

**BURSA MALAYSIA DERIVATIVES BERHAD**

Date: 1 September 2022

Trading Participant Circular: 10/2022

**AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD (“BMD RULES AND DIRECTIVES”) IN RELATION TO THE REVAMPED GOLD FUTURES (“FGLD”) CONTRACT**

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**1. INTRODUCTION**

- 1.1 Bursa Malaysia Derivatives Berhad (“**the Exchange**”) has revamped the contract specifications for the FGLD Contract as part of the Exchange’s initiative to provide investors with an avenue to trade in both uptrends and downtrends gold market, as well as to hedge against gold price fluctuations.
- 1.2 The amendments among others, seek to achieve the following:
- (a) enhance the FGLD’s attractiveness for investors; and
  - (b) increase the accessibility to this contract for foreign investors and market makers by alleviating foreign exchange rate fluctuations and exposure to currency risk between USD and MYR.
- 1.3 The amendments have been approved by the Securities Commission Malaysia and are further detailed in paragraphs 2 and 3 below.

**2.0 AMENDMENTS TO THE BMD RULES**

- 2.1 The salient amendments made to the contract specifications of the FGLD Contract under item 3.01 of Schedule 3 of the BMD Rules are as follows:
- (a) inserting a new Contract Multiplier of 40 per contract unit;
  - (b) amending the Contract Unit from 100 grams to 1 contract unit equals to the reference price per troy ounce multiplied by the Contract Multiplier;
  - (c) shortening the afternoon trading session i.e. the session will end at 1730 hours instead of 1830 hours;
  - (d) amending the Final Trading Day for the trading in the expiring month Contract to cease at 1730 hours instead of 1830 hours; and
  - (e) amending the Final Settlement Value to remove the provisions on foreign exchange rate adjustment.
- 2.2 The detailed amendments to the BMD Rules are as set out in **Annexure 1**.

**3. AMENDMENTS TO THE BMD DIRECTIVES**

- 3.1 The BMD Directives has been amended to lower the position limit for the FGLD Contract from 25,000 Contracts to 20,000 Contracts for all contract months combined.
- 3.2 The detailed amendments to the BMD Directives are as set out in **Annexure 2**.

**4. AMENDMENTS TO THE TRADING PARTICIPANTS' TRADING MANUAL ("TRADING MANUAL")**

4.1 The Trading Manual has also been amended to reflect the changes in relation to the revamped FGLD Contract.

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

**5. EFFECTIVE DATE**

The amendments to the BMD Rules and BMD Directives will take effect from **19 September 2022**.

**6. CONTACT PERSONS**

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

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