4.5   Application For Closing Of Accounts

The following parties can authorise the closure of an account:-

a.   The depositor

b.   Bursa Depository.

4.5.1 Accepting Account Closure Requests

4.5.1.1   A CDS account may be closed by way of:-

      a.   Depositor completing (FMN070) in person before the ADA or sending the completed FMN070 to the ADA, or

      b.   Depositor writing a letter to the ADA stating his request to close the CDS account, or

      c.   A letter of authorisation from Bursa Depository, or

      d.   ADA completing FMN070 and sending it to Bursa Depository in the case of an ADA requesting for the closure of their owned Principal account(s).

4.5.1.2   For item "b", FMN070 must be completed by the ADA on the depositor's behalf with the words "Account Closure Due To Depositor's Written Request" on the space marked "Signature(s) / Thumbprint(s) Of Applicant / Depositor / Authorised Signatory(ies) / Attorney(s)".

4.5.1.3   For item "c", FMN070 must be completed by the ADA with the words "Account Closure Due To Bursa Depository's Authorisation" stated on the signature column.

4.5.2 Verification Of Application For Closing Of Account Requests

4.5.2.1   Verify the signature on FMN070/letter from depositor against the ADA's records of specimen signature(s).

4.5.2.2   Verify the details against the **Checklist For Verification Of Closing Of Account** (Appendix 34).

4.5.2.3   Verify and ensure that the "approved by" columns of the application form is signed by an authorised signatory of the ADA.

4.5.2.4   Every amendment made on the form must be countersigned by the depositor and the authorised signatory of the ADA with a rubber-stamp bearing the ADA's name affixed. Do not use correcting fluid. Cancel the error and make the correction.

4.5.2.5   Where the person requesting the closure of the account is an authorised signatory of the ADA, the amendment made on the form need to be countersigned by different authorised signatory.

4.5.2.6   Any amendments made in the "for office use only" column in the form must be signed by the authorised signatory of the ADA with a rubber-stamp bearing the ADA's name affixed.

4.5.2.7   Where the amendments are signed by the depositor, verify the signature against the ADA's records of specimen signature(s).

4.5.3 Closure Of Principal And Wholly Owned Nominee Account Of The ADA

4.5.3.1   To complete a separate FMN070 for closure of ADA's principal, its wholly owned nominee account respectively.

4.5.3.2   ADA may use a single FMN070 to close multiple CDS accounts of the ADA i.e. its principal or its wholly owned nominee accounts. The following are required to be submitted to Bursa Depository:

   a.   A letter from the ADA if the request is related to its principal accounts or from the appropriate nominee company if the request is related to any of its wholly owned nominee accounts. The letter needs to state the ADA's or the appropriate nominee company's intention to close multiple CDS accounts using a single FMN070 together with an attached listing detailing the following:
   i.   The number of CDS accounts to be closed
   ii.   CDS account numbers
   iii.   Account qualifiers

b.   A duly completed FMN070. Indicate "To close all CDS accounts as per the authorised list attached" at the 'CDS Account Number" column and "Refer to authorised list attached" at the "Account Qualifier" column of the FMN070.

4.5.3.3   The request letter, FMN070 and each page of the listing must be signed by the authorised signatories as stated in the respective board resolution of the ADA or its wholly owned nominee company(ies).

4.5.3.4   Verify FMN070 for completeness before proceeding to initiate the closure into CDS.

4.5.3.5   Upon executing the closure in CDS, the ADA is required to submit Bursa Depository's copy of FMN070 and supporting documents (if any).

4.5.3.6   All the other closing of CDS account procedures detail in section 4.5 (if relevant) are also applicable for closing of ADA's Principal its wholly Owned Nominee account.

Note: **Procedures related to bulk closing of CDS accounts is also applicable to nominee companies that are not wholly owned by the ADA.**

4.5.4 Keying-In Account Closure Request Into The CDS By First (1ˢᵗ) Level User

4.5.4.1   Proceed to the Account Maintenance Screen and key-in the CDS account number stated in FMN070 to retrieve the depositor's details.

4.5.4.2   Ensure the details displayed correspond with the details stated in FMN070.

4.5.4.3   If the details differ from that in the system, reject the account closure request.

4.5.4.4   Proceed to close the depositor's account.

4.5.4.5   Ensure the "data entry by" column is completed by the ADA personnel who performed the data entry.

Note: *The person who performed the data entry must not be the same person approving the request.*

4.5.5 Confirmation Of Account Closure Data By Second (2nd) Level User

4.5.5.1   The 2nd level user to retrieve the account closure request via the Unattended Request List and link to Verifier's Details Page to verify against the FMN070.

4.5.5.2   Alternatively, 2nd level user may verify the data entry using Pending Approval Listing to verify against the FMN070.

4.5.5.3   Verify and ensure the data entry is keyed is correct before confirming and approving the account closing.

Note:

a.   *Once the 2nd level user confirmed the data entered by the 1st level user, Bursa Depository would consider the 2nd level user had verified and confirmed the accuracy of the data entered.*

b.   *2nd level user is required to confirm the data entered by the 1st level user within 2 market days. Failing which, the data entered will be removed from the system and it will capture in the Account Rejected/Expired Control Report.*

4.5.5.4   If there is any data entry error or discrepancies on the applicant's CDS account number, reject the account closing request and provide the reason for rejection. Return the FMN070 to the data entry staff to initiate the account closing request again. The rejection will be captured in the Account Rejected/Expired Control Report.

4.5.5.5   If the account closing data entry is free from error, the 2nd level user is to confirm the data entry and sign at the "Verified by" column of the FMN070.

4.5.6 Acknowledge Receipt Of Account Closure Requests

4.5.6.1   Affix the ADA's company rubber-stamp at the space marked "to be completed by ADA".

4.5.6.2   Return the **Depositor copy** of FMN070 to the depositor as acknowledgement.

4.5.7 Verifying Account Maintenance Control Report

4.5.7.1   Printing and verifying the Account Maintenance Control Report (Appendix 99) on a daily basis is optional. This report is a summary report that would contain information of all account opening, updating and closure requests that have been confirmed and attended to.

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4.5.8 Status Of Account Closure

Account closure status are divided into two (2) categories:-
a.   Temporarily closed
b.   Permanently closed

4.5.8.1   Account closures initiated and confirmed for the day will be under the temporarily closed status. This is indicated with a small "c" at the account status column.

4.5.8.2   The system will further proceed to permanently close the account if there are no outstanding trade transactions and corporate exercises. This is indicated with a capital "C" at the account status column.

4.5.8.3   Keep both the **ADA and Bursa Depository copies** of FMN070 together with any supporting documents in a "Keep In View" file.

4.5.8.4   Obtain and check the **Confirmed Closed Account Report** and the **Rejected Closed Account Report** extracted from **Daily Finalised Account Closure File (CFT015)** against the ADA and Bursa Depository copies of FMN070 in the "Keep In View" file.

Note:

(i)   *The Confirmed Closed Account Report shows the details of accounts that have been confirmed closed on that particular market day.*

(ii)   *The Rejected Closed Account Report shows the details of accounts for which the application for closure has been rejected due to the existence of outstanding transactions.*

4.5.8.5   Retrieve the specimen signature card (if any) / list of authorised signatory(ies) and the specimen signature(s) and the **ADA and Bursa Depository copies** of the forms for all accounts that appear on the Confirmed Closed Account Report.

4.5.8.6   Ensure that the "account closed on" date is completed in the ADA and Bursa Depository copies of FMN070.

4.5.8.7   Ensure that the specimen signature card (if any) / list of authorised signatory(ies) is marked "Account Closed" and signed by the ADA's authorised signatory(ies) with the words "Effective dd/mm/yyyy" stated where dd/mm/yyyy is defined as the effective date.

4.5.8.8   For those using the signature verification system (SVS), ensure that the account closure status is updated accordingly.

4.5.8.9   A corporate depositor may also request for the closure of an account to which a certain Master Record is tagged against. The ADA is to mark "Account Closed" on the specimen signature card (if any) / list of authorised signatory(ies) to give effect to the closure of this account. However, this Master Record's specimen signature(s) of the authorised signatory(ies) is not to be discarded as it is still valid and to be used for verification of the authorised signatories and their specimen signatures for any other CDS accounts of the same corporate depositor at the ADA.

4.5.8.10   This closure does not nullify all other accounts belonging to the same corporate depositor. These accounts are still active and reference to the specimen signature(s) and operations of the authorised signatory(ies) in the Master Record for these accounts may continue to be used.

4.5.9 Rejection Of Account Closure Requests

4.5.9.1   Retrieve both the **ADA and Bursa Depository copies** of FMN070 from the "Keep In View" file.

4.5.9.2   Check if there are any outstanding transactions for the affected accounts.

4.5.9.3   If there are no outstanding transactions in this account, proceed to Section 4.5.4 and 4.5.5 for keying-in account closure data and confirmation of account closure data respectively into the CDS.

4.5.10 Closing Of Account For Deceased Depositor (With Nil Balance)

In the event of the death of a CDS depositor, the following persons (hereinafter known as "the applicant") can apply for the closure of the deceased depositor's CDS account:-

a.   Personal Representative of the Estate of the Deceased pursuant to a Grant Of Representation; or
b.   DGI appointed by the Court.

Note: The Grant of Representation will amongst others include item (a) to item (c) as stated under item 8.1.1.3

This applies only to CDS accounts with "Nil Balance" in the account. The ADA is required to advise the applicant to follow the procedures stipulated below. Under no circumstances is the ADA to close the deceased depositor's account without prior authorisation from Bursa Depository.

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4.5.10.1   The applicant is to notify Bursa Depository in writing of the death of the depositor and request for the CDS account of the deceased to be closed.

4.5.10.2   The request should be accompanied by a set of the following documents, duly certified by a person stated in the List Of Acceptable Witnesses in Chapter 9:-

     a.   Grant of Representation, where applicable, or

     b.   Court Order, and

     c.   Death Certificate, and

     d.   Applicant's identification document(s) and relevant supporting documents (if applicable).

4.5.10.3   Bursa Depository will authorise the closure of the deceased depositor's account after due verification that the notice and supporting documents are in order and provided that there are no shares standing to the credit in the deceased person's CDS account.

4.5.10.4   Upon receiving authorisation from Bursa Depository to close the deceased depositor's account, the ADA is required to follow the procedures stipulated in Section 4.5.1 onwards for closing of accounts.

4.5.11 Packing And Submission Of Account Closure Documents To Bursa Depository

4.5.11.1   For closing of depositor account, pack the documentation according to the Account Maintenance Control Report, as follows:
     a.   Bursa Depository copies of FMN070
     b.   Letter from depositor / Bursa Depository (if applicable)

4.5.11.2   All the above-mentioned documentation must be accompanied with Account Maintenance Control Report.

4.5.11.3   The Account Maintenance Control Report must be signed by the authorised signatory(ies) of the ADA.

4.5.11.4   ADA and its branches to deliver FMN070 with the relevant supporting document to Bursa Depository by the fifth (5th) market day of the following month or such other day as instructed by Bursa Depository.

Note: *If ADA is not able to submit the Bursa Depository's copies of the FMN070 by the 5th market day of the following month or any other days as instructed by Bursa Depository, the ADA must submit a formal written request seeking for extension of time for the form submission.*

4.5.11.5. ADAs wish to submit the FMN070s electronically to Bursa Depository may refer to CDS Circular ADA/DOD/015/2022 issued on 28 April 2022 for guidelines.

4.5.12 Filing Of Documents

4.5.12.1   File the following:-

     a.   The ADA copies of FMN070

     b.   Any supporting documents

     c.   Cancelled specimen signature cards (if any)

     d.   Cancelled certified true copies of the list of authorised signatory(ies) (if applicable)

     e.   Confirmed Closed Account Reports extracted from CFT015.

     f.   Rejected Closed Account Reports extracted from CFT015.

     g.   Account Rejected/Expired Control Report

     h.   The duly signed and stamped Account Maintenance Control Report

4.5.12.2   Printing and filing the following reports are optional to the ADA:

     a.   Pending Approval Listing

     b.   Unattended Account Maintenance Report

     c.   Account Maintenance Control Report (if printed on daily basis)

4.5.12.3   Bursa Depository will only send a notice to the depositor whose application has been rejected.

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4.5.13 Automatic Closure Of Dormant Accounts

Pursuant to Rule 26.06A(1), Bursa Depository may proceed to close a dormant account with Nil balance as defined in Rule 26.10(1)(a) upon the expiry of the 4th year of such account being designated as dormant.

Automatic Closure of Dormant Accounts is a yearly exercise undertaken by Bursa Depository to automatically close dormant accounts maintained in the Central Depository System (CDS) which fulfil the following criteria:

1. There are no securities in such account; and
2. there have not been any debit or credit entries in such accounts for at least seven (7) consecutive years prior to the date of the closure.

ADAs will receive the following two (2) files for the closure of dormant accounts:

a.   **Pending Closing Dormant Account File (CFT050)**

This file will be sent three (3) months prior to the closure of the affected dormant accounts. Bursa Depository will send CFT050 via eFIX to all the affected ADAs detailing the dormant accounts that will be subjected to this automatic closure exercise.

b.   **Confirmed Closed Dormant Account File (CFT051)**

This file will be sent upon successful closure of the affected dormant accounts. Bursa Depository will send CFT051 via eFIX to all the affected ADAs. The file will contain all the affected dormant accounts that have been closed by Bursa Depository which are maintained with the respective ADAs.

4.5.13.1 Housekeeping of Account Opening related Documentations (Optional)

ADAs are provided with an option whether to retrieve all the account opening related documents of the affected dormant accounts that have been closed and have it destroyed or to continue to retain such documents in its current manner.

4.5.13.2 Filing Of Documents

4.5.13.2.1   File the following:

a.   Reports extracted from the Confirmed Closed Dormant Account File i.e. CFT051 (optional)

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