

ANNEXURE 2
RULES OF BURSA MALAYSIA SECURITIES BERHAD
AMENDMENTS TO THE DIRECTIVES IN RELATION TO THE INTRODUCTION OF THE LEAP MARKET

PARAGRAPH	EXISTING PROVISIONS	PARAGRAPH	AMENDED PROVISIONS
Directive on Monthly Compliance Report (Directive No. 3.39(5)-001)			
Appendix 1	New provision	Appendix 1	<u>15. On trading on the LEAP Market, the HOC must report on all non-compliances with the Securities Laws, the Rules of Bursa Securities and the Directives. Notwithstanding Rule 3.39, this item must be submitted every quarter of a calendar year.</u>
Directives on Conduct of Business (Directive No. 5-001)			
Paragraph 8.1	<p>8.1. Essential information</p> <p>The essential information referred to in Rule 5.15(1)(a) includes essential facts about the Client's background including:</p> <p>(a) the Client's investment objectives,</p> <p>(b) the Client's knowledge and experience in dealing in securities;</p> <p>(c) the Client's financial position;</p>	<p>Paragraph 8.1</p> <p>8.1. Essential information</p> <p>The essential information referred to in Rule 5.15(1)(a) includes essential facts about the Client's background including:</p> <p>(a) the Client's investment objectives,</p> <p>(b) the Client's knowledge and experience in dealing in securities;</p> <p>(c) the Client's financial position;</p>	

PARAGRAPH	EXISTING PROVISIONS	PARAGRAPH	AMENDED PROVISIONS
	<p>(d) whether the Client is associated, within the meaning in section 3 of the Capital Markets and Services Act, to an employee, a director or a Dealer's Representative of the Participating Organisation; and</p> <p>(e) whether the Client is trading for himself as a Beneficial Owner or as an Authorised Nominee.</p>		<p>(d) whether the Client is associated, within the meaning in section 3 of the Capital Markets and Services Act, to an employee, a director or a Dealer's Representative of the Participating Organisation; and</p> <p>(e) whether the Client is trading for himself as a Beneficial Owner or as an Authorised Nominee-; <u>and</u></p> <p><u>(f) in respect of Clients who intend to trade on the LEAP Market, the Client's qualification as a Sophisticated Investor as defined in Chapter 16 or as a current securities holder as specified in Rule 16.02(2)(b).</u></p>
Directives on the use of Day Trading Activities Account (Directive No. 7.05(1)-001)			
Paragraph 2(1)	<p>2. Eligible Securities</p> <p>(1) The Exchange prescribes all securities admitted to the Official List, excluding securities listed on the ACE Market as securities that fall within the class of securities to which section 98(4)(c) of the Capital Markets and Services Act applies and to which a short sale may be executed subject to the terms of these Directives.</p>	Paragraph 2(1)	<p>2. Eligible Securities</p> <p>(1) The Exchange prescribes all securities admitted to the Official List, excluding securities listed on the ACE Market and the LEAP Market as securities that fall within the class of securities to which section 98(4)(c) of the Capital Markets and Services Act applies and to which a short sale may be executed subject to the terms of these Directives.</p>
Paragraph 3.1(1)(f)	<p>3.1 Opening of Day Trading Activities Account</p>	Paragraph 3.1(1)(f)	<p>3.1 Opening of Day Trading Activities Account</p>

PARAGRAPH	EXISTING PROVISIONS	PARAGRAPH	AMENDED PROVISIONS
	<p>(1) A Participating Organisation may carry out Day Trading subject to the following conditions:</p> <p>(f) no Day Trading is allowed for ACE Market Securities.</p>		<p>(1) A Participating Organisation may carry out Day Trading subject to the following conditions:</p> <p>(f) no Day Trading is allowed for ACE Market <u>and LEAP Market securities</u>.</p>
Paragraph 3.4(3)(c)	<p>3.4 Procedures and Controls</p> <p>(3) A Participating Organisation must report to the Exchange the following:</p> <p>(c) the positions which are carried out for ACE Market securities in breach of paragraph 3.1(1)(f) and the reasons by 9.00 am on T+1.</p>	Paragraph 3.4(3)(c)	<p>3.4 Procedures and Controls</p> <p>(3) A Participating Organisation must report to the Exchange the following:</p> <p>(c) the positions which are carried out for ACE Market <u>and LEAP Market</u> securities in breach of paragraph 3.1(1)(f) and the reasons by 9.00 am on T+1.</p>
Paragraph 3.4(4)(c)	<p>3.4 Procedures and Controls</p> <p>(4) Pursuant to paragraph 3.1(5), a Participating Organisation must submit the report in the format attached to this Directive as Appendix 1(a), 1(b) and 1(c) (“Exceptional Reporting”) and in the following manner:</p> <p>(c) all reporting on the Day Trading carried out for ACE Market securities in breach of paragraph 3.1(1)(f) of these Directives must be in Appendix 1(c);</p>	Paragraph 3.4(4)(c)	<p>3.4 Procedures and Controls</p> <p>(4) Pursuant to paragraph 3.1(5), a Participating Organisation must submit the report in the format attached to this Directive as Appendix 1(a), 1(b) and 1(c) (“Exceptional Reporting”) and in the following manner:</p> <p>(c) all reporting on the Day Trading carried out for ACE Market <u>and LEAP Market</u> securities in breach of paragraph 3.1(1)(f) of these Directives must be in Appendix 1(c);</p>
Appendix 1(c)	Part C Exceptional reporting – ACE Market securities	Appendix 1(c)	Part C Exceptional reporting – ACE Market <u>and LEAP Market</u> securities

PARAGRAPH	EXISTING PROVISIONS	PARAGRAPH	AMENDED PROVISIONS
Directives on proprietary trading by a Participating Organisation on the LEAP Market (Directive No. 16.02(3)-001)			
New Directive	<i>Note: see Appendix A.</i>		

APPENDIX A

DIRECTIVE ON PROPRIETARY TRADING BY A PARTICIPATING ORGANISATION ON THE LEAP MARKET	No. 16.02(3)-001
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Relevant to : Rule 16.02(3)
Introduced with effect from : 16 June 2017
Amended : N/A
POs' Circular No(s). : R/R 7 of 2017
Refer also to Directive No(s). : N/A

1. Rule 16.02(3)

- (1) Rule 16.02(3) states that a Participating Organisation may only undertake proprietary trading in securities listed on the LEAP Market, in such circumstances as may be prescribed by the Exchange.
- (2) Pursuant to the above Rule, the Exchange prescribes that a Participating Organisation's proprietary trading in securities listed on the LEAP Market may only be carried out in the following circumstances:
- (a) trading of securities arising from underwriting;
 - (b) Market Making;
 - (c) price stabilization in accordance with the Capital Markets and Services Act and the Listing Requirements;
 - (d) investments which are not closed out within T+3;
 - (e) hedging; and
 - (f) rectification of error.

[End of Directive]

[End of Amendments]