

PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 28 February 2013

No : R/R 4 of 2013

REVAMP OF THE RULES OF BURSA MALAYSIA SECURITIES BHD ("RULES OF BURSA SECURITIES")

1. INTRODUCTION

The Exchange has undertaken a revamp of the Rules of Bursa Securities aimed at ensuring that the rule framework for the Participating Organisations ("POs") and Registered Persons remains effective in safeguarding the interest of investors, preventing systemic risk and ensuring an orderly and fair market whilst being facilitative of business and market development.

2. RULE AMENDMENTS

2.1 The amendments contained in the Rules of Bursa Securities that have been revamped ("Revamped Rules") cover the following main areas:

- (a) Admission of POs and Registered Persons;
- (b) Obligations of Registered Persons;
- (c) Organisation structure of a PO;
- (d) Governance of a PO;
- (e) Conduct of a PO;
- (f) Trading;
- (g) Defaulters List;
- (h) Conduct of other capital market activities;
- (i) Financial requirements;
- (j) Powers of the Exchange; and
- (k) Transitional provisions.

2.2 A summary of the salient rule amendments in the Revamped Rules is set out in **Annexure 1**.

2.3 The Revamped Rules is attached as **Annexure 2**.

3. PARTICIPATING ORGANISATIONS' DIRECTIVES AND GUIDANCE

3.1 As part of the revamp process, we have also consolidated all directives issued previously by the Exchange that are still relevant into a POs Directives and Guidance. We have updated them where necessary to be in line with the Revamped Rules. Certain operational or prescriptive requirements that were previously in the Rules have now been incorporated into the POs Directives and Guidance. This POs' Directives and Guidance can now be taken as a comprehensive document of all Directives and Guidance that are still in force and applicable to POs and Registered Persons alongside the Trading Manual that is issued by Market Operations.

3.2 Any new Directive issued in the future that is of general application will also be incorporated into this POs' Directives and Guidance.

3.3 The POs' Directives and Guidance is set out in **Annexure 3**.

4. PARTICIPATING ORGANISATIONS' TRADING MANUAL

4.1 Consequential amendments have been made to the POs' Trading Manual to reflect the changes made in the Revamped Rules.

4.2 The amended POs' Trading Manual is appended as **Annexure 4**.

5. FREQUENTLY ASKED QUESTIONS ("FAQs")

5.1 Consequential amendments have also been made to the FAQs on the Rules of Bursa Securities to reflect the changes made in the Revamped Rules.

5.2 The amended FAQs are appended as **Annexure 5**.

6. BRIEFINGS ON THE REVAMPED RULES

The Exchange will hold a briefing to take the POs' through the changes made in the Revamped Rules. Invitations will be sent to the POs in due course.

7. EFFECTIVE DATE

7.1 The Revamped Rules, the POs' Directives and Guidance and the amended POs' Trading Manual take effect on **2 May 2013** ("Effective Date").

7.2 Notwithstanding the above, the provisions relating to defaulters' list (as set out in Rule 403.1 of the Rules of Bursa Securities prior to the revamp) will remain effective until **31 May 2013**. Hence, the Exchange will continue to maintain the defaulters' list until **31 May 2013**.

8. CONTACT PERSONS

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Regulation