

Verification and Attestation of Securities Account Opening Documentation

Frequently Asked Question (FAQs)

Q1. What is the amendment to Rule 5.02A(2) all about?

Rule 5.02A(2) has been amended to introduce the following additional categories of persons who can verify and attest securities account opening documentation:

- (a) an authorised officer of a Malaysian Embassy or High Commission Consulate;
[Note: This was previously in Bursa Depository's CDS Procedures Manual for ADA.]
- (b) a lawyer in any jurisdiction who holds a valid licence to practise law in that jurisdiction;
[Note: Previously, Bursa Depository's CDS Procedures Manual for ADA provided that an advocate and solicitor may be a witness in countries that do not have a Notary Public.]
- (c) a commissioner for oaths in any jurisdiction;
- (d) a Justice of the Peace
- (e) a person in relation to a stockbroking company licensed or approved to trade on a recognised stock exchange as defined in the Rules of the Stock Exchange who holds a license equivalent to a licence held by a dealer's representative or any other person authorised by such licensed stockbroking company.
[Note: Previously, Bursa Depository's CDS Procedures Manual for ADA provided that an authorised officer of a licensed stockbroking company with a recognised Stock Exchange may be a witness in countries that do not have a Notary Public.]

This has been introduced to facilitate and expedite securities account opening by individuals.

Q2. Is an authorised depository agent ("ADA") obliged under Rule 5.02A(2) to allow verification and attestation by the persons listed in Rule 5.02A(2)?

The ADA is not obliged, but has the discretion, to allow verification and attestation of account opening documentation by any of the persons in Rule 5.02A(2). This discretion should be exercised bearing in mind that the ADA is responsible at all times to ensure that such witnessing is properly carried out.

Q3. Are the persons listed in Rule 5.02A(2) obliged to carry out the verification and attestation on behalf of the ADA?

The persons listed in Rule 5.02A(2) are not obliged, but have the discretion as to whether to carry out the verification and attestation of account opening documentation on behalf of an ADA. The persons listed in Rule 5.02A(2) also have the discretion as to who they want to witness for and may decline to act as witness for certain individuals if they see fit.

Q4. What steps are required of the ADA prior to allowing the persons mentioned in Rule 5.02A(2) to verify and attest account opening documentation?

An ADA must be satisfied that it is reasonable for the ADA to rely on the verification and attestation of the persons mentioned in Rule 5.02A(2). The ADA must first assess whether, in its opinion, the account opening documents will be duly and properly verified by the persons mentioned in Rule 5.02A(2), with particular consideration of the procedures and safeguards undertaken by the persons when verifying and attesting account opening documents. If the ADA

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is comfortable that these procedures and safeguards are satisfactory, the ADA may allow the verification and attestation to be done by such persons. If not, the ADA must verify and attest the account opening documents through other persons in Rule 5.02A(2) who they are comfortable with, or require the individual to be present in person before the ADA.

The ADA must also ensure that it has adequate internal procedures to verify that all account opening documents are duly and properly witnessed by such persons.

Pursuant to Rule 5.02A(4), the ADA will be responsible for the verification of the identity of the individual notwithstanding that such verification is conducted through the persons mentioned in Rule 5.02A(2).

These FAQs supersede the FAQs issued on 21 October 2009 pursuant to CDS Circular No: ADA/DOD/047/2009.

[End of FAQs]