



**RULES OF BURSA MALAYSIA SECURITIES BHD**

**PROPOSED RULE AMENDMENTS IN RELATION TO ISLAMIC SECURITIES SELLING AND BUYING - NEGOTIATED TRANSACTION (ISSBNT)**

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
1.01 Definition	New definition	1.01 Definition	<p><b><u>“Authorised ISSBNT Participant”</u></b></p> <p><u>An entity approved to undertake ISSBNT under the Clearing House Rules.</u></p>
1.01 Definition	<p><b>“Direct Business Transaction”</b></p> <p>A contract for sale and purchase of securities transacted on the stock market of the Exchange that is done outside the ATS.</p>	1.01 Definition	<p><b>“Direct Business Transaction”</b></p> <p>A contract for <u>a</u> sale and purchase of securities transacted on the stock market of the Exchange that is done outside the ATS- <u>but excludes ISSBNT.</u></p>
1.01 Definition	<p><b>“Eligible Securities”</b></p> <p>Such securities as the Clearing House may prescribe from time to time as being eligible for Securities Borrowing and Lending in accordance with the Clearing House Requirements.</p>	1.01 Definition	<p><b>“Eligible Securities”</b></p> <p>Such securities as the Clearing House may prescribe <del>from time to time</del> as being eligible for Securities Borrowing and Lending in accordance with the Clearing House Requirements.</p>
1.01 Definition	<p><b>“Income”</b></p> <p>In relation to Eligible Securities, any interest, dividends or other distribution of any kind whatsoever with respect to the Eligible Securities.</p>	1.01 Definition	<p><b>“Income”</b></p> <p>In relation to Eligible Securities <u>or ISSBNT Eligible Securities</u>, any <del>interest</del><u>profits</u>, dividends or other distribution of any kind whatsoever with respect to the Eligible Securities <u>or ISSBNT Eligible Securities respectively.</u></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
<b>1.01 Definition</b>	New definition	<b>1.01 Definition</b>	<p><b><u>“Islamic Securities Selling and Buying - Negotiated Transaction or ISSBNT”</u></b></p> <p><u>Same meaning as in the Clearing House Rules.</u></p>
<b>1.01 Definition</b>	New definition	<b>1.01 Definition</b>	<p><b><u>“ISSBNT Agreement”</u></b></p> <p><u>An agreement for the purpose of ISSBNT.</u></p>
<b>1.01 Definition</b>	New definition	<b>1.01 Definition</b>	<p><b><u>“ISSBNT Eligible Securities”</u></b></p> <p><u>Such securities as the Clearing House may prescribe as being eligible for ISSBNT in accordance with the Clearing House Requirements.</u></p>
<b>4.13</b>	<p><b>Execution</b></p> <p>(1) A Market Maker must comply with the following conditions prior to executing an order for a Permitted Short Selling:</p> <p style="padding-left: 40px;">(a) if the Market Maker intends to shortsell ETF units, it has borrowed the ETF units or the Constituent Securities needed for the creation of the ETF units to settle the sale or has obtained a confirmation from the Authorised SBL Participant that the above ETF units or Constituent Securities, are available for borrowing to settle the sale; or</p> <p style="padding-left: 40px;">(b) if the Market Maker intends to shortsell the Constituent Securities, it has borrowed the</p>	<b>4.13</b>	<p><b>Execution</b></p> <p><del>(1) A Market Maker must comply with the following conditions prior to executing an order for a Permitted Short Selling:</del></p> <p style="padding-left: 40px;"><del>(a) if the Market Maker intends to shortsell ETF units, it has borrowed the ETF units or the Constituent Securities needed for the creation of the ETF units to settle the sale or has obtained a confirmation from the Authorised SBL Participant that the above ETF units or Constituent Securities, are available for borrowing to settle the sale; or</del></p> <p style="padding-left: 40px;"><del>(b) if the Market Maker intends to shortsell the Constituent Securities, it has borrowed the Constituent Securities or the ETF units</del></p>

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	<p>Constituent Securities or the ETF units needed to redeem the units of Constituent Securities to settle the sale or has obtained a confirmation from the Authorised SBL Participant that the above Constituent Securities or ETF units, are available for borrowing to settle the sale.</p> <p>(2) If the Market Maker is not an Authorised SBL Participant, it must execute all its borrowings through an Authorised SBL Participant.</p>		<p><del>needed to redeem the units of Constituent Securities to settle the sale or has obtained a confirmation from the Authorised SBL Participant that the above Constituent Securities or ETF units, are available for borrowing to settle the sale.</del></p> <p><del>(2) If the Market Maker is not an Authorised SBL Participant, it must execute all its borrowings through an Authorised SBL Participant.</del></p> <p><u>(1) A Market Maker intending to shortsell ETF units pursuant to Permitted Short Selling must comply with either of the following prior to execution of the order to shortsell -</u></p> <p><u>(a) it has borrowed through SBL or purchased through ISSBNT, the ETF units or the Constituent Securities needed for the creation of the ETF units to settle the sale; or</u></p> <p><u>(b) it has obtained a confirmation from the Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the above ETF units or Constituent Securities, are available for the Market Maker to use to settle the sale.</u></p> <p><u>(2) A Market Maker intending to shortsell the Constituent Securities pursuant to Permitted Short Selling, must comply with either of the following prior to execution of the order to shortsell –</u></p>

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			<p><u>(a) it has borrowed through SBL or purchased through ISSBNT, the Constituent Securities or the ETF units needed to redeem the units of Constituent Securities to settle the sale; or</u></p> <p><u>(b) it has obtained a confirmation from the Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the above Constituent Securities or ETF units, are available for the Market Maker to use to settle the sale.</u></p>
7.02	<p><b>Quotation and trading in securities</b></p> <p>(2) A Participating Organisation who intends to buy or sell securities that are traded on the stock market of the Exchange whether for the Participating Organisation's own account or for a Client, must execute the transaction:</p> <p>(a) as either an On-Market Transaction or Direct Business Transaction;</p> <p>(b) on a Ready Basis Contract or Immediate Basis Contract; and</p> <p>(c) through the ATS only.</p>	7.02	<p><b>Quotation and trading in securities</b></p> <p>(2) A Participating Organisation who intends to buy or sell securities that are traded on the stock market of the Exchange whether for the Participating Organisation's own account or for a Client, must execute the transaction:</p> <p>(a) as <del>either</del> an On-Market Transaction <del>or Direct Business Transaction</del>;</p> <p>(b) <del>on a Ready Basis Contract or Immediate Basis Contract</del> <u>Direct Business Transaction</u>; <del>and</del> <u>or</u></p> <p>(c) <del>through the ATS only</del> <u>an ISSBNT</u>.</p> <p><u>(2A) The transactions mentioned in Rule 7.02(2)(a) and (b) must be executed either on a Ready Basis</u></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS				
			<u>Contract or Immediate Basis Contract as determined by the Exchange.</u>				
<b>7.17</b>	<p><b>Definitions</b></p> <p>For the purposes of this Part F of Chapter 7, the following terms have the following meanings unless the context requires otherwise:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 25%;"><b>Clearing House Requirements</b></td> <td>The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name in relation to securities borrowing and lending; and</td> </tr> </table>	<b>Clearing House Requirements</b>	The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name in relation to securities borrowing and lending; and	<b>7.17</b>	<p><b>Definitions</b></p> <p>For the purposes of this Part F of Chapter 7, the following terms have the following meanings unless the context requires otherwise:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 25%;"><b>Clearing House Requirements</b></td> <td>The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name <u>called</u> in relation to securities borrowing and lending; and</td> </tr> </table>	<b>Clearing House Requirements</b>	The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name <u>called</u> in relation to securities borrowing and lending; and
<b>Clearing House Requirements</b>	The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name in relation to securities borrowing and lending; and						
<b>Clearing House Requirements</b>	The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name <u>called</u> in relation to securities borrowing and lending; and						
<b>7.18</b>	<p><b>General</b></p> <p>(4) A Participating Organisation must ensure that where the Securities Borrowing and Lending involves a Client:</p> <p style="padding-left: 40px;">(d) a copy of the Risk Disclosure Statement prescribed under Appendix 1 is given to and acknowledged by its Client prior to the execution of any written agreement for</p>	<b>7.18</b>	<p><b>General</b></p> <p>(4) A Participating Organisation must ensure that where the Securities Borrowing and Lending involves a Client:</p> <p style="padding-left: 40px;">(d) a copy of the <u>R</u>isk <u>D</u>isclosure <u>S</u>tatement <u>as</u> prescribed <u>under Appendix 1—by the Exchange</u> is given to and acknowledged by its Client prior to the execution of any written agreement for</p>				

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	borrowing by the Client of Eligible Securities.		borrowing by the Client of Eligible Securities.  <i>[Refer to Directive No. 7-001]</i>
7.20	<p><b>Commencement of Securities Borrowing and Lending Activities</b></p> <p>A Participating Organisation may only commence its Securities Borrowing and Lending activities if it has:</p> <ul style="list-style-type: none"> <li>(a) Effective Shareholders' Funds of not less than RM50,000,000 as at the date of the declaration in Rule 7.20(c) and continues to maintain the same for as long as it is carrying out Securities Borrowing and Lending activities;</li> <li>(b) complied with Rule 7.19; and</li> <li>(c) subject to Rule 7.21, submitted a written declaration in the form prescribed in Appendix 4 to the Exchange of its compliance with Rules 7.20(a) and 7.20(b) at least 2 Market Days before commencing its Securities Borrowing and Lending activities.</li> </ul>	7.20	<p><b>Commencement of Securities Borrowing and Lending Activities</b></p> <p>A Participating Organisation may only commence its Securities Borrowing and Lending activities if it has:</p> <ul style="list-style-type: none"> <li>(a) Effective Shareholders' Funds of not less than RM50,000,000 as at the date of the declaration in Rule 7.20(<del>cb</del>) and continues to maintain the same for as long as it is carrying out Securities Borrowing and Lending activities; <u>and</u></li> <li><del>(b) ——— complied with Rule 7.19; and</del></li> <li><del>(cb)</del> <u>subject to Rule 7.21,</u> submitted a written declaration in the form <u>as</u> prescribed <del>in Appendix 4 to</del> <u>by</u> the Exchange of its compliance with Rules <del>7.20(a)</del> <u>7.19</u> and <del>7.20(ba)</del> at least 2 Market Days before commencing its Securities Borrowing and Lending activities.</li> </ul> <p><i>[Refer to Directive No. 7-001]</i></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
<b>7.21</b>	<p><b>Inspection or Audit by the Exchange</b></p> <p>(1) Without prejudice to any other powers conferred on the Exchange in these Rules pertaining to the conduct of inspection or audit on a Participating Organisation, the Exchange may at any time undertake an inspection or audit on the Participating Organisation's compliance with the requirements stipulated under Rules 7.20(a), 7.20(b) and 7.20(c).</p> <p>(2) In determining compliance with Rule 7.20(b), the Exchange may require the Participating Organisation to provide a confirmation that adequate verification and assessment has been carried out to ensure that its systems and infrastructure including back office systems and infrastructure, are operative and have all the relevant functionalities, requirements and controls in place for the carrying out of Securities Borrowing and Lending in accordance with Part F of Chapter 7 and the Clearing House Requirements.</p> <p>(3) The Exchange will give a written notice to the Participating Organisation before commencing any inspection or audit referred to under Rule 7.21(1).</p> <p>(4) If a notice under Rule 7.21(3) has been issued to a Participating Organisation that has yet to submit the declaration under Rule 7.20(c) or has submitted the declaration under Rule 7.20(c) but has yet to commence its Securities Borrowing and Lending activities, the Participating Organisation</p>	<b>7.21</b>	<p><b>Inspection or Audit by the Exchange</b></p> <p><del>(1) Without prejudice to any other powers conferred on the Exchange in these Rules pertaining to the conduct of inspection or audit on a Participating Organisation, the Exchange may at any time undertake an inspection or audit on the Participating Organisation's compliance with the requirements stipulated under Rules 7.20(a), 7.20(b) and 7.20(c).</del></p> <p><del>(2) In determining compliance with Rule 7.20(b), the Exchange may require the Participating Organisation to provide a confirmation that adequate verification and assessment has been carried out to ensure that its systems and infrastructure including back office systems and infrastructure, are operative and have all the relevant functionalities, requirements and controls in place for the carrying out of Securities Borrowing and Lending in accordance with Part F of Chapter 7 and the Clearing House Requirements.</del></p> <p><del>(3) The Exchange will give a written notice to the Participating Organisation before commencing any inspection or audit referred to under Rule 7.21(1).</del></p> <p><del>(4) If a notice under Rule 7.21(3) has been issued to a Participating Organisation that has yet to submit the declaration under Rule 7.20(c) or has submitted the declaration under Rule 7.20(c) but has yet to commence its Securities Borrowing and Lending activities, the Participating Organisation</del></p>

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	<p>must not commence its Securities Borrowing and Lending activities unless:</p> <p>(a) the inspection or audit referred to in Rule 7.21(1) has been completed;</p> <p>(b) the corrective or preventive measures and actions referred to in Rules 7.21(5) and 7.21(6), if any, have been duly carried out and completed by the Participating Organisation; and</p> <p>(c) the Participating Organisation has submitted the confirmation, if applicable, and the declaration referred to in Rule 7.21(6) to the Exchange.</p> <p>(5) Upon completing the inspection or audit, the Exchange will notify the Participating Organisation in writing of the findings of the inspection or audit and the corrective or preventive measures and actions, if any, to be taken by the Participating Organisation for the purpose of complying with the above Rules. The Exchange may, pending the carrying out and completion of the corrective or preventive measures and actions, if any, by a Participating Organisation other than the Participating Organisation referred to in Rule 7.21(4), suspend the carrying out of any further Securities Borrowing and Lending by the Participating Organisation until the corrective or preventive measures and actions, if any, are</p>		<p><del>must not commence its Securities Borrowing and Lending activities unless:</del></p> <p><del>(a) the inspection or audit referred to in Rule 7.21(1) has been completed;</del></p> <p><del>(b) the corrective or preventive measures and actions referred to in Rules 7.21(5) and 7.21(6), if any, have been duly carried out and completed by the Participating Organisation; and</del></p> <p><del>(c) the Participating Organisation has submitted the confirmation, if applicable, and the declaration referred to in Rule 7.21(6) to the Exchange.</del></p> <p><del>(5) Upon completing the inspection or audit, the Exchange will notify the Participating Organisation in writing of the findings of the inspection or audit and the corrective or preventive measures and actions, if any, to be taken by the Participating Organisation for the purpose of complying with the above Rules. The Exchange may, pending the carrying out and completion of the corrective or preventive measures and actions, if any, by a Participating Organisation other than the Participating Organisation referred to in Rule 7.21(4), suspend the carrying out of any further Securities Borrowing and Lending by the Participating Organisation until the corrective or preventive measures and actions, if any, are</del></p>



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	<p>carried out and completed by the Participating Organisation.</p> <p>(6) The Participating Organisation must confirm in writing to the Exchange when it has duly carried out and completed the corrective or preventive measures and actions referred to in Rule 7.21(5). In relation to a Participating Organisation referred to in Rule 7.21(4) which has yet to submit the declaration under Rule 7.20(c), the Participating Organisation must submit the declaration stipulated under Rule 7.20(c) together with the confirmation.</p> <p>(7) The Exchange is not precluded from exercising any of its powers under these Rules for any non compliances of these Rules found pursuant to the inspection or audit referred to under Rule 7.21(1), even though a Participating Organisation may have duly carried out and completed the corrective or preventive measures and actions referred to in Rules 7.21(5) and 7.21(6).</p>		<p><del>carried out and completed by the Participating Organisation.</del></p> <p><del>(6) The Participating Organisation must confirm in writing to the Exchange when it has duly carried out and completed the corrective or preventive measures and actions referred to in Rule 7.21(5). In relation to a Participating Organisation referred to in Rule 7.21(4) which has yet to submit the declaration under Rule 7.20(c), the Participating Organisation must submit the declaration stipulated under Rule 7.20(c) together with the confirmation.</del></p> <p><del>(7) The Exchange is not precluded from exercising any of its powers under these Rules for any non compliances of these Rules found pursuant to the inspection or audit referred to under Rule 7.21(1), even though a Participating Organisation may have duly carried out and completed the corrective or preventive measures and actions referred to in Rules 7.21(5) and 7.21(6). [Deleted]</del></p>
	New provision	<b>Part I of Chapter 7</b>	<b><u>PART I ISLAMIC SECURITIES SELLING AND BUYING – NEGOTIATED TRANSACTION</u></b>
	New provision	<b>7.34</b>	<p><b><u>Definitions</u></b></p> <p><u>For the purposes of this Part I of Chapter 7, the following term has the following meaning unless the context requires otherwise:</u></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS		
			<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Clearing House's ISSBNT Requirements</u></td> <td style="width: 50%;"><u>The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name called, in relation to ISSBNT.</u></td> </tr> </table>	<u>Clearing House's ISSBNT Requirements</u>	<u>The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name called, in relation to ISSBNT.</u>
<u>Clearing House's ISSBNT Requirements</u>	<u>The Clearing House's requirements as contained in the Clearing House Rules and any other documents by whatever name called, in relation to ISSBNT.</u>				
	New provision	<b>7.35</b>	<p><b><u>General</u></b></p> <p><u>(1) A Participating Organisation may only undertake an ISSBNT if:</u></p> <p style="margin-left: 40px;"><u>(a) the Participating Organisation is approved by the Clearing House to undertake an ISSBNT;</u></p> <p style="margin-left: 40px;"><u>(b) the securities are ISSBNT Eligible Securities; and</u></p> <p style="margin-left: 40px;"><u>(c) the ISSBNT is undertaken in accordance with the Clearing House Requirements and this Part I of Chapter 7.</u></p>		
	New provision	<b>7.35</b>	<u>(2) A Participating Organisation may only undertake ISSBNT, whether for the Participating Organisation itself or its Client, for purposes allowed by the Clearing House.</u>		
	New provision	<b>7.35</b>	<u>(3) Any sale trade executed by a Participating Organisation which is to be settled with securities from a purchase made in breach of Rule 7.35(2) is</u>		

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			<u>deemed a short sale which is not executed in accordance with these Rules.</u>
	New provision	<b>7.35</b>	<p><u>(4) A Participating Organisation must ensure that where the ISSBNT involves a Client:</u></p> <p><u>(a) the sale of ISSBNT Eligible Securities held in its custody for its Clients, pursuant to a ISSBNT, complies with the requirements as stipulated by the Exchange; and</u></p> <p><u>(b) a copy of a risk disclosure statement as prescribed by the Exchange is given to and acknowledged by its Client prior to the execution of any written agreement for a purchase under ISSBNT.</u></p> <p><i>(Refer to Directive 7-001)</i></p>
	New provision	<b>7.36</b>	<p><b><u>Internal Guidelines and Systems</u></b></p> <p><u>(1) A Participating Organisation which intends to engage in ISSBNT activities must formulate a set of internal guidelines for ISSBNT as required by the Exchange.</u></p>
	New provision	<b>7.36</b>	<p><u>(2) The Participating Organisation must establish, implement and maintain:</u></p> <p><u>(a) systems and infrastructure including back office systems and infrastructure, which are operative and have all the relevant functionalities, requirements and controls</u></p>

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			<p><u>in place for the carrying out of ISSBNT in accordance with Part I of Chapter 7 and the Clearing House requirements; and</u></p> <p>(b) <u>all the policies, procedures, controls and all other requirements set out in the internal guidelines for the ISSBNT.</u></p> <p><i>[Refer to Directive 5-001]</i></p>
	New provision	<b>7.37</b>	<p><b><u>Commencement of ISSBNT Activities</u></b></p> <p><u>A Participating Organisation may only commence its ISSBNT activities if it has:</u></p> <p>(a) <u>Effective Shareholders' Funds of not less than RM50,000,000 as at the date of the declaration in Rule 7.37(b) and continues to maintain the same for as long as it is carrying out ISSBNT activities; and</u></p> <p>(b) <u>submitted a written declaration in the form as prescribed by the Exchange of its compliance with Rules 7.36 and 7.37(a) at least 2 Market Days before commencing its ISSBNT activities.</u></p> <p><i>[Refer to Directive No. 7-001]</i></p>
	New provision	<b>7.38</b>	<p><b><u>Designated Account</u></b></p> <p>(1) <u>A Participating Organisation must hold all ISSBNT Eligible Securities sold or purchased pursuant to ISSBNT in the Securities Account(s) prescribed in</u></p>

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			<u>the Clearing House Requirements and in no other Securities Account(s).</u>
	New provision	<b>7.38</b>	<u>(2) Where the ISSBNT Eligible Securities purchased pursuant to ISSBNT are held in a Securities Account maintained in the name of a Participating Organisation in its capacity as an Authorised Nominee or Exempt Authorised Nominee, the Participating Organisation can only hold the ISSBNT Eligible Securities in that Securities Account for a maximum period of 3 Market Days from the date the ISSBNT Eligible Securities are credited into the Securities Account.</u>
	New provision	<b>7.39</b>	<p><b><u>Actions by the Exchange</u></b></p> <p><u>(1) The Exchange may take any of the actions enumerated under Rule 7.39(2) summarily against any or all Participating Organisations or Registered Persons or in relation to any or all ISSBNT Eligible Securities if:</u></p> <p style="padding-left: 40px;"><u>(a) there is a breach or likelihood of breach of any provisions in this Part I; or</u></p> <p style="padding-left: 40px;"><u>(b) the ISSBNT activities may lead or is likely to lead to the commission of any of the offences under the Capital Markets and Services Act.</u></p>
	New provision	<b>7.39</b>	<u>(2) Pursuant to Rule 7.39(1), the following actions may be taken by the Exchange against any or all Participating Organisations or Registered Persons</u>

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			<p><u>or in relation to any or all ISSBNT Eligible Securities:</u></p> <p><u>(a) directing further sale or purchase of ISSBNT Eligible Securities pursuant to ISSBNT by a Participating Organisation or Registered Person whether for the Participating Organisation or any or all of its Clients to be suspended or ceased;</u></p> <p><u>(b) imposing limits on the total number or the type of ISSBNT Eligible Securities that may be purchased or sold by a Participating Organisation or Registered Person whether for the Participating Organisation or any or all of its Clients; or</u></p> <p><u>(c) imposing restrictions or conditions on the ISSBNT activities carried out by a Participating Organisation or Registered Person whether for the Participating Organisation or any or all of its Clients.</u></p>
<b>8.23</b>	<p><b>Commencement of Regulated Short Selling</b></p> <p>A Participating Organisation may only commence its Regulated Short Selling activities if it has:</p> <p style="padding-left: 40px;">(a) established internal guidelines for Regulated Short Selling as required by the Exchange;</p>	<b>8.23</b>	<p><b>Commencement of Regulated Short Selling</b></p> <p>A Participating Organisation may only commence its Regulated Short Selling activities if it <del>has</del>:</p> <p style="padding-left: 40px;">(a) <u>has</u> established internal guidelines for Regulated Short Selling as required by the Exchange;</p>

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	<p>(b) put in place systems and infrastructure including front office and back office systems which are operative and have all the relevant functionalities, requirements and controls for the carrying out of Regulated Short Selling in accordance with this Part C of Chapter 8; and</p> <p>(c) subject to Rule 8.24, submitted a written declaration in the form prescribed in Appendix 4 to the Exchange of its compliance with Rules 8.23(a) and 8.23(b) at least 2 Market Days before commencing its Regulated Short Selling activities.</p>		<p>(b) <u>has</u> put in place systems and infrastructure including front office and back office systems which are operative and have all the relevant functionalities, requirements and controls for the carrying out of Regulated Short Selling in accordance with this Part C of Chapter 8; and</p> <p>(c) <del>subject to Rule 8.24, submitted</del> a written declaration in the form <u>as</u> prescribed <del>in Appendix 4 to</del> the Exchange of its compliance with Rules 8.23(a) and 8.23(b) at least 2 Market Days before commencing its Regulated Short Selling activities.</p> <p><i>[Refer to Directive 8-002]</i></p>
<b>8.24</b>	<b>Inspection or Audit by the Exchange</b>	<b>8.24</b>	<b>Inspection or Audit by the Exchange</b>
	<p>(1) Without prejudice to any other powers conferred on the Exchange in these Rules pertaining to the conduct of inspection or audit on a Participating Organisation, the Exchange may at any time undertake an inspection or audit on a Participating Organisation's compliance with the requirements stipulated under Rules 8.23(a), 8.23(b) and 8.23(c).</p> <p>(2) In determining compliance with Rule 8.23(b), the Exchange may require the</p>		<p><del>(1) Without prejudice to any other powers conferred on the Exchange in these Rules pertaining to the conduct of inspection or audit on a Participating Organisation, the Exchange may at any time undertake an inspection or audit on a Participating Organisation's compliance with the requirements stipulated under Rules 8.23(a), 8.23(b) and 8.23(c).</del></p> <p><del>(2) In determining compliance with Rule 8.23(b), the Exchange may require the</del></p>

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**in relation to ISSBNT**



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>Participating Organisation to provide a confirmation that adequate verification and assessment has been carried out to ensure that its systems and infrastructure including its front office and back office systems and infrastructure are operative and have all the relevant functionalities, requirements and controls in place for the carrying out of Regulated Short Selling in accordance with Part C of Chapter 8.</p> <p>(3) The Exchange will give a written notice to the Participating Organisation before commencing any inspection or audit referred to under Rule 8.24(1).</p> <p>(4) If a notice under Rule 8.24(3) has been issued to a Participating Organisation that has yet to submit the declaration under Rule 8.23(c) or has submitted the declaration under Rule 8.23(c) but has yet to commence its Regulated Short Selling activities, the Participating Organisation must not commence its Regulated Short Selling activities unless:</p> <p>(a) the inspection or audit referred to in Rule 8.24(1) has been completed;</p> <p>(b) the corrective or preventive measures and actions referred to in Rules 8.24(5) and 8.24(6),if</p>		<p><del>Participating Organisation to provide a confirmation that adequate verification and assessment has been carried out to ensure that its systems and infrastructure including its front office and back office systems and infrastructure are operative and have all the relevant functionalities, requirements and controls in place for the carrying out of Regulated Short Selling in accordance with Part C of Chapter 8.</del></p> <p><del>(3) The Exchange will give a written notice to the Participating Organisation before commencing any inspection or audit referred to under Rule 8.24(1).</del></p> <p><del>(4) If a notice under Rule 8.24(3) has been issued to a Participating Organisation that has yet to submit the declaration under Rule 8.23(c) or has submitted the declaration under Rule 8.23(c) but has yet to commence its Regulated Short Selling activities, the Participating Organisation must not commence its Regulated Short Selling activities unless:</del></p> <p><del>(a) the inspection or audit referred to in Rule 8.24(1) has been completed;</del></p> <p><del>(b) the corrective or preventive measures and actions referred to in Rules 8.24(5) and 8.24(6),if</del></p>



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>any, have been duly carried out and completed by the Participating Organisation; and</p> <p>(c) the Participating Organisation has submitted the confirmation, if applicable, and the declaration referred to in Rule 8.24(6) to the Exchange.</p> <p>(5) Upon completing the inspection or audit, the Exchange will notify the Participating Organisation in writing of the findings of the inspection or audit and the corrective or preventive measures and actions, if any, to be taken by the Participating Organisation for the purpose of complying with Rules 8.23(a), 8.23(b) and 8.23(c). The Exchange may, pending the carrying out and completion of the corrective or preventive measures and actions, if any, by a Participating Organisation other than the Participating Organisation referred to in Rule 8.24(4), suspend the carrying out of any further Regulated Short Selling by the Participating Organisation until the corrective or preventive measures and actions, if any, are carried out and completed by the Participating Organisation.</p> <p>(6) The Participating Organisation must confirm in writing to the Exchange when it</p>		<p><del>any, have been duly carried out and completed by the Participating Organisation; and</del></p> <p><del>(c) the Participating Organisation has submitted the confirmation, if applicable, and the declaration referred to in Rule 8.24(6) to the Exchange.</del></p> <p><del>(5) Upon completing the inspection or audit, the Exchange will notify the Participating Organisation in writing of the findings of the inspection or audit and the corrective or preventive measures and actions, if any, to be taken by the Participating Organisation for the purpose of complying with Rules 8.23(a), 8.23(b) and 8.23(c). The Exchange may, pending the carrying out and completion of the corrective or preventive measures and actions, if any, by a Participating Organisation other than the Participating Organisation referred to in Rule 8.24(4), suspend the carrying out of any further Regulated Short Selling by the Participating Organisation until the corrective or preventive measures and actions, if any, are carried out and completed by the Participating Organisation.</del></p> <p><del>(6) The Participating Organisation must confirm in writing to the Exchange when it</del></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>has duly carried out and completed the corrective or preventive measures and actions referred to in Rule 8.24(5). In relation to a Participating Organisation referred to in Rule 8.24(4) which has yet to submit the declaration under Rule 8.23(c), the Participating Organisation must submit the declaration stipulated under Rule 8.23(c) together with the confirmation.</p> <p>(7) The Exchange is not precluded from exercising any of its powers under these Rules for any non compliances of these Rules found pursuant to the inspection or audit referred to under Rule 8.24(1), even though a Participating Organisation may have duly carried out and completed the corrective or preventive measures and actions referred to in Rules 8.24(5) and 8.24(6).</p>		<p><del>has duly carried out and completed the corrective or preventive measures and actions referred to in Rule 8.24(5). In relation to a Participating Organisation referred to in Rule 8.24(4) which has yet to submit the declaration under Rule 8.23(c), the Participating Organisation must submit the declaration stipulated under Rule 8.23(c) together with the confirmation.</del></p> <p><del>(7) — The Exchange is not precluded from exercising any of its powers under these Rules for any non compliances of these Rules found pursuant to the inspection or audit referred to under Rule 8.24(1), even though a Participating Organisation may have duly carried out and completed the corrective or preventive measures and actions referred to in Rules 8.24(5) and 8.24(6). [Deleted]</del></p>
<b>8.25</b>	<p><b>Designated trading account and Securities Account</b></p> <p>(4) A Participating Organisation must, prior to opening a RSS Account:</p> <p>(a) obtain confirmation in writing from the Client that the Client has a SBL Agreement in place; and</p> <p>(b) bring to the notice of the Client that a copy of the SBL Agreement must be furnished when requested by the Exchange and that</p>	<b>8.25</b>	<p><b>Designated trading account and Securities Account</b></p> <p>(4) A Participating Organisation must, prior to opening a RSS Account:</p> <p>(a) obtain confirmation in writing from the Client that the Client has a SBL Agreement <u>or an ISSBNT Agreement</u> in place; and</p> <p>(b) bring to the notice of the Client that a copy of the SBL Agreement <u>or the ISSBNT</u></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>where there is a failure to do so, the Exchange may take appropriate action including directing the Participating Organisation to suspend trading for the Client; or</p> <p>(c) if the RSS Account is to be opened in the name of the Participating Organisation, execute a SBL Agreement.</p>		<p><u>Agreement</u> must be furnished when requested by the Exchange and that where there is a failure to do so, the Exchange may take appropriate action including directing the Participating Organisation to suspend trading for the Client; or</p> <p>(c) if the RSS Account is to be opened in the name of the Participating Organisation, execute a SBL Agreement <u>or an ISSBNT Agreement</u>.</p>
<b>8.25</b>	<p>(5) A Participating Organisation may execute purchase of securities in the RSS Account but only for the following purposes:</p> <p>(a) to contra in full or in part any Regulated Short Sale of an Approved Securities executed in the RSS Account;</p> <p>(b) for redelivery of securities arising from any borrowing of Approved Securities under a SBL Agreement; and</p> <p>(c) after a Regulated Short Sale of an Approved Securities, to:</p> <p>(i) execute another Regulated Short Sale of that Approved Securities; or</p>	<b>8.25</b>	<p>(5) A Participating Organisation may execute <u>purchases or make use of the purchases</u> of securities in the RSS Account <del>but</del> only for the following purposes:</p> <p>(a) to contra in full or in part any Regulated Short Sale of an Approved Securities executed in the RSS Account;</p> <p>(b) for redelivery <del>of securities arising from any borrowing of Approved Securities</del> under a SBL Agreement <u>or an ISSBNT Agreement ("Approved Securities for Redelivery")</u>; <del>and/or</del></p> <p>(c) <del>after a Regulated Short Sale of an Approved Securities, to</del> <u>use the Approved Securities for Redelivery</u>;</p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p style="text-align: center;">(ii) lend the Approved Securities under a SBL Agreement.</p> <p style="text-align: center;"><i>[Refer to Directive No. 8-002]</i></p>		<p style="text-align: center;">(i) <del>to execute another Regulated Short Sale of that Approved Securities</del>; or</p> <p style="text-align: center;">(ii) <del>for lending the Approved Securities</del> under a SBL Agreement <u>or sale under an ISSBNT Agreement.</u></p> <p style="text-align: center;"><i>[Refer to Directive No. 8-002]</i></p>
<b>8.25</b>	<p>(6) A Participating Organisation must open a separate Securities Account for each trading account opened pursuant to Rule 8.25(1) and Rule 8.25(3). This Securities Account must be designated in accordance with the Depository Rules or any directives issued by the Depository. A Participating Organisation can only utilize this Securities Account for the following purposes:</p> <p>(a) for settlement of Regulated Short Selling;</p> <p>(b) for settlement of purchases as permitted under Rule 8.25(5);</p> <p>(c) to hold securities for purposes of subsequent redelivery of the securities arising from the borrowing of Approved Securities under a SBL Agreement; or</p> <p>(d) to hold borrowing of Approved Securities for executing the Regulated Short Sale, if the Securities Account is maintained in the</p>	<b>8.25</b>	<p>(6) A Participating Organisation must open a separate Securities Account for each trading account opened pursuant to Rule 8.25(1) and Rule 8.25(3). This Securities Account must be designated in accordance with the Depository Rules or any directives issued by the Depository. A Participating Organisation can only utilize this Securities Account for the following purposes:</p> <p>(a) for settlement of Regulated Short Selling;</p> <p>(b) for settlement of purchases as permitted under Rule 8.25(5);</p> <p>(c) to hold securities for <del>purposes of subsequent redelivery of the securities arising from the borrowing of Approved Securities</del> under a SBL Agreement <u>or an ISSBNT Agreement</u>; or</p> <p>(d) to hold <del>borrowing of</del> Approved Securities for executing the Regulated Short Sale, if</p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	name of a Participating Organisation, in its capacity as Authorised Nominee or Exempt Authorised Nominee, provided Rule 7.22(2) is complied with.		the Securities Account is maintained in the name of a Participating Organisation, in its capacity as Authorised Nominee or Exempt Authorised Nominee, provided Rule 7.22(2) <u>or 7.38(2)</u> is complied with.
<b>8.26</b>	<p><b>Execution</b></p> <p>(1) A Participating Organisation must comply with the following before executing an order for a Regulated Short Sale whether for itself or a client:</p> <p>(a) if the order is executed for the Participating Organisation itself, the Participating Organisation:</p> <p style="padding-left: 40px;">(i) has borrowed the Approved Securities to be short sold from an Authorised SBL Participant or has obtained a confirmation from the Authorised SBL Participant that the Approved Securities to be short sold are available for borrowing to settle the sale; and</p> <p style="padding-left: 40px;">(ii) is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be executed;</p>	<b>8.26</b>	<p><b>Execution</b></p> <p>(1) A Participating Organisation must <del>comply with</del> <u>ensure the</u> following <u>conditions are met</u> before <del>executing</del> <u>entering</u> an order for a Regulated Short Sale whether for itself or a <u>e</u>Client:</p> <p><del>(a) if the order is executed for the Participating Organisation itself, the Participating Organisation:</del></p> <p style="padding-left: 40px;"><del>(i) has borrowed the Approved Securities to be short sold from an Authorised SBL Participant or has obtained a confirmation from the Authorised SBL Participant that the Approved Securities to be short sold are available for borrowing to settle the sale; and</del></p> <p style="padding-left: 40px;"><del>(ii) is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be executed;</del></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>(b) if the order is for a Client, the Participating Organisation has obtained confirmation from the Client, that:</p> <p>(i) the Client has borrowed the Approved Securities to be short sold from an Authorised SBL Participant or that the Client has obtained a confirmation from an Authorised SBL Participant that the Approved Securities to be short sold are available for borrowing to settle the sale; and</p> <p>(ii) the Client or if the Client is acting on behalf of another person, the person for whom the Client is acting for, is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be executed.</p> <p>(c) the order price of the Approved Securities to be entered into the ATS is in compliance with all requirements as may be prescribed by the Exchange; and</p> <p>(d) the order is entered into ATS through the screen designated in the ATS for Regulated Short Sale.</p>		<p><del>(b) if the order is for a Client, the Participating Organisation has obtained confirmation from the Client, that:</del></p> <p><del>(i) the Client has borrowed the Approved Securities to be short sold from an Authorised SBL Participant or that the Client has obtained a confirmation from an Authorised SBL Participant that the Approved Securities to be short sold are available for borrowing to settle the sale; and</del></p> <p><del>(ii) the Client or if the Client is acting on behalf of another person, the person for whom the Client is acting for, is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be executed.</del></p> <p><u>(a) the Approved Securities to be short sold, have been borrowed through SBL or purchased through ISSBNT, as the case may be; or</u></p> <p><u>(b) a confirmation has been obtained from an Authorised SBL Participant or Authorised</u></p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<p><u>ISSBNT Participant, as the case may be, that the Approved Securities to be short sold are available to settle the sale;</u></p> <p><u>(c) the person for whom the order for a Regulated Short Sale is entered, is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be entered, and if the order for the Regulated Short Sale is for a Client, to obtain a confirmation from the Client in this respect;</u></p> <p><u>(ed)</u> the order price of the Approved Securities to be entered into the ATS is in compliance with all requirements as may be prescribed by the Exchange; and</p> <p><u>(ee)</u> the order is entered into ATS through the screen designated in the ATS for Regulated Short Sale.</p>
<b>8.31</b>	<p><b>Limit for regulated short selling</b></p> <p>(3) The suspension referred to in Rule 8.31(1) may be for:</p> <p>(a) in relation to the circumstance described in Rule 8.31(1)(a), the remaining Market Day from the time the suspension was instituted on that Market Day; or</p>	<b>8.31</b>	<p><b>Limit for regulated short selling</b></p> <p>(3) The suspension referred to in Rule 8.31(1) may be for:</p> <p>(a) in relation to the circumstance described in Rule 8.31(1)(a), the remaining Market Day from the time the suspension was instituted on that Market Day; or</p>

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>(b) in relation to the circumstance described in Rule 8.31(1)(b), 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 return of the securities borrowed to the Authorised SBL Participant.</p>		<p>(b) in relation to the circumstance described in Rule 8.31(1)(b), 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 <del>return</del> <u>redelivery of the securities borrowed to the Authorised SBL Participant</u> <u>Eligible Securities under a SBL Agreement or of ISSBNT Eligible Securities under a ISSBNT Agreement.</u></p>
<b>8.31</b>	<p>(5) If the shares or securities referred to under Rules 8.31(1)(a) and Rule 8.31(1)(b) respectively falls within the class of Eligible Securities, the following apply:</p> <p>(a) the suspension referred to in Rule 8.31(1)(a), Rule 8.31(1)(b) and Rule 8.31(2) includes suspension on the short selling of the Eligible Securities; and</p> <p>(b) the ‘securities’ referred to in Rule 8.31(3) includes Eligible Securities and the suspension referred to in that rule is applicable to the short selling of that Eligible Securities.</p>	<b>8.31</b>	<p>(5) If the shares or securities referred to under Rules 8.31(1)(a) and Rule 8.31(1)(b) respectively falls within the class of Eligible Securities <u>or ISSBNT Eligible Securities</u>, the following apply:</p> <p>(a) the suspension referred to in Rule 8.31(1)(a), Rule 8.31(1)(b) and Rule 8.31(2) includes suspension on the short selling of the Eligible Securities <u>or ISSBNT Eligible Securities</u>; and</p> <p>(b) the ‘securities’ referred to in Rule 8.31(3) includes Eligible Securities <u>or ISSBNT Eligible Securities</u> and the suspension referred to in that rule is applicable to the short selling of that Eligible Securities <u>or ISSBNT Eligible Securities</u>.</p>
<b>11.04</b>	<b>Levy by Commission</b>	<b>11.04</b>	<b>Levy by Commission</b>



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in relation to ISSBNT



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS				
	<p>(1) In this Rule 11.04, a “Transaction” means a purchase or sale of:</p> <p style="padding-left: 40px;">(a) securities recorded on the Exchange; or</p> <p style="padding-left: 40px;">(b) securities notified to the Exchange in accordance with these Rules.</p> <p>(2) Pursuant to the Securities Commission (Levy on Securities Transactions) Order 1995, every selling Participating Organisation and buying Participating Organisation must pay to the Exchange, for the account of the Commission, a levy on a Transaction as stipulated in Schedule 7.</p>		<p>(1) In this Rule 11.04, a “Transaction” means a purchase or sale of:</p> <p style="padding-left: 40px;">(a) securities recorded on the Exchange; or</p> <p style="padding-left: 40px;">(b) securities notified to the Exchange in accordance with these Rules.</p> <p>(2) Pursuant to the Securities Commission (Levy on Securities Transactions) Order 1995, every selling Participating Organisation and buying Participating Organisation must pay to the Exchange, for the account of the Commission, a levy on a Transaction as stipulated in Schedule 7.</p> <p style="color: red;">(3) <u>For the avoidance of doubt, the requirement in Rule 11.04(2) does not apply to an ISSBNT transaction.</u></p>				
<b>13.02 Definitions</b>	New definition	<b>13.02 Definitions</b>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Term</th> <th style="text-align: center;">Meaning</th> </tr> </thead> <tbody> <tr> <td style="color: red;"><u>ISSBNT Securities Purchased or ISSBNT Securities Sold</u></td> <td style="color: red;"><u>Any securities purchased or securities sold under ISSBNT. If the securities purchased or securities sold consist of securities that have been subdivided or consolidated or made the subject of a bonus issue or an event similar to any of the events mentioned, the expression ISSBNT Securities Purchased or ISSBNT Securities Sold means:</u></td> </tr> </tbody> </table>	Term	Meaning	<u>ISSBNT Securities Purchased or ISSBNT Securities Sold</u>	<u>Any securities purchased or securities sold under ISSBNT. If the securities purchased or securities sold consist of securities that have been subdivided or consolidated or made the subject of a bonus issue or an event similar to any of the events mentioned, the expression ISSBNT Securities Purchased or ISSBNT Securities Sold means:</u>
Term	Meaning						
<u>ISSBNT Securities Purchased or ISSBNT Securities Sold</u>	<u>Any securities purchased or securities sold under ISSBNT. If the securities purchased or securities sold consist of securities that have been subdivided or consolidated or made the subject of a bonus issue or an event similar to any of the events mentioned, the expression ISSBNT Securities Purchased or ISSBNT Securities Sold means:</u>						

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<p><u>(a) in the case of a subdivision or consolidation, the securities into which the securities purchased or securities sold have been subdivided or consolidated;</u></p> <p><u>(b) in the case of a bonus issue, the securities purchased or securities sold (as applicable) together with the securities allotted by way of the bonus issue; and</u></p> <p><u>(c) in the case of any event similar to any of the events mentioned, the securities purchased or securities sold, together with or replaced by a sum of money or securities (or both) equivalent to the value or amount arising or due in relation to the securities purchased or securities sold resulting from such event.</u></p>
<b>13.13</b>	<p><b>General Principle</b></p> <p>A Participating Organisation must calculate its Position Risk Requirement for the securities listed below:</p>	<b>13.13</b>	<p><b>General Principle</b></p> <p>A Participating Organisation must calculate its Position Risk Requirement for the securities listed below:</p>

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**in relation to ISSBNT**



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	(b) Securities Borrowed or Securities Lent for the Participating Organisation as principal;		(b) Securities Borrowed or Securities Lent <u>and ISSBNT Securities Purchased or ISSBNT Securities Sold</u> for the Participating Organisation as principal;
<b>13.13</b>	(c) securities other than Margin Securities held by the Participating Organisation that have been onward lent by it as principal for the purpose of Securities Borrowing and Lending;	<b>13.13</b>	(c) securities other than Margin Securities held by the Participating Organisation that have been onward lent by it as principal for the purpose of Securities Borrowing and Lending <u>or onward sold by it as principal for the purpose of ISSBNT</u> ;
<b>13.17</b>	<b>General Principle</b>  A Participating Organisation must calculate its Counterparty Risk Requirement for all Counterparty exposures arising from:  (d) Securities Borrowing and Lending transactions;	<b>13.17</b>	<b>General Principle</b>  A Participating Organisation must calculate its Counterparty Risk Requirement for all Counterparty exposures arising from:  (d) Securities Borrowing and Lending <u>or ISSBNT</u> transactions;
<b>Appendix 1</b>	<b>RISK DISCLOSURE STATEMENT ON SECURITIES BORROWING</b>	<b>Appendix 1</b>	<del><b>RISK DISCLOSURE STATEMENT ON SECURITIES BORROWING</b></del> <i>[Deleted]</i>
<b>Appendix 4</b>	<b>DECLARATION ON COMPLIANCE FOR REGULATED SHORT SELLING AND SECURITIES BORROWING AND LENDING</b> [Rules 8.23(c) and 7.20(c)]	<b>Appendix 4</b>	<del><b>DECLARATION ON COMPLIANCE FOR REGULATED SHORT SELLING AND SECURITIES BORROWING AND LENDING</b></del> <del>[Rules 8.23(c) and 7.20(c)]</del> <i>[Deleted]</i>
<b>Schedule 6</b>	<b>SCHEDULE 6</b> [Rule 11.02 & 11.03]	<b>Schedule 6</b>	See Schedule 6 as attached.

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RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	COMMISSION RATES*		

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**SCHEDULE 6**  
**[Rule 11.02 & 11.03]**

**COMMISSION RATES\***

	Type of Trade	Basis for determining commission	Minimum commission	Maximum commission
(a)	<b>Online Routed Trades</b>	Fully negotiable	Not applicable	Not applicable
(b)	<b>Trades paid for by Cash Upfront</b>	Fully negotiable	Not applicable	Not applicable
(c)	<b>Direct Business Transactions except for Direct Business Transactions provided at items (a), (b) and (c)(i) and (c)(ii) below</b>	Negotiable subject to the minimum commission	Minimum Fixed Commission	Not applicable
	(i) Direct Business Transactions of ABFMY1 trades	Negotiable subject to the minimum commission	RM12.00	Not applicable
	(ii) Direct Business Transactions of ETB trades	Fully negotiable	Not applicable	Not applicable
(d)	<b>All trades in securities executed in Board Lots except for trades specifically mentioned in the other items this table and trades in securities provided at items (d)(i), (d)(ii) and (d)(iii) below</b>	Negotiable subject to the minimum and maximum commission, whichever is higher	Minimum Fixed Commission	0.7% of the Contract Value
	(i) ABFMY1 trades (including ABFMY1 Intraday Trades)	Negotiable subject to the minimum and maximum commission, whichever is higher	RM12.00	0.3% of the Contract Value
	(ii) ETB trades (including ETB Intraday Trades)	Negotiable subject to the maximum commission	Not applicable	0.3% of the Contract Value
	(iii) Trades in securities on the LEAP Market	Fully negotiable	Not applicable	Not applicable

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	Type of Trade	Basis for determining commission	Minimum commission	Maximum commission
(e)	All trades in securities executed in less than a Board Lot except for trades specifically mentioned in the other items in this table	Fully negotiable	Not applicable	Not applicable
<u>(f)</u>	<u>ISSBNT trades</u>	<u>Fully negotiable</u>	<u>Not applicable</u>	<u>Not applicable</u>

\* Notes:

- (1) For transactions in securities denominated in foreign currency, the commission rate will be stipulated by the Exchange in the Directives.
- (2) Cash Upfront refers to full payment by the buying Client to the buying Client's Participating Organisation for the purchase of securities prior to the entry of the order to purchase into the ATS. For the purposes of this Schedule, the "full payment" in the definition of Cash Upfront must be in the form of cash or any other mode of payment where clearance of or good value is given to the mode of payment prior to the entry of the order.
- (3) Online Routed Trade refers to trade arising from an order routed by a Client to the Participating Organisation through an electronic order routing system for submission into ATS and includes an order routed through Direct Market Access.
- (4) Minimum Fixed Commission means:
  - (a) for trade other than Retail Trade
    - (i) on transactions in loan instruments RM2.00; and
    - (ii) on any other transaction RM40.00.
  - (b) for Retail Trade
    - (i) where the Contract Value is RM100,000 or below, the minimum commission payable shall be calculated at 0.6% of the Contract Value or the amount prescribed under paragraph 4(a) above, whichever is higher;
    - (ii) where the Contract Value exceeds RM100,000, the minimum commission payable shall be calculated at 0.3% of the Contract Value or the amount prescribed under paragraph 4(a) above, whichever is higher; and
    - (iii) where the trade is an Intraday Trade, the minimum commission payable shall be calculated at 0.15% of the Contract Value or the amount prescribed under paragraph 4(a) above, whichever is higher.
  - (c) Notwithstanding paragraph 4(b) above:

**ANNEXURE 1**  
**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES**  
**in relation to ISSBNT**



- (i) for Direct Business Transactions in respect of Retail Trade, the minimum commission payable shall be the amount prescribed under paragraph 4(a) above or half of the amount prescribed in paragraph 4(b) above, whichever is higher; and
  - (ii) for transactions by employees, Dealer's Representatives and Trading Representatives, the minimum commission payable shall be the amount prescribed under paragraph 4(a) above.
- (5) For the avoidance of doubt, all commission rates set out in this Schedule are exclusive of GST.

*[End of Schedule]*

*[End of Amendments to Rules]*