

**RULES OF BURSA MALAYSIA SECURITIES BERHAD (“BMS RULES”)**

**AMENDMENTS TO BMS RULES AND DIRECTIVES IN RELATION TO THE REGULATED SHORT SELLING AND INTRADAY SHORT SELLING  
FRAMEWORKS**

**(a) RULE AMENDMENTS**

RULE	CURRENT PROVISION	RULE	AMENDED PROVISION
8.21	<p><b>Definitions</b></p> <p>For the purpose of this Part C of Chapter 8, the following interpretations apply:</p> <p>(a) the word ‘Client’ includes the Participating Organisation where the Participating Organisation is executing Regulated Short Selling for itself; and</p> <p>(b) a reference in this Part C of Chapter 8 to a person associated with another person is construed as a reference to “Associated Person” in Section 3 of the Capital Markets and Services Act.</p>	8.21	<p><b>Definitions</b></p> <p>For the purpose of this Part C of Chapter 8, <del>the following interpretations apply:</del></p> <p><del>(a) —</del>the word ‘Client’ includes the Participating Organisation where the Participating Organisation is executing Regulated Short Selling for itself. <del>;</del> <del>and</del></p> <p><del>(b) —</del>a reference in this Part C of Chapter 8 to a person associated with another person is construed as a reference to “Associated Person” in Section 3 of the Capital Markets and Services Act.</p>
8.22	<p><b>Regulated short selling</b></p> <p>(1) A Participating Organisation may execute short selling if the same is carried out in accordance with this Part C of Chapter 8.</p> <p>(2) A Participating Organisation must not execute Regulated Short Selling if the Client of the Participating Organisation or the person on whose behalf the Client of the Participating Organisation is executing the Regulated Short Selling, is associated with the body corporate that issued or made available the Approved Securities.</p>	8.22	<p><b>Regulated short selling</b></p> <p>(1) A Participating Organisation may execute short selling if the same is carried out in accordance with this Part C of Chapter 8.</p> <p>(2) <del>A Participating Organisation must not execute Regulated Short Selling if the Client of the Participating Organisation or the person on whose behalf the Client of the Participating Organisation is executing the Regulated Short Selling, is associated with the body corporate that issued or made available the Approved Securities. [Deleted]</del></p>

<b>8.26</b>	<b>Execution</b>	<b>8.26</b>	<b>Execution</b>
	<p>(1) A Participating Organisation must ensure the following conditions are met before entering an order for a Regulated Short Sale whether for itself or a Client:</p> <p>(a) the Approved Securities to be short sold have been borrowed through SBL or purchased through ISSBNT, as the case may be; or</p> <p>(b) a confirmation has been obtained from an Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the Approved Securities to be short sold are available to settle the sale;</p> <p>(c) the person for whom the order for a Regulated Short Sale is entered, is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be entered, and if the order for the Regulated Short Sale is for a Client, to obtain a confirmation from the Client in this respect;</p> <p>(d) the order price of the Approved Securities to be entered into the ATS is in compliance with all requirements as may be prescribed by the Exchange; and</p> <p>(e) the order is entered into ATS through the screen designated in the ATS for Regulated Short Sale.</p>		<p>(1) A Participating Organisation must ensure the following conditions are met before entering an order for a Regulated Short Sale whether for itself or a Client:</p> <p>(a) the Approved Securities to be short sold have been borrowed through SBL or purchased through ISSBNT, as the case may be; or</p> <p>(b) a confirmation has been obtained from an Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the Approved Securities to be short sold are available to settle the sale;</p> <p>(c) <del>the person for whom the order for a Regulated Short Sale is entered, is not associated in the manner referred to in Rule 8.21 with the body corporate that issued or made available the Approved Securities in relation to which the order for short sale is to be entered, and if the order for the Regulated Short Sale is for a Client, to obtain a confirmation from the Client in this respect; <u>[Deleted]</u></del></p> <p>(d) the order price of the Approved Securities to be entered into the ATS is in compliance with all requirements as may be prescribed by the Exchange; and</p> <p>(e) the order is entered into ATS through the screen designated in the ATS for Regulated Short Sale.</p>

**ANNEXURE 1**

Amendments to the BMS Rules and Directives  
in relation to the RSS and IDSS frameworks

<p><b>8.26</b></p>	<p>(4) A Participating Organisation must keep documents relating to the requirements on Rules 8.26(1)(a), (b), (c) and (d) for at least 7 years. The documents must be either in writing, tape recording or electronic form.</p>	<p><b>8.26</b></p>	<p>(4) A Participating Organisation must keep documents relating to the requirements on Rules 8.26(1)(a), (b), <del>(c)</del> and (d) for at least 7 years. The documents must be either in writing, tape recording or electronic form.</p>
<p><b>8.33</b></p>	<p><b>Definitions</b></p> <p>For the purposes of this Part D of Chapter 8, the following interpretations apply:</p> <p>(a) the word “Client” includes the Participating Organisation where the Participating Organisation is executing Intraday Short Selling for itself; and</p> <p>(b) a reference in this Part D of Chapter 8 to a person associated with another person is construed as a reference to “associated person” in section 3 of the Capital Markets and Services Act.</p>	<p><b>8.33</b></p>	<p><b>Definitions</b></p> <p>For the purposes of this Part D of Chapter 8, <del>the following interpretations apply:</del></p> <p><del>(a) — the word “Client” includes the Participating Organisation where the Participating Organisation is executing Intraday Short Selling for itself; and</del></p> <p><del>(b) — a reference in this Part D of Chapter 8 to a person associated with another person is construed as a reference to “associated person” in section 3 of the Capital Markets and Services Act.</del></p>
<p><b>8.34</b></p>	<p><b>Intraday Short Selling</b></p> <p>(5) A Participating Organisation must not execute Intraday Short Selling if the Client of the Participating Organisation or the person on whose behalf the Client of the Participating Organisation is executing the Intraday Short Selling, is associated with the body corporate that issued or made available the Approved Securities.</p>	<p><b>8.34</b></p>	<p><b>Intraday Short Selling</b></p> <p><del>(5) — A Participating Organisation must not execute Intraday Short Selling if the Client of the Participating Organisation or the person on whose behalf the Client of the Participating Organisation is executing the Intraday Short Selling, is associated with the body corporate that issued or made available the Approved Securities. <i>[Deleted]</i></del></p>

**(b) AMENDMENTS TO THE DIRECTIVE**

**Directive No. 8-003 (Directive on Intraday Short Selling)**

PARA GRAPH	CURRENT PROVISION	PARA GRAPH	AMENDED PROVISION
1.1	<p><b>Conditions for executing Intraday Short Selling</b></p> <p>(1) A Participating Organisation must not allow a Client to execute Intraday Short Selling unless it is satisfied that the Client has complied with the following conditions:</p> <p>(a) the Client has entered into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades which may occur in the event any Intraday Short Selling executed for the Client are not closed off by the end of the day;</p> <p>(b) the Client has executed a risk disclosure statement in the form prescribed by the Exchange in <b>Appendix 1</b> of this Directive; and</p> <p>(c) the Client has submitted a written declaration that the Client:</p> <p style="padding-left: 20px;">(i) fully understands the requirements in these Rules in relation to Intraday Short Selling; and</p> <p style="padding-left: 20px;">(ii) is not associated with the body corporate that issued or made available the Approved Securities in relation to which an order for short sale is to be entered.</p>	1.1	<p><b>Conditions for executing Intraday Short Selling</b></p> <p>(1) A Participating Organisation must not allow a Client to execute Intraday Short Selling unless it is satisfied that the Client has complied with the following conditions:</p> <p>(a) the Client has entered into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades which may occur in the event any Intraday Short Selling executed for the Client are not closed off by the end of the day;</p> <p>(b) the Client has executed a risk disclosure statement in the form prescribed by the Exchange in <b>Appendix 1</b> of this Directive; and</p> <p>(c) the Client has submitted a written declaration that the Client:</p> <p style="padding-left: 20px;"><del>(i) fully understands the requirements in these Rules in relation to Intraday Short Selling; and</del></p> <p style="padding-left: 20px;"><del>(ii) is not associated with the body corporate that issued or made available the Approved Securities in relation to which an order for short sale is to be entered.</del></p> <p>(2) The conditions as stated in paragraphs 1.1(1)(b) and 1.1(1)(c) do not apply to a Client who falls within the list in <b>Appendix 2</b> of this Directive.</p>

	(2) The conditions as stated in paragraphs 1.1(1)(b) and 1.1(1)(c) do not apply to a Client who falls within the list in <b>Appendix 2</b> of this Directive.		
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*[End of amendments to BMS Rules and Directives]*