

BURSA MALAYSIA DERIVATIVES BERHAD

Date: 25 November 2021

Trading Participant Circular: 18/2021

AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD (“BMD RULES AND DIRECTIVES”) IN RELATION TO THE AFTER-HOURS (T+1) TRADING SESSION

1. INTRODUCTION

- 1.1 Bursa Malaysia Derivatives Berhad (the “**Exchange**”) is introducing an after-hours (T+1) trading session as part of its initiatives to enhance the attractiveness of Malaysia’s derivatives market.
- 1.2 The Exchange seeks to achieve the following objectives with the introduction of the after-hours (T+1) trading session:
- (a) provide a hedging and risk management tool for investors to hedge or adjust their positions to manage their risks, in the event of volatile trading when the European and U.S. markets are trading. This would help reduce the volatility in the next day’s opening as the overlap in the trading hours would create an efficient price discovery mechanism;
 - (b) enhance the efficiency and effectiveness of our derivatives market by facilitating better risk management and price discovery, as well as provide new business opportunities to the derivatives industry by offering additional access to trading; and
 - (c) enhance the appeal of the Malaysian derivatives market to both local and foreign investors by closing the gap between the local and foreign markets’ trading hours, in line with the practice in other established jurisdictions.
- 1.2 The amendments have been approved by the Securities Commission Malaysia and are further detailed in paragraph 2 below.

2. AMENDMENTS TO THE BMD RULES AND DIRECTIVES

- 2.1 The salient amendments made to the BMD Rules and Directives are as follows:
- (a) introducing a new provision in the BMD Rules to clarify that all trades carried out during the after-hours (T+1) trading session as prescribed in the Contract Specifications¹ would be regarded as the next Business Day’s trades; and
 - (b) amending, among others, the trading hours and price limits of the relevant Contracts to reflect the after-hours (T+1) trading session, as set out in Schedules 1 to 4 of the BMD Rules.

Amendments were also made to enhance clarity and to remove redundancy.

- 2.2 The detailed amendments to the BMD Rules and Directives are as set out in **Annexures 1 and 2** respectively.

¹ Pursuant to Rule 1.01 of the BMD Rules, “Contract Specifications” means the terms and conditions of a Contract prescribed by the Exchange and any amendment that may be made.

3. AMENDMENTS TO THE TRADING PARTICIPANTS' TRADING MANUAL ("TRADING MANUAL")

3.1 The Trading Manual has also been amended to reflect the after-hours (T+1) trading session.

3.2 The updated version of the Trading Manual is attached as **Annexure 3**.

4. EFFECTIVE DATE

The amendments to the BMD Rules and Directives will take effect from **6 December 2021**.

5. CONTACT PERSON

In the event of any queries in relation to the above matter, kindly contact us at the following:

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This Circular is available at:

https://www.bursamalaysia.com/regulation/derivatives/rules_of_bursa_malaysia_derivatives

Regulation