

AMENDMENTS TO THE BMD DIRECTIVES TO FACILITATE THE EXCHANGE'S OPERATIONS ON A SURPRISE HOLIDAY

AMENDMENTS TO THE DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD ("BMD DIRECTIVES")
TO FACILITATE THE EXCHANGE'S OPERATIONS ON A SURPRISE HOLIDAY

(a) Directive on Readiness Audit – Self Assessment Approach, Declaratory Approach and Green Lane (No. 2.01(2)-002)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
Appendix 3 Paragraph 5	<p>Appendix 3</p> <p>DA PROCEDURES ON SUBMISSION AND REVIEW OF APPLICATIONS FROM TRADING PARTICIPANTS ON NEW ACTIVITIES</p> <p>(5) The Trading Participant 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>	Appendix 3 Paragraph 5	<p>Appendix 3</p> <p>DA PROCEDURES ON SUBMISSION AND REVIEW OF APPLICATIONS FROM TRADING PARTICIPANTS ON NEW ACTIVITIES</p> <p>(5) The Trading Participant 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>

(b) Directive on Submission of Periodic Reports (No. 2.01(2)-003)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
Schedule and Appendix 1(c)	Please see Annexure 1 attached herein.	Schedule and Appendix 1(c)	Please see Annexure 1 attached herein.

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(c) Directive on Conduct of Business (No. 4-001)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
6.1 (3)(j)	<p>6.1 Authentication of account opening application for individual Client</p> <p>(3) Pursuant to paragraph 6.1(2)(b)(i), the Client's identity and the authenticity of the application must be verified by any of the following persons ("Acceptable Witnesses"):</p> <p>(j) such other person as may be approved by the Exchange from time to time provided that notification of such approval is forwarded to the Commission within 3 Market Days from the date of such approval.</p>	6.1 (3)(j)	<p>6.1 Authentication of account opening application for individual Client</p> <p>(3) Pursuant to paragraph 6.1(2)(b)(i), the Client's identity and the authenticity of the application must be verified by any of the following persons ("Acceptable Witnesses"):</p> <p>(j) such other person as may be approved by the Exchange from time to time provided that notification of such approval is forwarded to the Commission within 3 Market <u>Business</u> Days from the date of such approval.</p>

(d) Directive on Memorandum of Deposit (No. 4.19-001)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
Appendix 1	<p>Appendix 1</p> <p>TEMPLATE OF THE MEMORANDUM OF DEPOSIT UNDER RULE 4.19(1)</p>	Appendix 1	<p>Appendix 1</p> <p>TEMPLATE OF THE MEMORANDUM OF DEPOSIT UNDER RULE 4.19(1)</p>

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PARA- GRAPH	EXISTING PROVISION	PARA- GRAPH	AMENDED PROVISION
	<p>(9) Subject to Clause 11, where the withdrawal of the Securities is permitted under Clause 8, the Securities will be transferred to a securities account(s) designated by me subject to the rules and procedures of Bursa Depository and the said transfer must not be effected later than 2 clear market day from the date of the receipt by you of the notice stipulated in Clause 8.</p> <p>(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 must within 5 clear market 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 must provide me with the market value of those Securities in monetary form. Market value of the Securities must be computed based on the weighted average price of the Securities plus 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 these Securities in specie is returned or monetary compensation is paid to me pursuant to this clause, the same will</p>		<p>(9) Subject to Clause 11, where the withdrawal of the Securities is permitted under Clause 8, the Securities will be transferred to a securities account(s) designated by me subject to the rules and procedures of Bursa Depository and the said transfer must not be effected later than 2 clear market day<u>Business Days</u> from the date of the receipt by you of the notice stipulated in Clause 8.</p> <p>(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 must within 5 clear market days<u>Business Days</u> 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 must provide me with the market value of those Securities in monetary form. Market value of the Securities must be computed based on the weighted average price of the Securities plus 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 these Securities in specie is returned or monetary compensation is paid to me pursuant to this clause, the same will serve as full and final settlement of your obligation under Clause 8, Clause 9 and this clause and I will have no further claim against you in relation thereto.</p>

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PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
	serve as full and final settlement of your obligation under Clause 8, Clause 9 and this clause and I will have no further claim against you in relation thereto.		

(e) Directive on Notification of Systems Malfunction or Error (No. 6.03-001)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
1.1 (1)(b)	<p>1.1 Notification of Systems Malfunction or Error</p> <p>(1) Where a Participant becomes aware of any Systems Malfunction or Error, the following procedures must apply:</p> <p>(b) The report in paragraph 1.1(1)(a) ("Preliminary Report") must be followed by a written report made by the Compliance Officer on the Systems Malfunction or Error containing the information required under the Preliminary Report. The report must be submitted before the commencement of the trading session of the Market Day immediately following the Market Day in which the Preliminary Report was submitted.</p>	1.1 (1)(b)	<p>1.1 Notification of Systems Malfunction or Error</p> <p>(1) Where a Participant becomes aware of any Systems Malfunction or Error, the following procedures must apply:</p> <p>(b) The report in paragraph 1.1(1)(a) ("Preliminary Report") must be followed by a written report made by the Compliance Officer on the Systems Malfunction or Error containing the information required under the Preliminary Report. The report must be submitted before the commencement of the trading session of the <u>MarketBusiness</u> Day immediately following the <u>MarketBusiness</u> Day in which the Preliminary Report was submitted.</p>

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PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
1.2 (1)	<p>1.2 Mitigation by Participants</p> <p>(1) A Participant is required to take all reasonable and necessary steps to alleviate any adverse effect of the Systems Malfunction or Error on the Participant and/or contracts effected by or through the Participant. Such steps must be taken by the Participant immediately upon the discovery of the Systems Malfunction or Error and/or the consequences of it. In any event, such steps must be taken not later than the end of the Market Day in which the Systems Malfunction or Error was discovered.</p>	1.2 (1)	<p>1.2 Mitigation by Participants</p> <p>(1) A Participant is required to take all reasonable and necessary steps to alleviate any adverse effect of the Systems Malfunction or Error on the Participant and/or contracts effected by or through the Participant. Such steps must be taken by the Participant immediately upon the discovery of the Systems Malfunction or Error and/or the consequences of it. In any event, such steps must be taken not later than the end of the <u>Market Business</u> Day in which the Systems Malfunction or Error was discovered.</p>

(f) Directive on Off-Balance Sheet Transactions (No. 7-002)

PARA-GRAPH	EXISTING PROVISION	PARA-GRAPH	AMENDED PROVISION
2.1 (2)	<p>2.1 Reporting on Off-Balance Sheet transactions</p> <p>(2) A Trading 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>	2.1 (2)	<p>2.1 Reporting on Off-Balance Sheet transactions</p> <p>(2) A Trading Participant must submit the monthly report referred to in paragraph 2.1(1) by the 10th <u>MarketBusiness</u> Day of the immediately following month in respect of the following matters:</p>

ANNEXURE 2

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PARA- GRAPH	EXISTING PROVISION	PARA- GRAPH	AMENDED PROVISION
	<p>(a) any Off-Balance Sheet transaction entered into by a Trading Participant during the preceding month;</p> <p>(b) any Off-Balance Sheet transaction performed or discharged by the Trading 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</p> <p>(e) any change to the original terms and conditions of the Off-Balance Sheet transactions specified in paragraph 2.1(2)(a), (b) and (c)</p>		<p>(a) any Off-Balance Sheet transaction entered into by a Trading Participant during the preceding month;</p> <p>(b) any Off-Balance Sheet transaction performed or discharged by the Trading 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</p> <p>(e) any change to the original terms and conditions of the Off-Balance Sheet transactions specified in paragraph 2.1(2)(a), (b) and (c).</p>

ANNEXURE 2

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Annexure 1: Directive on Submission of Periodic Reports (No. 2.01(2)-003)

Schedule

No.	Name of Report	Appendix	Frequency	Timing of submission of periodic reports [paragraph 1.1(1)]	Timing of re-submission of periodic reports [paragraphs 1.1(2) and 1.1(3)]
1.	Statement of segregation requirements and funds in segregation (Form A)	Appendix 1(a)	As and when there is a deficiency of funds in segregation	By 2.30 p.m. of the market day <u>Business Day</u> following date of report	By 5.30 p.m. of the market day <u>Business 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.	Appendix 1(b)	Weekly	By 2.30 p.m. of the market day <u>Business Day</u> following the date of the report.	By 5.30 p.m. of the market day <u>Business Day</u> following the date of the report.
3.	Cash & Bank Balances and Banking Facilities Position	Appendix 1(c)	Weekly	By 2.30 p.m. of the market day <u>Business Day</u> following the date of the report.	By 5.30 p.m. of the market day <u>Business Day</u> following the date of the report.

[End of Schedule]

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Appendix 1(c)

**SUBMISSION TO BURSA MALAYSIA DERIVATIVES BERHAD ON
CASH & BANK BALANCES AND BANKING FACILITIES POSITION
(Weekly Submission)**

TRADING PARTICIPANT: <<insert name of Trading 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)

[End of Appendix 1(c)]

ANNEXURE 2

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[End of Amendments to the BMD Directives]