

**CHAPTER 8 FINANCIAL REQUIREMENTS**

**PART A CAPITAL REQUIREMENTS**

**8.01 Minimum paid-up capital**

A Trading Participant must maintain a minimum paid-up capital of RM5 million.

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**PART B          ADJUSTED NET CAPITAL**

**8.02    Minimum financial resources requirements**

- (1) A Trading Participant must ensure that its Adjusted Net Capital is at all times:
  - (a) RM500,000.00; or
  - (b) 10% of aggregate Margins Required;whichever is the higher.
- (2) If a Trading Participant has reason to believe that it is unable to comply with Rule 8.02(1) or fails to comply with Rule 8.02(1), the Trading Participant must immediately notify the Exchange and indicate the steps taken by the Trading Participant to comply with Rule 8.02(1).
- (3) Following a notification made under Rule 8.02(2), the Exchange may take action as it deems fit.
- (4) For the purposes of Rule 8.02(1)(b), "Margins Required" means the initial margin and variation margin required to be paid to the Clearing House, any party or other clearing house for Client and proprietary accounts.

**8.03    Trading Participant who is also a Participating Organisation or Investment Bank**

- (1) Rules 8.02 and 8.04 do not apply to a Trading Participant who is also a Participating Organisation or an Investment Bank.
- (2) A Trading Participant who is also a Participating Organisation or an Investment Bank must at all times comply with the Capital Adequacy Requirements as imposed by Bursa Securities on Participating Organisations or Investment Banks, as the case may be.

**8.04    Computation of Adjusted Net Capital**

A Trading Participant must calculate the Trading Participant's Adjusted Net Capital in the manner the Exchange determines.

*[Refer to Directive 8-001]*

**8.05    Submission of statements by Trading Participants**

A Trading Participant must submit the following statement to the Exchange:

- (a) A Trading Participant who is a Universal Broker, 1+1 Broker or Special Scheme Broker, a statement of its Capital Adequacy Ratio which is to be reported within the timeframe as prescribed in the Rules of Bursa Securities;
- (b) A Trading Participant who is an Investment Bank, a statement of its Risk Weighted Capital Ratio which is to be reported within the timeframe as prescribed in the Rules of Bursa Securities; or
- (c) A Trading Participant other than a Trading Participant referred to in Rules 8.05(a) or 8.05(b) above, a statement of Adjusted Net Capital in accordance with the requirements prescribed by the Exchange.

*[Refer to Directive No. 2.01(2)-003]*

**PART C EARLY WARNING REQUIREMENTS FOR ADJUSTED NET CAPITAL**

**8.06 Early Warning Requirements for Adjusted Net Capital**

A Trading Participant must comply with such early warning requirements for Adjusted Net Capital as prescribed by the Exchange.

*[Refer to Directive No. 8.06-001]*

[End of Chapter 8]