

CHAPTER 1 DEFINITION AND INTERPRETATION

RULE 101 DEFINITION

RULE 101.1 DEFINITION

(1) In these Rules, unless the context otherwise requires or the contrary intention appears:

“Appraisal”	means the conduct of evaluating a specific Approved Commodity according to the specifications set out in the relevant Chapter of that Approved Commodity and performed in accordance with Rule 701.2;
“Approved Commodity”	means suitable commodity to be transacted on the Market as approved by the Shariah committee of BMIS and the Shariah Advisory Council of the Securities Commission Malaysia and as specified in Chapter 9 and in accordance with the specifications as set out in the Appendices attached thereto;
“Applicant”	means a person who applies to become a Participant in accordance with the requirements specified in Rule 301.3;
“Bank Negara Malaysia”	means the Central Bank of Malaysia established under Section 3 of the Central Bank of Malaysia Act, 2009 [Act 701];
“BSAS”	means “Bursa Suq Al-Sila”, the brand name for the Market;
“BMIS”	means Bursa Malaysia Islamic Services Sdn. Bhd. (Company No.: 853675-M), a company established under the Malaysian Companies Act, 1965 [Act 125] which operates the BSAS System, and includes its successors-in-title, assigns and such other entity in which it is merged or amalgamated or to which its business or undertaking is transferred;
“BSAS System”	means the system established, owned and operated by BMIS, which provides the automated and computerised electronic trading system to carry out trades on the Market;
“Bursa Malaysia”	means Bursa Malaysia Berhad (Company No.: 30632-P), the holding company of BMIS, and includes its successors-in-title, assigns and such other entity in which it is merged or amalgamated or to which its business or undertaking is transferred;
“Capital Market Services Licence”	means the licence referred to under Section 58(1) of CMSA;
“Capital Market Services Representative’s Licence”	means the licence referred to under Section 59(1) of CMSA;

“Client”	in relation to a CTP, means the CTP’s client or another CTP, on whose behalf the first mentioned CTP trades or proposes to trade;
“CMSA”	means the Malaysian Capital Markets and Services Act, 2007 [Act 671];
“Commodity Executing Participant” or “CEP”	means a party carrying on the business of dealing in the Approved Commodity on behalf of a CTP or a CSP and for the time being admitted as a Participant of BSAS whose functions include those referred to in Rule 304.2;
“Commodity Supplying Participant” or “CSP”	means a party for the time being admitted as a Participant of BSAS, who supplies the Approved Commodity to the CTP on the Market, and whose functions include those referred to in Rule 302.2;
“Commodity Trading Participant” or “CTP”	means a party for the time being admitted as a Participant of BSAS, who trades the Approved Commodity on the Market, and whose functions include those referred to in Rule 303.2;
“CSP Agent”	means, in relation to the CSP supplying Approved Commodity, an entity appointed by the CSP to conduct its trading activities;
“Delivery Document”	means a bearer document issued by a CSP in a form and manner approved by BMIS evidencing confirmation that the Approved Commodity sold is: <ul style="list-style-type: none"> (a) of the requisite specifications and quantity; (b) identified to be collected by the Identified Owner; and (c) stored at the Specified Location mentioned in such document;
“Designated Account”	means a current account maintained by BMIS with a CTP for the purposes of financial settlement of trades referred to in Rule 801.1;
“Dispute”	means a dispute as defined in Rule 209.1;
“Domestic Party”	means any body corporate formed or incorporated and operating within Malaysia;
“e-Certificate”	means the document generated by the BSAS System containing such details as specified by BMIS;
“Event of Default”	means an event under Rule 301.6(1);
“Force Majeure Event”	means an event or circumstances beyond the control of BMIS or the Participant or both which cannot, after the use of all reasonable efforts, be overcome;

“Identified Owner”	means the owner of the Approved Commodity as reflected in the BSAS System;
“Market”	means the market operated by BMIS, where Approved Commodities are traded;
“Market Day”	means the day when the Market is open for trading;
“Matching”	means the process as referred to in Rules 405.4, 405.5 and 405.5;
“Onward Sell Trade”	means the sale of an Approved Commodity purchased on the Market by a CTP to the CTP’s Client(s) or a CTP’s Client to the CTP through a Shariah-compliant contract (as determined by the Shariah committee or Shariah board of the CTP), done outside the Market and not through the BSAS System or within the market through the BSAS System;
“Participant”	means: <ul style="list-style-type: none"> (a) a CEP; (b) a CTP; (c) a CSP; or (d) such other class of Participant as may be specified by BMIS from time to time, either collectively or singly where the context permits;
“Rules”	means these Rules of Bursa Suq Al-Sila’ and includes any schedules and appendices to these Rules and guidelines, directives, notices, circulars and operational procedures of general or specific application, issued by BMIS from time to time;
“Shariah Audit”	means the audit conducted by a CTP or BMIS or third party appointed by the CTP to carry out such an audit on its behalf, to ensure that the transactions and processes undertaken by Participants are Shariah compliant as endorsed by the Shariah committee of BMIS or, as the case may be, the Shariah committee or Shariah adviser of the CTP;
“Shariah Principles”	means the principles and rules of Shariah as determined by the Shariah Advisory Council of the Securities Commission of Malaysia and/or Shariah committee of BMIS and/or a Participant’s Shariah committee or Shariah adviser. In the event of a conflict between the interpretation of the principles, the conflict will be resolved in the following order of precedence (in order of highest to lowest precedence): (1) Shariah Advisory Council of the Securities Commission of Malaysia (2) Shariah Committee of BMIS and (3) Shariah Committee or Shariah adviser of a Participant.

“Specified Location”	means a location where the Approved Commodity is stored as specified by the CSP;
“Split e-Certificate”	means the new e-Certificate generated as a result of the splitting of an e-Certificate under Chapter 5;
“Unencumbered Approved Commodity”	<p>means Approved Commodity that fulfills the following criteria:</p> <ul style="list-style-type: none"> (a) The Approved Commodity must be in existence; (b) The CSP must be: <ul style="list-style-type: none"> (i) the owner of the Approved Commodity having good and marketable title to the same, free from encumbrances and liens; or (ii) the agent of an owner of the Approved Commodity fulfilling the requirements set out in paragraph (i) above who is authorised by the owner to perform the activities set out in Rule 302.2(1); (c) The CSP or owner of the Approved Commodity has not created and will not create or permit to be created any charge or encumbrance over the Approved Commodity; and (d) The CSP or owner of the Approved Commodity has not granted and will not grant or permit to be granted to any third party, rights over its interest in the Approved Commodity, by whatsoever means.

RULE 102 INTERPRETATION

RULE 102.1 INTERPRETATION

- (1) In these Rules, unless the context otherwise requires or the contrary intention appears:
 - (a) Words in the singular include the plural, and words in the plural include the singular;
 - (b) Words importing the masculine gender include the feminine and neuter gender;
 - (c) A reference to writing includes any mode of representing or reproducing letters, figures or marks in a visible form;
 - (d) The headings and sub-headings in these Rules are inserted for convenience of reference only and do not affect the interpretation and construction of the provisions;
 - (e) A reference to any guideline, directive, notice, circular or operational procedure of BMIS or Bursa Malaysia is to that guideline, directive, notice, circular or operational procedure so amended, supplemented, consolidated or substituted; and
 - (f) A reference to a statute is to that statute so modified, re-enacted or consolidated and includes regulations, rules or other statutory instruments made under that statute.

RULE 103.1 APPLICATION AND EFFECT OF THESE RULES

- (1) These Rules are intended to ensure an orderly and fair Market and to govern the Participants in their interaction with BMIS and between Participants
- (2) These Rules must be read together with any other laws or requirements of any relevant authority applicable to the Participants.
- (3) These Rules have the effect of a binding contract between BMIS, and each Participant under which each Participant covenants with BMIS to observe these Rules and to perform the obligations that these Rules impose on the Participant in the manner set out by these Rules. These Rules (including any guidelines, notices, circulars, terms of use, operational procedures and any other requirements issued under these Rules) shall be governed by and construed in accordance with Malaysian law.

[End of Chapter 1]