

CHAPTER 6

ADVERTISEMENT AND NEGOTIATION

RULE 601

ADVERTISEMENT

RULE 601.1 GENERAL

- (1) A TPM or an EPM may post an indicative bid or ask quote on any stock issued in FAST or band as provided in ETP with a view of soliciting a firm bid or ask quote from any TPM or EPM. This process is referred to as placing an Advertisement into ETP and can be done for any of the following transactions:
 - (a) When Issued;
 - (b) Outright Buy and Sell;
 - (c) Repo;
 - (d) SBBA; and
 - (e) SBL.
- (2) The indicative bid or ask quotes must be in the trading basis as specified in ETP.
- (3) An indicative bid or ask quote in an Advertisement may be withdrawn or modified within the same market day that the Advertisement was posted.
- (4) An Advertisement will be cancelled at the end of the market day that the Advertisement was posted.
- (5) A firm bid or ask quote may be made in response to an Advertisement either through Negotiation in accordance with Rule 602 or off ETP.
- (6) Advertisement can be posted on any market day from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows:
 - (a) Morning session : 9.00 am to 12.30pm
 - (b) Afternoon session : 2.30 pm to 5.00 pm

RULE 601.2 MINIMUM AMOUNT

- (1) The minimum amount that can be placed in an Advertisement is as follows:
 - (a) for all transactions stated in Rule 601.1(1) excluding Repo, in a minimum of one thousand Ringgit Malaysia (RM1000) or its multiples or if the stock is denominated in a currency other than Ringgit Malaysia, in the value of one thousand (1000) in that currency or its multiples; or
 - (b) in the case of Repo, in accordance with the 'Guidance Notes on Repurchase Agreements' issued by Bank Negara Malaysia.

RULE 601.3 DELIVERY AND SETTLEMENT

- (1) The delivery and settlement date for trade that may be concluded from an Advertisement are as stated in Schedule 3 unless the TPM or EPM specifies another date in the Advertisement

RULE 602

NEGOTIATION

RULE 602.1 GENERAL

- (1) A TPM or an EPM may post a firm bid or ask quote on any stock issued in FAST or Band as provided in ETP to an identified TPM or EPM. The TPM or EPM who receives the firm bid or ask quote may respond in the following manner:
 - (a) Accept the firm bid or ask quote; or
 - (b) Post another firm bid or ask quote.
- (2) The process described in Rule 602.1(1) is referred to as Negotiation and can be done for any of the following transactions:
 - (a) When Issued;
 - (b) Outright Buy and Sell;
 - (c) Repo; and
 - (d) SBBA.
- (3) The firm bid or ask quote posted in a Negotiation must be in the trading basis as specified in ETP.
- (4) The firm bid or ask quote posted in a Negotiation can be cancelled or modified prior to the acceptance of the quote, on the market day that the quote is posted.
- (5) A firm bid or ask quote in a Negotiation, if not cancelled or accepted by a TPM or an EPM, will be cancelled at the end of the market day.

RULE 602.2 ENTRY OF QUOTES

- (1) The minimum amount that can be placed in by a TPM or an EPM in a Negotiation is as follows:
 - (a) for all transactions stated in Rule 602.1(2) excluding Repo, in a minimum of one thousand Ringgit Malaysia (RM1000) or its multiples or if the stock or Band is denominated in a currency other than Ringgit Malaysia (RM), in the value of 1000 in that currency or its multiples; or
 - (b) in the case of Repo, in accordance with the "Guidance Notes on Repurchase Agreements" issued by Bank Negara Malaysia.
- (2) A TPM or an EPM must specify all information as stated in Rule 503.2, when posting a firm bid or ask quote in a Negotiation except for information stated in Rule 503.2(1)(c).

RULE 602.3 DELIVERY AND SETTLEMENT

- (1) The delivery and settlement date for trades that may be concluded through a Negotiation are as stated in Schedule 3 unless the TPM or EPM specifies another date in the Negotiation.

RULE 602.4 CONCLUSION OF TRADES THROUGH NEGOTIATION

- (1) Once a firm bid or ask quote is posted by a TPM or an EPM in a Negotiation, the following may happen:
 - (a) The TPM or EPM who receives the firm bid or ask quote may accept the quote. When accepted, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs; or
 - (b) The TPM or EPM who receives the firm bid or ask quote, may post another firm bid or ask quote to the TPM or EPM. That TPM or EPM may respond by either accepting or posting another firm bid or ask quote. When accepted, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs.
- (2) The following applies when posting another firm bid or ask quote in response to a firm bid or ask quote received:
 - (a) The posting of another firm bid or ask quote in response to a firm bid or ask quote received, may be made by either party until the end of the market day when the Negotiation commenced;
 - (b) There is no limit to the posting of another firm bid or ask quote in response to a firm bid or ask quote received from either party;
 - (c) The posting of another firm bid or ask quote in response to a firm bid or ask quote received, will remain in ETP until the end of the market day when the Negotiation commenced;
 - (d) Where the posting of another firm bid or ask quote in response to a firm bid or ask quote received, is accepted by the counter party, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs; and
 - (e) Any firm bid or ask quote posted in the Negotiation by either party if not accepted by either party will be cancelled at the end of the market day.
- (3) Once a Band trade is matched in accordance with Rule 602.4 the selling TPM or EPM must enter in ETP particulars of the stocks in the Band which will be delivered and settled to the buying TPM or EPM. The number of stocks that can be entered and the time within which the entry must be made will be as stipulated by Bursa Bonds.
- (4) The Buying TPM or EPM upon receipt of the information on the stocks as stipulated in Rule 602.4(3) must enter into ETP the acceptance of that stocks for delivery and settlement within the timeframe stipulated by Bursa Bonds.
- (5) Failure by the TPM or EPM to enter the input as required under Rule 602.4(3) or 602.4(4) will result in the cancellation of the trade by Bursa Bonds.

RULE 602.5 NO CANCELLATION

- (1) A TPM or an EPM cannot cancel any contract formed from the Negotiation as described in Rule 602.4 except pursuant to Rule 404 or 602.4(5).

RULE 603

TRADE AMENDMENTS

RULE 603.1 CIRCUMSTANCES

- (1) A TPM or an EPM can amend any of the following details of a bid or ask quote that has matched in a Negotiation, to correct any errors, but only on the day that the quote was matched and if the contract is not delivered or settled yet on that day in RENTAS:
- (a) from non short selling status to short selling status;
 - (b) if the sale is specified as a short sale, amend the amount that is short sold;
 - (c) Client Information; or
 - (d) proceeds from the transactions specified in Rule 602.1(2) which have already been calculated in ETP, with the consent of the counterparty TPM to the trade.
 - (e) if the financial instrument is traded on Band, the stocks to be delivered and settled in the Band.
- (2) The above amendments can be made at any time during the following sessions:
- (a) Morning session : 9.00 am to 12.30 pm
 - (b) Afternoon session : 2.30 pm to 6.00 pm

RULE 604

FEES

RULE 604.1 FEES

(1) [Deleted]

(2) [Deleted]

RULE 605

NEGOTIATION HOURS

RULE 605.1 NEGOTIATION HOURS

(1) **Hours:** Negotiations can be executed on ETP on any market day from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows: –

(a) Morning session : 9.00 am to 12.30pm

(b) Afternoon session : 2.30 pm to 5.00 pm

[End of Chapter]