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**QUESTIONS AND ANSWERS IN RELATION TO  
BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS  
(As at 3 June 2019)**

**CHAPTER 14 – DEALINGS IN SECURITIES**

- 14.1** *ABC Berhad* has fixed the targeted date for announcement of its 1<sup>st</sup> quarterly results for 2010 on 15 May 2010. *Mr X*, a director of *ABC Berhad*, intends to deal with the shares of *ABC Berhad*. If the announcement of *ABC Berhad's* 1<sup>st</sup> quarterly results is made on 15 May 2010, what is the closed period for dealings by *Mr. X*?

Closed period is defined in Rule 14.02(b) of the ACE LR to mean a period commencing 30 calendar days before the targeted date of announcement of a listed corporation's quarterly results up to the date of announcement of the quarterly results.

As the targeted and actual date of announcement for *ABC Berhad's* 1<sup>st</sup> quarterly results falls on 15 May 2010, the closed period for dealings by *Mr. X* will commence from 15 April 2010 until 15 May 2010.

- 14.2** The term “dealing” under Rule 14.02(c) of the ACE LR includes “acquiring or disposing of securities or any interest in securities”. Does this include “transferring”?

Yes, the terms “acquiring or disposing” include “transferring” of securities or any interest in securities.

- 14.3** During the closed period, a principal officer of the listed corporation transfers his shares in the listed corporation to his wife and the consideration is in-kind (as opposed to cash). Is this regarded as a dealing in securities and hence, require notification?

“Dealing” is defined under Rule 14.02(c) of the ACE LR to include any disposal of securities or any interest in securities. As such a transfer of a principal officer's shares in the listed corporation to his wife without consideration or consideration in-kind would be regarded as dealing in securities under Chapter 14 of the ACE LR and subject to the notification requirements set out in that Chapter.

- 14.4** Are the requirements in Chapter 14 only applicable to dealing by affected persons personally?

No, the dealings falling under Chapter 14 include those undertaken by the affected persons as principal or as agent. This includes dealing via the nominee company of the affected persons. In this respect, a nominee company includes a body corporate which is wholly owned by the affected persons or where the affected persons have a controlling interest or a body corporate which is, or its directors are accustomed, or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the affected persons.

**14.5** *X* is the chief financial officer of *A Berhad*, a corporation listed on Bursa Securities. If *X* does not have access or is not privy to price sensitive information in relation to *A Berhad*, will he still be considered as a principal officer for the purpose of Rule 14.03 of the ACE LR?

Yes, pursuant to Rule 14.02(i) of the ACE LR, since *X* is a chief financial officer of *A Berhad*, he is considered as a principal officer of *A Berhad*.

**14.6** When an affected person deals in the listed securities of his own listed corporation during closed periods, and the dealing falls within Rule 14.06<sup>1</sup> of the ACE LR (“14.06 Dealings”), are the affected person, the listed corporation and the company secretary exempted from the requirements of both Rules 14.08 and 14.09?

No, they are only exempted from the requirements of Rule 14.08. All 14.06 Dealings are still subject to Rule 14.09 of the ACE LR.

**14.7** *X* is a director of *A Berhad*. Does he need to comply with the dealing procedures set out in Rule 14.08 or 14.09 if he wishes to deal with the listed securities of *A Berhad*’s associate, subsidiary, or related corporation during or outside the closed period?

No. *X* is only required to comply with the dealing procedures set out in Rule 14.08 or 14.09 if he wishes to deal with the listed securities of *A Berhad*.

**14.8** Pursuant to Rule 14.08 of the ACE LR, a director who wishes to deal in securities during a closed period must announce the proposed dealing to Bursa Securities before the proposed dealing. Currently, all announcements to Bursa Securities are made via the Bursa LINK. How can a director make an announcement to Bursa Securities if he has no access to the Bursa LINK?

The director who wishes to make an announcement to Bursa Securities should request the listed corporation to send the announcement to Bursa Securities on his behalf using the Bursa LINK.

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<sup>1</sup> Rule 14.06 reads as follows:

The following categories of dealings are exempted from the restrictions or requirements of Rules 14.04 and 14.05 respectively:

- (a) the acceptance or exercise of options or rights under a Share Issuance Scheme or share option scheme;
- (b) the exercise of warrants;
- (c) the conversion of convertible securities;
- (d) the acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed issuer’s securities or to all holders of a relevant class of its securities, on the same terms;
- (e) the undertaking to accept, or the acceptance of a take-over offer; and
- (f) the undertaking to accept, or the acceptance of securities as part of a merger by way of a scheme of arrangement.

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**14.9 A director must announce his dealings in securities within the timeframes stipulated under the ACE LR. Should the director still proceed to announce the dealings even if it is no longer within the timeframes prescribed under the ACE LR?**

Yes, the director should still proceed to make the announcement even if it is no longer within the timeframes prescribed under the ACE LR to mitigate the failure to comply with the ACE LR.

**14.10 Are the requirements relating to dealings in securities under Chapter 14 of the ACE LR applicable to securities borrowing and lending (“SBL”) transactions by directors and principal officers of listed corporations?**

No, the requirements under Chapter 14 of the ACE LR are not applicable to SBL transactions by directors and principal officers of listed corporations. This is because a SBL transaction merely involves a temporary transfer of securities from the lender to the borrower on a collateralised basis. Therefore, it falls outside the ambit of Chapter 14 of the ACE LR which serves to apprise the market of acquisitions or disposals of securities or interest in securities (i.e. dealings in securities) by, or trading activities and trends of, directors and principal officers who are privy to price-sensitive information of the company.