

**ANNEXURE 1
AMENDMENTS TO THE BMDC RULES
TO FACILITATE OPERATIONS ON A SURPRISE HOLIDAY**

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BERHAD (“BMDC RULES”)
TO FACILITATE OPERATIONS ON A SURPRISE HOLIDAY**

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
1.01	<p>Definition</p> <p>Business Day Any day other than a Saturday, Sunday or public holiday, which has not been declared a non-business day by the Clearing House.</p>	1.01	<p>Definition</p> <p>Business Day Any day other than a Saturday, Sunday or public holiday, which has not been declared a non-business day by the Clearing House. <u>A day on which both the Clearing House and the Exchange are open for business, which may include a Surprise Holiday.</u></p>
1.01	NEW PROVISION	1.01	<p><u>Surprise Holiday</u> <u>A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year.</u></p>
NEW PROVISION	NEW PROVISION.	<u>1.08A</u>	<p><u>Surprise Holiday</u></p> <p><u>(1) If the Exchange is open for business on a Surprise Holiday, the Clearing House will be open for business on such day.</u></p> <p><u>(2) If the Clearing House and the Exchange are open for business on a Surprise Holiday, a Clearing Participant, a Registered Person and any other person to whom the Rules are directed must comply with and give effect to these Rules on such day.</u></p>

[End of Amendments to the BMDC Rules]

**ANNEXURE 2
AMENDMENTS TO THE BMDC DIRECTIVES TO
FACILITATE OPERATIONS ON A SURPRISE HOLIDAY**

**AMENDMENTS TO THE DIRECTIVES OF BURSA MALAYSIA DERIVATIVES CLEARING BERHAD (“BMDC DIRECTIVES”) TO FACILITATE
OPERATIONS ON A SURPRISE HOLIDAY**

PARA	EXISTING PROVISIONS	PARA	AMENDED PROVISIONS
Directive No. 2.01(2)-002: Directive on Readiness Audit – Self Assessment Approach, Declaratory Approach and Green Lane Policy in Respect of Readiness Audits			
Appendix 3	<p>DA PROCEDURES ON SUBMISSION AND REVIEW OF APPLICATIONS FROM GENERAL CLEARING PARTICIPANTS ON NEW ACTIVITIES</p> <ol style="list-style-type: none"> 1. The GCP intending to commence an activity is required to formally inform the Clearing House in writing setting out the type of activity for which the approval is required. 2. The Clearing House will upon due consideration give its AIP to the GCP. 3. Upon receipt of the AIP from the Clearing House, the GCP shall commence to demonstrate its readiness to the Clearing House. This will include making the necessary arrangements and commissioning of the relevant infrastructure that are needed to commence the proposed activity. 4. The GCP would then be required to carry out an independent readiness audit and complete the relevant checklists as prescribed by the Clearing House. The review shall be 	Appendix 3	<p>DA PROCEDURES ON SUBMISSION AND REVIEW OF APPLICATIONS FROM GENERAL CLEARING PARTICIPANTS ON NEW ACTIVITIES</p> <ol style="list-style-type: none"> 1. The GCP intending to commence an activity is required to formally inform the Clearing House in writing setting out the type of activity for which the approval is required. 2. The Clearing House will upon due consideration give its AIP to the GCP. 3. Upon receipt of the AIP from the Clearing House, the GCP shall commence to demonstrate its readiness to the Clearing House. This will include making the necessary arrangements and commissioning of the relevant infrastructure that are needed to commence the proposed activity. 4. The GCP would then be required to carry out an independent readiness audit and complete the relevant checklists as prescribed by the Clearing House. The review shall be carried out

ANNEXURE 2
AMENDMENTS TO THE BMDC DIRECTIVES TO
FACILITATE OPERATIONS ON A SURPRISE HOLIDAY

	<p>carried out by a party that is independent of trading and operations of the GCP, for example, internal audit or external audit.</p> <p>5. The GCP must then submit the DA Declaration Form in the format prescribed in Appendix 4 to this Directive at least 5 market days prior to the intended commencement date of the proposed activity.</p> <p>6. The Clearing House will process the application based on the declaration provided by the GCP and issue its approval directly to the GCP.</p>		<p>by a party that is independent of trading and operations of the GCP, for example, internal audit or external audit.</p> <p>5. The GCP must then submit the DA Declaration Form in the format prescribed in Appendix 4 to this Directive at least 5 market days<u>Business Days</u> prior to the intended commencement date of the proposed activity.</p> <p>6. The Clearing House will process the application based on the declaration provided by the GCP and issue its approval directly to the GCP.</p>
Directive No. 4-001: Directive on the Conduct of Business			
Appendix 2, Memorandum of Deposit	Please refer to Appendix 1	Appendix 2, Memorandum of Deposit	Please refer to Appendix 1
Appendix 3, Periodic Reports	Please refer to Appendix 2	Appendix 3, Periodic Reports	Please refer to Appendix 2

**ANNEXURE 2
AMENDMENTS TO THE BMDC DIRECTIVES TO
FACILITATE OPERATIONS ON A SURPRISE HOLIDAY**

Directive No. 4-002: Directive on Off-Balance Sheet Transactions			
2.1	<p>Reporting on Off-Balance Sheet transactions</p> <p>(1) A Clearing Participant must submit a monthly report to the Clearing House in the form prescribed in Appendix 1.</p> <p>(2) A Clearing Participant must submit the monthly report referred to in paragraph 2.1(1) by the 10th Market Day of the immediately following month in respect of the following matters:</p> <p>(a) any Off-Balance Sheet transaction entered into by a Clearing Participant during the preceding month;</p> <p>(b) any Off-Balance Sheet transaction performed or discharged by the Clearing Participant during the preceding month;</p> <p>(c) any Off-Balance Sheet transaction which remains to be performed or discharged during the preceding month;</p> <p>(d) any occurrence of an Adverse Event; and (e) any change to the original terms and conditions of the Off-Balance Sheet transactions</p>	2.1	<p>Reporting on Off-Balance Sheet transactions</p> <p>(1) A Clearing Participant must submit a monthly report to the Clearing House in the form prescribed in Appendix 1.</p> <p>(2) A Clearing Participant must submit the monthly report referred to in paragraph 2.1(1) by the 10th Market Day<u>Business Day</u> of the immediately following month in respect of the following matters:</p> <p>(a) any Off-Balance Sheet transaction entered into by a Clearing Participant during the preceding month;</p> <p>(b) any Off-Balance Sheet transaction performed or discharged by the Clearing Participant during the preceding month;</p> <p>(c) any Off-Balance Sheet transaction which remains to be performed or discharged during the preceding month;</p> <p>(d) any occurrence of an Adverse Event; and (e) any change to the original terms and conditions of the Off-Balance Sheet transactions</p>

ANNEXURE 2
AMENDMENTS TO THE BMDC DIRECTIVES TO
FACILITATE OPERATIONS ON A SURPRISE HOLIDAY

	<p style="text-align: center;">specified in paragraph 2.1(2)(a), (b) and (c).</p> <p>(3) For purposes of the reporting requirement under this Directive, 'Adverse Event' refers to any one or more of the events specified in the Off- Balance Sheet transaction(s) agreement that obliges a Clearing Participant to perform and discharge the Clearing Participant's obligations under the Off-Balance Sheet transaction(s).</p> <p>(4) The monthly report must be submitted by way of electronic transmission as notified by the Clearing House.</p>		<p style="text-align: center;">specified in paragraph 2.1(2)(a), (b) and (c).</p> <p>(3) For purposes of the reporting requirement under this Directive, 'Adverse Event' refers to any one or more of the events specified in the Off- Balance Sheet transaction(s) agreement that obliges a Clearing Participant to perform and discharge the Clearing Participant's obligations under the Off-Balance Sheet transaction(s).</p> <p>(4) The monthly report must be submitted by way of electronic transmission as notified by the Clearing House.</p>
--	--	--	--

[End of Amendments to the BMDC Directives]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 2
Memorandum of Deposit

[Name and registered address of Clearing Participant]

Dear Sirs,

MEMORANDUM OF DEPOSIT

In consideration of you providing me services relating to the clearing of futures or options contracts executed on my behalf from time to time, I, [Fill in name of client] of [Fill in the address of the client], have deposited or will deposit with you from time to time as may be required by you, the securities enumerated in Schedule 1 and such other securities that may be accepted by you (hereinafter referred to as "the Securities") on the following terms and conditions:

1. I confirm that I am entitled to pledge the Securities to you and where necessary, have obtained the relevant authorisation to do so in accordance with the requirements of the law, and that the Securities are free from liens, encumbrances or any prior pledge(s). In furtherance thereof I hereby pledge the Securities as part of or the total margin required by you in accordance with Rule 4.16 of the business rules of Bursa Malaysia Derivatives Clearing Berhad ("Bursa Clearing (D)"), arising from the Open Positions in respect of futures or options contracts traded on my behalf on the exchange i.e. Bursa Derivatives Berhad, which contracts are to be cleared by you. Open Positions means the position of a party under a futures or options contract whose rights or obligations have not expired or been discharged or where the rights/and or obligation under the futures or options contract are yet to be fulfilled.
2. I represent and confirm that the Securities are held in a central depository system maintained by Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") and in this respect I shall transfer and/or cause to be transferred the Securities which are pledged to you under Clause 1 to a securities account held in your name or the name of your nominee with Bursa Depository, the particulars of which shall be furnished by you.
3. Upon transfer of the Securities in accordance with Clause 2, the Securities pledged under Clause 1 shall include all stocks, shares and other securities, rights or other property paid, distributed, accruing or offered at any time (by way of dividends, bonus, redemption rights, preference, option, warrant or otherwise) on, to or in respect of or in substitution of any of the Securities ("the Additional Securities") and all dividends paid or payable on the Securities and the Additional Securities ("the Dividends"). Reference to the word Securities wherever appearing in this Memorandum of Deposit hereinafter, shall include Additional Securities unless the context otherwise requires, or unless expressly excluded.
4. Notwithstanding that the Securities are transferred to you in accordance with Clause 2 and pledged to you in accordance with the terms of this Memorandum of Deposit, you shall have no duty or responsibility and shall be under no obligation to exercise any rights incident to the Securities including the exercise of power to purchase shares or stocks under any warrant or option or to take up any rights issue or voting rights. In the event that I intend to exercise any rights incident to the Securities including the exercise of power to purchase shares or stocks under any warrant or option or to take up any rights issue or voting rights, I acknowledge that I shall have to withdraw the Securities and that the withdrawal shall only be allowed by you in circumstances stipulated under Clause 8 unless determined otherwise by you and when withdrawn I shall be entitled to exercise the same in the manner that I deem fit without any further reference to you. In relation to Dividends, the same shall forthwith be released to me upon clearance of the Dividend cheque(s) or if the Dividends are credited directly into your bank account, receipt by you of the Dividends, notwithstanding that the securities have been pledged to Bursa Clearing (D) pursuant to Clause 5 herein.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

**Directive No. 4-001: Appendix 2
Memorandum of Deposit**

5. I hereby consent and authorise that any or all of the Securities deposited and pledged with you in accordance with the terms of this Memorandum of Deposit may be pledged at any time and from time to time to Bursa Clearing (D) who is the clearing house for the futures and option contracts traded on Bursa Derivatives as part of or the total margin required by Bursa Clearing (D) as security against the non-performance of your obligations to Bursa Clearing (D) in respect of clearing of futures or options contracts traded on Bursa Derivatives and that Bursa Clearing (D) shall at any time have full rights to sell, exchange, convert into money or otherwise dispose of or realise or concur in selling, exchanging, converting into money or otherwise dispose of or realise the Securities that have been pledged to and accepted by Bursa Clearing (D) ("Approved Securities"), or any part thereof as Bursa Clearing (D) may in its absolute discretion select and for such consideration and on such terms as Bursa Clearing (D) may think fit and to do all such acts and things as Bursa Clearing (D) may consider necessary or desirable for the realising of the Approved Securities or any part thereof if you default on your obligations to Bursa Clearing (D). The aforementioned is subject to the following conditions:
- (i) That the utilisation of the Securities shall be strictly limited to the purpose/s above;
 - (ii) That the Securities shall be made available to me for withdrawal in circumstances permitted in this Memorandum of Deposit and in the event that the Securities are not returned to me pursuant to the above, my recourse shall be against you as stipulated in Clause 10 and not against Bursa Clearing (D);
 - (iii) That the Securities shall be taken into account in computing the margin that has been deposited by me with you under Clause 1; and
 - (iv) That the value of the Securities shall be set off as against the sum owed to you arising from a default under Clause 11.
6. I further hereby agree to execute all relevant documents as may be required by you at any time and from time to time for the purpose of facilitating and giving effect to Clause 5.
7. I agree and consent that my rights to the exercise of and/or all or any dealings with respect to and in relation to the rights, benefits, powers and privileges in respect of or arising from the Securities and/or as conferred under the relevant laws and/or the constitution of the issuer of the Securities shall be subject to the terms of this Memorandum of Deposit. I further agree that I shall not enter into any dealings and/or any arrangement howsoever called with respect to the Securities except where permitted in this Memorandum of Deposit and/or by you.
8. I shall be entitled to withdraw any or all of the Securities deposited and pledged herein, by providing you with written notice thereof, in any of the following circumstances:
- (i) where the Securities are in surplus of the amount of margin required by you for the purposes stipulated in Clause 1 herein, to the extent of the surplus amount;
 - (ii) where the value of the Securities to be withdrawn is replaced/exchanged with any other securities or form/s of collateral acceptable by you or cash of equal value; or
 - (iii) where I no longer have any Open Positions in respect of futures or options contracts cleared on my behalf by you and have no sums outstanding owed to you with regards to my obligations stipulated in Clause 1 herein.
9. Subject to Clause 11, where the withdrawal of the Securities is permitted under Clause 8, the Securities shall be transferred to a securities account(s) designated by me subject to the rules

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

**Directive No. 4-001: Appendix 2
Memorandum of Deposit**

and procedures of Bursa Depository and the said transfer shall not be effected later than two (2) ~~clear market~~business days from the date of receipt by you of the notice stipulated in Clause 8.

10. In the event that you are not able to return the Securities and/or the Additional Securities to me within the timeframe stipulated in Clause 9 ("Initial Period") for any reason(s) whatsoever, you shall within five (5) ~~clear market~~business days from the expiry of the Initial Period take measures to procure and return to me those Securities in specie and in the event that you are unable to procure such securities due to circumstances beyond your control, you shall provide me with the market value of those Securities in monetary form. Market value of the Securities shall be computed based on the weighted average price of the Securities plus one percentum (1%) (of the weighted average price of the Securities) on the trading day or the last trading day, as the case may be, preceding the date that delivery of Securities in specie should have been made under this clause. I agree that once the aforementioned Securities in specie is returned or monetary compensation is paid to me pursuant to this clause, the same shall serve as full and final settlement of your obligation under Clause 8, Clause 9 and this clause and I shall have no further claim against you in relation thereto.
11. Where I default in the performance of any of my obligations arising from the Open Positions in respect of futures or options contracts cleared on my behalf by you, I acknowledge that you shall have full rights to sell, exchange, convert into money or otherwise dispose of or realise or concur in selling, exchanging, converting into money or otherwise disposing of or realising the Securities or any part thereof as you may in your absolute discretion select and for such consideration and on such terms as you may think fit to do all such acts and things as you may consider necessary or desirable for the realising of the Securities or any part thereof. The consideration received from the above, shall be utilised towards the discharge of the monies owing by me to you pursuant to the above default and the residue thereof (if any) shall be paid to me.
12. I hereby consent and agree to the transfer of the legal ownership of the Securities to any party arising from the exercise of your powers under Clause 11 and in connection thereto I authorise you to execute all relevant documents at any time and from time to time and accord to you all rights and powers to take the necessary steps to execute and give effect to the above said transfer. Notwithstanding the above, where required by you, I shall also execute all relevant documents for the purpose of executing and giving effect to the above said transfer.
13. I acknowledge and agree that the terms stipulated in this Memorandum of Deposit shall be subject to the business rules of Bursa Clearing (D), and all procedures, guidelines etc issued by Bursa Clearing (D) from time to time in connection with the depositing of securities for the purpose stipulated under Clause 1 ("the Provisions") and I shall comply with the Provisions as if the same is stipulated herein. In the event of any inconsistency between the terms stipulated in this Memorandum of Deposit and the Provisions, the Provisions shall prevail.
14. Where additional securities are deposited with you to satisfy the margin required by you for the purpose stipulated in Clause 1, the provisions of this Memorandum of Deposit shall equally apply to those additional securities deposited. In this respect, Schedule 1 of this Memorandum of Deposit shall be read to include the above additional securities as if enumerated therein and the word Securities wherever appearing in this Memorandum of Deposit shall also include the above additional securities.
15. Pursuant to Clause 14, where additional securities are deposited with you as margin, you shall provide me with written confirmation of such a deposit of securities.
16. Any demand, request or notice made under this Memorandum of Deposit by me or you shall be in writing and addressed to the address specified herein or such address as notified in writing from time to time.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 2
Memorandum of Deposit

- 17. I agree that you may deduct, from monies held by you, all fees, cost incurred, stamp duty and other charges relating to or in connection with the execution of this Memorandum of Deposit.
- 18. This Memorandum of Deposit shall be binding and enure to my and your benefit and our successors, legal representatives and permitted assigns.
- 19. I hereby indemnify you and hold you indemnified for any loss, legal costs (including third party costs), damage or liability suffered or incurred by you, whether directly or otherwise, arising as a result of your reliance on the representations made in Clause 1 in accepting the securities pledged under this Memorandum of Deposit.
- 20. I agree that this Memorandum of Deposit shall be governed by and construed in all respects in accordance with the laws of Malaysia and I shall submit to the jurisdiction of the courts of Malaysia in all matters set out in this Memorandum of Deposit.

Dated this [] day of [] Year []

.....
Common Seal or Signature

Name:

Designation of Authorised Signatory/ies(where it is a corporation):

In the presence of,

.....
Signature

Name:

NRIC No:

Schedule 1
List of Securities

[End of Appendix]

PERIODIC REPORTS

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

No.	Name of Report	Schedule	Frequency	Timing of submission of periodic reports [paragraph 4.1(1)]	Timing of re-submission of periodic reports [paragraphs 4.1(2) and 4.1(5)]
1.	Statement of segregation requirements and funds in segregation (Form A)	Schedule 1(a)	As and when there is a deficiency of funds in segregation	By 2.30 p.m. of the market <u>dayBusiness Day</u> following date of report	By 5.30 p.m. of the market <u>dayBusiness Day</u> following the date of the report.
2.	Statement of segregation requirements and funds in segregation (Form A) and the following supporting documents:- i. Form EWL1 – Statement of Undermargined Clients' Position; and ii. Form EWL2 – List of Overloss Account.	Schedule 1(b)		By 2.30 p.m. of the market <u>dayBusiness Day</u> following the date of the report.	By 5.30 p.m. of the market <u>dayBusiness Day</u> following the date of the report.
3.	Cash & Bank Balances and Banking Facilities Position	Schedule 1(c)	Weekly	By 2.30 p.m. of the market <u>dayBusiness Day</u> following the date of the report.	By 5.30 p.m. of the market <u>dayBusiness Day</u> following the date of the report.
4.	Statement of segregation requirements and funds in segregation (Form A)	Schedule 1(d)	Monthly	By 5.30 p.m. of the 15 th calendar days after the end of each month.	By 8.30 p.m. of the 15 th calendar days after the end of each month.
5.	Explanatory Notes on Form A	Schedule 1 (e)			
6.	Statement of Adjusted Net Capital (Form B)	Schedule 2(a)	Monthly	By 5.30 p.m. of the 15 th calendar days after the end of each month.	By 8.30 p.m. of the 15 th calendar days after the end of each month.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

No.	Name of Report	Schedule	Frequency	Timing of submission of periodic reports [paragraph 4.1(1)]	Timing of re-submission of periodic reports [paragraphs 4.1(2) and 4.1(5)]
7.	Explanatory Notes on Form B	Schedule 2(b)			
8.	Statement of Financial Condition (Form C)	Schedule 3(a)	Monthly	By 5.30 p.m. of the 15 th calendar days after the end of each month.	By 8.30 p.m. of the 15 th calendar days after the end of each month.
9.	Explanatory Notes on Form C	Schedule 3(b)			
10.	Statement of Income/(Loss) (Form D)	Schedule 4(a)	Monthly	By 5.30 p.m. of the 15 th calendar days after the end of each month.	By 8.30 p.m. of the 15 th calendar days after the end of each month.
11.	Explanatory Notes on Form D	Schedule 4(b)			

[The rest of this page is intentionally left blank]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 1(a)

FORM A
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR
CLIENTS TRADING ON MALAYSIAN AND FOREIGN EXCHANGES
(AD-HOC)

Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

Segregation requirements		Malaysia Exchange	Foreign Exchanges	Total
1.	Net ledger balance			
a.	<i>Cash</i>			
b.	<i>Securities</i>			
c.	<i>Foreign currencies</i>			
2.	Net profit/(loss)			
a.	<i>Exchange traded open derivatives contracts (except for exchange traded options)</i>			
b.	<i>Non-exchange traded open derivatives contracts</i>			
3.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
4.	Net equity/(deficit) (add Items 1, 2 and 3)			
5.	Net debit balance			
6.	Amount required to be segregated (add Items 4 and 5)			
Funds in segregated accounts				
7.	Cash deposited in segregated bank account			
a.	<i>Ringgit Malaysia</i>			
b.	<i>Foreign Currencies</i>			
8.	Segregated securities			
9.	Margin deposit with clearing house			
a.	<i>Cash and net settlement</i>			
b.	<i>Securities held as margin</i>			
c.	<i>Foreign currencies held as collateral</i>			
10.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
11.	Net equity with other foreign derivatives brokers			
a.	Net equity			
b.	Securities held as margin			
c.	Foreign currencies held as collateral			
12.	Segregated funds on hand (please specify)			
13.	Others (please specify)			

As at ~~15 August 2019~~ 10 January 2023

Dir 4-001

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

14.	Total amount segregated (Add Items 7 to 13)			
15.	Excess/(deficiency) of funds in segregation (Item 14 minus Item 6) (Appendix 1 of the Financial Reporting Guide)			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 1(b)

FORM A
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR
CLIENTS TRADING ON MALAYSIAN AND FOREIGN EXCHANGES
(WEEKLY SUBMISSION)

Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

		Malaysia Exchange	Foreign Exchanges	Total
Segregation requirements				
1.	Net ledger balance			
a.	<i>Cash</i>			
b.	<i>Securities</i>			
c.	<i>Foreign currencies</i>			
2.	Net profit/(loss)			
a.	Exchange traded open derivatives contracts (except for exchange traded options)			
b.	Non-exchange traded open derivatives contracts			
3.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
4.	Net equity/(deficit) (add Items 1, 2 and 3)			
6.	Net debit balance			
	Amount required to be segregated (add Items 4 and 5)			
Funds in segregated accounts				
7.	Cash deposited in segregated bank account			
a.	<i>Ringgit Malaysia</i>			
b.	<i>Foreign Currencies</i>			
8.	Segregated securities			
9.	Margin deposit with clearing house			
a.	<i>Cash and net settlement</i>			
b.	<i>Securities held as margin</i>			
c.	<i>Foreign currencies held as collateral</i>			
10.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
11.	Net equity with other foreign derivatives brokers			
a.	Net equity			
b.	Securities held as margin			
c.	Foreign currencies held as collateral			
12.	Segregated funds on hand (please specify)			
13.	Others (please specify)			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

14.	Total amount segregated (Add Items 7 to 13)			
15.	Excess/(deficiency) of funds in segregation (Item 14 minus Item 6) (Appendix 1 of the Financial Reporting Guide)			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 1(c)

SUBMISSION TO BURSA MALAYSIA DERIVATIVES CLEARING BERHAD ON CASH &
BANK BALANCES AND BANKING FACILITIES POSITION
(WEEKLY SUBMISSION)Clearing Participant: <<insert name of Clearing Participant>>
Position As At: month/date/year(last ~~market day~~ Business Day of the week)

Banking Facilities	Approved Facility Limit	Amount Available for Utilisation	Amount Utilised	Amount Unutilised
	RM	RM	RM	RM
Total Amount	0.00	0.00	0.00	0.00

Items	Unsegregated Funds RM	Segregated Funds RM	Total RM
Cash & Bank Balances	0.00	0.00	0.00
Deposits – Banks and financial institutions	0.00	0.00	0.00
Deposits – Others	0.00	0.00	0.00
Total	0.00	0.00	0.00

(Note: Information relating to the above is to be submitted weekly for the position as at the last ~~market day~~ Business Day of the corresponding week)

[The rest of this page is intentionally left blank]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 1(d)

FORM A
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR
CLIENTS TRADING ON MALAYSIAN AND FOREIGN EXCHANGES
(MONTHLY SUBMISSION)

Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

		Malaysia Exchange	Foreign Exchanges	Total
Segregation requirements				
1.	Net ledger balance			
a.	<i>Cash</i>			
b.	<i>Securities</i>			
c.	<i>Foreign currencies</i>			
2.	Net profit/(loss)			
a.	Exchange traded open derivatives contracts (except for exchange traded options)			
b.	Non-exchange traded open derivatives contracts			
3.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
4.	Net equity/(deficit) (add Items 1, 2 and 3)			
6.	Net debit balance			
	Amount required to be segregated (add Items 4 and 5)			
Funds in segregated accounts				
7.	Cash deposited in segregated bank account			
a.	<i>Ringgit Malaysia</i>			
b.	<i>Foreign Currencies</i>			
8.	Segregated securities			
9.	Margin deposit with clearing house			
a.	<i>Cash and net settlement</i>			
b.	<i>Securities held as margin</i>			
c.	<i>Foreign currencies held as collateral</i>			
10.	Exchange traded options			
a.	<i>Current market value of open long option contracts</i>			
b.	<i>Current market value of open short option contracts</i>			
11.	Net equity with other foreign derivatives brokers			
a.	Net equity			
b.	Securities held as margin			
c.	Foreign currencies held as collateral			
12.	Segregated funds on hand (please specify)			
13.	Others (please specify)			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

14.	Total amount segregated (Add Items 7 to 13)			
15.	Excess/(deficiency) of funds in segregation (Item 14 minus Item 6) (Appendix 1 of the Financial Reporting Guide)			

Schedule 1(e) – EXPLANATORY NOTES TO FORM A

This statement must be prepared by a Clearing Participant for all clients trading on Bursa Malaysia Derivatives Berhad and/or foreign exchanges. The Clearing Participant should clearly differentiate between the clearing of trades done on the Clearing House and foreign clearing houses in the respective columns.

I. SEGREGATION REQUIREMENTS (Line 1 to Line 6)**LINE 1 – Net ledger balance****LINE 1.a – Net ledger balance – Cash**

This amount should show the net debit or credit balance of all Clearing Participant's clients' accounts. Interest earned on clients' funds which are payable to the clients and all monies received from the Local Participants (as defined in the Rules of Bursa Malaysia Derivatives Berhad) are also included in this line. This amount should exclude all foreign currency collateral received from clients which need to be disclosed separately under line 1.c. The Clearing Participant's error account and proprietary balances should not be included in this balance.

LINE 1.b – Net ledger balance – Securities

The Clearing Participant should report all the securities deposited by its clients to margin, guarantee and secure trading on the exchanges. Securities should be reported at the current market value. Letters of credit and guarantees received from clients to margin their accounts should not be included but should be disclosed as notes to the accounts.

LINE 1.c – Net ledger balance – Foreign currencies

The Clearing Participant should report all the foreign currencies deposited by its clients to margin, guarantee and secure trading on the exchange. This amount should show the Ringgit Malaysia equivalent of total foreign currencies lodged by the Clearing Participant's clients. The foreign currencies must be converted to Ringgit Malaysia based on the Clearing House's pre haircut rates. This amount must not be used to net off individual client's debit balances.

LINE 2 – Net profit/(loss)**LINE 2.a – Exchange traded open derivatives contracts (except for exchange traded options)**

This amount should include the net profit/(loss) in exchange traded open derivatives contracts (except for exchange traded options) of clients trading on the exchanges. Trades which have not been cleared (outtrades) as of the reporting date should be marked to market and included in this amount.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports**LINE 2.b – Non-exchange traded open derivatives contracts**

This amount should include the net profit/(loss) in non-exchange traded open derivatives contracts of clients which are carried by the Clearing Participant. These should include contracts for difference (“CFD”) issued or carried by the Clearing Participant on behalf of the clients. All such contracts remaining open as at the reporting date should be marked to market and included in this amount.

LINE 3 – Exchange traded options**LINE 3.a – Current market value of open long option contracts**

This amount should show the current market value of open long option contracts carried in the clients’ accounts. Only in-the-money open long option contracts which have positive market value need to be disclosed. Out-of-the-money options have no market value as they would expire unexercised.

LINE 3.b – Current market value of open short option contracts

This amount should show as a deduction, the current market value of open short option contracts carried in the clients’ accounts. Only in-the-money open short option contracts which have positive market value need to be disclosed. Out-of-the-money options have no market value as they would expire unexercised.

These amounts should not be netted against each other.

LINE 4 – Net equity / (deficit)

This amount should show the total of **LINE 1** to **LINE 3**.

LINE 5 – Net debit balance

An account has a debit balance when the combination of an account’s cash ledger balance (debit or credit), profit or loss on exchange traded open derivatives contracts (except for exchange traded options), non-exchange traded open derivatives contracts (including CFDs), and the current market value of open option contracts liquidated to an amount less than zero. This amount should agree with **LINE 7.a** or **LINE 8.a** of **Schedule 3(a) (FORM C)**. Securities used to margin the account are not to be used to reduce the debit balance to be reported in **Schedules 1(a) / 1(b) / 1(d) (Form A)** even though such securities are permitted as margin deposits.

Example 1

	Computation Date
Cash ledger balance	(1,762)
Cash received	-
Net current market value of open Options contract	-
Open position profit/(loss)	-
Net equity	(1,762)
Margin requirement	-
Net current market value of open Options contract	-
Excess/(Shortage)	(1,762)

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

In this example, the Net Debit Balance on the Computation Date is RM1, 762.

Example 2

	Computation Date
Cash ledger balance	17,440
Cash received	-
Net current market value of open Options contract	-
Open position profit/(loss)	(40,580)
Net equity	(23,140)
Margin requirement	(180,000)
Net current market value of open Options contract	-
Excess/(Shortage)	(203,140)

In this example, the Net Debit Balance on the Computation Date is RM23, 140.

Example 3

	Computation Date
Cash ledger balance	7,440
Cash received	-
Net current market value of open Options contract	-
Open position profit/(loss)	(40,580)
Net equity	(33,140)
Margin requirement	(180,000)
Net current market value of open Options contract	-
Securities/collateral	200,000
Excess/(Shortage)	(13,140)

In this example, the Net Debit Balance on the Computation Date is RM33, 140.

LINE 6 – Amount required to be segregated

This amount should be the total of **LINE 4** and **LINE 5** and should agree with **LINE 23** and **LINE 24** of **Schedule 3(a) (FORM C)**.

II. FUNDS IN SEGREGATED ACCOUNTS (Line 7 to Line 14)**LINE 7 – Cash deposited in segregated bank accounts****LINE 7.a – Ringgit Malaysia**

This amount should show the total cash in Ringgit Malaysia segregated bank accounts.

LINE 7.b – Foreign Currencies

This amount should show the Ringgit Malaysia equivalent of foreign currencies in the Clearing Participant's segregated bank accounts. The foreign currencies must be converted to Ringgit Malaysia based on the Clearing House's pre haircut rates.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

 Directive No. 4-001: Appendix 3
 Periodic Reports
LINE 8 – Segregated securities

This amount should show the securities owned by clients which is deposited with and retained by the Clearing Participant, at current market value.

LINE 9 – Margin deposit with Clearing House**LINE 9.a – Cash and net settlement**

To report cash and all amounts due from and/or due to the Clearing House to the Clearing Participant. This amount should agree with the Clearing House's statement.

LINE 9.b – Securities held as margin

This amount should show the securities held as margins and deposited with the Clearing House, at current market value.

LINE 9.c – Foreign currencies held as collateral

This amount should show the Ringgit Malaysia equivalent of foreign currencies lodged with the Clearing House. The foreign currencies must be converted to Ringgit Malaysia based on Clearing House's pre haircut rates.

LINE 10 – Exchange traded options**LINE 10.a – Current market value of open long option contracts**

This amount should show the current market value of open long option contracts cleared directly by the Clearing Participant with the Clearing House.

LINE 10.b – Current market value of open short option contracts

This amount should show the current market value of open short option contracts cleared directly by the Clearing Participant with the Clearing House.

These amounts should not be netted against each other.

Options transactions cleared through other foreign derivatives brokers should be reported on **LINE 11**.

LINE 11 – Net equity with other foreign derivatives brokers**LINE 11.a – Net equity**

This amount should show the net equity of the Clearing Participant's clients' trades which were cleared through other foreign derivatives brokers. Net equity includes the cash ledger balance, profit or loss on exchange traded open derivatives contracts (except for exchange traded options), non-exchange traded open derivatives contracts (including CFDs) and the net current market value of open option contracts.

LINE 11.b – Securities held as margin

This amount should show the securities held as margin and deposited with other foreign derivatives brokers, at current market value.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports**LINE 11.c – Foreign currencies held as collateral**

This amount should show the Ringgit Malaysia equivalent of foreign currencies lodged with another Clearing Participant. The foreign currencies must be converted to Ringgit Malaysia based on the Clearing House's pre haircut rates.

LINE 12 – Segregated funds on hand

This amount should show the total amount of funds received from clients which have not been deposited to the segregated bank account.

LINE 13 – Others

This amount includes the marked-to-market value of clients' trades not yet cleared (outtrades) as at the computation date and other segregated funds which are not readily classifiable into other categories.

LINE 14 – Total amount segregated

This amount should be the total of **LINE 7** to **LINE 13** and should agree with **LINE 1** of **Schedule 3(a) (FORM C)**.

LINE 15 – Excess/(deficiency) of funds in segregation

This amount should show the difference between **LINE 6** and **LINE 14**. The Clearing Participant is required to take immediate corrective action and must immediately inform the Clearing House, the Bursa Malaysia Derivatives and the Commission if there is a deficiency in the segregated funds.

The Clearing Participant is also required to prepare a reconciliation showing the detailed movements of the excess funds. The reconciliation for the excess funds should be disclosed as **Appendix 1** using the format below:

APPENDIX 1:

Excess Funds b/f	XX	-	this item should agree with the previous month's excess funds reconciliation carried forward balance
Add:			
Addition to the excess funds during the month	XX	-	disclose full details
Less:			
Deduction to the excess funds during the month	(XX)	-	disclose full details
Excess funds c/f	XX	-	this item should agree with LINE 15 of Schedule 1(a) (FORM A) .

[The rest of this page is intentionally left blank]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 2(a)

FORM B
STATEMENT OF ADJUSTED NET CAPITAL
(MONTHLY SUBMISSION)Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

STATEMENT OF ADJUSTED NET CAPITAL AS AT

	Net Capital		Total
1.	Permitted assests		
2.	Total liabilities		
3.	Deduction from total liabilities		
a.	Liabilities subject to satisfactory subordinated loan		
b.	agreements		
	Allowable long-term liabilities	()	
4.	Total allowable liabilities		
	Adjusted liabilities		
5.	Net Capital (Item 1 minus Item 4)		
6.	Additional deductions		
a.	For securities held by the Clearing Participant for its proprietary account		
i.	Malaysian government securities		
	- Up to one year of maturity period		
	- More than one year of maturity period		
ii.	Readily marketable Malaysian securities listed on the Main Market of Bursa Malaysia Securities Berhad		
	- Shares listed on the Main Market of Bursa Malaysia Securities Berhad up to a total value of 5% of initial margin or RM250,000, whichever is greater		
	- The balance of the aggregated value of shares listed on the Main Market of Bursa Malaysia Securities Berhad		
iii.	All other securities listed on Bursa Malaysia Securities Berhad		
b.	Amounts due from clients in respect of margin where such amount are outstanding not less than 3 business days as at the computation date		
c.	The net debit balance arising from the marking-to-market or interim settlement of outstanding derivatives contracts held by clients as at the close of business on the computation date		
d.	The margin requirement on open contracts in the proprietary account of a Clearing Participant which are not bona fide hedged contracts		
e.	Inventories which are not hedged in any market or association		
f.	Inventories which are not hedged by any hedging position in any market or association		

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

9.	Contracts for difference (CFD) – <i>(does not include positions held for hedging its exposures on issuance of CFDs)</i> Amounts due from clients in respect of margin where such amounts are outstanding not less than 3 business days as at the computation date		
i.			
ii.	The margin requirement on open contracts in the proprietary account of a Participant which are not bona fide hedged contracts		
7.	Total deductions (Add Items 6(a) to 6(g))		
8.	Adjusted net capital (Item 5 minus Item 7)		
9.	Amount of margin required		
10.	10% of the amount of margin required		
11.	Adjusted Net Capital required (Enter the greater of Line 10 or RM500,000)		
12.	Excess Adjusted Net Capital (Item 8 minus Item 11)		

Note: -

1. Item 6a to 6f is applicable for securities held by the Clearing Participant for its own account
2. Item 6g is applicable for CFDs

Schedule 2(b) – EXPLANATORY NOTES TO FORM B

For the purposes of calculating Adjusted Net Capital:

- (a) all derivatives contracts must be marked to their current market value;
- (b) all unrealised profits and losses on all derivatives contracts must be treated as realised profits and losses; and
- (c) unless otherwise specifically stated, the value ascribed to all other assets and liabilities must be at their current market value.

I. NET CAPITAL (Line 1 to Line 5)**LINE 1 – Permitted assets**

This amount should agree with the “Permitted assets” column on **LINE 16** of **Schedule 3(a) (FORM C)**. Refer to Schedule 2 of the Rules of BMDC for the definition of “Permitted Assets”. Note that “Permitted Assets” include securities listed on a stock exchange approved by the Clearing House under paragraph 1(b)(i)(iv) of Schedule 2.

LINE 2 – Total Liabilities

This amount should agree with the amount on **LINE 27** of **Schedule 3(a) (FORM C)**.

LINE 3 – Deduction from total liabilities.**LINE 3.a – Liabilities subject to satisfactory subordinated loan agreements**

This amount should show the liabilities under a subordinated loan agreement:

- i. which has a remaining term to maturity of not less than one year; and

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

- ii. up to a maximum amount of four times the shareholders' funds of the Clearing Participant.

LINE 3.b - Allowable long term liabilities

This amount should show long term liabilities owed to a financial institution under a commercial loan secured by a fixed charge over **real property** or **motor vehicles** owned by the Clearing Participant and applied for use in the normal course of the business of the Clearing Participant, up to an amount equal to the lower of net book value of 80% of the market value of the real property or motor vehicles. The market value of the assets should be valued by an appointed valuer on an 'as is' basis and should be revalued annually.

Example:

A Clearing Participant obtains a long term loan of RM4.0 million from a financial institution. The loan is secured by a fixed charge over real property owned by the Clearing Participant. The amount payable within the next 12 months is RM0.5 million and RM 2.5 million is the long term liability. The net book value of the real property is RM3.0 million. The allowable long term liability should be the lower of:

- (i) long term liabilities,
 - (ii) 80% of the real property's market value; or
 - (iii) net book value of the real property.
- (1) If the current market value of the real property is RM5.0 million, 80% of the market value will be RM4.0 million. Therefore, the allowable long term liability will be RM2.5 million.
- (2) If the current market value of the real property is RM3.0 million, 80% of the market value will be RM2.4 million. Therefore, the allowable long term liability will be RM2.4 million.

LINE 4 – Adjusted liabilities

This amount should show the difference between **LINE 3** and **LINE 2**.

LINE 5 – Net Capital

This amount should show the difference between **LINE 4** and **LINE 1**.

LINE 6 – Additional deductions

The Clearing Participant must provide the following charges to its Net Capital to compute its Adjusted Net Capital.

LINE 6.a – For securities held by the Clearing Participant for its proprietary account

LINE 6.a i – Malaysian government securities

LINE 6.a ii – Readily marketable Malaysian securities listed on the Main Market of Bursa Malaysia Securities Berhad

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports**LINE 6.a iii** – All other securities listed on Bursa Malaysia Securities Berhad

The percentage of charges are as follows:

1. For securities held by the Clearing Participant for its proprietary account

	% of market value to be deducted
• Malaysian government securities	
- Up to one year of maturity period	2.5%
- More than one year of maturity period	5%
• Shares listed on the Main Market of Bursa Malaysia Securities Berhad up to a total value of 5% of initial margin or RM250,000, whichever is greater	40%
• The balance of the aggregate value of shares listed on the Main Market of Bursa Malaysia Securities Berhad	100%
• All other securities listed on Bursa Malaysia Securities Berhad	100%

3. Contracts for difference (CFDs) which do not include positions held for hedging its exposures on issuance of CFDs
4.

	% of market value to be deducted
• Single share CFDs	
Index shares	15%
Non-index shares	21%
• Index CFDs	5%

For the purposes of **LINE 6.b** and **6.c** of this statement:

Net equity refers to the combination of an account's cash ledger balance (debit or credit), profit or loss on exchange traded open derivatives contracts (except for exchange traded options), non-exchange traded open derivatives contracts (including CFDs) and the net current market value of open options contract.

Securities or collateral used to margin the account are to be used to reduce the Net Debit Balance in the account before such securities are used to reduce the initial margin.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Net current market value of open option contracts refers to current market value of open long option contracts less the current market value of open short option contracts.

LINE 6.b – *Amounts due from clients in respect of margin where such amounts are outstanding not less than 3 business days as at the computation date.*

An under margined situation arises if the net equity and secured collateral are not sufficient to cover the margin requirement for that particular client account. The margin requirement should refer to the Clearing House's margin requirement. The foreign brokers' margin requirements to the Clearing Participant would be applicable to clients trading in foreign exchanges.

The under margin amount will be determined as follows:

- (a) If the net equity is in a net credit position, then the under margin amount will be:**

The margin requirement less net equity less secured collateral add/less net current market value of open options contract.

- (b) If the net equity is in a net debit position, then the under margin amount will be:**

The margin requirement less balance of secured collateral (secured collateral less amount used to secured net debit balance) add/less net current market value of open options contract.

An under margin charge will be imposed if the Clearing Participant has an under margin amount outstanding for more than 3 business days as at the computation date.

The charge will be imposed on the amount under margined on T day itself unless the under margin amount is fully eliminated. T day is the day when the derivatives contracts are executed by the Clearing Participant.

The under margin amount will only be fully eliminated if:

- (a) The total of net equity and any secured collateral become greater than the margin requirement either on T+1 or T+2 or T+3; or
- (b) There is no longer any margin requirement for the account either on T+1 or T+2 or T+3; or
- (c) Total cash received either on T+1 and/or T+2 and/or T+3 is greater than the under margin amount on T day.

However, if the account is also in a Net Debit Balance position on T day, any cash received will first be used to set off against the Net Debit Balance amount. The balance of the cash received can then be used to either fully or partially set off against the under margin amount on T day.

- (i) If the balance of the cash received (i.e. total cash received less Net Debit Balance amount on T day) can fully eliminate the under margin amount on T day, then an under margin charge shall not be imposed.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

- (ii) If the balance of the cash received (i.e. total cash received less net Debit Balance amount on T day) can only partially eliminate the under margin amount on T day, then an under margin charge shall be imposed on the difference in the balance of the cash received and the under margin amount.

Example 1

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	21,397	21,397	21,277	21,277
Cash received	-	-	-	-
Net current market value of open Options contract	10,000	9,900	9,800	9,700
Open position profit/(loss)	720	9,320	10,330	10,000
Net equity	32,117	40,617	41,407	40,977
Margin requirement	(26,000)	(26,000)	(39,000)	(39,000)
Net current market value of open Options contract	(10,000)	(9,900)	(9,800)	(9,700)
Excess/(Shortage)	(3,883)	4,717	(7,393)	(7,723)

In this example, the under margin amount on T day is RM3,883. However, an under margin charge will not be imposed when computing the Adjusted Net Capital as the under margin amount on T day has been completely eliminated on T+1 since the net equity is greater than the margin requirement. The under margin amount of RM7,393 on T+2 is not subjected to a charge as it is outstanding for less than 3 business days as at the computation date.

The same principle will apply if the net equity becomes greater than the margin requirement on either T+2 or T+3.

Example 2

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	36,494	(16,947)	(15,606)	(25,505)
Cash received	-	-	-	-
Net current market value of open Options contract	(5,000)	-	(4,000)	(4,500)
Open position profit/(loss)	(30,010)	-	(9,960)	(700)
Net equity	1,484	(16,947)	(29,566)	(30,705)
Margin requirement	(175,500)	-	(26,000)	(6,500)
Net current market value of open Options contract	5,000	-	4,000	4,500
Excess/(Shortage)	(169,016)	(16,947)	(51,566)	(32,705)

In this example, the under margin amount on T day is RM169,016. However, an under margin charge will not be imposed when computing the Adjusted Net Capital as the under margin amount on T day has been completely eliminated since there is no longer a margin requirement on T+1.

No charge will be imposed for the under margin amount of RM26,000 on T+2 because this under margin amount has not been outstanding for more than 3 business days.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

The same principle will apply if there is no longer any margin requirement on either T+2 or T+3.

Example 3

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	620,375	728,725	728,325	780,565
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(208,650)	(374,380)	(239,910)	(365,576)
Net equity	422,725	353,945	488,415	423,989
Margin requirement	(824,500)	(659,500)	(659,500)	(457,500)
Net current market value of open Options contract	-	-	-	-
Excess/(Shortage)	(412,775)	(305,555)	(171,085)	(33,511)

In this example, the under margin amount on T day is RM412,775. A charge of RM412,775 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated as at the computation date.

Example 4

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	1,725,942	1,724,742	1,723,742	1,721,342
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(451,680)	(398,740)	(86,640)	(16,390)
Net equity	1,274,262	1,326,002	1,637,102	1,704,952
Margin requirement	(1,482,000)	(1,612,000)	(2,593,500)	(3,163,500)
Net current market value of open Options contract	-	-	-	-
Excess/(Shortage)	(207,738)	(285,998)	(956,398)	(1,458,548)

In this example, the under margin amount on T day is RM207,738. A charge of RM207,738 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated as at the computation date.

Example 5

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	(300)	(280)	(280)	(280)
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(750)	4,700	6,500	8,300

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Net equity	(1,050)	4,420	6,220	8,020
Margin requirement	(32,500)	(13,000)	(13,000)	(13,000)
Net current market value of open Options contract				
Excess/(Shortage)	(33,550)	(8,580)	(6,780)	(4,980)

In this example the under margin amount on T day is RM32,500 (i.e. the margin requirement on T day). The under margin amount is **not** RM33,550 because this amount is inclusive of the Net Debit Balance of RM1,050 on T day.

A charge of RM 32,500 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

Example 6

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	3,588	2,768	2,768	2,768
Cash received	-	-	-	10,000
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	260	700	(8,340)	(7,540)
Net equity	3,848	3,468	(5,572)	5,228
Margin requirement	(19,500)	(26,000)	(26,000)	(26,000)
Net current market value of open Options contract	-	-	-	-
Excess/(Shortage)	(15,652)	(22,532)	(31,572)	(20,772)

In this example, the under margin amount on T day is RM15,652. The under margin amount of RM15,652 has been partially eliminated by cash receipt of RM10,000 on T+3. The remaining balance of the under margin amount RM5,652 (i.e. RM15,652 – RM10,000) has not yet been eliminated and this balance has been outstanding for more than 3 business days as at the computation date.

A charge of RM5,652 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

Example 7

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	4,327	4,327	11,327	11,327
Cash received	-	7,000	-	10,000
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	2,600	8,400	1,600	1,600
Net equity	6,927	19,727	12,927	22,927
Margin requirement	(24,000)	(24,000)	(24,000)	(24,000)
Net current market value of open Options contract	-	-	-	-

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Excess/(Shortage)	(17,073)	(4,273)	(11,073)	(1,073)
-------------------	-----------------	---------	----------	---------

In this example, the under margin amount on T day is RM17,073. The under margin amount of RM17,073 has been partially eliminated by the total cash receipt of RM17,000 on T+1 and T+3. The remaining balance of the under margin amount RM73 (i.e. RM17,073 – RM17,000) has not yet been eliminated and this balance has been outstanding for more than 3 business days as at the computation date.

A charge of RM73 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

Example 8

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	2,768	2,768	2,398	2,398
Cash received	-	10,000	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(8,340)	(7,540)	(4,100)	(4,000)
Net equity	(5,572)	5,228	(1,702)	(1,602)
Margin requirement	(26,000)	(26,000)	(6,500)	(6,500)
Net current market value of open Options contract	-	-	-	-
Excess/(Shortage)	(31,572)	(20,772)	(8,202)	(8,102)

In this example, the under margin amount on T day is RM26,000 and the Net Debit Balance is RM5,572.

The RM10,000 total cash received on T+1 is required to set off the Net Debit Balance on T day. The balance of cash received after setting off the Net Debit Balance is RM4,428 (i.e. RM10,000 – RM5,572)

The under margin amount of RM26,000 shall be partially eliminated by the remaining cash balance of RM4,428. The balance of the under margin amount of RM21,572 (i.e. RM26,000 – RM4,428) has not yet been eliminated and has been outstanding for more than 3 business days as at the computation date.

A charge of RM21,572 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

Example 9

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	2,768	2,768	2,398	2,398
Cash received	-	3,000	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(8,340)	(7,540)	(4,100)	(4,000)

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Net equity	(5,572)	(1,772)	(1,702)	(1,602)
Margin requirement	(26,000)	(26,000)	(6,500)	(6,500)
Net current market value of open Options contract	-	-	-	-
Excess/(Shortage)	(31,572)	(27,772)	(8,202)	(8,102)

In this example, the under margin amount on T day is RM26,000 and the Net Debit balance is RM5,572.

The RM3,000 total cash received on T+1 is required to set off the Net Debit Balance on T day. However, the cash received is insufficient to fully eliminate the Net Debit Balance.

Therefore the under margin amount of RM26,000 has not been eliminated and this balance has been outstanding for more than 3 business days as at the computation date. An under margin charge of RM26,000 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital at the computation date.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Example 10

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	7,440	7,440	7,440	7,440
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(58,580)	(81,080)	(51,380)	(40,580)
Net equity	(51,140)	(73,640)	(43,940)	(33,140)
Margin requirement	(180,000)	(180,000)	(180,000)	(180,000)
Net current market value of open Options contract	-	-	-	-
Secured Collateral	200,000	200,000	200,000	200,000
Excess/(Shortage)	(31,140)	(53,640)	(23,940)	(13,140)

In this example, the under margin on T day is RM31,140. Amount of collateral available to offset margin requirement is RM148,860 (RM200,000 less Net Debit Balance of RM51,140).

Example 11

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	7,440	7,440	7,440	7,440
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(58,580)	(81,080)	(51,380)	(40,580)
Net equity	(51,140)	(73,640)	(43,940)	(33,140)
Margin requirement	(180,000)	(180,000)	(180,000)	(180,000)
Net current market value of open Options contract	-	-	-	-
Secured Collateral	100,000	100,000	100,000	100,000
Excess/(Shortage)	(131,140)	(153,640)	(123,940)	(113,140)

In this example, the under margin amount on T day is RM131,140 (i.e. RM100,000 – (RM51,140 + RM180,000)). A charge of RM131,140 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Example 12

	T	T+1	T+2	T+3 Computation Date
Cash ledger balance	67,440	67,440	67,440	67,440
Cash received	-	-	-	-
Net current market value of open Options contract	-	-	-	-
Open position profit/(loss)	(58,580)	(81,080)	(51,380)	(40,580)
Net equity	8,860	(13,640)	16,060	26,860
Margin requirement	(180,000)	(180,000)	(180,000)	(180,000)
Net current market value of open Options contract	-	-	-	-
Secured Collateral	100,000	100,000	100,000	100,000
Excess/(Shortage)	(71,140)	(93,640)	(63,940)	(53,140)

In this example, the under margin amount on T day is RM71,140 (i.e. RM180,000 – RM8,860 – RM100,000). A charge of RM71,140 shall be imposed as a deduction against Net Capital when computing the Adjusted Net Capital because the under margin amount on T day has not been completely eliminated by the computation date.

LINE 6.c – *The net debit balance arising from marking-to-market or interim settlement of outstanding derivatives contracts held by clients as at the close of business on the computation date.*

A charge on the client's account with a Net Debit balance refers to a charge that **may be imposed** if the net equity has a debit balance on the computation date and, **if imposed**, this charge must be deducted from the Clearing Participant's Net Capital in order to arrive at the Adjusted Net Capital.

This charge is computed as a percentage of the client's account with a Net Debit Balance if the client's account has a Net Debit Balance at the net equity level on computation date.

LINE 6.d – *The margin requirement on open contracts in the proprietary account of a Participant which are not bona fide hedged contracts.*

The reporting Clearing Participant must take a charge on the margin requirement for all uncovered derivatives granted (sold) positions in its proprietary account.

LINE 6.e and **6.f** will be defined as and when the haircuts are imposed by the Clearing House and the Exchange.

LINE 7 – Total deductions

This amount should show the total of **LINE 6.a** to **6.h**.

LINE 8 – Adjusted Net Capital

This amount should show the difference between **LINE 7** and **LINE 5**.

LINE 9 – Amount of margin required

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

**Directive No. 4-001: Appendix 3
Periodic Reports**

This amount should show the margin required to be paid to the Clearing House or to any party or clearing house organisation, for client and proprietary accounts (including CFDs). This amount should agree with the total margin for both the segregated and unsegregated accounts in the Clearing House's statement or Clearing Participant's statement (in the case of non-clearing Participants) and position in CFDs.

LINE 10 – 10% of the amount of margin required

This amount should be 10% of **LINE 9**.

LINE 11 – Adjusted Net Capital required

This amount should be the greater of **LINE 10** or RM500,000. This is the minimum Adjusted Net Capital requirement required by the Clearing House and the Bursa Malaysia Derivatives Berhad.

LINE 12 – Excess Adjusted Net Capital

This amount should be the difference between **LINE 8** and **LINE 11**. If a deficit is recorded, the Clearing Participant must take immediate corrective action and file the appropriate notices to the Clearing House and the Bursa Malaysia Derivatives Berhad.

[The rest of this page is intentionally left blank]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 3(a)

FORM C

STATEMENT OF FINANCIAL CONDITION
(MONTHLY SUBMISSION)Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

	Assets	Permitted Assets	Non-Permitted Assets	Total
1.	Funds segregated for clients			
2.	Cash with financial institutions and on hand			
3.	Receivables from and margin deposit with the Clearing House			
a.	<i>Cash and settlement receivables</i>			
b.	<i>Marketable securities</i>			
c.	<i>Net long option value</i>			
d.	<i>Security deposit and clearing funds</i>			
e.	<i>Interest receivable</i>			
4.	Receivables from and margin deposit with foreign clearing houses			
a.	<i>Cash and settlement receivables</i>			
b.	<i>Marketable securities</i>			
c.	<i>Net long option value</i>			
d.	<i>Security deposit and clearing funds</i>			
e.	<i>Interest receivable</i>			
5.	Receivable from other Clearing Participants			
a.	<i>Cash and settlement receivables</i>			
b.	<i>Marketable securities</i>			
c.	<i>Net long option value</i>			
d.	<i>Security deposit</i>			
e.	<i>Others</i>			
f.	<i>Allowances for doubtful accounts</i>			
6.	Receivables from foreign derivatives brokers			
a.	<i>Cash and settlement receivables</i>			
b.	<i>Marketable securities</i>			
c.	<i>Net long option value</i>			
d.	<i>Security deposit</i>			
e.	<i>Others</i>			
f.	<i>Allowances for doubtful accounts</i>			
7.	Receivables from clients clearing on BMDC			
a.	<i>Clients debit balances</i>			
b.	<i>Others (please itemise)</i>			
c.	<i>Allowance for doubtful accounts</i>			
8.	Receivable from clients trading on foreign exchanges/ over the counter			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

	derivatives contracts (including contracts for difference)			
a.	<i>Clients debit balances</i>			
b.	<i>Others (please itemise)</i>			
c.	<i>Allowance for doubtful accounts</i>			
9.	Other receivables, advances and loans			
a.	<i>Merchandise accounts receivable</i>			
b.	<i>Interest</i>			
c.	<i>Dividends</i>			
d.	<i>Advances and loans to directors, employees of the BMDC or any third party</i>			
e.	<i>Receivables from related corporations</i>			
f.	<i>Others (please itemise)</i>			
g.	<i>Allowance for doubtful accounts</i>			
10.	Securities			
a.	Owned by Clearing Participant			
b.	Securities in exchanges and clearing houses			
11.	Inventories of physical commodities			
12.	Exchange/clearing house membership, at cost			
13.	Investment in related corporation			
14.	Fixed asset (plant, property, etc.) at net book value			
15.	Other assets (please itemise)			
16.	Total assets			
	Liabilities			Total
17.a	Bank overdrafts			
i.	Secured			
ii.	Unsecured			
17.b	Loans			
i.	Due for payment within 12 months			
ii.	Due for payment after 12 months			
18.	Payables to related corporations			
19.	Payables to the Clearing House			
20.	Payables to foreign clearing houses			
21.	Payables to other licensed brokers			
22.	Payable to foreign derivatives brokers			
23.	Payables to clients clearing on BMDC			
24.	Payables to clients trading on foreign exchanges/ over the counter derivatives contracts (including contracts for difference)			
25.	Liabilities subordinated to claims of general creditors			
a.	<i>Subject to satisfactory subordinated loan agreement</i>			

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

b.	<i>Not subject to satisfactory subordinated loan agreement</i>			
26.	Other payables and accrued liabilities (please itemise)			
27.	Total liabilities			
Shareholders Funds				
28.	Shareholders' Funds			
a.	<i>Paid-up capital</i>			
b.	<i>Share premium</i>			
c.	<i>Capital reserves</i>			
d.	<i>Unappropriated profits/(accumulated losses)</i>			
29.	Total shareholders' funds			
30.	Total liabilities and shareholders' funds			

Schedule 3(b) – EXPLANATORY NOTES TO FORM C**I. ASSETS (Line 1 to Line 16)****LINE 1 – Funds segregated for clients**

This amount should agree with the total amount on **LINE 14** of **Schedules 1(a) / 1(b) / 1(d) (FORM A)**.

LINE 2 – Cash with financial institutions and on hand

This amount should show the total petty cash, marked-to-market money market instruments (e.g. Repo, Bankers Acceptance, Negotiable Certificates of Deposits) and deposits belonging to the Clearing Participant placed with financial institutions. Fixed deposits can be considered as permitted assets if the Clearing Participant can withdraw the deposits at any time before the maturity date.

Assets, of which possession or control over their disposal, have been given to a financial institution as security for any credit facility provided by the financial institution to the Clearing Participant or as security for an irrevocable letter of credit, bank guarantee or surety or any other line of credit provided by that financial institution to the Clearing House, an exchange, another clearing house or to any other person shall be considered as non-permitted assets and details are to be disclosed as notes to the accounts.

Accrued interest receivable should be reported on **LINE 9.b** of this statement. Bank overdrafts are not to be netted against balances in these accounts. Such overdrafts should be reported on **LINE 17.a** of this statement.

LINE 3 – Receivables from and margin deposits with the Clearing House.

To report all items on this line as permitted assets except for the Security Deposit and Clearing Fund paid to the Clearing House.

LINE 3.a – Cash and settlement receivables

This amount should agree with the unsegregated balance in the Clearing House's statement. Settlement amount payable to the Clearing House should be included as a liability on **Line 19** of this statement.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports**LINE 3.b – Marketable securities**

This amount should show the marketable securities deposited with the Clearing House for margining proprietary accounts, valued at the current market prices without haircuts.

LINE 3.c – Net long option value

This amount should show the current market value of the net long option contracts of proprietary accounts. The current market value of the net short option contracts should be included as a liability on **Line 19** of this statement.

LINE 3.d – Security deposit and clearing funds

This amount should be shown as a non-permitted asset. Accrued interest receivable from the placement of this security deposit and clearing fund should be reported on **Line 3.e** of this statement. Letters of credit deposited with the Clearing House should not be included here but must be disclosed as notes to the accounts.

LINE 4 – Receivables from and margin deposit with foreign clearing houses

The same treatment as on **LINE 3** above should be accorded for the amount deposited with and due from foreign clearing houses, with payables to foreign clearing houses to be reflected on **LINE 20** of this statement. Settlement amount due from one foreign clearing house should not be netted against payables to another foreign clearing house.

LINE 5 – Receivables from other Clearing Participants**LINE 5.a – Cash and settlement receivables**

This amount should show the unsegregated cash and net settlement amount due from other Clearing Participants. Settlement amount due from one Clearing Participants should not be netted against payables to another Clearing Participants. Settlement payable to a Clearing Participants should be included as a liability on **Line 21** of this statement.

LINE 5.b - Marketable securities

This amount should show the marketable securities due from other Clearing Participants, at the current market value without haircuts.

LINE 5.c – Net long option value

This amount should show the current market value of the net long option contracts with other Clearing Participants. The current market value of the net short option contracts should be included as a liability on **LINE 21** of this statement.

LINE 5.d – Security deposit

This is the amount of security deposits placed by the Clearing Participant with other Clearing Participants. This amount should be shown as non-permitted assets.

Collateral (such as letters of credit, bank guarantee etc.) deposited with other Clearing Participants should not be included here but must be disclosed as notes to the accounts.

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

LINE 5.e – Others

This amount should include other receivables such as interest receivable and commission receivable from other Clearing Participants. All give-up trade commission and brokerage receivable from Clearing Participants should be itemized in **Appendix 2**. The commission and brokerage receivable which has not been outstanding for longer than 10 business days from computation date should be classified as a permitted asset. This amount should not be netted against the take-up trade commission and brokerage payable reported under **LINE 21** of this statement.

APPENDIX 2

Execution date	Brokers				Total
	Broker X		Broker Y		
	Lots traded	RM	Lots traded	RM	
Total					

LINE 5.f – Allowances for doubtful accounts

This amount should show the appropriate allowances for doubtful accounts.

LINE 6 – Receivables from foreign derivatives brokers

The same treatment applied to **LINE 5** should be accorded for the amount due from foreign derivatives brokers, with a payables to other foreign derivatives brokers to be reflected in **LINE 22** of this statement.

LINE 7 – Receivables from clients trading on Bursa Malaysia Derivatives Berhad**LINE 7.a – Client debit balances**

This is the amount of debit balances in the client's accounts. This amount should be shown as permitted assets if they are secured. The amount to be included as permitted assets should be limited to the extent of the market value of the collateral minus the haircut. The Clearing Participant should not net this receivable against the payables arising from the trading of other clients' accounts. The payables should be reported in **LINE 23** of this statement. This amount must agree with the amount in **LINE 5** of **Schedules 1(a) / 1(b) / 1(d) (FORM A)**.

LINE 7.b – Others

The Clearing Participant should show as non-permitted assets any other receivables due from clients unless secured.

LINE 7.c – Allowances for doubtful accounts

This amount should show the appropriate allowance for doubtful accounts.

LINE 8 – Receivables from clients trading on foreign exchanges / over the counter derivatives contracts (including contracts for difference)

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

The same treatment as on **LINE 7** should be accorded for the amount due from clients clearing on foreign clearing houses or over the counter derivatives contracts (including contracts for difference), with payables to clients clearing on foreign clearing houses or over the counter derivatives contracts (including contracts for difference) to be reflected in **LINE 24** of this statement.

LINE 9 – Other receivables, advances and loans**LINE 9.a – Merchandise accounts receivable**

This amount should be the receivable resulting from the Clearing Participant's sales of inventory commonly associated with the business activities of the Clearing Participant, which in the opinion of the Clearing Participant's auditors, are good for collection.

LINE 9.b – Interest

If the interest due is to be paid on the next business day from the computation date, it would be reported as a permitted asset. Otherwise, it should be reported as a non-permitted asset.

LINE 9.c – Dividends

This amount should be shown as a permitted asset if the dividends have not been outstanding for longer than 10 business days from the payable date. Dividends payables should not be netted off against this amount.

LINE 9.d – Advances and loans to directors, employees of the Clearing Participant or any third party

This amount should be shown as a non-permitted asset.

LINE 9.e – Receivables from related corporations

This amount should be shown as a non-permitted asset unless the related corporation is a financial institution licensed or otherwise approved by Bank Negara Malaysia. Receivables from related corporations which the Clearing Participant considers as their clients in relation to trading in derivatives contracts should be disclosed in **LINE 7.a** or **8.a** of this statement. These receivables from one related corporation should not be netted against payables to another related corporation.

LINE 9.f – Others

This amount should include other receivables such as sundry deposits and transferable club memberships which are not specified above with details itemised showing the amount and description of the receivable. This amount should be shown as a non-permitted asset.

LINE 9.g – Allowance for doubtful accounts

This amount should show the appropriate allowance for doubtful accounts.

LINE 10 – Securities**LINE 10.a – Owned by Clearing Participant**

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

This is the amount of securities held by the Clearing Participant at current market value and should be reported as **Appendix 3**.

APPENDIX 3**Investment Ledger**

		BUY			SELL			B/F		C/F		Unrealised Gain/(Loss)
Date	Counter	Price	Qty	RM	Price	Qty	RM	Price	RM	Price	RM	Current month
	Total											

LINE 10.b – Securities in exchanges and clearing houses

This amount should be shown as a non-permitted asset.

LINE 11 – Inventory of physical commodities

This amount should be shown as a non-permitted asset. The inventory should be valued at the lower of cost or net realisable value, for the Clearing Participant who is also in the business of merchandising goods. Obsolete inventory should be written off.

LINE 12 – Exchange / Clearing House (if applicable) participation

This amount should be shown as a non-permitted asset.

LINE 13 – Investment in related corporations

This amount should be shown as non-permitted asset.

LINE 14 – Fixed asset (plant, property, etc.) at net book value

This amount should be shown as a non-permitted asset. For reporting purposes, depreciation should be charged on a monthly basis.

LINE 15 – Other assets

This amount should include:

- (i) trades that have not been cleared (outrades) which have been marked-to-market;
- (ii) prepayments;
- (iii) intangible assets; and
- (iv) any other assets which are not readily classifiable into other categories.

The above should be itemised and shown as non-permitted assets.

II. LIABILITIES (Line 17 to Line 27)**LINE 17**

As at ~~15 August 2019~~ 10 January 2023

Dir 4-001

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports**LINE 17.a – Bank overdrafts & LINE 17.b – Loans**

These amounts should show bank loans payable, including overdrafts. The Clearing Participant should disclose in detail any loan or overdraft which is secured by the Clearing Participant's assets as notes to the accounts. Accrued interest and loans payables other than to banks are to be reported on **LINE 26** of this statement. Payables to related corporations are to be reported on **LINE 18** of this statement.

LINE 18 – Payables to related corporations

This amount should show the Clearing Participant's liability to its related corporations but excluding any subordinated loan. Payables to related corporations which the Clearing Participant considers as their clients in relation to clearing in derivatives contracts should be disclosed in **LINE 23** or **LINE 24** of this statement.

LINE 19 – Payables to the Clearing House

This amount should agree with the unsegregated debit balance of the Clearing House's statement.

LINE 20 – Payables to foreign clearing houses

The same treatment as on **LINE 19** should be accorded for payables to foreign clearing houses for settlement. The net amount payable and receivable from each of the foreign clearing house should not be netted off.

LINE 21 – Payables to other Clearing Participants

This amount should include the unsegregated cash and net settlement payable, take-up trade commission and brokerage payable to other Clearing Participants. All take-up trade commission and brokerage payable to other Clearing Participants should be itemised in **Appendix 4**. The amount payable to other Clearing Participants should not be netted against the amount due from another Clearing Participants. Commission and brokerage due from a Clearing Participants should be reported on **LINE 5.e** of this statement.

Execution date	Clearing Participants				Total
	Clearing Participant X		Clearing Participant Y		
	Lots traded	RM	Lots traded	RM	
Total					

LINE 22 – Payables to foreign derivatives brokers

The same treatment as on **LINE 21** should be accorded for payables to foreign derivatives brokers.

LINE 23 – Payables to client trading on Bursa Malaysia Derivatives Berhad

This amount should agree with the total amount on **LINE 6** of **Schedule 1(a) (FORM A)**.

LINE 24 – Payables to clients trading on foreign exchanges / over the counter derivatives contracts (including contracts for difference)

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

The same treatment as on **LINE 23** should be accorded for clients' trades done on foreign exchanges or over the counter derivatives contracts (including contracts for difference).

LINE 25 – Liabilities subordinated to claims of general creditors**LINE 25.a – Subject to satisfactory subordinated loan agreements**

This amount should show the liabilities which are subordinated to the claims from general creditors and subject to a satisfactory subordinated loan agreement. The minimum requirements which must be met for a satisfactory subordinated loan agreement is provided in the Rules of the Bursa Malaysia Derivatives Berhad.

LINE 25.b – Not subject to satisfactory subordinated loan agreements

This amount should show the liabilities which are subordinated to the claims from general creditors and are not subject to a satisfactory subordinated loan agreement.

LINE 26 – Other payables and accrued liabilities

This amount should include:

- (i) trades that have not been cleared (outrades) which have been marked-to-market;
- (ii) security deposit from the Registered Representatives (as defined in the Rules of Bursa Malaysia Derivatives Berhad);
- (iii) provision for taxation;
- (iv) accruals; and
- (v) any other payables which are not readily classifiable into other categories.

The above should be itemised.

LINE 28 – Shareholders' fund

The amount on **LINE 28.d** of this statement should agree with **LINE 21** of **Schedule 4(a) (FORM D)**.

[The rest of this page is intentionally left blank]

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

Schedule 4(a)

FORM D

STATEMENT OF INCOME/LOSS
(MONTHLY SUBMISSION)Clearing Participant:
Position As At:<<insert name of CP>>
<<dd/mth/yr>>

STATEMENT OF INCOME/(LOSS) FOR THE MONTH OF

	REVENUE	Total
1.	Commission and brokerage	
a.	On Malaysian Derivatives Exchange	
	i. Single licence	
	(a) Normal trade commission	
	(b) Give-up commission	
	ii. Dual licence	
	(a) Normal trade commission	
	(b) Give-up commission	
	b. On foreign exchanges	
	c. Other brokerage activities (please itemise)	
2.	Proprietary trading activities	
a.	Derivatives transactions (please itemise)	
b.	Securities transactions	
c.	Other trading activities (please itemise)	
3.	Income from advisory services	
4.	Interest and dividends	
a.	Interest earned on investment of clients' funds (please itemise)	
b.	Interest earned on investment of other clients' funds	
c.	Dividends	
5.	Other income (please itemise)	
6.	Total revenue	
	EXPENSES	
7.	Director's emoluments	
a.	Fees	
b.	Others	
8.	Salaries and allowances	
9.	Interest	
a.	Clients	
b.	Financial institutions	
c.	Others	
10.	Commissions	
11.	Occupancy and equipment cost	
12.	Bad and doubtful debts	
13.	Depreciation and amortisation (please itemise)	
14.	Other expenses (please itemise)	
15.	Total expenses	
16.	Net profit/(loss) before taxation (Item 6 minus Item 15)	
17.	Taxation	
18.	Others (please itemise)	
19.	Net profit/(loss) after taxation	

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

Directive No. 4-001: Appendix 3
Periodic Reports

20.	Balance brought forward	
21.	Unappropriated profits/(accumulated losses)	

Schedule 4(b) – EXPLANATORY NOTES TO FORM D**I. REVENUE** (Line 1 to Line 6)**LINE 1 – Commission and brokerage****LINE 1.a – On Bursa Malaysia Derivatives Berhad**

This amount should show the total commission and brokerage earned from trading derivatives contracts for the month on the Exchange. Commission derived by dual licence holder i.e. a person who holds a Capital Markets Services Licence for dealing in derivatives and a Capital Markets Services Licence for dealing in securities should be disclosed here.

LINE 1.b – On foreign exchanges

This amount should show the total commission and brokerage earned for the month on foreign exchanges

LINE 1.c – Other brokerage activities

This amount should show the total commission and brokerage earned for the month from other brokerage activities.

LINE 2 – Proprietary trading account**LINE 2.a – Derivatives transactions**

This amount should show the total profit or loss for the month from undertaking proprietary trading in the derivatives market. This should also include the current market value of the net long or net short option contracts of the proprietary account.

LINE 2.b – Securities transactions

This amount should show the total profit or loss for the month from the company's investment activities in the securities market.

LINE 2.c – Other trading activities

This amount should include profit or loss from the Clearing Participant's error account for the month. This should also include the current market value of the net long or net short option contracts of the error account.

LINE 3 – Income from advisory services

This amount should show the income earned for the month from advisory services performed.

LINE 4 – Interest and dividends**LINE 4.a – Interest earned on investment of clients' funds**

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

**Directive No. 4-001: Appendix 3
Periodic Reports**

This amount should show the total gross interest earned for the month from the investment of clients' segregated account funds.

LINE 4.b – Interest earned on investment of other than clients' funds

This amount should show the total interest earned for the month from the investment of company's fund.

LINE 4.c – Dividends

This amount should show the total dividends earned for the month from the company's investments.

LINE 5 – Other income

This amount should show the total income earned for the month by the Clearing Participant not disclosed anywhere else in this statement.

II. EXPENSES (Line 7 to Line 15)**LINE 7 – Directors' emoluments****LINE 7.a – Fees**

This amount should show the total directors' fees incurred for the month.

LINE 7.b – Others

This amount should show all other emoluments incurred for the month.

LINE 8 – Salaries and allowances

This amount should show the total staff salaries and allowances incurred for the month.

LINE 9 – Interest**LINE 9.a – Clients**

This amount should show the total interest expense to the clients and incurred for the month.

LINE 9.b – Financial Institutions

This amount should show the total interest expense incurred for the month.

LINE 9.c – Others

This line should show the total interest expense incurred for the month which is not otherwise disclosed under **LINE 9.a** and **9.b**.

LINE 10 – Commission

This amount should show all commissions incurred for the month.

LINE 11 – Occupancy and equipment cost

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

**Directive No. 4-001: Appendix 3
Periodic Reports**

This amount should show the occupancy and equipment cost incurred for the month. Included in this amount are office and booth rental as well as charges on price reporting system.

LINE 12 – *Bad and doubtful debts.*

This amount should show the amount of provision made on the accounts which are doubtful of collection or amount which have been written off during the month.

LINE 13 – *Depreciation and amortisation*

This amount should show the depreciation and amortization charge for the month.

LINE 14 – *Other expenses*

This amount should show the total or other expenses incurred for the month which is not otherwise disclose in this statement with details itemized on a separate page showing the amount and description of the expenses.

LINE 17 – *Taxation*

This item should show the provision for taxation for the month.

LINE 18 – *Others*

This amount should include items not otherwise dealt with in this statement which may include prior-year adjustments, extraordinary profit and loss, etc.

LINE 20 – *Balance brought forward*

This amount should agree with **LINE 21** of **Schedule 4(a) (FORM D)** in the previous month.

LINE 21 – *Unappropriated profits / (accumulated losses)*

This amount should show the total of **LINE 19** and **LINE 20** and should be carried to **LINE 28.d** of **Schedule 3(a) (FORM C)**.

[End of Appendix]