

RULE AMENDMENTS
in relation to inspections, investigations,
disciplinary actions and settlement of disputes

RULE 100 INTRODUCTION

[**Note:** Rule 100 is not set out in its entirety below. Only the new Rule 110 is set out below for the purpose of setting out the amendments to Rule 100 for the Review]

Rule 110 Confidentiality of Findings

- (1) If a finding or result of any inspection or investigation, or testimony or documentation in connection with a disciplinary proceeding or appeal under these Rules is disclosed to a Participant or Relevant Person by the Exchange or any other person, the Participant and Relevant Person must keep the findings and results of such inspection or investigation, or testimony or documentation in connection with a disciplinary hearing or appeal confidential and must not disclose the findings or results to any person except:
- (a) the Commission, any authorised officer of the Commission or any investigating governmental authority or agency; or
 - (b) where necessary, for the procurement of legal or expert advice in relation to the inspection, investigation, disciplinary proceeding or appeal, provided that the disclosure is restricted to the relevant persons and strictest confidentiality is maintained.
- (2) The Exchange may release the findings and results of any inspection or investigation, or testimony or documentation in connection with a disciplinary proceeding or appeal to the Commission, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Exchange considers fit, or to such parties as the Exchange considers fit for the purposes of the Exchange's investigation, enforcement or both.

(End of Business Rule 100)

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RULES OF BURSA MALAYSIA DERIVATIVES BHD.

RULE 200 DEFINITIONS AND

INTERPRETATION

Rule 201 Definitions

In these Rules, except where inconsistent with the subject or context:-

“**Adjusted Net Capital**” is as defined in Rule 602.2;

“**Adjustment Agreement**” means one of two or more standardised agreements the effect of which is that -

- (a) a particular person will either be under an obligation to pay, or will have a right to receive, an amount of money depending on a state of affairs existing at a particular future time including, without prejudice to the generality of the foregoing, a state of affairs that relates to fluctuations in the value or price of an instrument or other property, or in the numerical level of an index, an interest rate or other factor; and
- (b) the amount of money will be calculated in a particular manner by reference to that state of affairs,

whether or not the agreement is capable of being varied or discharged before that future time;

“**American Style Option**” means an Option that may be exercised on any Business Day prior to and including its Expiration Date;

“**Appeal Board**” *[This definition has been deleted]*

“**Appraisal**” means the weighing, sampling and analysis of the Instrument underlying a Contract as contemplated in the Contract Specifications;

“**Arbitration**” means the resolution of ~~Disputes-disputes~~ pursuant to Rule ~~513.620~~ and the word “arbitrate” shall have a corresponding meaning;

“**Arbitrators**” ~~mean the persons sitting on the Arbitration Panel or the persons from the Exchange in their capacity as adjudicators of any Dispute;~~*[Deleted]*

“**Arbitration Fee**” ~~means the fees prescribed in Rule 513.5A;~~*[Deleted]*

“**Arbitration Panel**” ~~shall consist of person or persons appointed or nominated in accordance with Rule 513.6A;~~*[Deleted]*

“**Articles**” means the Memorandum and Articles of Association of the Exchange, as may be amended from time to time;

“**Associate Participant**” means a Corporation, which has been admitted as an Associate Participant in accordance with these Rules and has not ceased for any reason to be an Associate Participant;

“**Associate Member’s Representative**” *[This definition has been deleted]*

“**Auditors**” ~~means the auditor or auditors for the time being of the Exchange;~~*[Deleted]*

“**Award**” ~~means a decision of the Arbitration Panel or the Exchange pursuant to an Arbitration under Rule 513;~~*[Deleted]*

“**Bank**” means a licensed bank as defined in Section 2 of the Capital Markets and Services Act;

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“Bank Negara Malaysia” means the Central Bank of Malaysia established under the Central Bank of Malaysia Ordinance 1958;

“Best Buy Price” means the highest buy order price;

“Best Sale Price” means the lowest sell order price;

“Board” *[This definition has been deleted]*

“Books” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act.

“Branch Office” means an office approved by the Exchange under Rule 601C as a branch office of a Trading Participant;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business Day” means any day on which the Exchange is open for trading;

“Call Option” means a Contract that is entered into on the Market under which a person acquires from another person an option or right, exercisable at or before a stated time -

- (a) to buy from that other person a stated quantity of a named Instrument at a price stated in, or to be determined in accordance with, the Contract;
- (b) to assume, at a stated price and within a stated period, a Long Position in relation to a named Futures Contract; or
- (c) to be paid by that other party, at the time when the option or right is exercised, an amount of money to be determined by reference to a state of affairs that relates to fluctuations in the value or price of an Instrument or other property, or in the numerical level of an index, an interest rate or other factor;

“Capital Adequacy Ratio” means “Capital Adequacy Ratio” as referred to in the Rules of Bursa Securities;

“Capital Adequacy Requirements” means the capital adequacy requirements as referred to in the Rules of Bursa Securities;

“Capital Markets Services Representative’s Licence” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Capital Markets and Services Act” means Capital Markets and Services Act 2007;

“Capital Markets Services Licence” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Cash Covered” *[Deleted]*

“Cash Settlement” means in respect of a Contract, the settlement in cash of a position that has been Closed Out or expired or exercised;

“Certification of Quality” means the declaration of guarantee of quality of the Instrument underlying the Contract specified in the Negotiable Storage of Receipt;

“Chief Operating Officer” *[This definition has been deleted]*

“Claim or Grievance” ~~means any Dispute which arises out of any transaction, on or subject to these Rules executed by or effected through a Participant, or any employee of such Participant which Dispute does not require adjudication, the presence of essential witnesses or third parties over whom~~

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~~the Exchange does not have jurisdiction or who are otherwise not available. The term "Claim or Grievance" shall not include dispute arising from cash market transactions, which are not part of, or directly connected with, any transaction executed on the Exchange for the purchase or sale of any Contract; [Deleted]~~

~~"Claimant" means a person who asserts a claim pursuant to these Rules for settlement of Disputes; [Deleted]~~

"Clearing House" means the Bursa Malaysia Derivatives Clearing Berhad;

"Clearing Participant" means a Trading Participant or an Associate Participant who is a participant of the Clearing House for the clearing, settlement and exercise of Contracts;

"Client" in respect of any Trading Participant or any person or organisation, means a person on whose behalf the Trading Participant trades or proposes to trade, or from whom the Trading Participant accepts instructions to trade in Contracts;

"Client Account" means an account of a Client maintained with a Trading Participant or an Associate Participant;

"Clients' Segregated Account" means a separate account for any money, security or document of title relating to any property received from Clients or accruing to Clients, maintained in accordance with Section 118 of the Capital Markets and Services Act;

"Close Out" means to discharge the obligations of a person in the Long Position or Short Position under a Contract and shall include the discharge of these obligations as a result of the matching up of the Contract with a Contract of the same kind under which the person has assumed an offsetting Short Position or offsetting Long Position, as the case may be;

"Commission" means the Securities Commission established under the Securities Commission Act 1993;

"Commodity Contract" [Deleted]

"Commodity Participant" [Deleted]

"Commission's Licensing Handbook" means the licensing handbook the Commission issues pursuant to Section 377 of the Capital Markets and Services Act and includes any subsequent amendments, modifications, variations, supplements or substitutes.

"Compliance Officer" means a person who is registered with the Exchange as a 'Compliance Officer' of a Trading Participant in accordance with the provisions in these Rules;

"Contract" means an Option or a Futures Contract;

"Contract Specifications" means the terms and conditions of a Contract prescribed by the Exchange and any amendment that may be made from time to time;

"Corporation" shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

"Crude Palm Oil" means crude palm oil with specifications set out in items 2401 and 2402 of Schedule 24;

"Crude Palm Kernel Oil" means crude palm kernel oil with specifications set out in item 2403 of Schedule 24;

"Daily Settlement Price" means the price of a Contract as may be determined by the Clearing House for the purposes of settlement to market in accordance with the rules of the Clearing House;

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“Defendant” ~~means a person against whom a claim is asserted pursuant to these Rules for settlement of Disputes;~~~~[Deleted]~~

“Dispute” ~~means a dispute which is subject to the procedures prescribed in Rules 513.6C or 513.7D;~~~~[Deleted]~~

“Directives” means instructions, rulings or guidelines the Exchange issues by whatever name called for or in connection with any of the Rules including:

- (a) any decision, request or requirement the Exchange makes or imposes pursuant to any act or thing done under the Rules;
- (b) any terms and conditions imposed pursuant to any act or thing done under the Rules; and
- (c) any requirement the Exchange imposes for the proper operation and management of the Market and the Exchange’s facilities;

“DMA Infrastructure” *[This definition has been deleted]*

“Direct Market Access” or “DMA” means the process by which orders to buy or sell Contracts including any modifications and cancellations thereof are submitted for execution in the ATS by persons referred to in Rule 617.4 without any intervention by a Registered Representative and/or being entered or re-entered by a Registered Representative.

“Document” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act.

“Eligible Delivery Agreement” means an agreement that is one of two or more standardised agreements the effect of which is that a person is under an obligation to make or accept delivery at a particular future time of a particular quantity of a particular Instrument -

- (a) for a particular price; or
- (b) for a price to be calculated in a particular manner, whether or not;
 - (aa) the subject matter of the agreement is in existence; or
 - (bb) the agreement is capable of being varied or discharged before that future time,
 and in respect of which it appears likely at the relevant time, having regard to all relevant circumstances, that -

(aaa) the obligation of the person in the Short Position to make delivery will be discharged except by the person making delivery;

(bbb) the obligation of the person in the Long Position to accept delivery will be discharged except by the person accepting delivery; or

(ccc) the person on the Short Position, or Long Position, will assume an offsetting Long Position, or offsetting Short Position, as the case may be, under another agreement of the same kind;

“Eligible Non-Universal Broker” shall have the same meaning as is assigned to that expression in the Rules of Bursa Securities;

“Entity” *[This definition has been deleted]*

“Equity Financial Participant” *[Deleted]*

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“**European Style Option**” means an Option that may be exercised only on its Expiration Date;

“**Exchange**” means Bursa Malaysia Derivatives Berhad;

“**Exchange Holding Company**” means Bursa Malaysia Berhad;

“**Exercise**” means to invoke the rights granted to the buyer of an Option;

“**Exercise Notice**” means a notification that the buyer of an Option wishes to exercise such Option;

“**Exercise Price**” means the unit price that the buyer pays and the seller receives in the case of Call Options or the unit price the seller pays and the buyer receives in the case of Put Options, on Exercise of the relevant Option;

“**Expiration Date**” means in respect of an Option, the day on which the Option expires and the contractual rights and obligations of buyer and seller are expressed to terminate respectively;

“**Fidelity Fund**” *[Deleted]*

“**Final Closing Price**” means in respect of a Stock Option contract, the price calculated by the Exchange on the Final Trading Day in accordance with the methodology prescribed in the Contract Specifications;

“**Final Settlement Day**” means the Business Day by which all Open Positions are cash settled, or settled by delivery in accordance with the rules of the Clearing House;

“**Final Trading Day**” means the last Business Day designated for the trading of a Contract;

“**Financial Contract**” *[Deleted]*

“**Floor**” *[This definition has been deleted]*

“**Floor Contract**” *[This definition has been deleted]*

“**Floor Procedures**” *[This definition has been deleted]*

“**Floor Representatives**” *[This definition has been deleted]*

“**Full Hearing**” ~~means the hearing as prescribed in Rule 513.7F;~~ *[Deleted]*

“**Futures Broker**” means a holder of a Capital Markets Services Licence who carries on the business of regulated activity of trading in futures contracts;

“**Futures Contract**” is a Contract and shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“**Futures Fund Manager’s Representatives**” means a holder of Capital Markets Services Representative’s Licence who carries on a regulated activity of fund management in relation to futures contracts;

“**Goods and Services Tax (GST)**” means the goods and services tax payable pursuant to the Goods and Services Tax Act 2014;

“**Group**” has the same meaning as provided for in the Commission’s Licensing Handbook;

“**Guidelines on Investment Banks**” means the Guidelines on Investment Banks issued by Bank Negara Malaysia and the Commission, including all modifications, re-issuance or consolidations thereof and directives issued pursuant thereto;

“**Guidelines on Outsourcing**” *[Deleted]*

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“Head of Compliance” *[This definition has been deleted]*

“Holder” *[Deleted]*

“Instrument” means -

- (a) any share or any underlying asset of a Contract which is capable of being transferred;
- (b) any stock index or group of share or stock indices; and
- (c) in the case of an Option, includes a Futures Contract;

“In writing” means written, typed, printed or lithographed, or partly one and partly another, and includes any other mode of representing or reproducing words in a permanently visible form;

“Investment Bank” means an Investment Bank as defined in the Rules of Bursa Securities and which is approved as a Trading Participant of the Exchange in accordance with Rule 305, unless the context otherwise permits;

“Investment Bank Capital Adequacy Framework” means the Investment Bank Capital Adequacy Framework referred to in the Guidelines on Investment Banks;

“Kuala Lumpur Interbank Offer Rate/KLIBOR” means an interest rate derived from the activities of borrowing and lending Ringgit Malaysia in the professional inter-bank market;

“Licensed Merchant Bank” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Listed Corporation” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Local Participant” means a person who has been admitted as a Local Participant in accordance with these Rules and has not ceased for any reason to be a Local Participant;

“Long Position” in relation to -

- (a) a Futures Contract that is an Eligible Delivery Agreement, means the position of a person who, because of the agreement, is under an obligation to accept delivery in accordance with the agreement;
- (b) a Futures Contract that is an Adjustment Agreement, means the position of a person who, because of the agreement -
 - (i) will, if the value or worth of the agreement (as determined in accordance with the agreement) as at a particular future time is less by a particular amount than the value or worth of the agreement (as so determined) as at a particular earlier time, be under an obligation to pay that amount; and
 - (ii) will, if the value or worth of the agreement (as so determined) as at a particular future time is greater by a particular amount than the value or worth of the agreement (as so determined) as at a particular earlier time, have a right to receive that amount; or
- (c) an Option, means the position of the buyer of a Call Option or the position of the seller of a Put Option;

“MGS” means Malaysian Government Securities, as issued by the Malaysian government from time to time;

“Margin Call” means a call by a Trading Participant or an Associate Participant from its Client(s) for cash or collateral to meet the Client(s)' obligations pursuant to trading in Contracts;

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“**Market**” means the market operated by the Exchange for trading in Contracts;

“**Market Contract**” *[This definition has been deleted]*

“**Maturity Date**” *[Deleted]*

“**Messages**” means entries submitted into the ATS relating to trading functions as permitted by the Exchange such as orders, amendments or cancellation of orders.

~~“**Participant**” means, unless otherwise specified, a participant of the Exchange for the time being falling within any of the classes of participation set out in Rule 301;~~

“**Minimum Financial Resources Requirement**” means the minimum resources requirement that is determined by the Exchange from time to time in accordance with Rule 602;

“**Minister**” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“**Month of tender**” *[Deleted]*

“**Negotiable Storage Receipt**” means a document issued by the Port Installation Owner pursuant to the Contract Specifications of a Contract;

“**Nominating Participant**” means a Trading Participant who is also a Clearing Participant who provides an undertaking with respect to a Non-Clearing Participant;

“**Non-Clearing Participant**” means a Participant, which is not a participant of the Clearing House;

“**Non-Equity Financial Participant**” *[Deleted]*

“**Non-Reviewable Range**” means the range of prices as specified in the Trading Procedures for the purposes of Rule 707.2;

“**Officer**” in relation to Trading Participant, the Exchange or Exchange holding company shall include –

- (a) any director, secretary or employee of the corporation;
- (b) a receiver and manager, appointed under a power contained in any instrument, of any part of the undertaking or property of the corporation; and
- (c) any liquidator of a corporation appointed in a voluntary winding up, but does not include –
 - (i) any receiver who is not also a manager;
 - (ii) any receiver and manager appointed by the court; or
 - (iii) any liquidator appointed by the court or by the creditors;

“**Open Position**” means the position of a party under a Contract whose rights or obligations have not expired or been discharged or where the rights and/or obligations under that Contract are yet to be fulfilled;

“**Option**” refers to an option that is traded on the Exchange or Specified Exchange and includes a Call Option and a Put Option;

“**Option on Crude Palm Oil Futures**” *[Deleted]*

“**Option on Stock Index Futures**” *[Deleted]*

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“Participant” means, unless otherwise specified, a participant of the Exchange for the time being falling within any of the classes of participants set out in Rule 301;

“Participating Organisation” shall have the same meaning as is assigned to that expression in the Rules of Bursa Securities;

“Pit” *[This definition has been deleted]*

“Port Tank Installations” means the port tank installations approved by the Exchange as points of delivery for the Instrument underlying the Contract that is Tendered in fulfilment of the Contracts;

“Port Tank Installation Owner” means a Corporation duly in possession of a Port Tank Installation and its servants;

“Preference Share” *[Deleted]*

“Premium” means an account maintained by a Trading Participant for the purpose of recording its own Contracts, assets and profits and losses resulting from those Contracts;

“Principal Office” means the principal place of business approved by the Exchange under the Trading Participant’s registration process in Rule 305;

“Put Option” means a Contract that is entered into on the Market under which a person acquires from another person an option or right, exercisable at or before a stated time -

- (a) to sell to another person a stated quantity of a named Instrument at a price stated in, or to be determined in accordance with, the Contract;
- (b) to assume at a stated price and within a stated period, a Short Position in relation to a named Futures Contract; or
- (c) to be paid by that other party, at the time when the option or right is exercised, an amount of money to be determined by reference to a state of affairs that relates to fluctuations in the value or price of an Instrument or other property, or in the numerical level of an index, an interest rate or other factor;

“Record” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Refined, Bleached and Deodorized Palm Olein” or **“RBD Palm Olein”** means refined, bleached and deodorized palm olein with specifications set out in item 2404 of Schedule 24;

“Registered Person” shall include officers of Trading Participants and Associate Participants, who are duly registered with the Exchange, and Registered Representatives;

“Registered Representative” means a person who holds the Capital Markets Services Representative’s Licence to carry on a regulated activity of trading in futures contracts and who is nominated by a Trading Participant to be registered as provided under Rule 322 and whose registration has not been ~~terminated~~ struck off the Register;

“related corporation” shall have the same meaning as in the Companies Act;

“Relevant Person” means a Participant’s Registered Person, director, agent and employee;

“Representative” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“Risk Weighted Capital Ratio” shall have the same meaning that is assigned to that expression in the Guidelines on Investment Banks;

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“**Rules**” means these Rules of the Exchange, and any amendments or additions thereto which may be made by the Exchange from time to time and includes any schedules, guidelines, notices or circulars of general application issued by the Exchange for the guidance of Participants or to govern the trading of any Contract or Contracts;

“**Rules of Bursa Securities**” means the Rules of Bursa Securities, including any amendments made thereto, and any rulings, guidelines and directives issued pursuant thereto;

“**Scrip Covered**” means in respect of a Call Option for a Stock Option Contract, that the seller’s obligation is secured in accordance with these Rules by shares;

“**Secretariat**” ~~means the Secretariat established in accordance with Rule 513.4A; [Deleted]~~

“**Secretary**” *[This definition has been deleted]*

“**Securities Laws**” means as defined in the Securities Commission Act 1993;

“**Serial Months**” means any calendar month other than the quarterly cycle months of March, June, September and December;

“**service provider**” has the same meaning as provided for in the Commission’s Licensing Handbook;

“**Share Futures Contract**” *[Deleted]*

“**Short Position**” in relation to -

- (a) a Futures Contract that is an Eligible Delivery Agreement, means the position of a person who, because of the agreement, is under an obligation to make delivery in accordance with the agreement;
- (b) a Futures Contract that is an Adjustment Agreement, means the position of a person who, because of the agreement -
 - (i) will, if the value or worth of the agreement (as determined in accordance with the agreement) as at a particular future time is greater by a particular amount than the value or worth of the agreement (as so determined) as at a particular earlier time, be under an obligation to pay that amount; and
 - (ii) will, if the value or worth of the agreement (as so determined) as at a particular future time is less by a particular amount than the value or worth of the agreement (as so determined) as at a particular earlier time, have a right to receive that amount; or
- (c) an Option, means the position of the seller of a Call Option or the position of the buyer of a Put Option;

“**Special Scheme Broker**” shall have the same meaning as is assigned to that expression in the Rules of Bursa Securities;

“**Specified Exchange**” shall have the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act;

“**Stock Index Futures Contract**” means an Adjustment Agreement where the underlying stock index is an Instrument or a basket of shares of an Underlying Market;

“**Stock Index Option Contract**” *[This definition has been deleted.]*

“**Stock Option Contract**” means an Option where the underlying share is a block of shares of a company listed on an Underlying Market;

“**sub-contractor**” *[Deleted]*

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“**Summary Proceedings**” ~~means the procedures prescribed under Rule 513.7E;~~*[Deleted]*

“**Supervisory Functions**” *[This definition has been deleted]*

“**Tender**” means the exchange of documents through the Clearing House in fulfilment of a Contract of future delivery of the Instrument underlying a Contract;

“The Kuala Lumpur Wholesale Money Market” means a market located in Kuala Lumpur and supervised by Bank Negara Malaysia where institutions trade money market instruments;

“Tick” means the ‘minimum price fluctuation’, as stipulated in the Contract specifications in the Schedules to these Rules.

“Trading Kiosk” means any physical site, location or premises approved by the Exchange under Rule 601C at which is situated or installed physical hardware or equipment –

- (a) that does or is able to house or accommodate electronic systems, devices or platforms; and
- (b) which hardware or equipment when used in conjunction with the electronic systems does or is able to provide broker-client linkages or electronic client ordering systems;

“Trading Loss in relation to Rule 707.2B” *[This definition has been deleted]*

“**Trading Participant**” means a Corporation that has been admitted as a Trading Participant in accordance with these Rules and has not ceased for any reason to be a Trading Participant;

“**Trading Procedures**” means the procedures, processes and all other matters issued, in whatsoever form and manner by the Exchange, in relation to the trading of Contracts and include any amendments and modifications made thereto.

“**Umpire**” ~~means an individual who is appointed by virtue of Rule 513.6A;~~*[Deleted]*

“**Underlying Market**” means -

- (a) in relation to a Stock Index Futures Contract, the market from which prices and other relevant information are taken for the computation of the underlying stock index; and
- (b) in relation to any other Contract, the market in which the underlying Instrument is traded.

“**Writer**” *[Deleted]*

“**Universal Broker**” means Universal Broker as defined in the Rules of Bursa Securities;

Rule 202 Interpretation

Rule 202.1

Words importing the singular number only shall include the plural number and vice versa.

Rule 202.2

Words importing one gender shall include the other gender.

Rule 202.3

Headings are included for convenience only and shall not affect the construction of these Rules.

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Rule 202.4

For the purposes of these Rules a person shall be deemed to have control of another person-

- (a) where the first person, or any related company or companies of the first person, directly or indirectly by any means whatever, holds or beneficially owns fifteen percent (15%) or more of the nominal, issued or paid up capital or of the voting power of the other person or of a third person which has control (in terms of this definition) of that other person; or
- (b) where a partner or director of the first person or of any related company of the first person is also a partner or director of the other person; or
- (c) where by reason of any contract, agreement or arrangement of any nature, whether legally enforceable or not, the first person effectively controls the management, or fifteen percent (15%) or more of the voting power, of the other person, or is entitled to nominate or appoint one or more directors of the other person.

Rule 202.5

The meaning of any term defined in these Rules extends to all grammatical variations of that term.

Rule 202.6

Any reference in these Rules to “schedule” or “guideline” shall be construed as a reference to a schedule or guideline of, to or as contained in these Rules, unless otherwise stated.

Rule 202.7

[Deleted]

(End of Business Rule 200)

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RULE 300 PARTICIPANTSHIP

[*Note: Rule 300 is not set out in its entirety below. Only Rule 322.8 and 322A-322C are reproduced below for the purpose of setting out the amendments to Rule 300 for the Review*]

Rule 322.8

~~The employment by a Trading Participant of a person who performs the duties of a Registered Representative but is not so registered with the Exchange shall be considered a major offence and will be dealt with accordingly.~~

~~*[Deleted]*~~

Rule 322A Refusal to Register

The Exchange may refuse an application made under Rule 300 if:-

- (a) the application was not made in accordance with the requirements of these Rules or the information required therein was not submitted or adequate;
- (b) the applicant has failed to comply with any other requirement of these Rules and/or any regulations, directives or guidelines thereunder;
- (c) the registration of the applicant is not in the interest of a fair and orderly market;
- (d) the Exchange is satisfied that the qualifications or any of them prescribed in these Rules has/have not been fulfilled by the applicant; or
- (e) the Exchange is of the opinion that registration of the applicant may affect the optimum utilisation of its facilities, taking into account risk management and any other considerations.

Rule 322B Decisions of the Exchange

- (a) Subject to Rule ~~401A322BA~~, any decision of the Exchange shall be final and binding on all Participants, applicants and persons registered with the Exchange.
- (b) The Exchange shall not be required to give any reasons for its decision.

Rule 322BA Appeals on Refusal to Register

- (1) If the Exchange rejects an application made under Rule 300, the applicant may appeal in writing to the Exchange within 14 days after the applicant is notified of the Exchange's decision.
- (2) The Exchange may affirm, vary or set aside the decision appealed against.
- (3) The Exchange's decision on appeal is final and binding on the appellant.

Rule 322C Continuing Liability

- (a) Notwithstanding that a Participant has its participantship terminated or person registered with the Exchange ceases to be registered or be struck off the Register by the exchange for any reason whatsoever, the Participant or person registered with the Exchange shall be bound by these Rules which are now or may hereafter be in

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force and all directives, rulings and guidelines issued by the Exchange insofar as they relate to any antecedent breach committed by the Participant or person registered with the Exchange.

- (b) A Participant which has its participantship terminated or person registered with the Exchange which has ceased to be registered or is struck off the Register shall retain all its records for at least seven (7) years. Any such record shall be produced for inspection to the Exchange on demand and, where it is not retained in legible form, must be capable of being reproduced in that form.

(End of Business Rule 300)

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RULE 400 ADMINISTRATION

[Note: Rule 400 is not set out in its entirety below. Only Rule 401.4 and Rule 401A of Rule 400 are reproduced below for the purpose of setting out the amendments to Rule 400 for the Review]

Rule 401 Powers of Exchange

Rule 401.4

The integrity of the Exchange shall be maintained through the enforcement of these Rules and the adoption of high professional standards and ethics in the management of the Exchange. In performing such duties and other duties prescribed by the Capital Markets and Services Act, the Articles and these Rules, the Exchange shall be empowered to:-

- (a) require any Participant to attend a meeting at any time and give such information as may be in their possession relating to any matter under investigation by the Exchange or any of the committees established under these Rules and every Participant shall ensure that all such requirements are met promptly and complied with and that the information asked for is made available promptly;
- (aa) make new policies and rules for the order and good governance of the Participants and in this regard have the relevant powers to add, vary, repeal, enforce or waive any of these Rules;
- (b) require any Participant to furnish any particulars and to produce for inspection all books, letters, telegrams, facsimiles, telex, computer print-outs or copies thereof, and any other documents or information in its possession as may be required by the Exchange or any of its committees and such Participant shall without delay ensure that such particulars are furnished and other material as aforesaid is produced accordingly;
- (bb) issue directives, rulings or guidelines for the purpose of or in conjunction with any of these Rules;
- (c) investigate the accounts and affairs of any Participant whenever in its opinion such action appears warranted;
- (d) *[This sub-rule has been deleted]*
- (e) *[This sub-rule has been deleted]*
- (f) Subject to Rule 401A, interpret conclusively any provision of these Rules and the validity of any act or things done pursuant thereto in the event of any dispute or difference over such Rules;
- (g) Subject to Rule 401A, exercise all such powers as may be necessary to enforce and implement these Rules;
- (h) release information regarding a Participant's financial position or otherwise to the Commission or the Clearing House when so requested;
- (i) order the Participant to liquidate such portion of the Participant's Open Position on its Proprietary Account and/or Client's Accounts as the Exchange deems necessary to ensure the integrity of any Contract or to ensure an orderly and liquid market;
- (j) order the Participant to transfer existing Open Positions to another Clearing Participant or prescribe restrictions on positions as the Exchange deems necessary to ensure the integrity of any Contract to ensure an orderly and liquid market;

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- (k) require the Participants to maintain and submit reports, information and/or documents to the Exchange in the manner, mode and frequency as shall be prescribed by the Exchange;
- ~~(l) appoint a committee, sub-committee, officers of the Exchange or an agent to exercise the Exchange's powers under these Rules, on such terms as it considers necessary or expedient.~~
- ~~(m) disclose to a Participant or other persons as the Exchange considers fit, any action taken against a Participant or Registered Person by the Exchange under these Rules.~~
- ~~(n) determine the manner of trading, the limits on Open Positions in any Contract or for any Participant and the trading practices in the market;~~
- ~~(o) pursuant to a finding from any inspection or investigation on a Participant or Registered Person, require a Participant or Registered Person to take appropriate action against any of the Participant's or Registered Person's employees or agents if such employees or agents have caused the Participant or Registered Person to violate these Rules;~~
- ~~(ep) exercise all such other powers and take any action to ensure the existence or continuance of an orderly and fair Market;~~

and generally to do all things necessary for the smooth and efficient running of the Exchange.

Rule 401A Appeals Against Decisions of the Exchange

- ~~(a) The Exchange shall establish a Committee to determine appeals from a party against whom a decision has been made by the Exchange on applications relating to registration by the Exchange. Any decision of the Exchange is final and binding and a person may only appeal against any action or decision taken or made by the Exchange under these Rules or Directives if the right of appeal is expressly provided for under the relevant provisions of these Rules.~~
- ~~(b) A person against whom a decision has been made by the Exchange may appeal against such decision by notifying the Exchange of its/his intention to appeal within fourteen (14) days from receipt of the notification of the decision. The decision of the Exchange on appeal is final and binding on the person appealing.~~
- ~~(c) The Committee referred to herein shall comprise such persons as may be appointed by the Exchange, all of whom must not have been involved in any other Committee of the Exchange that made the decision appealed against. *[Deleted]*~~
- ~~(d) The Committee referred to herein may affirm, vary or set aside the decision appealed against or any penalty imposed. *[Deleted]*~~
- ~~(e) The decision of the Exchange on appeal shall be final and binding on the appellant. *[Deleted]*~~

(End of Business Rule 400)

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RULE 400A INSPECTIONS AND
INVESTIGATIONS

INSPECTIONS

Rule 400A.1 – Exchange’s Right To Inspection

- (1) The Exchange may conduct an inspection on a Participant or Registered Person at any time on any matter in relation to these Rules, the Participant’s internal policies and procedures and any other rules and regulations related to its business in dealing in derivatives.
- (2) A Participant and Relevant Person must:
 - (a) give or procure for the Exchange all information, Documents, Books and Records the Exchange requests for and allow the Exchange to take copies and extracts of such Documents, Books and Records; and
 - (b) give the Exchange access to the relevant premises for the Exchange to conduct an inspection under Rule 400A.1.
- (3) A Participant and Relevant Person must:
 - (a) not hinder or obstruct the Exchange during the inspection; and
 - (b) give the Exchange all assistance the Exchange reasonably requires to conduct the inspection.

Rule 400A.2 – Reporting

- (1) The Exchange will notify the Participant concerned of the findings of the Exchange’s inspection.
- (2) A Participant must table the Exchange’s findings to the Participant’s board of directors as soon as possible.
- (3) A Participant must within such time as may be stipulated by the Exchange:
 - (a) take corrective measures to address the Exchange’s findings; and
 - (b) notify the Exchange in writing of the Participant’s board of director’s decided course of action and corrective measures taken (if any) to address the Exchange’s findings.

INVESTIGATIONS

Rule 400A.3 Power of investigation

- (1) The Exchange may conduct an investigation on a Participant or Registered Person at any time on any matter in relation to these Rules, the Participant’s internal policies and procedures and any other rules and regulations related to its business in dealing in derivatives.
- (2) The Exchange is empowered to:
 - (a) require a Participant or Relevant Person to attend before the Exchange at any time and to give such information that is relevant to the investigation;

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- (b) record statements from the persons referred to in Rule 400A.3(2)(a). A recorded statement may be used in disciplinary proceedings against a Participant or Relevant Person (including the person making such statement);
 - (c) require a Registered Person or a Participant to procure the attendance of any Relevant Person or consultant before the Exchange and to give or procure such information relevant to the investigation;
 - (d) require the Participant or Relevant Person to give or procure for the Exchange information, Documents, Books or Records that may be relevant to the investigation including requiring the Relevant Person to make copies or the Exchange taking extracts of the same;
 - (e) enter the Participant's or Relevant Person's premises to seize, detain or take possession of any property, Document, Books or Records found at the Participant's or Relevant Person's premises or in the possession, custody or control of a Relevant Person that may be relevant to the investigation; or
 - (f) impose such requirement on the Participant or Relevant Person that the Exchange thinks reasonably necessary to facilitate the investigation.
- (3) A Participant and Relevant Person must:
- (a) not hinder or obstruct the Exchange during the investigation;
 - (b) give the Exchange all assistance the Exchange reasonably requires to conduct the investigation; and
 - (c) comply and give effect to any Directives the Exchange issues in exercising the powers under Rule 400A.3(2).

(End of Business Rule 400A)

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RULE 500 DISCIPLINARY
ACTIONS

DISCIPLINARY POWERS

Rule 501 General

Rule 501.1

In this Rule 500,

“disciplinary proceedings” where the context permits includes appeal proceedings under Rule 515.

Rule 501.2

Where the acts or omissions of a Registered Person, employee, agent or director of a Participant would have been subject to these Rules had such acts or omissions been committed by the Participant, then such acts or omissions are deemed to be committed by that Participant and disciplinary action may be taken against it.

Rule 502 Disciplinary Powers

Rule 502.1

The Exchange or any committee or sub-committee established by the Exchange, after completion of a hearing, may exercise its disciplinary powers under this Rule 502 if the Participant or Registered Person is found to have breached any of these Rules and Directives. The Exchange’s disciplinary powers include the taking of one or more of the following actions:

- (a) issue a private warning or public reprimanding (publicly or privately) a Participant or Registered Person or a notice of censure;
- (b) impose a fine against the Defaulting Participant not exceeding Ringgit Malaysia Five Hundred Thousand (RM 500,000) in respect of a major offence and Ringgit Malaysia Twenty Five Thousand (RM25,000) in respect of a minor offence or such other amount as may be prescribed by the Exchange imposing a fine not exceeding RM1 million on a Participant or Registered Person;
- (c) impose a period of suspension against the Defaulting a Participant or Registered Person in accordance with the terms prescribed by the Exchange;
- (d) determine for the termination of participantship terminating participantship and/or striking off the Defaulting Participant’s name from the relevant Register where the Participant will immediately cease to enjoy the privileges of participantship;
- (e) order the Defaulting Participant to cease and desist from the conduct found to be in violation of these Rules imposing any restriction or condition or both in relation to the breach committed or on activities that a Participant or Registered Person undertakes;
- (f) issue such recommendations, or give such advice, or issue such directions to remedy any matter, as it sees fit imposing one or more conditions for compliance including issuing a directive to take such steps to remedy or mitigate the breach, other than a directive to make restitution;

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- (g) directing a Participant or Registered Person to take appropriate action against any of the employees or agents of the Participant or Registered Person if such a person caused the Participant or Registered Person to commit the breach;
- (h) ordering the ~~Defaulting~~ Participant or Registered Person to liquidate such portion of the ~~Defaulting~~ Participant's Open Position on its Proprietary Account or Clients' Accounts, or both, as the committee deems necessary to ensure the integrity of any Contract or to ensure an orderly and liquid market;
- (i) ordering the ~~Defaulting~~ Participant or Registered Person to transfer existing Open Positions to another Trading Participant or ~~prescribe~~ prescribing restrictions on positions, as the committee deems necessary;
- (j) in the case of a charge proven against a Registered Representative, terminate the registration of a Registered Representative and/or striking off the Registered ~~Representative's~~ Person's name from the relevant Register;
- (k) in respect of a breach of these Rules that relates to a function that has been outsourced, ~~impose~~ imposing any restrictions or conditions in relation to the breach committed or on the activities that a ~~Defaulting~~ Participant or Registered Person undertakes; and/or
- (l) mandating education, training or such other types of programme as may be determined by the Exchange to be undertaken or implemented by the Participant, its employees or Registered Person; or
- (m) take such any other action as ~~if~~ the Exchange may considers appropriate ~~having regard to the provisions of these Rules and the Act and shall make a written record of any action so taken,~~ subject to consultation with the Commission.

Rule 503 Procedures

Rule 503.1

The Exchange will determine the procedures applicable to any disciplinary proceedings taken under this Rule 500. Such procedures may vary to adapt to the circumstances of any particular case.

Rule 503.2

The Exchange is not bound by legal rules of evidence and procedure in any disciplinary proceedings under this Rule 500.

Rule 504 Agreed Settlement

Rule 504.1

A Participant or Registered Person may, at any time before the Exchange makes a decision, propose a settlement of the disciplinary action by agreeing to a set of facts, liability or penalty with the Exchange.

Rule 504.2

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The Exchange may reject, accept or vary the proposed settlement based on terms that the Exchange deems fit.

Rule 504.3

Where the Exchange accepts the proposed settlement, the agreed settlement will be recorded as a decision of the Exchange.

Rule 504.4

If the Exchange is not agreeable to the proposed settlement, the proceedings under Rule 509 will apply.

Rule 505 Request for oral representations

Rule 505.1

A Participant or Registered Person may request for an oral representation to make submissions or to procure the attendance of witnesses or legal representation at such oral representation for proceedings commenced against the Participant or Registered Person. Any such request must be submitted with the Response provided under Rule 510 or the Notice of Appeal stated in Rule 516.

Rule 505.2

The Exchange may, in its absolute discretion, allow or disallow any request made pursuant to Rule 505.1, upon such terms and conditions as the Exchange deems appropriate.

Rule 506 Standard of proof

The Exchange will not find an allegation proven unless the Exchange is satisfied that the allegation is proven on the balance of probabilities.

Rule 507 Other rights

The exercise of powers in Rule 502.1 does not in any way prejudice the other rights of the Exchange against a Participant or Registered Person, or any other person to whom these Rules are directed.

VIOLATIONS

Rule 508 Violation by Participants or Registered Persons

Any Participant or Registered Person who, in any circumstances, directly or indirectly:-

- (a) violates any of these Rules;
- (b) ~~being guilty of fraud or any act of bad faith or of any dishonest conduct~~ is found by the Exchange to be guilty of misconduct;
- (c) fails to perform his duties efficiently, honestly or fairly;
- (d) knowingly ~~acting~~ acts as both buyer and seller in the same transaction except when permitted under the Rules;

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- (e) ~~manipulating~~ manipulates prices or ~~attempting~~ attempts to manipulate prices or to corner or attempt to corner any Contract in the Market;
- (f) ~~violates any provision of the Clearing House Rules;~~
- (g) ~~becomes insolvent;~~
- (h) ~~being a Participant;~~
- (i) ~~after becoming aware of any inability on its part to comply with the minimum financial requirements as contained in these Rules, fails to notify the Exchange of such inability;~~
- (ii) ~~fails to submit its financial reporting statements or annual audited accounts as required by these Rules within the time prescribed for submission; or~~
- (iii) ~~provides false representation(s) to the Exchange or omits to provide any material information to the Exchange or both;~~
- (i) knowingly ~~disseminating~~ disseminates false or misleading reports concerning market information or conditions that may affect the price of any Instrument;
- (j) ~~trading trades~~ or ~~accepting~~ accepts margins during its insolvency or after its Capital Markets Services Licence has been revoked, suspended or lapsed;
- (k) ~~permitting~~ permits the use of its facilities or participating privileges by a Participant or Client in a manner that impairs the dignity or degrades the good name of the Exchange, or creates a market or other situation detrimental to the Exchange, or effectuating manipulations or corners or attempting either or to itself do any of the foregoing;
- (l) ~~committing~~ commits an act, which is substantially detrimental to the interest of the Exchange/Exchange holding company and of its Participants or a Client of a Participant;
- (m) ~~refusing to~~ fails to comply with ~~an order~~ any of the Exchange's decisions, directives, rulings or guidelines (other than those guidelines which are expressed to be non-binding) made under these Rules and/or by the Exchange or any committee or sub-committee established by the Exchange; or
- (n) ~~circulating or aiding~~ circulates or aids in the circulation in any manner of rumours which cast doubt on the integrity of any Contract or underlying;

will be in breach of these Rules and be dealt with in accordance with the provisions of these Rules relating to disciplinary proceedings.

DISCIPLINARY PROCEEDINGS

Rule 509 Requisite Notice

The Exchange will serve on a Participant or Registered Person against whom disciplinary action is proposed to be taken, a written notice specifying the nature and particulars of the breach the Participant or Registered Person is alleged to have committed ("Requisite Notice").

Rule 510 Response to Requisite Notice

The Participant or Registered Person may submit to the Exchange a written response to the Requisite Notice ("Response") within the time stipulated in the Requisite Notice.

Rule 511 Notification of decision

As at 1 ~~April 2015~~ September 2016

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After the conclusion of the disciplinary proceedings, the Exchange will notify the Participant or Registered Person in writing of the decision including the penalty imposed (if any).

EXPEDITED PROCEEDINGS**Rule 512 Scope**

The Exchange may initiate expedited proceedings under this Rule 512 against a Participant or Registered Person against whom disciplinary action is proposed to be taken instead of the proceedings under Rule 509 in circumstances the Exchange deems fit, such as in respect of a breach of the Rules which does not typically attract a penalty beyond:

- (a) a reprimand; or
- (b) a fine of RM10,000.00 or
- (c) both of the above.

Rule 513 Procedure**Rule 513.1**

The Exchange will notify the Participant or Registered Person in writing that the matter will be proceeded with by way of expedited proceedings. The notice will specify the breach and penalty imposed for the breach ("Determination").

Rule 513.2

The Participant or Registered Person must, within the time specified in the Determination, inform the Exchange in writing whether or not the Participant or Registered Person agrees with the Determination. A Participant or Registered Person is deemed to have agreed with the Determination if the Participant or Registered Person does not respond within the specified time.

Rule 513.3

If the Participant or Registered Person agrees or is deemed to have agreed with the Determination, disciplinary action will be recorded as having been taken against the Participant or Registered Person on the date of the Participant's or Registered Person's agreement or upon expiry of the specified time.

Rule 513.4

If the Participant or Registered Person agrees or is deemed to have agreed with the Determination, any fine imposed as a penalty for the breach must be paid:

- (a) upon the Participant or Registered Person informing the Exchange in writing of his agreement with the Determination; or
 - (b) within the time specified in the Determination;
- as the case may be.

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Rule 513.5

If the Participant or Registered Person does not agree with the Determination, the matter will proceed under Rule 509. The Participant or Registered Person may, within the time specified in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 509. In deliberating the matter under Rule 509, the Exchange is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceedings under Rule 509.

Rule 514 No limitation

Nothing in Rule 512 and Rule 513 prevents the Exchange from proceeding with disciplinary proceedings under Rule 509 for any breach of a Rule.

Rule 515 Right of appeal**Rule 515.1**

In amplification of Rule 401A, any party to the disciplinary proceedings taken under Rule 509 who is dissatisfied with a decision resulting from the disciplinary proceedings, may appeal against such decision in the manner specified in Rule 516 unless the decision was recorded pursuant to an agreed settlement under Rule 504 (“the Appellant”).

Rule 515.2

The Exchange may suspend the enforcement of any action taken under Rule 502 that is the subject of the appeal until the disposal of the appeal.

Rule 516 Notice of appeal

The Appellant must, within the time stated in the notification of decision given under Rule 509, give to the Exchange a notice (“Notice of Appeal”) that:

- (a) identifies the decision against which the appeal is made; and
- (b) sets out the ground(s) of the appeal together with the representations to justify the ground(s) relied upon.

Rule 517 Deliberation of appeal**Rule 517.1**

An Appellant may produce evidence that was not presented at the initial disciplinary proceedings if:

- (a) the evidence was not available at the time of the initial disciplinary proceedings; and
- (b) the evidence would have been likely to have had a determining influence upon the decision appealed against.

Rule 517.2

The Appellant must produce the new evidence as stated in Rule 517.1 when submitting the Notice of Appeal.

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Rule 517.3

The Exchange may exercise its powers under Rule 400A and produce new evidence arising from the Notice of Appeal submitted by a Participant or Registered Person.

Rule 517.4

The Exchange may affirm, vary or set aside the decision appealed against.

518 Notification of decision on appeal

After the conclusion of an appeal, the Exchange will notify the Participant or Registered Person in writing of the decision of the appeal and such decision is final.

EFFECT OF DISCIPLINARY ACTION**Rule 519 General****Rule 519.1**

A Participant or Registered Person must give effect to a decision made under Rule 509 or Rule 512 of this Rule 500 or a decision affirmed or varied under Rule 515 within the time stipulated by the Exchange.

Rule 519.2

If a Participant or Registered Person fails to give effect to or comply with such decision made, affirmed or varied, the Participant or Registered Person is deemed to have committed a breach of these Rules and the Exchange may take further action as stated under Rule 502.

Rule 520 Period of payment and effect of non-payment of fine

- (1) Without prejudice to Rule 519.2, a fine imposed by the Exchange must be paid by the Participant or Registered Person within the time stipulated in the notice under Rule 511 or Rule 518.
- (2) Pursuant to Rule 520.1 and Rule 513.4, a Participant or Registered Person who fails to make payment within the stipulated time frame will be suspended from further trading by notice in writing, or as the case may be, from its functions and activities.
- (3) Where the fine remains unpaid 7 days after the suspension under Rule 520.2, the Exchange may at any time thereafter terminate for participants the Participant or strike the Registered Person off the Register by notice in writing.
- (4) A fine or any portion of a fine remaining unpaid by a Participant or Registered Person is a debt owing by the Participant to the Exchange.

Rule 521 Effect of suspension

- (1) A suspension imposed by the Exchange upon the Participant or Registered Person:
 - (a) takes effect on the date notified in the notice under Rule 511 or Rule 518 ("the said notice"); and

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(b) remains for such period as specified in the said notice but the period may be extended by the Exchange for such period as it considers appropriate.

(2) A Participant or Registered Person who has been suspended for any reason must immediately cease to trade but nothing is to be construed as releasing or discharging such Participant or Registered Person from remaining liable in all respects to fulfil all its obligations pursuant to or under these Rules.

Rule 522 Transitional provisions

(1) In this Rule 522,

(a) “New Rules” means the provisions in Rule 500 in force from the Effective Date;

(b) “Old Rules” means the provisions in Rule 500 in force prior to the Effective Date; and

(c) “Effective Date” means the date that the New Rules come into force as prescribed by the Exchange.

(2) The New Rules do not affect:

(a) the accrued rights of the Exchange under the Old Rules;

(b) the accrued obligations of Participants and Registered Persons under the Old Rules;

(c) the right of the Exchange to take any action for breaches under the Old Rules discovered after the New Rules come into effect;

(d) the right of the Exchange to continue with any action initiated under the Old Rules after the New Rules come into effect; and

(e) any conditions, undertakings, decisions, waivers, act or thing imposed on or given by or done by Participants and Registered Persons under the Old Rules.

(3) If the Exchange initiates any disciplinary action on and after the Effective Date for breaches which occurred under the Old Rules, the following applies:

(a) the Exchange can apply the relevant rules and procedures relating to disciplinary matters under the New Rules; and

(b) the Exchange can apply the relevant penalties under the New Rules.

(4) The Exchange can apply the rules, procedures, and penalties of the Old Rules to:

(a) disciplinary actions which were initiated prior to the Effective Date;

(b) appeals made prior to the Effective Date; or

(c) appeals made on or after the Effective Date in relation to disciplinary actions initiated or taken prior to the Effective Date.

~~RULE 500~~

**~~ENFORCEMENT OF RULES,
APPEALS, ARBITRATION AND
AUDIT~~**

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Rule 500

~~For the purposes of Rule 501 to Rule 515 inclusive, except where the context requires otherwise, the reference to:-~~

- ~~(a) "Participants" shall include Trading Participants, Local Participants, Associate Participants; and~~
- ~~(b) "Registered Person" shall include officers of Trading Participants and Associate Participants, who are duly registered with the Exchange, and Registered Representatives.~~

Rule 501 — Committee**Rule 501.1**

~~The Exchange shall appoint a committee, sub committee or officer(s) of the Exchange or Exchange holding company to discharge the exercise of its powers under this Rule 500.~~

Rule 501.2

~~*{This Rule has been deleted}*~~

Rule 501.3

~~The terms of reference in relation to the composition, jurisdiction and administration of all committees shall be as determined by the Exchange.~~

Rule 501.4

~~*{This Rule has been deleted}*~~

Rule 501.5

~~*{This Rule has been deleted}*~~

Rule 502 — Fidelity Fund Committee**Rule 502.1**

~~*{This Rule has been deleted}*~~

Rule 502.2 — Establishment Of A Fidelity Fund

~~*{This Rule has been deleted}*~~

Rule 502.3 — Contributions by Trading Participant

~~*{This Rule has been deleted}*~~

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~~Rule 502.4 — Payments out of Fidelity Fund~~

~~{This Rule has been deleted}~~

~~Rule 502.5 — Claims~~

~~{This Rule has been deleted}~~

~~Rule 502.6 — Notice of Claims~~

~~{This Rule has been deleted}~~

~~Rule 502.7 — Time Limitation~~

~~{This Rule has been deleted}~~

~~Rule 502.8 — Form of Claim~~

~~{This Rule has been deleted}~~

~~Rule 502.9 — Submission of Documents and Appearances before the Exchange~~

~~{This Rule has been deleted}~~

~~Rule 502.10 — Powers Of Exchange In Relation to Claims Against the Fidelity Fund~~

~~{This Rule has been deleted}~~

~~Rule 502.11 — Right of appeal~~

~~{This Rule has been deleted}~~

~~Rule 502.12 — Payment Of Compensation~~

~~{This Rule has been deleted}~~

~~Rule 502.13 — Limitations on Compensation~~

~~{This Rule has been deleted}~~

~~Rule 502.14 — Subrogation Right~~

~~{This Rule has been deleted}~~

~~Rule 502.15 — Accounts~~

~~{This Rule has been deleted}~~

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~~Rule 502.16—Advances~~

~~{This Rule has been deleted}~~

~~Rule 502.17—Permitted Investments~~

~~{This Rule has been deleted}~~

~~Rule 502.18—Insurance~~

~~{This Rule has been deleted}~~

~~Rule 502.19—No Cause of Action against the Exchange~~

~~{This Rule has been deleted}~~

~~Rule 503~~

~~Rule 503.1~~

~~{This Rule has been deleted}~~

~~Rule 503.2~~

~~{This Rule has been deleted}~~

~~Rule 503.3~~

~~{This Rule has been deleted}~~

~~Rule 504—Evaluation~~

~~Rule 504.1~~

~~The Exchange may:~~

- ~~(a) evaluate the eligibility of potential new Participants;~~
- ~~(b) evaluate the need for new classes of participantship; and~~
- ~~(c) make a determination on any matter, which pertains to membership.~~

~~Rule 504.2~~

~~{This Rule has been deleted}~~

~~Rule 504.3~~

~~{This Rule has been deleted}~~

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Rule 505 — Business Conduct**Rule 505.1**

~~The Exchange shall have oversight of the business conduct of Participants and may establish such appropriate committee or sub-committee to conduct hearings on those matters over which it has been assigned jurisdiction by the Exchange including:-~~

- ~~(a) the business conduct of and compliance with these Rules by Participants including those relating to financial requirements;~~
- ~~(b) conduct of Participants, which may be detrimental to the Exchange;~~
- ~~(c) manipulation of or an attempt to manipulate prices;~~
- ~~(d) cornering or attempts to corner any Contracts;~~
- ~~(e) conduct affecting other Participants except in so far as jurisdiction over conduct is assigned to other committees; and/or~~
- ~~(f) Clients' complaints against a Participant.~~
- ~~(g) [This sub rule has been deleted]~~
- ~~(h) [This sub rule has been deleted]~~
- ~~(i) [This sub rule has been deleted]~~
- ~~(j) [This sub rule has been deleted]~~

Rule 505.1A

~~[This Rule has been deleted]~~

Rule 505.1B

~~[This Rule has been deleted]~~

Rule 505.1C

~~[This Rule has been deleted]~~

Rule 505.1D

~~In relation to business conduct in general,~~

- ~~(a) [This sub rule has been deleted]~~
- ~~(b) [This sub rule has been deleted]~~
- ~~(c) The Exchange may employ the services of an auditor or such other persons as the Business Conduct Committee may approve, to assist the Compliance Sub-Committee;~~
- ~~(d) Where an auditor or such other persons are appointed to inspect books and records and/or investigate the conduct of a Participant, all fees and remuneration to be paid to the auditor or such other person shall be borne by the Participant;~~

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- ~~(e) The Exchange may by written direction, direct the Participant to pay the fees and remuneration of the appointed auditor or such other person appointed and any GST amount to be paid under Rule 108A(1) within such time and in the manner it specifies. The Exchange may take disciplinary action pursuant to Rule 508 against a Participant for failure to comply with such direction. The amount specified in the direction shall be regarded as a debt owing to the Exchange and shall be recoverable by legal action notwithstanding any disciplinary action that may be taken against the Participant by the Exchange;~~
- ~~(f) Where the Exchange has reason to believe that a Participant may have committed a breach of these Rules, it may require the Participant (or any other Participant) to appear before it and to furnish such information and make such explanation as may be required;~~
- ~~(g) When a Participant is trading in Contracts on an exchange other than the Exchange, the Exchange may, to ensure that Client funds are protected, give directions with the following effect;~~
- ~~(i) that orders may only be placed with a Participant of the Exchange upon which the orders are to be effected;~~
 - ~~(ii) that Client monies be placed with a particular member of a particular exchange;~~
 - ~~(iii) that such security or guarantee, as may be determined by the Exchange, shall be taken out in respect of Client's funds placed overseas; or~~
 - ~~(iv) that such other action be taken as the Exchange considers necessary; and~~
- ~~(h) A Participant may, by notice in writing serve on the Exchange, within fourteen (14) days of the Participant being notified of a direction of the Exchange made pursuant to Rule 505.1D(g)(iii) above, appeal against such direction in accordance with Rule 512. Unless the Exchange in its absolute discretion otherwise orders, the Exchange shall comply with such direction pending the determination of the appeal.~~

Rule 505.2

In relation to business conduct in general, the Exchange shall also:

- ~~(a) make determinations on the manner of trading, the limits on Open Positions in any Contract or for any Participant and, generally, the trading practices in the market;~~
- ~~(b) conduct periodic evaluation of Participants to review their market performance and ensure quality of the Market, competition amongst market makers and observance of high ethical standards;~~
- ~~(c) make determinations in relation to the adoption of new Rules with respect to any of the foregoing and, upon request by a Participant, interpret, or provide guidance upon, any of these Rules; and~~
- ~~(d) hear appeals against the decision of the Exchange's sub-committees unless otherwise provided in these Rules.~~

Rule 505.3

[This Rule has been deleted]

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Rule 505.4

[This Rule has been deleted]

Rule 506 — Investigation**Rule 506.1**

~~Where the Exchange has instituted an investigation into any alleged or suspected Rule violation, all Participants shall co-operate in such investigation by:~~

- ~~(a) providing all information, paper and/or document concerning the matter which are in their possession or under their control; and~~
- ~~(b) rendering all such assistance as may be reasonable and necessary to enable the matter to be fully investigated,~~

~~within the time period stipulated by the Exchange.~~

Rule 506.2

~~The findings and results of all investigations by the Exchange shall be recorded in writing. The findings and results of all investigations shall be deemed confidential and shall not be revealed or otherwise used, except in connection with a hearing resulting from the investigation or except when permitted under these Rules or required by law.~~

Rule 506.3

~~The Exchange shall consider such findings arising from the audits, inspections and investigations conducted by the Exchange on a Participant. After considering the findings, where the Exchange is of the opinion that the breach is not sufficiently serious to warrant further referral to an appropriate committee or sub-committee established by the Exchange, the Exchange may at its absolute discretion proceed to caution or reprimand the Participant or cause the matter to be brought to the notice of the Participant.~~

Rule 507 — Hearing**Rule 507.1 — Assignment for Hearing**

- ~~(a) A Participant against whom disciplinary action is proposed to be taken (“Defaulting Participant”) shall be notified by the Exchange of such action in writing (“Requisite Notice”).~~
- ~~(b) The Requisite Notice shall specify:~~
 - ~~(i) the nature and particulars of the charge against the Defaulting Participant; and~~
 - ~~(ii) the time, place and date of the meeting (being not less than fourteen (14) days after the date when such notice is served) when such charge is to be heard before and dealt with by the Exchange.~~

Rule 507.1A — Response to Requisite Notice

As at 1 ~~April 2015~~September 2016

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- ~~(a) The Defaulting Participant may respond to the charge by submitting a written response to the Exchange within fourteen (14) days from the date of the notice issued under this Rule.~~
- ~~(b) If the Defaulting Participant fails, within the time stipulated under the foregoing Rule to respond to, or appear before the Exchange, the Exchange may proceed to deal with the charge against the Defaulting Participant.~~

Rule 507.2 — Hearing Procedures

~~The Exchange or such other committee or sub-committee as established by the Exchange, as the case may be, when considering any matter under these Rules may regulate its sittings and adopt such procedures as it thinks fit provided that:~~

- ~~(a) no legal counsel shall be allowed at such hearings without the prior written approval of the Exchange;~~
- ~~(b) the Exchange or any hearing committee constituted by the Exchange shall be governed by the rules of natural justice and shall give each party a reasonable opportunity to make written or oral representations; and the Exchange or any hearing committee constituted by the Exchange as may be appropriate shall not find an allegation proved unless it is satisfied on the balance of probabilities.~~
- ~~(c) the Exchange or any hearing committee constituted by the Exchange and any member of such hearing committee may actively question any witness and examine all evidence or they may request the officers of the Exchange to conduct the examination. The Defaulting Participant may testify, produce evidence, call its own witnesses and cross-examine any witness. The Exchange shall not be bound by the formal rules of the law of evidence and procedure;~~
- ~~(d) the Exchange and any member of the hearing committee constituted by the Exchange may require the Defaulting Participant or Defaulting Participant's employee to attend, to testify, and to produce all books and records relevant to the charge. Prior to the hearing, the Defaulting Participant involved may examine all evidence which is to be relied upon by the hearing committee during the hearing, or is relevant to the charge or charges; and~~
- ~~(e) [This sub rule has been deleted]~~
- ~~(f) the exercise of disciplinary powers by the Exchange or any hearing committee constituted by the Exchange shall, where applicable, extend to an Officer, agent or representative of the Defaulting Participant in his own right.~~

Rule 507.3

~~The proceedings of the hearing shall be properly recorded. All testimony and documents produced in connection with a hearing shall be deemed confidential and shall not be revealed or otherwise used, except in connection with disciplinary proceedings resulting from the hearing or except when permitted under these Rules or required by law.~~

Rule 507.4 — Notice of Findings

- ~~(a) The Exchange or any hearing committee constituted by the Exchange shall give written notice of the findings of the hearing and of any action taken under Rule 508 to the Commission and the Defaulting Participant concerned, as well as the Defaulting Participant's right of appeal under Rule 512.~~

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~~**Rule 508 — Action against Participants**~~~~**Rule 508.1**~~

~~The Exchange or any committee or sub-committee established by the Exchange, after completion of a hearing, may:~~

- ~~(a) decide that no action be taken;~~
- ~~(b) issue a private warning or public reprimand or a notice of censure;~~
- ~~(c) issue such recommendations, or give such advice, or issue such directions to remedy any matter, as it sees fit;~~
- ~~(d) order the Defaulting Participant to cease and desist from the conduct found to be in violation of these Rules;~~
- ~~(e) direct that the Defaulting Participant shall not open any new Client Account without the express consent of the Exchange;~~
- ~~(f) order the Defaulting Participant to liquidate such portion of the Defaulting Participant's Open Position on its Proprietary Account or Clients' Accounts, or both, as the committee deems necessary to ensure the integrity of any Contract or to ensure an orderly and liquid market;~~
- ~~(g) order the Defaulting Participant to transfer existing Open Positions to another Trading Participant or prescribe restrictions on positions, as the committee deems necessary;~~
- ~~(h) impose a fine against the Defaulting Participant not exceeding Ringgit Malaysia Five Hundred Thousand (RM 500,000) in respect of a major offence and Ringgit Malaysia Twenty Five Thousand (RM25,000) in respect of a minor offence or such other amount as may be prescribed by the Exchange;~~
- ~~(i) direct, by way of compensation order that the Defaulting Participant recompense any Client who has suffered a readily determinable loss arising as a direct result of any matter on which the committee has adjudicated and in respect of which such Defaulting Participant is at fault;~~
- ~~(j) determine that any reports or any extract or summary thereof, or any finding of, or sanction imposed to be published;~~
- ~~(k) impose a period of suspension against the Defaulting Participant;~~
- ~~(l) determine for the termination of participantship and/or striking off the Defaulting Participant's name from the relevant Register;~~
- ~~(m) in the case of a charge proven against a Registered Representative, terminate the registration of a Registered Representative and/or striking off the Registered Representative's name from the relevant Register;~~
- ~~(n) in respect of a breach of these Rules that relates to a function that has been outsourced, impose any restrictions or conditions in relation to the breach committed or on the activities that a Defaulting Participant undertakes; and/or~~
- ~~(o) take such other action as it may consider appropriate having regard to the provisions of these Rules and the Act and shall make a written record of any action so taken.~~

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~~Rule 509 — Action when Client violates these Rules~~

~~Rule 509.1~~

~~If the Exchange or any committee or sub-committee established by the Exchange has reason to believe or suspect that a Client is conducting its or his trading activities in violation of these Rules, it may, by due notice, request such Participant that has dealings with such Client to appear, produce documents and testify at a hearing to be conducted by the Exchange or any committee or sub-committee established by the Exchange as the case may be.~~

~~Rule 509.2~~

~~Until the case has been decided by the Exchange or any committee or sub-committee established by the Exchange, the Exchange may send a directive to all Participants directing all Participants not to accept from such Client any new orders to open a position.~~

~~Rule 509.3~~

~~If, after a hearing conducted pursuant to Rule 509.1, the Exchange or committee or sub-committee established by the Exchange conducting the hearing determines that the actions of such Client threaten the integrity or liquidity of any Contract or are likely to result in a squeeze, corner, or other form of manipulation, the committee conducting the hearing may:~~

- ~~(a) — order any Participant to close out all or any portion of such Client's position in the threatened Contract;~~
- ~~(b) — order that no Participant accept new positions in the threatened Contract on behalf of such Client; or~~
- ~~(c) — order such other action as is necessary.~~

~~Rule 510 — Offences~~

~~Rule 510.1~~

~~All persons trading on the Exchange shall not commit or attempt to commit any or all of the offences stated hereunder. Offences under these Rules shall be classified into major offences and minor offences.~~

~~Rule 510.2 — Major Offences~~

~~Major offences shall include:-~~

- ~~(a) — accepting orders from Clients for Contracts without causing such orders to be executed on an exchange or in accordance with the rules, by laws, regulations, customs and practice of such exchange;~~
- ~~(b) — being guilty of fraud or any act of bad faith or of any dishonest conduct;~~
- ~~(c) — making or reporting a false or fictitious trade;~~
- ~~(d) — knowingly acting as both buyer and seller in the same transaction except when permitted under the Rules;~~
- ~~(e) — manipulating prices or attempting to manipulate prices or to corner or attempt to corner any Contract in the Market;~~

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- ~~(f) making a material mis statement to the Exchange or to a committee, or on any information supplied to the Exchange or its officers;~~
- ~~(g) knowingly disseminating false or misleading reports concerning market information or conditions that may affect the price of any Instrument;~~
- ~~(h) trading or accepting margins during its insolvency or after its Capital Markets Services Licence has been revoked, suspended or lapsed;~~
- ~~(i) refusing to appear before any committee of the Exchange at a duly convened hearing, or in connection with any investigation or refusing to fully answer all questions or produce all books and records at any audit, hearing or investigation or giving false testimony;~~
- ~~(j) making use of or revealing any confidential information obtained by reason of participating in any investigative proceeding or hearing;~~
- ~~(k) permitting the use of its facilities or participating privileges by a Participant or Client in a manner that impairs the dignity or degrades the good name of the Exchange, or creates a market or other situation detrimental to the Exchange, or effectuating manipulations or corners or attempting either or to itself do any of the foregoing;~~
- ~~(l) failing to maintain the Minimum Financial Resources Requirements as prescribed under these Rules;~~
- ~~(m) committing an act, which is substantially detrimental to the interest of the Exchange/Exchange holding company and of its Participants or a Client of a Participant;~~
- ~~(n) refusing to comply with a final arbitration award or decision of any committee conducting the hearing pursuant to these Rules;~~
- ~~(o) persistently violating any Rule;~~
- ~~(p) refusing to comply with an order of the Exchange or any committee or sub-committee established by the Exchange;~~
- ~~(q) using, or permitting or suffering to be used, any monies, securities or documents of any of its Clients required by the Capital Markets and Services Act to be kept on a Clients' Segregated Account otherwise than as may be permitted by the Capital Markets and Services Act;~~
- ~~(r) failing to answer Clients' complaints promptly and in appropriate detail;~~
- ~~(s) violating a Rule, which provides (as a result of such violation) for termination of participantship;~~
- ~~(t) violating a Rule, which cites such violation as a major offence;~~
- ~~(u) failing to submit audited accounts or any other financial statements within the stipulated time as prescribed under these Rules;~~
- ~~(v) *[This sub-rule has been deleted]*~~
- ~~(w) making a false or misleading entry in the accounting or other records;~~
- ~~(x) violating any provisions of the Articles, Capital Markets and Services Act or any regulations made thereunder;~~
- ~~(y) knowingly violating any Rule, assisting others in violating these Rules and any act, which damages the reputation, or business of the Exchange; or~~

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~~(z) trading in Contracts in breach of Rule 302.3.~~

Rule 510.3 — Minor Offences

Minor offences shall include:

- ~~(a) circulating or aiding in the circulation in any manner of rumours which cast doubt on the integrity of any Contract; or~~
- ~~(b) violating any rule, the violation of which is not a major offence.~~

Rule 510.4

~~The Exchange shall maintain a register of offences committed by Participants and the names of the offenders and shall publish, at such time and in such manner as the Exchange deems fit, any finding that a Participant has committed an offence and any penalty imposed in respect of the commission of such offence. Any finding that a Participant (who is licensed under the Capital Markets and Services Act) has committed an offence and any penalty imposed in respect of such offence shall be reported within seven (7) days to the Commission.~~

Rule 511 — Disciplinary Action

Rule 511.1

~~Major offences may be dealt with by a termination of participation, suspension, fine not exceeding RM1 million or by both suspension and fine or by any other action deemed appropriate pursuant to and Rule 508.1. A Participant found guilty of having engaged in conduct which is substantially detrimental to the interest of the Exchange may, in addition to the disciplinary actions prescribed for a major offence, be required to pay the Exchange an amount computed to include the costs and expenses, including lawyer's fees, incurred by the Exchange in defending or responding to such Participant's action.~~

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Rule 511.2

~~Minor offences may be dealt with by a fine not exceeding RM25,000 or suspension, or both suspension and fine or by any other action deemed appropriate pursuant to and Rule 508.1.~~

Rule 511.3

~~A Participant who has at any time been found guilty of a major offence shall not be entitled to nominate any representative to serve or continue to serve on any committee until otherwise decided by the Exchange.~~

Rule 511.4

~~[Deleted]~~

Rule 512 — Appeals

- ~~(a) The Exchange shall establish a committee to hear and determine appeals from decisions made by the Exchange, or committee or sub-committee established by the Exchange.~~
- ~~(b) In amplification of Rule 401A, any Participant against whom a decision has been made by the Exchange on matters referred under this Rule 500 (in this Rule 512 referred to as the “appellant”) may appeal against such decision by notifying the Exchange of his intention to appeal within fourteen (14) days from receipt of the notification from the Exchange, unless otherwise provided.~~
- ~~(c) Pending the determination of an appeal under this Rule 512, the enforcement of any disciplinary action against the appellant with regards to the subject of the appeal shall be suspended until the disposal of the appeal.~~

Rule 512.1

~~(a) [This sub rule has been deleted]~~

~~(b) [This sub rule has been deleted]~~

- ~~(c) Appeals from any decision made under this Rule 500 shall be in writing and lodged with the Exchange within fourteen (14) days of the appellant receiving the notice of the decision of the Exchange or committee or sub-committee established by the Exchange. The appellant shall state the grounds and reasons for appeal and the decision he is seeking from the Exchange in his notice of appeal.~~
- ~~(d) The Exchange shall convene a meeting as soon as practicable to hear the appeal and the Participant may attend and give such explanation and produce such evidence as he thinks fit at the meeting. The Participant shall be entitled to legal representation at such meeting.~~
- ~~(e) The appeal shall not be a rehearing of the facts presented at first instance to the Exchange at or committee or sub-committee established by the Exchange.~~
- ~~(f) The Exchange shall not be bound by strict legal rules of evidence and procedure.~~
- ~~(g) The Exchange sitting on appeal of any decision made under this Rule, may affirm, set aside or vary the decision in such manner as it sees fit. Such decision shall~~

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~~require a two-third majority of the members of the committee established by the Exchange to hear the appeal present and entitled to vote.~~

- ~~(h) Pending a decision of an appeal from the Exchange, the earlier decision appealed from shall in all respects be valid and effective against the Participant.~~
- ~~(i) The decision of the Exchange on an appeal shall be final and conclusive and binding on the Participant. The appeal shall nullify or cure any procedural irregularity of the earlier decision appealed from.~~
- ~~(j) A Participant shall have no cause of action against the Exchange or committee or sub-committee established by the Exchange arising out of a decision of the Exchange to uphold an appeal in whole or in part. The Participant shall not institute any legal action against the Exchange in respect of any loss that the Participant may have suffered, including any loss of profit or any damage to reputation by reason of any disciplinary measure taken against the Participant.~~

Rule 513 — Settlement of Disputes

Rule 513.1 — General Provisions

- ~~(a) This Rule 513 is created to establish a fair, expeditious and inexpensive procedure for settlement of Disputes so that resort to other legal means shall not be necessary.~~
- ~~(b) This Rule 513 shall apply to a Dispute which arises out of a transaction on the Exchange but it shall not include a dispute arising from cash transactions which are not part of, or directly connected with, a transaction executed on the Exchange for the purchase or sale of a Contract.~~

Rule 513.2 — Definitions

~~The definitions for the terms used in this Rule 513 shall be found in Rule 200.~~

Rule 513.3 — Jurisdiction

- ~~(a) Subject to the provisions of Rule 707.2A, any Claim or Grievance between a Participant of the Exchange against another Participant whether originating during or after the cessation of the participantship of the parties, shall be settled by Arbitration in accordance with these procedures. Subject to the provisions of Rule 707.2A, Arbitration proceedings invoked pursuant to these Rules shall be independent of and shall not interfere with or delay the resolution of a Client's Claim or Grievance submitted for Arbitration pursuant to Rule 513.~~
- ~~(b) *[This sub-rule has been deleted]*~~
- ~~(c) All other Disputes, regardless of their nature between or among any two or more parties, shall if agreed by all parties involved, be settled by Arbitration in accordance with these Rules. Arbitration proceedings involved pursuant to this paragraph shall be independent of and shall not interfere with or delay the resolution of a Client's Claim or Grievance submitted for Arbitration pursuant to Rule 513.~~
- ~~(d) Any statement of defence may set forth one or more counterclaims against the Claimant provided that any such counterclaims shall arise out of the transaction or occurrence that is the subject of the Claimant's Claim or Grievance. Counterclaims that do not arise out of the transaction that is the subject of the original claim may be heard only with the agreement of the Claimant.~~

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~~(e) Any person who submits a Dispute for Arbitration or submits thereto shall conclusively be deemed to have voluntarily recognised the jurisdiction of the Arbitrators to hear and determine such Dispute or controversy and any Award made thereunder shall be binding on such person who shall be obligated to perform any Award made.~~

~~Rule 513.4 Secretariat Establishment, Duties and Powers~~

~~Rule 513.4A Establishment~~

~~The Secretariat shall be established and managed by an officer designated by the Exchange.~~

~~Rule 513.4B Duties and Powers~~

~~(a) The Claimant shall file with the Secretariat a notice of intention to apply for Arbitration within ninety (90) calendar days (or such extended period deemed appropriate by the Exchange) from the time the Claim or Grievance arose.~~

~~(b) The parties shall also file with the Secretariat a copy of any other notice (including consent of any Client to submit to Arbitration) notification, communication or proposal concerning the Arbitration proceedings.~~

~~(c) All documents or information to be submitted by the parties shall be submitted to the Secretariat in triplicate whereupon the Secretariat shall despatch one copy each to the other party and to the Arbitrators.~~

~~Rule 513.4C Classification of Disputes~~

~~(a) The Secretariat shall consider each notice, and refer each matter either to the Arbitration Panel or to the Exchange.~~

~~(b) The Secretariat shall refer Disputes to an Arbitration Panel in the event that:~~

~~(i) a Dispute relates to a physical delivery arising out of or under a Contract on the Exchange; or~~

~~(ii) all parties to the Dispute have specifically requested in writing for the matter to be referred to the Arbitration Panel.~~

~~(c) The Secretariat shall refer all other Disputes to the Exchange.~~

~~(d) The Arbitration Panel shall conduct hearings in accordance with the procedures stated in Rule 513.6C. The Exchange, or an appropriate committee or sub-committee established by the Exchange shall conduct hearings in accordance with the procedures stated in Rule 513.7D.~~

~~(e) The Secretariat shall thereupon provide the Claimant with a copy of notice for Arbitration and a statement of claim form.~~

~~Rule 513.4D Procedure for submission of documents~~

~~(a) The Claimant shall deliver to the Secretariat the statement of claim form within ninety (90) calendar days (or such extended period deemed appropriate by the Exchange) from the time the Claim or Grievance arose, or within thirty (30) calendar days from the date the Exchange delivers a copy of this Rule 513 and a statement of claim form, whichever is later.~~

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- ~~(b) Subject to Rule 513.5, the statement of claim form shall set forth the name and address of the party or parties concerned, the nature and substance of the Claim or Grievance, the relief requested and the factual and legal basis alleged to underlie such relief.~~
- ~~(c) The statement of claim form shall be accompanied by the Claimant's non-refundable cheque payable to the Exchange in payment of the Arbitration Fee in accordance with Rule 513.5A.~~
- ~~(d) The Claimant may annex to his statement of claim all documents which he deems relevant or may add a reference to the documents or other evidence that he will submit.~~
- ~~(e) At the same time, the Claimant shall indicate whether he requires a Full Hearing. If a Full Hearing is required he shall also submit a provisional list of witnesses and/or experts that he intends to call.~~
- ~~(f) The date when the statement of claim form is received by the Secretariat shall for all purposes be deemed to be the date of commencement of the Arbitration proceedings.~~
- ~~(g) Upon receipt of the statement of claim form, the Secretariat shall promptly deliver a copy of the statement of claim form to each Defendant. Each Defendant shall, within twenty (20) calendar days following the delivery of such statement, file a statement of defence with the Secretariat, with a copy to the Claimant setting forth his position with respect to the Claimant's Claim or Grievance. Any allegation in the statement of claim form not denied clearly and specifically by a Defendant in his statement of defence shall be deemed admitted.~~
- ~~(h) The Defendant may annex to his statement the documents on which he relies for his defence or may add a reference to the documents or other evidence that he will submit.~~
- ~~(i) At the same time the Defendant shall indicate whether he requires a Full Hearing. If a Full Hearing is required, the Defendant shall also submit a provisional list of witnesses and/or experts that he intends to call.~~
- ~~(j) The statement of defence may set forth one or more counterclaims against the Claimant provided that any such counterclaim shall arise out of the transaction or occurrence that is the subject of the Claimant's Claim or Grievance.~~
- ~~(k) If a statement of defence sets forth one or more counterclaims, the Claimant shall reply to such counterclaims within twenty (20) calendar days following delivery of the Defendant's statement of defence. The reply shall be filed with the Secretariat and a copy to the Defendant involved.~~
- ~~(l) It shall be the responsibility of the Claimant and Defendant to arrange for the appearance of their respective witnesses and/or experts during the Full Hearing.~~
- ~~(m) The Secretariat shall make available or arrange for such facilities and assistance for the conduct of Arbitration proceedings as may be required, including suitable accommodation for sittings of the Arbitrators and Secretariat.~~

Rule 513.5 — General Provisions

Rule 513.5A — Costs and Fees for Arbitration

- ~~(a) The parties to an Arbitration must pay all costs and fees the Exchange stipulates in the manner and within the period the Exchange specifies. Such costs and fees will be borne in the following manner subject to Rule 513.5A(b):-~~

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- ~~(i) — Arbitration Panel — both parties must bear the costs and fees equally.~~
- ~~(ii) — The Exchange or committee or sub-committee established by the Exchange — the Claimant must bear the costs and fees.~~

~~All costs and fees shall be deposited in advance. The Arbitrators and/or the Secretariat may while the hearing proceedings are in progress, at their absolute discretion call for additional deposits to defray the costs or fees of the hearing from both parties with respect to Arbitration Panel proceedings or the Claimant with respect to proceedings before the Exchange or committee or sub-committee of the Exchange.~~

- ~~(b) — The Arbitrators may decide to include in the award any other costs or fees as they may deem fit. With respect to all the costs and fees pertaining to the Arbitration or incidental thereto, the Arbitrators taking into account the circumstances of the case shall be free to determine which party shall bear such costs and fees or may apportion such costs and fees between the parties.~~

~~Rule 513.5B — Limitation Period~~

~~Save as herein expressly stated, a person wishing to apply for Arbitration pursuant to this Rule 513 shall submit his request to the Secretariat within ninety (90) calendar days (or such extended period deemed appropriate by the Exchange) from the time the Claim or Grievance arose.~~

~~Rule 513.5C — Waiver of time limit~~

~~The time limit set for any act under this Rule 513 may be varied at the sole discretion of either the Secretariat or the Arbitrators.~~

~~Rule 513.5D — Discretion of Arbitrators as to fees and costs~~

- ~~(a) — The fees and costs in Rule 513.5A may be varied or waived at the sole discretion of either the Arbitrators or the Exchange.~~
- ~~(b) — Notwithstanding any such variation, waiver or exemption under Rule 513.5D(a) above, the Arbitrators in the exercise of their powers under Rule 513.5A(b), may provide in their Award that the other party or parties shall bear the whole or part of such fees and costs as may have been payable otherwise than for such variation, waiver or exemption.~~

~~Rule 513.5E — Determination of Articles, Rules and Facts~~

~~The Arbitrators shall be the sole and final judge of the facts as well as the meaning and effect of the Articles and Rules. The Arbitrators may refer any question of law to the solicitors, or legal officer of the Exchange for opinion, the expense of which shall be borne by the Exchange.~~

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~~Rule 513.5F – Rules of Evidence shall not apply~~

~~The Arbitrators shall not be bound by the strict rules of evidence and shall be at liberty to admit and consider any evidence whatsoever notwithstanding that it may not be admissible under the laws for the time being relating to evidence.~~

~~Rule 513.5G – Governing Law~~

~~For the purpose of all proceedings by Arbitration or otherwise, a Contract shall be subject to these Rules and be governed by and construed in accordance with the laws of Malaysia.~~

~~Rule 513.5H – Record of Proceedings~~

~~No verbatim records shall be made of the proceedings, unless requested by a party in writing who shall bear the costs of such record.~~

~~Rule 513.5I – Language~~

- (a) ~~Unless otherwise agreed by the Arbitrators, the language to be used in all proceedings shall be English/National Language; provided always that any oral evidence maybe given if necessary in any language and interpreted into English or the language of the proceedings by any interpreter provided or approved by the Secretariat.~~
- (b) ~~The Arbitrators may order that any document annexed to the statement of claim or statement of defence and any supplementary documents or exhibits submitted in the course of the proceedings delivered in their original language shall be accompanied by a translation into English or the language of the proceedings.~~

~~Rule 513.5J – Legal Representation~~

- (a) ~~The parties to a Dispute shall not have present or be represented by legal counsel or solicitors or any member of the legal profession principally engaged in private practice, or any other third party not directly connected with the Dispute except with the prior written consent of the Arbitrators, such consent shall be granted at the sole and absolute discretion of the Arbitrators. The decision of the Arbitrators shall be binding and conclusive on all parties. PROVIDED THAT where a party to a dispute is a corporate entity, such party may be represented by a director or an employee of such corporation.~~
- (b) ~~Notwithstanding any other provision in this Rule 513 the Exchange may, at its sole discretion, request its solicitors and/or legal officer to be present at any Arbitration and assist the Arbitrators thereat with such advice and assistance as may be required in the circumstances.~~

~~Rule 513.5K – Notice~~

~~Any notice or other communication to be given or made pursuant to these Rules shall be deemed to have been delivered, in the case of any notice, or other communication given or made by telex, on the day on which it was despatched, or in the case of any notice or other communication given or made by post two (2) days after having been posted.~~

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~~Rule 513.5L — Address for communication~~

~~Unless otherwise decided by the Exchange, the address for communication in respect to Arbitration shall be the official address of the Exchange from which the Exchange carries on its business operations for the time being.~~

~~Rule 513.6 — Arbitration Panel and Procedures~~

~~Rule 513.6A — Appointment of Panel~~

~~(a) The Secretariat shall maintain a list of arbitrators who have agreed to arbitrate under this Rule 513. The list shall comprise of:~~

- ~~(i) persons appointed by the Exchange to serve as Arbitrators;~~
- ~~(ii) persons approved by the Exchange to serve as Arbitrators upon nomination by its Participants and/or any parties, which subscribe to this Rule 513.~~

~~(b) Persons approved or appointed to serve as Arbitrators shall be those persons who are known to have had the relevant expertise, experience and background knowledge.~~

~~(c) Disqualification~~

~~An individual shall be disqualified to act as an Arbitrator or as an Umpire if such individual or a firm with which he is associated has an interest in the Claim or Grievance.~~

~~(d) Persons nominated may decline appointment~~

~~Any individual nominated by a Claimant or Defendant or the Exchange may decline to act as an Arbitrators or an Umpire PROVIDED that, if a nominated individual declines to act, he shall upon receipt of his notice of appointment, forthwith serve on the Secretariat written notice of his intention to decline appointment and the valid reasons for his decision.~~

~~(e) Appointment and renewal of Arbitrators~~

~~(i) Within twenty one (21) calendar days of receiving the statement of claim the Secretariat shall forward the list of arbitrators to the Claimant. At the same time, the Secretariat will notify the Defendant about the application for Arbitration and also forward to him a list of arbitrators. The parties shall appoint the Arbitrators and/or Umpire from the list of arbitrators maintained by the Exchange.~~

~~(ii) The Dispute may be settled by a sole Arbitrator or by three (3) Arbitrators. Where the parties have agreed that the Dispute shall be settled by a sole Arbitrator, they may, by agreement, nominate him for confirmation by the Secretariat. If the parties fail so to nominate within seven (7) calendar days (or any other extended period deemed appropriate by the Exchange) from the date of despatch of the list of Arbitrators by the Secretariat to both parties, the sole Arbitrator shall be appointed by the Exchange.~~

~~(iii) Where the Dispute is to be referred to three (3) Arbitrators, each party shall nominate respectively one (1) Arbitrator within seven (7) calendar days (or any other extended period deemed appropriate by the Exchange) of the despatch of the list of arbitrators by the Secretariat to both parties. If either of the parties fail to so appoint their respective Arbitrators, the Exchange shall appoint the Arbitrators on behalf of the party so failing. The third Arbitrator who shall act as Umpire shall be appointed by both the Arbitrators.~~

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~~nominated by the parties within seven (7) calendar days of their appointment, whereupon both Arbitrators shall inform the Secretariat who shall confirm the appointment of the Umpire. In the event that both Arbitrators fail to agree to the appointment of the Umpire within the stipulated period, the Exchange shall appoint the Umpire.~~

- ~~(iv) If any Arbitrator should resign, die, withdraw, or be unable to perform the duties of his office for any reason whatsoever the Exchange shall upon satisfactory proof declare the office vacant. Any such vacancy shall be filled in the same manner as an original appointment.~~

~~Rule 513.6B Hearing~~

- ~~(a) Subject to this Rule 513, the sole Arbitrator or Umpire may conduct the Arbitration in such a manner as he considers appropriate provided that the parties are treated equally and that at some appropriate stage of the proceedings each party is given full opportunity to present his case.~~
- ~~(b) If either party requests for a Full Hearing at the commencement of the Arbitrators proceedings, the sole Arbitrator or Umpire shall hold a Full Hearing for the presentation of evidence by witnesses including expert witnesses or for oral arguments.~~
- ~~(c) In the absence of such request, the sole Arbitrator or Umpire shall decide whether to hold such hearings or whether the proceedings shall be conducted on a basis of documents and other material.~~
- ~~(d) Notwithstanding the above, the sole Arbitrator or Umpire shall have absolute discretion to decide whether a Full Hearing is necessary and to proceed without one as he deems fit. Where a Full Hearing is in progress and the sole Arbitrator or Umpire decides that the Full Hearing is not warranted, the sole Arbitrator or Umpire shall at his absolute discretion decide to terminate the Full Hearing and to conduct the proceedings on the basis of documents and other material.~~
- ~~(e) The sole Arbitrator or Umpire shall fix the time and place for the hearings or proceedings.~~

~~Rule 513.6C Conduct of Hearings~~

- ~~(a) The hearing of the Arbitration shall be opened by the recording of oaths by the parties/witnesses/experts and the recording of the place, time and date of hearing, the presence of the Arbitrators, the parties, witnesses and other persons (if any) and the receipt by the sole Arbitrator or Umpire of the statement of claim by the Claimant and the defence (if any) by the Defendant. If any witness and/or expert is introduced at a later stage of the Full Hearing his oath shall be recorded before his evidence is heard.~~
- ~~(b) The Claimant shall present his claim and the Defendant shall present his defence at times indicated by the sole Arbitrator or Umpire. The witnesses and/or experts may adduce evidence as the sole Arbitrator or Umpire deems fit.~~
- ~~(c) The sole Arbitrator or Umpire may question the parties and any of their witnesses and/or experts at any time during the proceedings.~~
- ~~(d) The sole Arbitrator or Umpire may receive and consider the evidence of witnesses and/or experts by statutory declaration and may give it such weight as he deems fit after considering any objections made to its submission.~~

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- ~~(e) The sole Arbitrator or Umpire shall decide which further written statements or documents shall be required from the parties or may be presented by them and shall fix the periods of time communicating such statements.~~
- ~~(f) The sole Arbitrator or Umpire shall inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make, and if there are none, he shall declare the Full Hearing closed.~~
- ~~(g) The sole Arbitrator or Umpire may if he considers it necessary owing to exceptional circumstances decide on his own motion or upon application of a party to reopen the hearing at any time before the Award is made.~~
- ~~(h) Minutes of the proceedings shall be prepared and duly signed by the sole Arbitrator or the Umpire and/or any of the other Arbitrator, and unless there is evidence to the contrary such minutes shall be taken as conclusive evidence of the proceedings. These minutes shall be the property of the Exchange and shall not be made available to any party except with the consent of the Exchange.~~

~~Rule 513.6D Failure to Comply~~

- ~~(a) If the Claimant has failed to communicate his Claim or Grievance within the period of time prescribed in Rule 513.4D(a) without showing sufficient cause for such failure, the sole Arbitrator or Umpire shall issue an order for the termination of the Arbitration proceedings. If the Defendant has failed to communicate his statement of defence within the period of time prescribed in Rule 513.4D(g) without showing sufficient cause of such failure, the sole Arbitrator or Umpire shall order the proceedings to continue.~~
- ~~(b) If anyone or more of the parties, duly notified under this Rule 513, fails to appear at a hearing, without showing sufficient cause for such failure, the sole Arbitrator or Umpire may proceed with the Arbitration notwithstanding such absence.~~
- ~~(c) If anyone or more of the parties, duly invited to produce documentary evidence, fails to do so within the established period of time without showing sufficient cause for such failure, the sole Arbitrator or Umpire may make the Award on the evidence before him. If any of the parties to the Arbitration proceedings fails to comply with the requirements of this Rule 513 or with any requests as may be imposed by the sole Arbitrator or Umpire, the sole Arbitrator or Umpire may at his sole discretion decide upon any further action to be taken.~~

~~Rule 513.7 Arbitration Before The Exchange~~

~~References to the Exchange hereinafter appearing shall, where applicable, include references to a committee or sub-committee established by the Exchange for the purposes of hearing a Dispute pursuant to these Rules.~~

~~Rule 513.7A Quorum for Dispute Sub-Committee~~

~~*[This Rule has been deleted]*~~

~~Rule 513.7B General~~

- ~~(a) Subject to this Rule 513, the Exchange may conduct the Arbitration either by way of Summary Proceedings or by way of Full Hearing in such manner as it considers appropriate provided that at some appropriate stage of the proceedings each party is given a full opportunity to present his case.~~

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- ~~(b) The parties shall furnish to the Secretariat in accordance with the provisions of Rule 513.4D all relevant documentation including the statement of claim, the statement of defence and notice of any party's intention to call any witnesses.~~
- ~~(c) The Secretariat shall compile a bundle of documents, consisting of all documentation submitted by both parties to the Secretariat.~~
- ~~(d) The Secretariat shall then fix the date for the hearing of the Dispute.~~
- ~~(e) Notice of time and place for hearing shall be served by the Secretariat on all parties.~~

~~Rule 513.7C Classification of Procedures~~

- ~~(a) The Exchange may deal with the Dispute by way of Summary Proceedings in the event that:~~
- ~~(i) The Exchange is of the view, that it is clear on the basis of the pleadings and documentary evidence presented that there is no issue or question in Dispute which should be tried by way of a Full Hearing of the Dispute; or~~
- ~~(ii) All parties to the Dispute fail to make a request for the presentation of evidence by witnesses including expert witnesses or for oral argument; or~~
- ~~(iii) Either or both parties to the Dispute request for the Dispute to be heard by way of Summary Proceedings.~~

~~Notwithstanding the above, the Exchange shall have absolute discretion to decide whether a Dispute may be dealt with by way of Summary Proceedings. Where Summary Proceedings are in progress, and the Exchange decides on the basis of submissions that a Full Hearing is warranted, the Exchange shall at its absolute discretion decide to terminate the Summary Proceedings and to conduct the proceedings on the basis of a Full Hearing.~~

- ~~(b) The Exchange may deal with the dispute by way of Full Hearing in the event that:—~~
- ~~(i) The Exchange is of the view on the basis of the pleadings and documentary evidence presented, that it is unable to make a decision and require either or both parties to present evidence by witnesses including expert witnesses; or~~
- ~~(ii) Either or both parties request for a Full Hearing of the Dispute and the Exchange are of the view on hearing the submissions of the parties, that there are further issues or questions which require investigation and that there is a need to hold a hearing for the presentation of evidence by witnesses including expert witnesses.~~

~~Notwithstanding the above, the Exchange shall have absolute discretion to decide whether a Full Hearing is necessary and to proceed without one as it deems fit. Where a Full Hearing is in progress and the Exchange decides that the Full Hearing is not warranted, the Exchange shall at its absolute discretion decide to terminate the Full Hearing and to conduct the hearing by Summary Proceedings.~~

~~Rule 513.7D Conduct of Hearings~~

- ~~(a) The hearing of the Dispute shall be opened by the recording of the place, time and date of hearing, the presence of the Exchange's Officers, the parties, witnesses and other persons (if any) and the receipt by the Exchange of all relevant documentation including the statement of claim and the defence (if any).~~
- ~~(b) The Exchange shall then inform the parties as to the manner of proceedings whether by way of Summary Proceedings or Full Hearing.~~

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- ~~(c) The Exchange may hear submissions from the parties if either or both parties object to the manner of proceedings.~~
- ~~(d) The decision of the Exchange with regard to the manner of proceedings shall be final.~~

~~Rule 513.7E Summary proceedings~~

- ~~(a) The hearing of the Summary Proceedings shall be opened by the recording of the oaths of both parties.~~
- ~~(b) The Exchange shall then review all documentation presented.~~
- ~~(c) The Claimant shall present his claim and the Defendant shall present his defence at times indicated by the Exchange.~~
- ~~(d) The Exchange may examine or cross-examine the parties at any time during the proceedings.~~
- ~~(e) The Exchange shall decide whether further written statements or documents or evidence by way of statutory declaration shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.~~
- ~~(f) The Exchange shall inquire of the parties if they have further submissions to make, and if there are none, the chairman shall declare the Summary Proceedings closed.~~
- ~~(g) The Exchange may if it considers it necessary on its own motion and/or on the basis of the submission of either or both parties to the dispute have the matter heard as a Full Hearing.~~
- ~~(h) The Exchange may if it considers it necessary owing to exceptional circumstances decide on its own motion or upon application of a party, to reopen the hearings at any time before the Award is made.~~
- ~~(i) Minutes of the proceedings shall be prepared and duly signed by the Exchange, and unless there is evidence to the contrary such minutes shall be taken as conclusive evidence of the proceedings. These minutes shall be the property of the Exchange and shall not be made available to any party except with the consent of the Exchange.~~

~~Rule 513.7F Full Hearing~~

- ~~(a) The hearing of Dispute shall open by the recording of oaths of both parties. The oath of any witness introduced by either party shall be recorded before his evidence is heard.~~
- ~~(b) The Claimant shall present his claim and the Defendant shall present his defence at times indicated by the Dispute Sub Committee. The witnesses and/or experts may be introduced by the Exchange as it deems fit.~~
- ~~(c) The Exchange may question the parties and any of their witnesses at any time during the proceedings.~~
- ~~(d) The Claimant and the Defendant shall be given the opportunity to question the other party and the witnesses of the other party on any evidence they have given, at times indicated by the Exchange.~~

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- ~~(e) The Exchange may receive and consider the evidence of witnesses and/or experts by affidavit and may give such weight as it deems fit after considering any objections made to its submission.~~
- ~~(f) The Exchange shall decide whether further written statements or documents shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.~~
- ~~(g) The Exchange shall inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make, and if there are none, it shall declare the Full Hearing closed.~~
- ~~(h) The Exchange may terminate the Full Hearing in accordance with Rule 513.7C(b) if it decides that the Full Hearing is not warranted.~~
- ~~(i) The Exchange may if it considers it necessary owing to exceptional circumstances decide on its own motion or upon application of a party to reopen the hearing at any time before the Award is made.~~
- ~~(j) Minutes of the proceedings shall be prepared and duly signed by the Exchange, and unless there is evidence to the contrary such minutes shall be taken as conclusive evidence of the proceedings. These minutes shall be the property of the Exchange and shall not be made available to any party except with the consent of the Exchange.~~

~~Rule 513.7G Waiver Of Rights~~

~~A party who knows or reasonably ought to have known that any provision of, or requirement under this Rule 513 has not been complied with and yet proceeds with the Arbitration without promptly stating his objection to such non-compliance, shall be deemed to have waived his right to object.~~

~~Rule 513.8 Appeal~~

~~Rule 513.8A Arbitration Panel~~

- ~~(a) The Award of the Arbitration Panel shall be final and binding on the parties. No right of appeal shall lie from a decision of the Arbitration Panel to the Exchange.~~
- ~~(b) Any Award of the Arbitration Panel shall be enforceable by leave of the High Court, Malaya in the same manner as a judgement or order of the same effect.~~

~~Rule 513.8B Arbitration Before The Exchange~~

- ~~(a) Any party being dissatisfied with the Award of arbitration proceedings before the Exchange may appeal to the appropriate committee or sub-committee established by the Exchange within twenty one (21) calendar days of the Award by giving written notice to the Secretariat. The notice of appeal shall be in triplicate.~~
- ~~(b) If the notice of appeal is not filed within twenty one (21) calendar days from the date of the Award, the Award of arbitration before the Exchange shall be final.~~
- ~~(c) The appellant must along with the notice of appeal, deposit with the Secretariat a non-refundable cheque payable to the Exchange, for the costs and fees that the Exchange stipulates in respect of the appeal, any sums due by the appellant to the respondent pursuant to the Award together with costs awarded (if any), and any other expenses. The Exchange and/or the~~

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~~Secretariat may, while the appellate hearing is in progress call for additional deposits from the appellant to defray the costs or fees of hearing.~~

~~Rule 513.8C Payment of Award pending Appeal~~

- (a) ~~Where an appellant is appealing against an Award whereby he is required to make payment to the respondent, the appellant shall within seven (7) calendar days from the date of filing of the notice of appeal, deposit into the Exchange, the full amount due and owing to the respondent pursuant to the terms and conditions of the Award.~~
- (b) ~~The Exchange shall hold any such deposit in an interest bearing account for the benefit of both parties, pending the decision of the Exchange on the appeal.~~
- (c) ~~Any deposit (together with any accrued interest) paid into the Exchange shall not be paid out except pursuant to the final Award of the Exchange on the appeal. Where an Appeal is withdrawn prior to or during the course of hearing of the appeal, the Exchange shall make payment in accordance with the Award of the Exchange.~~

~~Rule 513.8D Appointment of Members of the Appeal Board~~

~~[This Rule has been deleted]~~

~~Rule 513.8E Hearing~~

~~In amplification of the provisions of Rule 401A,~~

- (a) ~~The Exchange may decide upon the need of a Full Hearing after reviewing the case upon the basis of the Award, evidence and statements of all parties originally submitted to the Exchange at first instance.~~
- (b) ~~Notwithstanding the above, the appellant may in the notice of appeal request the Exchange for a Full Hearing. The Exchange shall have absolute discretion to decide whether a Full Hearing is necessary or to proceed without one as it deems fit. Where a Full Hearing is in progress and the Exchange decides that the Full Hearing is not warranted, the Exchange shall at its absolute discretion decide to terminate the Full Hearing and to conduct the proceedings on the basis of documents and other material.~~
- (c) ~~*[This sub rule has been deleted]*~~
- (d) ~~The Exchange may by a simple majority, either confirm, reverse or vary the Award as it considers fit, and such Award shall be final and binding on both parties.~~
- (e) ~~An appellant shall have the right to withdraw the Appeal at any time before the hearing by forwarding a written notice of withdrawal to the Secretariat.~~
- (f) ~~In the following cases the Exchange may reverse the Award of the Exchange made at first instance:-~~
- (i) ~~Where the Award was procured by corruption or fraud;~~
- (ii) ~~Where there was partiality on the part of the Exchange;~~
- (iii) ~~Where the Exchange was wrong in refusing to hear relevant evidence or guilty of any other misconduct as a result of which the rights of any party have been prejudiced;~~
- (iv) ~~Where the Exchange exceeded its jurisdiction;~~

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~~(v) Where the Exchange acted in manifest disregard of the applicable provisions of the Articles and Rules; and~~

~~(vi) Any other circumstances deemed appropriate by the Exchange.~~

~~The Exchange may consider the record made before the Exchange at first instance and any other relevant evidence submitted by the parties in support of or opposition to (i) through (vi) above. In the event that the Exchange decides to reverse the Award on any grounds in (i) through (vi) above, the Exchange may make an Award, which shall be final and binding upon the parties.~~

~~Rule 513.9 Award and Enforcement~~

~~Rule 513.9A Award~~

~~(a) The Arbitrators shall make an Award as soon as practicable from the closure of the hearing.~~

~~(b) The Arbitrators shall lodge their Award in writing with the Secretariat who shall transmit copies thereof to all interested parties. If an Appeal has been waived or if the Award was made by the Arbitrators, the Award shall be final.~~

~~Rule 513.9B Form And Effect Of The Award~~

~~(a) In addition to making a final Award the Arbitrators shall be entitled to make an interim, interlocutory or partial Award.~~

~~(b) The Arbitrators may state the reasons upon which the Award is based unless the parties have agreed that no reason is to be given.~~

~~(c) The Arbitrators shall sign the Award and it shall contain the date on which and the place where the Award was made. If any of the Arbitrators fail to sign the Award, the Award shall state the reason for the absence of the signature.~~

~~(d) The Award shall be made in writing and shall be final and binding on the parties.~~

~~(e) Upon receipt of the Award the Secretariat shall within seven (7) calendar days notify the parties about the availability of the Award and to request them to take up the Award.~~

~~(f) The parties to the Dispute shall be given a period of twenty eight (28) calendar days from the date of service of the Award on the parties concerned to comply with the Award of the Arbitration Panel or Exchange.~~

~~(g) The parties to the Dispute shall likewise comply with the Award of the Exchange on an appeal within a period of twenty eight (28) calendar days from the date of service of the Award.~~

~~(h) The Exchange may at its absolute discretion make the whole or parts of the Award available for public circulation.~~

~~Rule 513.9C Settlement Or Other Grounds For Termination~~

~~(a) If before the Award is made the parties agree on a settlement of the Dispute, the Arbitrators shall either issue an order for the termination of the hearing or if requested by both parties and accepted by the Arbitrators record the settlement in the form of an Award on agreed terms. The Arbitrators is not obliged to give reasons for such an Award.~~

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- ~~(b) — If before the Award is made, the continuation of the hearing becomes unnecessary or impossible for any reason not mentioned above, the Arbitrators shall inform the parties of his intention to issue an order for the termination of the hearing. The Arbitrators shall have the power to issue such an order unless a party raises justifiable grounds for objection.~~
- ~~(c) — Copies of the order for termination of the hearing or of the Award on agreed terms, signed by Arbitrators shall be communicated by the Arbitrators and/or Secretariat to the parties.~~
- ~~(d) — If the Arbitration is terminated pursuant to Rule 513.6B or 513.7C(b), the Arbitrators shall be at liberty to determine which party is to bear the costs or fees or to apportion the costs or fees between the disputing parties as he deems fit.~~

~~Rule 513.9D — Interpretation Of The Award~~

- ~~(a) — At any time before the enforcement of the Award in its entirety, either party with notice to the other party, may request that the Arbitrators give an interpretation of the Award.~~
- ~~(b) — The interpretation shall be given in writing as soon as practicable after the receipt of the request. The interpretation shall form part of the Award.~~

~~Rule 513.9E — Correction of the Award~~

- ~~(a) — At any time before the enforcement of the Award in its entirety, either party with notice to the other party, may request the Arbitrators to correct in the Award any errors in computation, any clerical or typographical errors, or any errors of similar nature. The Arbitrators may within thirty (30) calendar days (or such extended period deemed appropriate by the Exchange) after the communication of the Award make such corrections on its own initiative. Such corrections shall form part of the Award.~~
- ~~(b) — Where a request is made to correct in the Award any errors in computation, any clerical or typographical errors or any errors of a similar nature, and the Exchange is of the opinion that such error does not exist, the Exchange shall have absolute discretion not to make any correction as requested.~~

~~Rule 513.9F — Finality and Enforceability of the Award~~

- ~~(a) — All Awards shall be final and binding and shall be enforceable by leave of the High Court, Malaya in the same manner as a judgement or order of the same effect.~~
- ~~(b) — In the event of failure by any Participant to comply with any Award of the Arbitrators within twenty eight (28) calendar days from the date of service of the Award or within seven (7) calendar days from the date of filing of the notice of appeal such failure shall be deemed to be a major offence under these Rules.~~
- ~~(c) — The Secretariat shall forthwith forward a copy of any Award to the, who shall endorse the Award and such endorsement shall be a determination of the Exchange who shall then take any further action it may deem appropriate.~~

~~Rule 513.10 — Judicial Review~~

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~~No party to the Dispute shall have the right to resort to court in respect of any Claim or Grievance unless all the procedures provided in Rule 513 are fully exhausted.~~

~~**Rule 514 — Limitation on Legal Action**~~

~~A Participant who commences any legal action without first exhausting the procedures set out in these Rules may be found to have engaged in conduct, which is substantially detrimental to the interest of the Exchange.~~

~~**Rule 515 — Audit by the Exchange**~~

~~**Rule 515.1**~~

~~*[This Rule has been deleted]*~~

~~**Rule 515.1A — Right To Inspection**~~

- ~~(a) — Every Participant shall from time to time, with or without notice, be subject to inspection and/or audits by the Exchange to ensure and appraise the Participant's compliance with provisions of these Rules, Clearing House rules, Participant's internal policies and/or on other rules and regulations related to its business in the regulated activity of trading in futures contracts.~~
- ~~(b) — Without prejudice to Rule 515.1A(a), a Participant shall afford, and shall procure its Registered Persons to produce to the Inspector (as hereinafter defined) such documents, books or records for the purposes of inspection and this may include to make copies of, and/or take extracts from such documents, books or records to enable the Exchange to properly perform its inspection and its other duties under the Capital Markets and Services Act and these Rules.~~
- ~~(c) — No Participant and/or its Registered person(s) shall hinder or obstruct the Inspector from discharging his duties and shall without reasonable excuse give the Inspector such assistance that he may reasonably require to discharge his duties.~~

~~**Rule 515.1B — Appointment**~~

~~Without prejudice to the powers of the Exchange as conferred under these Rules, the Exchange shall have the authority to appoint:-~~

- ~~(a) — An officer of the Exchange~~
- ~~(b) — An officer of the Exchange holding company; and/or~~
- ~~(c) — A qualified accountant or an advocate and solicitor,~~

~~as the Exchange's inspector ("Inspector"), for the purposes of exercising all or any of the inspection powers vested in it under Rule 515.~~

~~**Rule 515.1C — Inspection Cost**~~

~~The Exchange may, at its absolute discretion, charge a fee proportionate for the work performed by the Inspector, which shall be payable by the Participant on which the inspection and/or audit was conducted and there shall be no dispute as to the fee payable to the Exchange.~~

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Rule 515.1D Reporting

- ~~(a) The Exchange, may forward to the Participant the whole, parts or a summary of any report issued by the Exchange as a result of the inspection under Rule 515.~~
- ~~(b) The Participant shall table the findings of the Exchange's inspection to the Participant's board of directors as soon as practicable.~~
- ~~(c) The decided course of action and corrective measures taken (if any) by the Participant's board of directors to address any non-compliance or irregularities in respect of the inspection report shall be submitted to the Exchange as the case may be together with a written declaration, by the Participant's chairman or Executive Director, in such form acceptable to the Exchange stating that the decided course of action and corrective measures (if any) have been duly carried out or completed, within one (1) month or such other period determined by the Exchange at any time from the date of the relevant meeting of the board of directors.~~

Rule 515.2

~~The Exchange may impose upon any Participant additional or more stringent record keeping or reporting requirements than those under these Rules, or the Capital Markets and Services Act and may impose them for such period as the Exchange deems fit. Such Participant may, within fourteen (14) days after the imposition of such requirement, or following a material change in circumstances, request the Exchange in writing to reconsider its decision and may make such written representations and supply such written information as it considers relevant.~~

(End of Business Rule 500)

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RULE 600 PARTICIPANTS' CONDUCT

[Note: Rule 600 is not set out in its entirety below. In addition to new Rules 603.7, 610.1AA, 618, 619 and 620, only Rules 601.1, 601.2C, 601.3(e), 603.1, 603.3, 604, 605, 610.1, 610.1A, and 617 of the current Rule 600 are reproduced below for the purpose of setting out the amendments to Rule 600 for the Review]

Rule 601.1 General Compliance

A Trading Participant must at all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange and its Participants, and in particular it shall be the responsibility of each Trading Participant:

- (a) to observe, comply with and act consistently with these Rules and with decisions of the Exchange and its committees, and to settle any disputes with its Client or another Participant in the manner provided by these Rules;
- (b) to co-operate with the Exchange and any committee of the Exchange in the performance by the Exchange and that committee of its duties, and in particular, to assist in every way in any investigation and to make available to the Exchange and that committee its accounting and other records;
- (c) to observe, comply with and act consistently with the rules of the Clearing House (so far as is applicable to the Trading Participant) and with decisions of the Clearing House and its committees;
- (d) not to act in any way which would adversely affect the goodwill or public image of the Exchange and its Participants;
- (e) to effect and maintain such form of indemnity as the Exchange may from time to time determine to be appropriate to protect the interests of Clients;
- (f) to notify the Exchange in writing immediately upon the happening of any of the following:
 - (i) the bankruptcy of any of the directors of the Trading Participant;
 - (ii) the appointment to the Trading Participant of a receiver, statutory manager, provisional liquidator or liquidator or upon any petition being presented for the winding up or dissolution or upon any resolution being passed or order being made for the winding up or dissolution of the Trading Participant;
 - (iii) where the Trading Participant, or any of its directors, is convicted of a seizable offence or an offence involving a finding of fraud; or
 - (iv) where the Trading Participant, or any of its directors is engaged in acts or practices inconsistent with just and equitable principles of trade;
- (g) to comply with ~~and give effect to the, all Rules, and laws the Securities Laws and the Commission's requirements for the time being in force relating to trading in Contracts;~~ and
- (h) to ensure compliance by each Registered Representative, Local Participant or Associate Participant with the Capital Markets and Services Act, these Rules and (to the extent applicable to each of them) the rules of the Clearing House.
- (i) [Deleted]

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Rule 601.2C Standard of Conduct

- (1) A Trading Participant and Registered Person must in the conduct of the Trading Participant's business:
- (a) adhere to just and equitable principles and act with due skill, care and diligence and with due regard for the integrity of the market; and
 - (b) not through any act or omission, do anything which may result in or has the effect of the market not being orderly and fair.

Rule 601.3 Compliance - Internal Records

- (e) It is the responsibility of each Trading Participant to keep proper and accurate books, records and accounting records for the purpose of recording their transactions.

Rule 603.1 Opening a Client Account

- (1) Without prejudice to the generality of Rule 601, a Trading Participant shall, in relation to its dealings with Clients, be responsible:
- (a) before commencing to trade in Contracts for or on behalf of any Clients, to ensure that the Client Account is approved in accordance with the following procedures:
 - (i) the Trading Participant shall exercise due diligence in learning the essential facts as to the Client and its or his investment objectives and financial situation and shall make and retain a record of such information. Based upon such information, a Compliance Officer or such other persons appointed by the Trading Participant shall approve in writing the Client's account for trading; provided, that if the person approving is not a Compliance Officer, his approval shall be subject to review by a Compliance Officer;
 - (ii) *[This sub-rule has been deleted]*
 - (iii) the Trading Participant must enter into a written agreement with the Client for whom the Trading Participant opens a Client Account. The written agreement between the Trading Participant and the Client must:
 - (A) contain the terms and conditions for the operation of the Client Account;
 - (B) contain the Client's obligation to comply with these Rules, whether these Rules apply directly or indirectly to the Client;
 - (C) not contain any term inconsistent with any provision in these Rules; and
 - (D) not contain any term, the effect of which is to exclude or limit the liability of that Trading Participant, its employees, or its agents, to the Client for negligence, fraud or dishonesty, in relation to the Trading Participant's activities as a futures broker.

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- (iv) if the Executing Broker and Clearing Broker are two different parties within the meaning of Rule 603.1A, the Executing Broker, Clearing Broker and Client must also, in addition to Rule 603.1(a)(iii) above, enter into a written agreement which addresses the terms and conditions of the giving up and clearing of Contracts between the parties. The written agreement between the Executing Broker, Clearing Broker and Client must:
- (A) contain terms and conditions for the giving up and clearing of Contracts between the parties; and
 - (B) contain the Client's obligation to comply with these Rules, whether these Rules apply directly or indirectly to the Client; and
 - (C) not contain any term inconsistent with any provision in these Rules; and
 - (D) not contain any term, the effect of which is to exclude or limit the liability of that Trading Participant, Clearing Participant, their employees, or their agents, to the Client for negligence, fraud or dishonesty, in relation to their activities as a futures broker or Clearing Participant respectively.
- (v) the Trading Participant shall:
- (A) give to the prospective Client a document which contains, at the minimum, the following:
 - (1) an explanation of the nature of Contracts;
 - (2) an explanation of the nature of the obligations assumed by a Client who instructs a Trading Participant to enter into a Contract;
 - (3) a Risk Disclosure Statement as prescribed by the Exchange in Schedule 2; and
 - (4) the specifications and details of the essential terms of each kind of Contract in which the Trading Participant trades for the Client.
 - (B) obtain a written acknowledgement, signed by the prospective Client, that the Client has received the document referred to in paragraph (A). Similarly, the Client must sign the Risk Disclosure Statement that is furnished by the Trading Participant, prior to the Client's account being approved;
 - (b) to obtain written authorisation from the Client in relation to accepting instructions from any person or persons on behalf of a Client; and
 - (c) to account in a separate Clients' Segregated Account, designated or evidenced as such, for all monies, securities or documents of title received from its Clients and not to use, or permit or suffer to be used, any of such monies, securities or documents of title otherwise than as may be permitted by the Capital Markets and Services Act.

(2) If the Client represents that the Client is trading on behalf of another person, the Trading Participant may open a Client Account for the Client only if the Trading Participant brings to the notice of the Client, the Client's obligation under Rule 603.7.

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Rule 603.3 Client's Order

- (a) A Registered Representative, on receiving a Client's order shall immediately thereafter enter the order in the market by entering it into the trading system provided always that such Client's order was relayed through a telecommunication device equipped with a voice logger or such other features that would enable details of the order to be audibly captured on an electronic storage media. In the event of temporary unavailability or such a feature which automatically captures the order details on an electronic storage media, the Trading Participant shall require the Registered Representative to (and the Registered Representative shall) complete an order form in the accordance with these Rules and time stamp the same prior to entering of the order in the market. On execution of the Client's order, the Registered Representative shall check the particulars of the Contract and confirm to the Client that the Contract is done. The Trading Participant shall give priority to a Client's orders. ~~It shall be a major offence for a Trading Participant to~~ A Trading Participant must not buy on its Proprietary Account or for an account in which it has an interest, any Contract, when it has an unexecuted Client's order to buy that Contract, at the market or at the same price. Similarly, the Trading Participant shall not sell for its Proprietary Account or for an account in which it has an interest any Contract when it has an unexecuted Client's order to sell that Contract, at the market or at the same price. All Client's orders must be executed in the chronological order in which they are received.
- (b) The minimum information required in an order form recording the order of a Client is:
- (i) Client name and account number;
 - (ii) Contract details;
 - (iii) whether it is an opening or closing transaction;
 - (iv) whether it is to buy or sell;
 - (v) number of lots;
 - (vi) instructions with respect to premium/price;
 - (vii) type of order; and
 - (viii) any other information as may be prescribed by the Capital Markets and Services Act.

Rule 603.7 Disclosure of information by Client

- (1) If requested by the Exchange, a Trading Participant must require a Client to disclose or procure (and the Client must disclose or procure) information and documents in relation to the orders, trades and Open Positions in respect of the Client Account.
- (2) The information referred to in Rule 603.7(1) above includes information whether any transaction and instruction to trade in Contracts in the Client Account is carried out on another person's behalf and in such instance, the name of, and particulars sufficient to identify the ultimate owner of the Open Positions or the ultimate person on whose behalf the instruction to trade in Contracts is carried out in respect of the Client Account.

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~~(3) In relation to a request made under paragraphs (1) or (2) above, the Exchange may direct a Trading Participant to refrain from trading for any Client until the information and document requested is furnished by the Client or where the Client refuses to furnish the same.~~

Rule 604 Failure to Comply

Rule 604.1

~~Failure by a Trading Participant to comply with the provisions of this Rule 600, or otherwise to observe, comply with and act consistently with these Rules or the decisions of the Exchange or its committees, or failure to pay its debts as they fall due, shall be deemed to be a major offence.~~

~~[Deleted]~~

Rule 604.2

The Exchange may upon written application by a Trading Participant and subject to the provisions of the Capital Markets and Services Act dispense with, or temporarily postpone, observance by the Trading Participant of any of the provisions of this Rule 600 upon such conditions (if any) as the Exchange may think fit.

Rule 604.3

A Trading Participant who fails to comply with the Minimum Financial Resources Requirements contained in Rule 602 shall forthwith notify the Exchange of the same and the Exchange may thereupon take action as it deems fit. ~~A failure to notify or comply with the directions of the Exchange as required by this Rule shall be a major offence.~~

Rule 605 Local Participant - Conduct

For the purposes of this Rule 605, all references to Local Participants shall include Associate Participants.

Rule 605.1 General Compliance

A Local Participant shall at all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange and its Participants, and in particular it shall be the responsibility of each Local Participant:

- (a) to observe, comply with and act consistently with:
 - (i) these Rules;
 - (ii) any Directives issued by the Exchange; and
 - (iii) decisions of the Exchange and its committees,and to settle any disputes in the manner provided by these Rules;
- (b) to co-operate with the Exchange and any committee of the Exchange in the performance by the Exchange and that committee of its duties, and in particular, to assist in every way in any investigation and to make available to the Exchange and that committee its accounting and other records;

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- (c) to observe, comply with and act consistently with the rules of the Clearing House (so far as is applicable to the Associate Participant) and with decisions of the Clearing House and its committees;
- (d) not to act in any way which would adversely affect the goodwill or public image of the Exchange and its Participants;
- (e) to notify the Exchange in writing immediately upon the happening of any of the following:
 - (i) the bankruptcy of the Local Participant or any of the directors of the Associate Participant;
 - (ii) the appointment to the Associate Participant of a receiver, statutory manager, provisional liquidator or liquidator or upon any petition being presented for the winding up or dissolution or upon any resolution being passed or order being made for the winding up or dissolution of the Associate Participant;
 - (iii) where the Local Participant or any of the directors of the Associate Participant is convicted of a seizable offence or an offence involving a finding of fraud; and
 - (iv) where the Local Participant or any of the directors of the Associate Participant is engaged in acts or practices inconsistent with just and equitable principles of trade;
- (f) to comply with all Rules and laws for the time being in force relating to trading in Contracts;
- (g) except for Associate Participants who are Clearing Participants, to ensure that all its Contracts are registered with the Clearing House in the name of its Nominating Participant as a Client of the Nominating Participant for the purposes of clearing Contracts so registered and to meet all Margin Calls;
- (h) to maintain such accounting records as correctly recorded and explain the transactions of the Local Participant and the financial position of the Local Participant, and in addition, as will enable compliance with these Rules to be conveniently ascertained by the Exchange and otherwise conveniently and properly maintained; and
- (i) not to sell or otherwise trade in Contracts for any person other than for the Local Participant himself.

Rule 605.2

~~Failure by a Local Participant to comply with the provisions of Rule 605.1 or otherwise to observe, comply with and act consistently with these Rules or the decisions of the Exchange or its committees, or failure to pay his debts as they fall due, shall be deemed to be an offence by the Local Participant.~~

~~*[Deleted]*~~

Rule 605.3

The Exchange may upon written application by a Local Participant dispense with, or temporarily postpone, observance by the Local Participant of any of the provisions of this Rule 600 upon such conditions (if any) as the Exchange may think fit.

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Rule 610 Supervision Within Trading Participant**Rule 610.1 Supervisory System**

- (a) Each Trading Participant shall establish and maintain a proper system to supervise the activities of each Registered Representative, agents and other personnel and that is reasonably designed to achieve compliance with the Rules and the Capital Markets and Services Act. The final responsibility for proper supervision shall rest with the Trading Participant and its Board of Directors.
- (b) Each Trading Participant shall designate and register with the Exchange one or more Compliance Officer(s) who have passed an examination approved by the Exchange. A copy of such registration shall be lodged with the Commission.
- (c) The person acting in the capacity of a Compliance Officer shall not be allowed to solicit or execute any orders on behalf of a Client and shall be responsible to ensure that the supervisory responsibilities in relation to compliance with these Rules are carried out and to report directly to the Board of Directors and audit committee of the Trading Participant.
- (d) A Compliance Officer shall be a person equipped with authority to carry out the above responsibilities and senior enough to act independently and to effect decisions.

Rule 610.1A Compliance Functions at Group Level

- (a) [Deleted]
- (b) [Deleted]
- (c) [Deleted]
- (d) Where a Trading Participant outsources its compliance functions to the Group under Rule 601.4, the Trading Participant must ensure that:-
 - (i) the company within the Group where the compliance functions are undertaken on behalf of the Trading Participant designates at least on (1) dedicated Compliance Officer who must be responsible to ensure that the compliance functions of the Trading Participants under Rule 610.1 are carried out; and
 - (ii) the dedicated Compliance Officer is registered with the Exchange in accordance with these Rules.
- (e) This Rule is not applicable to an Investment Bank. The Investment Bank must comply with the Guidelines on Investment Bank and such other requirements of Bank Negara Malaysia relating to this matter.

Rule 610.1AA

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- (1) If the Exchange rejects an application for registration as a Compliance Officer under Rule 610.1(b) or Rule 610.1A(d)(ii), the applicant may appeal in writing to the Exchange within 14 days after the applicant is notified of the Exchange's decision.
- (2) The Exchange may affirm, vary or set aside the decision appealed against.
- (3) The Exchange's decision on appeal is final and binding on the appellant.

Rule 617 Direct Market Access**Rule 617.1 Definition**

- (1) For the purpose of this Rule 617, "DMA Order" means a Direct Market Access order.

Rule 617.2 General

- (1) Subject always to the requirements of the Rules, a Trading Participant may provide Direct Market Access provided that :-
- (a) the Direct Market Access complies with the terms prescribed by the Exchange; and
 - (b) the Direct Market Access is only provided to persons who comply with the requirements stipulated in Rule 617.4 below.
- (2) For the avoidance of doubt, other than the provisions in this Rule 617, all other provisions in the Rules and the Trading Procedures shall apply to Participants and Registered Persons ~~as defined in Rule 500.~~

Rule 617.3 Automated Risk Filters

- (1) A Trading Participant must have appropriate automated risk filters to check or screen a DMA Order before the DMA Order is executed in the ATS, for the purpose of ensuring that the DMA Order does not affect the integrity and proper functioning of the Market.

Rule 617.4 Clients

- (1) A Trading Participant shall take reasonable steps to ensure that a Direct Market Access Client and the persons authorised by the Client in accordance with Rule 603.1 (b) have knowledge of :-
- (a) the process of entering DMA Orders;
 - (b) the requirements in the Rules in relation to trading on the Market; and
 - (c) the relevant laws pertaining to trading on the Market.
- (2) A Trading Participant shall execute a written agreement with the Clients to whom it intends to provide Direct Market Access to and the agreement shall address the following areas:-
- (a) the duties, obligations and rights of the Trading Participant and its Clients in relation to the Direct Market Access; and
 - (b) the Clients' compliance with the Rules.

Rule 617.5 DMA Orders

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- (1) For the avoidance of doubt, the following Rules shall be applicable to all DMA Orders:-
- (a) Rule 701.2 (a), in that the Trading Participant shall be deemed to be the principal in relation to all trades effected through Direct Market Access and the Exchange shall not recognise the interest of any third party ; and
 - (b) Rule 322.1 (a), in that all DMA Orders shall be deemed as orders submitted for execution in the ATS by a Registered Representative on behalf of a Client.

Rule 617.6 Action by the Exchange

- (1) Without prejudice to any other powers of the Exchange contained in the Capital Markets and Services Act, this Rule 617 and other relevant provisions in the Rules, the Exchange may, at its absolute discretion and without notice take any of the actions enumerated in Rule 617.6(2) where:-
- (a) there is a breach or likelihood of breach of any provisions in Rule 617; and/or
 - (b) there is a commission or likelihood of a commission of any of the offences under the Capital Markets and Services Act.
- (2) Pursuant to Rule 617.6(1), the following actions may be taken by the Exchange:-
- (a) suspend or cease the provision of Direct Market Access by a Trading Participant; and/or
 - (b) to direct a Trading Participant to suspend or cease the provision of Direct Market Access by the Trading Participant to any one or more of the Clients and the persons authorised by the Clients in accordance with Rule 603.1(b).

Rule 617.7 Effect of action taken by the Exchange

- (1) In the event that the Exchange undertakes any of the actions under Rule 617.6 (2) against the persons referred to in Rule 617.4, such actions shall also be applicable to any person who is the proxy, agent, nominee or persons acting in concert with such persons as the case may be.
- (2) Where an action has been taken under Rule 617.6 (2), a Trading Participant may make representations to the Exchange for the discontinuance of the action taken. The Exchange may after the representations were made, discontinue with the action taken. However such discontinuance shall not be construed as an omission or error of any kind on the part of the Exchange in undertaking the action under Rule 617.6(2) in the first place.
- (3) The provisions in Rule ~~507-500~~ shall not apply to any action taken under Rule 617.6(2).

Rule 618A Statements, Information and Reports to the Exchange

- (1) A Participant and Registered Person must ensure that any statement, information or document submitted to the Exchange whether before or after admission as a Participant or registration as a Registered Person in relation to any matter under these Rules or Directives must:
- (a) be clear, unambiguous and accurate;
 - (b) not contain any material omission; and

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- (c) not be false or misleading.
- (2) If any statement, information or document the Exchange receives from or on behalf of a Participant or Registered Person breaches the requirements in Rule 618A(1), the Participant and the relevant Registered Person will be held responsible for such breach notwithstanding that the statement, information or document was signed or submitted by a person other than the relevant Registered Person.
- (3) A Participant or Registered Person does not commit a breach of Rule 618A(1) above if a Participant or Registered Person can prove that:-
- (a) all enquiries as were reasonable in the circumstances had been made; and

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(b) after making such enquiries, the relevant Participant or Registered Person had reasonable grounds and did believe until the time of the presentation, submission or disclosure of the statement, information or document to the Exchange that the statement, information or document did fulfil the requirements of Rule 618A(1).

(4) A Participant or Registered Person must immediately notify the Exchange if the Participant or Registered Person becomes aware that any statement, information or document provided to the Exchange may not fulfil the requirements in Rule 618A(1).

Rule 619 Trading or Accepting Margins during Insolvency or after Revocation of Licence

(1) A Trading Participant must not trade or accept margins during its insolvency or after its Capital Markets and Services Licence has been revoked or suspended.

(2) A Registered Representative must not trade or accept margins during his bankruptcy, or after his Capital Markets Services Representative's Licence has been revoked or suspended.

Rule 620 Arbitration

Rule 620.1 Disputes

In relation to a dispute that arises from or in connection with a Contract traded on the Exchange, the following applies:

(a) If the dispute arises from or in connection with physical delivery under a Contract traded on the Exchange, the parties to the dispute must settle the dispute by arbitration;

(b) For disputes other than those specified in paragraph (a) above, if any one or more of the parties to the dispute elect to settle the dispute via arbitration, the other disputing party must submit to such arbitration; and

(c) If parties are unable to agree on an arbitral forum for the settlement of disputes under paragraph (a) or (b), then such parties must settle the dispute by arbitration before an arbitral forum prescribed by the Exchange.

Rule 620.2 Arbitration and Arbitration Award binds Trading Participants' Clients

A Trading Participant must cause its Clients to agree that in relation to a dispute referred to in Rule 620.1:

(a) the Clients must submit to arbitration; and

(b) the Client complies with Rule 620.3 below.

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Rule 620.3 Arbitration Award

- (1) The arbitration award is final and binding on the parties to the dispute.
- (2) The parties to the dispute must bear the costs and fees for the arbitration in accordance with the arbitration award.
- (3) The parties to the dispute must notify the Exchange of:
 - (a) any request made for a dispute to be arbitrated; and
 - (b) the outcome of the arbitration.
- (4) The Exchange will not be liable to any party for any act or omission in connection with any arbitration.

(End of Business Rule 600)

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RULE 700 TRADING RULES

[Note: Rule 700 is not set out in its entirety below. Only Rules 703.1A, 707.2, and 707.2A of Rule 700 are reproduced below for the purpose of setting out the amendments to Rule 700 for the Review]

Rule 703 Orders

Rule 703.1A General Terms and Conditions

Order Particulars

- (a) All orders entered into the ATS shall contain such particulars or information as may be prescribed by the Exchange.

Order Size

- (b) All order sizes of Contracts entered into the ATS shall be as prescribed by the Exchange.

Modification and Cancellation

- (c) Any order entered into the ATS may be modified or cancelled by the Participant prior to the matching of the order, subject always to the rights of the Exchange not to allow for such modification or cancellation in circumstances it deems fit. The Exchange may in circumstances prescribed in these Rules or the Trading Procedures, cancel any order entered notwithstanding that the order has been matched or executed.

Simultaneous Buying and Selling

- (d) A Participant shall not simultaneously enter orders to buy and sell a same Contract, at the same price, for and on behalf of the same Client.

Pre-Arranged Orders

- (e) Unless determined otherwise by the Exchange, no Participants shall enter into the ATS orders, pursuant to a pre-arrangement where the orders of a particular Buyer are to be matched with the orders of a particular Seller when entered into the ATS, whether the Buyer or the Seller is the Participant itself or a Client of the Participant.

Tick Size

- (f) The price of orders entered into the ATS must be based on the Tick size or multiples of the Tick size as specified in the Contract specifications in the Schedules to these Rules.

Entry of orders

- (g) Participants and Registered Persons ~~as defined in Rule 500~~ must enter orders into the ATS correctly and accurately, particularly in relation to the price and volume of the orders.

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Rule 707.2 Cancellation of a Trade Or Price Adjustment

- (1) The Exchange may adjust trade prices or cancel trades where it believes such action is necessary in the interest of an orderly and fair Market.
- (2) Notwithstanding any other provisions of this Rule, the Exchange may determine to review a trade executed on the Market, on its own volition or upon the request of a Trading Participant.
- (3) A request for a review of a trade by a Trading Participant must be made within 8 minutes of the execution of the trade.
- (4) For the avoidance of doubt any request for review of a trade must be made by a Trading Participant notwithstanding that the order for the trade may have been entered by a Direct Market Access Client or a Participant who is not a Trading Participant.
- (5) If the Exchange decides to review a trade whether on its own volition or upon request of a Trading Participant, the Exchange will notify the Market that the trade is under review.
- (6) If the price of the trade under review is determined to be within the Non-Reviewable Range, the trade will stand.
- (7) If the price of the trade under review is determined to be outside the Non-Reviewable Range, the price of the trade may either be adjusted in accordance with the formula set out in the Trading Procedures or cancelled as the Exchange sees fit. The decision of the Exchange is final.
- (8) Before the Exchange cancels a trade or adjusts the price of the trade pursuant to Rule 707.2(7), the Trading Participants to the trade may, with the approval of the Exchange, mutually agree to adjust the price of the trade or cancel the trade.
- (9) The cancellation or price adjustment of a trade resulting from a mistake by a Participant does not preclude the Exchange from taking action against the Participant and/or Registered Persons ~~as defined in Rule 500~~ for the breach of Rule 703.1A(g).

Rule 707.2A Error Maker Liability

- (1) A Trading Participant whose order was responsible for a trade adjustment or cancellation under Rule 707.2 ("the Error Maker") shall be liable for claims of actual losses incurred by other Trading Participants whose trade prices were adjusted or cancelled as a result of the above order. However, a Trading Participant who makes a claim shall not be entitled to compensation for losses incurred as a result of any failure to take reasonable actions to mitigate the loss. The procedure for making a claim against the Error Maker is set out in the Trading Procedures.
- (2) To the extent that liability is denied by the Error Maker, the Trading Participant making the claim may submit the claim to Arbitration in accordance with Rule ~~513-620~~.
- (3) For the avoidance of doubt:
 - (a) a Trading Participant may not submit any claim in relation to the cancellation or price adjustment of a trade for Arbitration under Rule ~~513-620~~ unless the Trading Participant had submitted a claim under

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Rule 707.2A(1) and the said claim had been denied in part or in totality by the Error Maker; and

- (b) any claim in relation to the cancellation or price adjustment of a trade must be made by or through a Trading Participant notwithstanding that the order may have been entered by a Direct Market Access Client or a Participant who is not a Trading Participant.

(End of Business Rule 700)