

4.4 Application For Closing Of CDS Accounts

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

- a. The depositor
- b. Depository.

4.4.1 Accepting CDS Account Closure Requests

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

- a. Depositor completing the **CDS Account Form (FMN070)** , or
- b. A letter of authorisation from Depository

4.4.1.2 For section “b”, the FMN070 must be completed by the ADM with the words “Account Closure Due To Depository’s Authorisation” stated on the signature column.

4.4.1.3 ADM may use a single FMN070 to close multiple CDS accounts of the ADM’s principal or its wholly owned nominee accounts. The following are required to be submitted to Depository:

- a. A letter from the ADM 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 ADM’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.

- 4.4.1.4 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 ADM or its wholly owned nominee company(ies).

4.4.2 Verification Of CDS Account Closure Requests

- 4.4.2.1 Verify the signature on the FMN070 against the ADM's records of specimen signature(s).
- 4.4.2.2 Verify the details against the **Checklist For Verification Of Closing Of Account** (Appendix 30).
- 4.4.2.3 Every amendment made on the form must be countersigned by the depositor and the authorised signatory(ies) of the ADM with a rubber-stamp bearing the ADM's name affixed. Do not use correcting fluid. Cancel the error and make the correction.
- 4.4.2.4 Where the signature(s) of the depositor and the authorised signatory(ies) of the ADM are the same, the amendment made on the form need only be signed by that signatory(ies).
- 4.4.2.5 Any amendments made in the "for office use only" column in the form must be signed by the authorised signatory(ies) of the ADM with a rubber-stamp bearing the ADM's name affixed.
- 4.4.2.6 Where the amendments are signed by the depositor, verify the signature against the ADM's records of specimen signature(s).

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

- 4.4.3.1 Proceed to the Account Maintenance Screen and key-in the CDS account number stated in FMN070 to retrieve the depositor's details.
- 4.4.3.2 Ensure the details displayed correspond with the details stated in FMN070.
- 4.4.3.3 If the details differ from that in the system, reject the account closure request.
- 4.4.3.4 Proceed to close the depositor's account
- 4.4.3.5 Ensure the "data entry by" column is completed by the ADM personnel who performed the data entry.

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

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

4.4.4.1 2nd level user to retrieve the account closing data via the Unattended Request List and link to Verifier's Details Page to verify against the FMN070.

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

4.4.4.3 Verify and ensure the data entry is keyed in correctly before confirming and approve the account closing.

Note: a) *Once the 2nd level user confirmed the data entered by the 1st level user, Depository considered 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 latest by next market day. Failing which, the data entered will be removed from CDS and it will be reflected in the Account Rejected/Expired Control Report.*

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

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

4.4.5 Verifying Account Maintenance Control Report

4.4.5.1 Printing and verifying the Account Maintenance Control Report 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. the Account Maintenance Control Report .

4.4.7 Status Of CDS Account Closure

Account closure status are divided into two (2) categories:-

a. Temporarily closed

b. Permanently closed.

4.4.7.1 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.

4.4.7.2 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.

4.4.7.3 Keep both ADM and Depository copies of the FMN070 together with any supporting documents in a “Keep In View” file.

4.4.7.4 Obtain and check the **Confirmed Closed Account Report** and the **Rejected Closed Account Report** extracted from **Daily Finalised Account Closure File (CFT015)** against the ADM and 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 business date*

(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.*

4.4.7.5 Retrieve the specimen signature card (if any) / list of authorised signatory(ies) and the specimen signature(s) and the **ADM copies** of the FMN070 for all accounts that appear on the Confirmed Closed Account Report.

4.4.7.6 Ensure that the “Account Closed On” date is completed in the ADM and Depository copies of the FMN070.

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

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

4.4.8 Rejection Of CDS Account Closure Requests

- 4.4.8.1 Retrieve both the **ADM and Depository copies** of the FMN070 from the “Keep In View” file.
- 4.4.8.2 Check if there are any outstanding transactions for the affected accounts.
- 4.4.8.3 If there are no outstanding transactions in this account, proceed to Section 4.4.3 and 4.4.4 for keying-in account closure data and confirmation of account closure data respectively into the CDS.

4.4.9 Packing And Submission Of CDS Account Closure Documents To Depository

- 4.4.9.1 For closing of depositor’s account, pack the documentation according to the Account Maintenance Control Report , the following:-
- a. Depository copies of FMN070
 - b. Letters from depositors / Depository (if applicable)
- 4.4.9.2 All the above mentioned documentation must be accompanied with Account Maintenance Control Report ..
- 4.4.9.3 The Account Maintenance Control Report must be signed by the authorised signatory(ies) of the ADM.
- 4.4.9.4 ADM and its branches to deliver FMN070s with the relevant supporting documents to Depository by the fifth (5th) market day of the following month or such other day as instructed by Depository.

Note: If ADM 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 Depository, the ADM must submit a formal written request seeking for extension of time for the form submission.

4.4.10 Filing Of Documents

4.4.10.1 File the following:-

- a. The **ADM copies** of the FMN070
- b. Any supporting documents
- c. Cancelled specimen signature cards (if any)
- d. Cancelled original or 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

4.4.10.2 Printing and filing the following reports are optional to the ADM:

- a. Pending Approval Listing
- b. Unattended Account Maintenance Report
- c. Account Maintenance Control Report (if printed on daily basis)

4.4.11 Automatic Closure Of Dormant Accounts

Pursuant to Rule 26.06A(1), Bursa Malaysia 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 Malaysia 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.

ADMs 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. Depository will send CFT050 via eFIX to all the affected ADMs 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. Depository will send CFT051 via eFIX to all the affected ADMs. The file will contain all the affected dormant accounts that have been closed by Depository which are maintained with the respective ADMs.

4.4.11.1 Housekeeping of Account Opening Related Documentations (Optional)

ADMs are provided 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.

4.4.11.2 Filing Of Documents

4.4.8.2.1 File the following:

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

