

CHAPTER 4 TRADING RULES

RULE 401 GENERAL

RULE 401.1 PASSING OF RISK, LIABILITY AND OWNERSHIP

- (1) Risk and liability arising from the Approved Commodity will lie with the owner of the Approved Commodity and will pass in the same instance when ownership of the Approved Commodity passes. For the avoidance of doubt, when ownership of the Approved Commodity passes to the buyer, the buyer will have at that point, possession of the Approved Commodity and such possession may be actual or constructive.
- (2) In relation to trading of the Approved Commodity on the Market, risk, liability and ownership of the Approved Commodity passes:
 - (a) from the CSP to the CTP, or to a Client of the CTP, upon the Matching of a bid with an offer;
 - (b) from a CTP to a CTP's Client, or from a CTP's Client to a CTP, upon Onward Sell Trade reporting under Rule 404.2;
 - (c) from a CTP's Client or CTP, acting as principal, to BMIS, upon the acceptance by BMIS of the offer made by that Client or CTP pursuant to Chapter 6; and
 - (d) from BMIS to the CSP upon Matching of the BMIS offer at random.

RULE 401.2 FIRM AND BINDING CONTRACT

- (1) Once a bid and an offer are matched in the BSAS System, the matched order will constitute a firm and binding contract between the CTP or its Client as the case may be, and the CSP.
- (2) All matched orders will be subject to physical delivery of the Approved Commodity concerned in accordance with these Rules and the procedures as may be specified by BMIS.

RULE 401.3 MULTI-CURRENCY

- (1) Trade may be denominated in any currency as specified by BMIS.

RULE 402 BURSA SUQ AL-SILA' SYSTEM

RULE 402.1 TRADING FACILITIES

- (1) All trading will be effected through the BSAS System in the manner specified in these Rules.

RULE 402.2 CONNECTION TO THE BSAS SYSTEM

- (1) Participants shall comply with BMIS' specifications in order to connect to the BSAS System for the purpose of trading on the Market.

RULE 402.3 TRADING HALT AND MARKET SUSPENSION

- (1) BMIS may, as it deems fit, at any time:
 - (a) halt trading in a specific currency or specific Approved Commodity or both, for any period of time;
 - (b) suspend the Market for any period of time; or
 - (c) allow trading to resume in any specific currency or specific Approved Commodity that has been subject to a trading halt or Market suspension.

RULE 403 GENERAL TRADING RULES

RULE 403.1 DIRECTION

- (1) BMIS may from time to time specify to Participants directions as to the:
 - (a) Market Days;
 - (b) trading sessions, hours and phases; or
 - (c) the Approved Commodity that is available for trading.

RULE 403.2 CHANGES TO TRADING SESSIONS, TRADING HOURS AND TRADING PHASES

- (1) BMIS may change the trading sessions, trading hours and trading phases as BMIS deems fit.
- (2) BMIS may specify different trading hours for different Commodities.

RULE 403.3 PRICE QUOTE

- (1) BMIS will specify the price of each Approved Commodity for the purposes of trading that Approved Commodity on each Market Day. For the avoidance of doubt the price specified takes into account relevant factors (such as takaful), required to set a reasonable value in relation to the Approved Commodity, for the purposes of trading on each Market Day.

RULE 403.4 TYPES OF BID

- (1) The types of bids are as follows:
 - (a) **Fill or Kill (FOK) Order**

An FOK order refers to a bid that requires Matching to be done only on the whole value of the order. If the FOK bid cannot be wholly matched, such order will be cancelled immediately.
 - (b) Such other order as BMIS may specify from time to time.

RULE 403.5 TRADE CONFIRMATION

- (1) A Participant must verify the details of the trade confirmation report generated in the BSAS System upon Matching.
- (2) A Participant must advise BMIS if an error has occurred in the trade confirmation report on the same Market Day of the trade.

RULE 403.6 TRADE CANCELLATION

- (1) Without prejudice to the powers of BMIS, all matched orders howsoever entered through the BSAS System cannot be cancelled and will be binding on the Participants

RULE 404 REPORTING FOR ONWARD SELL TRADE OF APPROVED COMMODITY

RULE 404.1 RESTRICTION ON ONWARD SELL TRADE

- (1) A CTP or its Client who is the buyer of the Approved Commodity in an Onward Sell Trade must either take delivery or sell the Approved Commodity to BMIS.

RULE 404.2 OBLIGATION TO REPORT

- (1) A CTP who conducts an Onward Sell Trade must, through the BSAS System report each such Onward Sell Trade to BMIS within the Market Day on which such Onward Sell Trade occurs.
- (2) The Onward Sell Trade report must include the minimum content as specified by BMIS.
- (3) BMIS, through the BSAS System, will reflect the transfer of ownership of the Approved Commodity according to the Onward Sell Trade report which has been confirmed.

RULE 405 TRADING

RULE 405.1 MINIMUM AND MAXIMUM ORDER

- (1) There will be a minimum and maximum for bids and offers as specified by BMIS.
- (2) The bids must be in multiples of a value as specified by BMIS.

RULE 405.2 ENTRY OF OFFER

- (1) A CSP may enter an offer into the BSAS System either on its own or through a CEP.
- (2) When entering an offer, a CSP or a CEP, must enter such particulars as may be specified by BMIS.
- (3) A CSP or a CEP may modify or cancel any offer entered into the BSAS System prior to the Matching of the offer, in accordance with such requirements as may be specified by BMIS and subject to the right of BMIS to disallow such modification or cancellation where BMIS in its reasonable opinion considers it appropriate to do so.
- (4) For the avoidance of doubt, a CSP is free to deal with the Approved Commodity that has been withdrawn from the BSAS System as a result of a modification or cancellation of an offer, in any manner the CSP thinks fit.

RULE 405.3 ENTRY OF BID

- (1) A CTP may enter a bid into the BSAS System either on its own or through a CEP.
- (2) A CTP or CEP, when entering a bid into the BSAS System must enter such particulars as may be specified by BMIS.
- (3) A CTP or CEP may modify or cancel any bid entered into the BSAS System prior to the Matching of the bid, in accordance with such requirements as may be specified by BMIS and subject to the right of BMIS to disallow such modification or cancellation where BMIS in its reasonable opinion considers it appropriate to do so.

RULE 405.4 AUTOMATIC MATCHING

- (1) All orders entered into the BSAS System for a trade will be subject to Matching except in the circumstances specified by BMIS.

RULE 405.5 MATCHING PRIORITY

- (1) The Matching priority of the orders is as specified by BMIS.

[End of Chapter 4]