

APPENDIX 1
**AMENDMENTS TO THE BMS RULES IN RELATION TO
 THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
 FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD (“BMS RULES”)
 IN RELATION TO THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES, AND
 FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013 AND OTHER CHANGES FOR CLARIFICATION**

RULE	CURRENT PROVISION	RULE	PROPOSED AMENDMENTS
1.01	New provision	1.01	Definition <u>Admission Guidelines</u> <u>The admission guidelines for the registration of Participating Organisation, Registered Person, or Market Maker which are made available on the Exchange Holding Company’s website.</u>
1.01	Definition BAFIA Banking and Financial Institutions Act 1989.	1.01	Definition BAFIA Banking and Financial Institutions Act 1989. <i>[Deleted]</i>
1.01	Definition Clearing House BURSA MALAYSIA SECURITIES CLEARING SDN BHD or any other clearing house the Exchange stipulates for the purpose of clearing and settlement of Contracts.	1.01	Definition Clearing House BURSA MALAYSIA SECURITIES CLEARING SDN BHD or any other clearing house the Exchange stipulates <u>prescribes</u> for the purpose of clearing and settlement of Contracts <u>and Direct Business Transactions.</u>
1.01	Definition Commission The Securities Commission established under the Securities Commission Act.	1.01	Definition Commission The Securities Commission <u>Malaysia</u> established under the Securities Commission <u>Malaysia</u> Act.

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

1.01	<p>Definition</p> <p>Directives Instructions, rulings or guidelines the Exchange issues by whatever name called for or in connection with any of these Rules including:</p> <p>(a) any decision or requirement the Exchange makes or imposes pursuant to any act or thing done under these Rules;</p> <p>(b) any terms or conditions imposed pursuant to any act or thing done under these Rules; and</p> <p>(c) any requirement the Exchange imposes for the proper operation and management of the Exchange's stock market and facilities.</p>	1.01	<p>Definition</p> <p>Directives Instructions, rulings or guidelines the Exchange issues by whatever name called for or in connection with any of these Rules <u>and any amendment that may be made from time to time</u>, including:</p> <p>(a) any decision or requirement the Exchange makes or imposes pursuant to any act or thing done under these Rules;</p> <p>(b) any terms or conditions imposed pursuant to any act or thing done under these Rules; and</p> <p>(c) any requirement the Exchange imposes for the proper operation and management of the Exchange's stock market and facilities.</p>
1.01	<p>Definition</p> <p>Effective Date The date that the New Rules come into force.</p>	1.01	<p>Definition</p> <p>Effective Date The date that the New Rules come into force. [Deleted]</p>
1.01	<p>New provision</p>	1.01	<p>Definition</p> <p>FSA <u>Financial Services Act 2013.</u></p>

APPENDIX 1
**AMENDMENTS TO THE BMS RULES IN RELATION TO
 THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
 FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013**

1.01	Definition Futures Broker A holder of a Capital Markets Services Licence for dealing in derivatives.	1.01	Definition Futures Broker Trading Participant A holder of a Capital Markets Services Licence for dealing in derivatives.
1.01	Definition Futures Broker's Representative A holder of a Capital Markets Services Representative's Licence for dealing in derivatives.	1.01	Definition Futures Broker's Representative Registered Representative A holder of a Capital Markets Services Representative's Licence for dealing in derivatives.
1.01	Definition Investment Bank An Investment Bank referred to under the Guidelines on Investment Banks and admitted as a Participating Organisation under Rule 3.02.	1.01	Definition Investment Bank An h investment B bank referred to under the Guidelines on Investment Banks and admitted as a Participating Organisation under Rule 3.02.
1.01	Definition Licensed Institution Same meaning as in the BAFIA.	1.01	Definition Licensed Institution Same meaning as in the BAFIA. <i>[Deleted]</i>
1.01	Definition New Rules The Rules of Bursa Malaysia Securities Bhd in force from the Effective Date.	1.01	Definition New Rules The Rules of Bursa Malaysia Securities Bhd in force from the Effective Date. <i>[Deleted]</i>
1.01	Definition Old Rules The Rules of Bursa Malaysia Securities Bhd in force prior to the Effective Date	1.01	Definition

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>Old Rules</p> <p>The Rules of Bursa Malaysia Securities Bhd in force prior to the Effective Date [Deleted]</p>
1.01	New provision	1.01	<p>Definition</p> <p>Relevant Person includes the Participating Organisation's Registered Person, agent and employee.</p>
1.01	<p>Definition</p> <p>Securities Commission Act Securities Commission Act 1993.</p>	1.01	<p>Definition</p> <p>Securities Commission Malaysia Act Securities Commission <u>Malaysia</u> Act 1993.</p>
1.01	<p>Definition</p> <p>Securities Laws The Capital Markets and Services Act, Securities Industry (Central Depositories) Act, Securities Commission Act and any written notices, circulars, regulations, orders, any directives or guidelines the Commission issues pursuant to any of the above mentioned Acts.</p>	1.01	<p>Definition</p> <p>Securities Laws The Capital Markets and Services Act, Securities Industry (Central Depositories) Act, Securities Commission Malaysia Act and any written notices, circulars, regulations, orders, any directives or guidelines the Commission issues pursuant to any of the above mentioned Acts <u>As defined in the Securities Commission Malaysia Act 1993.</u></p>
1.02(1)	<p>Interpretation</p> <p>(1) Unless the context requires otherwise, terms or expressions defined in the following Acts, when used in these Rules have the same meaning as in the following Acts:</p> <p>(a) Capital Markets and Services Act;</p>	1.02(1)	<p>Interpretation</p> <p>(1) Unless the context requires otherwise, terms or expressions defined in the following Acts, when used in these Rules have the same meaning as in the following Acts:</p> <p>(a) Capital Markets and Services Act;</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(b) Securities Industry (Central Depositories) Act;</p> <p>(c) Securities Commission Act; or</p> <p>(d) Companies Act.</p>		<p>(b) Securities Industry (Central Depositories) Act;</p> <p>(c) Securities Commission <u>Malaysia</u> Act; or</p> <p>(d) Companies Act.</p>
1.07	PART C TRANSITIONAL PROVISIONS	1.07	PART C TRANSITIONAL PROVISIONS
	<p>Transitional provisions in relation to the Conversion Date</p> <p>(1) A Member Company who has not been expelled from membership of the Exchange Holding Company immediately prior to the Conversion Date is deemed a Participating Organisation under these Rules until it ceases to be a Participating Organisation in accordance with these Rules and shall continue to be bound by these Rules and Directives.</p> <p>(2) All references to the Participating Organisation in that Participating Organisation's former capacity as a Member Company of the Exchange Holding Company in any undertaking, declaration, indemnity or other document are references to the Participating Organisation.</p> <p>(3) For the avoidance of doubt:</p> <p>(a) these Rules;</p> <p>(b) all privileges, obligations and liabilities of a person (including a Participating Organisation and Dealer's Representative) prior to the Conversion Date; and</p>		<p>Transitional provisions in relation to the Conversion Date</p> <p><u>[Deleted]</u></p> <p>(1) A Member Company who has not been expelled from membership of the Exchange Holding Company immediately prior to the Conversion Date is deemed a Participating Organisation under these Rules until it ceases to be a Participating Organisation in accordance with these Rules and shall continue to be bound by these Rules and Directives.</p> <p>(2) All references to the Participating Organisation in that Participating Organisation's former capacity as a Member Company of the Exchange Holding Company in any undertaking, declaration, indemnity or other document are references to the Participating Organisation.</p> <p>(3) For the avoidance of doubt:</p> <p>(a) these Rules;</p> <p>(b) all privileges, obligations and liabilities of a person (including a Participating Organisation</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(c) all registrations made and approvals granted to a person (including a Participating Organisation and Dealer's Representative) that were valid immediately prior to the Conversion Date,</p> <p>continue to be valid and binding on that person unless these Rules specify otherwise.</p> <p>(4) Unless these Rules or the Exchange provides otherwise:</p> <p>(a) the Exchange must apply the rules and procedures on disciplinary actions applicable prior to the Conversion Date to a disciplinary action instituted under the Exchange Holding Company's rules prior to the Conversion Date. The previous disciplinary rules and procedures will also apply to an appeal against a decision on a disciplinary action instituted prior to the Conversion Date;</p> <p>(b) the Exchange may institute disciplinary action for a breach of the Exchange Holding Company's rules, directives guidelines and circulars committed prior to the Conversion Date if no disciplinary action has been instituted. The Exchange may apply the relevant procedures under these Rules in this disciplinary action.</p> <p>(5) Any act or thing done by a Participating Organisation or a Registered Person under the Exchange Holding Company's rules, directives, guidelines and circulars prior to the Conversion Date has effect from the Conversion Date as if the act or thing had been done under the corresponding provision of these Rules.</p> <p>(6) The reference to "any act or thing done" includes:</p>		<p>and Dealer's Representative) prior to the Conversion Date; and</p> <p>(c) all registrations made and approvals granted to a person (including a Participating Organisation and Dealer's Representative) that were valid immediately prior to the Conversion Date,</p> <p>continue to be valid and binding on that person unless these Rules specify otherwise.</p> <p>(4) Unless these Rules or the Exchange provides otherwise:</p> <p>(a) the Exchange must apply the rules and procedures on disciplinary actions applicable prior to the Conversion Date to a disciplinary action instituted under the Exchange Holding Company's rules prior to the Conversion Date. The previous disciplinary rules and procedures will also apply to an appeal against a decision on a disciplinary action instituted prior to the Conversion Date;</p> <p>(b) the Exchange may institute disciplinary action for a breach of the Exchange Holding Company's rules, directives guidelines and circulars committed prior to the Conversion Date if no disciplinary action has been instituted. The Exchange may apply the relevant procedures under these Rules in this disciplinary action.</p> <p>(5) Any act or thing done by a Participating Organisation or a Registered Person under the Exchange Holding Company's rules, directives, guidelines and circulars prior to the Conversion Date has effect from the</p>
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APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(a) the making of a determination or the passing of a resolution;</p> <p>(b) the granting or exercise of a power (including delegated power);</p> <p>(c) the execution of a document; or</p> <p>(d) the appointment or removal of any person from any office or position.</p> <p>(7) All directives, regulations and guidelines issued by the Exchange Holding Company prior to the Conversion Date continue in force insofar as these directives, regulations and guidelines are not inconsistent with these Rules and Directives.</p>		<p>Conversion Date as if the act or thing had been done under the corresponding provision of these Rules.</p> <p>(6) The reference to "any act or thing done" includes:</p> <p>(a) the making of a determination or the passing of a resolution;</p> <p>(b) the granting or exercise of a power (including delegated power);</p> <p>(c) the execution of a document; or</p> <p>(d) the appointment or removal of any person from any office or position.</p> <p>(7) All directives, regulations and guidelines issued by the Exchange Holding Company prior to the Conversion Date continue in force insofar as these directives, regulations and guidelines are not inconsistent with these Rules and Directives.</p>
<p>1.08</p>	<p>Transitional provisions in relation to the Old Rules</p> <p>(1) The New Rules do not affect:</p> <p>(a) the accrued rights of the Exchange under the Old Rules;</p> <p>(b) the accrued obligations of Participating Organisations and Registered Person under the Old Rules;</p> <p>(c) the right of the Exchange to take any action for breaches under the Old Rules discovered after the New Rules come into effect;</p>	<p>1.08</p>	<p>Transitional provisions in relation to the Old Rules</p> <p>[Deleted]</p> <p>(1) The New Rules do not affect:</p> <p>(a) the accrued rights of the Exchange under the Old Rules;</p> <p>(b) the accrued obligations of Participating Organisations and Registered Person under the Old Rules;</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

<p>(d) the right of the Exchange to continue with any action initiated under the Old Rules after the New Rules come into effect; and</p> <p>(e) any conditions, undertakings, decisions, waivers, act or thing imposed on or given by or done by the Participating Organisations and Registered Person under the Old Rules.</p> <p>(2) If the Exchange initiates any disciplinary action on and after the Effective Date for breaches which occurred under the Old Rules, the following applies:</p> <p>(a) the Exchange can apply the relevant rules and procedures relating to disciplinary matters under the New Rules; and</p> <p>(b) the Exchange can apply the relevant penalties under the New Rules.</p> <p>(3) The Exchange can apply the rules, procedures, and penalties of the Old Rules to:</p> <p>(a) disciplinary actions which was initiated prior to the Effective Date;</p> <p>(b) appeals made prior to the Effective Date; or</p> <p>(c) appeals made on or after the Effective Date in relation to disciplinary actions initiated or taken prior to the Effective Date.</p> <p>(4) The reference to "any act or thing done" in Rule 1.08 has the same meaning as stated under Rule 1.07(6).</p>	<p>(e) the right of the Exchange to take any action for breaches under the Old Rules discovered after the New Rules come into effect;</p> <p>(d) the right of the Exchange to continue with any action initiated under the Old Rules after the New Rules come into effect; and</p> <p>(e) any conditions, undertakings, decisions, waivers, act or thing imposed on or given by or done by the Participating Organisations and Registered Person under the Old Rules.</p> <p>(2) If the Exchange initiates any disciplinary action on and after the Effective Date for breaches which occurred under the Old Rules, the following applies:</p> <p>(a) the Exchange can apply the relevant rules and procedures relating to disciplinary matters under the New Rules; and</p> <p>(b) the Exchange can apply the relevant penalties under the New Rules.</p> <p>(3) The Exchange can apply the rules, procedures, and penalties of the Old Rules to:</p> <p>(a) disciplinary actions which was initiated prior to the Effective Date;</p> <p>(b) appeals made prior to the Effective Date; or</p> <p>(c) appeals made on or after the Effective Date in relation to disciplinary actions initiated or taken prior to the Effective Date.</p>
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APPENDIX 1
**AMENDMENTS TO THE BMS RULES IN RELATION TO
 THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
 FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013**

			(4) The reference to "any act or thing done" in Rule 1.08 has the same meaning as stated under Rule 1.07(6).
1.09	New provision	1.09(3)	Notices <u>(3) All notices to the Exchange must be made in writing unless stated otherwise.</u>
	New provision	1.12	<p style="text-align: center;"><u>PART G</u> <u>CONFIDENTIALITY</u></p> <p><u>Confidentiality of Findings</u></p> <p>If a finding or result of any <u>inspection or investigation, or testimony or documentation in connection with a disciplinary proceeding or appeal</u> under this Chapter these Rules is disclosed to a Participating Organisation or a Relevant Person by the Exchange or any other person, the Participating Organisation and Relevant Person must keep the findings and results of such <u>inspection or investigation, or testimony or documentation in connection with a disciplinary proceeding or appeal</u> confidential and must not disclose the findings or results to any person except:</p> <p>(a) the Commission, any authorised officer of the Commission or any investigating governmental authority or agency; <u>or</u></p> <p>(b) <u>where necessary, for the procurement of legal or expert advice in relation to the inspection, investigation, disciplinary proceeding or appeal, provided that the disclosure is restricted to the relevant persons and strictest confidentiality is maintained.</u></p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

2.01(1)	PART A POWERS OF THE EXCHANGE Exercise of powers (1) The Exchange may exercise all such powers and do all such acts and things as may be exercised or done by the Exchange pursuant to the Securities Laws.	2.01(1)	PART A POWERS OF THE EXCHANGE Exercise of powers (1) Subject to the provisions of the Securities Laws, the Exchange may exercise all such its powers and do all such acts and things as may be exercised or done by the Exchange pursuant to the Securities Laws in such manner and on such terms as it considers necessary or expedient.
2.01(2)	(2) Subject to the provisions of the Securities Laws, the Exchange may exercise its powers in such manner and on such terms as it considers necessary or expedient which includes:	2.01(2)	(2) Subject to the provisions of the Securities Laws, the Exchange may exercise its powers in such manner and on such terms as it considers necessary or expedient which The powers of the Exchange includes:
2.01(2) (b)	(b) adding to, varying, repealing, enforcing or waiving any of these Rules or Directives;	2.01(2) (b)	(b) adding to, varying , repealing, enforcing, or waiving <u>or modifying compliance with</u> any of these Rules or Directives;
2.01(2) (f)	(f) releasing any information including any confidential information in relation to a Participating Organisation, the Participating Organisation's Registered Person or Clients: (i) to the Commission, Depository, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Exchange considers fit; or (ii) to such parties as the Exchange considers fit for the purposes of the Exchange's investigation, enforcement or both;	2.01(2) (f)	(f) releasing any information including any confidential information in relation to a Participating Organisation, the Participating Organisation's Registered Person or Clients: (i) to the Commission, Depository, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Exchange considers fit; or (ii) to such parties as the Exchange considers fit for the purposes of the Exchange's investigation, enforcement or both;

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	New provision	2.01(2) (f)	(f) in addition to any action taken by the Exchange pursuant to a finding from any inspection or investigation on a Participating Organisation or a Registered Person, requiring a Registered Person or Participating Organisation to discipline take appropriate action against the Participating Organisation's or Registered Person's employees or agents its Registered Person(s) or employees in an appropriate manner if such person employees or agents have caused the Registered Person or the Participating Organisation to violate the Securities Laws, the Depository Rules, the Clearing House Rules and/or these Rules or Directives;
2.01(2) (g)	<p>(g) disclosing the following information to the Participating Organisations or any other persons as the Exchange considers fit:</p> <p>(i) without identifying the Client of the Participating Organisation to whom the information relates, the volume or value of On-Market Transactions and Direct Business Transactions transacted by all or any or each of the Participating Organisations or Market Maker(s);</p> <p>(ii) any action taken against a Participating Organisation or Registered Person by the Exchange under these Rules;</p> <p><i>[Refer to Directive No. 2.01(2)-001]</i></p>	2.01(2) (g)	<p>(g) <i>[Deleted]</i> disclosing the following information to the Participating Organisations or any other persons as the Exchange considers fit:</p> <p>(i) without identifying the Client of the Participating Organisation to whom the information relates, the volume or value of On-Market Transactions and Direct Business Transactions transacted by all or any or each of the Participating Organisations or Market Maker(s);</p> <p>(ii) any action taken against a Participating Organisation or Registered Person by the Exchange under these Rules;</p> <p><i>[Refer to Directive No. 2.01(2)-001]</i></p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

2.01(2)(h)	(h) granting, suspending or revoking the rights of any Participating Organisation or Registered Person;	2.01(2)(h)	(h) granting, suspending, <u>varying</u> or revoking the rights of any Participating Organisation or Registered Person;
2.01(2)(i)	(i) imposing terms and conditions in relation to any decision, approval, or act done by the Exchange in connection with these Rules at any time and subsequently at any time revoke, vary or amend such terms and conditions;	2.01(2)(i)	(i) imposing terms and conditions in relation to any decision, approval, or act done by the Exchange in connection with these Rules at any time and subsequently at any time revoke, <u>waive</u> , vary or amend such terms and conditions;
2.01(2)(k)	(k) requiring a Participating Organisation or Registered Person to provide reports, information, Documents, Books and Records to the Exchange in relation to any matter under these Rules or Directives;	2.01(2)(k)	(k) requiring a Participating Organisation or a Registered Person to <u>maintain and</u> provide reports, information, Documents, Books and Records to the Exchange in relation to any matter under these Rules or Directives;
2.01(2)(q)	(q) exercising all such other powers as may be necessary for purposes of monitoring compliance with and enforcement of these Rules and Directives; and	2.01(2)(q)	(q) exercising all such other powers as may be necessary for <u>the</u> purposes of monitoring compliance with and enforcement of these Rules and Directives; and
2.01(2)(r)	(r) exercising any power and taking any action (including preventive or pre-emptive action) which in the opinion of the Exchange is necessary for the existence or maintenance of an orderly and fair market.	2.01(2)(r)	(r) exercising any power and taking any action (including preventive or pre-emptive action) which in the opinion of the Exchange's <u>opinion</u> is necessary for the existence or maintenance of an orderly and fair market.
2.02	Disapplication of Chapter 15 (1) The disciplinary proceedings stipulated in Chapter 15 do not apply to any action taken under Rule 2.01(2)(r) or to any action described in any provision of these Rules or Directives as taken by the Exchange 'summarily' ("the Relevant Rules").	2.02	Disapplication of Chapter 15 (1) The disciplinary proceedings stipulated prescribed in Chapter 15 do not apply to any action taken under Rule 2.01(2)(r) or to any action described in any provision of under these Rules or Directives as taken by the Exchange 'summarily' <u>by the Exchange</u> ("the Relevant Rules").

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(2) In taking any of the actions under the Relevant Rules, the Exchange need not give a Participating Organisation or a Registered Person a prior opportunity to be heard.</p> <p>(3) Where an action is taken under the Relevant Rules a Participating Organisation, or a Registered Person may make representations to the Exchange to discontinue the action taken. The Exchange may, after considering the representations made, discontinue with the action taken or take any other action it considers necessary in the circumstances. However such discontinuance is not to be construed as an omission or error of any kind on the part of the Exchange in undertaking the action under the Relevant Rules in the first place.</p> <p>(4) The decision of the Exchange after considering the representations made is final and binding on the Participating Organisation or Registered Person.</p>		<p>(2) In taking any of the actions under the Relevant Rules, the Exchange need not give a Participating Organisation or a Registered Person a prior opportunity to be heard.</p> <p>(3) Where an action is taken under the Relevant Rules a Participating Organisation, or a Registered Person may make representations to the Exchange to discontinue the action taken. The Exchange may, after considering the representations made, discontinue with the action taken or take any other action it considers necessary in the circumstances. However, such discontinuance is not to be construed as an omission or error of any kind on the part of the Exchange in undertaking taking the action under the Relevant Rules in the first place.</p> <p>(4) The decision of the Exchange's <u>decision</u> after considering the representations made is final and binding on the Participating Organisation or Registered Person.</p>
<p>2.03</p>	<p>Validity of actions</p> <p>The Exchange may amend or delete any provisions of these Rules from time to time (“the Amendments”). Any action proposed to be taken or is in the process of being taken or has been taken by the Exchange in relation to any provisions of these Rules which are effective prior to the Amendments, will not be invalidated by the Amendments even if the above action is taken on or after the effective date of the Amendments.</p>	<p>2.03</p>	<p>Validity of actions</p> <p><u>(1) Any amendments to the Rules or Directives (“the Amendments”) do not affect:</u></p> <p><u>(a) the accrued rights of the Exchange and the accrued obligations of Participating Organisations and Registered Persons under these Rules or Directives which are effective prior to the Amendments; and</u></p> <p><u>(b) any conditions, undertakings, decisions, waivers, act or thing imposed on or given by or done by Participating Organisations and Registered Persons prior to the Amendments.</u></p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>The Exchange may amend or delete any provisions of these Rules from time to time ("the Amendments").</p> <p><u>(2) Any action proposed to be taken or is in the process of being taken or has been taken by the Exchange in relation to any provisions of these Rules or Directives which are effective prior to the Amendments, will not be invalidated by the Amendments even if the above action is taken on or after the effective date of the Amendments.</u></p> <p><u>(3) The Exchange may apply the rules, procedures and penalties as may be applicable prior to, on or after the effective date of the Amendments, as it deems appropriate in relation to the following:</u></p> <p><u>(a) disciplinary actions which were initiated prior to the effective date of the Amendments;</u></p> <p><u>(b) appeals made prior to the effective date of the Amendments; or</u></p> <p><u>(c) appeals made on or after the effective date of the Amendments in relation to disciplinary actions initiated or taken prior to the effective date of the Amendments.</u></p>
2.04(1)	<p>Powers of the Exchange Holding Company</p> <p>(1) If any provision of these Rules confers a right or power on the Exchange to do any act or thing, such right or power is also conferred on the Exchange Holding Company to do such act or thing on behalf of the Exchange.</p>	2.04(1)	<p>Powers of the Exchange Holding Company</p> <p>(1) If any provision of these Rules confers a right or power on the Exchange to do any act or thing, such right or power is also <u>provision will be deemed to</u> conferred the <u>right or power</u> on the Exchange Holding Company to do such act or thing on behalf of the Exchange.</p>
2.05	<p>Appeals against decisions of the Exchange</p>	2.05	<p>Appeals against d Decisions of the Exchange and the Right of Appeal</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(1) Any decision of the Exchange is final and binding and a person may only appeal against any action or decision taken or made by the Exchange under these Rules or Directives if the right of appeal is expressly provided for under the relevant provisions of these Rules.</p> <p>(2) The decision of the Exchange on appeal is final and binding on the person appealing.</p>		<p>(1) Any decision of the Exchange, <u>including a decision on appeal</u>, is final and binding.</p> <p>(2) _____ <u>and a</u> A person may only appeal against any action or decision taken or made by the Exchange under these Rules or Directives if the right of appeal is expressly provided for under the relevant provisions of these Rules.</p> <p>(2) _____ The decision of the Exchange on appeal is final and binding on the person appealing.</p> <p>(3) _____ The Exchange may affirm, vary or set aside the decision appealed against.</p>
2.06	<p>Parties affected by actions taken by the Exchange</p> <p>A Participating Organisation and Registered Person must ensure that a proxy, agent, nominee and person acting in concert with the Participating Organisation, Registered Person or effecting Clients of a Participating Organisation against whom any action is taken under these Rules, complies with any direction issued by the Exchange to the Participating Organisation and Registered Person.</p>	2.06	<p>Parties affected by actions taken by the Exchange</p> <p>A Participating Organisation and <u>a</u> Registered Person must ensure that a proxy, agent, nominee and/or other person acting in concert with the Participating Organisation, Registered Person or effecting Clients of a Participating Organisation against whom any action is taken under these Rules, complies with any direction issued by the Exchange to the Participating Organisation and Registered Person.</p>
	<p>New provision</p>	<u>2.07</u>	<p>PART JB PROTECTION OF PUBLIC, CLIENT AND EXCHANGE'S INTEREST</p> <p>3.542.07 <u>Summary</u> Powers of the Exchange</p> <p>The Exchange may summarily take such action the Exchange thinks fit against a Participating Organisation or <u>a</u> Registered Person to protect the interests of Clients, the public or the Exchange if the Exchange is of the opinion that:</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>(a) the manner in which the Participating Organisation or Registered Person conducts the Participating Organisation's business is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(b) the Participating Organisation or Registered Person has committed an act or omission that is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(c) the financial position or reputation of the Participating Organisation or Registered Person has a detrimental effect or is likely to be detrimental to Clients, the public or the Exchange.</p> <p><i>[Refer to Directive No. <u>3-542.07-001</u>]</i></p>
<p>2.07</p>	<p style="text-align: center;">PART B SUSPENSION OF RULES</p> <p>Power to suspend rules</p> <p>(1) The Exchange may suspend any of the provisions of these Rules or make or impose new temporary rules ("Emergency Rules") if any of the emergency situations as described under Rule 2.08 happens, to ensure the existence or continuance of an orderly and fair market.</p> <p>(2) All Emergency Rules made and imposed by the Exchange are binding on all Participating Organisations, Registered Person and employees for such period and in accordance with the terms and conditions stipulated by the Exchange.</p> <p>(3) The Exchange may take any other actions the Exchange deems fit to handle an emergency situation.</p>	<p>2.078</p>	<p style="text-align: center;">PART BC <u>SUSPENSION OF RULES EMERGENCY SITUATIONS</u></p> <p>2.07 Power to suspend rules</p> <p>(1) The Exchange may suspend any of the provisions of these Rules or make or impose new temporary rules ("Emergency Rules") if any of the emergency situations as described under Rule 2.08 happens, to ensure the existence or continuance of an orderly and fair market.</p> <p>(2) All Emergency Rules made and imposed by the Exchange are binding on all Participating Organisations, Registered Person and employees for such period and in accordance with the terms and conditions stipulated by the Exchange.</p> <p>(3) The Exchange may take any other actions the Exchange deems fit to handle an emergency situation.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>2.08 <u>Emergency</u> <u>Circumstances upon which the Exchange may take action</u></p> <p><u>An emergency situation with regard to the stock market includes. The Exchange may exercise its emergency powers where there is reasonable cause to believe that any of the following circumstances or circumstances similar to the following exist:</u></p> <ul style="list-style-type: none"> (a) a situation that threatens, or may threaten, the integrity or the liquidity of any counter in the stock market or of the stock market; (b) a situation that threatens, or may threaten, the financial integrity of the Exchange or its Participating Organisations; (c) a manipulation or attempted manipulation of, or the creation of a corner situation in, any securities as described under Part C and Part D of Chapter 7 respectively; (d) any internal or external factors which are likely to have direct and adverse effect on the Exchange; (e) a situation where the operations of the Exchange are severely and adversely affected by the occurrence of any major incidents such as a fire, power failure or computer malfunction; or (f) any other situation likely to have an adverse impact on the operation of an orderly and fair market.
<p>2.08</p>	<p>Emergency</p> <p>An emergency situation with regard to the stock market includes:</p>	<p><u>2.089</u></p>	<p>2.08 — Emergency</p> <p>An emergency situation with regard to the stock market includes:</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(a) a situation that threatens, or may threaten, the integrity or the liquidity of any counter in the stock market or of the stock market;</p> <p>(b) a situation that threatens, or may threaten, the financial integrity of the Exchange or its Participating Organisations;</p> <p>(c) a manipulation or attempted manipulation of, or the creation of a corner situation in, any securities as described under Part C and Part D of Chapter 7 respectively;</p> <p>(d) any internal or external factors which are likely to have direct and adverse effect on the Exchange;</p> <p>(e) a situation where the operations of the Exchange are severely and adversely affected by the occurrence of any major incidents such as a fire, power failure or computer malfunction; or</p> <p>(f) any other situation likely to have an adverse impact on the operation of an orderly and fair market.</p>		<p>(a) a situation that threatens, or may threaten, the integrity or the liquidity of any counter in the stock market or of the stock market;</p> <p>(b) a situation that threatens, or may threaten, the financial integrity of the Exchange or its Participating Organisations;</p> <p>(c) a manipulation or attempted manipulation of, or the creation of a corner situation in, any securities as described under Part C and Part D of Chapter 7 respectively;</p> <p>(d) any internal or external factors which are likely to have direct and adverse effect on the Exchange;</p> <p>(e) a situation where the operations of the Exchange are severely and adversely affected by the occurrence of any major incidents such as a fire, power failure or computer malfunction; or</p> <p>(f) any other situation likely to have an adverse impact on the operation of an orderly and fair market.</p> <p>2.079 Power to suspend rules <u>Actions</u></p> <p>(1) <u>Upon determination by the Exchange under Rule 2.08 that an emergency exists or has arisen, the Exchange may, without prejudice to the generality of such powers, order that all or any of the following actions be taken to remedy the situation:</u></p> <p style="padding-left: 40px;">(a) <u>suspend any of the provisions of these Rules or make or impose new temporary rules (“Emergency Rules”)</u> if any of the emergency</p>
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APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>situations as described under Rule 2.08 happens, to ensure the existence or continuance of an orderly and fair market;</p> <p>(b) suspend trading on the stock market of the Exchange;</p> <p>(c) suspend trading in any securities on the stock market of the Exchange;</p> <p>(d) modify Business Day or trading hours;</p> <p>(e) impose higher financial requirements on a Participating Organisation;</p> <p>(f) suspend a Participating Organisation's trading rights; and</p> <p>(g) any other action deemed appropriate.</p> <p>(2) All Emergency Rules made and imposed by the Exchange are binding on all Participating Organisations, Registered Persons and employees for such period and in accordance with the terms and conditions stipulated <u>prescribed</u> by the Exchange.</p> <p>(3) The Exchange may take any other actions the Exchange deems fit to handle an emergency situation.</p>
2.10	<p style="text-align: center;">PART D REGISTERS</p> <p>Registers</p> <p>(1) The Exchange will keep Registers of Participating Organisations, Registered Persons and of such other persons as may be determined by the Exchange.</p>	2.10	<p style="text-align: center;">PART D REGISTERS</p> <p>Registers</p> <p>(1) The Exchange will keep Registers of Participating Organisations, Registered Persons and of such other persons as may be determined by the Exchange.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	(2) The Registers will contain relevant information relating to the persons mentioned in Rule 2.10(1) as determined by the Exchange.		(2) The Registers will contain relevant information relating to the persons mentioned in Rule 2.10(1) as determined by the Exchange. [Deleted]
2.09	PART C INDEMNITY	2.0911	PART C LIABILITY AND INDEMNITY
	<p>Liability of the Exchange</p> <p>Without prejudice to any immunity or defence available to the following persons by statute or in law, none of the following persons is liable for, on account of or in respect of anything done or omitted to be done, any such statement made or omitted to be made by such persons or on behalf of such persons in good faith in connection with the discharge or performance or purported discharge or performance of any function or duty, or the exercise or intended exercise of any power under these Rules or any applicable law or in respect of any decision made or enforcement action taken or notice of publication in relation to such enforcement action, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise:-</p> <p>(a) the Exchange or the Exchange Holding Company;</p> <p>(b) any person acting on behalf of the Exchange or the Exchange Holding Company, including:</p> <p style="padding-left: 40px;">(i) any member of the board of the Exchange or Exchange Holding Company or any member of any committee or sub-committee of the Exchange or Exchange Holding Company;</p>		<p><u>Non-Li</u>ability of the Exchange</p> <p>Without prejudice to any immunity or defence available to the following persons by statute or in law, none of the following persons is liable for, on account of or in respect of anything done or omitted to be done, any such statement made or omitted to be made by such persons or on behalf of such persons in good faith in connection with the discharge or performance or purported discharge or performance of any function or duty, or the exercise or intended exercise of any power under these Rules or any applicable law or in respect of any decision made or enforcement action taken or notice of publication in relation to such enforcement action, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise:-</p> <p>(a) the Exchange or the Exchange Holding Company;</p> <p>(b) any person acting on behalf of the Exchange or the Exchange Holding Company, including:</p> <p style="padding-left: 40px;">(i) any member of the board of the Exchange or Exchange Holding Company or any member of any committee or sub-committee of the Exchange or Exchange Holding Company;</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<ul style="list-style-type: none"> (ii) any officer of the Exchange or Exchange Holding Company; or (iii) any agent of, or any person acting under the direction of the Exchange or Exchange Holding Company. 		<ul style="list-style-type: none"> (ii) any officer of the Exchange or Exchange Holding Company; or (iii) any agent of, or any person acting under the direction of the Exchange or Exchange Holding Company.
	New provision	<u>2.12</u>	<p style="text-align: center;"><u>PART F DISCLOSURE OF INFORMATION</u></p> <p><u>Disclosure of information regarding Participating Organisations</u></p> <p><u>(1) The Exchange may, where it considers appropriate, releasingrelease</u> any information including any confidential information in relation to a Participating Organisation, the Participating Organisation's Registered Person or Clients:</p> <ul style="list-style-type: none"> (i) to the Commission, Depository, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Exchange considers fit; or (ii) to such parties as the Exchange considers fit for the purposes of the Exchange's investigation, enforcement or both. <p><u>(2) The Exchange may publish or disclose</u> the following information to the Participating Organisations or any other persons as the Exchange considers fit:</p> <ul style="list-style-type: none"> (i) without identifying the Client of the Participating Organisation to whom the information relates, the volume or value of On-Market Transactions

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

			<p>and Direct Business Transactions transacted by all or any or each of the Participating Organisations or Market Maker(s); <u>or</u></p> <p>(ii) any action taken against a Participating Organisation or <u>a</u> Registered Person by the Exchange under these Rules;</p> <p><i>[Refer to Directive No. 2.012(2)-001]</i></p>
3.02(1)(b)	<p>Application Procedure</p> <p>(1) To become a Participating Organisation, an applicant must:</p> <p>(b) satisfy the qualification criteria stipulated in Rule 3.01.</p>	3.02(1)(b)	<p>Application Procedure</p> <p>(1) To become a Participating Organisation, an applicant must:</p> <p>(b) satisfy the qualification criteria stipulated <u>prescribed</u> in Rule 3.01.</p>
3.03	<p>Appeals</p> <p>(1) If the Exchange rejects an application to be a Participating Organisation under this Rule, the applicant may appeal in writing to the Exchange within 14 days after the applicant is notified of the Exchange's decision.</p> <p>(2) The Exchange may affirm, vary or set aside the decision appealed against.</p> <p>(3) The Exchange's decision on appeal is final and binding on the appellant.</p>	3.03	<p>Appeals <u>on Refusal to Register</u></p> <p>(1) If the Exchange rejects an application to be a Participating Organisation <u>under this Rule</u>, the applicant may appeal in writing to the Exchange within 14 days after the applicant is notified of the Exchange's decision.</p> <p>(2) The Exchange may affirm, vary or set aside the decision appealed against.</p> <p>(3) The Exchange's decision on appeal is final and binding on the appellant.</p>
3.04	<p>Change of status</p> <p>If a Participating Organisation changes the Participating Organisation's status from one category to another based on the categorisation stipulated under Rule 3.02(5), the Participating</p>	3.04	<p>Change of status</p> <p>If a Participating Organisation changes the Participating Organisation's status from one category to another based on the categorisation stipulated <u>prescribed</u> under Rule 3.02(5), the</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	Organisation must notify the Exchange in the manner the Exchange stipulates.		Participating Organisation must notify the Exchange in the manner the Exchange stipulates <u>prescribes</u> .
3.05(3)	Participantship (3) A Participating Organisation will summarily cease to enjoy access to the markets or facilities maintained by the Exchange as described in Rule 3.05(1)(a) if the Participating Organisation:	3.05(3)	Participantship (3) A Participating Organisation will summarily <u>immediately</u> cease to enjoy access to the markets or facilities maintained by the Exchange as described in Rule 3.05(1)(a) if the Participating Organisation:
3.05(4)	Participantship (4) A Participating Organisation must immediately notify the Exchange in writing upon becoming aware of the circumstance stipulated in Rule 3.05(3)(b).	3.05(4)	Participantship (4) A Participating Organisation must immediately notify the Exchange in writing upon becoming aware of the circumstance stipulated <u>prescribed</u> in Rule 3.05(3)(b).
3.06(f)	Continuing Obligations Throughout the term of a Participating Organisation's Participantship, it must (f) notify the Exchange in writing of any change to the Participating Organisation's registered address within 7 days after the change;	3.06(f)	Continuing Obligations Throughout the term of a Participating Organisation's Participantship, it must (f) notify the Exchange in writing of any change to the Participating Organisation's registered address within 7 days after the change;
3.06(g)	(g) notify the Exchange in writing of any change to its name as registered by the Exchange within 7 days after the change;	3.06(g)	(g) notify the Exchange in writing of any change to its name as registered by the Exchange within 7 days after the change;
3.07(1)(c))	Resignation (1) If a Participating Organisation intends to resign, it must: (c) stop entering into transactions within the time frame the Exchange stipulates.	3.07(1)(c))	Resignation (1) If a Participating Organisation intends to resign, it must: (c) stop entering into transactions within the time frame the Exchange stipulates <u>prescribes</u> .

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

3.08	<p>Fees</p> <p>(1) A Participating Organisation must pay the Exchange all fees and charges the Exchange stipulates in the manner and within the period the Exchange specifies.</p> <p>(2) A Participating Organisation that omits to pay the Exchange any fee or charge within the time frame the Exchange specifies will be sent a written demand for payment. If the amount due is not paid within the period stipulated in the written demand, the Exchange may summarily suspend, terminate or take any other action the Exchange thinks fit against the Participating Organisation and will notify the Participating Organisation concerned by notice in writing.</p> <p><i>[Refer to Directive No. 3-001]</i></p>	3.08	<p>Fees</p> <p>(1) A Participating Organisation must pay the Exchange all fees and charges the Exchange stipulates in the manner and within the period the Exchange specifies <u>prescribes</u>.</p> <p>(2) A Participating Organisation that omits to pay the Exchange any fee or charge within the time frame the Exchange specifies will be sent a written demand for payment. If the amount due is not paid within the period stipulated-prescribed in the written demand, the Exchange may summarily suspend, terminate or take any other action the Exchange thinks fit against the Participating Organisation and will notify the Participating Organisation concerned by notice in writing.</p> <p><i>[Refer to Directive No. 3-001]</i></p>
3.11(1)	<p>Registration procedures</p> <p>(1) To register a person under Rule 3.10, a Participating Organisation must:</p> <p>(a) submit the relevant documents to the Exchange in accordance with the requirements the Exchange stipulates; and</p> <p>(b) make the submission only in respect of a person that satisfies the relevant qualification criteria applicable for the relevant category of Registered Person as stipulated in these Rules.</p>	3.11(1)	<p>Registration procedures</p> <p>(1) To register a person under Rule 3.10, a Participating Organisation must:</p> <p>(a) submit the relevant documents to the Exchange in accordance with the requirements the Exchange stipulates <u>prescribes</u>; and</p> <p>(b) make the submission only in respect of a person that satisfies the relevant qualification criteria applicable for the relevant category of Registered Person as stipulated-prescribed in these Rules.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

3.12	Appeals (1) If the Exchange rejects a submission for registration under this Rule, the Participating Organisation may appeal in writing to the Exchange within 14 days after the Participating Organisation is notified of the Exchange's decision. (2) The Exchange may affirm, vary or set aside the decision appealed against. (3) The Exchange's decision on appeal is final and binding on the appellant.	3.12	Appeals <u>on Refusal to Register</u> (1) If the Exchange rejects a submission for registration under this Rule, the Participating Organisation may appeal in writing to the Exchange within 14 days after the Participating Organisation is notified of the Exchange's decision. (2) The Exchange may affirm, vary or set aside the decision appealed against. (3) The Exchange's decision on appeal is final and binding on the appellant.
3.17	Notice of cessation A Participating Organisation must notify the Exchange in writing within 14 days of the effective date of the Registered Person ceasing to hold the relevant office.	3.17	Notice of cessation A Participating Organisation must notify the Exchange in writing within 14 days of the effective date of the Registered Person ceasing to hold the relevant office.
3.18(4)	Vacancy of Registered Person (4) The Participating Organisation must notify the Exchange in writing of the person assuming responsibility for the functions of the vacated office.	3.18(4)	Vacancy of Registered Person (4) The Participating Organisation must notify the Exchange in writing of the person assuming responsibility for the functions of the vacated office.
3.19(2)	Summary de-registration (2) A Participating Organisation and Registered Person must immediately notify the Exchange in writing upon becoming aware of any of the above circumstances.	3.19(2)	Summary de-registration <u>Striking Off the Register</u> (2) A Participating Organisation and <u>a</u> Registered Person must immediately notify the Exchange in writing upon becoming aware of any of the above circumstances.
3.24	Minimum number of Heads	3.24	Minimum number of Heads

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	A Participating Organisation must have at least 3 Heads, namely Head of Dealing, Head of Operations and Head of Compliance. No other person other than these Heads is permitted to discharge the respective functions of the Heads as stipulated in these Rules.		A Participating Organisation must have at least 3 Heads, namely Head of Dealing, Head of Operations and Head of Compliance. No other person other than these Heads is permitted to discharge the respective functions of the Heads as stipulated <u>prescribed</u> in these Rules.
3.36(a)	Obligations Throughout the term of a Head of Compliance's registration, the Head of Compliance must: (a) continuously satisfy the qualification criteria stated in Rule 3.35; and	3.36(a)	Obligations Throughout the term of a Head of Compliance's registration, the Head of Compliance must: (a) continuously satisfy the qualification criteria stated in Rule 3.35; and
3.36(b)(i)	(b) be responsible for the following compliance functions: (i) to supervise and direct overall compliance with the Securities Laws, these Rules and the Directives by the Participating Organisation and the Participating Organisation's Registered Persons, employees and agents and in this respect, to carry out proper checks and reviews to monitor and ensure overall compliance; and	3.36(b)(i)	(b) be responsible for the following compliance functions: (i) to supervise and direct overall compliance with the Securities Laws, these Rules and the Directives by the Participating Organisation and the Participating Organisation's Registered Persons, employees and agents and in this respect, to carry out proper checks and reviews to monitor and ensure <u>the overall compliance by the Participating Organisation, the Participating Organisation's Registered Persons, employees and agents with the Securities Laws, these Rules and the Directives;</u> and
3.36(b)(i)	(ii) to advise and guide the Participating Organisation and the Participating Organisation's Registered Persons, employees and agents on requirements of the Securities Laws, these Rules and the Directives that the Participating Organisation and the Participating Organisation's Registered Persons, employees	3.36(b)(i)	(ii) to advise and guide the Participating Organisation and the Participating Organisation's Registered Persons, employees and agents on requirements of the Securities Laws, these Rules and the Directives that the Participating Organisation and the Participating Organisation's

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	and agents need to comply with in the conduct of the Participating Organisation's business. <i>[Refer to Directive No. 3.36-001]</i>		Registered Persons, employees and agents need to comply with in the conduct of the Participating Organisation's business. <i>[Refer to Directive No. 3.36-001]</i>
	New provision	<u>3.36(c)</u>	(c) ensure matters pertaining to compliance by the Participating Organisation, the Participating Organisation's Registered Persons, employees and agents with the Securities Laws, these Rules and the Directives are highlighted to the Participating Organisation's Board of Directors or in the case of an Investment Bank, to the Board of Directors or committee to whom the Head of Compliance is required to report under the Guidelines on Investment Banks. <i>[Refer to Directive No. 3.36-002 and Best Practice No. 3.36-001]</i>
3.37	Reporting (1) A Head of Compliance must report directly to the Board of Directors of the Participating Organisation. <i>[Refer to Directive No. 6.08-001]</i> (2) Rule 3.37(1) is not applicable to a Head of Compliance of an Investment Bank.	3.37	Reporting (1) A Head of Compliance must report directly to the Board of Directors of the Participating Organisation. <i>[Refer to Directive No. 6.08-001]</i> (2) Rule 3.37(1) is not applicable to a Head of Compliance of an Investment Bank. <i>[Deleted]</i>
3.38	Reporting of breaches or irregularities (1) A Head of Compliance must immediately report to the Participating Organisation's Board of Directors and the Exchange if the Head of Compliance becomes aware of	3.38	Reporting of breaches or irregularities (1) A Head of Compliance must immediately report to the Participating Organisation's Board of Directors and the Exchange if the Head of Compliance becomes aware

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>any matter with reasonable diligence or assessment that:</p> <ul style="list-style-type: none"> (a) constitutes a breach of any provision of the Securities Laws; (b) involves the potential default of the Participating Organisation against the Clearing House or other counterparty; (c) results in a significant drop to the financial position of the Participating Organisation; (d) has significant adverse effect on the Client's assets the Participating Organisation holds; (e) has significantly adverse effect on the risk position and financial integrity of the Participating Organisation; (f) has resulted in a regulatory or disciplinary action being taken against the Participating Organisation or any of the Participating Organisation's Registered Persons, employees or agents by any other regulatory authority; (g) involves fraudulent conduct by the Participating Organisation's Registered Person, employee or agent of the Participating Organisation; or (h) adversely affects the Participating Organisation's ability to comply with these Rules. <p>(2) In addition to the reporting requirement in Rule 3.38(1), the Head of Compliance must immediately report to the</p>		<p>of any matter with reasonable diligence or assessment that:</p> <ul style="list-style-type: none"> (a) constitutes a breach of any provision of the Securities Laws; (b) involves the potential default of the Participating Organisation against the Clearing House or other counterparty; (c) results in a significant drop to the financial position of the Participating Organisation; (d) has significant adverse effect on the Client's assets the Participating Organisation holds; (e) has significantly adverse effect on the risk position and financial integrity of the Participating Organisation; (f) has resulted in a regulatory or disciplinary action being taken against the Participating Organisation or any of the Participating Organisation's Registered Persons, employees or agents by any other regulatory authority; (g) involves fraudulent conduct by the Participating Organisation's Registered Person, employee or agent of the Participating Organisation; or (h) adversely affects the Participating Organisation's ability to comply with these Rules.
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APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>Commission upon becoming aware of any matter under Rule 3.38(1)(a).</p> <p>(3) The Head of Compliance must inform the Exchange (in relation to matters reported under Rule 3.38(1)) and the Commission (in relation to matters reported under Rule 3.38(2)) of:</p> <p>(a) the Board of Directors' decision in relation to the matter and the corrective measures and decided courses of action the Board of Directors will take or have taken, within 30 days of reporting to the Board of Directors under Rule 3.38(1); and</p> <p>(b) the completion of the measures and actions taken, if any.</p> <p>(4) In the case of an Investment Bank, the Head of Compliance of the Investment Bank must report on matters set out in Rule 3.38(1) to the board of directors or committee to whom the Head of Compliance is required to report under the Guidelines on Investment Banks. In this regard, references to the Board of Directors in Rules 3.38(1) and 3.38(3) are to be read to include the board of directors or committee a Head of Compliance of an Investment Bank reports to under the Guidelines on Investment Banks.</p>		<p>(2) In addition to the reporting requirement in Rule 3.38(1), the Head of Compliance must immediately report to the Commission upon becoming aware of any matter under Rule 3.38(1)(a).</p> <p>(3) The Head of Compliance must inform the Exchange (in relation to matters reported under Rule 3.38(1)) and the Commission (in relation to matters reported under Rule 3.38(2)) of:</p> <p>(a) the Board of Directors' decision in relation to the matter and the corrective measures and decided courses of action the Board of Directors will take or have taken, within 30 days of reporting to the Board of Directors under Rule 3.38(1); and</p> <p>(b) the completion of the measures and actions taken, if any.</p> <p>(4) In the case of an Investment Bank, the Head of Compliance of the Investment Bank must report on matters set out in Rule 3.38(1) to the board of directors or committee to whom the Head of Compliance is required to report under the Guidelines on Investment Banks. In this regard, references to the Board of Directors in Rules 3.38(1) and 3.38(3) are to be read to include the board of directors or committee a Head of Compliance of an Investment Bank reports to under the Guidelines on Investment Banks. <u>[Deleted]</u></p>
<p>3.39</p>	<p>Reporting on compliance matters</p> <p>(1) A Head of Compliance may bring matters pertaining to compliance to the attention of any of the Heads or other</p>	<p>3.39</p>	<p>Reporting on compliance matters</p> <p>(1) A Head of Compliance may bring matters pertaining to compliance to the attention of any of the Heads or other</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>senior management of the Participating Organisation for appropriate action to be taken.</p> <p>(2) A Head of Compliance must:</p> <p>(a) report directly to the Participating Organisation's Board of Directors; and</p> <p>(b) submit monthly written reports to the Participating Organisation's Board of Directors on all matters pertaining to compliance with the Securities Laws, these Rules and the Directives.</p> <p><i>[Refer to Best Practice No. 3.39(2)-001]</i></p> <p>(3) In the case of an Investment Bank, the reporting and monthly written reports referred to in Rule 3.39(2) must be made to the relevant person or committee to whom the Head of Compliance of an Investment Bank reports under the Guidelines on Investment Banks.</p> <p>(4) The Participating Organisation's Board of Directors or in the case of an Investment Bank, the person or committee to whom the Head of Compliance of an Investment Bank reports, must deliberate on the written reports and decide on the appropriate action to be taken.</p> <p>(5) A Head of Compliance must submit the written reports referred to in Rule 3.39(2)(b) to the Exchange on a monthly basis.</p> <p><i>[Refer to Directive No. 3.39(5)-001]</i></p>		<p>other senior management of the Participating Organisation for appropriate action to be taken.</p> <p>(2) A Head of Compliance must:</p> <p>(a) report directly to the Participating Organisation's Board of Directors; and</p> <p>(b) submit monthly written reports to the Participating Organisation's Board of Directors on all matters pertaining to compliance with the Securities Laws, these Rules and the Directives.</p> <p><i>[Refer to Best Practice No. 3.39(2)-001]</i></p> <p>(3) In the case of an Investment Bank, the reporting and monthly written reports referred to in Rule 3.39(2) must be made to the relevant person or committee to whom the Head of Compliance of an Investment Bank reports under the Guidelines on Investment Banks.</p> <p>(4) The Participating Organisation's Board of Directors or in the case of an Investment Bank, the person or committee to whom the Head of Compliance of an Investment Bank reports, must deliberate on the written reports and decide on the appropriate action to be taken.</p> <p>(5) A Head of Compliance must submit the written reports referred to in Rule 3.39(2)(b) to the Exchange on a monthly basis.</p> <p><i>[Refer to Directive No. 3.39(5)-001]</i><i>[Deleted]</i></p>
3.41(c)	Obligations	3.41(c)	Obligations

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	Throughout the term of a Director's registration, the Director must be responsible for: (c) satisfying the qualifications the Commission or the Central Bank (for a Director of an Investment Bank) stipulates.		Throughout the term of a Director's registration, the Director must be responsible for: (c) satisfying the qualifications the Commission or the Central Bank (for a Director of an Investment Bank) stipulates <u>prescribes</u> .
3.50(2)	Segregation of assets (2) A Participating Organisation must place all cash DR Security Deposits the Participating Organisation receives in a trust account maintained with a Licensed Institution.	3.50(2)	Segregation of assets (2) A Participating Organisation must place all cash DR Security Deposits the Participating Organisation receives in a trust account maintained with a Licensed Institution <u>licensed bank or licensed investment bank under the FSA</u> .
3.53(2)	Transfer (2) To obtain approval to transfer the registration of a Dealer's Representative, a Participating Organisation must: (a) apply to the Exchange in the manner the Exchange stipulates; (b) pay the transfer fee the Exchange stipulates; and	3.53(2)	Transfer (2) To obtain approval to transfer the registration of a Dealer's Representative, a Participating Organisation must: (a) apply to the Exchange in the manner the Exchange stipulates <u>prescribes</u> ; (b) pay the transfer fee the Exchange stipulates <u>prescribes</u> ; and
3.54	PART J PROTECTION OF PUBLIC, CLIENT AND EXCHANGE'S INTEREST Powers of the Exchange The Exchange may summarily take such action the Exchange thinks fit against a Participating Organisation or Registered Person to protect the interests of Clients, the public or the Exchange if the Exchange is of the opinion that:	3.54	PART J PROTECTION OF PUBLIC, CLIENT AND EXCHANGE'S INTEREST Powers of the Exchange The Exchange may summarily take such action the Exchange thinks fit against a Participating Organisation or Registered Person to protect the interests of Clients, the public or the Exchange if the Exchange is of the opinion that:

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(a) the manner in which the Participating Organisation or Registered Person conducts the Participating Organisation's business is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(b) the Participating Organisation or Registered Person has committed an act or omission that is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(c) the financial position or reputation of the Participating Organisation or Registered Person has a detrimental effect or is likely to be detrimental to Clients, the public or the Exchange.</p> <p>[Refer to Directive No. 3.54-001]</p>		<p>(a) the manner in which the Participating Organisation or Registered Person conducts the Participating Organisation's business is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(b) the Participating Organisation or Registered Person has committed an act or omission that is or is likely to be detrimental to Clients, the public or the Exchange;</p> <p>(c) the financial position or reputation of the Participating Organisation or Registered Person has a detrimental effect or is likely to be detrimental to Clients, the public or the Exchange.</p> <p>[Refer to Directive No. 3.54-001] [Deleted]</p>
4.01(1)(b)	<p>Qualification Criteria</p> <p>(1) An applicant who intends to apply to be a Market Maker for a Specified Security must be an entity that fulfils any one of the following requirements:</p> <p>(b) a licensed bank or licensed merchant bank as defined in the BAFIA;</p>	4.01(1)(b)	<p>Qualification Criteria</p> <p>(1) An applicant who intends to apply to be a Market Maker for a Specified Security must be an entity that fulfils any one of the following requirements:</p> <p>(b) a licensed bank, or licensed <u>merchant investment bank, under –as defined in the BAFIAFSA, in which the licensed investment bank is not also a Participating Organisation;</u></p>
4.01(1)(c)	<p>(c) a Related Corporation of (a) or (b) above, incorporated under the Companies Act and has:</p> <p>(i) a minimum shareholders' fund of RM2,000,000.00; and</p> <p>(ii) at least 2 personnel with at least 5 years' experience in the following:</p>	4.01(1)(c)	<p>(c) a Related Corporation of (a) or (b) above, incorporated under the Companies Act and has:</p> <p>(i) a minimum shareholders' fund of RM2,000,000.00; and</p> <p>(ii) at least 2 personnel with at least 5 years' experience in the following:</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(aa) trading in securities as a Dealer's Representative or dealing in derivatives as a Futures Broker's Representative;</p> <p>(bb) trading in treasury related instruments of a financial institution;</p> <p>(cc) trading in securities as a dealer on a Recognised Stock Exchange; or</p> <p>(dd) trading in derivatives as a dealer on a Specified Exchange as defined in the Derivatives Exchange Rules;</p>		<p>(aa) trading in securities as a Dealer's Representative or dealing in derivatives as a Futures <u>Broker's Representative</u> <u>Registered Representative</u>;</p> <p>(bb) trading in treasury related instruments of a financial institution;</p> <p>(cc) trading in securities as a dealer on a Recognised Stock Exchange; or</p> <p>(dd) trading in derivatives as a dealer on a Specified Exchange as defined in the Derivatives Exchange Rules;</p>
6.01(2)	Permitted Business (2) A Participating Organisation must notify the Exchange in writing prior to the commencement of the Permitted Businesses.	6.01(2)	Permitted Business (2) A Participating Organisation must notify the Exchange in writing prior to the commencement of the Permitted Businesses.
7.30(21)	Margin financing (21) A Participating Organisation must notify the Exchange of the Margin Financing extended to the Clients on a monthly basis in accordance with the format prescribed in Appendix 3 not later than the 10th day of each month.	7.30(21)	Margin financing (21) A Participating Organisation must notify the Exchange of the Margin Financing extended to the Clients on a monthly basis in accordance with the format at <u>as</u> prescribed in Appendix 3 by the Exchange not later than the 10th day of each month. <i>[Refer to Directive No. 7.30-002]</i>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

9.03(1)	Ready Basis Contracts (1) If a Participating Organisation is a seller in a Contract, the Participating Organisation must have the quantity of securities sold in the Contract as Tradeable Balance in the Securities Account used for the sale not later than the day and time stipulated in Schedule 2.	9.03(1)	Ready Basis Contracts (1) If a Participating Organisation is a seller in a Contract, the Participating Organisation must have the quantity of securities sold in the Contract as Tradeable Balance in the Securities Account used for the sale not later than the day and time stipulated <u>prescribed</u> in Schedule 2.
9.03(2)	(2) If a Participating Organisation is a buyer in a Contract, the securities in the Contract will be delivered by the Clearing House on the day and at time stipulated in Schedule 2 but only if the Participating Organisation who is the seller in the Contract complies with the requirements of the Clearing House Rules in relation to delivery and settlement of the Contract.	9.03(2)	(2) If a Participating Organisation is a buyer in a Contract, the securities in the Contract will be delivered by the Clearing House on the day and at <u>the</u> time stipulated <u>prescribed</u> in Schedule 2 but only if the Participating Organisation who is the seller in the Contract complies with the requirements of the Clearing House Rules in relation to delivery and settlement of the Contract.
9.06(1)	Buying-In Procedures (1) The Exchange will publish the name, quantity and bidding price of the securities for buying-in in the ATS half an hour before the commencement of the buying-in.	9.06(1)	Buying-In Procedures (1) The Exchange will publish the name, quantity and bidding price of the securities for buying-in in the ATS half an hour before the commencement of the buying-in.
9.07	Cash Settlement (1) If buying-in is not successful on T+2 or within such period as may be stipulated by the Clearing House, the buying-in will be withdrawn if instructed by the Clearing House. The Contract will then be settled by payment of cash for the quantity not done through the buying-in, in accordance with the Clearing House Rules, to the person below based on the cash settlement amount determined by the Clearing House:	9.07	Cash Settlement (1) If buying-in is not successful on T+2 or within such period as may be stipulated <u>prescribed</u> by the Clearing House, the buying-in will be withdrawn if instructed by the Clearing House. The Contract will then be settled by payment of cash for the quantity not done through the buying-in, in accordance with the Clearing House Rules, to the person below based on the cash settlement amount determined by the Clearing House:

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(a) the buyer in the failed Contract; or</p> <p>(b) if the buyer in the failed Contract has further sold the securities subsequent to the purchase, the ultimate buyer of the securities.</p> <p>(2) In order to facilitate the settlement of cash to the buyer as stipulated in Rule 9.07(1), the buying Participating Organisation may be directed by the Clearing House not to further sell the securities and the Participating Organisation must ensure that it gives effect to such direction.</p>		<p>(a) the buyer in the failed Contract; or</p> <p>(b) if the buyer in the failed Contract has further sold the securities subsequent to the purchase, the ultimate buyer of the securities.</p> <p>(2) In order to facilitate the settlement of cash to the buyer as stipulated<u>stated</u> in Rule 9.07(1), the buying Participating Organisation may be directed by the Clearing House not to further sell the securities and the Participating Organisation must ensure that it gives effect to such direction.</p>
9.08(2)	<p>Cash settlement</p> <p>(2) In order to facilitate the settlement of cash to the buyers as stipulated in Rule 9.08(1) the buying Participating Organisation may be directed by the Clearing House to not further sell the securities and the Participating Organisation must ensure that it gives effect to such direction.</p>	9.08(2)	<p>Cash settlement</p> <p>(2) In order to facilitate the settlement of cash to the buyers as stipulated<u>stated</u> in Rule 9.08(1) the buying Participating Organisation may be directed by the Clearing House to not further sell the securities and the Participating Organisation must ensure that it gives effect to such direction.</p>
9.09	<p>Settlement between a Participating Organisation and Client</p> <p>(1) If a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold on the day and not later than the time stipulated in Schedule 2.</p> <p><i>[Refer to Directives No. 9-001 and 9.09(1)-001]</i></p> <p>(2) If a Participating Organisation is a buyer in a Contract, the buying Client must pay the Participating Organisation by the day and time stipulated in Schedule 2.</p>	9.09	<p>Settlement between a Participating Organisation and Client</p> <p>(1) If a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold on the day and not later than the time stipulated<u>prescribed</u> in Schedule 2.</p> <p><i>[Refer to Directives No. 9-001 and 9.09(1)-001]</i></p> <p>(2) If a Participating Organisation is a buyer in a Contract, the buying Client must pay the Participating Organisation by the day and time stipulated<u>prescribed</u> in Schedule 2.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	(3) Notwithstanding Rule 9.09(2), a buying Client may sell securities for which he has not paid, at any time before 2.00 p.m. on the 2 nd Market Day following the Contract Date (T+2) and such sale will be deemed to be a sale to close-off the buying Client's purchase position in respect of that securities and such close-off is referred to as "contra".		(3) Notwithstanding Rule 9.09(2), a buying Client may sell securities for which he has not paid, at any time before 2.00 p.m. on the 2 nd nd Market Day following the Contract Date (T+2) and such sale will be deemed to be a sale to close-off the buying Client's purchase position in respect of that securities and such close-off is referred to as "contra".
9.10(1)	Contra (1) A Participating Organisation may permit a Client to "contra" its buy Contracts if: (a) a Participating Organisation has guidelines for "contra": (b) a Participating Organisation notifies the Clients of the guidelines prior to doing the "contra"; (c) in allowing for a Client to contra, a Participating Organisation takes into account the Client's financial ability to pay for losses (if any) arising from the contra; and (d) the contra is effected not later than the time and date stipulated under Rule 9.09(3);	9.10(1)	Contra (1) A Participating Organisation may permit a Client to "contra" its buy Contracts if: (a) a Participating Organisation has guidelines for "contra": (b) a Participating Organisation notifies the Clients of the guidelines prior to doing the "contra"; (c) in allowing for a Client to contra, a Participating Organisation takes into account the Client's financial ability to pay for losses (if any) arising from the contra; and (d) the contra is effected not later than the time and date stipulated <u>prescribed</u> under Rule 9.09(3);
9.12(1)	Default in payment (1) A Participating Organisation must institute a selling-out within the day and time stipulated in Schedule 2 against a Client who fails to pay for the Client's purchases by the time stipulated in Schedule 2.	9.12(1)	Default in payment (1) A Participating Organisation must institute a selling-out within the day and time stipulated <u>prescribed</u> in Schedule 2 against a Client who fails to pay for the Client's purchases by the time stipulated <u>prescribed</u> in Schedule 2.

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

9.14	Securities transacted on “Cum Entitlements” basis	9.14	Securities transacted on “Cum Entitlements” basis
	<p>(1) A buying Participant Organisation may claim on the entitlements arising from purchased securities in accordance with the Clearing House Rules if:</p> <p>(a) the securities are bought "cum entitlements" by a buyer;</p> <p>(b) there are insufficient or no Tradeable Balance of such securities in the seller's Securities Account by such time and day stipulated in Rule 9.03(1); and</p> <p>(c) as a result of which, the buyer is not registered in the Record of Depositors as at Books Closing Date.</p> <p>(2) A buying Participating Organisation must inform the buying Client of the claims on the entitlements that are allowed by the Clearing House and the procedures for the claims.</p> <p>(3) A buying Participating Organisation must submit any claims requested by the Client within the time frame stipulated by the Clearing House.</p>		<p>(1) A buying Participating Organisation may claim on the entitlements arising from purchased securities in accordance with the Clearing House Rules if:</p> <p>(a) the securities are bought "cum entitlements" by a buyer;</p> <p>(b) there are insufficient or no Tradeable Balance of such securities in the seller's Securities Account by such time and day stipulated<u>prescribed</u> in Rule 9.03(1); and</p> <p>(c) as a result of which, the buyer is not registered in the Record of Depositors as at Books Closing Date.</p> <p>(2) A buying Participating Organisation must inform the buying Client of the claims on the entitlements that are allowed by the Clearing House and the procedures for the claims.</p> <p>(3) A buying Participating Organisation must submit any claims requested by the Client within the time frame stipulated<u>prescribed</u> by the Clearing House.</p>
9.15(3)	Securities transacted on “Ex Entitlement” basis	9.15(3)	Securities transacted on “Ex Entitlement” basis
	<p>(3) A selling Participating Organisation must submit any claims requested by the Client in the manner and within the time frame stipulated by the Clearing House.</p>		<p>(3) A selling Participating Organisation must submit any claims requested by the Client in the manner and within the time frame stipulated<u>prescribed</u> by the Clearing House.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

9.16	<p>Sale of rights</p> <p>(1) The claims on rights may be made by the buying Participating Organisation in accordance with the Clearing House Rules if:</p> <p>(a) there are insufficient or no Tradeable Balance of such rights in the seller's Securities Account by such time and day stipulated in Rule 9.03(1);</p> <p>(b) as a result of which the buyer is not registered in the Register of Depositors as at Books Closing Date; and</p> <p>(c) the rights have expired.</p> <p>(2) The buying Participating Organisation must inform the buying Client of the claims on the rights that are allowed by the Clearing House and the procedures for the claims.</p> <p>(3) The buying Participating Organisation must submit any claims requested by the Client in the manner and within the time frame stipulated by the Clearing House.</p>	9.16	<p>Sale of rights</p> <p>(1) The claims on rights may be made by the buying Participating Organisation in accordance with the Clearing House Rules if:</p> <p>(a) there are insufficient or no Tradeable Balance of such rights in the seller's Securities Account by such time and day stipulated<u>prescribed</u> in Rule 9.03(1);</p> <p>(b) as a result of which the buyer is not registered in the Register of Depositors as at Books Closing Date; and</p> <p>(c) the rights have expired.</p> <p>(2) The buying Participating Organisation must inform the buying Client of the claims on the rights that are allowed by the Clearing House and the procedures for the claims.</p> <p>(3) The buying Participating Organisation must submit any claims requested by the Client in the manner and within the time frame stipulated<u>prescribed</u> by the Clearing House.</p>
9.17	<p>PART G CLAIMS AND ENTITLEMENTS ARISING OUT OF FAILURE TO DELIVER</p> <p>9.17 Buying-In Upon Request</p> <p>In addition to the buying-in referred to in Rules 9.05 and 9.06, the Exchange may, upon a request made by a Participating Organisation or the Clearing House, conduct</p>	9.17	<p>PART G CLAIMS AND ENTITLEMENTS ARISING OUT OF FAILURE TO DELIVER</p> <p>PART H BUYING-IN UPON REQUEST</p> <p>9.17 Buying-In Upon Request</p> <p>In addition to the buying-in referred to in Rules 9.05 and 9.06, the Exchange may, upon a request made by a</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	buying-in in respect of any security under circumstances as may be prescribed by the Exchange or the Clearing House.		Participating Organisation or the Clearing House, conduct buying-in in respect of any security under circumstances as may be prescribed by the Exchange or the Clearing House.
10.09(2)	<p>Price of Securities</p> <p>(2) If the price of a Direct Business Transaction reported to the Exchange falls within the prices stipulated in Schedule 4, a Participating Organisation must comply with the following:</p> <p>(a) submit the following information to the Exchange in writing by 12.30 p.m. on the next Market Day after Direct Business Transaction was reported to the Exchange:</p> <p>(i) the details of the buyer and seller;</p> <p>(ii) the number of securities involved and the price;</p> <p>(iii) the basis on which the price of the Direct Business Transaction was agreed; and</p> <p>(iv) the reason for the Direct Business Transaction.</p> <p>(b) ensure that the Client executes the declaration in the format provided in Appendix 6; and</p> <p>(c) maintain the following documents for at least 7 years:</p>	10.09(2)	<p>Price of Securities</p> <p>(2) If the price of a Direct Business Transaction reported to the Exchange falls within the prices stipulated <u>prescribed</u> in Schedule 4, a Participating Organisation must comply with the following:</p> <p>(a) submit the following information to the Exchange in writing by 12.30 p.m. on the next Market Day after Direct Business Transaction was reported to the Exchange:</p> <p>(i) the details of the buyer and seller;</p> <p>(ii) the number of securities involved and the price;</p> <p>(iii) the basis on which the price of the Direct Business Transaction was agreed; and</p> <p>(iv) the reason for the Direct Business Transaction.;</p> <p>(b) ensure that the Client executes the declaration in the format provided in Appendix 6 <u>as prescribed by the Exchange</u>; and</p> <p><u>[Refer to Directive No. 10.01(1)-001]</u></p> <p>(c) maintain the following documents for at least 7 years:</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<ul style="list-style-type: none"> (i) the declaration executed by the Client in the format provided in Appendix 6; (ii) the written agreement evidencing the Direct Business Transaction; and (iii) any other relevant documents in relation to the information referred to in Rule 10.09(2)(a). 		<ul style="list-style-type: none"> (i) the declaration executed by the Client in the format provided in Appendix 6 <u>as prescribed by the Exchange</u>; (ii) the written agreement evidencing the Direct Business Transaction; and (iii) any other relevant documents in relation to the information referred to in Rule 10.09(2)(a).
11.01	<p>Definitions</p> <p>In this Chapter, unless the context otherwise requires:</p> <p>Retail Trade Trades or transactions other than trades or transactions by or on behalf of:</p> <ul style="list-style-type: none"> (a) life insurance companies; (b) general insurance companies; (c) superannuation or employees provident funds; (d) banks, including merchant banks and co-operative banks established or licensed to operate in Malaysia under the laws of Malaysia or elsewhere under the laws of the jurisdiction concerned; (e) a wholly-owned subsidiary of the institutions under paragraph (d) above; 	11.01	<p>Definitions</p> <p>In this Chapter, unless the context otherwise requires:</p> <p>Retail Trade Trades or transactions other than trades or transactions by or on behalf of:</p> <ul style="list-style-type: none"> (a) life insurance companies; (b) general insurance companies; (c) superannuation or employees provident funds; (d) banks, including merchant—investment <u>banks which are not also Participating Organisations</u> and co-operative banks established or licensed to operate in Malaysia under the laws of Malaysia or elsewhere under the laws of the jurisdiction concerned;

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<ul style="list-style-type: none"> (f) finance companies; (g) asset management companies and unit trust management companies; (h) trust companies or institutions; (i) co-operatives established under statute; (j) central, state or local government-owned or linked funds; (k) members or member companies of recognised stock exchanges; (l) securities dealers who are not members of such recognised stock exchanges but who are authorised to carry out the business of dealing in securities by the relevant authorities in jurisdictions of the recognised stock exchange; and (m) any other institutions or types of companies as determined from time to time by the Exchange. 		<ul style="list-style-type: none"> (e) a wholly-owned subsidiary of the institutions under paragraph (d) above; (f) finance companies[Deleted]; (g) asset management companies and unit trust management companies; (h) trust companies or institutions; (i) co-operatives established under statute; (j) central, state or local government-owned or linked funds; (k) members or member companies of recognised stock exchanges; (l) securities dealers who are not members of such recognised stock exchanges but who are authorised to carry out the business of dealing in securities by the relevant authorities in jurisdictions of the recognised stock exchange; and (m) any other institutions or types of companies as determined from time to time by the Exchange.
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APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

<p>12.03(3)</p>	<p>Annual statutory audit</p> <p>(3) A Participating Organisation must, within 2 months from commencing business as a Participating Organisation, inform the Exchange in writing of:</p> <p>(a) the date of the Participating Organisation's financial year end; and</p> <p>(b) the name of the statutory auditor who will furnish the Annual Audited Accounts.</p>	<p>12.03(3)</p>	<p>Annual statutory audit</p> <p>(3) A Participating Organisation must, within 2 months from commencing business as a Participating Organisation, inform-notify the Exchange in-writing of:</p> <p>(a) the date of the Participating Organisation's financial year end; and</p> <p>(b) the name of the statutory auditor who will furnish the Annual Audited Accounts.</p>
<p>14.01</p>	<p>Definition</p> <p>In this Chapter 14, "Relevant Person" includes the Participating Organisation's Registered Person, agent and employee.</p>	<p>14.01</p>	<p>Definition</p> <p>In this Chapter 14, "Relevant Person" includes the Participating Organisation's Registered Person, agent and employee. [Deleted]</p>
<p>14.02(2)</p>	<p>Exchange's right to inspection</p> <p>(2) A Participating Organisation and Relevant Person must:</p> <p>(a) give or procure for the Exchange all information, Documents, Books and Records the Exchange requests for and allow the Exchange to take copies and extracts of such Documents, Books and Records; and</p> <p>(b) give the Exchange access to the relevant premises for the Exchange to conduct an inspection under Rule 14.02.</p>	<p>14.02(2)</p>	<p>Exchange's right to inspection</p> <p>(2) A Participating Organisation and Relevant Person must:</p> <p>(a) give or procure for the Exchange all information, Documents, Books and Records the Exchange requests for and allow the Exchange to take copies and extracts of such Documents, Books and Records; and</p> <p>(b) give the Exchange access to the relevant premises for the Exchange to conduct an inspection under Rule 14.02. [Deleted]</p>
<p>14.02(3)</p>	<p>(3) A Participating Organisation and Relevant Person must:</p>	<p>14.02(3)</p>	<p>(3) A Participating Organisation and <u>a</u> Relevant Person must:</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(a) not hinder or obstruct the Exchange during the inspection; and</p> <p>(b) give the Exchange all assistance the Exchange reasonably requires to conduct the inspection.</p>		<p>(a) not hinder or obstruct the Exchange during the inspection; and</p> <p>(b) give the Exchange all assistance the Exchange reasonably requires to conduct the inspection; <u>and</u></p> <p><u>(c) provide such information relevant to the inspection, comply and give effect to any Directive the Exchange issued pursuant to Rule 2.01(2)(k).</u></p>
14.04	<p>Reporting</p> <p>(1) The Exchange will notify the Participating Organisation concerned of the findings of the Exchange's inspection.</p> <p>(2) A Participating Organisation must table the Exchange's findings to the Participating Organisation's Board of Directors as soon as possible.</p> <p>(3) A Participating Organisation must within 1 month from the Board of Directors' meeting referred to in Rule 14.04(2):</p> <p>(a) take corrective measures to address the Exchange's findings; and</p> <p>(b) notify the Exchange in writing of the Participating Organisation's Board of Director's decided course of action and corrective measures taken (if any) to address the Exchange's findings.</p>	14.04	<p>Reporting</p> <p>(1) The Exchange will notify the Participating Organisation concerned of the findings offrom the Exchange's inspection.</p> <p>(2) A Participating Organisation must table the Exchange's findings to the Participating Organisation's Board of Directors as soon as possible.</p> <p>(3) A Participating Organisation must, within 1 month from the Board of Directors' meeting referred to in Rule 14.04(2) <u>such time as may be prescribed by the Exchange:</u></p> <p>(a) take corrective measures to address the Exchange's findings; and</p> <p>(b) notify the Exchange in writing of the Participating Organisation's Board of Director's decided course of action and corrective measures taken (if any) to address the Exchange's findings.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

14.06	PART C INVESTIGATION	14.06	PART C INVESTIGATION
	<p>Power of investigation</p> <p>(1) The Exchange may conduct an investigation on a Participating Organisation or Registered Person at any time on any matter in relation to the Depository Rules, Clearing House Rules, these Rules, the Participating Organisation's internal policies and procedures and any other rules and regulations related to its business in dealing in securities.</p> <p>(2) The Exchange is empowered to:</p> <p>(a) require a Participating Organisation or Relevant Person to attend before the Exchange at any time and to give such information that is relevant to the investigation;</p> <p>(b) record statements from the persons referred to in Rule 14.06(2)(a). A recorded statement may be used in disciplinary proceedings against a Participating Organisation or Relevant Person (including the person making such statement);</p> <p>(c) require a Registered Person or a Participating Organisation to procure the attendance of any Relevant Person and consultant before the Exchange and to give or procure such information relevant to the investigation;</p> <p>(d) require the Participating Organisation or Relevant Person to give or procure for the</p>		<p>Power of investigation</p> <p>(1) The Exchange may conduct an investigation on a Participating Organisation or <u>a</u> Registered Person at any time on any matter in relation to the Depository Rules, Clearing House Rules, these Rules, the Participating Organisation's internal policies and procedures and any other rules and regulations related to its business in dealing in securities.</p> <p>(2) The Exchange is empowered to:</p> <p>(a) require a Participating Organisation or Relevant Person to attend before the Exchange at any time and to give such information that is relevant to the investigation;</p> <p>(b) record statements from the persons referred to in Rule 14.06(2)(a). A recorded statement may be used in disciplinary proceedings against a Participating Organisation or Relevant Person (including the person making such statement);</p> <p>(c) require a Registered Person or a Participating Organisation to procure the attendance of any Relevant Person and consultant before the Exchange and to give or procure such information relevant to the investigation;</p> <p>(d) require the Participating Organisation or Relevant Person to give or procure for the Exchange information, Documents, Books or</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>Exchange information, Documents, Books or Records that may be relevant to the investigation including requiring the Relevant Person to make copies or the Exchange taking extracts of the same;</p> <p>(e) enter the Participating Organisation's or Relevant Person's premises to seize, detain or take possession of any property, Document, Books or Records found at the Participating Organisation's or Relevant Person's premises or in the possession, custody or control of a Relevant Person that may be relevant to the investigation;</p> <p>(f) impose such requirement on the Participating Organisation or Relevant Person that the Exchange thinks reasonably necessary to facilitate the investigation; or</p> <p>(g) in addition to any action taken by the Exchange, require a Registered Person or Participating Organisation to discipline its Registered Person(s) or employees in an appropriate manner if such person have caused the Registered Person or the Participating Organisation to violate the Securities Laws, the Depository Rules, the Clearing House Rules and/or these Rules.</p> <p>(3) A Participating Organisation and Relevant Person must:</p> <p>(a) not hinder or obstruct the Exchange during the investigation;</p>		<p>Records that may be relevant to the investigation including requiring the Relevant Person to make copies or the Exchange taking extracts of the same;</p> <p>(e) enter the Participating Organisation's or Relevant Person's premises to seize, detain or take possession of any property, Document, Books or Records found at the Participating Organisation's or Relevant Person's premises or in the possession, custody or control of a Relevant Person that may be relevant to the investigation;</p> <p>(f) impose such requirement on the Participating Organisation or Relevant Person that the Exchange thinks reasonably necessary to facilitate the investigation; or</p> <p>(g) in addition to any action taken by the Exchange, require a Registered Person or Participating Organisation to discipline its Registered Person(s) or employees in an appropriate manner if such person have caused the Registered Person or the Participating Organisation to violate the Securities Laws, the Depository Rules, the Clearing House Rules and/or these Rules. <u>[Deleted]</u></p> <p>(3) A Participating Organisation and <u>a</u> Relevant Person must:</p> <p>(a) not hinder or obstruct the Exchange during the investigation;</p>
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APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>(b) give the Exchange all assistance the Exchange reasonably requires to conduct the investigation; and</p> <p>(c) comply and give effect to any Directives the Exchange issues in exercising the powers under Rule 14.06(2).</p>		<p>(b) give the Exchange all assistance the Exchange reasonably requires to conduct the investigation; and</p> <p>(c) <u>provide such information relevant to the investigation</u>, comply and give effect to any Directives the Exchange issues in exercising the powers under Rule 14.06(2)<u>2.01(2)(k)</u>.</p>
14.08	<p>Confidentiality of findings</p> <p>If a finding or result of any investigation under this Chapter is disclosed to a Participating Organisation or Relevant Person by the Exchange or any other person, the Participating Organisation and Relevant Person must keep the findings and results of such investigation confidential and must not disclose the findings or results to any person except the Commission, any authorised officer of the Commission or any investigating governmental authority or agency.</p>	14.08	<p>Confidentiality of findings</p> <p>If a finding or result of any investigation under this Chapter is disclosed to a Participating Organisation or Relevant Person by the Exchange or any other person, the Participating Organisation and Relevant Person must keep the findings and results of such investigation confidential and must not disclose the findings or results to any person except the Commission, any authorised officer of the Commission or any investigating governmental authority or agency.</p> <p><i>[Deleted]</i></p>
15.02(f)	<p>Disciplinary powers</p> <p>The Exchange may exercise its disciplinary powers under Part A of this Chapter 15 against a Participant if the Participant is found to have breached any of these Rules and Directives. The Exchange's disciplinary powers include the taking of one or more of the following actions:</p> <p>(f) imposing one or more conditions for compliance including issuing a directive to take such steps to remedy or mitigate the breach;</p>	15.02(f)	<p>Disciplinary powers</p> <p>The Exchange may exercise its disciplinary powers under Part A of this Chapter 15 against a Participant if the Participant is found to have breached any of these Rules and Directives. The Exchange's disciplinary powers include the taking of one or more of the following actions:</p> <p>(f) imposing one or more conditions for compliance including issuing a directive to take such steps to remedy or mitigate the breach, <u>other than a directive to make restitution</u>;</p>
15.02(h)	<p>(h) mandating education, training or such other types of programme as may be determined by the Exchange to</p>	15.02(h)	<p>(h) mandating education, training or such other types of programme as may be determined by the Exchange to</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	be undertaken or implemented by the Participant for its employees; or		be undertaken or implemented by the Participant for its employees; or
15.02(j)	(j) any other action the Exchange considers appropriate, subject to consultation with the Commission.	15.02(j)	(j) any other action the Exchange considers appropriate, subject to consultation with the Commission-; <u>or</u>
	New provision	<u>15.02(k)</u>	<u>(k) in respect of a breach of these Rules that relates to a function that has been outsourced, imposing any restriction or condition in relation to the breach committed or on the activities that a Participant undertakes.</u>
15.07	Cumulative actions or penalties If a Participant fails to comply with an action taken by the Exchange under Rule 15.02, the Exchange has the power to commence disciplinary proceedings against the Participant and take one or more actions as provided under Rule 15.02.	15.07	Cumulative actions or penalties If a Participant fails to comply with an action taken by the Exchange under Rule 15.02, the Exchange has the power to commence disciplinary proceedings against the Participant and take one or more actions as provided under Rule 15.02. [Deleted]
15.09(i)	Violation by Participants Any Participant ("Defaulting Participant") who, in any circumstances, directly or indirectly – (i) being a Dealer's Representative: (i) without prejudice to the generality of the foregoing – (aa) falsely declares authentication of an account opening application; or (bb) without proper authority, makes use of another person's particulars of an account;	15.09(i)	Violation by Participants Any Participant ("Defaulting Participant") who, in any circumstances, directly or indirectly – (i) being a Dealer's Representative: (i) without prejudice to the generality of the foregoing – (aa) falsely declares authentication of an account opening application; or (bb) without proper authority, makes use of another person's particulars of an account;

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<ul style="list-style-type: none"> (ii) falsifies particulars of an account; (iii) unlawfully transacts on another person's account; (iv) commits any act in breach of his fiduciary position in respect of the foregoing matters; (v) unlawfully delegates powers or assigns duties properly vested in him to unauthorised person or persons; or (vi) applies any amount paid or securities deposited by a Client to any person not entitled thereto or for payment other than the said Client's trading account; <p>will be liable and be dealt with in accordance with the provisions of these Rules relating to the same.</p>		<ul style="list-style-type: none"> (ii) falsifies particulars of an account; (iii) <u>falsifies signature of a Client or any other forms of authorisation by the Client;</u> (iiiiv) unlawfully transacts on another person's account; (iv) commits any act in breach of his fiduciary position in respect of the foregoing matters; (vi) unlawfully delegates powers or assigns duties properly vested in him to unauthorised person or persons; or (vii) applies any amount paid or securities deposited by a Client to any person not entitled thereto or for payment other than the said Client's trading account; <p>will be liable and be dealt with in breach of these Rules and be dealt with in accordance with the provisions of these Rules relating to the same<u>disciplinary proceedings</u>.</p>
15.12	Notification of decision After the conclusion of the disciplinary proceedings, the Exchange will notify the Defaulting Participant in writing of the decision including the penalty imposed (if any).	15.12	Notification of decision After the conclusion of the disciplinary proceedings, the Exchange will notify the Defaulting Participant in writing of the decision including the penalty imposed (if any).
15.13(1)	Scope (1) The Exchange may initiate expedited proceedings under this Rule 15.13 against a Defaulting Participant against whom disciplinary action is proposed to be taken instead of the proceedings under Part C of this	15.13(1)	Scope (1) The Exchange may initiate expedited proceedings under this Rule 15.13 against a Defaulting Participant against whom disciplinary action is proposed to be taken instead of the proceedings under Part C of this

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	<p>Chapter 15 in circumstances the Exchange deems fit, such as in respect of a breach of the Rules which does not typically attract a penalty beyond:</p> <p>(a) a reprimand; or</p> <p>(b) a fine of more than RM10,000.00.</p>		<p>Chapter 15 in circumstances the Exchange deems fit, such as in respect of a breach of the Rules which does not typically attract a penalty beyond:</p> <p>(a) a reprimand; or</p> <p>(b) a fine of more than RM10,000.00; <u>or</u></p> <p><u>(c) both of the above.</u></p>
15.14(1)	<p>Procedure</p> <p>(1) The Exchange will notify the Defaulting Participant in writing that the matter will be proceeded with by way of expedited proceedings. The notice will specify the breach and penalty imposed for the breach (“Determination”).</p>	15.14(1)	<p>Procedure</p> <p>(1) The Exchange will notify the Defaulting Participant in writing that the matter will be proceeded with by way of expedited proceedings. The notice will specify the breach and penalty imposed for the breach (“Determination”).</p>
15.14(2)	<p>(2) The Defaulting Participant must, within the time specified in the Determination, inform the Exchange in writing whether or not the Defaulting Participant agrees with the Determination. A Defaulting Participant is deemed to have agreed with the Determination if the Defaulting Participant does not respond within the specified time.</p>	15.14(2)	<p>(2) The Defaulting Participant must, within the time specified-prescribed in the Determination, inform the Exchange in writing whether or not the Defaulting Participant agrees with the Determination. A Defaulting Participant is deemed to have agreed with the Determination if the Defaulting Participant does not respond within the specified-prescribed time.</p>
15.14(3)	<p>(3) If the Defaulting Participant agrees or is deemed to have agreed with the Determination, disciplinary action will be recorded as having been taken against the Defaulting Participant on the date of the Defaulting Participant’s agreement or upon expiry of the specified time.</p>	15.14(3)	<p>(3) If the Defaulting Participant agrees or is deemed to have agreed with the Determination, disciplinary action will be recorded as having been taken against the Defaulting Participant on the date of the Defaulting Participant’s agreement or upon expiry of the specified<u>prescribed</u> time.</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

<p>15.14(4)</p>	<p>(4) If the Defaulting Participant agrees or is deemed to have agreed with the Determination, any fine imposed as a penalty for the breach must be paid:</p> <p>(a) upon the Defaulting Participant informing the Exchange in writing of his agreement with the Determination; or</p> <p>(b) within the time specified in the Determination; as the case may be.</p>	<p>15.14(4)</p>	<p>(4) If the Defaulting Participant agrees or is deemed to have agreed with the Determination, any fine imposed as a penalty for the breach must be paid:</p> <p>(a) upon the Defaulting Participant informing the Exchange in writing of his agreement with the Determination; or</p> <p>(b) within the time specified<u>prescribed</u> in the Determination; as the case may be.</p>
<p>15.14(5)</p>	<p>(5) If the Defaulting Participant does not agree with the Determination, the matter will proceed under Part C of this Chapter 15. The Defaulting Participant may, within the time specified in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 15.10. In deliberating the matter under Part C of this Chapter 15, the Exchange is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceedings under Part C of this Chapter 15.</p>	<p>15.14(5)</p>	<p>(5) If the Defaulting Participant does not agree with the Determination, the matter will proceed under Part C of this Chapter 15. The Defaulting Participant may, within the time specified<u>prescribed</u> in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 15.10. In deliberating the matter under Part C of this Chapter 15, the Exchange is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceedings under Part C of this Chapter 15.</p>
<p>15.16(1)</p>	<p>Right of appeal</p> <p>(1) In amplification of Rule 2.05, any party to the disciplinary proceedings taken under Part C of this Chapter 15 and Rule 15.14(5) who is dissatisfied with a decision resulting from the disciplinary proceedings, may appeal against such decision in the manner specified in Rule 15.17 unless the decision was recorded pursuant to an agreed settlement under Rule 15.04(3) ("the Appellant").</p>	<p>15.16(1)</p>	<p>Right of appeal</p> <p>(1) In amplification of Rule 2.05, any party to the disciplinary proceedings taken under Part C of this Chapter 15 and Rule 15.14(5) who is dissatisfied with a decision resulting from the disciplinary proceedings, may appeal against such decision in the manner specified<u>prescribed</u> in Rule 15.17 unless the decision was recorded pursuant to an agreed settlement under Rule 15.04(3) ("the Appellant").</p>

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

15.19	Notification of decision on appeal After the conclusion of an appeal, the Exchange will notify the Defaulting Participant in writing of the decision of the appeal and such decision is final.	15.19	Notification of decision on appeal After the conclusion of an appeal, the Exchange will notify the Defaulting Participant in writing of the decision of the appeal and such decision is final.
15.21(1)	Period of payment and effect of non-payment of fine (1) Without prejudice to Rule 15.20(2), a fine imposed by the Exchange must be paid by the Defaulting Participant within 14 days after the date of service of the notice under Rule 15.12 or Rule 15.19.	15.21(1)	Period of payment and effect of non-payment of fine (1) Without prejudice to Rule 15.20(2), a fine imposed by the Exchange must be paid by the Defaulting Participant within 14 days after the date of service of the time prescribed in the notice under Rule 15.12 or Rule 15.19.
15.21(3)	(3) Where the fine remains unpaid 7 days after the suspension under Rule 15.21(2), the Exchange may at any time thereafter summarily strike the Defaulting Participant off the Register by notice in writing.	15.21(3)	(3) Where the fine remains unpaid 7 days after the suspension under Rule 15.21(2), the Exchange may at any time thereafter summarily strike the Defaulting Participant off the Register by notice in writing .
15.22(1)	Effect of suspension (1) A suspension imposed by the Exchange upon the Defaulting Participant: (a) takes effect on the date notified in the notice under Rule 15.12 or Rule 15.19 ("the said notice"); and (b) remains for such period as specified in the said notice but the period may be extended by the Exchange for such period as it considers appropriate.	15.22(1)	Effect of suspension (1) A suspension imposed by the Exchange upon the Defaulting Participant: (a) takes effect on the date notified <u>prescribed</u> in the notice under Rule 15.12 or Rule 15.19 ("the said notice"); and (b) remains for such period as specified <u>prescribed</u> in the said notice but the period may be extended by the Exchange for such period as it considers appropriate.
Appendix x 3	Monthly Returns on Credit Facilities Extended in relation to Margin Account	Appendix x 3	Monthly Returns on Credit Facilities Extended in relation to Margin Account

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

	Please refer to Annexure 1 below.		Please refer to Annexure 1 below.
Appendix 6	Declaration on Direct Business Transaction Please refer to Annexure 2 below.	Appendix 6	Declaration on Direct Business Transaction Please refer to Annexure 2 below.

[End of Amendments to BMS Rules]

APPENDIX 1
**AMENDMENTS TO THE BMS RULES IN RELATION TO
 THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
 FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013**

ANNEXURE 1

**APPENDIX 3
 MONTHLY RETURNS ON CREDIT FACILITIES EXTENDED IN RELATION TO MARGIN ACCOUNT
 [RULE 7.30(21)]**

[Deleted]

To: ~~Bursa Malaysia Securities Berhad
 Participants Supervision Division
 Level 12, Exchange Square
 Bukit Kewangan
 50200 Kuala Lumpur~~

Name of Participating Organisation:

Report on Margin Accounts
 as at last market day
 for the month of 20.....

Name of client (a)	^{*1} Approved limit RM (b)	^{*2} Outstanding balance RM (c)	^{*3} Value of equity RM (d)	4 (d/c) x 100 (e)	(b/g x 100) (f)
TOTAL					

RM

(g) ~~Participating Organisation's Effective Shareholders Funds~~

(h) ~~Paid-up capital~~

(i) ~~Published reserves~~

(j) ~~Total of (c) =~~ times
 (g)

Signed: _____

 [Authorised signatory]

 [Full Name]

 [Designation]

Date: _____

[End of Appendix 3]

APPENDIX 1
AMENDMENTS TO THE BMS RULES IN RELATION TO
THE SIMPLIFICATION OF BMS RULES AND DIRECTIVES AND
FINANCIAL SERVICES ACT 2013 AND ISLAMIC FINANCIAL SERVICES ACT 2013

ANNEXURE 2

APPENDIX 6 – DECLARATION ON DIRECT BUSINESS TRANSACTION
[RULE 10.09(2)(b)]

~~**[Deleted]**~~

~~**DECLARATION**~~

~~I/We*, named below, do declare that:~~

~~(a) I/We* am/are* the authorised signatory(ies) of [insert name of corporation]**;~~

~~(b) I/We*/[insert name of corporation]** intend(s) to buy/sell* the following securities by way of a Direct Business Transaction as defined in these Rules:~~

~~**PARTICULARS**~~

~~(i) Counter (short name & stock code)~~

~~(ii) No. of securities involved~~

~~(iii) Price per unit of securities~~

~~(iv) Name of Participating Organisation (for buyer)
(for seller)~~

~~(c) the information, in particular the basis on which the price was agreed and the specific reason for the transaction, and documents furnished to the Participating Organisation to evidence the information submitted to the Participating Organisation are true and accurate; and~~

~~(d) the transaction is genuine and all other written law, directives or guidelines relevant to such transaction, if any, have been duly complied with.~~

~~**Signed:** _____
_____ [Authorised signatory]~~

~~**Date:** _____~~

~~***Please delete whichever is not applicable**~~

~~****Only applicable if the DBT is by a corporation**~~

[End of Appendix 6]