

PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 26 October 2009

No : R/R 17 of 2009

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD ("RULES OF BURSA SECURITIES") IN RELATION TO LIBERALISING THE RESTRICTION ON COMMISSION SHARING

1. INTRODUCTION

Kindly be advised that amendments have been made to the Rules of Bursa Securities to liberalise the restriction on sharing of commission between Participating Organisations ("POs") and Commissioned Dealer's Representatives as set out in **Annexure 1** ("the Rule Amendment").

2. AMENDMENTS TO THE RULES

Rule 310.2(5) of the Rules of Bursa Securities has been amended to provide that the commission of a Commissioned Dealer's Representative shall be at least 40% of the brokerage charged by the PO to the clients introduced by him.

3. EFFECTIVE DATE OF RULE AMENDMENT

The Rule Amendment shall take effect from 26 October 2009 ("**Effective Date**").

All rules, directives, circulars in force which make reference or contain provisions relating to the above matters shall have effect from the Effective Date as if such reference or provisions relate to the Rule Amendment.

4. REVOCATION OF DIRECTIVES

Further to the Rule Amendment, Members' Circular No. R/R 19 of 1995 on sharing of commission between POs and Commissioned Dealer's Representatives (Remisiers) for transactions in securities executed by remisiers is revoked with effect from the Effective Date.

5. VARIATION TO THE STANDARD REMISIERS' AGREEMENT

In addition, the Exchange has varied the Standard Remisiers' Agreement in the manner set out in **Annexure 2**.

Every PO must ensure that all Standard Remisiers' Agreements entered into with its Commissioned Dealer's Representatives on or after the Effective Date shall be on such terms as varied in the manner set out in **Annexure 2**. In relation to Standard Remisiers' Agreements entered into prior to the Effective Date, the PO must ensure that they are varied in the manner set out in **Annexure 2** on or before **26 November 2009**. The PO must ensure that such variations take effect on the Effective Date.

6. CONTACT PERSONS

In the event of any queries in relation to the Rule Amendment, kindly contact the following persons:

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Please be informed that this circular is available on Bursa Malaysia's website at:
http://www.bursamalaysia.com/website/bm/regulation/rules/bursa_rules/bm_securities.html

REGULATORY POLICY & ADVISORY

**RULES OF BURSA MALAYSIA SECURITIES BERHAD
RULE AMENDMENTS IN RELATION TO LIBERALISING THE RESTRICTION ON
COMMISSION SHARING**

The following sets out the rule amendments in relation to liberalising the restriction on sharing of commission between Participating Organisations and Commissioned Dealer's Representatives.

1.0 RULE 310.2

Rule 310.2(5)

1.1 Rule 310.2(5) be amended as follows:

- (5) Commission: The commission of a Commissioned Dealer's Representative shall be at least not exceed forty per cent (40%) ~~or such other percentage as the Exchange may determine from time to time,~~ of the brokerage charged by the Participating Organisation to the clients introduced by him.

[End of Rule Amendments]

VARIATIONS TO THE STANDARD REMISIERS' AGREEMENT

Clause	Current Provision	Amended Provision
3.1	The Company shall pay the Remisier a commission in accordance with the Exchange's Member Circular No. R/R 19 of 1995 (as amended from time to time) out of the brokerage charged to the Client(s) on transactions that are dealt by or through the Remisier in the name of the Company.	The Company shall pay the Remisier a commission in accordance with the Exchange's Member Circular No. R/R 19 of 1995 <u>Rule 310.2(5) of the Exchange's Rules (as amended from time to time)</u> out of the brokerage charged to the Client(s) on transactions that are dealt by or through the Remisier in the name of the Company.
9.1	The levy imposed by the Securities Commission shall be borne proportionately to the commission rate accorded to the Remisier in the Exchange's Members Circular No. R/R 19 of 1995 (as amended from time to time), provided always that the Company may at its absolute discretion, pay the entire levy imposed by the Securities Commission.	The levy imposed by the Securities Commission shall be borne proportionately to the commission rate accorded to the Remisier in the Exchange's Members Circular No. R/R 19 of 1995 (as amended from time to time) <u>accordance with Clause 3.1</u> provided always that the Company may at its absolute discretion, pay the entire levy imposed by the Securities Commission.
13.3	<p>In the event the said amount is Ringgit Malaysia Fifty Thousand (RM50,000.00) or less the Remisier shall have undertaken to pay the same on the terms and subject to the conditions below: -</p> <p>13.3.1 the Transferee undertake to deduct and remit such amount earned being not more than 40% of the Remisier's gross turnover to the Company every calendar month provided always that the commission earned by the Remisier for the relevant month exceeds Ringgit Malaysia One Thousand (RM1,000.00) only; and</p>	<p>In the event the said amount is Ringgit Malaysia Fifty Thousand (RM50,000.00) or less the Remisier shall have undertaken to pay the same on the terms and subject to the conditions below: -</p> <p>13.3.1 the Transferee undertake to deduct and remit such amount earned being <u>at least not more than</u> 40% of the Remisier's gross turnover to the Company every calendar month provided always that the commission earned by the Remisier for the relevant month exceeds Ringgit Malaysia One Thousand (RM1,000.00) only; and</p>

[End of Variations to the Standard Remisiers' Agreement]