



**RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD  
PROPOSED AMENDMENTS IN RELATION TO THE CLOSURE OF DORMANT ACCOUNTS**

EXISTING PROVISIONS		AMENDED PROVISIONS	RATIONALE
<b>Rule 5.09</b>	<p><b>Rule 5.09 Dormant account:</b></p> <p>(1) <b>Reactivation:</b> Every authorised depository agent shall require any depositor who intends to reactivate a dormant account to submit to it the duly completed prescribed form together with the relevant supporting documents as may be determined by the Depository.</p> <p>(2) <b>Processing period:</b> An application to reactivate a dormant account shall be processed by the authorised depository agent within two market days from the date of application.</p> <p>(3) <b>Prohibition:</b> No authorised depository agent unless otherwise directed by the Depository, in consultation with the Commission, shall effect a debit or credit entry in any dormant account unless the provisions in Rule 5.09(1) and (2) have been complied with.</p> <p>(4) <b>Interpretation:</b> Dormant account shall have the same meaning as</p>	<p><b>Rule 5.09 Dormant account:</b></p> <p>(1) <b>Reactivation:</b> Every authorised depository agent shall require any depositor who intends to reactivate a dormant account <u>that has not been closed pursuant to Rule 26.06A(2)</u> to submit to it the duly completed prescribed form together with the relevant supporting documents as may be determined by the Depository.</p> <p>(2) No change.</p> <p>(3) No change.</p> <p>(4) No change.</p>	<p>To clarify that a depositor can only reactivate his dormant account if his dormant account has not been closed by the Depository pursuant to the new Rule 26.06A(2).</p>

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	defined under Rule 26.10.		
<b>Rule 26.06</b>	<p><b>Rule 26.06 Closing of account:</b></p> <p>A depositor may close his securities account maintained with any authorised depository agent by providing written notice to the Depository in the prescribed form.</p>	<p><b>Rule 26.06 Closing of <u>securities account by depositor</u>:</b></p> <p>A depositor may close his securities account maintained with any authorised depository agent by providing written notice to the Depository in the prescribed form.</p>	Consequential amendment in view of the inclusion of a new Rule 26.06A(2).
<b><u>Rule 26.06A</u></b>	<b><u>New Rule</u></b>	<p><b><u>Rule 26.06A Closing of dormant account by Depository:</u></b></p> <p><b><u>(1) Prescribed Period: The Depository may prescribe a period of time after which the Depository may proceed to close a dormant account.</u></b></p> <p><b><u>(2) Closure of dormant account: The Depository may at any time after the expiry of the prescribed period referred to in Rule 26.06A(1) close a dormant account upon providing notice of such closure to the depositor.</u></b></p>	<p>To empower Bursa Depository to close a dormant account after such period as may be prescribed by Bursa Depository and upon providing notice of such closure to the depositor.</p> <p>The period that is proposed to be prescribed by Bursa Depository is 4 years from the date when the securities account was designated as dormant.</p> <p>The notice referred to in Rule 26.06A(2) will be provided in the following manner:</p> <p>(1) in respect of the closure of securities accounts that were designated as dormant on or before 2010, via an advertisement in 3 daily national newspapers in Bahasa Melayu, English and Mandarin; and</p> <p>(2) in respect of the closure of securities accounts that were designated as dormant from 2011 onwards, a notice will be sent directly to the affected depositors 1 month</p>

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			<p>before the closure of the account.</p> <p>The mode in which notice of the closure of dormant accounts will be given will be set out in the CDS Guide for Depositors which will be made available at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>.</p>
<b>Rule 26.10</b>	<p><b>Rule 26.10 Dormant Account:</b></p> <p>(1) <b>Interpretation:</b> A securities account is termed a dormant account where</p> <p>(a) there are no deposited securities in the depositor's securities account (hereinafter referred to in this Rule as 'Nil balance'); and</p> <p>(b) there have not been any debit or credit entries in the depositor's securities account for thirty six (36) months from the date of Nil balance (hereinafter referred to as "the said period").</p> <p>(2) <b>Designation of a securities account as a dormant account:</b> All dormant accounts shall be designated as such by the Depository on or after the said</p>	<p><b>Rule 26.10 Dormant Account:</b></p> <p>(1) No change.</p> <p>(2) No change.</p>	<p>To note that a dormant account can be used for the purposes of applying for securities pursuant to an initial public offering and thereafter, securities arising from corporate actions can be credited into the dormant account. A dormant account cannot be used to execute buy and sell transactions on Bursa Malaysia Securities Berhad nor can securities be transferred (within the Approved Reasons for Transfer) into a dormant account from another securities account.</p>

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	period.		
(3)	<b>Notice:</b> One month prior to the above designation, the Depository shall issue a notice to inform the depositor of the same.	(3) <del>Notice: One month prior to the above designation, the Depository shall issue a notice to inform the depositor of the same.</del>	In view of the notice that will be given pursuant to Rule 26.06A(2), Bursa Depository is doing away with the notice referred to in this current Rule 26.10(3). The notice given pursuant to Rule 26.06A(2) (ie. sent one month before closure) is sufficient notice to enable the depositor to take the necessary steps to maintain the account, if he/she so wishes.
(4)	<b>Prohibition:</b> Upon the designation of a dormant account as such, the depositor shall be prohibited, unless otherwise directed by the Depository, in consultation with the Commission, from performing and/or discharging any of the depositor's transactions specified under Rule 25.04(2) which requires debit or credit entries to be effected by the Depository in the dormant account.	(4) No change.	
(5)	<b>Reactivation:</b> Every depositor who intends to reactivate a dormant account shall submit to the authorised depository agent the duly completed prescribed form together with the relevant supporting documents as may be determined by the Depository.	(5) <b>Reactivation:</b> Every depositor who intends to reactivate a dormant account <u>that has not been closed pursuant to Rule 26.06A(2)</u> shall submit to the authorised depository agent the duly completed prescribed form together with the relevant supporting documents as may be determined by the Depository.	Consequential amendment.

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	(6) <b>Processing period:</b> An application to reactivate a dormant account shall be processed by the Depository within two market days from the date of application.	(6) No change.	
Rule 33.11	<p><b>Rule 33.11 Dormant account:</b></p> <p>(1) <b>Application of Rule 26.10:</b> Save and except for Rule 26.10(5) and Rule 26.10(6) the provisions stated in Rule 26.10 shall apply mutatis mutandis to all authorised depository agents and authorised direct members.</p> <p>(2) <b>Reactivation:</b> Every authorised depository agent or authorised direct member may reactivate its principal or nominee account which has been designated by the Central Depository as dormant, in the manner prescribed by the Central Depository.</p> <p>(3) <b>Construction:</b> Where reference is made to the following terms in Rule 26.10, it shall be construed respectively as follows:-</p>	<p><b>Rule 33.11 Dormant account:</b></p> <p>(1) No change.</p> <p>(2) <b>Reactivation:</b> Every authorised depository agent or authorised direct member may reactivate its principal or nominee account which has been designated by the Central Depository as dormant <u>and which has not been closed pursuant to Rule 26.06A(2)</u>, in the manner prescribed by the Central Depository.</p> <p>(3) No change.</p>	Consequential amendment.

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	<p>(a) “depositor” shall be construed as authorised depository agent or authorised direct member as the case may be and its wholly-owned nominee companies respectively;</p> <p>(b) “securities” account shall be construed as the principal or nominee account of the authorised depository agent or authorised direct member as the case may be, opened pursuant to Rule 33.01.</p>		

[End of Proposed Rule Amendments]