

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 1.01	(New definition)	Rule 1.01	Definition:  “clearing facilities” shall have the same meaning as is assigned to that expression in the Capital Markets and Services Act 2007, in relation to the Clearing House;
Rule 1.01	Definition:  “Clearing House” means a <i>recognised institution or body</i> under section 8A of the <i>Securities Industry Act, 1983</i> whose function is to effect clearing and settlement of transactions in securities effected on the Stock Exchange’s trading system;	Rule 1.01	Definition:  “Clearing House” means a <b>person approved</b> under section 38 of the <b>Capital Markets and Services Act 2007</b> to establish or operate clearing facilities;
Rule 1.01	(New definition)	Rule 1.01	“ <b>Capital Markets Services Licence</b> ” shall have the same meaning as is assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition:  “dealer’s representative” means a <i>dealer’s representative</i> having the meaning assigned to it under the <i>Securities Industry Act 1983</i> and duly licensed thereunder;	Rule 1.01	Definition:  “dealer’s representative” means a <b>person, by whatever name called, in the direct employment of, or acting for, or by arrangement with, a person who carries on the business of dealing in securities (other than work ordinarily performed by accountants, clerks or cashiers), whether or not he is remunerated, and whether his remuneration, if any, is by way of salary, wages, commission or otherwise;</b>
Rule 1.01	Definition:	Rule 1.01	Definition:

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

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	“dealing in securities” shall have the same meaning as assigned to it under the <i>Securities Industry Act 1983</i> ;		“dealing in securities” shall have the same meaning as assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	(New definition)	Rule 1.01	<b>“fund management” shall have the same meaning as assigned to it under the Capital Markets and Services Act 2007;</b>
Rule 1.01	Definition: “interest in securities” shall have the same meaning as assigned to it under the <i>Securities Industry Act 1983</i> ;	Rule 1.01	Definition: “interest in securities” shall have the same meaning as assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition: “officer” shall have the same meaning as is assigned to it under the <i>Securities Industry Act 1983</i> ;	Rule 1.01	Definition: “officer” shall have the same meaning as is assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition: “official list”, in relation to a stock exchange, means a list specifying all securities which have been admitted for quotation on the Stock Exchange;	Rule 1.01	Definition: “official list”, in relation to <b>a stock market of</b> a stock exchange, means a list specifying all securities which have been admitted for quotation on <b>the stock market of</b> the Stock Exchange;
Rule 1.01	Definition:	Rule 1.01	Definition:

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	“Register of Securities” means the register of securities required to be maintained pursuant to section 30 of the <i>Securities Industry Act 1983</i> ;		“Register of Securities” means the register of securities required to be maintained pursuant to section <b>83</b> of the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition:  “Rules of the Stock Exchange” shall have the same meaning as assigned to it under <i>section 2(1) of the Securities Industry Act 1983</i> ;	Rule 1.01	Definition:  “Rules of the Stock Exchange” shall have the same meaning as assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition:  “Stock Exchange” means any body corporate approved as a stock exchange by the Minister under Section 8 of the <i>Securities Industry Act 1983</i> ;	Rule 1.01	Definition:  “Stock Exchange” means any body corporate approved as a stock exchange by the Minister under section 8 of the <b>Capital Markets and Services Act 2007</b> ;
Rule 1.01	Definition:  “stock market” shall have the same meaning as is assigned to it under the <i>Securities Industry Act 1983</i> ;	Rule 1.01	Definition:  “stock market” shall have the same meaning as is assigned to it under the <b>Capital Markets and Services Act 2007</b> ;
Rule 14.02	Eligibility as an authorised direct member:  The following persons shall be eligible to apply to the Depository to be an authorised direct member -  Persons  (a) a body corporate that is incorporated within Malaysia	Rule 14.02	Eligibility as an authorised direct member:  The following persons shall be eligible to apply to the Depository to be an authorised direct member -  Persons  (a) (No change)

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
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<b>EXISTING PROVISIONS</b>		<b>AMENDED PROVISIONS</b>	
	and is by notice published in the Gazette declared to be a public authority or an instrumentality or agency of the Government of Malaysia or of any State;		
(b)	statutory bodies (other than banks under category (d) established under an Act of Parliament;	(b)	(No change)
(c)	a bank licensed under the Islamic Banking Act 1983, or a bank, merchant bank or finance company licensed under subsection 6(4) of the Banking and Financial Institutions Act 1989;	(c)	(No change)
(d)	a bank established under an Act of Parliament;	(d)	(No change)
(e)	an issuer within the meaning of section 2(1)(c) of the Insurance Act 1963, which has obtained prior approval from the Director General of Insurance to be an authorised direct member;	(e)	(No change)
(f)	a management company for a unit trust fund which has been approved by the Commission (or any other relevant authority);	(f)	(No change)
(g)	an asset management company in possession of a valid licence under the <i>Securities Industry Act 1983</i> ;	(g)	an asset management company in possession of a valid licence under the <b>Capital Markets and Services Act 2007</b> ;
(h)	a body corporate which is, primarily or, in the ordinary course of its business, engaged in the making of investments in marketable securities, with an aggregate investment fund for trading on the stock market of the Stock Exchange in excess of one hundred million ringgit;	(h)	(No change)

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

<b>EXISTING PROVISIONS</b>		<b>AMENDED PROVISIONS</b>	
	(i) a body corporate (other than any of the above) which has been approved by the Depository upon consultation with the Commission.		(i) (No change)
Rule 14.13	<p>Outsourcing of Back Office Functions:</p> <p>(1) Conditions: An authorised direct member may outsource its back office functions to a service provider provided that the authorised direct member complies with the following conditions :-</p> <p>(a) The back office functions that are outsourced shall encompass only the operational or administrative aspects of the entity’s functions as an authorised direct member, including account management, processing requests for transfers, deposits or withdrawals and shall exclude the authorised direct member’s decision making and management function and its role of liaising with regulatory authorities and fulfilling regulatory requirements;</p> <p>(b) The service provider must be either one of the following :-</p> <p>(i) A company within the group of companies to which the authorised direct member belongs; or</p> <p>(ii) An independent company which is located in Malaysia and has its operations conducted in Malaysia.</p>	Rule 14.13	<p>Outsourcing of Back Office Functions:</p> <p>(1) Conditions: An authorised direct member may outsource its back office functions to a service provider provided that the authorised direct member complies with the following conditions :-</p> <p>(a) (No change)</p> <p>(b) (No change)</p>

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

<b>EXISTING PROVISIONS</b>		<b>AMENDED PROVISIONS</b>	
	(c) The service provider shall not further assign or sub-contract the back office functions to another party;		(c) (No change)
	(d) The legal relationship between the authorised direct member and the service provider shall be a principal-agent relationship;		(d) (No change)
	(e) The authorised direct member must ensure compliance by the service provider with all relevant requirements stipulated in any provision in these Rules, agreement between the authorised direct member and the Depository and direction issued by the Depository;		(e) (No change)
	(f) The authorised direct member shall be deemed liable as a principal in relation to any breach by the service provider of any provision in these Rules, agreement between the authorised direct member and the Depository and direction issued by the Depository;		(f) (No change)
	(g) Any direction issued by the Depository and directed to the authorised direct member is deemed to have also been issued and directed to the service provider and shall be regarded to be within the knowledge of the service provider;		(g) (No change)
	(h) The authorised direct member shall procure from the service provider a written undertaking that the service provider shall maintain the secrecy and confidentiality of the documents and information of clients that the service provider shall have access to, from any intentional or		(h) (No change)

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>inadvertent disclosure to unauthorised person(s), and that the service provider's security policies, procedures and controls enable the protection of such confidentiality and security of client information;</p> <p>(i) The authorised direct member must have in place an insurance policy to protect it against any liability, loss or damage arising from any action or omission of the service provider in performing the said back office functions;</p> <p>(j) The authorised direct member must ensure that the Depository or its agent shall at all times :-</p> <p style="padding-left: 20px;">(i) have access to and be allowed to make copies of the books (as defined in the <i>Securities Industry Act 1983</i>) of the authorised direct member or the service provider and further to obtain promptly any other information concerning activities that are relevant for the performance of its regulatory duties; and</p> <p style="padding-left: 20px;">(ii) have access to the premises of the authorised direct member or the service provider for the purposes of conducting any audit, inspection or investigation.</p> <p>The authorised direct member shall procure a written consent from the service provider to allow the Depository to exercise its powers as stated above; and</p>		<p>(i) (No change)</p> <p>(j) The authorised direct member must ensure that the Depository or its agent shall at all times :-</p> <p style="padding-left: 20px;">(i) have access to and be allowed to make copies of the books (as defined in the <b>Capital Markets and Services Act 2007</b>) of the authorised direct member or the service provider and further to obtain promptly any other information concerning activities that are relevant for the performance of its regulatory duties; and</p> <p style="padding-left: 20px;">(ii) have access to the premises of the authorised direct member or the service provider for the purposes of conducting any audit, inspection or investigation.</p> <p>The authorised direct member shall procure a written consent from the service provider to allow the Depository to exercise its powers as stated above; and</p>

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(k) The authorised direct member shall provide a letter of undertaking to the Depository on an annual basis, that the service provider has complied with all relevant requirements imposed on the authorised direct member under any provision in these Rules, agreement between the authorised direct member and the Depository and direction issued by the Depository.</p>		<p>(k) (No change)</p>
Rule 33.02	<p>Principal and pledged accounts:</p> <p>(1) Principal accounts: Subject to Rule 15.01 and Rule 2.05A respectively, an authorised depository agent or authorised direct member may open its own principal accounts in the manner prescribed by the Central Depository. Once an authorised depository agent's or an authorised direct member's principal accounts are opened the authorised depository agent or authorised direct member shall maintain and operate such accounts.</p> <p>(2) Pledged securities accounts: For the purposes of these Rules, principal accounts do not include accounts which are designated as pledged securities accounts under section 40(3) of the Act.</p> <p>(3) Deleted</p> <p>(4) Register of securities: Every authorised depository agent shall ensure compliance with Section 30 of the <i>Securities Industry Act 1983</i>.</p>	Rule 33.02	<p>Principal and pledged accounts:</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>(3) (No change)</p> <p>(4) Register of securities: Every authorised depository agent shall ensure compliance with Section <b>83</b> of the <b>Capital Markets and Services Act 2007</b>.</p>



**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	(5) Deleted		(5) (No change)
PART VIII	<p>AUTHORISED NOMINEE</p> <p>AUTHORISED NOMINEE [Rule 1.01]</p> <p>(1) A licensed institution as defined in the Banking and Financial Institutions Act 1989 and its wholly-owned subsidiary that is a nominee company.</p> <p>(2) A scheduled institution under the Banking and Financial Institutions Act 1989 which carries on development finance business as defined under the Banking and Financial Institutions Act 1989 and its wholly-owned subsidiary that is a nominee company.</p> <p>(3) A credit and leasing company or moneylender registered with Bank Negara Malaysia and its wholly-owned subsidiary that is a nominee company.</p> <p>(4) A financial institution established under any Act of Parliament and its wholly-owned subsidiary that is a nominee company.</p> <p>(5) An Islamic bank as defined in the Islamic Banking Act 1983 and its wholly-owned subsidiary that is a nominee company.</p> <p>(6) A prescribed institution as defined in the Development Financial Institutions Act 2002 and its wholly-owned subsidiary that is a nominee company.</p> <p>(7) A licensed offshore bank as defined under the</p>	PART VIII	<p>AUTHORISED NOMINEE</p> <p>AUTHORISED NOMINEE [Rule 1.01]</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>(3) (No change)</p> <p>(4) (No change)</p> <p>(5) (No change)</p> <p>(6) (No change)</p> <p>(7) (No change)</p>

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

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	Offshore Banking Act 1990 and its wholly-owned subsidiary that is a nominee company.		
(8)	A holder of a <i>dealer’s license under subsection 12(1) of the Securities Industry Act 1983</i> and its wholly-owned subsidiary that is a nominee company	(8)	A holder of a <b>Capital Markets Services Licence for the purposes of carrying on the business of dealing in securities</b> and its wholly-owned subsidiary that is a nominee company.
(9)	A <i>recognised clearing house under section 8A of the Securities Industry Act 1983.</i>	(9)	A clearing house <b>approved</b> under section <b>38</b> of the <b>Capital Markets and Services Act 2007.</b>
(10)	Japan Securities Clearing Corporation and its custodian in relation to YTL Corporation Bhd shares.	(10)	(No change)
(11)	A clearing house approved under section 6B of the <i>Futures Industry Act 1993.</i>	(11)	A clearing house approved under section <b>38</b> of the <b>Capital Markets and Services Act 2007.</b>
(12)	The Minister of Finance.	(12)	(No change)
(13)	The Minister of Finance Incorporated.	(13)	(No change)
(14)	The Accountant General.	(14)	(No change)
(15)	The Registrar of Unclaimed Moneys as defined in the Unclaimed Moneys Act 1965.	(15)	(No change)
(16)	A holder of a <i>fund manager’s license under subsection 15A(1) of the Securities Industry Act 1983</i> , its wholly-owned subsidiary that is a nominee company and its custodian appointed pursuant to <i>subsection 47C(10) of the Securities Industry Act 1983.</i>	(16)	A holder of a <b>Capital Markets Services Licence for the purposes of carrying on the business of fund management</b> , its wholly-owned subsidiary that is a nominee company and its custodian appointed pursuant to <b>section 121</b> of the <b>Capital Markets and Services Act 2007.</b>

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	(17) A closed-end fund that is approved by the Commission under section 32 of the <i>Securities Commission Act 1993</i> and its custodian in relation to the closed-end fund's investments.		(17) A closed-end fund that is approved by the Commission under section <b>212</b> of the <b>Capital Markets and Services Act 2007</b> and its custodian in relation to the closed-end fund's investments.
	(18) A liquidator or an official assignee appointed by a court.		(18) (No change)
	(19) Executors, administrators and trustees governed by any written law.		(19) (No change)
	(20) An issuing house licensed under subsection 12(1) of the <i>Securities Industry Act 1983</i> .		(20) An issuing house licensed under subsection <b>58(1)</b> of the <b>Capital Markets and Services Act 2007</b> .
	(21) Amanah Raya Berhad and its wholly-owned subsidiary that is a nominee company established under the Public Trust Corporation Act 1995.		(21) (No change)
	(22) The following foreign intermediaries:		(22) (No change)
	(a) a foreign fund manager;		
	(b) a stockbroking company who is a member of other recognised stock exchanges defined in the Rules of the Stock Exchange;		
	(c) a securities dealer who is a 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; or		
	(d) a foreign financial institution.		

**“ANNEXURE 1”**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
CONSEQUENTIAL TO THE INTRODUCTION OF THE CAPITAL MARKETS AND SERVICES ACT 2007**

<b>EXISTING PROVISIONS</b>		<b>AMENDED PROVISIONS</b>	
(23)	A person appointed by the Depository to be an authorised depository agent and its wholly-owned subsidiary that is a nominee company.	(23)	(No change)
(24)	A person appointed by the Depository to be an authorised direct member and its wholly-owned subsidiary that is a nominee company.	(24)	(No change)