

PARTICIPATING ORGANISATIONS' CIRCULAR**Date: 4 August 2009****No.: R/R 11 of 2009****AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
(‘RULES OF BURSA SECURITIES’) IN RELATION TO BURSA SBL
TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED
TRANSACTIONS (‘SBL NEGOTIATED TRANSACTIONS’)****1. INTRODUCTION**

Kindly be advised that pursuant to the introduction of SBL Negotiated Transactions by Bursa Malaysia Securities Clearing Sdn Bhd (‘Bursa Clearing (S)’) with effect from 17 August 2009, amendments have been made to the Rules of Bursa Securities as explained in item 2 below.

2. AMENDMENTS TO THE RULES OF BURSA SECURITIES

Amendments to the Rules of Bursa Securities are set out in Annexure 1 (the “said Amendments”).

The salient aspects of the said Amendments are as follows:

- (a) Rule 608.2 (1) which sets out the scope of the securities borrowing and lending activities is amended to allow for all types of securities borrowing and lending activities permitted by the Rules of Bursa Clearing (S);
- (b) Rule 608.2(2) which sets out the purpose for which borrowing and lending is allowed is amended to state that the purpose of the borrowing and lending will be as allowed by the Rules of Bursa Clearing (S);
- (c) Rule 608.2(4) which sets out the requirement for a Participating Organisation (“PO”) to have a written agreement in place and to take collateral from its clients is disappplied to SBL Negotiated Transactions. This is because under SBL Negotiated Transactions parties are free to negotiate the terms of the securities borrowing and lending arrangements between parties;
- (d) Rule 608.8 which permits for the securities in margin account of a client to be borrowed by the PO for purposes of onward lending is amended to apply to all types of securities borrowing and lending activities permitted by the Rules of Bursa Clearing (S);
- (e) Rule 608.9 which permits for the securities in a custody account of a client to be borrowed by the PO for purposes of onward lending is amended to apply to all types of securities borrowing and lending activities permitted by the Rules of Bursa Securities Clearing (S);
- (f) Rule 608.10(2) is an insertion of a new rule that permits a PO to hold securities borrowed for clients in a CDS Account maintained in the name of the PO but only for a maximum period of 3 days. This is to ensure that

borrowed securities not utilised immediately for any specific purpose are transferred to a custodian account maintained by a nominee company of a PO or in any other nominee accounts;

- (g) Rule 608.11(2) in relation to submission of reports on securities borrowed to settle trades arising from error, is disapplied for SBL Negotiated Transactions, as the PO who is borrowing and the PO who is executing the sale in SBL Negotiated Transaction may be two different parties. As such the PO who is borrowing may not have information required for purposes of the reporting;
- (h) Rule 704.5(4) is amended to remove the requirement for a client to lodge a copy of the written securities borrowing and lending agreement. Instead a client needs to provide a confirmation that the client has securities borrowing and lending agreement in place. This is in view of the fact that the parties involved in SBL Negotiated Transactions may want to retain confidentiality on the terms of the agreement. However the PO will be required to bring to its client's notice that the client will be required to furnish a copy of such agreement to the Exchange when required and the consequences of failure to do so;
- (i) Rule 704.12 in relation to the limit for regulated short selling is amended to change the limit applicable for regulated short selling. Previously, a daily limit of 10% of the outstanding securities was imposed. Now a two tier limit is imposed as follows:
 - (i) A daily limit of 3% of the outstanding securities of an issuer. The suspension will be imposed from the time the limit is breached to the end of the same market day as opposed to the requirement previously, of 4 markets days.
 - (ii) An aggregated limit of 10% of the outstanding securities of an issuer calculated over a period of time. The suspension will be imposed until the limit falls below the 10% level. The fall can occur when there is any return of the securities borrowed; and
- (j) The following rules in relation to Capital Adequacy Requirements are amended to make the rules applicable to all types of securities borrowing and lending activities permitted by Bursa Clearing (S):
 - (i) Rule 1105.1(1);
 - (ii) Rule 1105.6;
 - (iii) Rule 1105.7(5)(d);
 - (iv) Rule 1105.10(1)(a)(iii);and
 - (v) Schedule 8G.

3. EFFECTIVE DATE

Please be informed that the said Amendments are effective from 17 August 2009.

All rules, directives or circulars in force which make references to or contain provisions relating to the above matters shall have effect as if such references or provisions relate to the amended provision/s aforesaid.

4. CONTACT DETAILS

Please direct any queries you may have in relation to the said Amendments to the following persons:

Name	Contact Number
Benothini Bascaran	03-2034 7317 or Benothini@bursamalaysia.com
Ng G-Ming	03-20347364 or Ng Gm@bursamalaysia.com

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

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	RULE 608.1 DEFINITIONS		RULE 608.1 DEFINITIONS
Rule 608.1(1)	Clearing House Requirements means the Clearing House Rules, the SBL Conditions and any other document(s) by whatever name called issued by the Clearing House in relation to securities borrowing and/or lending;		Clearing House Requirements means the Clearing House Rules, the SBL Conditions and any other document(s) by whatever name called issued as prescribed by the Clearing House in relation to securities borrowing and/or lending;
	New		SBL Negotiated Transaction has the same meaning assigned to that expression in the Clearing House Rules
	SBL Conditions has the same meaning assigned to that expression in the Clearing House Rules		SBL Conditions has the same meaning assigned to that expression in the Clearing House Rules
Rule 608.2(1)	RULE 608.2 GENERAL (1) A Participating Organisation shall only be permitted to carry out the activities of borrowing and/or lending of Eligible Securities as described below, subject to the provisions in the Clearing House Requirements and this Rule 608: (a) A Participating Organisation may borrow Eligible Securities from:-		(1) A Participating Organisation shall only be permitted to carry out the activities of borrowing and/or lending of Eligible Securities in accordance with the as described below, subject to the provisions in the Clearing House Requirements and this Rule 608: (a) A Participating Organisation may borrow Eligible Securities from:- (i) the Clearing House whether for itself or its client, or

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(i) the Clearing House whether for itself or its client, or</p> <p>(ii) its client provided that such borrowing is for the sole purpose of lending the Eligible Securities borrowed to the Clearing House.</p> <p>(b) A Participating Organisation may lend Eligible Securities to:-</p> <p>(i) the Clearing House whether for itself or its client; or</p> <p>(ii) its client provided that the Eligible Securities being lent are the Eligible Securities that have been borrowed from the Clearing House for the sole purpose of lending to such client.</p>		<p>(ii) its client provided that such borrowing is for the sole purpose of lending the Eligible Securities borrowed to the Clearing House.</p> <p>(b) A Participating Organisation may lend Eligible Securities to:-</p> <p>(i) the Clearing House whether for itself or its client; or</p> <p>(ii) its client provided that the Eligible Securities being lent are the Eligible Securities that have been borrowed from the Clearing House for the sole purpose of lending to such client.</p>
Rule 608.2(2)	<p>Subject always to the Clearing House Requirements, the borrowing of any Eligible Securities whether for itself or its client is only permitted in the following circumstances:</p> <p>(a) for the execution of a regulated short</p>		<p>Subject always to the Clearing House Requirements, the borrowing of any Eligible Securities whether <u>for the Participating Organisation</u> itself or its client is only permitted <u>for purposes allowed by the Clearing House in the following circumstances:</u></p> <p>(a) for the execution of a regulated short sale and permitted short</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>sale and permitted short selling in accordance with Rule 704 and Rule 704A respectively;</p> <p>(b) where there are no or insufficient securities as will enable a seller pursuant to a sale trade executed by the seller on the Exchange, to meet its delivery obligations to the purchaser in accordance with the Rules relating to delivery and settlement in chapter 8, as a result of a mistake howsoever made when executing the sale trade provided always that the mistake was made in good faith and discovered only after the sale trade has been executed; or</p> <p>(c) for such other purposes as may be determined by the Clearing House.</p>		<p>selling in accordance with Rule 704 and Rule 704A respectively;</p> <p>(b) where there are no or insufficient securities as will enable a seller pursuant to a sale trade executed by the seller on the Exchange, to meet its delivery obligations to the purchaser in accordance with the Rules relating to delivery and settlement in chapter 8, as a result of a mistake howsoever made when executing the sale trade provided always that the mistake was made in good faith and discovered only after the sale trade has been executed; or</p> <p>(c) for such other purposes as may be determined by the Clearing House.</p>
Rule 608.2(4)	<p>(4) Every Participating Organisation shall ensure where it borrows or lends Eligible Securities, on behalf of its client or where it onward lends to or borrows from its client as envisaged in Rule 608.2(1) that the following are complied with:</p> <p>(a) that a written agreement is duly executed between the Participating Organisation and its client in respect of the borrowing or lending</p>		<p>(4) Every Participating Organisation shall ensure where <u>the securities borrowing and/or lending involves a client it borrows or lends Eligible Securities, on behalf of its client or where it onward lends to or borrows from its client as envisaged in Rule 608.2(1)</u> that the following are complied with:</p> <p>(a) that a written agreement is duly executed between the Participating Organisation and its client in respect of the borrowing or lending mentioned herein and the terms of the written agreement complies with Rule 608.6. <u>This provision is not applicable where the securities borrowing and/or lending is a SBL Negotiated Transaction;</u></p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>mentioned herein and the terms of the written agreement complies with Rule 608.6;</p> <p>(b) that collateral is lodged in accordance with Rule 608.7;</p> <p>(c) that where Margin Securities of Margin Account Client as defined in Rule 608.8 is utilised for lending, the utilisation thereof shall be subject to Rule 608.8;</p> <p>(d) that where Custodial Securities of Custodial Client as defined in Rule 608.9 is utilised for lending, the utilisation thereof shall be subject to Rule 608.9; and</p> <p>(e) that a copy of the Risk Disclosure Statement prescribed under Appendix 5 is given to and acknowledged by its client prior to the execution of any written agreement for borrowing by the client of Eligible Securities.</p>		<p>(b) that collateral is lodged in accordance with Rule 608.7. <u>This provision is not applicable where the securities borrowing and/or lending is a SBL Negotiated Transaction;</u></p> <p>(c) that where Margin Securities of Margin Account Client as defined in Rule 608.8 is utilised for lending, the utilisation thereof shall be subject to Rule 608.8;</p> <p>(d) that where Custodial Securities of Custodial Client as defined in Rule 608.9 is utilised for lending, the utilisation thereof shall be subject to Rule 608.9; and</p> <p>(e) that a copy of the Risk Disclosure Statement prescribed under Appendix 5 is given to and acknowledged by its client prior to the execution of any written agreement for borrowing by the client of Eligible Securities.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 608.6(3)	<p>RULE 608.6 WRITTEN AGREEMENT</p> <p>(1) A Participating Organisation shall ensure that the written agreement referred to in Rule 608.2(4)(a) for the securities borrowing and/or lending of Eligible Securities entered into with its client is executed prior to the borrowing and/or lending of the Eligible Securities.</p> <p>(2) The terms and conditions stipulated in the written agreement between the Participating Organisation and its client with the exception of the fees chargeable or payable in relation to the securities borrowing and/or lending of the Eligible Securities shall be at least on equal terms and conditions as the written agreement executed between the Participating Organisation and the Clearing House in relation to the securities borrowing and/or lending of the Eligible Securities and shall include but not limited to matters specified below:</p> <p style="padding-left: 40px;">(a) the party that lends is absolutely entitled to pass full legal and beneficial ownership of the securities lent free from all liens, charges and encumbrances;</p>	Rule 608.6(3)	<p>RULE 608.6 WRITTEN AGREEMENT</p> <p>(1) A Participating Organisation shall ensure that the written agreement referred to in Rule 608.2(4)(a) for the securities borrowing and/or lending of Eligible Securities entered into with its client is executed prior to the borrowing and/or lending of the Eligible Securities.</p> <p>(2) The terms and conditions stipulated in the written agreement between the Participating Organisation and its client with the exception of the fees chargeable or payable in relation to the securities borrowing and/or lending of the Eligible Securities shall be at least on equal terms and conditions as the written agreement executed between the Participating Organisation and the Clearing House in relation to the securities borrowing and/or lending of the Eligible Securities and shall include but not limited to matters specified below:</p> <p style="padding-left: 40px;">(a) the party that lends is absolutely entitled to pass full legal and beneficial ownership of the securities lent free from all liens, charges and encumbrances;</p> <p style="padding-left: 40px;">(b) subject to Rule 608.7, requirement for deposit of collateral (if any) including the management and utilisation of the collateral deposited thereof;</p> <p style="padding-left: 40px;">(c) treatment of corporate actions and income in relation to any of the Eligible Securities borrowed or lent and the securities held as collateral;</p> <p style="padding-left: 40px;">(d) rights and obligations of the Participating Organisation and its client in relation to the Eligible Securities borrowed and/or lent;</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(b) subject to Rule 608.7, requirement for deposit of collateral (if any) including the management and utilisation of the collateral deposited thereof;</p> <p>(c) treatment of corporate actions and income in relation to any of the Eligible Securities borrowed or lent and the securities held as collateral;</p> <p>(d) rights and obligations of the Participating Organisation and its client in relation to the Eligible Securities borrowed and/or lent;</p> <p>(e) the fees, to be paid for the borrowing and/or lending of the Eligible Securities;</p> <p>(f) the circumstances under which the Participating Organisation and its client is entitled to terminate the agreement entered into for the borrowing and/or lending of the Eligible Securities; and</p> <p>(g) the rights and remedies of</p>		<p>(e) the fees, to be paid for the borrowing and/or lending of the Eligible Securities;</p> <p>(f) the circumstances under which the Participating Organisation and its client is entitled to terminate the agreement entered into for the borrowing and/or lending of the Eligible Securities; and</p> <p>(g) the rights and remedies of the parties to the agreement in the event of a default by the other party of its obligations under the agreement.</p> <p>(3) <u>This Rule is not applicable where the securities borrowing and/or lending is a SBL Negotiated Transaction.</u></p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	the parties to the agreement in the event of a default by the other party of its obligations under the agreement.		
Rule 608.7	<p>RULE 608.7 COLLATERAL</p> <p>(1) A Participating Organisation shall ensure that where it borrows Eligible Securities on behalf of a client as envisaged in Rule 608.2(1)(a)(i) or where it onward lends Eligible Securities as envisaged in Rule 608.2(1)(b)(ii) to its client (“the Borrowed Securities”) that it obtains collateral from the client in relation to the borrowing in accordance with this Rule 608.7.</p>		<p>RULE 608.7 COLLATERAL</p> <p>(1) A Participating Organisation shall <u>in relation to ensure that any borrowing of where it borrows</u> Eligible Securities <u>on behalf of by a a client as envisaged in Rule 608.2(1)(a)(i) or where it onward lends Eligible Securities as envisaged in Rule 608.2(1)(b)(ii) to its client</u> (“the Borrowed Securities”) <u>that it obtains</u> collateral from the client <u>in relation to the borrowing</u> in accordance with this Rule 608.7.</p>
Rule 608.7(10)	New Rule		(10) <u>This Rule is not applicable where the securities borrowing and/or lending is a SBL Negotiated Transaction.</u>
Rule 608.8	<p>RULE 608.8 SECURITIES IN MARGIN ACCOUNT</p> <p>(1) A Participating Organisation may borrow any Eligible Securities carried in the margin account of a client, whether such securities are purchased or deposited as collateral (“Margin Securities”), for the purpose</p>		<p>RULE 608.8 SECURITIES IN MARGIN ACCOUNT</p> <p>(1) A Participating Organisation may borrow any Eligible Securities carried in the margin account of a client, <u>whether such securities are purchased or deposited as collateral</u> (“Margin Securities”), for the purpose of <u>carrying out lending activities lending the Margin Securities permitted under the Clearing House Requirements as envisaged in Rule 608.2(1)(a)(ii),</u> subject to the following requirements:-</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>of lending the Margin Securities as envisaged in Rule 608.2(1)(a)(ii), subject to the following requirements:-</p> <p>(a) A written agreement referred to in Rule 608.6 shall be executed between the Participating Organisation and the client (in this Rule, “Margin Account Client”) to borrow the Margin Securities from the Margin Account Client for purpose of lending the Margin Securities as envisaged in Rule 608.2(1)(a)(ii).</p> <p>(b) A Margin Account Client shall at all times be entitled to deal with his margin account in the ordinary manner as provided for under the terms of the margin agreement entered into between him and the Participating Organisation, notwithstanding:</p> <p>(i) that Margin Securities carried in the margin account is used for purposes of securities borrowing</p>		<p>(a) A written agreement referred to in Rule 608.6 shall be executed between the Participating Organisation and the client (in this Rule, “Margin Account Client”) to borrow the Margin Securities from the Margin Account Client for purpose of lending the Margin Securities as envisaged in Rule 608.2(1)(a)(ii).</p> <p>(b) A Margin Account Client shall at all times be entitled to deal with his margin account in the ordinary manner as provided for under the terms of the margin agreement entered into between him and the Participating Organisation, notwithstanding:</p> <p>(i) that Margin Securities carried in the margin account is used for purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii); and</p> <p>(ii) any shortfall or gains arising from securities borrowing and/or lending transactions as envisaged in Rule 608.2(1)(a)(ii) involving the Margin Securities of the Margin Account Client.</p> <p>(c) A Margin Account Client whose Margin Securities are utilised for purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii) shall be entitled to a portion of the fees earned by the Participating Organisation on that client’s Margin Securities from the above securities borrowing and/or lending on such terms as to be mutually agreed between the Participating Organisation and that client, notwithstanding that the securities borrowing and/or</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>and/or lending as envisaged in Rule 608.2(1)(a)(ii); and</p> <p>(ii) any shortfall or gains arising from securities borrowing and/or lending transactions as envisaged in Rule 608.2(1)(a)(ii) involving the Margin Securities of the Margin Account Client.</p> <p>(c) A Margin Account Client whose Margin Securities are utilised for purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii) shall be entitled to a portion of the fees earned by the Participating Organisation on that client's Margin Securities from the above securities borrowing and/or lending on such terms as to be mutually agreed between the Participating Organisation and that client, notwithstanding that the securities borrowing and/or</p>		<p>lending for which his Margin Securities have been utilised has resulted in any shortfall or gain.</p> <p>(d) A Margin Account Client, shall give reasonable notice to the Participating Organisation for any withdrawal or sale of the Margin Securities borrowed utilised for the purpose of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), such notice to be given within a specified time as mutually agreed between the Participating Organisation and the Margin Account Client.</p> <p>(e) Notwithstanding that the Margin Securities are borrowed by the Participating Organisation utilised for securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), the Participating Organisation shall comply strictly with all the requirements of Rule 703.</p> <p>(f) The Participating Organisation shall not utilise more than fifty per cent (50%) of the value, at the time of lending, of the Margin Securities in any client's margin account for the purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii).</p> <p>(g) The Participating Organisation shall issue a monthly statement to Margin Account Client whose Margin Securities are used for the purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), and such statement shall containing all necessary details in relation to the borrowing securities borrowing and/or lending transactions envisaged in Rule 608.2(1)(a)(ii) including the quantity of Margin Securities utilised and the fees earned thereon.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>lending for which his Margin Securities have been utilised has resulted in any shortfall or gain.</p> <p>(d) A Margin Account Client, shall give reasonable notice to the Participating Organisation for any withdrawal or sale of the Margin Securities utilised for the purpose of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), such notice to be given within a specified time as mutually agreed between the Participating Organisation and the Margin Account Client.</p> <p>(e) Notwithstanding that the Margin Securities are utilised for securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), the Participating Organisation shall comply strictly with all the requirements of Rule 703.</p> <p>(f) The Participating Organisation shall not utilise more than fifty per cent</p>		<p>(2) A Participating Organisation shall ensure that the requirements stipulated in Rule 608.8(1)(b) are incorporated into the written agreement referred to in Rule 608.6.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(50%) of the value, at the time of lending, of the Margin Securities in any client's margin account for the purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii).</p>		
	<p>(g) The Participating Organisation shall issue a monthly statement to Margin Account Client whose Margin Securities are used for the purposes of securities borrowing and/or lending as envisaged in Rule 608.2(1)(a)(ii), and such statement shall contain all necessary details in relation to the securities borrowing and/or lending transactions envisaged in Rule 608.2(1)(a)(ii) including the quantity of Margin Securities utilised and the fees earned thereon.</p>		
	<p>(2) A Participating Organisation shall ensure that the requirements stipulated in Rule 608.8(1)(b) are incorporated into the written agreement referred to in Rule 608.6.</p>		

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 608.9	<p>RULE 608.9 SECURITIES HELD IN CUSTODY</p> <p>(1) A Participating Organisation may borrow Eligible Securities which are held in its custody (“Custodial Securities”) for its clients (“Custodial Clients” and singly, “Custodial Client”) for purposes of lending the Custodial Securities as envisaged in Rule 608.2(1)(a)(ii), provided that a written agreement as referred to in Rule 608.6 is executed between the Participating Organisation and the Custodial Client to borrow the Custodial Securities from the Custodial Client.</p> <p>(2) A Participating Organisation shall at all times ensure that the process of selecting the custodial accounts to be utilised for the purposes of securities borrowing and / or lending is fair, equitable and transparent</p>		<p>RULE 608.9 SECURITIES HELD IN CUSTODY</p> <p>(1)(2) A Participating Organisation may borrow Eligible Securities which are held in its custody (“Custodial Securities”) for its clients (“Custodial Clients” and singly, “Custodial Client”) for purposes of carrying out lending activities as permitted under the Clearing House Requirementslending the Custodial Securities as envisaged in Rule 608.2(1)(a)(ii), provided that a written agreement as referred to in Rule 608.6 is executed between the Participating Organisation and the Custodial Client to borrow the Custodial Securities from the Custodial Client.</p> <p>(2) A Participating Organisation shall at all times ensure that the process of selecting the custodial accounts to be utilised for the purposes of securities borrowing and / or lending is fair, equitable and transparent.</p>
Rule 608.10(1)	<p>RULE 608.10 DESIGNATED CDS ACCOUNTS</p> <p>(1) A Participating Organisation shall ensure that all Eligible Securities borrowed and/or lent pursuant to securities borrowing and/or lending are held in the CDS Account(s) prescribed in the Clearing House</p>		<p>RULE 608.10 DESIGNATED CDS ACCOUNTS</p> <p>(1) A Participating Organisation shall ensure that all Eligible Securities borrowed and/or lent pursuant to securities borrowing and/or lending are held in the CDS Account(s) prescribed in the Clearing House Requirements and in no other CDS Account(s).</p> <p>(2) Where the Eligible Securities borrowed are held in a CDS</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	Requirements and in no other CDS Account(s).		<u>account maintained in the name of a Participating Organisation in the Participating Organisation's capacity as authorised nominee or exempt authorised nominee, the Participating Organisation can only hold the Eligible Securities in that CDS account for a maximum period of three days from the date the Eligible Securities is credited into the CDS account.</u>
Rule 608.11	<p>RULE 608.11 REPORTING BY COMPLIANCE OFFICER</p> <p>(1) The Head of Compliance or in the case of Non Universal Brokers the Compliance Officer or where there is more than one Compliance Officer, the Compliance Officer that is heading the compliance functions, shall ensure that the report submitted pursuant to Rule 309.8(4) shall address the following areas in relation to securities borrowing and/or lending:</p> <p>(a) inaccuracies and errors in relation to any reports submitted by the Participating Organisations pursuant to this Rule or any directives, rulings and guidelines issued by the Exchange;</p>		<p>RULE 608.11 REPORTING BY COMPLIANCE OFFICER</p> <p>(1) The Head of Compliance or in the case of Non Universal Brokers the Compliance Officer or where there is more than one Compliance Officer, the Compliance Officer that is heading the compliance functions, shall ensure that the report submitted pursuant to Rule 309.8(4) shall address the following areas in relation to securities borrowing and/or lending:</p> <p>(a) inaccuracies and errors in relation to any reports submitted by the Participating Organisations pursuant to this Rule or any directives, rulings and guidelines issued by the Exchange;</p> <p>(b) non compliances with any requirements stipulated in the Internal Guidelines for Securities Borrowing and Lending; and</p> <p>(c) any other breaches in relation to Rule 608.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(b) non compliances with any requirements stipulated in the Internal Guidelines for Securities Borrowing and Lending; and</p> <p>(c) any other breaches in relation to Rule 608.</p> <p>(2) A Participating Organisation shall submit to the Exchange a report of all Eligible Securities borrowed for the purpose stipulated in Rule 608.2(2)(b) on a weekly basis, in the format and manner as may be prescribed by the Exchange from time to time, on the first (1st) market day of the following week. In the event there is no report submitted to the Exchange on the first (1st) market day of the week, the Exchange shall assume that there were no borrowings of Eligible Securities in the preceding week unless proven otherwise.</p>		<p>(2) <u>Where the Clearing House permits borrowing of Eligible Securities for the purpose of meeting the Participating Organisation’s delivery obligations pursuant to a sale trade erroneously executed by the Participating Organisation the A Participating Organisation shall submit to the Exchange a report of all Eligible Securities borrowed for the <u>above</u> purpose stipulated in Rule 608.2(2)(b) on a weekly basis, in the format and manner as may be prescribed by the Exchange from time to time, on the first (1st) market day of the following week. In the event there is no report submitted to the Exchange on the first (1st) market day of the week, the Exchange shall assume that there were no borrowings of Eligible Securities in the preceding week unless proven otherwise. <u>This provision will not be applicable where the borrowing is made pursuant to SBL Negotiated Transaction.</u></u></p>
Rule 704.1(1)	Client SBL Agreement means a written agreement executed between a client and an Authorised SBL Participant in accordance with Rule 608 for the purpose of securities borrowing and/or lending as defined in Rule 608.		<u>Client SBL Agreement</u> <u>means a written agreement executed between a client and an Authorised SBL Participant in accordance with Rule 608 for the purpose of securities borrowing and/or lending as defined in Rule 608.</u>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 704.1(1)	SBL Agreement		means an agreement executed between two (2) Authorised SBL Participants in accordance with the Clearing House Requirements, for the purpose of securities borrowing and/or lending as defined in Rule 608.
Rule 704.5(3)	(3) Where the Participating Organisation intends to execute regulated short selling in a Clearing Account, the Participating Organisation shall also ensure that a separate Clearing Account is opened for that purpose and shall designate that account in accordance with the provisions prescribed in R/R 18 of 2005 followed by ‘RSS’ in brackets. Any reference in these Rules to ‘RSS Account’ shall be read to include a Clearing Account opened for the purpose stipulated herein. All other provisions in R/R 18 of 2005 shall apply to a Clearing Account opened herein subject to the provisions contained herein in Rule 704.5(3) and the following:-	(3) Where the Participating Organisation intends to execute regulated short selling in a Clearing Account, the Participating Organisation shall also ensure that a separate Clearing Account is opened for that purpose and shall designate that account as ‘RSS’ together with the designation in accordance with the provisions prescribed in R/R 18 of 2005, followed by ‘RSS’ in brackets. Any reference in these Rules to ‘RSS Account’ shall be read to include a Clearing Account opened for the purpose stipulated herein. All other provisions in R/R 18 of 2005 shall apply to a Clearing Account opened herein subject to the provisions contained herein in Rule 704.5(3) and the following:-	(a) provisions contained in Rule 704.6(4); and (b) the provisions in paragraph 3.12 of R/R 18 of 2005 pertaining to transfer of securities shall not be applicable to purchases of securities made in the Clearing Account in accordance with Rule 704.5(5)

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(a) provisions contained in Rule 704.6(4); and</p> <p>(b) the provisions in paragraph 3.12 of R/R 18 of 2005 pertaining to transfer of securities shall not be applicable to purchases of securities made in the Clearing Account in accordance with Rule 704.5(5) and held in the CDS Account opened by the Participating Organisation in accordance with Rule 704.5(6).</p>		<p>and held in the CDS Account opened by the Participating Organisation in accordance with Rule 704.5(6).</p>
Rule 704.5(4)	<p>(4) A Participating Organisation shall ensure the following prior to opening a RSS Account:</p> <p>(a) where the RSS Account is to be opened in the name of a client, a copy of the Client SBL Agreement executed in the name of the client and certified by the authorised officer(s) of the Authorised SBL Participant is lodged with the Participating Organisation by the client; or</p> <p>(b) where the RSS Account is to</p>		<p>(4) A Participating Organisation shall ensure the following prior to opening a RSS Account:</p> <p>(a) where the RSS Account is to be opened in the name of a client, <u>a confirmation in writing from the client that the client has a copy of the Client SBL Agreement in place executed in the name of the client and certified by the authorised officer(s) of the Authorised SBL Participant is lodged with the Participating Organisation by the client</u>; or</p> <p>(b) where the RSS Account is to be opened in the name of Participating Organisation, that the Participating Organisation has <u>executed a SBL Agreement or a Client SBL Agreement as the case may be, in its name; and</u></p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	be opened in the name of Participating Organisation, that the Participating Organisation has executed a SBL Agreement or a Client SBL Agreement as the case may be, in its name.		(c) bring to the notice of the client that a copy of the SBL Agreement must be furnished when requested by the Exchange and that where there is a failure to do so, the Exchange may take appropriate action including directing the Participating Organisation to suspend trading for the client.
Rule 704.5(5)(b)	(b) for redelivery of securities arising from any borrowing of approved securities under an SBL Agreement or Client SBL Agreement		(b) for redelivery of securities arising from any borrowing of approved securities under a SBL Agreement or Client SBL Agreement
Rule 704.5(6)	(6) A Participating Organisation shall open a separate CDS Account for each trading account opened pursuant to Rule 704. 5(1) and Rule 704. 5(3). The CDS Account shall be designated in accordance with the Depository Rules and/or any directives issued by the Depository. A Participating Organisation shall only utilise the CDS Account opened herein for the following purposes only: (a) settlement of regulated short selling; (b) settlement of purchases as permitted under Rule 704. 5(5); or	(6)	A Participating Organisation shall open a separate CDS Account for each trading account opened pursuant to Rule 704. 5(1) and Rule 704. 5(3). The CDS Account shall be designated in accordance with the Depository Rules and/or any directives issued by the Depository. A Participating Organisation shall only utilise the CDS Account opened herein for the following purposes only: (a) settlement of regulated short selling; (b) settlement of purchases as permitted under Rule 704. 5(5); or (c) to hold securities for purposes of subsequent redelivery of the securities arising from the borrowing of approved securities under a SBL Agreement. or Client SBL Agreement; or

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(c) to hold securities for purposes of subsequent redelivery of the securities arising from the borrowing of approved securities under a SBL Agreement or Client SBL Agreement.</p>		<p><u>(d) to hold borrowing of approved securities for executing the regulated short sale, provided Rule 608.10(2) is complied with, if the approved securities are held in a CDS account maintained in the name of a Participating Organisation, in the Participating Organisation’s capacity as authorised nominee or exempt authorised nominee.</u></p>
Rule 704.12	<p>RULE 704.12 LIMIT FOR REGULATED SHORT SELLING</p> <p>(1) Without prejudice to Rule 704.13, the Exchange shall commence suspension of any order entry into the ATS for any further regulated short selling of an approved securities, in the following circumstances:</p> <p>(a) where the total short position of the shares of an Issuer, on a particular market day is at ten percentum (10%) of the outstanding shares of the Issuer on that market day. Outstanding shares means the total quantity of shares held by the shareholders of the Issuer including shares held by the Issuer pursuant to a share buy back scheme as provided for in the Listing Requirements; and/or</p>		<p>RULE 704.12 LIMIT FOR REGULATED SHORT SELLING</p> <p>(1) Without prejudice to Rule 704.13, the Exchange shall commence suspension of suspend any order entry into the ATS for any further regulated short selling of an approved securities, in the following circumstances:</p> <p>(a) where the <u>quantity of the total short position of an approved securities on a particular market day is as follows:</u></p> <p><u>(i) where the quantity of the total short position of</u> the shares of an Issuer, on a particular market day is at three ten percentum (340%) of the outstanding shares of the Issuer on that market day. Outstanding shares means the total quantity of shares held by the shareholders of the Issuer including shares held by the Issuer pursuant to a share buy back scheme as provided for in the Listing Requirements; and/or</p> <p><u>(iib)</u> where the quantity of the total short position of a class of securities other than shares of an Issuer (“securities”) on a particular market day is at threeten percentum (340%) of the quantity of the outstanding securities on that market day. Outstanding securities means the total quantity of securities held by the holders of the</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(b) where the quantity of the total short position of a class of securities other than shares of an Issuer (“securities”) on a particular market day is at ten per centum (10%) of the quantity of the outstanding securities on that market day. Outstanding securities means the total quantity of securities held by the holders of the securities.</p>		<p>securities;<u>or</u></p> <p><u>(b) where the quantity of the total short position of an approved securities referred to in Rule 704.12(1)(a)(i) and 704.12(1)(a)(ii) aggregated over a period of time is ten per centum (10%) of the quantity of outstanding shares or securities.</u></p>
	<p>(2) The suspension referred to in Rule 704.12(1) shall be for a period of four (4) market days from the date of suspension.</p>		<p>(2) The suspension referred to in Rule 704.12(1) shall be for <u>the following period</u>a period of four (4) market days from the date of suspension:-</p> <p><u>(a) In relation to the circumstance described in Rule 704.12(1)(a), the suspension shall be for the remaining market day from the time the suspension was instituted on that market day;and</u></p> <p><u>(b) In relation to the circumstance described in Rule 704.12(1)(b), the suspension shall be in place until the aggregated quantity falls below ten per centum (10%) of the quantity of outstanding shares or securities. The fall in the ‘aggregated quantity’ referred to herein would occur when there is a return of the securities borrowed to the Authorised SBL Participant.</u></p>
	<p>(3) Where a suspension on regulated short selling is imposed on the shares of an Issuer pursuant to Rule 704.12(1)(a), the suspension thereof shall also apply to the following:</p> <p>(a) all securities referred to in Rule 704.12(1)(b) notwithstanding the total short position of the securities is not in breach of</p>		<p>(3) Where a suspension on regulated short selling is imposed on the shares of an Issuer pursuant to Rule 704.12(1)(a) <u>or Rule 704.12(1)(b)</u>, the suspension thereof shall also apply to the following:</p> <p>(a) all securities referred to in Rule 704.12(1)(ba)(ii) notwithstanding the total short position of the securities</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>the limit referred to Rule 704.12(1)(b); and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued, comprise solely the shares of an Issuer in relation to which suspension under Rule 704.12(1)(a) has been imposed.</p> <p>(4) Where the shares or securities referred to under Rule 704.12(1)(a) and Rule 704.12(1)(b) respectively falls within the class of Eligible Securities, the following shall apply:</p> <p>(a) the suspension referred to in Rule 704.12(1)(a), Rule 704.12(1)(b) and Rule 704.12(2) shall include suspension on the short selling of the Eligible Securities; and</p> <p>(b) the ‘securities’ referred to in Rule 704.12(3) shall be read to include Eligible Securities and the suspension referred to therein shall be applicable to the short selling of that Eligible Securities.</p>		<p>is not in breach of the limit referred to Rule 704.12(1)(a) <u>or Rule 704.12(1)(b)</u>; and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued, comprise solely the shares of an Issuer in relation to which suspension under Rule 704.12(1)(a) <u>or 704.12(1)(b)</u> has been imposed.</p> <p>(4) Where the shares or securities referred to under Rule 704.12(1)(a) and Rule 704.12(1)(b) respectively falls within the class of Eligible Securities, the following shall apply:</p> <p>(a) the suspension referred to in Rule 704.12(1)(a), Rule 704.12(1)(b) and Rule 704.12(2) shall include suspension on the short selling of the Eligible Securities; and</p> <p>(b) the ‘securities’ referred to in Rule 704.12(3) shall be read to include Eligible Securities and the suspension referred to therein shall be applicable to the short selling of that Eligible Securities.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	RULE 1105		RULE 1105
1105.1(1)	Recall means redelivery of Securities Borrowed to the lender and/or redelivery of the Collateral to the borrower, whether partial or in full pursuant to the terms of the Client SBL Agreement or SBL Agreement as defined in Rule 704.	1105.1(1)	Recall means redelivery of Securities Borrowed to the lender and/or redelivery of the Collateral to the borrower, whether partial or in full pursuant to the terms of the Client SBL Agreement or SBL Agreement as defined in Rule 704.

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 1105.6(1) &(2)	<p>(1) General Principle: Subject Always to Rule 1105.10, every Participating Organisation shall calculate its Position Risk Requirement -</p> <p>(a) in respect of all securities held by it as principal, including those held pursuant to its intra-day activities;</p> <p>(b) on an intra-day basis to ensure that its Total Risk Requirement does not exceed its Liquid Capital;</p> <p>(c) in respect of all Securities Borrowed and/or Securities Onward Lent for itself as principal as envisaged in Rules 608.2(1)(a)(i) and/or 608.2(1)(b)(ii); and</p> <p>(d) in respect of all securities other than Margin Securities held by it which has been onward lent by it as principal for the purpose of securities borrowing and lending as envisaged in Rule 608.2(1)(a)(ii).</p>		<p>(1) General Principle: Subject Always to Rule 1105.10, every Participating Organisation shall calculate its Position Risk Requirement -</p> <p>(a) in respect of all securities held by it as principal, including those held pursuant to its intra-day activities;</p> <p>(b) on an intra-day basis to ensure that its Total Risk Requirement does not exceed its Liquid Capital;</p> <p>(c) in respect of all Securities Borrowed and/or Securities Onward Lent for itself as principal as envisaged in Rules 608.2(1)(a)(i) and/or 608.2(1)(b)(ii); and</p> <p>(di) in respect of all securities other than Margin Securities held by it which has been onward lent by it as principal for the purpose of securities borrowing and lending as envisaged in Rule 608.2(1)(a)(ii).</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(2) Principles Applicable to Equity Position Risk Requirement: In calculating the Position Risk Requirement in respect of its equity and equity derivative positions, a Participating Organisation shall observe the following principles -</p> <p>(a) in accordance with Rule 1105.6(1), a Participating Organisation shall calculate all principal positions held by it;</p> <p>(b) a Participating Organisation shall, on a daily basis, mark to market all its principal positions;</p> <p>(c) a Participating Organisation may, in the case of securities held by it pursuant to intra-day activities, reduce its risk exposure to the extent of the mark to market value of any collateral held after deducting the applicable discounts prescribed in Schedule 8J;</p> <p>(d) where applicable, a Participating Organisation shall calculate its Position Risk Requirement on a country by country basis;</p>		<p>(2) Principles Applicable to Equity Position Risk Requirement: In calculating the Position Risk Requirement in respect of its equity and equity derivative positions, a Participating Organisation shall observe the following principles -</p> <p>(a) in accordance with Rule 1105.6(1), a Participating Organisation shall calculate all principal positions held by it;</p> <p>(b) a Participating Organisation shall, on a daily basis, mark to market all its principal positions;</p> <p>(c) a Participating Organisation may, in the case of securities held by it pursuant to intra-day activities, reduce its risk exposure to the extent of the mark to market value of any collateral held after deducting the applicable discounts prescribed in Schedule 8J;</p> <p>(g) where applicable, a Participating Organisation shall calculate its Position Risk Requirement on a country by country basis;</p> <p>(h) in the case of depository receipts, a Participating Organisation shall allocate a share represented by that depository receipt to the same country as the underlying share; and</p> <p>(i) a Participating Organisation shall add any income accrued on any Securities Borrowed, Securities Lent or Collateral and shall deduct any fees and charges imposed on the borrowing, lending or the Collateral pursuant to the SBL Conditions or the written agreement referred to in Rule 608.2.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>(e) in the case of depository receipts, a Participating Organisation shall allocate a share represented by that depository receipt to the same country as the underlying share; and</p> <p>(f) a Participating Organisation shall add any income accrued on any Securities Borrowed, Securities Lent or Collateral and shall deduct any fees and charges imposed on the borrowing, lending or the Collateral pursuant to the SBL Conditions or the written agreement referred to in Rule 608.2.</p>		

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 1105.7(5) (d)	<p>(d) Securities Borrowing and Lending:</p> <p>(i) Counterparty exposures: A Participating Organisation shall calculate its counterparty exposures for securities borrowing and lending as follows -</p> <p>(aa) for borrowing transactions in relation to its clients as envisaged in Rule 608.2(1)(a)(i) Participating Organisation’s counterparty exposures shall be computed based on the difference between the mark to market value of the Securities Borrowed and the mark to market value of the Collateral deposited subject to the provisions of Rule 1105.7(6). In computing the mark to market value of the Securities Borrowed or the Collateral, a Participating Organisation shall add any income accrued on the same and shall deduct any fees and charges imposed on the borrowing or the Collateral pursuant to the SBL Conditions or the written agreement referred to in Rule 608.6; and</p> <p>(bb) for lending transactions in relation to its clients as envisaged in Rule 608.2(1)(b)(i) and Rule 608.2(1)(b)(ii) for onward lending transactions, a Participating Organisation’s counterparty exposures shall be computed based on the difference between the mark to market value of the Securities Lent and the</p>		<p>(d) Securities Borrowing and Lending:</p> <p>(i) Counterparty exposures: A Participating Organisation shall calculate its counterparty exposures for securities borrowing and lending as follows -</p> <p>(aa) for borrowing transactions entered into on behalf of its client in relation to its clients as envisaged in Rule 608.2(1)(a)(i) Participating Organisation’s counterparty exposures shall be computed based on the difference between the mark to market value of the Securities Borrowed and the mark to market value of the Collateral deposited subject to the provisions of Rule 1105.7(6). In computing the mark to market value of the Securities Borrowed or the Collateral, a Participating Organisation shall add any income accrued on the same and shall deduct any fees and charges imposed on the borrowing or the Collateral pursuant to the SBL Conditions or the written agreement referred to in Rule 608.6; and</p> <p>(bb) for lending transactions entered into in relation to its on behalf of its clients as envisaged in Rule 608.2(1)(b)(i) and Rule 608.2(1)(b)(ii) for onward lending transactions, a Participating Organisation’s counterparty exposures shall be computed based on the difference between the mark to market value of the Securities Lent and the mark to market value of the Collateral deposited, if any subject to the provisions of Rule 1105.7(6). In computing the mark to market value of the Securities Lent or the Collateral, a Participating Organisation shall add any income accrued on the same and shall deduct any fees and charges imposed on the lending or the Collateral, pursuant to the SBL Conditions or the written agreement referred to in Rule 608.6.</p> <p>(ii) Calculation of CRR: Pursuant to the above-mentioned a Participating Organisation shall calculate its Counterparty Risk</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	<p>mark to market value of the Collateral deposited, if any subject to the provisions of Rule 1105.7(6). In computing the mark to market value of the Securities Lent or the Collateral, a Participating Organisation shall add any income accrued on the same and shall deduct any fees and charges imposed on the lending or the Collateral pursuant to the SBL Conditions or the written agreement referred to in Rule 608.6.</p> <p>(ii) Calculation of CRR: Pursuant to the above-mentioned a Participating Organisation shall calculate its Counterparty Risk Requirement for securities borrowing and lending in accordance with Schedule 8G.</p>		<p>Requirement for securities borrowing and lending in accordance with Schedule 8G.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 1105.10(1)(a)(iii)	<p>(1) Margin Financing Facilities:</p> <p>(a) Every Participating Organisation which provides margin financing facilities has:-</p> <p>(i) a Counterparty Risk in relation to margin financing facilities which is dependent on the quality and value of collateral pledged and the quality of the counterparty;</p> <p>(ii) a Position Risk in the form of market risk relating to Margin Financing On-Pledged Risk in respect of securities held by it as collateral but which have been onward pledged; and</p> <p>(iii) a Position Risk in the form of market risk relating to Margin Financing Onward Lent Risk in respect of Margin Securities which have been</p>		<p>(1) Margin Financing Facilities:</p> <p>(a) Every Participating Organisation which provides margin financing facilities has:-</p> <p>(i) a Counterparty Risk in relation to margin financing facilities which is dependent on the quality and value of collateral pledged and the quality of the counterparty;</p> <p>(iv) a Position Risk in the form of market risk relating to Margin Financing On-Pledged Risk in respect of securities held by it as collateral but which have been onward pledged; and</p> <p>(v) a Position Risk in the form of market risk relating to Margin Financing Onward Lent Risk in respect of Margin Securities which have been onward lent as principal for the purpose of securities borrowing and lending as envisaged in Rules 608.2(1)(a)(ii) and 608.8.</p>

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		AMENDED PROVISIONS	
	onward lent as principal for the purpose of securities borrowing and lending as envisaged in Rules 608.2(1)(a)(ii) and 608.8.		

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

SCHEDULE 8G [CHAPTER 11]

**SCHEDULE 8G (Chapter 11) COUNTERPARTY RISK REQUIREMENT
[Rule 1105.7(5)(d)] FOR SECURITIES BORROWING / LENDING TRANSACTIONS**

Securities Borrowing and Lending Transaction		Time period for application of Percentage	Counterparty Risk Requirement
1. Borrowing	On borrowing	Pre-Recall	CE x CW x 0%
	On Recall	From Recall to Recall + 3 days	CE x CW x 8%
	On Recall	Beyond Recall + 3 days	CE x CW x 100%
2. Lending	On Lending	Pre-Recall	CE x CW x 0%
	On Recall	From Recall to Recall + 3 days	CE x CW x 8%
	On Recall	Beyond Recall + 3 days	CE x CW x 100%

Where:

CE = Counterparty Exposure, as determined in accordance with Rule 1105.7(5)(d).

CW = Counterparty Weighting, as specified in Schedule 8F.

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL
NEGOTIATED TRANSACTIONS”)**

| ‘On Borrowing’ means upon crediting of the securities borrowed ~~from the Clearing House~~ into the Borrower’s CDS account,

| ‘On Lending’ means upon debiting of the securities lent ~~to the Clearing House~~ from the Lender’s CDS account.

[End of Schedule]