily prohibit a Participating Organisation or a Proprietary Day Trader from carrying out Day Trading or any short sale of Eligible Securities, or remove any other privileges accorded to the Participating Organisation or Proprietary Day Trader, or all of the above, in any manner or subject to any condition it deems fit, if the Exchange has reason to believe that the Participating Organisation or the Proprietary Day Trader:</p> <p style="padding-left: 40px;">(a) has breached or is likely to breach any provision of these Rules, these Directives or any of the Exchange's other directives, guidelines or rulings issued from time to time; or</p> <p style="padding-left: 40px;">(b) has committed or is likely to commit an offence under the Capital Markets and Services Act.</p>	3.6	<p>Actions by the Exchange</p> <p>(1) Without prejudice to any other powers of the Exchange contained in Part A of Chapter 15 of these Rules, the Exchange may summarily prohibit a Participating Organisation or a Proprietary Day Trader from carrying out Day Trading or any short sale of <u>Day Trading</u> Eligible Securities, or remove any other privileges accorded to the Participating Organisation or Proprietary Day Trader, or all of the above, in any manner or subject to any condition it deems fit, if the Exchange has reason to believe that the Participating Organisation or the Proprietary Day Trader:</p> <p style="padding-left: 40px;">(a) has breached or is likely to breach any provision of these Rules, these Directives or any of the Exchange's other directives, guidelines or rulings issued from time to time; or</p> <p style="padding-left: 40px;">(b) has committed or is likely to commit an offence under the Capital Markets and Services Act.</p>

(d) DIRECTIVES ON THE PROVISION OF DISCRETIONARY FINANCING - NO. 7.31-001

PARAGRAPH	EXISTING PROVISION	PARAGRAPH	AMENDED PROVISION
1	<p>Rule 7.31</p> <p>(1) Rule 7.31 sets out the provisions on discretionary financing which state that despite Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between T+4 and T+7 (“Discretionary Financing”) if:</p> <p>(a) a Participating Organisation has allowed the Client to open and operate a DF Account after evaluating the suitability of the Client to be provided the Discretionary Financing facility;</p> <p>(b) the Client is a Retail Client (with or without a Margin Account) and excludes a person stipulated under Rule 7.30(6);</p> <p>(c) the terms and conditions for the opening and operation of a DF Account are in writing and consented to by the Client; and</p> <p>(d) the Client has notified the Participating Organisation not later than T+3 that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating Organisation accepts the utilisation of the Discretionary Financing for that transaction.</p>	1	<p>Rule 7.31</p> <p>(1) Rule 7.31 sets out the provisions on discretionary financing which state that despite Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between T+4 and T+7 (“Discretionary Financing”) if:</p> <p>(a) a Participating Organisation has allowed the Client to open and operate a DF Account after evaluating the suitability of the Client to be provided the Discretionary Financing facility;</p> <p>(b) the Client is a Retail Client (with or without a Margin Account) and excludes a person stipulated under Rule 7.30(6);</p> <p>(c) the terms and conditions for the opening and operation of a DF Account are in writing and consented to by the Client; and</p> <p>(d) the Client has notified th<u>e</u> Participating Organisation not later than T+3 that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating Organisation accepts the utilisation of the Discretionary Financing for that transaction.</p>

(e) DIRECTIVES ON REGULATED SHORT SELLING – NO. 8-002

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	New provision	<u>5.1</u>	<p><u>Rule 8.31</u></p> <p>(1) <u>Rule 8.31 provides that without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if the quantity of the total short position of an Approved Securities or a class of Approved Securities triggers such thresholds as may be prescribed by the Exchange.</u></p>
	New provision	<u>5.1</u>	<p><u>Thresholds for suspension</u></p> <p>(2) <u>The thresholds for suspension prescribed by the Exchange pursuant to Rule 8.31 are as follows:</u></p> <p>(a) <u>The quantity of the total short position of an Approved Securities on a particular Market Day is 3% of the outstanding shares of the Issuer of the Approved Securities on that Market Day;</u></p> <p>(b) <u>The quantity of the total short position of a class of Approved Securities on a particular Market Day is 3% of the quantity of the outstanding securities of the class of Approved Securities on that Market Day; and</u></p> <p>(c) <u>The aggregated quantity of the total short position of an Approved Securities referred to in paragraph 5.1(2)(a) and paragraph 5.1(2)(b) above is at 10% of the quantity of</u></p>

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
			<u>outstanding shares or securities of the Approved Securities.</u>
	New provision	<u>5.1</u>	<p><u>(3) For the purpose of paragraph 5.1(2) above, the following applies:</u></p> <p><u>(a) "Outstanding shares" means the total number of issued shares of the Issuer including the treasury shares;</u></p> <p><u>(b) "Outstanding securities" means total quantity of securities held by the holders of the securities;</u></p> <p><u>(c) "total short position" in paragraphs 5.1(2)(a) and 5.1(2)(b) means the total gross short position pursuant to Regulated Short Selling, Intraday Short Selling and short selling under Day Trading; and</u></p> <p><u>(d) "total short position" in paragraph 5.1(2)(c) means the total net short position pursuant to Regulated Short Selling only.</u></p>
	New provision	<u>5.1</u>	<u>(4) The suspension in relation to the circumstances described in paragraphs 5.1(2)(a) and 5.1(2)(b), may be for the remaining Market Day from the time the suspension was instituted on that Market Day.</u>
	New provision	<u>5.1</u>	<u>(5) The suspension in relation to the circumstance described in paragraph 5.1(2)(c), may be for the period until the aggregated quantity falls below 10% of the quantity of outstanding shares or securities, which can only occur when there is a redelivery of Eligible</u>

**ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
			<u>Securities under a SBL Agreement or of ISSBNT Eligible Securities under a ISSBNT Agreement.</u>
	New provision	5.1	<p><u>(6) If a suspension for Regulated Short Selling is imposed on the shares of an Issuer pursuant to paragraphs 5.1(2)(a) or 5.1(2)(c), such suspension would also apply to:</u></p> <p><u>(a) all securities referred to in paragraph 5.1(2)(b), although the total short position of the securities is not in breach of the limit referred to in paragraph 5.1(2)(b); and</u></p> <p><u>(b) all securities issued by any Issuer if the underlying instrument of the securities issued, comprises solely the shares of an Issuer in relation to which suspension under paragraphs 5.1(2)(a) or 5.1(2)(c) has been imposed.</u></p>

(f) NEW DIRECTIVES ON INTRADAY SHORT SELLING – NO. 8-003

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	New Directive		Please refer to the attached New Directive No. 8-003 below.

[End of Amendments to Directives]

DIRECTIVE ON INTRADAY SHORT SELLING

No. 8-003

Relevant to : Rules 8.34, 8.35 and 8.40
Introduced with effect from : 16 April 2018
Amended :
POs' Circular No(s). :
Refer also to Directive No(s). : N/A

1. Rule 8.34(2)

Rule 8.34(2) provides that a Participating Organisation must not allow a Client to execute Intraday Short Selling unless it is satisfied that the Client fulfils all such conditions prescribed by the Exchange for executing Intraday Short Selling.

1.1 Conditions for executing Intraday Short Selling

(1) A Participating Organisation must not allow a Client to execute Intraday Short Selling unless it is satisfied that the Client has complied with the following conditions:

(a) the Client has entered into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades which may occur in the event any Intraday Short Selling executed for the Client are not closed off by the end of the day;

(b) the Client has executed a risk disclosure statement in the form prescribed by the Exchange in **Appendix 1** of this Directive; and

(c) the Client has submitted a written declaration that the Client:

(i) fully understands the requirements in these Rules in relation to Intraday Short Selling; and

(ii) is not associated with the body corporate that issued or made available the Approved Securities in relation to which an order for short sale is to be entered.

(2) The conditions as stated in paragraphs 1.1(1)(b) and 1.1(1)(c) do not apply to a Client who falls within the list in **Appendix 2** of this Directive.

2. Rule 8.35(c)

(1) Rule 8.35(c) provides that a Participating Organisation may only commence its Intraday Short Selling activities if it submits a written declaration in the form as prescribed by the Exchange of its compliance with Rules 8.35(a) and 8.35(b) at least 2 Market Days before commencing its Intraday Short Selling activities.

(2) The declaration must be made in the form set out in **Appendix 3**.

3. Rule 8.40

(1) Rule 8.40 provides that with reference to Rules 8.34(3) and 8.34(4), a Participating Organisation must report to the Exchange the net sell positions which have not been closed off on T day and any positions which are carried for securities which are not Approved Securities, in such frequency and manner as may be prescribed by the Exchange.

DIRECTIVE ON INTRADAY SHORT SELLING

No. 8-003

(2) In discharging the obligations in the said Rule, a Participating Organisation must, amongst others, comply with the requirements set out below.

3.1 Reporting to the Exchange

(1) A Participating Organisation must report to the Exchange the following:

- (a) the net sell positions which have not been closed off in accordance with the requirements of Rule 8.34(4) and the reasons by 9.00 am on T+1; and
- (b) any positions which are carried for securities which are not Approved Securities and the reasons by 9.00 am on T+1.

(2) A Participating Organisation must submit the report in the format attached to this Directive as **Appendix 4(a) and 4(b)** (“**Exceptional Reporting**”) and in the following manner:

- (a) all reporting on the net sell positions which have not been closed off in accordance with the requirements of Rule 8.34(4) of these Directives must be in **Appendix 4(a)**;
- (b) all reporting on ~~the~~ any positions which are carried for securities which are not Approved Securities must be in **Appendix 4(b)**;
- (c) a Participating Organisation must submit the Exceptional Reporting to the Exchange vide email address of ***msdreporting@bursamalaysia.com*** within the time prescribed under paragraph 3.1(1). The contents of the Exceptional Reporting must be verified by both the Head of Operations and the Head of Compliance and the submission is taken as a declaration by the above persons that the contents are true and accurate;
- (d) if a Participating Organisation is unable to transmit the Exceptional Reporting by way of email due to system malfunction, the Participating Organisation must instead submit the duly completed and printed hardcopies of the Exceptional Reporting by way of facsimile, courier or by hand within the time prescribed in paragraph 3.1(1) of these Directives and ensure that once the malfunction has been rectified, to transmit the Exceptional Reporting in the mode prescribed in paragraph 3.1(2)(c);
- (e) the Exceptional Reporting submitted by the Participating Organisation pursuant to paragraph 3.1(2)(d), must be executed by the Head of Operations and the Head of Compliance. In this respect, the Participating Organisations must ensure that the name and the designation of the authorised signatories are stipulated and the company's rubber stamp duly affixed on the printed hardcopies; and
- (f) for the purpose of submitting the Exceptional Reporting by way of facsimile pursuant to paragraph 3.1(2)(d), a Participating Organisation must fax the Exceptional Reporting addressed to 'Head Market Surveillance Division' to the facsimile number 03-2732 0764.

[End of Directive]

DIRECTIVE ON INTRADAY SHORT SELLING

No. 8-003

APPENDIX 1

INTRADAY SHORT SELLING RISK DISCLOSURE STATEMENT

1. This statement is provided to you in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad (“Rules of Bursa Securities”).
2. Intraday Short Selling refers to the short selling of Approved Securities with a view to closing off the short position within the same day, if the same is carried out in accordance with Part D of Chapter 8 of the Rules of Bursa Securities.
3. You should have full understanding of the requirements pertaining to Intraday Short Selling before engaging in the same. You should evaluate your own financial position, risk tolerance and investment experiences while taking into account the following risk factors before engaging in Intraday Short Selling:
 4. Types of risk:
 - A. Investment risk: You should assess the investment risks arising from price fluctuation if you choose to engage in Intraday Short Selling. In the event the securities price increases instead of decreases, Intraday Short Selling may lead to extraordinary losses, because you may have to purchase the securities at a very high price in order to cover a short position.
 - B. Trading costs: You should understand the trading costs resulting from frequent trading activities.
 - C. Risks of failure to close off with a buy position on the same day as the short selling:
 - (i) You should assess the securities you will need to purchase to close off the short position before the end of day, and may need to prepare sufficient funds for settlement in the event of failure of opposite offsetting. The funds include but not limited to the cost of borrowing and the cost to purchase securities above the market price in the event of a buying-in for the settlement of an uncovered position.
 - (ii) It may become difficult for you to buy back the securities to close off a sell position at the end of a trading day. Failure to close off the sell position will be deemed as non-compliance with the Rules and appropriate enforcement action may be taken against you.
5. This brief statement cannot disclose all the risks and other significant aspects of executing Intraday Short Selling. You should carefully study the requirements pertaining to Intraday Short Selling, gain an understanding of other possible affecting factors, and perform a well-thought financial planning and risk evaluation before engaging in this activity. If you are in doubt in relation to any aspect of this statement, you should consult your Participating Organisation.

ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT

I acknowledge that I have received a copy of the INTRADAY SHORT SELLING RISK DISCLOSURE STATEMENT and understand its contents which have been explained to me.

Signature:

Full Name:

Date:

DIRECTIVE ON INTRADAY SHORT SELLING

No. 8-003

APPENDIX 2

**LIST OF CLIENTS WHO ARE EXEMPTED FROM THE CONDITIONS AS STATED IN
PARAGRAPHS 1.1(1)(b) AND 1.1(1)(c)**

1. A licensed bank, licensed investment bank or approved money-broker institution as defined under the Financial Services Act 2013 and its wholly-owned subsidiary that is a nominee company.
2. A financial institution established under any Act of Parliament and its wholly-owned subsidiary that is a nominee company.
3. A licensed Islamic Bank as defined in the Islamic Financial and Services Act 2013 and its wholly-owned subsidiary that is a nominee company.
4. A prescribed institution as defined in the Development Financial Institutions Act 2002 and its wholly-owned subsidiary that is a nominee company.
5. A bank licensee as defined under the Labuan Financial Services and Securities Act 2010 and its wholly-owned subsidiary that is a nominee company.
6. A holder of a Capital Markets Services Licence for the purpose of carrying on the business of fund management, its wholly-owned subsidiary that is a nominee company and its custodian appointed pursuant to section 121 of the Capital Markets and Services Act 2007.
7. A closed-end fund that is approved by the Commission under section 212 of the Capital Markets and Services Act 2007 and its custodian in relation to closed-end fund's investments.
8. A foreign fund manager.
9. A stockbroking company who is a member of other recognised stock exchanges defined in the Rules of the Stock Exchange.
10. A securities dealer who is not a member of other recognised stock exchanges but is authorised to carry out the business of dealing in securities by the relevant authorities in jurisdictions of the recognised stock exchanges defined in the Rules of the Stock Exchange.
11. A foreign financial institution.
12. A person appointed by the Depository to be an authorised depository agent and its wholly-owned subsidiary that is a nominee company.
13. A person appointed by the Depository to be an authorised direct member and its wholly-owned subsidiary that is a nominee company.
14. A clearing house approved under section 38 of the Capital Markets and Services Act 2007.
15. A holder of a Capital Markets Services Licence for the purpose of carrying on the business of dealing in securities and its wholly-owned subsidiary that is a nominee company.

ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES IN RELATION TO INTRADAY SHORT SELLING

DIRECTIVE ON INTRADAY SHORT SELLING

No. 8-003

APPENDIX 3

DECLARATION ON COMPLIANCE FOR INTRADAY SHORT SELLING
[Rules 8.35(c)]

To: Bursa Malaysia Securities Berhad

DECLARATION ON COMPLIANCE

Pursuant to the requirements of Rule 8.35(c) of the Rules of Bursa Malaysia Securities Berhad, we [name of Participating Organisation] declare as follows:

1. that we have formulated internal guidelines for Intraday Short Selling which have been approved by the board of Directors;
2. the internal guidelines for Intraday Short Selling have been brought to the notice of the relevant employees and registered persons who have read and understood the contents;
3. that the internal guidelines for Intraday Short Selling comply with the requirements set out in Rule 8.35 of the Rules of Bursa Malaysia Securities Berhad; and
4. that all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out Intraday Short Selling activities in accordance with the Rules of Bursa Malaysia Securities Berhad.

Signed : _____
 [Authorised signatory]

Date : _____

**ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling**

<u>DIRECTIVE ON INTRADAY SHORT SELLING</u>	<u>No. 8-003</u>
---	-------------------------

APPENDIX 4(a)

Exceptional Reporting template

Form MSD/IDSS
 Report Name IDSS Position Reporting
PART A EXCEPTIONAL REPORTING – SHORT SALE CARRIED FORWARD (>T)

Submission By:
 Dealer-in-charge : _____ (Dealer ID – XYZ123)
 Dealer Name : _____
 CDS A/C No. : _____ - _____ - _____ (e.g. xxx-xxx-xxxxxxxx)
 Client Name : _____

#	Stock Code	Stock Name	Date (dd/mm/yy)	Quantity (in shares)			Reasons for shorting non-IDSS stock	Mitigation/Action Plan
				Shorted	Bought Back	Carry Forward		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

(Kindly attach in extra sheet if the above is insufficient)

We hereby acknowledge that the above has been verified and accurately reported as stipulated in accordance with **paragraph 3.1(2)(a)**.

Reported by:	Verified and Reviewed By:
Signature	Signature
Name	Name
Position	Position
Dated	Dated
Contact No.	Contact No.
Email address	Email address

[End of Appendix]

**ANNEXURE 2
AMENDMENTS TO THE DIRECTIVES
in relation to Intraday Short Selling**

<u>DIRECTIVE ON INTRADAY SHORT SELLING</u>	<u>No. 8-003</u>
---	-------------------------

APPENDIX 4(b)

Exceptional Reporting template

Form _____ MSD/IDSS
 Report Name _____ IDSS Reporting
PART B **EXCEPTIONAL REPORTING – INTRA-DAY SHORT SALE CARRIED IN NON-IDSS PERMISSIBLE STOCK**

Submission By: _____
 Dealer-in-charge : _____ (Dealer ID – XYZ123)
 Dealer Name : _____
 CDS A/C No. : _____ - _____ - _____ (e.g. xxx-xxx-xxxxxxxx)
 Client Name : _____

#	Stock Code	Stock Name	Date (dd/mm/yy)	Quantity (in shares)			Reasons for shorting non-IDSS stock	Mitigation/Action Plan
				Shorted	Bought Back	Carry Forward		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

(Kindly attach in extra sheet if the above is insufficient)

We hereby acknowledge that the above has been verified and accurately reported as stipulated in accordance with **paragraph 3.1(2)(b)**.

Reported by: _____	Verified and Reviewed By: _____
Signature _____	Signature _____
Name _____	Name _____
Position _____	Position _____
Dated _____	Dated _____
Contact No. _____	Contact No. _____
Email address _____	Email address _____

[End of Appendix]