

PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 14 June 2007

No : R/R 7 OF 2007

AMENDMENTS TO PARTICIPATING ORGANISATIONS' CIRCULAR NO. R/R 18 OF 2005 ON THE USE OF CLEARING ACCOUNT

1. Please be informed that amendments have been made to Participating Organisations' Circular No. R/R 18 of 2005 on the use of Clearing Account, as set out in "**ANNEXURE 1**" (the "said Amendments") appended herewith, which shall take effect on **18 June 2007**.
2. The said Amendments are made to provide for the exception to the general requirement pertaining to the booking out price of the securities transacted by the Participating Organisations for its clients in the Clearing Account.
3. Kindly be advised that by virtue of paragraph 3.5A (b) of the said Amendments, a Participating Organisation is required to evidence the instruction or order given by its clients for the purpose stipulated therein. In relation to the retention period for the keeping of the records and documents evidencing the instructions or orders given by its clients, Participating Organisations will be notified of the same at a later date by the Exchange. Pending the stipulation of the retention period by the Exchange, Participating Organisations shall be required to keep the records and documents evidencing the instructions or orders given by the clients.
4. Unless otherwise expressly provided herein, these directives shall take effect from **18 June 2007** unless and until amended, varied, supplemented, substituted thereof or revoked by Bursa Securities.
5. All rules, directives, circulars in force which make reference or contain provisions relating to the above matters shall have effect from **18 June 2007** as if such reference or provisions relate to these amendments.
6. This circular is available at Bursa Malaysia's website at this link:
http://www.bursamalaysia.com/website/bm/rules_and_regulations/bursa_rules/bm_securities.html

For further information or inquiries on the above matters, kindly contact the following persons at telephone no:-

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“ANNEXURE 1”

AMENDMENTS TO PARTICIPATING ORGANISATIONS’ CIRCULAR NO. R/R 18 OF 2005 ON THE USE OF CLEARING ACCOUNT

Existing Provisions		Amended Provisions	
Para 2	“Clearing Account” means a trading account opened in the name of a Participating Organisation and used by the Participating Organisation to facilitate the accumulation of an order given by a client to buy or sell a specific quantity of securities <i>and the averaging of the cost of the securities</i> on T day.”	Para 2	“Clearing Account” means a trading account opened in the name of a Participating Organisation and used by the Participating Organisation to facilitate the accumulation of an order given by a client to buy or sell a specific quantity of securities on T day.”
Para 3.4	<i>Where the number of securities in respect of an order given by a client is fulfilled on T day itself, the cost of the securities shall be averaged and contract note(s) shall be issued in accordance with paragraph 3.5.</i> Where the Participating Organisation is not able to fulfil the order given by a client on T day itself, the order may be carried forward for not more than T+2. Such carrying forward must be properly reflected in the Clearing Account.	Para 3.4	Where the Participating Organisation is not able to fulfil the order given by a client on T day itself, the order may be carried forward for not more than T+2. Such carrying forward must be properly reflected in the Clearing Account.
Para 3.5	A Participating Organisation shall book out an order that has been fulfilled by the Participating Organisation, at the end of T day itself or in relation to an order that has been carried forward, at the end of the day on which the order was carried forward. The contract note(s) arising from the booking out process shall be issued in the name of the client in accordance with Rule 404.3(9).	Para 3.5	A Participating Organisation shall book out an order that has been fulfilled by the Participating Organisation, at the end of T day itself or in relation to an order that has been carried forward, at the end of the day on which the order was carried forward. Subject to paragraph 3.5A, such order shall be booked out based on the average price of the securities transacted. The contract note(s) arising from the booking out process shall be issued in the name of the client in accordance with Rule 404.3(9).

“ANNEXURE 1”

AMENDMENTS TO PARTICIPATING ORGANISATIONS’ CIRCULAR NO. R/R 18 OF 2005 ON THE USE OF CLEARING ACCOUNT

Existing Provisions		Amended Provisions	
	New Provisions.	Para 3.5A	The order referred to in paragraph 3.5 may be booked out at a price other than the average price of the securities transacted provided that the following conditions are complied with: (a) the nature of the instruction or order given by the client is such that it allows for and/or gives rise to the order to be booked out at a price other than the average price of the securities transacted; (b) the above instruction or order is evidenced through proper records and documents; and (c) any difference between the booking out price mentioned herein and the average price of the securities transacted shall be dealt with in accordance with the policies and procedures approved by the board of directors of the Participating Organisation.
Para 3.6	There shall be no profit element attributed to the Clearing Account.	Para 3.6	Deleted.