

RULE 100 — INTRODUCTION

Rule 101 — Purpose

~~These Rules are intended to ensure a fair and open market on the Exchange and to provide protection to the public in its contact with the Exchange, its Participants and Registered Representatives. In the observance of these Rules and in areas or circumstances not explicitly covered by any Rule all persons trading on the Exchange shall guide themselves not only by the letter but also the spirit of these Rules as reflected in the following principles:~~

- ~~(a) — the observance of high standards of integrity and fair dealing;~~
- ~~(b) — acting with due care, skill and diligence;~~
- ~~(c) — organising and controlling one's affairs in a responsible manner and according to defined procedures; and~~
- ~~(d) — dealing with the Exchange and the Commission in an open and co-operative manner and keeping each body promptly informed of anything which might reasonably be expected to be disclosed to it.~~

Rule 102 — Compliance

~~All persons trading on the Exchange are bound by and must observe the provisions of these Rules and all Contracts made or entered into on the Exchange shall be governed by these Rules.~~

Rule 103 — Supplements and Amendments

~~These Rules may be supplemented by guidelines, notices or circulars of general application issued by the Exchange for the guidance of Participants and Registered Representatives or to govern the trading of any Contract or Contracts.~~

~~In the event of amendments being made to the Rules which does or has the effect of overriding provisions or instructions stated in guidelines, notices or circulars previously issued by the Exchange, such guidelines, notices or circulars are deemed to be overridden by the provisions of the amended Rules.~~

Rule 104 — Interpretation

~~The Exchange, shall, so far as it is possible without disclosing any confidential information, make or provide any interpretation of these Rules and, upon such publication, the interpretation shall be binding on all persons trading on the Exchange. The interpretation of the Rules so made or provided by the Exchange shall be published and circulated to the Participants as soon as practicable but the validity of the said interpretation in the interim shall not be invalidated for any reason whatsoever.~~

Rule 105 — Alteration, Addition and Rescission

~~The Exchange may from time to time alter, add to or rescind any of these Rules provided that:~~

- ~~(a) — the Exchange shall prior to making such alteration, addition or rescission have given Participants notice of the proposed alteration, addition or rescission together with an invitation to the Participants to submit their comments (if any) to the proposed alteration, addition or rescission within such period as determined by the Exchange; and~~

~~(b) — the Exchange shall comply with the Capital Markets and Services Act in connection with the making of the Rules and any alteration, addition or rescission thereof.~~

Rule 106 — Effective Date

~~Any alteration, addition or rescission to the Rules shall take effect from such date as is determined by the Exchange with the approval of the Commission. The Exchange shall give notice of all such alterations, additions or rescission to the Rules together with the effective date of such alterations, additions or rescission to all Participants provided that the accidental omission to give notice or the non-receipt of notice by any Participant shall not invalidate such alterations, additions or rescission nor delay its operation.~~

Rule 107 — Notices

~~(a) — All notices required to be sent under these Rules shall be in writing and sent to the address and/or facsimile number of the addressee as contained in the records of the Exchange.~~

~~(b) — The party giving any notice under these Rules shall regard such notice as having been received in the following circumstances:-~~

~~(i) — if sent by post within Peninsula Malaysia, on the 3rd Business Day after posting;~~

~~(ii) — if sent by air mail to Sabah, Sarawak or outside Malaysia, on the 5th Business Day after posting;~~

~~(iii) — if sent by courier, on the 2nd Business Day after despatch; and~~

~~(iv) — if sent by facsimile immediately upon generation of a report indicating that the transmission was successful.~~

~~(c) — The Exchange may at any time specify such other methods of giving notice as it deems fit, including electronic mail, other electronic means and advertisement in newspapers.~~

Rule 108 — Fees

~~The Exchange may at any time impose, vary or waive any fees, charges or penalty for late payment or non-payment of fees, charges or any other amount due to the Exchange.~~

Rule 108A — Goods and Services Tax

~~(1) — A person required or directed to pay the fees, charges, costs, expenses, deposits or any amount under these Rules must pay an amount equal to the Goods and Services Tax payable (“GST amount”) in the manner and within the period the Exchange specifies unless otherwise specified by the Exchange in accordance with the Goods and Services Tax Act 2014.~~

~~(2) — Where a refund of any amount paid is not allowed under these Rules, no refund of the GST amount paid on such amount will be made by the Exchange.~~

Rule 109 — Personal Data Notice

~~(1) — Any person who provides or has provided personal data to the Exchange or the Exchange Holding Company pursuant to or in connection with these Rules should read and be aware of the relevant notification in relation to the Personal Data Protection Act 2010 (“PDPA”) available at the Exchange Holding Company’s website at www.bursamalaysia.com (“Personal Data Notice”).~~

- ~~(2) — Where the personal data provided is of another individual (“data subject”), the person providing such data must have notified the data subject in writing of the Personal Data Notice before providing the personal data unless:~~
- ~~(a) — section 41 of the PDPA applies; or~~
 - ~~(b) — the Exchange otherwise specifies in connection with the PDPA.~~
- ~~(3) — For the purposes of this Rule 109, ‘personal data’ shall have the same meaning given in section 4 of the PDPA.~~

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)~~

~~RULE 200~~ **DEFINITIONS AND
INTERPRETATION**

CHAPTER 1

DEFINITIONS AND RELATED PROVISIONS

PART A DEFINITIONS AND INTERPRETATION

Rule ~~2011.01~~ **Definitions**

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

Terms	Meaning
Eligible 1+1 Non-Universal Broker	shall have <u>has</u> the same meaning as is assigned to that expression in the Rules of Bursa Securities Commission's Licensing Handbook
Adjusted Net Capital	as defined in Rule 602.2 <u>the adjusted net capital as referred to in Chapter 8</u>
Adjustment Agreement	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	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	the weighing, sampling and analysis of the Instrument underlying a Contract as contemplated in the Contract Specifications
Arbitration	the resolution of disputes pursuant to Rule 620 and the word "arbitrate" shall have a corresponding meaning
Arbitrators	[Deleted]
Arbitration Fee	[Deleted]

Arbitration Panel	<i>[Deleted]</i>
Associate Participant	a Corporation, which has been admitted as an Associate Participant in accordance with these under Rules 3.02 and has not ceased for any reason to be an Associate Participant
Associate Member's Representative	<i>[This definition has been deleted]</i>
<u>ATS</u>	the automated and computerised trading system designated established by the Exchange to be used for trading in Contracts or any other purposes permitted by the Exchange.
Auditors	<i>[Deleted]</i>
Award	<i>[Deleted]</i>
Bank	a licensed bank as defined in Section 2 of the Capital Markets and Services Act <u>licensed under the Financial Services Act 2013</u>
Best Buy Price	the highest buy order price
Best Sale Price	the lowest sell order price
Board	<i>[This definition has been deleted]</i>
Books	shall have <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Branch Office	an office approved by the Exchange under Rule 601C as a branch office of a Trading Participant a permanent location, identified by a Trading Participant as its branch where it carries on its business of dealing in derivatives.
Bursa Securities	Bursa Malaysia Securities Berhad
Business Day	any day on which the Exchange is open for trading
Call Option	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

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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	“Capital Adequacy Ratio” as referred to in the Rules of Bursa Securities
Capital Adequacy Requirements	the capital adequacy requirements as referred to in the Rules of Bursa Securities
Capital Markets and Services Act	<u>the</u> Capital Markets and Services Act 2007
Capital Markets Services Licence	shall have <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Capital Markets Services Representative’s Licence	shall have <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Cash Covered	[Deleted]
Cash Settlement	in respect of a Contract, the settlement in cash of a position that has been Closed Out or expired or exercised
Bank Negara Malaysia <u>Central Bank</u>	the Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009
Chief Operating Officer”	[This definition has been deleted]
Claim or Grievance	[Deleted]
Claimant	[Deleted]
Clearing House	the Bursa Malaysia Derivatives Clearing Berhad; Bursa Malaysia Derivatives Clearing Berhad or any other clearing house <u>the Exchange specifies for the purpose of the clearing and settlement of Contracts</u>
<u>Clearing House Rules</u>	<u>In relation to a Clearing House, the rules of the Clearing House and any amendment that may be made</u>
Clearing Participant	means 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; <u>a person for whom a trading account is proposed to be opened or has been opened by a Trading Participant under these Rules</u>
Client Account	an account of a Client maintained with a Trading Participant or an Associate Participant

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Clients' Segregated Account	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	to discharge the obligations of a person in the Long Position or Short Position under a Contract and shall <u>includes</u> 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	the Securities Commission <u>Malaysia</u> established under the Securities Commission Malaysia Act 1993
Commodity Contract	[Deleted]
Commodity Participant	[Deleted]
Commission's Licensing Handbook	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.
<u>Companies Act</u>	<u>the Companies Act 2016</u>
Compliance Officer	a person who is registered with the Exchange as a 'Compliance Officer' of a Trading Participant in accordance with the provisions in these Rules <u>a person who is appointed by a Trading Participant and is registered with the Exchange as a Compliance Officer under Part G of Chapter 3 of these Rules</u>
Contract	a derivative as defined in Section 2 of the Capital Markets and Services Act which is traded on the Exchange or a Specified Exchange
Contract Specifications	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 <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Crude Palm Oil	crude palm oil with specifications set out in items <u>2401.01</u> and <u>2402.02</u> of Schedule <u>241</u>
Crude Palm Kernel Oil	crude palm kernel oil with specifications set out in item <u>2403.03</u> of Schedule <u>241</u>
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 <u>Rules</u>

Defendant	<i>[Deleted]</i>
Dispute	<i>[Deleted]</i>
Directives	<p>instructions, rulings, or guidelines <u>or Trading Procedures</u> the Exchange issues <u>(including any amendment made)</u> by whatever name called for or in connection with any of the Rules including:</p> <ul style="list-style-type: none">(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	<i>[This definition has been deleted]</i>
Direct Market Access or DMA	the process by which orders to buy or sell Contracts including or any modifications and cancellations thereof of the orders , are submitted for execution in the ATS by persons referred to in Rule 617.4a Client , without any intervention or keying-in by a Registered Representative and/or being entered or re-entered by a Registered Representative
Document	shall have <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Eligible Delivery Agreement	<p>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—</p> <ul style="list-style-type: none">(a) — for a particular price; or(b) — for a price to be calculated in a particular manner, whether or not;<ul style="list-style-type: none">(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, <p>and in respect of which it appears likely at the relevant time, having regard to all relevant circumstances, that—</p>

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~~(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~~

Entity	[This definition has been deleted]
Equity Financial Participant	[Deleted]
European Style Option	an Option that may be exercised only on its Expiration Date
Exchange	Bursa Malaysia Derivatives Berhad
Exchange Holding Company	Bursa Malaysia Berhad
Exercise	to invoke the rights granted to the buyer of an Option
Exercise Notice	a notification that the buyer of an Option wishes to exercise such Option
Exercise Price	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	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	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	the Business Day by which all Open Positions are cash settled, or settled by delivery in accordance with the rules of the Clearing House <u>Rules</u>

Final Trading Day	the last Business Day designated for the trading of a Contract
Financial Contract	<i>[Deleted]</i>
Floor	<i>[This definition has been deleted]</i>
Floor Contract	<i>[This definition has been deleted]</i>
Floor Procedures	<i>[This definition has been deleted]</i>
Floor Representatives	<i>[This definition has been deleted]</i>
Full Hearing	<i>[Deleted]</i>
Futures Broker	<i>[Deleted]</i>
FOB	means delivery free on board in accordance with the terms prescribed by the Clearing House
Futures Contract	is a derivative that is traded on the Exchange or a Specified Exchange which creates an obligation for physical delivery or acceptance of physical delivery of the underlying instrument of such derivative, the quantity and quality of which is determined by the Exchange or that Specified Exchange, at a fixed date in the future at a fixed price, and which may be cash settled in lieu of physical delivery
Futures Fund Manager's Representatives	<i>[Deleted]</i>
Group	has the same meaning as provided for in the Commission's Licensing Handbook
Guidelines on Investment Banks	the Guidelines on Investment Banks <u>jointly</u> issued by Bank Negara Malaysia <u>Central Bank</u> and the Commission, including all modifications, re-issuance or consolidations thereof and directives issued pursuant thereto
Guidelines on Outsourcing	<i>[Deleted]</i>
Head of Compliance	<i>[This definition has been deleted]</i>
Holder	<i>[Deleted]</i>
<u>Head of Dealing</u>	<u>a person appointed by a Trading Participant under Rule 3.30(1).</u>
Instrument	means— <ul style="list-style-type: none"> (a) any share securities, currencies 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	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	an Investment Bank as defined in the Rules of Bursa Securities referred to under the Guidelines on Investment Banks 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	the Investment Bank Capital Adequacy Framework referred to in the Guidelines on Investment Banks;
Kuala Lumpur Interbank Offer Rate/KLIBOR	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 <u>has</u> the same meaning as is assigned to it in Section 2 of the Capital Markets and Services Act
Local Participant	a person who has been <u>is</u> admitted as a Local Participant in accordance with these Rules and has not ceased for any reason to be a Local Participant under Rule 3.02
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 <u>a Futures Contract which is settled by delivery, means the position of a person who is under an obligation to accept delivery of the Instrument underlying the Futures Contract;</u> (b) a Futures Contract that is an Adjustment Agreement, means the position of a person who, because of the agreement <u>a Futures Contract which is cash settled, means the position of a person who:</u> (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 <u>is under an obligation to pay the difference in the amount if the</u>

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final settlement value of the Futures Contract is less than the value of the Futures Contract at the time it was transacted; 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 amounthas a right to receive the difference in the amount if the final settlement value of the Futures Contract is greater than the value of the Futures Contract at the time it was transacted; or

(c) an Option means the position of the Holder~~holder of the Option~~

MGS	Malaysian Government Securities, as issued by the Malaysian government from time to time
Margin Call	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
Market	the market operated by the Exchange for trading in Contracts
Marketing Representative	shall have the same meaning as in the Guidelines for Marketing Representatives issued by the Commission
Market Contract	<i>[This definition has been deleted]</i>
Maturity Date	<i>[Deleted]</i>
Messages	entries submitted into the ATS relating to trading functions as permitted by the Exchange such as orders, amendments or cancellation of orders
Minimum Financial Resources Requirement	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	<i>[Deleted]</i>
Negotiable Storage Receipt	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	a Participant, which is not a participant of the Clearing House
Non-Equity Financial Participant	[Deleted]
Non-Reviewable Range	the range of prices as specified in the Trading Procedures for the purposes of Rule 707.26.18
Officer	in relation to Trading Participant, the Exchange or Exchange holding company shall include— <ul style="list-style-type: none">(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—<ul style="list-style-type: none">(i) any receiver who is not also a manager;(ii) any receiver and manager appointed by the court; or(iii)(i) any liquidator appointed by the court or by the creditors;
<u>Off-Balance Sheet</u>	<u>Includes:</u> <ul style="list-style-type: none"><u>(a) uncalled amounts on securities, options, other contingent liabilities and capital commitments (whether secured or not);</u><u>(b) all assets pledged as security, forward purchase or sale contracts;</u><u>(c) securities, derivatives and other commitments that contractually oblige a Trading Participant to perform certain actions that are transacted outside the ATS</u>
Open Position	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]
Participant	unless otherwise specified, a participant of the Exchange for the time being falling within any of the classes of participants set out in Rule 304 <u>3.01</u>
Participating Organisation	shall have <u>has</u> the same meaning as is assigned to that expression in the Rules of Bursa Securities
Pit	[This definition has been deleted]
Port Tank Installations	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	a Corporation duly in possession of a Port Tank Installation and its servants
Preference Share	[Deleted]
<u>Proprietary Account</u>	<u>A trading account opened by a Participant for the Participant's own trades.</u>
Premium	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	the principal place of business approved by the Exchange under the Trading Participant's registration process in Rule 305 <u>3.02</u>
Put Option	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

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Record	shall have <u>has</u> 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	refined, bleached and deodorized palm olein with specifications set out in item <u>24041.04</u> of Schedule <u>241</u>
<u>Register</u>	<u>The list or roll that the Exchange keeps of Participants, Registered Person(s) and such other persons determined by the Exchange</u>
Registered Person²	shall include officers of Trading Participants and Associate Participants, a person specified under Rule 3.20 who are <u>is</u> duly registered with the Exchange, and Registered Representatives
“Registered Representative”	a person who is registered as provided under Rule 322 and whose registration has not been struck off the Register; holder of a Capital Markets Services Representative’s Licence for dealing in derivatives
related <u>Related corporation</u> <u>Corporation</u>	shall have <u>has</u> the same meaning as in the Companies Act
Relevant Person	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 <u>has</u> the same meaning that is assigned to that expression <u>as</u> in the Guidelines on Investment Banks
Rules	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 <u>the Rules of Bursa Malaysia Derivatives Berhad and any amendment that may be made</u>
Rules of Bursa Securities	the Rules of Bursa Malaysia Securities Berhad, including and any amendments made thereto, and any rulings, guidelines and directives issued pursuant thereto <u>that may be made</u>
<u>RR Security Deposit</u>	<u>any cash, letter of credit, securities or other form of security acceptable to the Trading Participant deposited with the Trading Participant:</u> <u>(a) to secure the Registered Representative’s obligations to the Trading Participant under the agreement setting out the Trading Participant’s arrangement with the Registered Representative; or</u>

	<p>(b) <u>as security for the repayment of all monies that are or may be owing by the Registered Representative or the Registered Representative's Client to the Trading Participant arising from or in connection with transactions in Contracts.</u></p>
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	{Deleted}
Secretary	{This definition has been deleted}
Securities Laws	as defined in the Securities Commission Malaysia Act 1993
Serial Months	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 <u>a Futures Contract which is settled by delivery, means the position of a person who is under an obligation to make delivery of the Instrument underlying the Futures Contract;</u> (b) a Futures Contract that is an Adjustment Agreement, means the position of a person who, because of the agreement - <u>a Futures Contract which is cash settled, means the position of a person who:</u> (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 <u>is under an obligation to pay the difference in the amount if the final settlement value of the Futures Contract is greater than the value of the Futures Contract at the time it was transacted; and</u>

(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~~ has a right to receive the difference in the amount if the final settlement value of the Futures Contract is less than the value of the Futures Contract at the time it was transacted; or

(c) an Option, means the position of the ~~Writer~~ writer of the Option

Single Stock Futures Contract

a Futures Contract where the underlying Instrument is securities traded on any Underlying Market

Special Scheme Broker

~~shall have the same meaning as is assigned to that expression in the Rules of Bursa Securities; has the same meaning as in the Commission's Licensing Handbook~~

Specified Exchange

~~shall have~~ has the same meaning as ~~is assigned to it in Section 2~~ of the Capital Markets and Services Act

Stock Index Futures Contract

~~an Adjustment Agreement~~ a cash settled Contract 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

an Option where the underlying share is a block of shares of a company listed on an Underlying Market

~~sub-contractor~~

[Deleted]

~~Summary Proceedings~~

[Deleted]

~~Supervisory Functions~~

[This definition has been deleted]

Tender

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

a market located in Kuala Lumpur and supervised by ~~Bank Negara Malaysia~~ Central Bank where institutions trade money market instruments

Tick

the 'minimum price fluctuation', as ~~stipulated~~ specified in the Contract specifications in the Schedules to these Rules

Trading Kiosk

~~any physical site, location or premises approved by the Exchange under Rule 604C 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”

~~A Corporation company that carries on the business of dealing in derivatives that has been and is admitted as a Trading Participant in accordance with these under Rules 3.02, and has not ceased for any reason to be a Trading Participant~~

Trading Procedures

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 that may be made~~

Umpire

~~[Deleted]~~

Underlying Market

(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

Universal Broker as defined in the Rules of Bursa Securities

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Rule 2021.02 Interpretation

- (1) Unless the context requires otherwise, terms or expressions defined in the following Acts, when used in these Rules have the same meaning as in the following Acts:
- (a) Capital Markets and Services Act;
 - (b) Securities Commission Malaysia Act 1993; or
 - (c) Companies Act.
- (2) Apart from the above, certain other terms and expressions have also been defined in the respective Chapters. Such definitions only apply with respect to the respective Chapters in which they are contained and the Directives issued pursuant to the Rules in the respective Chapters.
- (3) The terms and expressions defined in Rule 1.01 are also applicable to any Directive or best practice, unless otherwise defined in the Directive or best practice.
- (4) A reference to a statute is to that statute so modified, re-enacted or consolidated and includes regulations, rules or other statutory instruments made under that statute.

Rule 202.1

- (5) Words importing the singular number only shall include the plural number. The singular includes the plural and vice versa.

Rule 202.2

- (6) Words importing one gender shall include the other gender.

Rule 202.3

- (7) Headings and sub-headings are included inserted for convenience or reference only and shall do not affect the interpretation and construction of these Rules the rule.

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 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

~~(8) The meaning of any term defined in these Rules extends to all grammatical variations of that term. If a word or phrase is defined in these Rules, any other grammatical form in respect of such word or phrase has a corresponding meaning.~~

Rule 202.6

~~(9) 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. A reference to a rule, chapter, schedule or appendix is to the relevant rule, chapter, schedule and appendix to these Rules.~~

~~(10) A reference to a person includes a firm, partnership and corporation.~~

~~(11) A reference to writing includes any mode of representing or reproducing letters, figures or marks in a visible form.~~

~~(12) A reference to “RM”, “MYR” or “Ringgit Malaysia” is to the Malaysian currency.~~

~~(13) A reference to a day or month is to a calendar day or calendar month.~~

~~(14) A reference to a time of day is a reference to Malaysian time.~~

~~(15) A reference to “suspend” or “suspension” in relation to the trading of Contracts, where the context permits, includes “forbidden”, “interrupted”, “reserved”, “suspended” or “frozen”.~~

Rule 202.7

~~{Deleted}~~

~~{End of Business Rule 200}~~

~~[The rest of this page is intentionally left blank]~~

PART B APPLICATION AND EFFECT OF THESE RULES

Rule 1011.03 Purpose

These Rules are intended to ensure a fair and open market on the Exchange and to provide protection to the public in its contact with the Exchange, its Participants and Registered Representatives. In the observance of these Rules and in areas or circumstances not explicitly covered by any Rule, all persons trading on the Exchange ~~shall~~**must** guide themselves not only by the letter but also the spirit of these Rules as reflected in the following principles:

- (a) the observance of high standards of integrity and fair dealing;
- (b) acting with due care, skill and diligence;
- (c) organising and controlling one's affairs in a responsible manner and according to defined procedures; and
- (d) dealing with the Exchange and the Commission in an open and co-operative manner and keeping each body promptly informed of anything which might reasonably be expected to be disclosed to it.

1.04 Application of Directives and the Law

These Rules must be read together with:

- (a) the Directives;
- (b) the Securities Laws; and
- (c) any other laws or requirements of any relevant authority applicable to Participants or Registered Persons.

1.05 Binding effect of Rules

These Rules are binding on Participants and Registered Persons in the manner set out in:

- (a) section 355(2) of the Capital Markets and Services Act; and
- (b) Rule 1.06.

Rule 1021.06 Compliance Covenants to observe Rules

~~All persons trading on the Exchange are bound by and must observe the provisions of these Rules and all Contracts made or entered into on the Exchange shall be governed by these Rules.~~

These Rules have the effect of a contract between:

- (a) the Exchange and Participants under which each Participant covenants with the Exchange to observe these Rules and the Directives and to perform the obligations that these Rules and the Directives purport to impose on the Participant in the manner set out by these Rules and the Directives; and
- (b) the Exchange and Registered Persons under which each Registered Person covenants with the Exchange to observe these Rules and the Directives and to perform the obligations that these Rules and the Directives purport to impose on the Registered Person, in the manner provided by these Rules and the Directives.

1.07 Contracts governed by these Rules

All Contracts made or entered into on the Exchange will be governed by these Rules.

1.08 Investment Banks

If a provision in these Rules is expressed to be inapplicable to an Investment Bank or a Registered Person of an Investment Bank, the relevant requirements in the Guidelines on Investment Banks and any other requirement the Central Bank specifies on the matter will apply instead.

[The rest of this page is intentionally left blank]

PART C NOTICES

Rule 1071.09 Notices

- (a1) ~~All notices~~The Exchange will send all notices required to be sent under these Rules ~~shall be~~ in writing; ~~and sent~~
- (a) to the address and/or facsimile number (or both) of the addressee as contained in the records of the Exchange; or
- (b) using any other mode of giving notice the Exchange thinks fit, including electronic mail, other electronic means and advertisement in newspapers.
- (b2) ~~The party giving any notice under these Rules shall regard such notice-A notice given under these Rules is as deemed having been received in the following circumstances:-~~
- (a) if delivered by hand, at the time of delivery;
- (b) if sent by post within Peninsula Malaysia, on the 3rd Business Day after posting;
- (c) if sent by air mail to Sabah, Sarawak or outside Malaysia, on the 5th Business Day after posting;
- (d) if sent by courier, on the 2nd Business Day after despatch; and
- (e) if sent by facsimile or other electronic media, immediately upon generation of a report indicating that the at the time of transmission was successful; and
- (f) if published by any public media, at the time of publication.
- (c) ~~The Exchange may at any time specify such other methods of giving notice as it deems fit, including electronic mail, other electronic means and advertisement in newspapers.~~
- (3) All notices to the Exchange must be made in writing unless stated otherwise.

[The rest of this page is intentionally left blank]

PART D PERSONAL DATA NOTICE

Rule 1091.10 Personal Data Notice

- (1) Any person who provides or has provided personal data to the Exchange or the Exchange Holding Company pursuant to or in connection with these Rules should read and be aware of the relevant notification in relation to the Personal Data Protection Act 2010 (“PDPA”) available at the Exchange Holding Company’s website at www.bursamalaysia.com (“Personal Data Notice”).
- (2) Where the personal data provided is of another individual (“data subject”), the person providing such data must have notified the data subject in writing of the Personal Data Notice before providing the personal data unless:
 - (a) section 41 of the PDPA applies; or
 - (b) the Exchange otherwise specifies in connection with the PDPA.
- (3) For the purposes of this Rule ~~1091.10~~, ‘personal data’ ~~shall have~~has the same meaning given in section 4 of the PDPA.

[The rest of this page is intentionally left blank]

PART E CONFIDENTIALITY

Rule 110-1.11 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 Chapter 1]

~~RULE 400~~ CHAPTER 2 ADMINISTRATION

PART A POWERS OF THE EXCHANGE

Rule 400

~~For the purposes of Rule 401 to Rule 406 inclusive, except where the context requires otherwise, the reference to "Participants" shall include Trading Participants, Local Participants, Associate Participants, Officers of Trading Participants, Associate Participants, Registered Representatives and Associate Participant's Representatives.~~

~~Rule 401 Powers of Exchange~~

~~Rule 401.1~~

~~[This Rule has been deleted]~~

~~Rule 401.2~~

~~[This Rule has been deleted]~~

~~Rule 401.3~~

~~[This Rule has been deleted]~~

Rule 401.42.01 Exercise of Powers

~~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 constitution of the Exchange and these Rules, the Exchange shall be empowered to:-~~

- ~~(1) Subject to the provisions of the Securities Laws, the Exchange may exercise its powers in such manner and on such terms as it considers necessary or expedient.~~
- ~~(2) The powers of the Exchange include:
 - ~~(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;~~
 - ~~(a) making new rules;~~
 - ~~(b) adding to, repealing, enforcing, waiving or modifying compliance with these Rules or Directives;~~
 - ~~(c) administering, managing and formulating policies in relation to 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;~~
- ~~(bbd) issuing directives~~Directives, rulings or guidelines for the purposes of or in ~~conjunction connection~~ 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]~~
- ~~(fe) Subject to Rule 401A,~~ interpreting conclusively any provision of these Rules and any Directives and the validity of any act or things done pursuant thereto in the event of any dispute or difference over such Rules; having regard to the spirit, intention, purpose and the substance of such Rules and Directives;
- ~~(f) granting, suspending, varying or revoking the rights of any Participant or Registered Person;~~
- ~~(g) imposing terms and conditions in relation to any decision, approval, or act done by the Exchange in connection with these Rules and subsequently at any time revoke, waive, vary or amend such terms and conditions;~~
- ~~(h) enforcing directions given by the Commission;~~
- ~~(ki) requireing the any Participants or Relevant Person to maintain and submit provide reports, information, and/or dDocuments, Books and Records to the Exchange in the manner, mode and frequency as shall be prescribed by the Exchange relation to any matter under these Rules or Directives;~~
- ~~[Refer to Directive No. 2.01(2)-001 and Directive No. 2.01(2)-003]~~
- ~~(j) pursuant to a finding from any inspection or investigation on a Participant or Registered Person, requiring a Participant or Registered Person to take appropriate action against 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 or Directives;~~
- ~~(k) undertaking a readiness audit on a Participant or requiring a Participant to carry out its own readiness audit, with the scope, criteria and manner to be determined by the Exchange;~~
- ~~[Refer to Directive No. 2.01(2)-002]~~
- ~~(l) The Exchange may at any time imposeing, vary or waive any charges, fees, charges and penalty for late payment or non-payment of charges, fees, charges or any other amount due to the Exchange;~~
- ~~(m) referring any act or conduct of a Participant or Registered Person to an appropriate authority;~~
- ~~(n) appointing 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 where appropriate;~~

- (o) where the Exchange deems necessary, ordering ~~the a~~ Participant to:
- (i) liquidate or cause to be liquidated ~~such all or a~~ portion of the Participant's Contracts or Open Positions in 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;
 - (ii) close any Contracts or Open Positions held by the Participant in its Proprietary Account, or transfer or cause to be transferred all or a portion of the Contracts or Open Positions in its Proprietary Account or Client Accounts to another Clearing Participant;
 - (iii) trade at the Exchange's instruction on behalf of another Participant at such rates of commission determined by the Exchange; or
 - (iv) trade for liquidation purposes only.
- (j) ~~order the Participant to transfer or caused to be transferred 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;~~
- (p) determineing the manner of trading, the limits on Open Positions in any Contract or for any Participant and the trading practices in the ~~market~~Market;
- (q) undertaking any further, ancillary or consequential action pursuant to an initial decision or action taken by the Exchange, Commission or Clearing House in relation to a Participant or a Registered Person;
- (gr) Subject to Rule 401A, exerciseing all such powers as may be necessary ~~to for the purpose of monitoring compliance with and enforce enforcement and implement~~ these Rules and Directives;
- (ps) exercise exercising all such otherany powers and takinge any action (including preventive or pre-emptive action) which in the Exchange's opinion is necessary to ensurefor the existence or ~~continuance maintenance~~ of an orderly and fair Market;
- ~~and generally to do all things necessary for the smooth and efficient running of the Exchange.~~
- (3) The exercise of any specific powers conferred on the Exchange in any other provisions in these Rules does not prejudice or waive the exercise of any power by the Exchange under Rule 2.01(2).

Rule 401.4A — Incidental Powers of the Exchange

- (4) Where any provision of these Rules empowers, authorises or enables the Exchange to do or enforce the doing of any act or thing, the Exchange ~~shall have~~has all such powers or rights as may be necessary or reasonably incidental to the Exchange doing or enforcing the doing of the act or thing.
- (5) A Participant and Registered Person must comply with and give effect to any Directives the Exchange issues in exercising the powers under these Rules.

2.02 Disapplication of disciplinary proceedings in Chapter 11

- (1) The disciplinary proceedings specified in Chapter 11 do not apply to any action taken under Rule 2.01(2)(s) or to any action described under these Rules or Directives as taken 'summarily' by the Exchange ("the Relevant Rules").

- (2) In taking any of the actions under the Relevant Rules, the Exchange need not give a Participant or Registered Person a prior opportunity to be heard.
- (3) Where an action is taken under the Relevant Rules, a Participant or Registered Person may make representations to the Exchange to discontinue the action taken. The Exchange may, after considering the representations made, discontinue with the action taken or take any other action it considers necessary in the circumstances. However, such discontinuance is not to be construed as an omission or error on the part of the Exchange in taking the action under the Relevant Rules in the first place.
- (4) The Exchange's decision after considering the representations made is final and binding on the Participant or Registered Person.

2.03 Validity of Actions

- (1) Any amendments to the Rules or Directives ("the Amendments") do not affect:
- (a) the accrued rights of the Exchange and the accrued obligations of Participants and Registered Persons under these Rules or Directives which are effective prior to the Amendments; and
 - (b) any conditions, undertakings, decisions, waivers, act or thing imposed on or given by or done by Participants and Registered Persons prior to the Amendments.
- (2) Any action proposed to be taken or is in the process of being taken or has been taken by the Exchange in relation to any provisions of these Rules or Directives which are effective prior to the Amendments, will not be invalidated by the Amendments even if the above action is taken on or after the effective date of the Amendments.

Rule 401.82.04 Powers of Exchange Holding Company

- (a1) Where any provision of these Rules confers a right or power on the Exchange to do any act or thing such provision shall be deemed to confer the right or power on the Exchange ~~h~~Holding ~~e~~Company to do such act or thing on behalf of the Exchange.
- (b2) ~~An applicant, a~~A Participant, ~~a r~~Rregistered ~~p~~Person(s) and other persons ~~s~~ to whom these Rules are directed ~~are bound to must~~ comply with, observe or give effect to any action of the Exchange ~~h~~Holding ~~e~~Company pursuant to Rule ~~401.8(a)2.04(1)-above.~~

Rule 401A2.05 Appeals Against Decisions of the Exchange and Right of Appeal

- (a1) Any decision of the Exchange, including a decision on appeal, is final and binding.
- (2) ~~and a~~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.
- (3) The Exchange may affirm, vary or set aside the decision appealed against.
- (b) ~~The decision of the Exchange on appeal is final and binding on the person appealing.~~
- (c) ~~[Deleted]~~
- (d) ~~[Deleted]~~
- (e) ~~[Deleted]~~

2.06 Parties affected by actions taken by the Exchange

A Participant and Registered Person must ensure that a proxy, agent, nominee or other person acting in concert with the Participant, Registered Person or Clients of a Participant complies with any direction issued by the Exchange to the Participant and Registered Person.

~~Rule 404 — Employees of the Exchange~~

~~Participants will ensure that employees of the Exchange/Exchange holding company shall not have any beneficial interest in a Participant, or in any Contract traded in the Market, provided that:-~~

- ~~(a) — members of any committee of the Exchange/Exchange holding company who are employees of Trading Participants shall be deemed not to be employees of the Exchange; and~~
- ~~(b) — nothing in this Rule shall prevent any employee of the Exchange/Exchange holding company from holding shares in a Listed Corporation.~~

~~Rule 401.4B — Effect of Powers~~

~~Subject to Rule 401A, the Exchange's decision shall be final and binding on all Participants and persons to whom these Rules shall apply.~~

~~Rule 401.5~~

~~[This Rule has been deleted]~~

~~Rule 401.6~~

~~[This Rule has been deleted]~~

~~Rule 401.7~~

~~[This Rule has been deleted]~~

~~Rule 402~~

~~Rule 402.1~~

~~[This Rule has been deleted]~~

~~Rule 402.2~~

~~[This Rule has been deleted]~~

~~Rule 402.3~~

~~[This Rule has been deleted]~~

PART B PROTECTION OF PUBLIC, CLIENT AND THE EXCHANGE'S INTEREST

2.07 Summary Powers

The Exchange may summarily take such action that the Exchange thinks fit against a Participant or Registered Person to protect the interests of Clients, the public or the Exchange.

[Refer to Directive No. 2.07-001]

[The rest of this page is intentionally left blank]

PART C EMERGENCY SITUATIONS

Rule 707.42.08 Emergency Rules Circumstances upon which the Exchange may take action

- (a) The Exchange may exercise its emergency powers ~~in the event that~~where there is reasonable cause to believe that any of the following circumstances or circumstances similar to the following exist:
- (ia) a situation exists which threatens the integrity, liquidity or orderly liquidation of any Contract;
 - (ib) a situation exists which threatens the financial integrity of the Market or its Participants;
 - (ic) a manipulation, manipulative activity, attempted manipulation, corner or squeeze is occurring or threatened;
 - (id) the liquidity of a Contract or its orderly liquidation is threatened by the concentration of positions in the hands of individuals who are or appear to be unable or unwilling to make or take delivery in the ordinary course; ~~or~~
 - (ie) an action of the Malaysian or any foreign government or authority is likely to have a direct and adverse impact on the integrity, liquidity and orderly liquidation of any Contract; ~~or~~
 - (f) ~~(a) — In the event that~~where the operations of the Market are, or are likely to be severely and adversely affected by a physical emergency, including but not limited to fire or transportation breakdowns, computer malfunctions, or other hazard, power failure, communication or similar disruptive events, the Exchange ~~shall~~may take any action necessary to deal with the emergency, including but not limited to, a suspension of trading.

2.09 Actions

- (b1) Upon determination by the Exchange under Rule ~~707.4(a)2.08~~ that an emergency has arisen or exists, the Exchange may, without prejudice to the generality of such powers, order that all or any of the following actions be taken or take any other action that may be appropriate to remedy the situation:
- (a) suspend any of the provisions of these Rules or make or impose new temporary rules (“Emergency Rules”) to ensure an orderly and fair market;
 - (b) suspend trading on the Market;
 - (c) suspend trading in a Contract;
 - (d) limit trading to liquidation of Contracts;
 - (e) order a Participant to transfer positions and associated collateral/—cash to another Participant;
 - (f) order liquidation of all or a portion of a Participant’s Open Positions and/or those of his Clients;
 - (g) confine trading in a Contract to a specified price range;
 - (h) modify Business Day or trading hours;
 - (iii) alter terms and conditions of settlement including the power to order cash settlement in the case of deliverable Contracts;

- ~~(ix)~~ impose higher financial requirements on a Participant;
 - ~~(xk)~~ recommend to the Exchange the emergency settlement price for a Contract;
 - ~~(xii)~~ recommend to the Clearing House the transfer of any Participant's Open Positions;
 - ~~(xiim)~~ suspend Participant's trading rights; and
 - ~~(xiin)~~ any other action deemed appropriate.
- ~~(c) The Exchange shall, in the exercise of the powers under Rules 707.4(a) and 707.4(b), duly notify the Commission of any actions or decisions taken, including the justifications for such actions or decisions taken, as soon as reasonably possible.~~
- (2) All Emergency Rules made and imposed by the Exchange are binding on all Participants, Registered Persons and employees for such period and in accordance with the terms and conditions stipulated by the Exchange.

~~Rule 707.5 Physical Emergency~~

- ~~(a) In the event that the operations of the Market are, or are likely to be severely and adversely affected by a physical emergency, including but not limited to fire or transportation breakdowns, computer malfunctions, or other hazard, power failure, communication or similar disruptive events, the Exchange shall take any action necessary to deal with the emergency, including but not limited to, a suspension of trading.~~
- ~~(b) When the physical emergency has abated sufficiently to permit the orderly functioning of the Market, the Exchange shall order trading to be restored or remove any restrictions, which were previously imposed.~~
- ~~(c) Further, the Exchange may at its discretion order an extension of trading hours following a period of suspension made pursuant to Rule 707.5(a) above.~~
- ~~(d) If the Exchange is of the opinion that non-immediate emergency action may be necessary, a meeting of the relevant committee of the Exchange shall be called to consider the emergency and take any action that the Exchange deems fit.~~

[The rest of this page is intentionally left blank]

PART D LIABILITY AND INDEMNITY

Rule 403.10 Indemnity/Non-liability of the Exchange

Rule 403.1

~~(a)(1)~~ Without prejudice to any immunity or defence available to the following persons by statute or in law, none of ~~such the following~~ persons shall be liable ~~for, on account of or~~ in respect of anything done or omitted to be done, ~~any such statement made or omitted to be made~~ by ~~such persons~~ or on behalf of such persons in good faith in connection with the discharge or performance or purported discharge or performance of any function or duty, or the exercise or intended exercise of any power under these Rules or any applicable law or in respect of any decision made or enforcement action taken or notice of publication ~~thereof in relation to such enforcement action~~, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise:-

- ~~(ia)~~ the Exchange or the Exchange ~~holding Holding company Company~~;
- ~~(ib)~~ any person acting on behalf of the Exchange or the Exchange ~~holding Holding company Company~~, including:
 - ~~(1i)~~ any member of the board of the Exchange or Exchange ~~holding Holding company Company~~ or any member of any committee ~~or sub-committee~~ of the Exchange or Exchange ~~holding Holding company Company~~;
 - ~~(2ii)~~ any officer of the Exchange or Exchange ~~holding Holding company Company~~; or
 - ~~(3iii)~~ any agent ~~of, third party service provider~~ or any person acting under the direction of the Exchange or Exchange ~~holding Holding company Company~~.

Rule 403.2

[This Rule has been deleted]

Rule 403.3

[This Rule has been deleted]

~~Rule 405 Disclosure of Information~~

~~The Exchange has the authority of each Participant to supply any particulars or information relating to the activities, assets and liabilities of the Participant in the possession of the Exchange to the Clearing House, the Commission or any statutory body or government agency or to any person (subject to the provisions of the Capital Markets and Services Act) if the Exchange in its absolute discretion feels it necessary or desirable for the proper performance of its function.~~

~~Rule 406 Compliance with the Act~~

~~Rule 406.1~~

~~The Exchange and its committees and Officers must at all times comply with the Capital Markets and Services Act and directives given by the Minister or the Commission pursuant to powers vested under the Capital Markets and Services Act.~~

Rule 710 Rule 2.11 Non-liability of the Exchange

Rule 710.1

~~(1)~~(2) The Exchange ~~shall not be~~ is not liable for any losses incurred due to interruption of its operations as a consequence of force majeure, riot, acts of war or natural disasters or other events for which the Exchange is not responsible or that may result from actions by governmental authorities locally or abroad. The same ~~shall will~~ apply with respect to any loss or damage suffered by a Participant as a consequence of any act or omission on the part of the Exchange, in connection with the discharge or performance or purported discharge or performance of any duties under these Rules or any applicable law, including technical problems or of the full or partial unavailability of the Exchange's ATS, provided that such act or omission was done in good faith.

Rule 710.2

~~(2)~~(3) The Exchange ~~shall not be~~ is not liable for the accuracy and completeness of any information received and disseminated by it on the prices of underlying Instruments and other data received by it from third parties.

Rule 700B.8 Liability of the Exchange

~~(3)~~(4) In relation to an exchange for related position under Chapter 6, ~~The the~~ Exchange ~~and/or Clearing House shall not be~~ is not liable for any loss or damage caused to any party in relation to the agreement for the relevant related position, which has been exchanged for the Contract.

2.11 Indemnity

Each Participant ~~shall~~ must indemnify and hold the Exchange harmless for the full amount of any judgement or settlement paid by the Exchange in respect of any legal proceedings brought against the Exchange as a result of an alleged violation of any laws or these Rules by such Participant or as a result of an alleged failure of the Exchange to detect, prevent or otherwise act against such alleged violations.

[The rest of this page is intentionally left blank]

PART E DISCLOSURE OF INFORMATION

2.12 Disclosure of information regarding Participants

- (1) ~~401.4(h)~~The Exchange may, where it considers appropriate, disclose any information regarding a Participant's financial position or otherwise ~~to the Commission or the Clearing House when so requested; including any confidential information in relation to a Participant, Registered Person or Client:~~
- (a) to the Commission, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Exchange considers fit; or
 - (b) to such parties as the Exchange considers fit for the purposes of the Exchange's investigation, enforcement or both.;
- (2) ~~The Exchange may publish or disclose the following information to a Participant or other persons as the Exchange considers fit:~~
- (a) without identifying the Client of the Participant to whom the information relates, the volume or value of trading in Contracts transacted by all or any or each of the Participants; or
 - (b) any action taken against a Participant or Registered Person by the Exchange under these Rules.;

(End of ~~Business Rule 400~~Chapter 2)

~~RULE 300~~ — ~~PARTICIPANTSHIP~~

CHAPTER 3

PARTICIPANTS, REGISTERED PERSONS
AND MARKET MAKERS

PART A PARTICIPANTS

~~Rule 301~~ — ~~General~~

~~Rule 301.13.01~~ Participantship Classes

The classes of participantship are:

- (a) Trading Participants;
- (b) Local Participants;
- (c) Associate Participants; and
- (d) ~~Such~~ Such other class of participantship as the Exchange may ~~from time to time be~~ created ~~by the Exchange~~.

Rule 301.2

~~Admission to, and termination from, any class of participantship shall be determined in accordance with these Rules.~~

3.02 Application procedure

~~(1) To become a Participant, an applicant must:~~

- ~~(a) apply to the Exchange in accordance with the Exchange's requirements; and~~

~~[Refer to Directive No. 3-001]~~

- ~~(b) satisfy the qualification criteria stated in Rules 3.10, 3.15 or 3.18, as the case may be.~~

~~(2) Admission as a Participant is at the Exchange's absolute discretion. In deciding,~~

~~(b) In determining whether to approve an application the Exchange shall be entitled to consider not only may have regard to:~~

- ~~(a) the character, business integrity, financial probity and trading expertise of the applicant and its directors and principal officers; but also~~
- ~~(b) the effect of admission of the applicant's admission to in terms of the balance, support and Market development of the various classes of Contracts, the degree of accessibility of the market through the applicant for both the trade and public at large, as well as such other matters as the Exchange may regard as relevant from time to time, including whether the admission of the applicant is in the interest of an orderly and fair Market;~~

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- (c) ~~the Exchange is of the opinion that registration effect of the applicant's admission to may affect the optimum utilisation of its the Exchange's facilities, taking into account risk management and any other considerations;~~
- (d) ~~the applicant's has failed to comply compliance with any other requirement of the Securities Laws, these Rules and for any regulations, the dDirectives or guidelines thereunder;~~
- (e) ~~whether the applicant is the subject of an investigation or proceeding involving an allegation of fraud or dishonesty, whether in or out of Malaysia; and~~
- (f) ~~such other financial, business, market and regulatory considerations as the Exchange may regard as relevant.~~

~~(3) Once approved, the applicant's name will be entered into the Register as a Participant.~~

Rule 301.3

~~The rights, privileges and obligations attaching to each class of participants shall be as set out in these Rules; provided that unless stated herein to the contrary, such rights, privileges and obligations may at any time be altered by the Exchange.~~

Rule 301.4

- (a) ~~Subject to Rule 301.4(b), no Participant shall be recognised by the Exchange as holding its participants upon any trust, mortgage, charge, lien or any encumbrance and the Exchange shall not be bound by or compelled in any way to recognise (even where it has notice thereof) any equitable, contingent, future or partial interest in any participants of the Exchange or any other rights in respect of any participants of the Exchange, except an absolute right to the entirety thereof.~~
- (b) ~~The Exchange shall have a lien on every participants for all the Participant's liabilities to the Exchange, the Clearing House to other Participants and the Clients of that Participant.~~

Rule 301.5

~~No person shall be entitled to describe himself or itself as a Participant of the Exchange unless he or it is registered as a Participant in accordance with these Rules.~~

Rule 322BA3.03 Appeals on Refusal to Register Right of Appeal

- (1) ~~If the Exchange rejects an application made under Rule 300 to be a Participant, 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.~~

3.04 Participation

- (1) Admission as a Participant gives the Participant the following rights:
 - (a) access to the markets or facilities established, maintained or operated by the Exchange, subject to these Rules and the Directives; and

(b) the right to describe itself as a Participant of the Exchange.

(2) A Participant may not transfer its participantship in the Exchange to any other person.

Rule 301.6

~~No person shall be eligible to be a Participant where that person, or a director of that person (in the case of a company), has within a period of five (5) years prior to its application to be a Participant been declared and/or remains an undischarged bankrupt or been convicted of a seizeable offence or an offence involving a finding of fraud.~~

Rule 301.7

~~A Participant must not trade or allow trading on the Exchange by its Clients unless it:~~

~~(a) is a Clearing Participant able to clear Contracts arising from such trades;~~

~~(b) has entered into an arrangement with a Clearing Participant to clear the Contracts; or~~

~~(c) has obtained a confirmation from a Client that the Client has entered into an arrangement with a Clearing Participant for the clearing of any of the Client's Contracts which are traded on the Exchange.~~

Rule 301.8 — Register of Participants

~~The Exchange shall maintain a register of all Participants containing all relevant particulars of each Participant. It shall be open to inspection by the public during any Business Day and copies of the register or extracts therefrom may be taken upon payment of a fee.~~

Rule 301.9 — Disputes

~~Any dispute concerning the status, rights, privileges or obligations of Participants or any point which may arise in such connection which has not been provided for in these Rules shall be referred to the Exchange whose decision shall be final and binding.~~

3.05 Cessation of rights

(1) A Participant will immediately cease to enjoy the rights set out in Rule 3.04(1)(a), 3.11, 3.16 or 3.19, as the case may be, if the Participant:

(a) is suspended;

(b) no longer holds a Capital Markets Services Licence for dealing in derivatives or has its Capital Markets Services Licence for dealing in derivatives suspended;

(c) defaults in its payment or delivery obligation to the Clearing House arising from the purchase or sale of Contracts;

(d) ceases to be a Participant; or

(e) ceases to have the ability or access to the ability to clear its Contracts which are traded on the Exchange through the Clearing House.

~~(2) A Trading Participant must immediately notify the Exchange upon becoming aware of the circumstance stated in Rules 3.05(1)(b) and (e).~~

~~3.06 Continuing Obligations~~

~~(1) Throughout a Participant's participation, it must:~~

- ~~(a) continuously satisfy the qualification criteria stated in these Rules;~~
- ~~(b) to comply with and give effect to the Rules, the Securities Laws and the Commission's requirements; and~~
- ~~(c) to observe, comply with and act consistently with give effect to 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 the Directives whether or not the provisions are directed at the Participant specifically and to any undertaking given to the Exchange before or after admission as a Participant;~~
- ~~(d) comply with the requirements of the United States Commodity Futures Trading Commission in relation to trades or Clients from the United States;~~

~~[Refer to Directive No. 3.06-001]~~

- ~~(e) ensure that its constitution, if any, comply with or is consistent with these Rules or the Directives;~~
- ~~(f) register with the Exchange the business address of its Principal Office and not change the business address without the Exchange's prior approval;~~
- ~~(g) notify the Exchange of any change of its registered address within 7 days after the change;~~
- ~~(h) not go into voluntary liquidation or apply for any order under Section 366 of the Companies Act without the Exchange's prior approval;~~
- ~~(i) notify the Exchange of any change to its name as registered by the Exchange within 7 days after the change; and~~
- ~~(j) to observe, if it is also a Clearing Participant, comply with and act consistently with give effect to the Clearing House Rules (so far as is applicable to the Trading Participant) and with decisions of the Clearing House and its committees;~~

~~(2) Rules 3.06(1)(d), (e), (f), (g), (h), (i) and (j) do not apply to a Local Participant.~~

~~Rule 301.10 — Constitution of Participants to conform to Rules~~

- ~~(a) Each Trading Participant shall ensure that its constitution, if any, shall at all times conform to these Rules so as to enable it to observe and perform fully the covenants, terms, stipulations, conditions and other provisions of these Rules and, in so far as may be necessary, each Trading Participant shall amend its constitution accordingly.~~
- ~~(b) Such constitution must be deposited with the Exchange and any change in its constitution shall be notified to the Exchange.~~

~~Rule 301.11~~

~~A Participant is responsible to the Exchange for all acts and omissions of its employees, agents and service providers.~~

Rule 301.123.07 Fees

- (1) A Participant must pay all fees and charges as prescribed by the Exchange ~~stipulates in the manner and within the period the Exchange specifies.~~

[Refer to Directive 3-001]

- (2) ~~The Exchange may issue a written demand to a Participant that omits to pay the Exchange any fees or charges within the time frame the Exchange specifies. If a Participant fails to pay any fees or charges after the due date, the Participant will be liable to pay interest at a rate as determined by the Exchange. If the Participant fails to pay within 30 days, If the amount due is not paid within the period stipulated in the written demand, the Exchange may summarily suspend, terminate or take any other action the Exchange thinks fit against the Participant and will notify the Participant concerned by notice in writing.~~
- (3) There will be no refund on any part of the fees, charges or premiums which has been paid by a Participant.
- (4) All fees or charges which are due and unpaid by a Participant who has ceased to be a Participant or whose participantship has been suspended, will remain due and ~~unpaid~~ payable by the Participant regardless of the cessation or suspension.

3.08 Resignation

- (1) If a Participant intends to resign, it must:
- (a) give the Exchange at least 30 days' notice stating the proposed date of resignation;
 - (b) in the case of a Trading Participant, also satisfy the Exchange that it has taken, or will take, proper and adequate steps before the proposed date of resignation for the orderly winding down of its business of dealing in derivatives on the Market including being able to fulfil all its obligations to the Exchange, the Clearing House and its Clients; and
 - (c) stop entering into transactions within the time frame the Exchange prescribes.
- (2) The acceptance of the resignation is at the absolute discretion of the Exchange.
- (~~3~~) The resigning Trading Participant is bound to comply with such restrictions on its participantship as may be imposed by the Exchange and/or Clearing House until ~~the~~ the effective date of its resignation as ~~published-notified~~ by the Exchange.
- (4) If the resignation of a Trading Participant or an Associate Participant is accepted, the Exchange will notify all Trading Participants and Associate Participants of the effective date of resignation.
- (5) ~~The surrender of its participantship by a Trading Participant's resignation shall~~ will not in any way diminish any liability which that Trading Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Trading Participant arising out of its participantship up to ~~the date of surrender of participantship- the effective date of its resignation~~ and such liability shall continue to subsist until satisfied or discharged.

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3.09 Continuing liability

- (1) A former Participant remains liable to disciplinary action for any breach of these Rules and all Directives issued by the Exchange, committed during the period while it was a Participant.
- (2) A former Trading Participant must retain all its records for at least 7 years from the date of cessation and produce such records in a legible form to the Exchange upon demand.
- (3) All provisions in these Rules continue to apply in respect of the former Participant to the extent required to give effect to Rules 3.09(1) and 3.09(2).

~~Rule 302 — Trading Participant – Purpose~~

~~Rule 302.1~~

~~Trading Participant must have as the purpose of their participantship the conduct of a business as a holder of a Capital Markets Services Licence for dealing in derivatives.~~

~~All such Participants having business interests other than those of a holder of a Capital Markets Services Licence for dealing in derivatives shall declare in writing to the Exchange all such other business interests and, notwithstanding the provisions herein contained, the Exchange shall have the absolute power to determine whether or not such other business interests may be continued and, if so, the conditions on which and the period for which they may be continued.~~

~~Rule 302.2~~

~~Every Trading Participant shall designate at least one (1) corporate nominee, who shall be authorised to communicate with the Exchange and to represent the organisation in all matters relating to its business.~~

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PART B TRADING PARTICIPANTS

Rule 302.3

~~[Deleted]~~

Rule 303 — Trading Participant - Eligibility

~~Trading Participants shall be companies duly incorporated under the Companies Act 2016 with a minimum issued and paid-up capital of RM5 million or any other such amount which may be determined by the Exchange from time to time in consultation with the Commission and shall comply with any other financial requirements specified under the Capital Markets and Services Act and all guidelines issued by the Commission. To be eligible for participantship, the applicant to be a Trading Participant must satisfy all the requirements and criteria for participantship, which the Exchange may from time to time determine. Trading Participants may be Clearing Participants or Non-Clearing Participants.~~

~~Trading Participants shall also be a holder of a valid Capital Markets Services Licence to carry on the business of regulated activity of dealing in derivatives and have satisfied or will satisfy upon registration, the terms and conditions of, or imposed by the Commission related to, such licence.~~

3.10 Trading Participant - Qualification criteria

To be eligible for admission as a Trading Participant, an applicant must:

- (a) be a company incorporated in Malaysia and if the company has a constitution which states the objects of the company, having as one of the applicant's objects, the carrying on of the business of dealing in derivatives;
- (b) hold a valid Capital Markets Services Licence for dealing in derivatives;
- (c) upon admission as a Trading Participant, satisfy all the financial requirements set out in Chapter 8 of these Rules;
- (d) have adequate facilities and personnel for the expeditious and orderly carrying on of the business of trading in derivatives on the Market;
- (e) be a Clearing Participant or if not, it must have entered into an arrangement with a Clearing Participant to clear its Contracts which are traded on the Exchange;
- (f) upon admission as a Trading Participant, register all the Trading Participant's Registered Person under these Rules; and
- (g) comply with such other requirements as the Exchange may prescribe.

Rule 304.11 Trading Participant - Rights

Rule 304.1

~~A Trading Participant shall (subject to Rule 304.3) have the following rights in respect of the trading facilities provided by the Exchange: Admission as a Trading Participant gives the Trading Participant the following rights:~~

- ~~(a) the right to trade for itself in the Market, in such manner as the Exchange may ~~from time to time~~ direct; and~~

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- (b) the right to trade ~~on behalf of~~ Clients and to charge a commission on all business transacted by it on behalf of these Clients ~~at such rate or rates as the Exchange may from time to time consider appropriate;~~
- (c) ~~if the Trading Participant is also a Clearing Participant, the right to be a Nominating Participant for the purpose of clearing for Non-Clearing Participants; and~~
- (d) ~~all other rights conferred on Trading Participants by these Rules in respect of trading in Contracts transacted in the Market.~~

Rule 304.2

~~A Trading Participant's rights shall cease for any period of suspension of participation of that Trading Participant or for the duration when they cease to have the ability or access to the ability to clear any of their Contracts which are traded on the Exchange through the Clearing House; and shall cease permanently in the event of the participation of the Trading Participant being terminated or the Trading Participant otherwise ceasing to be a Trading Participant unless otherwise directed by the Exchange.~~

Rule 304.3

~~The Exchange may from time to time prescribe new rights, vary, suspend, or abrogate any existing rights of Trading Participants.~~

Rule 305 — Trading Participant — Registration of Participation

Rule 305.1 — Application Procedure

- (1) ~~Application for registration as a Trading Participant must be made by submitting to the Exchange an application in such form and providing such information, as the Exchange may require, together with a non-refundable application fee prescribed by the Exchange.~~
- (2) ~~The form of application must contain an acknowledgement that the applicant has perused the Rules of the Exchange and agrees to abide by them and any other requirements as determined by the Exchange from time to time.~~
- (3) ~~The minimum information an applicant must provide include:~~
 - (a) ~~a copy each of the applicant's constitution, if any;~~
 - (b) ~~a copy of the applicant's board resolution authorising the making of the application;~~
 - (c) ~~a statement of its Adjusted Net Capital and its secured creditors, in such form as the Exchange prescribes, signed by a director of the applicant. Where the applicant is a Universal Broker, Eligible Non-Universal Broker or Special Scheme Broker, instead of the statement of Adjusted Net Capital, the applicant must provide the statement of its Capital Adequacy Ratio. Where the applicant is an Investment Bank, instead of the statement of Adjusted Net Capital, the applicant must provide the statement of its Risk Weighted Capital Ratio.~~

Rule 305.2

- (a) ~~The Exchange shall consider the application and may call for such further information as it considers necessary.~~
- (b) ~~In determining whether to approve an application the Exchange shall be entitled to consider not only the character, business integrity, financial probity and trading expertise of the applicant~~

~~and its directors and principal officers but also the effect of admission of the applicant in terms of the balance, support and development of the various classes of Contracts, the degree of accessibility of the market through the applicant for both the trade and public at large, as well as such other matters as the Exchange may regard as relevant from time to time.~~

Rule 305.3

~~[Deleted]~~

Rule 305.4

~~(a) Registration of trading participants is not effective until:~~

- ~~(i) the applicant has complied with this Rule 305, has obtained the Capital Markets Services Licence to carry on the business of dealing in derivatives; and~~
- ~~(ii) the applicant is also or has been granted approval in principle by the Clearing House to be a Clearing Participant or has entered into arrangements satisfactory to the Exchange with a Clearing Participant for the clearing, settlement and exercise of the applicant's Contracts which are traded on the Exchange.~~

~~(b) The Exchange may require that an applicant furnish it with evidence which prove that the requirements set out Rule 305.4(1) and (ii) have been complied with.~~

Rule 305.53.12 Change of Status to Investment Bank

~~In relation to a Trading Participant that has obtained approval to operate as an Investment Bank after its registration as a Trading Participant under this Chapter, the Trading Participant must notify the Exchange in writing of the same at least seven (7) days prior to the commencement of its business as an Investment Bank or such other timeframe as may be permitted by the Exchange, which notification shall be accompanied by the documents stipulated under Rule 305.1(1) and those evidencing compliance with Rule 305.4(a)(ii) and Rule 301.7 above. In addition, the Trading Participant is required to provide a copy of the relevant documents necessary to evidence a change of name (if any) under the Companies Act 2016, and any other document that may required by the Exchange.~~

~~A Trading Participant must notify the Exchange in the manner the Exchange prescribes if it obtains approval to operate as an Investment Bank.~~

Rule 306 — Trading Participant – Annual Subscription Fees and Levies

Rule 306.1

~~[Deleted]~~

Rule 306.2

~~[Deleted]~~

Rule 306.3

~~[Deleted]~~

~~Rule 307 — Trading Participant – Changes in Control~~

~~Rule 307.1~~

~~[This Rule has been deleted]~~

~~Rule 307.2~~

~~[This Rule has been deleted]~~

~~Rule 307.3~~

~~[This Rule has been deleted]~~

~~Rule 307.4~~

~~[This Rule has been deleted]~~

~~Rule 307.5~~

~~[This Rule has been deleted]~~

~~Rule 308 — Trading Participant – Transfer of Participants~~

~~Rule 308.1~~

~~A Trading Participant is not permitted to transfer its participants in the Exchange to any other person.~~

~~Rule 308.2~~

~~[Deleted]~~

~~Rule 308.3~~

~~[Deleted]~~

~~Rule 308.4~~

~~[Deleted]~~

~~Rule 308.5~~

~~[Deleted]~~

~~Rule 308.6~~

~~[Deleted]~~

Rule 308.7

~~[Deleted]~~

Rule 308.8

~~[Deleted]~~

Rule 309 — Trading Participant – Surrender of Participantship/Resignation

Rule 309.1

- ~~(a) — A Trading Participant desirous of resigning from participantship of the Exchange may make a written application to the Exchange for surrender of its participantship.~~
- ~~(b) — If a Trading Participant wishes to resign from participantship of the Exchange, it shall:-~~
- ~~(i) — give not less than thirty (30) days (or such period as may otherwise be prescribed by the Exchange) prior written notice of its intention to resign and proposed date of resignation;~~
 - ~~(ii) — satisfy the Exchange that it has taken or will take before the proposed date of resignation proper and adequate steps for the orderly winding down of its business of dealing in derivatives;~~
 - ~~(iii) — not enter into any transactions in the period of thirty days (or such period as may otherwise be prescribed by the Exchange) immediately preceding the proposed date of resignation except with the consent of the Exchange;~~
 - ~~(iv) — comply with such direction as may be issued by the Exchange in relation to the orderly winding down of its business of dealing in derivatives; and~~
 - ~~(v) — enter into such agreement or arrangement or undertaking with the Exchange as the Exchange shall deem fit or expedient.~~

Rule 309.2

- ~~(a) — The Exchange may accept the Trading Participant's surrender or participantship/resignation provided that in consultation with the Clearing House and the Commission, the Exchange is satisfied that the Trading Participant has fulfilled or will be able to fulfil all its obligations to the Exchange, the Clearing House and its Clients whereupon the Exchange shall notify all other Trading Participants of its acceptance and the resigning Trading Participant's effective date of resignation.~~
- ~~(b) — The surrender of its participantship by a Trading Participant shall not take effect until such surrender is officially approved by the Exchange. The Exchange may give its approval upon such terms and conditions as the Exchange may determine. Without limiting the foregoing, the Exchange may prescribe as it sees fit, the following:~~
- ~~(i) — transfer of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(i); and~~
 - ~~(ii) — liquidation of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(ii) and Rule 707.8(a)(iii).~~

~~(c) The resigning Trading Participant is bound to comply with such restrictions on its participanship as may be imposed by the Exchange and/or Clearing House until its effective date of resignation as published by the Exchange.~~

Rule 309.3

~~[Deleted]~~

Rule 309.4

~~[Deleted]~~

Rule 309.5

~~The surrender of its participanship by a Trading Participant shall not in any way diminish any liability which that Trading Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Trading Participant arising out of its participanship up to the date of surrender of participanship and such liability shall continue to subsist until satisfied or discharged.~~

Rule 309.6

~~The resigning Trading Participant's name will be removed from the Register of Trading Participants on the effective date of resignation.~~

Rule 310.13 Trading Participant - Voluntary Suspension of Participanship

Rule 310.1

~~(1) A Trading Participant may make a written application apply to the Exchange in the manner the Exchange prescribes to suspend for suspension of its participanship for a period of up to 12 months in accordance with such policies as may be determined by the Exchange from time to time.~~

Rule 310.1A

~~(2) The application pursuant to Rule 310.1 shall be for a period of up to 6 months from the date of approval by the Exchange. The Exchange may extend the duration of the voluntary suspension may be further extended by the Exchange for a period of 6 months or for such other duration at the Exchange's absolute discretion of the Exchange.~~

Rule 310.2

~~The suspension of a Trading Participant's participanship shall not take effect until the application for suspension is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may determine. Without limiting the foregoing, the Exchange may prescribe as it sees fit, the following:~~

- ~~(a) transfer of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(i); and~~
- ~~(b) liquidation of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(ii) and Rule 707.8(a)(iii).~~

Rule 310.3

~~[Deleted]~~

Rule 310.4

~~The suspension of a Trading Participant's participanship shall not in any way diminish or affect any liability which that Trading Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Trading Participant arising out of its participanship up to the date of suspension and such liability shall continue to subsist until satisfied or discharged.~~

~~(3) A Trading Participant which has been voluntarily suspended must immediately cease to trade and remains liable in all respects to fulfil all its obligations under these Rules.~~

Rule 310.53.14 Reinstatement of Participanship

~~During the suspension period, the suspended Trading Participant may by written application to the Exchange, apply for reinstatement of its participanship. The reinstatement shall not take effect until the application for reinstatement is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may from time to time determine.~~

~~(1) A Participant may apply to the Exchange in the manner the Exchange prescribes to reinstate its participanship which was suspended pursuant to Rule 3.13.~~

~~(2) Reinstatement of a Participant's participanship is at the absolute discretion of the Exchange.~~

~~Rule 311 — Trading Participant Voluntary Liquidation~~

Rule 311.1

~~A Trading Participant shall by notice in writing inform the Exchange that it intends to go into voluntary liquidation.~~

Rule 311.2

~~Upon receipt of this written notice, the Exchange shall require the Trading Participant to surrender its participanship in accordance with Rule 309 above.~~

~~Rule 311A — Trading Participant - Suspension of Participanship~~

Rule 311A.1

~~The Exchange may, decide in its absolute discretion to suspend the participanship of a Trading Participant in the event of any non-compliance or default of these Rules.~~

Rule 311A.2

~~The period of suspension shall be within the sole discretion of the Exchange.~~

Rule 311A.3

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~~Upon the Exchange granting its approval, the Exchange shall by notice in writing inform the Trading Participant of the suspension and such suspension shall take immediate effect and shall continue until the suspension period expires or such earlier time as the Exchange deems fit to lift the suspension.~~

Rule 311A.4

~~The suspension of its participants shall not in any way whatsoever diminish any liability which the Trading Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Trading Participant where such liability arises from the participants up to the date of the suspension and such liability shall continue to subsist until fully satisfied or discharged.~~

Rule 311B — Trading Participant – Termination of Participants

Rule 311B.1

~~The Exchange may, decide in its absolute discretion to terminate the participants of a Trading Participant in the event of any or all of the following namely, upon any order being made for the winding up of the Trading Participant or the appointment to the Trading Participant of a receiver, statutory manager, provisional liquidator or upon the failure of the Trading Participant to comply with these Rules or upon revocation of its Capital Markets Services Licence to carry on the business of dealing in derivatives by the Commission pursuant to the Capital Markets and Services Act.~~

Rule 311B.2

~~The Exchange will, by notice in writing inform the Trading Participant of the termination and such termination shall take effect from the date specified in the notice.~~

Rule 311B.3

~~[Deleted]~~

Rule 311B.4

~~[Deleted]~~

Rule 311B.5

~~The termination of its participants shall not in any way whatsoever diminish any liability which the Trading Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Trading Participant where such liability arises from the participants up to the date of termination and such liability shall continue to subsist until fully satisfied or discharged.~~

Rule 311B.6

~~In the event the Trading Participant fails to perform any or all acts required to be performed by it under this Rule, the Exchange shall be entitled to take further action to compel the performance of the same.~~

Rule 311C — Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank

Rule 311C.1

ANNEXURE 1A
CHAPTER 3
Participants, Registered Persons and Market Makers

~~A Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank may at its discretion and in line with its commercial considerations, determine the structure of its business of dealing in derivatives, subject to the Rules hereinafter contained and to the requirements of the Rules of Bursa Securities.~~

Rule 311C.2

~~A Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and/or Investment Bank not having a subsidiary which holds a Capital Markets Services Licence to carry on the business of dealing in derivatives but intending to carry out dealing in derivatives must fulfil the following:-~~

- ~~(a) — apply to be registered as a Trading Participant in accordance with these Rules; and~~
- ~~(b) — apply for a Capital Markets Services Licence to carry on the business of dealing in derivatives; and~~
- ~~(c) — its representatives must pass the relevant examinations approved by the Exchange in consultation with the Commission, hold a Capital Markets Services Representative's Licence for the business of dealing in derivatives and registered as a Registered Representative within the definition of these Rules.~~

Rule 311C.3

~~A Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and/or Investment Bank may carry out dealing in derivatives via its subsidiary or related company (being a subsidiary of the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's holding company) where the subsidiary or related company is a Trading Participant of the Exchange licensed pursuant to the Capital Markets and Services Act.~~

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PART C LOCAL PARTICIPANTS

Rule 3123.15 Local Participant - Eligibility Qualification criteria

Rule 312.1

~~Registration as a Local Participant shall be available to an individual who:~~ To be eligible for admission as a Local Participant, an applicant must satisfy the Exchange that he:

- (a) is of good character and has not been convicted of any offence involving fraud or dishonesty;
- (b) is not an undischarged bankrupt;
- (c) ~~[Deleted] has made arrangement to trade through a Trading Participant;~~
- (d) has a risk capital of such amount as ~~determined~~ prescribed by the Exchange;
- (e) ~~[Deleted] has entered into an arrangement with a Clearing Participant for the clearing of any of the applicant's Contracts which are traded on the Exchange;~~
- (f) is at least ~~twenty one (21)~~ years old; ~~and~~
- (g) ~~No Local Participant shall be~~ is not a director or employee of any Trading Participant unless ~~the Local Participant has leased his participation in accordance with Rule 318 or otherwise as approved by the Exchange;~~ and
- (gh) ~~fulfils~~ complies with such other requirements ~~and criteria for participation, which as the Exchange may prescribe from time to time determine.~~

[Refer to Directive 3-001]

Rule 312.2

[This Rule has been deleted]

Rule 3133.16 Local Participant - Rights

Rule 313.1

~~Admission as Aa Local Participant shall have the following rights in respect of the trading facilities provided by the Exchange gives the Local Participant :~~

- (a) ~~the right to trade for himself in the Market through a Trading Participant from anywhere within or outside Malaysia, in such manner as the Exchange may from time to time direct;~~ and
- (b) ~~the right to trade from anywhere within or outside Malaysia; and~~
- (c) ~~all other rights conferred on Local Participants by these Rules in respect of trading in Contracts in the Market.~~

Rule 313.2

~~A Local Participant's rights shall cease for any period of suspension of that Local Participant and shall cease permanently in the event of the Local Participant being terminated or otherwise ceasing to be a Local Participant.~~

Rule 314 — Local Participant – Admission as Participant

Rule 314.1

Registration as a Local Participant shall occur in the following manner:-

- (a) — an applicant for registration as a Local Participant shall lodge with the Exchange an application in such form, and providing such information, as the Exchange shall from time to time prescribe. The form shall contain an acknowledgement that:
 - (i) — the applicant has perused these Rules;
 - (ii) — agrees to abide by them and any future amendments made thereto; and
 - (iii) — agrees to abide by any other requirements as may be determined by the Exchange from time to time;
- (b) — the Exchange shall consider the application and may call for such further information, as it considers necessary;
- (c) — in determining whether to approve an application the Exchange shall be entitled to consider not only the character, business integrity, financial probity and trading expertise of the applicant but also the effect of admission of the applicant in terms of the balance, support and development of the various classes of Contract, as well as such other matters as the Exchange may regard as relevant from time to time;
- (d) — an applicant for local participantship must be nominated by a Nominating Participant. The applicant shall provide the Exchange with a legally enforceable undertaking in the prescribed form by its Nominating Participant to be liable for and to be treated in all respects by the Exchange as the party to the Contracts traded on the Exchange by the Local Participant; provided however that such undertaking shall not affect the Nominating Participant's rights against the Local Participant in respect of any Contracts traded on the Exchange by the Local Participant. The Nominating Participant shall comply with that undertaking until it has cancelled its nomination of the Local Participant in accordance with Rule 314.2;
- (e) — *[This sub-rule has been deleted]*

Rule 314.2

- (a) — It is the responsibility of the Nominating Participant and the Local Participant to inform the Exchange immediately in writing when the Nominating Participant cancels its nomination of the Local Participant or where the Local Participant chooses to terminate any arrangement with his Nominating Participant resulting in the cancellation of that Trading Participant's nomination. Where the Nominating Participant of a Local Participant has been suspended, or has ceased to be a participant of the Exchange or the Clearing House for any reason whatsoever, its nomination shall be deemed as cancelled, and all provisions in these Rules relating to a cancellation of a nomination shall apply.
- (b) — Such cancellation shall automatically suspend the trading rights of the Local Participant, without any necessity for a resolution of the Exchange, until such time as another Trading Participant who is also a Clearing Participant becomes his Nominating Participant in accordance with Rule 314.1(d).
- (c) — The liabilities of the first Nominating Participant in respect of the Local Participant's Open Positions shall cease only when all the Local Participant's Open Positions are liquidated and any liabilities arising therefrom (including those to the Clearing House) are duly settled or when

~~such positions are transferred to another Nominating Participant who is also a Clearing Participant.~~

Rule 314.3

~~Where the Nominating Participant of a Local Participant has cancelled its nomination of the Local Participant, or there has ceased for any other reason to be a Nominating Participant of a Local Participant, another Nominating Participant may elect to become the new Nominating Participant of that Local Participant. The appointment of the new Nominating Participant shall take effect upon receipt by the Exchange of:~~

- ~~(a) — an undertaking by the new Nominating Participant in the prescribed form; and~~
- ~~(b) — satisfactory evidence that no monies are owing by the Local Participant to his previous Nominating Participant in respect of trading on the Exchange or that other arrangements (satisfactory to that previous Nominating Participant) have been made for the payment of any monies owing.~~

Rule 314.4

- ~~(a) — No Local Participant shall be a director or employee of any Trading Participant unless the Local Participant has leased his participanship in accordance with Rule 318 or otherwise as approved by the Exchange.~~
- ~~(b) — [This sub-rule has been deleted]~~

Rule 315 — Local Participant – Registration Fees and Levies

Rule 315.1

~~[This Rule has been deleted]~~

Rule 315.2

~~[This Rule has been deleted]~~

Rule 315.3

~~[This Rule has been deleted]~~

Rule 315.4

~~Upon application, registration or during the tenure of its participanship, the Local Participant may be required to deposit with the Exchange a minimum amount of money, which shall be determined by the Exchange from time to time. The deposit may be utilised in paying all liabilities of the Local Participant to the Exchange and his nominating Trading Participant but shall otherwise be refundable to the Local Participant upon the termination of his participanship.~~

Rule 316 — Local Participant – Transfer of Participanship

Rule 316.1

~~A Local Participant is not permitted to transfer its participanship in the Exchange to any other person.~~

Rule 316.2

~~[This Rule has been deleted]~~

Rule 316.3

~~[This Rule has been deleted]~~

Rule 316.4

~~[This Rule has been deleted]~~

Rule 316.5

~~[This Rule has been deleted]~~

Rule 316.6

~~[This Rule has been deleted]~~

Rule 316.7

~~[This Rule has been deleted]~~

Rule 316.8

~~[This Rule has been deleted]~~

Rule 317 — Local Participant – Surrender of Participantship/Resignation

Rule 317.1

~~(a) — A Local Participant desirous of resigning from participantship of the Exchange may make a written application to the Exchange for surrender of its participantship.~~

~~(b) — If a Local Participant wishes to resign from participantship of the Exchange, it shall:-~~

~~(i) — give not less than thirty (30) days (or such period as may otherwise be prescribed by the Exchange) prior written notice of its intention to resign and proposed date of resignation;~~

~~(ii) — not enter into any transactions in the period of [thirty] days (or such period as may otherwise be prescribed by the Exchange) immediately preceding the proposed date of resignation except with the consent of the Exchange; and~~

~~(iii) — enter into such agreement or arrangement or undertaking with the Exchange as the Exchange shall deem fit or expedient.~~

~~(c) — No surrender of participantship by a Local Participant shall take effect until such surrender is officially approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may determine including as to the transfer or liquidation of the Open Positions of the Local Participant or their assumption by the Local Participant's~~

~~nominating Trading Participant. Upon such approval, the Local Participant shall be deemed to have resigned.~~

Rule 317.2

[This Rule has been deleted]

Rule 317.3

[This Rule has been deleted]

Rule 317.4

~~The resignation of a Local Participant shall not in any way diminish any liability which he or his nominating Trading Participant may have to the Exchange or any other Participant arising out of his participantship up to the date of surrender of participantship and such liability shall continue to subsist until satisfied or discharged.~~

Rule 317.5

~~The resigning Local Participant's name will be removed from the Register of Local Participants on the effective date of resignation.~~

Rule 318 — Local Participant - Lease of Participantship

Rule 318.1

[This Rule has been deleted]

Rule 318.2

[This Rule has been deleted]

Rule 318.3

[This Rule has been deleted]

Rule 318.4

[This Rule has been deleted]

Rule 318.5

[This Rule has been deleted]

Rule 318.6

[This Rule has been deleted]

Rule 318A.3.17 Local Participant -- Summary Suspension or Termination of Participantship

Rule 318A.1

~~(1) The Exchange may summarily decide in its absolute discretion to suspend or terminate the participantship of a Local Participant if the Local Participant:-~~

- ~~(a) violates any of the provisions of these Rules;~~
- ~~(b) is found guilty of misconduct or wilful neglect;~~
- ~~(c) is convicted of an offence involving fraud or dishonesty;~~
- ~~(a) becomes of unsound mind;~~
- ~~(b) has become a bankrupt or has a petition presented for his bankruptcy, whether in or out of Malaysia;~~
- ~~(e) has ceased to be nominated by the Trading Participant which had nominated his application and has not secured the nomination of a new nominating Trading Participant in accordance with Rule 314.3;~~
- ~~(f) commits any act which the Exchange or any of its committees determines impair the good name of the Exchange or its Participants; or~~
- ~~(g) omits to do any act, which the Exchange or any of its committees determines impair the good name of the Exchange or its Participants.~~
- (c) is convicted, whether within or outside Malaysia, of an offence involving fraud or other dishonesty or violence or the conviction of which involved a finding that he acted fraudulently or dishonestly; or
- (d) is convicted of an offence under the Securities Laws.

Rule 318A.2

~~Within seven (7) days from the Exchange's decision made under Rule 318A.1, the Exchange shall issue a notice in writing to the Local Participant informing him of the suspension or termination.~~

Rule 318A.3

~~In the case of a suspension of participantship, such suspension shall take immediate effect and shall continue until the suspension period expires or such earlier time as the Exchange deems fit to lift the suspension.~~

Rule 318A.4

~~The period of suspension shall be within the sole discretion of the Exchange.~~

Rule 318A.5

~~The suspension or termination of participantship shall not in any way whatsoever diminish any liability which the Local Participant may have to the Exchange or his nominating Trading Participant where such liability arises from the participantship up to the date of suspension or termination and such liability shall continue to subsist until fully satisfied or discharged.~~

- (2) If a Local Participant's participantship has been suspended or terminated, the Local Participant must immediately cease to trade and remains liable in all respects to fulfil all the Local Participant's obligations under these Rules.

[The rest of this page is intentionally left blank]

~~Rule 318B — Local Participantship – Voluntary Suspension~~

~~Rule 318B.1~~

~~A Local Participant may make a written application to the Exchange for suspension of his participantship in accordance with such policies as may be determined by the Exchange from time to time.~~

~~Rule 318B.1A~~

~~The application pursuant to Rule 318B.1 shall be for a period of up to 6 months from the date of approval by the Exchange. The duration of the voluntary suspension may be further extended by the Exchange for a further period of 6 months or for such other duration at the absolute discretion of the Exchange.~~

~~Rule 318B.2~~

~~The suspension of a Local Participant's participantship shall not take effect until the application for suspension is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may determine. Without limiting the foregoing, the Exchange may prescribe as it sees fit, the following:~~

- ~~(a) — transfer of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(i); and~~
- ~~(b) — liquidation of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(ii) and Rule 707.8(a)(iii).~~

~~Rule 318B.3~~

~~[This Rule has been deleted]~~

~~Rule 318B.4~~

~~The suspension of a Local Participant's participantship shall not in any way diminish or affect any liability which the Local Participant or his nominating Trading Participant may have to the Exchange or to any other Participant arising out of his participantship up to the date of such suspension of participantship and such liability shall continue to subsist until fully satisfied or discharged.~~

~~Rule 318B.5~~

~~During the suspension period, the suspended Local Participant may by written application to the Exchange, apply for reinstatement of his participantship. The reinstatement shall not take effect until the application for reinstatement is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may from time to time determine.~~

~~Rule 319 — Trading Permits~~

~~Rule 319.1~~

~~[This Rule has been deleted]~~

~~Rule 319.2~~

~~[This Rule has been deleted]~~

Rule 319.3

[This Rule has been deleted]

Rule 319.3A

[This Rule has been deleted]

Rule 319.3B

[This Rule has been deleted]

Rule 319.3C

[This Rule has been deleted]

Rule 319.3D

[This Rule has been deleted]

Rule 319.3E

[This Rule has been deleted]

Rule 319.4

[This Rule has been deleted]

Rule 319.5

[This Rule has been deleted]

Rule 319.6

[This Rule has been deleted]

Rule 319.7

[This Rule has been deleted]

Rule 319.8

[This Rule has been deleted]

Rule 319.10

[This Rule has been deleted]

Rule 319.11

[This Rule has been deleted]

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PART D ASSOCIATE PARTICIPANTS

Rule 320 Associate Participant

Rule 320A-13.18 Associate Participant – Eligibility/Qualification criteria

To be eligible for admission as An Associate Participant, an applicant must:-

- (a) be a Corporation ~~or body corporate~~;
- (b) not carry on the business of dealing in derivatives within Malaysia;
- (c) ~~[Deleted]~~ have made arrangement to trade through a Trading Participant;
- ~~(d) [Deleted]~~
- (ed) be a Clearing Participant or be nominated by a Nominating Participant for the or if not, it has entered into an arrangement with a Clearing Participant to clearing of its Contracts which are traded on the Exchange; and
- (fe) comply/ies with such financial or other requirements as are for the time being prescribed by the Exchange may prescribe.; ~~and~~
- ~~(g) comply with such other conditions as the Exchange may from time to time prescribe.~~

Rule 320B-13.19 Associate Participant – Rights

Admission as An Associate Participant shall (subject to Rule 320B.3) have the following rights in respect of the trading facilities provided by the Exchange gives the Associate Participant :-

- ~~(a) the right to trade for itself or for its rRelated eCorporation in the Market viathrough a Trading Participant for trading in Contracts, in such manner as the Exchange may from time to time direct.;~~ ~~and~~
- ~~(b) all other rights conferred on Associate Participants by these Rules in respect of trading in Contracts transacted in the Market.~~

Rule 320B.2

~~The Associate Participant's rights shall cease for any period of suspension of participantship of that Associate Participant or for the duration when it ceases to have the ability or access to the ability to clear any of its Contracts which are traded on the Exchange through the Clearing House; and shall cease permanently in the event of the participantship of the Associate Participant being terminated or the Associate Participant otherwise ceasing to be an Associate Participant unless otherwise directed by the Exchange.~~

Rule 320B.3

~~The Exchange may from time to time prescribe new rights, vary, suspend or abrogate any existing right of Associate Participants.~~

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Rule 320C — Associate Participant — Registration

Rule 320C.1 — Application Procedure

- (1) — Application for registration as an Associate Participant must be made by submitting to the Exchange an application in such form and providing such information, as the Exchange may require, together with a non-refundable application fee prescribed by the Exchange.
- (2) — The form of application must contain an acknowledgment that the applicant has perused the Rules of the Exchange and agrees to abide by them and any other requirements as determined by the Exchange from time to time.
- (3) — The Exchange may in considering the application for participantsip call for such further information, as it deems necessary.
- (4) — In determining whether to approve an application the Exchange is entitled to consider not only the character, business integrity, financial probity and trading expertise of the applicant and its directors and principal officers, the degree of accessibility of the market through the applicant for both the trade and public at large, as well as such other matters as the Exchange may regard as relevant from time to time.

Rule 320C.2

[Deleted]

Rule 320D — Associate Participants — Registration Fees, Levies and Deposits

Rule 320D.1

[Deleted]

Rule 320D.2

[Deleted]

Rule 320D.3

[Deleted]

Rule 320D.4

[Deleted]

Rule 320E — Associate Participant — Changes in Control

Rule 320E.1

[This Rule has been deleted]

Rule 320E.2

[This Rule has been deleted]

Rule 320E.3

[This Rule has been deleted]

Rule 320E.4

[This Rule has been deleted]

Rule 320E.5

[This Rule has been deleted]

Rule 320F — Associate Participant — Transfer of Participantship

Rule 320F.1

An Associate Participant is not permitted to transfer its participantship in the Exchange to any other person.

Rule 320F.2

[Deleted]

Rule 320F.3

[Deleted]

Rule 320F.4

[Deleted]

Rule 320F.5

[Deleted]

Rule 320F.6

[Deleted]

Rule 320F.7

[Deleted]

Rule 320G — Associate Participant — Surrender of Participantship/Resignation

Rule 320G.1

(a) — An Associate Participant desirous of resigning from participantship with the Exchange may make a written application to the Exchange for surrender of its participantship.

- ~~(b) If a Associate Participant wishes to resign from participation of the Exchange, it shall:-~~
- ~~(i) give not less than thirty (30) days (or such period as may otherwise be prescribed by the Exchange) prior written notice of its intention to resign and proposed date of resignation;~~
 - ~~(ii) satisfy the Exchange that it has taken or will take before the proposed date of resignation proper and adequate steps for the orderly winding down of its trading in Contracts;~~
 - ~~(iii) not enter into any transactions in the period of [thirty] days (or such period as may otherwise be prescribed by the Exchange) immediately preceding the proposed date of resignation except with the consent of the Exchange;~~
 - ~~(iv) comply with such direction as may be issued by the Exchange in relation to the orderly winding down of its trading in Contracts; and~~
 - ~~(v) enter into such agreement or arrangement or undertaking with the Exchange as the Exchange shall deem fit or expedient.~~

Rule 320G.2

- ~~(a) The Exchange may accept the Associate Participant's surrender or participation/resignation provided that in consultation with the Clearing House and the Commission, the Exchange is satisfied that the Associate Participant has fulfilled or will be able to fulfil all its obligations to the Exchange, the Clearing House and its Clients whereupon the Exchange shall notify all other Trading Participants of its acceptance and the resigning Associate Participant's effective date of resignation.~~
- ~~(b) The surrender of its participation by an Associate Participant shall not take effect until such surrender is officially approved by the Exchange. The Exchange may give its approval upon such terms and conditions as the Exchange may determine. Without limiting the foregoing, the Exchange may prescribe as it sees fit, the following:~~
- ~~(i) transfer of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(i);~~
 - ~~(ii) liquidation of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(ii) and Rule 707.8(a)(iii).~~
- ~~(c) The resigning Associate Participant is bound to comply with such restrictions on its participation as may be imposed by the Exchange and/or Clearing House until its effective date of resignation as published by the Exchange.~~

Rule 320G.3

~~[Deleted]~~

Rule 320G.4

~~The surrender of its participation by an Associate Participant shall not in any way diminish any liability which that Associate Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Associate Participant arising out of its participation up to the date of surrender of participation and such liability shall continue to subsist until satisfied or discharged.~~

Rule 320G.5

~~The resigning Associate Participant's name will be removed from the Register of Associate Participants on the effective date of resignation.~~

Rule 320H — Associate Participant — Suspension of Participantship

Rule 320H.1

~~The Exchange may, decide in its absolute discretion to suspend the participantship of an Associate Participant in the event of any non-compliance or default of these Rules.~~

Rule 320H.2

~~The period of suspension shall be within the sole discretion of the Exchange.~~

Rule 320H.3

~~Upon the Exchange granting its approval, the Exchange shall by notice in writing inform the Associate Participant of the suspension and such suspension shall take immediate effect and shall continue until the suspension period expires or such earlier time as the Exchange deems fit to lift the suspension.~~

Rule 320H.4

~~The suspension of its participantship shall not in any way whatsoever diminish any liability which the Associate Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Associate Participant where such liability arises from the participantship up to the date of the suspension and such liability shall continue to subsist until fully satisfied or discharged.~~

Rule 320I — Associate Participant — Voluntary Suspension of Participantship

Rule 320I.1

~~An Associate Participant may make a written application to the Exchange for suspension of its participantship in accordance with such policies as may be determined by the Exchange from time to time.~~

Rule 320I.1

~~The application pursuant to Rule 310I.1 shall be for a period of up to 6 months from the date of approval by the Exchange. The duration of the voluntary suspension may be further extended by the Exchange for a further period of 6 months or for such other duration at the absolute discretion of the Exchange.~~

Rule 320I.2

~~The suspension of an Associate Participant's participantship shall not take effect until the application for suspension is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may determine. Without limiting the foregoing, the Exchange may prescribe as it sees fit, the following:-~~

~~(a) — transfer of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(i); and~~

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~~(b) — liquidation of existing Contracts and/or Open Positions in accordance with Rule 707.8(a)(ii) and Rule 707.8(a)(iii).~~

Rule 320I.3

~~The suspension of an Associate Participant's participanship shall not in any way diminish or affect any liability which that Associate Participant may have to the Exchange or the Clearing House or any other Participant or any Client of that Associate Participant arising out of its participanship up to the date of suspension and such liability shall continue to subsist until satisfied or discharged.~~

Rule 320I.4

~~During the suspension period, the suspended Associate Participant may by written application to the Exchange, apply for reinstatement of its participanship. The reinstatement shall not take effect until the application for reinstatement is approved by the Exchange. The Exchange may give approval upon such terms and conditions as the Exchange may from time to time determine.~~

Rule 320J — Associate Participant — Termination of Participanship

Rule 320J.1

~~The Exchange may, in consultation with the Commission, decide in its absolute discretion to terminate the associate participanship in the event of any or all of the following namely: upon any order being made for the winding up of the Associate Participant or the appointment to the Associate Participant of a receiver, statutory manager, provisional liquidator or upon the failure of the Associate Participant to comply with these Rules or upon revocation of its license by the Securities Commission pursuant to the Capital Markets and Services Act.~~

Rule 320J.2

~~Within seven (7) days from the Exchange approval, the Exchange shall issue a notice in writing to the Associate Participant informing it of its termination.~~

Rule 320J.3

~~The termination of its participanship shall not in any way whatsoever diminish any liability which the Associate Participant may have to the Exchange or the Clearing House or any other Participant where such liability arises from the participanship up to the date of termination and such liability shall continue to subsist until fully satisfied or discharged.~~

Rule 320J.4

~~In the event the Associate Participant fails to perform any or all acts required to be performed by it under this Rule, the Exchange shall be entitled to take further action to compel the performance of the same.~~

Rule 320K — Associate Participant — Voluntary Liquidation

Rule 320K.1

~~An Associate Participant shall by notice in writing inform the Exchange that it intends to go into voluntary liquidation.~~

Rule 320K.2

~~Upon receipt of this written notice, the Exchange shall require the Associate Participant to surrender its participation in accordance with Rule 320G above.~~

Rule 320L — Associate Participant — Associate Participant's Representative

Rule 320L.1

~~[This Rule has been deleted]~~

Rule 320L.2

~~[This Rule has been deleted]~~

Rule 320L.3

~~[This Rule has been deleted]~~

Rule 320L.4

~~[This Rule has been deleted]~~

Rule 320L.5

~~[This Rule has been deleted]~~

Rule 320L.6

~~[This Rule has been deleted]~~

Rule 320L.7

~~[This Rule has been deleted]~~

Rule 320L.8

~~[This Rule has been deleted]~~

Rule 320L.9

~~[This Rule has been deleted]~~

Rule 321 — Market Makers

Rule 321.1

~~A market maker is an individual who or corporation which has been approved by the Exchange subject to such terms and conditions as it deems fit, to undertake in accordance with this Rule 321, the obligation of quoting upon request a bid and an offer in respect of any Contract or Contracts for which~~

~~it or he is an appointed market maker. A market maker must provide quotes upon request at all times during trading hours.~~

Rule 321.2

~~A market maker may be appointed in respect of any Contracts as the Exchange may specify.~~

Rule 321.3

~~Transactions of a market maker should constitute a course of tradings reasonably calculated to contribute to the maintenance of a fair and orderly market, and no market maker shall enter into transactions or make bids or offers that are inconsistent with such a course of tradings.~~

Rule 321.4

~~With respect to each Contract for which the market maker holds an appointment, it or he has a continuous obligation to engage, to a reasonable degree under the existing circumstances, in tradings for himself/itself. Without limiting the foregoing, a market maker is expected to perform the following activities in the course of maintaining a fair and orderly market:-~~

- ~~(a) — to compete with other market makers to improve markets in the Contracts for which he or it holds an appointment;~~
- ~~(b) — to make markets of such number of contracts, as may be determined by the Exchange from time to time, in all the Contracts for which he or it holds an appointment;~~
- ~~(c) — to update market quotations in response to changed market conditions in all the Contracts for which he or it holds an appointment; and~~
- ~~(d) — to price Contracts fairly by bidding and offering with a spread between his or its offer and bid no wider than such spread as may from time to time be determined by the Exchange.~~

Rule 321.5

~~A Local Participant who is a market maker must make arrangements to finance their transactions as market maker and must identify to the Exchange the source of this financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.~~

Rule 321.6

~~The Exchange may from time to time accord or grant privileges and prerogatives to market makers, which are not accorded or granted to Participants.~~

Rule 321.7

~~The market maker may be suspended or terminated by the Exchange upon a determination that such market maker has failed to properly perform as a market maker.~~

Rule 321.8

~~A market maker may make a written application to the Exchange to terminate or suspend its or his rights and obligations as a market maker with respect to any Contract for which it is an approved market~~

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~~maker. The Exchange may give its approval upon such terms and conditions as the Exchange may determine, which shall include but not limited to:-~~

~~(a) — restricting the termination or suspension to one Contract at a time; and~~

~~(b) — upon such time interval to be determined by the Exchange from time to time.~~

~~A market maker who has terminated or suspended its or his rights and obligations in accordance with this Rule 321.8 shall not be approved as a market maker for another Contract within the period of thirty (30) days from the date of such termination or such time period as the Exchange may from time to time determine.~~

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PART E REGISTERED PERSONS

3.20 Obligation to register

A Trading Participant must register the following persons with the Exchange:

- (a) Head of Dealing;
- (b) Compliance Officer; and
- (c) Registered Representative.

[Refer to Directive 3-001]

3.21 Registration procedures

(1) To register a person under Rule 3.20, a Trading Participant must:

- (a) submit the relevant documents to the Exchange in accordance with the Exchange's requirements; and
- (b) make the submission only in respect of a person that satisfies the relevant qualification criteria applicable for the relevant category of Registered Person as stated in these Rules.

(2) Admission as a Registered Person is at the Exchange's absolute discretion. In deciding, the Exchange may have regard to the following:

- (a) the proposed Registered Person's compliance with any other requirement of the Securities Laws, these Rules and the Directives;
- (b) whether the proposed Registered Person is the subject of an investigation or proceeding involving an allegation of fraud or dishonesty, whether in or out of Malaysia; or
- (c) whether the conduct of a Registered Person is in the interest of an orderly and fair market.

Rule 322BA3.22 Appeals on Refusal to Register

~~(1) If the Exchange rejects an application made under Rule 300, the~~ If the Exchange rejects an application to be a Registered Person, 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.~~

3.23 Prohibition on performing functions until registered

No person may perform the functions of a Registered Person of a Trading Participant unless registered with the Exchange as such.

3.24 Continuing Obligations

- (1) Throughout a Registered Person's registration, a Registered Person must:
- (a) continuously satisfy the qualification criteria applicable to that Registered Person;
 - (b) comply with and give effect to the Securities Laws and the Commission's requirements;
 - (c) comply with and give effect to these Rules and the Directives and to any undertaking given to the Exchange before or after registration as a Registered Person;
 - (d) observe professional conduct, standards of integrity and fair dealing;
 - (e) exercise proper skill, care and diligence;
 - (f) act honestly and in the best interest of the Client and the Trading Participant;
 - (g) carry out the Registered Person's duties in a manner that contributes to the maintenance of an orderly and fair Market;
 - (h) effectively discharge the Registered Person's duties while in office;
 - (i) not act in a manner which may compromise the Registered Person's function and position;
 - (j) comply with the Clearing House Rules;
 - (k) comply with and give effect to the structures, policies, procedures and internal controls implemented by the Trading Participant pursuant to Rule 4.03;
 - (l) not cause, aid or abet a breach of these Rules or the Directives by a Trading Participant;
 - (m) not permit, either knowingly or where the Registered Person had reasonable means of obtaining such knowledge, a Trading Participant to commit a breach of these Rules or the Directives;
 - (n) not engage in or hold any interest in any other business unless:
 - (i) the directorship or appointment is non-executive in nature;
 - (ii) there is no conflict of interest or duty with being a Registered Person of a Trading Participant;
 - (iii) the engagement or interest is not in breach of conditions of the Capital Markets Services Representative's Licence (if applicable); and
 - (iv) the Registered Person has obtained the Trading Participant's prior approval; and
 - (o) exercise all such diligence to prevent the commission of the breach of these Rules or the Directives by the Trading Participant as the Registered Person ought to have exercised, having regard to the nature of the Registered Person's functions in the Trading Participant and to all relevant circumstances.
- (2) For the purpose of Rule 3.24(1), 'engaging in any business' includes being a director or a debenture holder in any entity.

3.25 Duty to manage conflict of interest

A Registered Person must identify and manage any potential or actual conflict of interest in relation to the discharge of obligations and functions under the Securities Laws, these Rules and the Directives.

3.26 Notice of cessation

A Trading Participant must notify the Exchange within 14 days after the effective date of the Registered Person ceasing to hold the relevant office.

3.27 Vacancy of Registered Person

- (1) Rule 3.27 only applies to a Head of Dealing and Compliance Officer.
- (2) If a vacancy occurs in the office of a person described in Rule 3.27(1), the Trading Participant must fill the vacancy within 6 months from the date the vacancy occurs.
- (3) In the interim, the Trading Participant must identify a person and require that person to temporarily assume the responsibility for the functions of the vacated office. –The Trading Participant must ensure that the person:
 - (a) has the relevant experience and seniority to undertake the relevant functions;
 - (b) complies with these Rules and the Directives except for the requirement for the Commission's approval to be appointed to the relevant vacated office; and
 - (c) undertakes only such functions for a period not exceeding 6 months.
- (4) The Trading Participant must notify the Exchange of the person assuming responsibility for the functions of the vacated office.

3.28 Striking off the Register

- (1) A Registered Person will summarily cease to be registered under these Rules if the Registered Person:
 - (a) becomes of unsound mind;
 - (b) is made bankrupt, whether in or out of Malaysia;
 - (c) no longer holds a Capital Markets Services Representative's Licence where the Registered Person is required to hold such licence under these Rules;
 - (d) is convicted, whether within or outside Malaysia, of an offence involving fraud or other dishonesty or violence or the conviction of which involved a finding that he acted fraudulently or dishonestly; or
 - (e) is convicted of an offence under the Securities Laws.
- (2) A Trading Participant and Registered Person must immediately notify the Exchange upon becoming aware of any of the above circumstances.

3.29 Continuing liability

A former Registered Person remains subject to disciplinary action for any breach of these Rules and the Directives committed during the period while the person was a Registered Person and all provisions in these Rules continue to apply in respect of the former Registered Person to the extent required to give effect to this Rule 3.29.

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PART F HEAD OF DEALING

3.30 Requirement

- (1) A Trading Participant must appoint at least 1 Head of Dealing.
- (2) A Trading Participant that appoints more than 1 Head of Dealing must:
 - (a) clearly delineate and document the area and scope of responsibility of each Head of Dealing at the time of appointment of a Head of Dealing and if there is any change in the area and scope of responsibility, the Trading Participant must update the relevant documentation accordingly; and
 - (b) have every area of the Trading Participant's business relating to trading in derivatives fall under the responsibility of at least 1 Head of Dealing.
- (3) All Heads of Dealing of a Trading Participant are jointly responsible for any area relating to trading in derivatives that has not been assigned by the Trading Participant to be within the responsibility of any Head of Dealing.

3.31 Qualification criteria

A Head of Dealing appointed by a Trading Participant must fulfil the following requirements:

- (a) is approved by the Commission as a licensed director or head of regulated activity;
- (b) holds a Capital Markets Services Representative's Licence for dealing in derivatives; and
- (c) is registered with the Exchange as a Head of Dealing.

3.32 Obligations

Throughout a Head of Dealing's registration, the Head of Dealing must:

- (a) continuously satisfy the qualification criteria stated in Rule 3.31;
- (b) be responsible for the activities of the Trading Participant related to trading in derivatives; and
- (c) supervise and direct compliance with these Rules and the Directives by the Trading Participant, Registered Persons, employees and agents on matters relating to trading in derivatives.

3.33 Reporting

- (1) The Head of Dealing must report directly to the board of directors of the Trading Participant.
- (2) Rule 3.33(1) is not applicable to a Head of Dealing of an Investment Bank.

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PART G COMPLIANCE OFFICER

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.~~

3.34 Requirement

- (1) A Trading Participant must appoint at least 1 Compliance Officer.
- (2) A Trading Participant that appoints more than 1 Compliance Officer must:
 - (a) clearly delineate and document the area and scope of responsibility of each Compliance Officer at the time of appointment of a Compliance Officer and if there is any change in the area and scope of responsibility, the Trading Participant must update the relevant documentation accordingly; and
 - (b) have every area relating to the compliance functions referred to in Rule 3.36(b) fall under the responsibility of at least 1 Compliance Officer.

Rule 610.1A — Compliance Functions at Group Level

- (a) ~~[Deleted]~~
- (b) ~~[Deleted]~~
- (c) ~~[Deleted]~~
- (d)(3) Where a Trading Participant outsources its compliance functions to the Group under Rule 601.4 4.22, the Trading Participant must ensure that:-
 - (ia) the company within the Group where the compliance functions are undertaken on behalf of the Trading Participant designates at least on (1) dedicated Ccompliance Oofficer who must be responsible to ensure that the compliance functions of the Trading Participants under as stated in Rule 640.43.36 are carried out; and
 - (ib) the dedicated Ccompliance Oofficer is registered with the Exchange in accordance with these Rules as a Compliance Officer for the Trading Participant.

- ~~(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.~~
- ~~(4) All Compliance Officers of a Trading Participant are jointly responsible for any compliance function referred to in Rule 3.36(b) that has not been assigned by the Trading Participant to be within the responsibility of any Compliance Officers.~~

Rule 610.1AA

- ~~(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.~~

3.35 Qualification criteria

A Compliance Officer appointed by a Trading Participant must fulfil the following requirements:

- (a) is approved by the Commission as a Compliance Officer;
- (b) does not hold a Capital Markets Services Representative's Licence; and
- (c) is registered with the Exchange as a Compliance Officer.

3.36 Obligations

Throughout a Compliance Officer's registration, the Compliance Officer must:

- (a) continuously satisfy the qualification criteria stated in Rule 3.35;
- (b) supervise and carry out proper checks and reviews to monitor and ensure the overall compliance by the Trading Participant and the Trading Participant's Registered Persons, employees and agents with the Securities Laws, these Rules and the Directives; and

[Refer to Directive No. 3.36-001]

- (c) ensure matters pertaining to compliance are highlighted to the Trading Participant's board of directors or in the case of an Investment Bank, to the board of directors or committee to whom the person in charge of compliance is required to report under the Guidelines on Investment Banks.

[Refer to Directive No. 3.36-002]

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PART JH REGISTERED REPRESENTATIVES

Rule 322 Registered Representatives

Rule 322.13.37 Requirement

- (a) ~~A Registered Representative is a person registered with the Exchange to act as a trading representative of a Trading Participant. Trading Participants shall accept orders on behalf of Clients only through their Registered Representatives.~~
- (b) ~~Every~~A Trading Participant must register the Trading Participant's Registered Representative shall ensure that the trading representatives who are employed, engaged or appointed by it are duly registered with the Exchange in the manner provided within these Rules.
- (c) ~~Every Registered Representative shall be bound by and comply with:-~~
- (i) ~~these Rules; and~~
 - (ii) ~~all directives, rulings and guidelines (other than those guidelines which are expressed to be non-binding) issued by the Exchange from time to time.~~

Rule 322.23.38 Qualification criteria

~~An applicant for registration to the Exchange as a~~A Registered Representative appointed by a Trading Participant must:

- (a) ~~not be less than twenty one (21) years of age;~~
- (b) ~~be of good character and not have been convicted of any offence involving fraud or dishonesty;~~
- (c) ~~not be an undischarged bankrupt;~~
- (d) ~~have passed an examination approved by the Exchange;~~
- (e) ~~be sponsored or employed by only one (1) Trading Participant;~~
- (f) ~~agree to abide by these Rules; and~~
- (g) ~~be a holder of~~hold a Capital Markets Services Representative's Licence for dealing in derivatives.;~~and~~

3.39 Continuing Obligations of a Registered Representative

- (1) Throughout a Registered Representative's registration with the Exchange, the Registered Representative must:
- (a) continuously satisfy the qualification criteria stated in Rule 3.38;
 - (b) act for only 1 Trading Participant;
 - (c) be of good character;
 - (d) observe high standards of integrity, market conduct and fair dealing;

Participants, Registered Persons and Market Makers

- (e) not accept payment from Clients or hold any Client's assets in the Registered Representative's name and ensure that Clients make payments and lodgement of assets directly to the Trading Participant;

[Refer to Directive No. 3.39(1)-001]

- (f) not carry on the business of dealing in derivatives outside the Principal Office or a Branch Office of the Trading Participant unless the Registered Representative has obtained the Trading Participant's prior approval;

[Refer to Directive No. 3.39(1)-002]

- (g) not undertake trading for the Trading Participant's Client or a client of a holder of a Capital Markets Services Licence for dealing in securities if the Registered Representative undertakes proprietary trading for the Trading Participant and vice versa;

- (h) not, without proper authority, make use of another person's account particulars; and

- (i) not apply any amount paid or securities deposited by a Client:

(i) to any person not entitled; or

(ii) for payment into an account other than the said Client's trading account.

Rule 322.3

~~The Exchange shall be authorised to register Registered Representatives subject to such terms and conditions as it may from time to time prescribe and shall have the authority to revoke or suspend such registration if the Registered Representative:-~~

~~(a) violates any of the provisions of these Rules;~~

~~(b) is found guilty of misconduct or wilful neglect;~~

~~(c) is convicted of an offence involving fraud or dishonesty;~~

~~(d) has become a bankrupt or has a petition presented for his bankruptcy;~~

~~(e) is no longer sponsored by, or in the employ of, the Trading Participant which sponsored his application or employed him;~~

~~(f) commits any act which the Exchange or any of its committees determine impairs the good name of the Exchange or its Participants; or~~

~~(g) omits to do any act, which the Exchange or any of its committees determine impairs the good name of the Exchange or its Participants.~~

Rule 322.4 — Fees on Registration

[Deleted]

Rule 322.5 — Renewal of Registration

[Deleted]

Rule 322.6

~~In sponsoring an applicant for registration as a Registered Representative, the Trading Participant shall furnish such particulars and information to the Exchange as the Exchange may request. The Trading Participant sponsoring a Registered Representative shall be responsible for the acts of such Registered Representative and any violation of these Rules by a Registered Representative may be considered a violation by his sponsoring Trading Participant.~~

~~A Registered Representative shall be associated with no more than one (1) Trading Participant at one time. During the time that a Registered Representative is registered with the Exchange, the Registered Representative shall be deemed to be an agent of the Trading Participant. Such Trading Participant shall forthwith notify the Exchange if a Registered Representative ceases to be sponsored by it.~~

Rule 322.7

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

Rule 322.8

~~*[Deleted]*~~

Rule 322.9

~~The Exchange may establish such additional terms and conditions for the registration and continued registration of Registered Representatives as it deems fit.~~

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 Rule 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 322BA, 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 participation 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 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 participation 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.

Rule 323 — Meeting of Participants

Rule 323.1

[This Rule has been deleted]

Rule 323.2

[This Rule has been deleted]

Rule 323.2A — Nomination Sub-Committee

[This Rule has been deleted]

Rule 323.3

[This Rule has been deleted]

Rule 323.4 — Voting of Directors elected by Participants

[This Rule has been deleted]

Rule 323.5 — Voting Weightage

[This Rule has been deleted]

Rule 323.6 — Disqualification from Voting

[This Rule has been deleted]

Rule 323.7

[This Rule has been deleted]

Rule 323.8

[This Rule has been deleted]

Rule 323.9

[This Rule has been deleted]

PART KI MARKET MAKERS

Rule 3213.40 Market Makers

Rule 321.1

- (1) ~~The Exchange may appoint a market maker to undertake the obligation of quoting a bid and an offer in respect of any Contract subject to such terms and conditions as it deems fit. A market maker may be is an individual who or corporation who meets with the criteria prescribed by the Exchange which has been approved by the Exchange subject to such terms and conditions as it deems fit, to undertake in accordance with this Rule 321, the obligation of quoting upon request a bid and an offer in respect of any Contract or Contracts for which it or he is an appointed market maker.~~
- (2) ~~A market maker must provide quotes upon request at all times during trading hours based on the requirements prescribed by the Exchange and must comply with the requirements in this Part in performing its role.~~

Rule 321.2

~~A market maker may be appointed in respect of any Contracts as the Exchange may specify.~~

Rule 321.33.41 Obligations of a market maker

- (1) ~~Transactions of a market maker should constitute a course of trading reasonably calculated to contribute to the maintenance of an fair and orderly and fair market, and no~~
- (2) ~~A market maker shall must not enter into transactions or make bids or offers that are inconsistent with such a course of tradings may result in the market for any Contract for which the market maker holds an appointment not being orderly or fair.~~

Rule 321.4

- (3) ~~With respect to each Contract for which the market maker holds an appointment, it or he the market maker has a continuous obligation to engage, to a reasonable degree under the existing circumstances, in tradings for himself/itself. Without limiting the foregoing, a market maker is expected to perform the following activities in the course of maintaining an fair and orderly and fair market:-~~
- (a) ~~to compete with other market makers to improve markets in the Contracts for which he or it the market maker holds an appointment;~~
 - (b) ~~to make markets of such number of contracts, as may be determined prescribed by the Exchange from time to time, in all the Contracts for which he or it the market maker holds an appointment;~~
 - (c) ~~to update market quotations in response to changed market conditions in all the Contracts for which he or it the market maker holds an appointment; and~~
 - (d) ~~to price Contracts fairly by bidding and offering with a spread between his or its the market maker's bid and offer and bid no wider than such spread as may from time to time be determined prescribed by the Exchange.~~

Rule 321.5

- (4) A Local Participant who is a market maker must make arrangements to finance ~~his~~ their transactions as market maker and must identify to the Exchange the source of this financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.

Rule 321.63.42 Privileges and prerogatives of a market maker

The Exchange may ~~from time to time~~ accord or grant privileges and prerogatives to market makers, which are not accorded or granted to Participants.

[Refer to Directive 3.42-001]

Rule 321.73.43 Summary Suspension or Termination by the Exchange

The ~~Exchange market maker~~ may ~~be~~ summarily suspended or terminated ~~by the Exchange a market maker~~ upon a determination that such market maker has failed to properly perform its obligations as a market maker.

Rule 321.83.494 Voluntary Suspension or Termination

- (1) A market maker may ~~make a written application apply~~ to the Exchange in the manner the Exchange prescribes to terminate or suspend its ~~or his~~ rights and obligations as a market maker with respect to any Contract for which it is an approved market maker.
- (2) The Exchange may ~~give its approval upon such accept or reject the market maker's application for suspension or termination subject to such~~ terms and conditions as the Exchange may determine prescribe, ~~which shall include but not limited to:-~~
- (a) ~~including~~ restricting the termination or suspension to one Contract ~~at a time;~~ and
- (b) upon such time interval ~~to be as the Exchange may deem fit determined by the Exchange from time to time.~~
- (3) A market maker who has terminated or suspended its ~~or his~~ rights and obligations in accordance with ~~this~~ Rule 321.83.44 shall not be approved as a market maker for another Contract within the period of ~~thirty (30)~~ days from the date of such termination or such time period as the Exchange may from time to time determine prescribe.

(End of ~~Business Rule 300~~ Chapter 3)

~~RULE 600~~ CHAPTER 4 PARTICIPANTS' CONDUCT OF BUSINESS

PART A – GENERAL REQUIREMENTS

~~Rule 601.2C4.01~~ **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.

[Refer to Directive No. 4-001]

~~Rule 601~~ **Trading Participant – Conduct**

~~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, Rules, the Securities Laws and the Commission's requirements; 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]~~

~~Rule 601.2~~ **Compliance – Business Conduct**

~~Rule 601.2D4.02~~ **Conflicts of interest and risk management**

- ~~(1)~~ A Trading Participant must have in place adequate arrangements to manage:
 - ~~(a) all conflicts~~ of interest that may arise in the conduct of the Trading Participant's business; and
 - ~~(b) all~~ risks that may arise in the conduct of the Trading Participant's business.

~~[Refer to Directive No. 4-001]~~

~~Rule 601.2E4.03~~ **Structures, policies, procedures and internal controls**

- ~~(1)~~ A Trading Participant must have in place structures, ~~policies, procedures and~~ internal controls ~~and written policies and procedures~~ reasonably designed to:
 - ~~(a)~~ facilitate the supervision of the Trading Participant's business activities and the conduct of the Trading Participant's Registered Persons, employees and agents;
 - ~~(b)~~ identify, monitor and manage conflicts of interest and risks that may arise in the conduct of the Trading Participant's business;
 - ~~(c)~~ achieve compliance with these Rules, the Directives, and the Securities Laws ~~and the Trading Participant's written policies, procedures and internal controls~~; and
 - ~~(d)~~ provide for investor protection~~;~~

~~(referred to collectively in this Rule as "Policies and Procedures").~~
- ~~(2)~~ For the avoidance of doubt, a Trading Participant must ensure that relevant information about its business is regularly reported to its management as part of the Trading Participant's compliance with Rule ~~601.2E(1)4.03(1)~~.
- ~~(23)~~ A Trading Participant must consider all relevant factors in determining the adequacy and effectiveness of the ~~written policies, procedures and internal controls as required under Rule 601.1C(1) Policies and Procedures~~ including the:
 - ~~(a)~~ size of the Trading Participant's business;
 - ~~(b)~~ Trading Participant's financial position;
 - ~~(c)~~ diversity of operations;
 - ~~(d)~~ volume, size and frequency of transactions;

- (e) degree of risk associated with each area of operation; and
 - (f) amount of control by the Trading Participant's senior management over day to day operations.
- (34) A Trading Participant must: ~~(a) adequately~~properly document and regularly review and update the Trading Participant's ~~written policies, procedures and internal controls~~Policies and Procedures to take into account any changes that may occur in the regulatory requirements; ~~and.~~
- (b5) A Trading Participant must properly disseminate and effectively implement and enforce within the Trading Participant, the ~~written policies, procedures and internal controls~~Policies and Procedures and any updates to such ~~policies, procedures and internal controls~~Policies and Procedures.

[Refer to Directive No. 4-001]

Rule 601.2A 4.04 Trading by an employee, Registered Representative or director of a Trading Participant

~~For the purpose of this sub-Rule 601.2, "employee" shall include Registered Representatives, Registered Representatives in training.~~

Rule 601.2B

~~A Trading Participant must ensure that:~~

- (a) A Trading Participant must ensure that an employee, Registered Representative or director of a Trading Participant who trades in Contracts for his own account notifies the Trading Participant ~~it~~ of such trades in writing or by electronic means. ~~and u~~ Upon receipt of the notifications, ~~the a~~ Trading Participant must ~~takes~~ the necessary steps to manage conflicts of interests and risks in accordance with Rule ~~601.2D~~4.02. For the purposes of this Rule 4.04, a director's account will include an account in which such a director has a direct or indirect interest;.
- (b) ~~— [Deleted]~~
- (c) ~~— it only employs or engages employees and agents who are fit and proper with suitable skill and experience with regard to the position and responsibility they hold;~~
- (d) ~~— it does not carry on its business at any place other than its Principal Office, Branch Office(s) and Trading Kiosk(s) (unless it has obtained the prior approval in writing from the Exchange);~~
- (e) ~~— it does not permit any one Client to represent such a percentage of the trading by the Trading Participant as may reasonably be likely to prejudice or diminish the ability of the Trading Participant to meet its obligations in the event of a default by such Client;~~
- (f) ~~— neither the Trading Participant nor any of its Registered Representatives shall share directly or indirectly in the profits or losses on any Client Account or indemnify or compensate a Client against losses suffered on any Client Account or in any transaction effected with or for such Client. It shall also not assume for its Proprietary Account any losses incurred by its Client unless the losses are directly attributable to any mistakes and/or negligence of the Trading Participant or its Registered Representatives;~~
- (g) ~~— no person shall effect the purchase or sale of any Contracts for the purpose of improperly influencing the price of the Contracts or prices on the Underlying Market;~~

- ~~(h) — no person who, in relation to trading in Contracts, is in possession of material non-public information obtained as a result of a position of confidence held by that person and which might reasonably be expected to affect materially the price of such Contracts, shall make improper use of such information to gain, directly or indirectly, an advantage for himself or for any other person;~~
- ~~(i) — its trading functions and back-office settlement functions are properly segregated and any Registered Representatives authorised by the Trading Participant to trade on behalf of Clients does not trade for the Trading Participant's Proprietary Account;~~
- ~~(j) — where the trading terminals of any Local Participant and other Trading Participant who is not a participant of the clearing house clearing through it are placed in the Trading Participant's office premises, the terminals are placed in a location that is physically segregated from the trading terminals of the rest of its Registered Representatives;~~
- ~~(k) — a Trading Participant must have adequate and effective resources for the proper performance of the Trading Participant's business activities; and~~
- ~~(l) — a Trading Participant is responsible for the quality, reliability and integrity of all systems the Trading Participant uses in the Trading Participant's business in trading in Contracts on the Exchange.~~

Rule 601.34.05 Compliance – Internal Records

- ~~(a) — A Trading Participant shall maintain separately from other records which correctly record and explain trading in Contracts by the Trading Participant on its own account.~~
- ~~(b) — A Trading Participant shall maintain records that set out the particulars of:
 - ~~(i) — the instructions by a Client to trade in Contracts;~~
 - ~~(ii) — the date and time of receipt, sending and carrying out of those instructions;~~
 - ~~(iii) — the person by whom those instructions are received, the person by whom they are sent and the person by whom they are carried out;~~
 - ~~(iv) — the date and time of receipt, sending and carrying out of instructions to trade in Contracts on the holder's own account; and~~
 - ~~(v) — the person by whom instructions of the kind referred to in rule 601.3(b)(iv) above are received, the person by whom they are sent and the person by whom they are carried out; and~~
 - ~~(vi) — the source of funds used for the trading in Contracts on the holder's own account.~~~~
- ~~(c) — Without prejudice to Rule 601.3(b), a Trading Participant shall in relation to the particulars of an instruction by a Client to trade in Contracts and to trade in Contracts on the holder's own account, maintain the following particulars:
 - ~~(i) — a description of the Contracts sufficient to identify the nature of the instruction, including:
 - ~~(1) — a description of the underlying Instrument;~~
 - ~~(2) — a description of the state of affairs that is the subject of the Contract; and~~
 - ~~(3) — in the case of a Futures Contract, the month and year for the performance or settlement of the Futures Contracts; and~~
 - ~~(4) — in the case of an Option:
 - ~~(A) — the price or value of the underlying instrument or numerical level of the state of affairs that is the subject of the Option at which the buyer of the Option may exercise the Option; and~~~~~~~~

- (B) ~~whether the Option is a Call Option or a Put Option;~~
- (ii) ~~whether the instruction;~~
- ~~(1) is to buy Contracts;~~
- ~~(2) is to sell Contracts;~~
- ~~(3) in the case of an Option, is to exercise the Option; or~~
- ~~(4) consists of a combination of two or more of the acts referred to in subparagraph (1),(2) or (3);~~
- (iii) ~~the quantity or number of the Contracts;~~
- (iv) ~~whether or not the instruction is intended to effect a liquidating trade;~~
- (v) ~~the conditions on which the instruction is to be carried out, including but not limited to whether an instruction is to be carried out at:~~
- ~~(1) the market price; or~~
- ~~(2) any particular price; and~~
- ~~(3) if the instruction is carried out, the price at which it had been carried out.~~
- (d) ~~The retention period for the records in respect of the transactions described in this Rule 601.3 shall be for 7 years, except audio magnetic tapes of Client's conversations and conversations pertaining to the Trading Participant's proprietary trading which need only be maintained for a period of not less than two (2) years from the date of the conversation.~~
- (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.~~
- (f) ~~Without prejudice to the provisions of Rule 601.3 above, the Trading Participant may maintain the internal records in its original form by obtaining or sourcing the same from the relevant trading system provided by the Exchange or otherwise and electronic voice recording machines procured by the Trading Participant to facilitate its trading activities.~~
- (1) A Trading Participant must keep proper records to evidence compliance with the requirements in these Rules, and when expressly required under any provisions of these Rules or Directives.

[Refer to Directive No. 4-001]

- (a2) It is the responsibility of each A Trading Participant to must record and maintain at all times an up- to- date record of its relevant information on its Clients, their trading accounts and trades executed in their trading accounts. and the persons authorised by the Clients in accordance with Rule 603.1(b) and to indicate, where applicable, if the Clients have been granted Direct Market Access.

[Refer to Directive No. 4-001]

Rule 603.54.06 Advertising and Publicity

~~(a) A Trading Participant's advertising or publicity in relation to publicising of the Trading Participant's business must:~~

- ~~(ia) be factual, accurate and not be misleading or ambiguous;~~
- ~~(iib) not contain hedge clauses or disclaimers which are illegible, or attempt to disclaim responsibility for the contents of such material or opinions expressed in such material which is inconsistent with such communications; claims that are not verifiable;~~
- ~~(iiic) not tend to bring the Exchange or its subsidiaries or its related corporations or any other Trading Participants into disrepute; and~~
- ~~(ivd) contain a warning statement advising investors to read and understand all applicable terms and conditions and to consider the risks and charges involved before investing in or subscribing to the products or services adequate risk disclosure statements;.~~

- ~~(v) — not give an investor the impression that from any investments made through or with the Trading Participant, the investor's capital is secure and the investor's income or profits are guaranteed or that such rate of return is certain; and~~
- ~~(vi) — not imply that an investor could profit without risk by using the services of the Trading Participant.~~

4.07 Communication within the Trading Participant

A Trading Participant must immediately disseminate these Rules, Directives and requirements that the Exchange and the Commission issue to all the Trading Participant's Registered Persons and relevant employees.

Rule 618A — 4.08 Statements, Information and Reports to the Exchange

- (1) A Participant must submit, within such time and in such form and manner as prescribed by the Exchange, such statements, information and reports as may be requested by the Exchange.
- ~~(2) — 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) is be clear, unambiguous and accurate;~~
 - ~~(b) does not contain any material omission; and~~
 - ~~(c) is not be false or misleading.~~
- ~~(23) 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) 4.08(2)~~, the Participant and the relevant Registered Person will be held responsible for such breach notwithstanding that even if the statement, information or document was were signed or submitted by a person other than the relevant Registered Person.~~
- ~~(34) A Participant or Registered Person does not commit a breach of this Rule ~~618A(1) 4.08(2)~~ above if a Participant or Registered Person can prove that:-~~
 - ~~(a) all enquiries as were reasonable in the circumstances had been made; and~~
 - ~~(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 this Rule ~~618A(1)4.08(2)~~.~~
- ~~(45) 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 this Rule ~~618A(1)4.08(2)~~.~~

Rule 601A — ~~Dealing in Derivatives By Universal Brokers, Eligible Non-Universal Brokers, Special Scheme Brokers and Investment Banks~~

Rule 601A.1

- ~~(a) — A Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank may carry out the business of dealing in derivatives via its subsidiary or related company (being a subsidiary of the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's holding company, as the case may be) where the subsidiary or~~

~~related company is a Trading Participant of the Exchange licensed pursuant to the Capital Markets and Services Act.~~

- ~~(b) — For the purposes of this Rule, the Registered Representatives engaged or employed by that Trading Participant and Local Participants for whom that Trading Participant is a Nominating Participant may be stationed at the principal office and/or any branch office(s) of the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank.~~
- ~~(c) — The Trading Participant is responsible for the activities that are carried out by the Registered Representatives and the Local Participants referred to in Rule 601A.1(b).~~

Rule 601A.2 — Compliance Functions

- ~~(a) — Every Trading Participant shall designate one or more of its Compliance Officers who shall be responsible to ensure that the compliance functions in relation to the business of dealing in derivatives are being conducted at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal offices and/or any of its branch office(s). However, the Compliance Officer need not be physically present at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's principal offices and/or its branch office(s), unless otherwise required by the Exchange and/or Bursa Securities, in consultation with the Commission;~~
- ~~(b) — Notwithstanding the Rule 601A.2(a) and unless otherwise required by the Exchange, Bursa Securities and/or the Commission, the Trading Participant may elect to have the department that is carrying out the compliance functions for the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank undertake the supervisory responsibilities envisaged in these Rules, provided that:~~
- ~~(i) — the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officers' roles and responsibilities are not in any way whatsoever compromised or affected; and~~
 - ~~(ii) — the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officer so acting shall have passed the relevant examination approved by the Exchange in consultation with the Commission,~~

~~whereupon the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank shall submit all compliance reports pertaining to the business of dealing in derivatives to the Trading Participant's Compliance Officer.~~

- ~~(c) — Notwithstanding the provision in Rule 601A.2(b) above, the responsibility for supervisory activities in respect of the business of dealing in derivatives at the Universal Broker's, Eligible Non-Universal Broker's and Special Scheme Broker's principal office and/or branch office(s) shall at all times remain vested in the Trading Participant and its Compliance Officer.~~

Rule 601A.3

- ~~(a) — The Trading Participant shall furnish a written declaration to the Exchange, Exchange holding company or Bursa Securities, in the form and substance acceptable to the Exchange, Exchange holding company or Bursa Securities, stating the following—~~
- ~~(i) — the particulars of the Registered Representative(s) stationed at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal office and/or any of its branch office(s) and any changes thereto from time to time; and~~
 - ~~(ii) — the respective activities of such Registered Representative(s), whether engaged in proprietary or agency trading.~~

~~(b) — The Trading Participant shall further provide to the Exchange, Exchange holding company or Bursa Securities and the Commission prior notification in writing of the respective locations of its Local Participants who are stationed at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal office and/or any of its branch office(s) and such notice shall be given not less than fourteen (14) Business Days before the date of relocation of the Local Participant concerned at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's premises.~~

Rule 601A.4 — Integrated Business

~~Where a Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank intends to merge or amalgamate the business of dealing in derivatives being carried out by a Trading Participant with its other businesses as a Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank, the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank shall at all times comply with:-~~

- ~~(a) — the relevant Rules of the Exchange and the Clearing House concerning the transfer of participantship from the Trading Participant to the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank; and~~
- ~~(b) — [Deleted]~~
- ~~(c) — such terms and conditions as may be prescribed by the Exchange, Exchange holding company or Bursa Securities and/or the Commission from time to time.~~

Rule 601B — Fund Management by Universal Broker and Investment Bank

Rule 601B.1

~~(a) — A Universal Broker and Investment Bank shall be permitted to carry out the business of regulated activity of fund management in relation to derivatives pursuant to Section 58(1) of the Capital Markets and Services Act, subject always to the following conditions:-~~

- ~~(i) — the Universal Broker or Investment Bank, as the case may be, is a holder of Capital Markets Services Licence who carries on the business of regulated activity of dealing in derivatives and fund management in relation to derivatives;~~
- ~~(ii) — the Universal Broker and Investment Bank respectively employs or engages or has employed or engaged, as the case may be, a holder of a Capital Markets Services Representative's Licence who carries on the business of regulated activity of fund management on a full-time basis to conduct the fund management business in relation to derivatives ("dedicated fund manager's representative(s)");~~
- ~~(iii) — a dedicated fund manager's representative(s) shall be a person who has passed the examination(s) prescribed by the Commission from time to time in respect of a holder of a Capital Markets Services Representative's Licence who carries on the business of regulated activity of fund management. A dedicated fund manager's representative may be exempted from sitting for the relevant examination(s) in the case where:-
 - ~~(1) — he was previously a holder of a Capital Markets Services Representative's Licence who carries on the business of regulated activity of fund management; and~~
 - ~~(2) — he is a dealer's representative as defined in the Rules of Bursa Securities.~~~~

Rule 601B.2 — Concurrent fund management services

~~A Universal Broker and Investment Bank shall be permitted to carry out the following concurrently:-~~

- ~~(a) — the activities of a fund manager in relation to securities; and~~
- ~~(b) — the activities of a fund manager in relation to derivatives,~~

~~provided always that Rule 601B.1 and the relevant Rules of the Bursa Securities are at all times fulfilled.~~

~~Rule 601C — Branch Office and Trading Kiosk~~

~~Rule 601C.1 — Application~~

~~For the avoidance of doubt, all the provisions in these Rules except for Rule 601A apply to the Branch Office and Trading Kiosk.~~

~~Rule 601C.2 — Establishment of Branch Office and Trading Kiosk~~

- ~~(1) — A Trading Participant that wishes to establish, maintain or operate branch offices or trading kiosks for the carrying out of the business of trading on the Exchange must obtain the Exchange's prior approval.~~
- ~~(2) — Rule 601C does not apply to a Trading Participant if trading on the Exchange at the branch office is only carried out by Registered Representatives and Local Participants stationed at the branch office pursuant to Rule 601A.1(b).~~
- ~~(3) — The Exchange may grant approval subject to the Trading Participant's compliance with the Commission's requirements on Branch Offices and Trading Kiosks.~~
- ~~(4) — A Trading Participant that establishes, maintains and operates Branch Offices or Trading Kiosks must comply with the minimum issued and paid up capital specified by the Commission.~~
- ~~(5) — A Trading Participant must in relation to every Branch Office appoint 1 responsible person who is engaged on a full time basis with the Trading Participant to:
 - ~~(a) — supervise the Branch Office;~~
 - ~~(b) — ensure the proper segregation of duties at the Branch Office; and~~
 - ~~(b) — oversee the administrative activities at the Branch Office.~~~~

~~Rule 601C.3 — Permitted activities at the Branch Office and Trading Kiosk~~

- ~~(1) — A Trading Participant may carry out at a Branch Office all types of activities that may be carried out at the Principal Office.~~
- ~~(2) — A Trading Participant may only carry out such activities as the Exchange may permit at a Trading Kiosk.~~

~~Rule 601C.4 — Conversion~~

- ~~(1) — A Trading Participant may convert its Trading Kiosk to a Branch Office or vice versa with the prior approval of the Exchange.~~

~~Rule 601C.5 — Back office system and operations~~

- ~~(1) — Where a Trading Participant operates and maintains its own back office system and operations at any of the Branch Office, the Trading Participant must ensure that the back office system and operations are capable of:~~
- ~~(a) — timely reporting and transmission of data from the Branch Office to the Principal Office;~~
 - ~~(b) — daily reconciliation of all records of the Principal Office and the Branch Office; and~~
 - ~~(c) — reconciliation of all transactions undertaken by the Branch Office.~~

Rule 602 — Minimum Financial Resources Requirements

Rule 602.1

Subject to Rule 602.1A, each Trading Participant shall at all times, maintain as Adjusted Net Capital of:

- ~~(a) — RM500,000; or~~
- ~~(b) — 10% of aggregate Margins required;~~

~~whichever is the higher.~~

~~It is the responsibility of the Trading Participant to be in compliance with the Minimum Financial Resources Requirements, as stipulated above and must demonstrate such compliance to the satisfaction of the Exchange. Where the Trading Participant is unable to comply with the Minimum Financial Resources Requirements as stipulated above, the Trading Participant shall immediately notify the Exchange and indicate the steps taken by the Trading Participant to comply with such Minimum Financial Resources Requirements.~~

Rule 602.1A

- ~~(a) — The minimum financial resources requirement as stipulated in rule 602.1 and rule 602.2 shall not be applicable to a Trading Participant who is also a Participating Organisation.~~
- ~~(b) — Notwithstanding Rule 602.1A(a), a Trading Participant who is also a Participating Organisation of Bursa Securities shall at all times comply with the Capital Adequacy Requirements as imposed by Bursa Securities on Participating Organisations. In the case of an Investment Bank, it shall at all times comply with the Capital Adequacy Requirements as imposed by Bursa Securities on an Investment Bank.~~
- ~~(c) — For the purposes of this Rule 602.1A, the Capital Adequacy Requirements imposed by Bursa Securities on Participating Organisations and Investment Banks respectively, shall be deemed to be part of these Rules.~~

Rule 602.2

- ~~(a) — For the purpose of calculating Adjusted Net Capital:
 - ~~(i) — all Contracts must be marked to their current market value;~~
 - ~~(ii) — all unrealised profits and losses on all Contracts, forward and fixed price commitment contracts must be treated as realised profits and losses; and~~
 - ~~(iii) — unless otherwise specifically stated, the value ascribed to all other assets and liabilities must be their current market value.~~~~

~~Adjusted Net Capital is:~~

~~Permitted Assets~~

~~less~~

~~Total Liabilities~~

~~less~~

~~Additional Deductions~~

~~(b) Permitted assets are cash and other assets which are commonly identified in accordance with generally accepted accounting principles prevailing from time to time as being current assets and are realisable for cash or collectible within ten (10) Business Days from the computation date, but must exclude:~~

~~(i) all prepaid expenses and deferred charges;~~

~~(ii) all advances, loans and other receivables which are not secured except:~~

~~(A) brokerage, fees and commissions which have not been outstanding for longer than ten (10) Business Days from the due date;~~

~~(B) all dividends which have not been outstanding for longer than ten (10) Business Days from the payable date;~~

~~(C) receivables from the Clearing House but not including any asset lodged with the Clearing House in respect of contributions to the clearing fund or as security deposits;~~

~~(D) receivables from the Exchange;~~

~~(E) receivables due in the ordinary course of business from a financial institution licensed by Bank Negara Malaysia including interest due to be paid on the next Business Day but excluding any other accrued interest;~~

~~(F) receivables, other than fees, commission and brokerage, from other affiliates of the Clearing House;~~

~~(G) receivables from another clearing house approved by the Exchange;~~

~~(H) receivables resulting from the sale of inventories commonly associated with the business activities of the Trading Participants, which in the opinion of the Trading Participant's auditors, are good for collection; and~~

~~(I) such other amounts as may be determined by the Exchange from time to time;~~

~~(iii) any asset the possession, or control over the disposal, of which has been given to a financial institution as security for any credit facility provided by the financial institution to the Trading Participant or as security for an irrevocable letter of credit, bank guarantee or surety or any line of credit provided by that financial institution to the Clearing House, the Exchange, another clearing house or to any other person;~~

~~(iv) shares held in a related corporation unless otherwise approved by the Exchange;~~

~~(v) all advances or loans to any director or employee of the Trading Participant or any third party;~~

~~(vi) all amounts owed to the Trading Participant by its related corporations other than amounts falling within the description in subparagraph (b)(ii)(E);~~

- ~~(vii) — all intangible assets;~~
- ~~(viii) — all exchange participants and participants of clearing houses;~~
- ~~(ix) — all securities except:
 - ~~(A) — Malaysian government securities;~~
 - ~~(B) — bills, notes and debentures traded in the money market;~~
 - ~~(C) — medium to long term bills, notes and debentures issued by financial institutions licensed by Bank Negara Malaysia for which there are readily ascertained market prices;~~
 - ~~(D) — securities listed on a stock exchange approved by the Exchange and;~~
 - ~~(E) — such other securities as may be approved by the Exchange from time to time;~~~~
- ~~(x) — such other items as may be determined by the Exchange from time to time.~~
- ~~(c) — Total liabilities are those liabilities which are commonly identified in accordance with generally accepted accounting principles prevailing from time to time as being short term and long term liabilities but exclude:
 - ~~(i) — liabilities under a subordinated loan agreement:
 - ~~(A) — which has a remaining term to maturity of not less than one year; and~~
 - ~~(B) — to which the Exchange is a party;~~~~
~~up to a maximum amount of four times the shareholders' funds of the Trading Participant;~~
 - ~~(ii) — long term liabilities owed to a financial institution under a commercial loan secured by a fixed charge over real property or motor vehicles owned by the Trading Participant and applied for use in normal course of the business of the Trading Participant, up to an amount equal to the lower of net book value or eighty percent (80%) of the market value of the real property or motor vehicles;~~
 - ~~(iii) — such other liabilities as may from time to time be determined by the Exchange.~~~~
- ~~(d) — The Exchange may prescribe as an additional deduction an amount, in relation to each of the following categories of permitted assets, expressed as percentage of the value of the relevant permitted asset, or in relation to other matters, from which the total value of permitted assets is to be deducted:
 - ~~(i) — Malaysian government securities;~~
 - ~~(ii) — readily marketable Malaysian securities listed on a stock exchange approved by the Exchange;~~
 - ~~(iii) — such other securities that may be approved by the Exchange from time to time;~~
 - ~~(iv) — [This sub-Rule has been deleted]~~
 - ~~(v) — [This sub-Rule has been deleted]~~
 - ~~(vi) — amounts due from Clients in respect of margin where such amounts are outstanding for more than three (3) Business Days as at the computation date;~~~~

- ~~(vii) — [This sub-Rule has been deleted]~~
- ~~(viii) — the margin requirement on open contracts in the Proprietary Account of a Trading Participant which are not bona fide hedged contracts;~~
- ~~(ix) — [This sub-Rule has been deleted]~~
- ~~(x) — the net debit balance arising from the marking-to-market or interim settlement of outstanding Contracts held by Clients as at the close of business on the computation date;~~
- ~~(xi) — inventories which are not hedged in any market or association;~~
- ~~(xii) — inventories which are not hedged by any hedging position in any market or association; and~~
- ~~(xiii) — such other assets or amounts as may be determined by the Exchange from time to time.~~
- ~~(e) — For the purpose of this Rule, a related corporation is any corporation:
 - ~~(i) — in which the Trading Participant owns or effectively controls twenty percent (20%) or more of the issued share capital;~~
 - ~~(ii) — which owns or effectively control twenty percent (20%) or more of the issued share capital of the Trading Participant;~~
 - ~~(iii) — which effectively directs or has the ability to direct or indirectly influence the management policies of the Trading Participant;~~
 - ~~(iv) — of which management policies the Trading Participant effectively directs or has the ability to directly or indirectly influence;~~
 - ~~(v) — where one party holds or effectively controls twenty percent (20%) or more of the issued share capital of that corporation and simultaneously holds or effectively controls twenty percent (20%) or more of the issued share capital of the Trading Participant.~~~~
- ~~(f) — For the purpose of this Rule, except in subparagraph (c)(ii), a loan or other form of receivable is considered to be secured if and only if:
 - ~~(i) — collateral of the type, approved by the Clearing House and/or the Exchange, has been given to the Trading Participant as security for that loan or receivable and is at least of such value approved by the Clearing House and/or the Exchange;~~
 - ~~(ii) — the collateral is in the possession or control of the Trading Participant; and~~
 - ~~(iii) — the Trading Participant has a legally enforceable written security agreement executed by the debtor in its favour under which the Trading Participant has the power to readily sell or otherwise convert the collateral into cash in the event of the receivable being placed in jeopardy.~~~~
- ~~(g) — For the purpose of this Rule, the term “securities” means debentures, stocks and shares in a public company or corporation, or bonds of any government or of any body, corporate or unincorporate, and includes any option in respect thereof and any interesting unit trust schemes.~~
- ~~(h) — For the purpose of this Rule, the term “unit trust scheme” means any arrangement made for the purpose, or having the effect, of providing facilities for the participation by persons as~~

~~beneficiaries under a trust in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.~~

- ~~(i) For the purpose of this Rule, the term “computation date” means any day on which the Adjusted Net Capital of a Trading Participant is computed.~~

Rule 602.3

~~It is the responsibility of each Trading Participant to submit to the Exchange the following statements:~~

- ~~(a) a statement of Adjusted Net Capital within the stipulated reporting interval as determined by the Exchange. In the case of a Trading Participant who is a Universal Broker, Eligible Non-Universal Broker and Special Scheme Broker, the Adjusted Net Capital herein is substituted with a statement of its Capital Adequacy Ratio which is to be reported within the timeframe as stipulated in the Rules of Bursa Securities. In the case of an Investment Bank, the Adjusted Net Capital herein is substituted with a statement of its Risk Weighted Capital Ratio which is to be reported within the timeframe as stipulated in the Rules of Bursa Securities;~~
- ~~(b) a statement of financial condition on a monthly basis, i.e. not later than fifteen (15) calendar days after the end of each month.~~
- ~~(c) a statement of income/(loss) on a monthly basis, i.e. not later than fifteen (15) calendar days after the end of each month; and~~
- ~~(d) signed audited annual financial accounts within three (3) months after the end of each financial year. The signed audited annual financial accounts shall be submitted together with an auditor’s report.~~

~~Provided always that the Exchange, at its discretion, may from time to time prescribe a different reporting interval for any particular Trading Participant as it deems fit and appropriate.~~

Rule 602.4

~~A Trading Participant who fails to submit the statements as stipulated in Rule 602.3(i) to the Exchange by the stipulated reporting interval shall be liable to a maximum fine of RM10,000 and any other action deemed appropriate by the Exchange.~~

Rule 619 — 4.09 Trading or Accepting Margins during Insolvency or after Revocation of Licence

- (1) A Trading Participant must not trade or accept any margins from its Clients 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 any margins from his Clients during his bankruptcy, or after his Capital Markets Services Representative’s Licence has been revoked or suspended.

Rule 616 — Indemnity by Exchange

~~Each Participant shall indemnify and hold the Exchange harmless for the full amount of any judgement or settlement paid by the Exchange in respect of any legal proceedings brought against the Exchange as a result of an alleged violation of any laws or these Rules by such Participant or as a result of an alleged failure of the Exchange to detect, prevent or otherwise act against such alleged violations.~~

PART B – RESOURCES

Rule 601.5 — Early Warning Financial Requirements

~~A Trading Participant must comply with such early warning financial requirements that the Exchange may prescribe from time to time.~~

Rule 601.6 — Business Premises

~~(1) — A Trading Participant must have business premises that are adequately and properly equipped for the conduct of the Trading Participant's business.~~

~~(2) — A Trading Participant must have adequate security and emergency arrangements to provide continuous business operations with minimal disruptions.~~

601.2B 4.10 Personnel

~~A Trading Participant must ensure that:~~

~~(c) — it does not knowingly A Trading Participant must only employ any person who has been involved in any investigation by the Exchange as a result of which there has been a finding of misconduct involving that person, without first obtaining the written approval of the Exchange or engage employees and agents who are fit and proper with suitable skills and experience with regard to the position and responsibility they hold.~~

4.11 Business premises and systems

~~(k1) a-A Trading Participant must have adequate and effective resources for the proper performance of the Trading Participant's business activities; and, including:~~

~~(a) business premises that are adequately and properly equipped for the conduct of the Trading Participant's business; and~~

~~(b) adequate security and emergency arrangements to provide continuous business operations with minimal disruptions.~~

~~(l2) a-A Trading Participant is responsible for the quality, reliability and integrity of all systems the Trading Participant uses in the Trading Participant's business in trading in Contracts on the Exchange.~~

~~[Refer to Directive No. 4.11-001]~~

PART C – CLIENTS

~~Rule 603 – Dealings with Clients~~

~~Rule 603.14.12 Client information and Opening opening a Client Account~~

- ~~(1) Before a Trading Participant opens a trading account for a Client, the Trading Participant must:~~
- ~~(a) obtain all essential information about the Client relevant to the services to be provided;~~
 - ~~(b) verify the Client's identity and the authenticity of the application to open a trading account with the Trading Participant; and~~
 - ~~(c) enter into a written agreement with the Client.~~

~~[Refer to Directives No. 4-001 and 4-002]~~

- ~~(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 business of dealing in derivatives.~~
 - ~~(iv) [Deleted]~~
 - ~~(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 Rule 4.12(3) and (4).

Rule 603.7 — Disclosure of information by Client

- ~~(13)~~ 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.
- ~~(24)~~ The information referred to in Rule ~~603.7(1)~~4.12(3) above includes information on 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.

4.13 Agreement with Clients

In relation to the written agreement referred to in Rule 4.12(1)(c), a Participant must ensure that the written agreement sets out the terms and conditions for the operation of the Client's trading account and includes the Client's obligation to comply with these Rules and Directives, whether these Rules and Directives apply directly or indirectly to the Client.

Rule 601.3A4.14 Record of clients Statement to Clients

- ~~(a) — It is the responsibility of each Trading Participant to maintain at all times an up to date record of its Clients and the persons authorised by the Clients in accordance with Rule 603.1(b) and to indicate, where applicable, if the Clients have been granted Direct Market Access.~~

A Trading Participant must send any such relevant information to a Client for the purchase or sale of a Contract as may be prescribed by the Exchange.

[Refer to Directive No. 4-001]

4.15 Doing business with Clients

(1) A Trading Participant and Registered Person must act honestly and fairly and in the best interests of the Trading Participant's Clients.

[Refer to Directive No. 4-001]

(2) A Trading Participant and Registered Person must make adequate and accurate disclosure of the risks, benefits and conflict of interest to the Clients in the Trading Participant's and Registered Person's dealings with the Clients.

[Refer to Directive No. 4-001]

Rule 603.3 Client's Order

(a3) In relation to a Client's orders, a Trading Participant, Head of Dealing or Registered Representative must:

(a) obtain written authorisation from the Client in relation to accepting instructions from any person or persons on behalf of a Client;

(b) carry out the Client's instructions in a timely manner. A Registered Representative, on receiving a Client's order shall ~~must~~ 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.~~

(c) ~~On~~ execution of the Client's order, the Registered Representative shall ~~must~~ check the particulars of the Contract and confirm to the Client that the Contract is done;

(d) ~~The Trading Participant shall give priority to a Client's orders over execution of their own orders in relation to the Contracts of the same class;~~

(e) ~~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 front-run a Client; and~~

(f) ~~All ensure that the 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 603.6 — Addressing of Communications to Clients

- ~~(4) No Trading Participant shall address any~~ A Trading Participant must forward all communications and documents relating to the affairs of the Client directly to ~~at~~ the Client ~~in care of any other person unless the Client has instructed the Trading Participant in writing to send communications in care of such other person or duplicate copies are sent to the Client at some other address designated by the Client in writing.~~ has authorised in writing for such communication and documents to be sent to a third party.

Rule 603.7 — Disclosure of information by Client

- ~~(35) 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 in any of the following circumstances:
- ~~(a) in relation to a request made under Rule 4.12(3), until the information and document requested is furnished by the Client or where the Client refuses to furnish the same;~~
 - ~~(b) where an act or omission by the Client in relation to or arising from any transaction in Contracts causes, aids or facilitates a breach of these Rules or Directives.~~
- ~~(6) A Trading Participant must account for and adequately safeguard the assets of its Clients and Registered Representatives.~~

~~[Refer to Directive No. 4-001]~~

Rule 607 — Segregation of Proprietary Account and Client Account

~~The Trading Participant must maintain its Proprietary Account and its Client Account segregated at all times. The Open Positions in the Proprietary Account may not (unless permitted by these Rules) be used to offset the Open Positions of any Client Account.~~

Rule 608 — Clients' Segregated Account

Rule 608.1

~~If any money or property is deposited with, or are received by, a Trading Participant by a Client of that Trading Participant or is received by the Trading Participant for or on behalf of a Client of the Trading Participant in connection with —~~

- ~~(a) trading in Contracts effected or proposed to be effected, whether in Malaysia or elsewhere, by a Trading Participant on behalf of that Client of the Trading Participant; or~~
- ~~(b) instructions by that Client of a Trading Participant to trade in Contracts, whether in Malaysia or elsewhere, the Trading Participant shall —~~

- ~~(i) — in respect of monies, deposit the monies in an account or accounts of the Trading Participant designated as Clients' Segregated Account kept and maintained within Malaysia or in the place where the monies was deposited with or received by the Trading Participant; or~~
- ~~(ii) — in respect of property, deposit the property in safe custody within Malaysia or in the place where the property was deposited with or received by the Trading Participant, in such a manner that the property is segregated from property other than property deposited by the Trading Participant in safe custody under this Rule,~~

~~no later than the next bank business day or such other day that may be specified by the Commission after the monies or property is deposited with or received by the Trading Participant that is a day on which the amount or property can be deposited as first mentioned in Rule 608.1(i) or (ii), as the case may be. For avoidance of doubt, all monies received by a Trading Participant under Rule 608.1(i) are to be deposited in a Clients' Segregated Account by the next bank business day or such other day that may be specified by the Commission and all properties received by a Trading Participant under Rule 608.1(ii) shall where applicable be deposited in safe custody of any competent authority by clearly designating and evidencing the account as "Clients' Account" by the next bank business day or such other day that may be specified by the Commission of the competent authority.~~

Rule 608.2

~~Without prejudice to the generality of Rule 608.1, if in connection with trading in Contracts effected, whether within or outside Malaysia, by a Trading Participant, the Trading Participant receives from a person an amount of monies, some or all of which is attributable to trading in Contracts so effected, whether within or outside Malaysia, on behalf of the Clients of the Trading Participant, the Trading Participant shall, no later than the next bank business day or such other day that may be specified by the Commission on which the amount can be so deposited, deposit the amount in a Clients' Segregated Account of the Trading Participant kept and maintained in Malaysia or in the place where the Trading Participant receives the amount.~~

Rule 608.3

~~If, under this Rule, a Trading Participant deposits money in respect of a Client in a Clients' Segregated Account, the Trading Participant shall not withdraw any of the money except for the purpose of —~~

- ~~(a) — making a payment to or in accordance with the written direction of, a person entitled to the monies;~~
- ~~(b) — making a payment for or in connection with, the entering into, margining, guaranteeing, securing, transferring, adjusting or settling of trading in Contracts effected by the Trading Participant on behalf of the Client;~~
- ~~(c) — defraying brokerage and other proper charges incurred in respect of trading in Contracts effected by the Trading Participant on behalf of the Client;~~
- ~~(d) — investing it —
 - ~~(i) — on deposit at interest with a Bank;~~
 - ~~(ii) — on deposit with a Clearing House; or~~
 - ~~(iii) — in any other prescribed manner;~~~~
- ~~(e) — making a payment that is otherwise authorised by law or by these Rules or by the business rules of the Clearing House;~~

~~(f) — or as permitted by Rule 608.6.~~

Rule 608.4

~~A Trading Participant shall not deal with property deposited by the Trading Participant in safe custody under Rules 608.1 except in accordance with the terms and conditions on which the property was deposited with or received by the Trading Participant.~~

Rule 608.5

~~A Trading Participant shall not invest an amount under Rule 608.3(d) by depositing it with a person for that person to invest unless the Trading Participant—~~

- ~~(a) — has told the person that the amount has been withdrawn from a Clients' Segregated Account of the Trading Participant and is money to which the Clients of the Trading Participant are entitled; and~~
- ~~(b) — has obtained from the person a written statement that is signed by the person, setting out the amount and acknowledging that the Trading Participant has informed the person as required under Rule 608.5(a).~~

Rule 608.6

~~If, at any particular time, the total amount of the relevant liabilities of a Client of a Trading Participant exceeds the relevant credit balance of the Client, the Trading Participant shall in respect of the Client, deposit in a Clients' Segregated Account of the Trading Participant an amount of money not greater than the amount of the excess, and the amount so deposited is to be taken, subject to Rule 608.7, to be money to which the Client is entitled.~~

Rule 608.7

~~If—~~

- ~~(a) — a Trading Participant has, in respect of a Client of the Trading Participant, deposited an amount under Rule 608.6 in a Clients' Segregated Account of the Trading Participant; and~~
- ~~(b) — the relevant credit balance of the Client exceeds the total amount of the relevant liabilities of the Client;~~

~~the Trading Participant may withdraw from the account so much of the amount referred to in Rule 608.7(a) as does not exceed the amount of the excess referred to in Rule 608.7(b).~~

Rule 608.8

~~A Trading Participant shall keep, in relation to the Clients' Segregated Account or Clients' Segregated Accounts of the Trading Participant, accounting records that—~~

- ~~(a) — are separate from any other accounting records of the Trading Participant;~~
- ~~(b) — record separately in respect of each Client of the Trading Participant particulars of the amounts deposited in and the amounts withdrawn from the account or accounts in respect of the Client; and~~
- ~~(c) — record, separately from the particulars referred to in Rule 608(b):~~

- ~~(i) particulars (including particulars of withdrawals) of so much of the amounts deposited in accordance with Rule 608.2 in the account or accounts as was not attributable to trading in Contracts effected by the Trading Participant on behalf of Clients of the Trading Participant;~~
 - ~~(ii) particulars of all amounts deposited in the account or accounts under Rule 608.6; and~~
 - ~~(iii) particulars of all amounts withdrawn from the account or accounts under Rule 608.7.~~
- ~~(d) A Trading Participant shall keep records that –~~
- ~~(i) relate to the deposits of property in safe custody by the Trading Participant under Rule 608.1; and~~
 - ~~(ii) record separately in respect of each Client of the Trading Participant particulars of the property deposited in respect of the Client. For the purpose of this sub-Rule, the minimum information that must be kept are:~~
 - ~~(A) the date the property or document of title to the property is received;~~
 - ~~(B) the date the property or document of title to the property is deposited in safe custody;~~
 - ~~(C) the particulars of the property or document of title so deposited; and~~
 - ~~(D) the place where the property has been deposited.~~

Rule 608.9

~~Trading Participants are required to keep accounting records and any other records that are required by Rule 608.8 to be kept by the Trading Participant in accordance with the provisions of section 108 of the Capital Markets and Services Act. Section 108 of the Capital Markets and Services Act shall apply as if those accounting records and other records were accounting records required by that section to be kept by the Trading Participant.~~

Rule 608.10

~~It shall be the responsibility of a Trading Participant to:-~~

- ~~(a) provide the Exchange with a statement of segregation of all Clients' money or property in a form as may be prescribed by the Exchange from time to time. This statement of segregation is required to be submitted to the Exchange on a monthly basis, i.e. no later than fifteen (15) calendar days after the end of each month, provided always that the Exchange, at its discretion, may from time to time prescribe a different reporting interval for any particular Trading Participant as it deems fit and appropriate; and~~
- ~~(b) immediately inform the Exchange if there is a shortfall in the Clients' Segregated Account, and to immediately rectify such shortfall.~~

Rule 608.11

~~For the purposes of this Rule 608, "Client" shall include any Trading Participant, Associate Participant, Local Participant and "relevant liabilities" and "relevant credit balance" shall have the meaning ascribed to it in Section 52 of the Capital Markets and Services Act.~~

~~The term "property" shall have the meaning ascribed to it in Section 2 of the Capital Markets and Services Act.~~

Rule 615 — Complaints by Clients

Rule 615.1

~~Every Trading Participant and Associate Participant shall make and keep current a separate central log, index or other file for all complaints, so that such complaints can easily be identified and retrieved. At a minimum, the log, index or file shall include:~~

- ~~(a) identity of complainant;~~
- ~~(b) date complaint was received;~~
- ~~(c) identity of the Registered Representative servicing the account;~~
- ~~(d) a general description of the matter complained of; and~~
- ~~(e) a record of what action, if any, has been taken by the Trading Participant or Associate Participant with respect to the complaint.~~

Rule 615.2

~~Every Trading Participant and Associate Participant shall maintain all records of any complaints by Clients and the Trading Participant and Associate Participant's response thereto for at least seven (7) years and, if a Trading Participant or Associate Participant receives more than ten (10) complaints in any month, it shall forthwith report that fact to the Exchange.~~

Rule 615.3

~~Every Trading Participant and Associate Participant shall deal with all Client's complaints promptly and in appropriate detail.~~

- ~~(7) A Trading Participant must handle a complaint from a Client (whether written or otherwise) relating to the Trading Participant's business in a timely and appropriate manner.~~

4.16 Protection of Clients' Information

A Trading Participant and Registered Representative must not disclose the Client's information in the Trading Participant and Registered Representative's possession unless:

- (a) the Client authorises the disclosure of the information in writing;
- (b) the law requires the disclosure of the information;
- (c) the Exchange or any other relevant body or authority (whether in or outside of Malaysia) requires the disclosure of the information;
- (d) the information is already publicly available; or
- (e) the information is in the form of a summary or collection of information set out in such manner as does not enable information relating to any particular Client to be ascertained from the information.

Rule 603.1A

~~[Deleted]~~

Rule 603.2

~~Every Trading Participant shall ensure that any of its Registered Representatives who make recommendations to a Client for the purchase or sale of Contracts must have reasonable grounds for believing:~~

- ~~(a) that the recommendation is suitable for the Client on the basis of the information furnished by the Client as to his investment objectives, financial situation and other known information;~~
- ~~(b) that the Client has such knowledge and experience in financial matters that he may be capable of evaluating the risks of the recommended transaction; and~~
- ~~(c) that the Client is financially able to bear the risk of the recommended position(s) in the Contract.~~

Rule 603.4 Client Statements

~~(a) Contract Notes~~

~~The Trading Participant shall, in relation to its dealings with Clients, give a contract note to each Client for each Contract done for that Client not later than the next Business Day, showing:~~

- ~~(i) the name of the Trading Participant;~~
- ~~(ii) the name and address of the Client for whom or on whose behalf the Trading Participant effected the transactions;~~
- ~~(iii) the name of the exchange on which market the transaction was effected;~~
- ~~(iv) the date of the transaction;~~
- ~~(v) description of the Contract entered into, including the underlying Instrument, price, month and year;~~
- ~~(vi) the number of lots;~~
- ~~(vii) the total amount of commission, trading, clearing and other fees charged;~~
- ~~(viii) whether the transaction is to buy, sell and/or exercise;~~
- ~~(ix) in the case of an Option, the Exercise Price and the date by or on which the Holder of the Option, in order to exercise the Option, must declare an intention to exercise the Option;~~
- ~~(x) in the case of a liquidating order for Futures Contract, details of that order together with the opening Contract and for Options, details of the liquidating Contract; and~~
- ~~(xi) any other information as may be prescribed by the Capital Markets and Services Regulations 2012.~~

~~(b) Monthly Statements~~

~~The Trading Participant shall provide to each Client a monthly statement, within seven (7) days after the end of each calendar month showing:~~

- ~~(i) — the name of the Trading Participant and the address of the principal place of business at which the Trading Participant carries on its business as a Trading Participant;~~
- ~~(ii) — the amount of cash and securities (indicating each separately) held for the credit of that Client;~~
- ~~(iii) — the opening cash balance for that month in the Client's account;~~
- ~~(iv) — all deposits, credits, withdrawals and debits affecting the Client's account during that month;~~
- ~~(v) — the cash balance in the Client's account at the end of that month;~~
- ~~(vi) — particulars of each Contract that the Trading Participant has, before or during that month, acquired on behalf of the Client and that, as at the end of that month has not been disposed of showing in the case of each Contract the net unrealised profits or losses calculated on a mark-to-market basis, where applicable;~~
- ~~(vii) — details of all Contracts of the Client, which have been Closed Out in that month, and accounting of all realised profits and losses of the Client, where applicable;~~
- ~~(viii) — details of outstanding Margin Call in respect of a Contract that the Trading Participant has acquired on behalf of the Client, where applicable; and~~
- ~~(ix) — any other information as may be prescribed by the Capital Markets and Services Act.~~

Rule 604 — Failure to Comply

Rule 604.1

[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.~~

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;~~
- ~~(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 which are traded on the Exchange 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

~~[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.~~

Rule 606 — Client Agreement

Rule 606.1

~~[This Rule has been deleted]~~

Rule 606.2

~~All agreements shall also include an appointment by the Client of the Chief Executive Officer of the Clearing House as the Client's attorney and/or agent to do all things necessary to transfer any Open Position held by the Trading Participant on the Client's behalf to another Trading Participant where the participanship of the Trading Participant has been suspended or terminated.~~

Rule 6094.17 Discretionary Account

(a1) A Trading Participant must not operate a discretionary account on behalf of a Client unless written authorisation of the Client has been obtained, and the account has been approved in writing by a person appointed by the Trading Participant to approve such accounts. Where a Trading Participant is properly authorised in writing by a Client to operate a discretionary account on behalf of that Client, it ~~shall~~must:

- (ia) maintain full and complete records of each exercise of that discretionary authority showing the name of the Client, the details of the Contract and the date and time the transaction is effected and the name of the Registered Representative executing the order;
- (ib) ensure that in the exercise of the discretion no trading is entered into which is excessive having regard to the financial resources of that Client; and
- (iic) ensure that in the exercise of the discretion, no conflict of interest arises.

~~(b) When the Trading Participant is duly authorised in writing by a Client to operate a discretionary account on behalf of a Client, it shall provide to the Client:~~

- ~~(i) a contract note as confirmation of each Contract done on behalf of its Client not later than the next Business Day after the day of execution of the Contract and the contract note shall contain the relevant information as stipulated in Rule 603.4(a); and~~
- ~~[ii] a monthly statement, within seven (7) days after the end of each calendar month, showing the relevant information as stipulated in Rule 603.4(b), including:~~
 - ~~[A] the buying or selling of Contracts of which was an operation by the Trading Participant on the discretionary account;~~
 - ~~[B] particulars of the Contracts;~~
 - ~~[C] a statement stating that the transaction in the contract note issued shall be subject to the rules of the relevant derivatives exchange;~~
 - ~~[D] in the case of an Option, the Exercise Price and the date by or on which the Holder of the Option, in order to exercise the Option, must declare an intention to exercise the Option;~~

- ~~[E] — the details of each outstanding call for a deposit or margin in respect of a Contract that the holder had bought or sold on behalf of the Client and the buying or selling of which was on operation by the Trading Participant on the discretionary account;~~
- ~~[F] — Client's ledger balances;~~
- ~~[G] — the net realised profits or losses closed since the date of the previous statement;~~
- ~~[H] — all financial charges and credits to the Client's account since the previous statement; and~~
- ~~[I] — other transactions to explain the exact position in the Client's account and the net unrealised profit or loss on all Open Positions on the Market.~~
- (e2) ~~No Trading Participant shall in relation to a discretionary account~~A Trading Participant, Head of Dealing and Registered Representative must not, in relation to a discretionary account, execute any orders for the sale ~~and/or~~ purchase of Contracts which are excessive in size or frequency in view of the financial resources and nature of such account.
- (d3) A Compliance Officer ~~shall~~must review the acceptance of each discretionary account to determine that the person appointed by the Trading Participant to accept the account had a reasonable basis for believing that the Client is able to understand and bear the risks of the strategies or transactions proposed, and he ~~shall~~must maintain a record of the basis for his determination.
- (e4) Each discretionary order ~~shall~~must be ~~approved and initialled on the day transacted~~reviewed by a Compliance Officer ~~or by a person appointed by the Trading Participant to approve the order and~~ shall be identified as a discretionary order at the time of entry. ~~Discretionary orders shall receive appropriate supervisory review by a Compliance Officer.~~

~~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 one (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

- (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 610.1B — Duties of Compliance Officer

- (1) — **Monthly Compliance Reports**
- ~~(a) — In amplification of Rule 610.1(3) above, the Compliance Officer shall submit monthly written reports to the board of directors of the Trading Participant on all matters pertaining to compliance of the Trading Participant with the Securities laws, these Rules, directives, rulings and guidelines issued by the Exchange.~~
 - ~~(b) — The board of directors of the Trading Participant shall deliberate matters reported to it by the Compliance Officer at its proper meeting so that appropriate action or decision can be taken. Proper records of such deliberations shall be maintained by the Trading Participant.~~
 - ~~(c) — The Compliance Officer shall report to the Exchange on a monthly basis, not later than the last day of the following month or such other period as may be prescribed by the Exchange from time to time, on all matters pertaining to compliance of the Trading Participant.~~
- (2) — **Report of Breach/Non-Compliance**
- ~~In addition to the reporting requirements provided in Rule 610.1B(1) above, the Compliance Officer shall immediately report to:-~~
- ~~(a) — the board of directors of the Trading Participant in the event he becomes aware of:-~~

- ~~(i) any matter which, in his opinion may:-~~
- ~~(aa) constitute a breach of any provisions of the Securities Laws, these Rules, directives, rulings and guidelines issued by the exchange; and/or~~
 - ~~(bb) involve the potential default of the Trading Participant against the Clearing House or other counterparty; and/or~~
- ~~(ii) any irregularity which may:-~~
- ~~(aa) have a material effect upon the accounts of the Trading Participant and/or the minimum financial requirements prescribed by the Securities Laws, these Rules, directives, rulings and/or guidelines issued by the Exchange; and/or~~
 - ~~(bb) jeopardise the funds or property of the Clients held by the Trading Participant;~~
- ~~(b) the Exchange upon him becoming aware of any matter, which in his opinion, may:-~~
- ~~(i) involve the potential default of the Trading Participant against the Clearing House or other counterparty; and/or~~
 - ~~(ii) significantly affect the risk position and financial integrity of the Trading Participant; and~~
- ~~(c) the Commission upon him becoming aware of any matter, which in his opinion, may constitute a breach of any provision of the Securities Laws.~~
- ~~(3) Report of Rectification of Breach~~

~~For all other matters reported to the Trading Participant's board of directors in the manner envisaged in Rule 610.1B(2)(a) above, keep the Exchange informed of the decisions of the Trading Participant's board of directors and particulars of any corrective measures and decided course of actions taken or to be taken, as the case may be, in remedying such breach or irregularity within thirty (30) days of his reporting thereof to the board of directors.~~

Rule 610.2 — Written Procedures

~~Each Trading Participant shall establish, maintain and enforce written procedures to supervise the type of business in which it engages and to supervise the activities of its Registered Representatives and Marketing Representatives and that are reasonably designed to achieve compliance with the Rules and the Capital Markets and Services Act. The Trading Participant's written procedures shall set forth the supervisory system established by the Trading Participant pursuant to the above.~~

~~The Trading Participant shall maintain an internal record of the names of all persons who are designated as supervisory personnel and those delegated with supervisory functions and the dates for which such designation is or was effective. A copy of the Trading Participant's written supervisory procedures shall be kept and maintained in the Trading Participant's office.~~

~~Each Trading Participant shall amend its written supervisory procedures as appropriate within a reasonable time after changes occur in these Rules or the Capital Markets and Services Act, and as changes occur in its supervisory system, each Trading Participant shall be responsible for communicating amendments through its organisation.~~

Rule 610.3 — Internal Inspection/Audit

- (1) — A Trading Participant must conduct an internal audit review, at least of the business in which it engages, which review must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with the Rules and the Capital Markets and Services Act.
- (2) — A Trading Participant must ensure internal audit(s) are conducted on itself at such times as it deems necessary, subject always to a minimum of 1 internal audit in each calendar year.
- (3) — A Trading Participant must retain a written record of the dates when each internal audit review is conducted.

Rule 610.4 — Written Approval

Each Trading Participant shall establish procedures for the review and endorsement by a Compliance Officer in writing, on an internal record, of all transactions and all correspondence of its Registered Representatives pertaining to the solicitation or execution of any transaction.

Rule 610.5 — Qualification Investigated

Each Trading Participant shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person prior to making a certification/sponsoring of such person for registration with the Exchange.

Rule 611

[This Rule has been deleted]

Rule 612 — Commission and Fees

Commissions and fees chargeable to Clients by Trading Participants on account of trading in Contracts shall be as prescribed by the Exchange from time to time.

Rule 613 — Position and Exercise Limits

Rule 613.1

- (a) — The Exchange may, in consultation with the Clearing House, determine from time to time the limits on the Open Positions which may be held or controlled by any Client or a Participant in any Contract (“position limits”) or the number of Options that can be exercised by any Client or a Participant (“exercise limits”).
- (b) — A Participant shall ensure that the position limits and/or exercise limits, as the case may be, applicable to any Client or Participant are adhered to at all times.
- (c) — The Exchange may, in circumstances it deems fit and in consultation with the Clearing House, grant such exemption, modification and/or variation in relation to the position limits or exercise limits, as the case may be, subject to such terms and conditions prescribed by the Exchange.

Rule 613.2

~~The Exchange may establish reporting levels on the Open Positions held, by any Client or a Participant and may require daily (or other periodic) reports from Trading Participants or Associate Participants on the amount of Open Positions held, by any Client or any Participant. The Exchange shall be entitled to require reports even if the amount of Open Positions held, is below the reporting levels currently prescribed by the Exchange.~~

Rule 613.3

~~A Trading Participant or Associate Participant shall report promptly to the Exchange any instance in which the Trading Participant or Associate Participant has reason to believe that it has exceeded or a Client or another Participant, acting alone or in concert with others, has exceeded or is attempting to exceed any limits established pursuant to Rule 613.1.~~

Rule 613.4

~~It shall be the responsibility of each Trading Participant or Associate Participant accepting orders for opening transactions to inform Clients of the applicable limits and not to accept orders from any Client if the Trading Participant or Associate Participant has reason to believe that the Client, acting alone or in concert with others, has exceeded or is attempting to exceed such limits.~~

Rule 614 — Clients' Margins and Margin Payment

Rule 614.1 4.18 Clients' Margins and Margin Payment

- (1) A Trading Participant must obtain margins from its Client in accordance with the requirements below unless –
 - (a) the Trading Participant will not be clearing the trades executed on behalf of the Client; and
 - (b) the Client has entered into an arrangement with a Clearing Participant for the clearing of any of the Client's Contracts which are traded on the Exchange, and the said Clearing Participant will be obtaining the margins for that purpose.

[Refer to Directive No. 4.18-001]

- (2) Where margins are required, ~~the~~ Trading Participant must obtain a minimum initial margin and maintain the amount of minimum margins on all Open Positions. ~~These margins and these margins~~ must be at least equivalent to the amount of margins required by the Clearing House.
- ~~(3) A Trading Participant may accept from its Clients as margin cash, letters of credit, bank guarantees and any other approved securities and other forms of margins in the manner and subject to conditions determined by the Clearing House pursuant to the Clearing House Rules.~~
- ~~(4) A Trading Participant may request, at its absolute discretion, from its Clients, margins above the minimum required by the Clearing House.~~
- (35) Except for trades which reduce a Client's margin requirements, a Trading Participant must not accept orders for new Contracts from a Client unless the minimum initial margin for the Contracts is on deposit or is forthcoming within such period as may be prescribed by the Exchange ~~from time to time~~ after a call for initial margin has been made by the Trading Participant and that Client's pre-existing Open Positions comply with the margin requirements established by the Trading Participant.

- (46) ~~A Trading Participant must mark to market~~ Each Client's Open Positions ~~must be marked to market~~ daily and ~~make~~ additional call for margins, ~~must be made~~ if necessary.
- (57) A Trading Participant may Close Out all or any Open Position of a Client where the Client fails to comply with a demand for margin ~~within a reasonable time~~ after a Margin Call has been made by the Trading Participant, ~~provided that in no case shall such time be less than one (1) hour from the time of demand.~~

Rule 614.2 — Forms of Margin Payment

~~A Trading Participant may accept from its Clients as margin cash, letters of credit, bank guarantees and any other approved securities and other forms of margins in the manner and subject to conditions determined by the Clearing House pursuant to the Clearing House Rules.~~

Rule 614.34.19 Accepting Securities as Margin Payment

- (1) ~~A Trading Participants are allowed to~~ must not accept securities from Clients as margin payment ~~subject to the following conditions~~ unless:
- (i) ~~that the securities accepted as margin payment are~~ Approved S securities. ~~For the purpose of this rule Approved Securities means securities prescribed by the Clearing House as eligible to be deposited with the Clearing House by the Trading Participants for the purpose of the Trading Participants' margin payment to the Clearing House; and~~
 - (ii) ~~that the securities obtained from Clients of the Trading Participant are for the purpose of margin payment on all or any Open Positions of the Clients in accordance with Rule 614.1; and~~
 - (iii) ~~that the Trading Participant and each Client shall execute~~ has executed a memorandum of deposit ~~the minimum contents of which are in such form as may be prescribed by the Exchange in Schedule 1B of the Rules~~ ("Memorandum of Deposit").

[Refer to Directive No. 4.19-001]

- (2) The Trading Participant and the Clients ~~shall not be~~ not allowed to amend, vary, add or substitute ~~etc. any of the terms of~~ the Memorandum of Deposit or enter into additional agreements or any form of arrangement or understanding ~~howsoever described~~ which has the effect of altering, limiting or waiving the meaning, substance, application and the operation of the ~~terms prescribed in the~~ Memorandum of Deposit.
- (3) Where the Trading Participant accepts securities as margin payment from its Clients in accordance with Rule ~~614.3(a)~~ 4.19(1), the Trading Participant may deposit the same with the Clearing House for the purpose of the Trading Participant's margin payment to the Clearing House. ~~For the avoidance of doubt, this Rule shall not be construed so as to authorise the Trading Participant to deposit Clients' securities with the Clearing House for the purpose of the Trading Participant's margin payment to the Clearing House where the Memorandum of Deposit has not been executed by the Clients.~~
- (4) ~~A Local Participants~~ may lodge Approved S securities as a margin payment with its Nominating Clearing Participant in order for the Nominating Clearing Participant to clear with the Clearing House, trades that are executed by the Local Participant on the Exchange. In this respect, all provisions in Rule ~~614.3(a) and 614.3(b)~~ 4.19(1) and (2) ~~shall equally apply~~ equally to the Clearing Participants and the word "Client(s)" wherever mentioned ~~therein~~ in Rule 4.19(1) and (2) ~~shall read as means~~ the Local Participant.
- (5) ~~For the purpose of this rule "approved securities" means securities prescribed by the Clearing House as eligible to be deposited with the Clearing House by the Trading Participants for the purpose of the Trading Participants' margin payment to the Clearing House.~~

Rule 614.44.20 Prohibition to Accept Orders

In respect of a Trading Participant who is not required to obtain margin according to Rule ~~614.1(1)~~4.18(1), if the Clearing Participant notifies the Trading Participant that the Client has failed to comply with a demand for margin by the Clearing Participant or such other margin requirements as required under the Clearing House Rules, the Trading Participant must not accept orders for new Contracts from the Client except for trades which reduce a Client's margin requirements.

Rule 614A4.21 Premium

- (1) A Trading Participant must obtain premiums from its Client within such period that the Exchange may prescribe ~~from time to time~~ if the Client is a buyer of an Option.
- (2) If a Client fails to pay the premiums to a Trading Participant within the period prescribed by the Exchange after being requested to do so by the Trading Participant, the Trading Participant may Close Out all or any Open Position of a Client, charging any loss to the defaulting Client and retaining any gain, ~~subject to the written agreement entered into by the Client and Trading Participant.~~

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.~~

Rule 617.3 ~~Automated Risk Filters~~

- (1) ~~A Trading Participant must have appropriate automated risk filters or must have made the necessary arrangements for 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

- ~~(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 500 shall not apply to any action taken under Rule 617.6(2).~~

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PART D – OUTSOURCING

Rule ~~601.4~~ 4.22 Outsourcing Arrangements

- ~~(a)~~(1) A Trading Participant which outsources its functions must comply with these Rules, the Commission's Licensing Handbook and any Directives that may be issued by the Exchange on this matter.
- ~~(b)~~(2) A Trading Participant must ensure that the service provider(s) comply with the Rules that are applicable to the outsourced functions in the same manner as the Trading Participant is required to.
- ~~(c)~~(3) A Trading Participant remains accountable for all outsourced functions and will be held liable for any act or omission on the part of the service provider which results in a breach of these Rules.

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PART E - FINANCING TO RELATED CORPORATION

~~Rule 618~~ — ~~Financing to Related Corporation~~

~~Rule 618.1~~ — ~~Definition~~

~~(1) — [Deleted]~~

~~Rule 618.24.23~~ General Principles

~~(1) —~~ Subject to any restriction or prohibition under any law, a Trading Participant may extend financing to any related corporation of the Trading Participant if:-

- (a) the Trading Participant ~~has an effective implementation of~~ implements policies and procedures to control and manage the risk exposure when carrying out such financing activities;
- (b) the Trading Participant manages any potential conflict of interest that may arise between the Trading Participant and its related corporation, where the interest of the Trading Participant must prevail; and
- (c) the Trading Participant has ensured that the se policies and procedures ~~in Rule 618.2(1)(a) governing such financing activities:~~
 - (i) are ~~duly~~ endorsed by the Trading Participant's Board of Directors;
 - (ii) include the authority and limits for the granting of financing to related corporations; and
 - (iii) prohibit any individual persons from being able to exercise an overriding authority over the provision of financing to related corporations.

~~Rule 618.3~~ 4.24 **Investment Bank**

~~(1) — This Rule 618 Part E of Chapter 4 does not apply to an Investment Bank. An Investment Bank must comply with the Guidelines on Investment Bank and such other requirements of the Central Bank relating to financing to related corporations ("the Relevant Guidelines and Requirements"), if any is not applicable to an Investment Bank.~~

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PART F - DISPUTES

Rule 620 — Arbitration

Rule 620.14.25 Disputes

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

- (a~~1~~) 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~~2~~) For disputes ~~that arises from or in connection with a Contract traded on the Exchange~~ 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
- (e~~3~~) 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.

[Refer to Directive No. 4.25(3)-001]

Rule 620.24.26 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 620.14.25:

- (a) the Clients must submit to arbitration; and
- (b) the Client complies with Rule ~~620.3~~ 4.27 below.

Rule 620.34.27 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~~Chapter 4]

CHAPTER 5 ORGANISATION AND STRUCTURE OF TRADING PARTICIPANTS

PART A OTHER BUSINESS OF TRADING PARTICIPANTS

5.01 Other Business of Trading Participants

- (1) A Trading Participant must notify the Exchange prior to carrying out any other business apart from dealing in derivatives.
- (2) The Exchange may require a Trading Participant to take such steps as the Exchange thinks fit to manage the potential risks or conflicts of interests arising from carrying out both the Trading Participant's business of dealing in derivatives and the Trading Participant's other businesses.

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Rule 601C — Branch Office and Trading Kiosk

PART B BRANCH OFFICE

601C.15.02 Application

For the avoidance of doubt, all the provisions in these Rules except for ~~Rule 601A-Part H of Chapter 5~~ apply to ~~the Trading Participants' Branch Offices and Trading Kiosk.~~

601C.25.03 Establishment of Branch Office ~~and Trading Kiosk~~

- (1) A Trading Participant ~~that wishes to~~ may establish, ~~maintain or~~ and operate ~~a b~~ Branch ~~o~~ffices or trading kiosks for the carrying out of the business of trading on the Exchange ~~must obtain the Exchange's prior approval if it ensures:~~
 - ~~(a) the proper segregation of duties at the Branch Office; and~~
 - ~~(b) the Branch Office carries signage indicating the name of the Trading Participant.~~
- (2) ~~Rule 601C does not apply to a Trading Participant if trading on the Exchange at the branch office is only carried out by Registered Representatives and Local Participants stationed at the branch office pursuant to Rule 601A.1(b).~~ A Trading Participant that has established Branch Offices must maintain an up-to-date record of the addresses of all its Branch Offices.
- ~~(3) The Exchange may grant approval subject to the Trading Participant's compliance with the Commission's requirements on Branch Offices and Trading Kiosks.~~
- ~~(4) A Trading Participant that establishes, maintains and operates Branch Offices or Trading Kiosks must comply with the minimum issued and paid up capital specified by the Commission.~~
- ~~(5) A Trading Participant must in relation to every Branch Office appoint 1 responsible person who is engaged on a full time basis with the Trading Participant to:~~
 - ~~(a) supervise the Branch Office;~~
 - ~~(b) ensure the proper segregation of duties at the Branch Office; and~~
 - ~~(b) oversee the administrative activities at the Branch Office.~~

601C.3 Permitted activities at the Branch Office and Trading Kiosk

- ~~(1) A Trading Participant may carry out at a Branch Office all types of activities that may be carried out at the Principal Office.~~
- ~~(2) A Trading Participant may only carry out such activities as the Exchange may permit at a Trading Kiosk.~~

601C.4 Conversion

- ~~(1) A Trading Participant may convert its Trading Kiosk to a Branch Office or vice versa with the prior approval of the Exchange.~~

PART C **BACK OFFICE FUNCTIONS**

604C.55.04 **Back Office System and Operations**

~~(1)~~—Where a Trading Participant operates and maintains ~~its own~~ back office system and operations at any of the Branch Office, the Trading Participant must ensure that the back office system and operations are capable of:

- (a) timely reporting and transmission of data from the Branch Office to the Principal Office;
- (b) daily reconciliation of all records of the Principal Office and the Branch Office; and
- (c) reconciliation of all transactions undertaken by the Branch Office.

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PART D COMPLIANCE FUNCTION

5.05 Compliance Function and Accountability

(1) A Trading Participant must establish and maintain a compliance function which is responsible to monitor compliance with these Rules, Directives and the Securities Laws and to provide advice on all the relevant requirements that a Trading Participant must comply with, in carrying out the Trading Participant's business.

[Refer to Directive No. 5.05-001]

(2) If there is a breach of these Rules, the Directives or Securities Laws, the Trading Participant is liable for such breach whether or not such breach was by or caused by the Trading Participant's Registered Persons, employees or agents.

(3) Rule 5.05(2) applies to an Associate Participant in the same manner as it applies to a Trading Participant.

5.06 Reporting

(1) A Trading Participant must immediately report the following in writing to the Exchange, upon becoming aware or where the Trading Participant has reason to believe such occurrence is taking or has taken place:

(a) any matter in Rule 3.36(c) that has not been reported to the Exchange;

(b) the Trading Participant is subject to any enforcement or disciplinary action by the Commission or any other regulatory authority; or

(c) the Trading Participant's ability to perform any of the Trading Participant's obligations under these Rules or Directives may be adversely affected.

(2) A Registered Person must immediately report the following in writing to the Exchange, upon becoming aware or where the Registered Person has reason to believe such occurrence is taking or has taken place:

(a) any matter in Rule 3.36(c) that has not been reported to the Exchange;

(b) the Registered Person is subject to any enforcement or disciplinary action by the Commission or any other regulatory authority;

(c) the Registered Person's ability to perform any of the Registered Person's obligations under these Rules or Directives may be adversely affected;

(d) any breach of any of these Rules or the Directives by the Trading Participant by whom he is employed or engaged or by other Registered Person employed or engaged by the Trading Participant; or

(e) the Registered Person has breached any of these Rules or Directives.

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PART E RISK MANAGEMENT OF TRADING PARTICIPANTS

5.07 Risk Management Function

- (1) A Trading Participant must ensure the proper discharge of the risk management functions for the purpose stated under Rule 4.03(1)(b) and take actions to mitigate such risks.
- (2) The Trading Participant must ensure the risk management functions commensurate with:
 - (a) the scope, size and complexity of the Trading Participant's activities; and
 - (b) the level of risks that the Trading Participant is prepared to assume.

5.08 Committee to oversee risk management

- (1) A Trading Participant must appoint a committee to manage and monitor the discharge of the risk management functions of the Trading Participant.
- (2) A Trading Participant must ensure that its risk management function reports to the committee in Rule 5.08(1).
- (3) The Trading Participant must ensure that the committee in Rule 5.08(1) comprises persons who are competent, free from conflict of interest and collectively have the relevant skills and experience to carry out the functions of the committee.
- (4) The Trading Participant must ensure that the majority members of the committee in Rule 5.08(1) do not hold a Registered Representative's licence.

5.09 Outsourcing of Risk Management functions

If the risk management functions are outsourced under Part D of Chapter 4 or where the committee in Rule 5.08(1) is maintained at Group level in accordance with Part G of Chapter 5, the Trading Participant must ensure that the outsourced function or committee in Rule 5.08(1) maintained at Group level complies with all provisions in these Rules and the Directives relating to risk management functions and committee in Rule 5.08(1).

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PART F INTERNAL AUDIT OF TRADING PARTICIPANTS

Rule 610.35.10 Internal ~~Inspection~~/Audit function

- (1) ~~A Trading Participant must conduct an internal audit review, at least of the business in which it engages, which review must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with the Rules and the Capital Markets and Services Act~~A Trading Participant must establish and maintain an internal audit function which is independent from all other functions of the Trading Participant to examine, evaluate and report on the adequacy and efficiency of the Trading Participant's management, operations, internal controls and the compliance with the relevant policies and procedures established by the Trading Participant.
- (2) A Trading Participant must ensure internal audit(s) are conducted on itself at such times as it deems necessary, subject always to a minimum of 1 internal audit in each calendar year.
- ~~(3) A Trading Participant must retain a written record of the dates when each internal audit review is conducted.~~

5.11 Audit Committee

- ~~(1) A Trading Participant must establish and maintain an audit committee, whether on its own or at the Group level in accordance with Part G of Chapter 5 ("Audit Committee") which is responsible for amongst others, monitoring and overseeing all matters relating to the discharge of the internal audit functions of the Trading Participant.~~
- ~~(2) A Trading Participant must ensure that its internal audit function reports to the Audit Committee.~~
- ~~(3) The Trading Participant must ensure that its Audit Committee comprises members who are competent, free from conflict of interest and collectively have the relevant skills and experience in carrying out the functions of the Audit Committee.~~

5.12 Outsourcing of Internal Audit function

~~If the internal audit function is outsourced under Part D of Chapter 4 or where the Audit Committee is established or maintained at Group level in accordance with Part G of Chapter 5, the Trading Participant must ensure that the outsourced internal audit function or Audit Committee established or maintained at Group level complies with all provisions in these Rules and Directives relating to internal audit functions and Audit Committee.~~

5.13 Scope of Internal Audit

- ~~(1) A Trading Participant must undertake a risk assessment of the various areas in the business of the Trading Participant and based on the results of such risk assessment, decide on the scope of the internal audit to be conducted for the year.~~
- ~~(2) The Exchange may at any time require the Trading Participant to conduct an internal audit if upon assessing the risks to the Market, the Exchange deems that it is necessary or expedient.~~

5.14 Reporting

- ~~(1) The Audit Committee must present to the board of directors of the Trading Participant, amongst others, the audit report, its course of action or any corrective measures taken, to address any non-compliance or irregularities stated in the audit report and key matters deliberated by the Audit Committee.~~

- (2) A Trading Participant must submit a copy of the minutes of each meeting of the Audit Committee and a copy of the audit report, together with its course of action or any corrective measures taken to address any non-compliance or irregularities stated in the audit report, to the Exchange within 30 days from the date the minutes were adopted by and the audit report was presented to the board of directors of the Trading Participant.

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**PART G PERFORMANCE OF COMMITTEE TO OVERSEE RISK MANAGEMENT AND
AUDIT COMMITTEE FUNCTIONS AT GROUP LEVEL**

5.15 Committee to oversee risk management and Audit Committee

A Trading Participant may have its committee in Rule 5.08(1) or its Audit Committee established or maintained at Group level if the Trading Participant is able to comply with Rule 2.01(2)(i) in so far as providing or procuring the provision to the Exchange of reports, information, Documents, Books and Records pertaining to the committees and the committees' decisions and deliberations upon the Exchange's request.

5.16 Investment Bank

Rule 5.15 is not applicable to an Investment Bank.

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**601A PART H DEALING IN DERIVATIVES BY UNIVERSAL BROKERS, 1+1 BROKERS,
SPECIAL SCHEME BROKERS AND INVESTMENT BANKS**

601A.15.17 Dealing in Derivatives by Universal Brokers, ~~Eligible Non-Universal Brokers~~ 1+1 Brokers, Special Scheme Brokers and Investment Banks

- (a) A Universal Broker, ~~Eligible Non-Universal Broker~~ 1+1 Broker, Special Scheme Broker or Investment Bank may carry out the business of dealing in derivatives ~~viathrough~~ its subsidiary or ~~related company (being a subsidiary of the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's~~ its holding company, ~~as the case may be) where the subsidiary or related company which is a Trading Participant, of the Exchange licensed pursuant to the Capital Markets and Services Act.~~

[Refer to Directive 5.05-001]

- (b) ~~For the purposes of this Rule, the Registered Representatives engaged or employed by that Trading Participant and Local Participants for whom that Trading Participant is a Nominating Participant may be stationed at the principal office and/or any branch office(s) of the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank.~~
- (c) ~~The Trading Participant is be responsible for the activities that are carried out by the Registered Representatives and the Local Participants referred to in Rule 601A.1(b).~~

Rule 601A.2 Compliance Functions

- (a) ~~Every Trading Participant shall designate one or more of its Compliance Officers who shall be responsible to ensure that the compliance functions in relation to the business of dealing in derivatives are being conducted at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal offices and/or any of its branch office(s). However, the Compliance Officer need not be physically present at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's principal offices and/or its branch office(s), unless otherwise required by the Exchange and/or Bursa Securities, in consultation with the Commission;~~
- (b) ~~Notwithstanding the Rule 601A.2(a) and unless otherwise required by the Exchange, Bursa Securities and/or the Commission, the Trading Participant may elect to have the department that is carrying out the compliance functions for the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank undertake the supervisory responsibilities envisaged in these Rules, provided that:~~
- (i) ~~the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officers' roles and responsibilities are not in any way whatsoever compromised or affected; and~~
- (ii) ~~the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officer so acting shall have passed the relevant examination approved by the Exchange in consultation with the Commission,~~
- ~~whereupon the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank shall submit all compliance reports pertaining to the business of dealing in derivatives to the Trading Participant's Compliance Officer.~~
- (c) ~~Notwithstanding the provision in Rule 601A.2(b) above, the responsibility for supervisory activities in respect of the business of dealing in derivatives at the Universal Broker's, Eligible Non-Universal Broker's and Special Scheme Broker's principal office and/or branch office(s) shall at all times remain vested in the Trading Participant and its Compliance Officer.~~

Rule 601A.3

- ~~(a) The Trading Participant shall furnish a written declaration to the Exchange, Exchange holding company or Bursa Securities, in the form and substance acceptable to the Exchange, Exchange holding company or Bursa Securities, stating the following—~~
- ~~(i) the particulars of the Registered Representative(s) stationed at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal office and/or any of its branch office(s) and any changes thereto from time to time; and~~
 - ~~(ii) the respective activities of such Registered Representative(s), whether engaged in proprietary or agency trading.~~
- ~~(b) The Trading Participant shall further provide to the Exchange, Exchange holding company or Bursa Securities and the Commission prior notification in writing of the respective locations of its Local Participants who are stationed at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal office and/or any of its branch office(s) and such notice shall be given not less than fourteen (14) Business Days before the date of relocation of the Local Participant concerned at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's premises.~~

Rule 601A.4 — Integrated Business

~~Where a Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank intends to merge or amalgamate the business of dealing in derivatives being carried out by a Trading Participant with its other businesses as a Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank, the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker or Investment Bank shall at all times comply with:-~~

- ~~(a) the relevant Rules of the Exchange and the Clearing House concerning the transfer of participantship from the Trading Participant to the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank; and~~
- ~~(b) [Deleted]~~
- ~~(c) such terms and conditions as may be prescribed by the Exchange, Exchange holding company or Bursa Securities and/or the Commission from time to time.~~

[End of Chapter]

CHAPTER 6

TRADING RULES

PART A AUTOMATED TRADING SYSTEM

~~Rule 701~~ ~~Trading on the Market~~

~~Rule 701.1A~~ ~~Definition~~

~~For the purposes of Rule 700, except where the context otherwise requires:-~~

~~“ATS” means the automated and computerised trading system designated by the Exchange to be used for trading in Contracts or any other purposes permitted by the Exchange.~~

~~“Buyer” means a party who assumes a Long Position under a Futures Contract.~~

~~“Seller” means a party who assumes a Short Position under a Futures Contract.~~

~~“Trading Procedures” [Deleted]~~

Rule 701.16.01 General

- (a1) ~~Unless otherwise provided in the Rules, a~~ All trading by Participants in Contracts which are traded on the ~~Exchange~~ Market shall must be effected through the ATS in the manner ~~stipulated prescribed~~ in these Rules, Directives or the Trading Procedures ~~or any other directives issued by the Exchange from time to time.~~
- (2) ~~Unless otherwise specified by the Exchange, a~~ Trading A Participant's connection to the ATS for the purpose of trading Contracts on the Market must be through an access point approved by the Exchange.
- (b) ~~All Participants shall be familiar with the use of ATS for the purpose of effecting any trades of Contracts on the Market, unless determined otherwise by the Exchange.~~
- (c) ~~(3) It shall be the duty of every Participant to~~ A Participant must, at all times, take all reasonable security measures to prevent unauthorised access to the ATS, ~~which include but are not limited to, establishing and maintaining such procedures for the administration and monitoring of access to the ATS.~~
- (4) A Trading Participant must not, without the prior approval of the Exchange:
- (a) establish or permit the establishment of any form of electronic system capable of routing orders directly from its Clients into the ATS; or
- (b) connect to:
- (i) the ATS or any part of the ATS, directly or indirectly any device, equipment or facilities for any purpose; or
- (ii) any device, equipment or facilities which have not been approved by the Exchange to be connected to the ATS or any part of the ATS, any additional device, equipment or facilities.
- (5) All Records maintained by the Exchange in relation to any trade or any matter entered or reflected in the ATS will prevail as evidence of the truth of the matter over all other Records maintained by the Participant.

- (56) The Exchange may, at any time ~~and from time to time~~ issue Trading Procedures. All Participants ~~shall be bound to~~ must comply with the Trading Procedures.

Rule 701.26.02 Acting as principal

- (a1) ~~A Participant is deemed to act as principal for all orders and trades entered and executed in the ATS even if the orders or trades were entered for the accounts of their Clients. All trading on the market by Participants shall be deemed to be as principals and the Exchange shall will~~ not recognise the interest of any third party.
- (b2) Nothing in Rule ~~701.2(a)6.02(1)~~ ~~shall affects~~ the rights of a Client to take any action or commence any proceedings against a Trading Participant.

Rule 709A6.03 Systems Malfunction or Error

- (1) A Participant and Registered Representative must not take advantage of a situation arising which arises as a result of a breakdown, malfunction or error in the ATS (committed by the Exchange or by other Participants) or in any other systems, service or facility of the Exchange (“**Systems Malfunction or Error**”).
- (2) A Participant who ~~believes he has~~ encountered a Systems Malfunction or Error must immediately notify the Exchange.
- (3) ~~Additionally, a~~ Participant must take any all necessary and appropriate actions to mitigate any potential losses arising from the Systems Malfunction or Error immediately after the Participant knows becomes aware or should have known that there is a Systems Malfunction or Error.
- (4) The Exchange may provide prior notification that there is a Systems Malfunction or Error and direction to the Participants of any action to be taken by the Participants arising from the Systems Malfunction or Error.

[Refer to Directive No. 6.03-001]

6.04 Reporting of trade dispute

A Participant must immediately report to the Exchange all trade disputes in respect of any trades in Contracts involving RM1,000,000 or more (whether the amount is a single or an aggregated amount). Such report must contain details of the trade dispute, the amount in question and the parties involved in the dispute.

Rule 701.1

- ~~(a) — Unless otherwise provided in the Rules, all trading by Participants in Contracts which are traded on the Exchange shall be effected through the ATS in the manner stipulated in these Rules, the Trading Procedures or any other directives issued by the Exchange from time to time.~~
- ~~(1A) — Unless otherwise specified by the Exchange, a Trading Participant’s connection to the ATS for the purpose of trading of Contract on the Market must be through an access point approved by the Exchange.~~
- ~~(b) — All Participants shall be familiar with the use of ATS for the purpose of effecting any trades of Contracts on the Market, unless determined otherwise by the Exchange.~~
- ~~(c) — It shall be the duty of every Participant to take all reasonable security measures to prevent unauthorised access to the ATS, which include but are not limited to, establishing and maintaining such procedures for the administration and monitoring of access to the ATS.~~

Rule 701.2

- (a) ~~All trading on the market by Participants shall be deemed to be as principals and the Exchange shall not recognise the interest of any third party.~~
- (b) ~~Nothing in Rule 701.2(a) shall affect the rights of a Client to take any action or commence any proceedings against a Trading Participant.~~

Rule 701.36.05 Novation of contract

- (a) ~~All orders entered into ATS and matched in accordance with the provisions stipulated in Rule 700 are deemed executed except in the following circumstances:-~~
- (i) ~~where the matching of the orders results in a breach of the price limits referred to in Rule 707.1; and~~
 - (ii) ~~in any other circumstances prescribed by the Exchange in any directives, notices or circulars issued from time to time.~~
- (b1) When an order is executed in accordance with Rule 701.3(a) this Chapter 6, a contract (“original contract”) will come into existence and the parties will be bound as principals. ~~No third party interest will be recognised notwithstanding that any one or both of them may be entering into the original contract on the instructions of a third party.~~
- (e2) If the Buyer-buyer under an original contract is not the Clearing Participant who will be clearing the contract and the Seller-seller under that original contract is the Clearing Participant who will be clearing the contract:
- (ia) a new contract (“new contract”) will come into existence between the Clearing Participant who is clearing for the executing Participant as the Buyer-buyer and the other Clearing Participant as the Sseller upon terms identical to those of the original contract; and
 - (ib) the original contract will be extinguished.
- (d3) If the Seller-seller under an original contract is not the Clearing Participant who will be clearing the contract and the Buyer-buyer under that original contract is a Clearing Participant who will be clearing the contract:
- (ia) a new contract (“new contract”) will come into existence between the Clearing Participant who is clearing for the executing Participant as the Seller-seller and the other Clearing Participant as the Buyer-buyer upon terms identical to those of the original contract; and
 - (ib) the original contract will be extinguished.
- (e4) If the Buyer-buyer under an original contract is not the Clearing Participant who will be clearing the contract (“non-clearing buyer”) and the Seller-seller under that original contract is also not the Clearing Participant who will be clearing the contract (“non-clearing seller”):
- (ia) a new contract (“new contract”) will come into existence between the Clearing Participant who is clearing for the non-clearing buyer as the Bbuyer and the Clearing Participant who is clearing for the non-clearing seller as the sSeller upon terms identical to those of the original contract; and
 - (ib) the original contract will be extinguished.

Rule 701.3A6.06 Registration of contract with the Clearing House

The original contract or new contract (as the case may be) ~~shall~~ must be presented to the Clearing House for registration in accordance with the Clearing House Rules, by way of an electronic data transmission or any other mode determined by the Exchange.

Rule 701.46.07 Automatic transfer of Client contract

If existing Contracts are transferred to another Trading Participant in accordance with these Rules, then any related Client contract ~~shall~~ must automatically be transferred to the same Trading Participant and the transferor Trading Participant ~~shall~~ must pay to the transferee Trading Participant any margin or cover held in respect of that Client contract. ~~All closing transactions shall~~ must be made through the same Trading Participant with whom the opening position is held. ~~All Exercise Notices shall~~ must be lodged with the same Trading Participant with whom the opening position is held.

Rule 7026.08 Trading Days, Trading Sessions and Trading Hours

Rule 702.1

(1) Trading in Contracts ~~shall~~ must be carried out in trading sessions, trading hours and trading phases as prescribed by the Exchange in the Trading Procedures.

(b) ~~[Deleted]~~

Rule 702.2

(2) Notwithstanding any provisions in these Rules, the Exchange ~~shall~~ may ~~from time to time~~ give or cause to be given to Participants directions ~~as to the manner in which~~ on how the Market ~~is~~ will be opened for trading ~~by Participants~~.

Rule 702.3

(3) ~~If there arise circumstances where in the opinion of t~~The Exchange, ~~may temporarily delay~~ the commencement of trading ~~or temporarily suspend trading~~ on any day ~~is to be temporarily delayed, or trading should be temporarily suspended,~~ in order to preserve an orderly market. ~~in accordance with the powers conferred to the Exchange under these Rules and the Capital Markets and Services Act, the Exchange shall have the power to withhold from the Participants the facilities for trading or to suspend trading for the period of any such delay or suspension.~~

Rule 702A [Deleted]

Rule 702A.1 Trading Phases

(a) ~~[Deleted]~~

(b) ~~[Deleted]~~

Rule 702A.2 Pre-Opening Phase

(a) ~~[Deleted]~~

(b) ~~[Deleted]~~

(c) ~~[Deleted]~~

Rule 702A.3—Opening Auction

(a) [Deleted]

(b) [Deleted]

(c) [Deleted]

Rule 702A.4—Main Trading Phase

(a) [Deleted]

(b) [Deleted]

(c) [Deleted]

Rule 702A.5—Pre-Closing Phase

(a) [Deleted]

(b) [Deleted]

(c) [Deleted]

Rule 702A.6—Closing Auction

(a) [Deleted]

(b) [Deleted]

Rule 702A.7—Trading Procedures

The Exchange may, at any time and from time to time issue Trading Procedures. All Participants shall be bound to comply with the Trading Procedures.

Rule 702A.8—Trading Fees

[Deleted]

Rule 702B—Market States

Rule 702B.16.09 Information on the Market States

The Exchange may specify in the Trading Procedures when orders in respect of a Contract may be entered, modified and cancelled (“the Market States”). Participants ~~shall be bound to~~ must give effect to the Market States.

Rule 702B.2—Trading Status of a Contract Group

(a) [Deleted]

~~(b)~~ [Deleted]

~~Rule 702B.3~~ Trading Status of a Contract

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~(c)~~ [Deleted]

~~(d)~~ [Deleted]

~~Rule 703~~ Orders

~~Rule 703.1A6.10~~ Orders General Terms and Conditions

~~Order Particulars~~

~~(a1)~~ All orders entered into the ATS ~~shall~~must contain such particulars or information as may be prescribed by the Exchange.

~~Order Size~~

~~(b2)~~ All order sizes of Contracts entered into the ATS ~~shall~~must be as prescribed by the Exchange.

~~Modification and Cancellation~~

~~(e3)~~ ~~A Participant may modify or cancel~~ 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, Directives or the Trading Procedures, cancel any order entered notwithstanding that the order has been matched or executed.

~~Simultaneous Buying and Selling~~

~~(d4)~~ A Participant ~~shall~~must 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~~

~~(e5)~~ Unless determined otherwise by the Exchange, ~~no Participants shall~~ a Participant must not 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~~

~~(f6)~~ 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~~

~~(g7)~~ A Participants and Registered Persons must enter orders into the ATS correctly and accurately, particularly in relation to the price and volume of the orders.

~~Rule 703.1~~ Types of Orders

(8) The Exchange ~~will~~may prescribe in the Trading Procedures the types of orders that may be entered by Participants into the ATS.

~~Rule 703.2~~ Market Orders

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~Rule 703.3~~ Limit Orders

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~Rule 703.4~~ Stop Orders

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~(c)~~ [Deleted]

~~Rule 703.5~~ Market-On-Opening Orders/Market-On-Closing Orders

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~Rule 703.6~~ Market-To-Limit Orders

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~(c)~~ [Deleted]

~~Rule 703.76.11~~ Validity Condition and Execution Condition

The Exchange ~~will~~may prescribe in the Trading Procedures the duration for which any orders entered into the system remain valid (“validity condition”) and the conditions for execution of any orders entered into the ATS (“execution condition”). The Participant must specify the validity condition and the execution condition when entering any order into the ATS.

~~Validity Condition~~

~~(a)~~ [Deleted]

~~(b)~~ [Deleted]

~~(c)~~ [Deleted]

~~Execution Condition~~

~~(d) [Deleted]~~

~~(e) [Deleted]~~

~~(f) [Deleted]~~

Rule 703.86.12 Strategy

- (a1) A strategy is a combination of a number of buy and/or sell orders of similar or different Contracts created within the framework of a single order.
- (b2) The Exchange may prescribe in the Trading Procedures the criteria for defining a strategy, including but not limited to, the description of the type of strategy and the minimum and maximum number of the buy and/or sell orders of Contracts allowed to be combined within the framework of a single order, for the respective types of strategy.
- (b3) Upon execution of a strategy, each of the buy and/or sell executed orders comprising the strategy and not the strategy itself ~~shall~~**must** be registered with the Clearing House in accordance with the ~~Rules of the Clearing House~~**Clearing House Rules**.

Rule 703.96.13 Messages

The Exchange may ~~prescribe in the Trading Procedures~~, **limits to** the amount of Messages a Participant is able to submit into the ATS for the purposes of **maintaining** an orderly and fair Market. ~~Such limits will be prescribed in the Trading Procedures and may be revised by the Exchange from time to time at the Exchange's discretion.~~

Rule 7046.14 Order Matching

Rule 704.1

- (a1) ~~All orders entered into the ATS and matched in accordance with the provisions stipulated in this Chapter 6 are deemed executed except in the following circumstances:~~
- (ia) ~~Where the matching of the orders results in a breach of the price limits referred to in Rule 6.17; and~~
- (ib) ~~in any other circumstances prescribed by the Exchange in any Directives.~~
- (2) ~~The Exchange will~~**may** prescribe in the Trading Procedures the matching algorithm based on which orders will be matched.

Rule 7056.15 Inviolability of Contracts

Without prejudice to the powers of the Exchange under Rule ~~703.1A(e)6.10(3)~~ and ~~707Rules 6.17 to 6.22~~, all orders, ~~howsoever~~ entered and executed through the ATS ~~shall not be subject to any cancellation~~**will may not be cancelled** and ~~shall~~**are** ~~be~~ binding on Participants.

Rule 7066.16 Trade Confirmation

When an order is executed, a trade confirmation ~~shall~~**will** be generated in the ATS. ~~It is the responsibility of the~~ Participants ~~to~~**must** check the details of the Contract concluded and ~~to~~ advise the Exchange if an error has occurred by the start of trading on the Business Day after the transaction (T+1).

Rule 707 — Trading Safeguards

Rule 707.16.17 Price Limits

- (a1) The Exchange may stipulate in these Rules, Directives and/or in the Trading Procedures the maximum price (“upper limit”) and the minimum price (“lower limit”) at which an order in respect of a Contract may be entered.
- (b2) ~~No An~~ order ~~of for~~ a Contract ~~shall be~~ must not be entered above the upper limit or below the lower limit.
- (c3) ~~In the event~~ Where a matching of an order in the ATS results in a breach of the upper limit or lower limit, the Exchange will cancel the trade.
- (d4) The Exchange may ~~from time to time~~ change the upper limit and the lower limit of a Contract.

Rule 707.26.18 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~~ 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~~ the time prescribed by the Exchange.
- (4) For the avoidance of doubt, any request for review of a trade must be made by a Trading Participant ~~notwithstanding that even if~~ the order for the trade ~~may have been were~~ 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~~ The Exchange will notify the Market ~~that the of any~~ trade that 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)6.18(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 for the breach of Rule ~~703.1A(g)6.10(7)~~.

Rule 707.2A6.19 Error Maker Liability

- (1) A Trading Participant whose order was responsible for a trade adjustment or cancellation under Rule ~~707.26.18~~ (“the Error Maker”) ~~shall be is~~ 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 is~~ 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 settle the dispute~~ in accordance with ~~Rule 620~~Part F of Chapter 4.
- (3) For the avoidance of doubt:
 - (a) a Trading Participant may not ~~submit~~make any claim in relation to the cancellation or price adjustment of a trade ~~for Arbitration~~ under ~~Rule 620~~Part F of Chapter 4 unless the Trading Participant had submitted a claim under Rule ~~707.2A(1)~~6.19(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.

~~Rule 707.2B — Mistakes By Participants~~

~~[Deleted]~~

~~Rule 707.36.20 — Cancellation of a Traded Price~~

The Exchange may upon notification to the Commission, in the circumstances prescribed in ~~any the Rules, Directives or Trading Procedures~~directives, notices or circulars issued by the Exchange, cancel a traded price, which has the effect of cancelling all trades at that price in the specified time interval.

~~Rule 707.4 Emergency Rules~~

- ~~(a) — The Exchange may exercise its emergency powers in the event that there is reasonable cause to believe that any of the following circumstances or circumstances similar to the following exist:~~
 - ~~(i) — a situation exists which threatens the integrity, liquidity or orderly liquidation of any Contract;~~
 - ~~(ii) — a situation exists which threatens the financial integrity of the Market or its Participants;~~
 - ~~(iii) — a manipulation, manipulative activity, attempted manipulation, corner or squeeze is occurring or threatened;~~
 - ~~(iv) — the liquidity of a Contract or its orderly liquidation is threatened by the concentration of positions in the hands of individuals who are or appear to be unable or unwilling to make or take delivery in the ordinary course; or~~
 - ~~(v) — an action of the Malaysian or any foreign government or authority is likely to have a direct and adverse impact on the integrity, liquidity and orderly liquidation of any Contract.~~
- ~~(b) — Upon determination by the Exchange under Rule 707.4(a) that an emergency has arisen or exists, the Exchange may, without prejudice to the generality of such powers, order that all or any of the following actions be taken or take any other action that may be appropriate to remedy the situation:~~
 - ~~(i) — suspend trading on the Market;~~

- ~~(ii) — suspend trading in a Contract;~~
 - ~~(iii) — limit trading to liquidation of Contracts;~~
 - ~~(iv) — order a Participant to transfer positions and associated collateral/ cash to another Participant;~~
 - ~~(v) — order liquidation of all or a portion of a Participant's Open Positions and/or those of his Clients;~~
 - ~~(vi) — confine trading in a Contract to a specified price range;~~
 - ~~(vii) — modify Business Day or trading hours;~~
 - ~~(viii) — alter terms and conditions of settlement including the power to order cash settlement in the case of deliverable Contracts;~~
 - ~~(ix) — impose higher financial requirements on a Participant;~~
 - ~~(x) — recommend to the Exchange the emergency settlement price for a Contract;~~
 - ~~(xi) — recommend to the Clearing House the transfer of any Participant's Open Positions;~~
 - ~~(xii) — suspend Participant's trading rights; and~~
 - ~~(xiii) — any other action deemed appropriate.~~
- ~~(c) — The Exchange shall, in the exercise of the powers under Rules 707.4(a) and 707.4(b), duly notify the Commission of any actions or decisions taken, including the justifications for such actions or decisions taken, as soon as reasonably possible.~~

Rule 707.5 — Physical Emergency

- ~~(a) — In the event that the operations of the Market are, or are likely to be severely and adversely affected by a physical emergency, including but not limited to fire or transportation breakdowns, computer malfunctions, or other hazard, power failure, communication or similar disruptive events, the Exchange shall take any action necessary to deal with the emergency, including but not limited to, a suspension of trading.~~
- ~~(b) — When the physical emergency has abated sufficiently to permit the orderly functioning of the Market, the Exchange shall order trading to be restored or remove any restrictions, which were previously imposed.~~
- ~~(c) — Further, the Exchange may at its discretion order an extension of trading hours following a period of suspension made pursuant to Rule 707.5(a) above.~~
- ~~(d) — If the Exchange is of the opinion that non-immediate emergency action may be necessary, a meeting of the relevant committee of the Exchange shall be called to consider the emergency and take any action that the Exchange deems fit.~~

Rule 707.66.21 Force Majeure

- ~~(1) — If delivery or acceptance of an Instrument underlying a Contract, or any precondition or requirement for such delivery or acceptance, ~~thereto~~ is prevented by strike, fire, accident, act of Government governmental authority or agency of any nation, state, or territory, or any institution thereof (locally or abroad), act of God, or other emergency, the seller or buyer or the Participant acting on their behalf, must immediately notify the Exchange.~~

(2) On receipt of such notification, the Exchange may take any steps or actions as may be necessary ~~under the circumstances~~.

Rule 707.76.22 Suspension of Trading in a Contract

- (a1) Trading of any Contract on the Market ~~shall~~ will be halted or suspended whenever the Exchange deems such action appropriate in the interests of maintaining an orderly and fair ~~and orderly mMarket to protect investors~~. Among the factors that may be considered by the Exchange are that:
- (ia) trading in the Instrument underlying the Contract has been halted or suspended in the Underlying Market;
 - (ib) the opening of trading in the Instrument in the Underlying Market has been delayed because of unusual circumstances; or
 - (ic) the Exchange has been advised that the issuer of the underlying Instrument is about to make an important announcement affecting such issuer.
- (b2) Trading in any Contract that has been the subject of a suspension under Rule ~~707.7(a)(i)6.22(1)(a) hereof~~ may be resumed upon ~~a the Exchange's~~ the Exchange's determination ~~of the Exchange~~ that the conditions, which led to the suspension, are no longer present, or that the interests of maintaining an orderly and fair ~~and orderly market Market~~ are best served by a resumption of trading.

Rule 707.8 Trading Participant Suspension etc.

~~Where the trading rights of a Trading Participant or Associate Participant have been suspended or the Trading Participant or Associate Participant has been ordered not to trade in a particular Contract or in a specific class or classes of Contract, or the Trading Participant or Associate Participant has resigned, or the participantship of the Trading Participant or Associate Participant has been suspended or terminated, or any other circumstances that the Exchange considers that such action is necessary:-~~

- (a) ~~the Exchange may direct, with the approval of the Clearing House:-~~
- (i) ~~that all or any of the existing Contracts and/or Open Positions held by the Trading Participant's or Associate Participant's Proprietary Account and on behalf of its Clients be transferred to another Trading Participant, who shall be entitled to commission on any of those Open Positions. The Exchange may take all action in the name of the first-named Trading Participant or Associate Participant and to execute all documents and do all things necessary to give effect to such transfer; and/or~~
 - (ii) ~~that all or any of the existing Contracts and/or Open Positions held by the Trading Participant's or Associate Participant's Proprietary Account be closed. The Exchange may take such action in the name of the Trading Participant or Associate Participant and to execute all documents and do all things necessary to give effect to such closing of the existing Contracts or Open Positions of the Trading Participant or Associate Participant; and/or~~
 - (iii) ~~the liquidation of all or a portion of the existing Contracts and/or Open Positions held by the Trading Participant or Associate Participant on its Proprietary Account and/or on behalf of its Clients; and/or~~
 - (iv) ~~that another Trading Participant trades at the instruction of the Exchange on behalf of the first-named Trading Participant or Associate Participant and such other Trading Participant shall accept and act on such request unless it shall have satisfied the Exchange that it has reasonable grounds for declining to do so. All such business shall~~

~~be transacted at such rate or rates of commission that is determined by the Exchange; and/or~~

~~(v) — that the Trading Participant or Associate Participant trades for liquidation purposes only.~~

~~(b) — The Exchange shall cause an appropriate announcement to be made to other Participants and to the public.~~

Rule 707.9 — Non-compliance

~~A Participant who contravenes or fails to observe a decision of the Exchange under this Rule 707 shall be liable to disciplinary action as laid down in these Rules.~~

Rule 7086.23 Performance Rendered Impossible

If the Clearing House in consultation with the Exchange determines that the performance under a Contract or delivery of Instruments ~~shall~~has become impossible through the suspension of trading in the Instrument on the Underlying Market or for any reason that may be deemed appropriate by the Clearing House in consultation with the Exchange, the Contract may be cash settled according to a settlement price which ~~shall~~will be determined according to the procedures agreed upon by both the Exchange and the Clearing House. ~~The Exchange shall calculate the average of the transactions taken above, after disregarding the highest and lowest prices transacted. The average of the remaining prices rounded to the nearest whole sen shall be the settlement price. When the weighted average ends in 0.5, it shall be rounded upwards to the next whole sen.~~

Rule 7096.24 Duty to Report Unusual Activities

~~(a) — Where, in the opinion of a Participant, there is unusual activity, transaction, or price change or there are other unusual market conditions or circumstances which are, with respect to any Contract, detrimental to the maintenance of an orderly and fair ~~and orderly market~~Market, the Participant ~~shall~~must promptly make a report to the Exchange.~~

~~(b) — The Exchange shall in receiving such a report, duly notify the Commission of the same, as soon as reasonably possible.~~

Rule 709A — Systems Malfunction or Error

~~(1) — A Participant must not take advantage of a situation arising as a result of a breakdown, malfunction or error in the ATS (committed by the Exchange or by other Participants) or in any other systems, service or facility of the Exchange (“Systems Malfunction or Error”).~~

~~(2) — A Participant who believes he has encountered a Systems Malfunction or Error must immediately notify the Exchange.~~

~~(3) — Additionally, a Participant must take any necessary and appropriate action to mitigate any potential losses arising from the Systems Malfunction or Error immediately after the Participant knows or should have known that there is a Systems Malfunction or Error.~~

~~(4) — The Exchange may provide prior notification that there is a Systems Malfunction or Error and direction to the Participants of any action to be taken by the Participants arising from the Systems Malfunction or Error.~~

Rule 710 — Non-liability of the Exchange

Rule 710.1

~~The Exchange shall not be liable for any losses incurred due to interruption of its operations as a consequence of force majeure, riot, acts of war or natural disasters or other events for which the Exchange is not responsible or that may result from actions by governmental authorities locally or abroad. The same shall apply with respect to any loss or damage suffered by a Participant as a consequence of any act or omission on the part of the Exchange, in connection with the discharge or performance or purported discharge or performance of any duties under these Rules or any applicable law, including technical problems or of the full or partial unavailability of the Exchange's ATS, provided that such act or omission was done in good faith.~~

Rule 710.2

~~The Exchange shall not be liable for the accuracy and completeness of any information received and disseminated by it on the prices of underlying Instruments and other data received by it from third parties.~~

Rule 711.25 Trading on other Exchanges

Rule 711.1

(a1) ~~Subject to Rule 711.2A~~ Participant must not trade in ~~Contracts~~ contracts on another exchange, whether through a broker or participant of that other exchange, or otherwise, unless:

- (ia) the other exchange has been approved to operate a derivatives market in accordance with the Capital Markets and Services Act ("Other Exchange");
- (ib) the other exchange has been prescribed as a Specified Exchange by the Exchange in relation to any or all of the approved classes of standardized derivatives as defined in Section 105(3)(b) of the Capital Markets and Services Act; or

[Refer to Directive No. 6.25(1)-001]

(iic) the Participant is a participant of the Other Exchange and/or Specified Exchange, and a prior notification in writing has been given to the Exchange.

(b2) A Trading Participant must comply with the terms and/or conditions as may be prescribed by the Exchange ~~from time to time~~ when trading in contracts on the Other Exchange or Specified Exchange.

Rule 711.2

~~Where after a notification in writing has been given to the Exchange pursuant to Rule 711.1(a) and subject to compliance with any terms and condition as may be imposed by the Exchange, a Participant trades or proposes to trade in Contracts on the Other Exchange or Specified Exchange whether in consequence of an order received from a Client or otherwise, the Participant shall:~~

- (a) ~~if the Participant is also a participant of the Other Exchange or Specified Exchange, comply with the business rules of that Other Exchange or Specified Exchange in relation to such transactions; or~~
- (b) ~~if the Participant is not a participant of the Other Exchange or Specified Exchange, transmit orders relating to such transactions to a participant of that Other Exchange or~~

~~Specified Exchange for execution in accordance with the business rules of that Other Exchange or Specified Exchange.~~

Rule 711.3

~~The Participant shall nevertheless call for margins in accordance with the rules of the clearing house of that exchange or as close to the principles of such rules as the circumstances require.~~

Rule 711.4

~~[Deleted]~~

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PART B DIRECT MARKET ACCESS

Rule 617 — Direct Market Access

Rule 617.16.26 Definition

~~(1)~~ For the purpose of this ~~Rule 617~~ Part B of Chapter 6, “DMA Order” means a Direct Market Access order.

Rule 617.26.27 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~~ requirements prescribed by the Exchange; and

[Refer to Best Practice No. 6-001]

- (b) the Direct Market Access is only provided to persons who comply with the requirements ~~stipulated~~ stated in Rule ~~617.4 below~~ 6.29.
- (2) For the avoidance of doubt, ~~other than in addition to~~ the provisions in this ~~Rule 617~~ Part B of Chapter 6, all other provisions in the Rules, Directives and the Trading Procedures ~~shall will~~ also apply to Participants and Registered Persons when providing Direct Market Access.

Rule 617.36.28 Automated Risk Filters

~~(1)~~ A Trading Participant must have appropriate automated risk filters or ~~must~~ have made the necessary arrangements for 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 orderliness and fair~~ functioning of the Market.

Rule 617.46.29 Clients

- (1) A Trading Participant ~~shall take reasonable steps to ensure that a~~ must only make Direct Market Access available to a Client and the a persons authorised by the Client to act on behalf of the Client, who has in accordance with Rule 603.1 (b) have knowledge of:
- (a) the process of entering DMA Orders;
- (b) the requirements in these ~~se~~ Rules, Directives and Trading Procedures in relation to trading on the Market; and
- (c) the relevant laws pertaining to trading on the Market.
- (2) A Trading Participant ~~shall must~~ execute a written agreement with the Clients to whom ~~it the~~ Trading Participant intends to provide Direct Market Access ~~to and the agreement shall address the following areas:- which addresses:~~
- (a) the duties, obligations and rights of the Trading Participant and ~~its~~ Clients in relation to the Direct Market Access; and
- (b) the Client's' compliance with these ~~se~~ Rules, Directives and Trading Procedures.
- (3) A Trading Participant must ensure that before a Client is given Direct Market Access under Part B of Chapter 6, it has obtained a confirmation from the Client that the Client's Contracts which

are traded on the Market will be cleared by the Trading Participant in its capacity as a Clearing Participant, or that the Client has entered into an arrangement with another Clearing Participant for the clearing of the Client's trades.

Rule 617.56.30 DMA Orders

~~(1) For the avoidance of doubt, the following Rules shall be applicable to all DMA Orders:-~~

~~(a) (1) Rule 701.2 (a), in that the A Trading Participant shall be is deemed to be the principal in relation to all trades effected through Direct Market Access and the Exchange shall will not recognise the interest of any third party; and.~~

~~(b) (2) Rule 322.1 (a), in that all All DMA Orders shall be are deemed as orders submitted for execution in the ATS by a Registered Representative on behalf of a Client.~~

Rule 617.66.31 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, tThe Exchange may, at its absolute discretion and without notice take any of the actions enumerated in Rule 617.6(2)6.31(2) summarily against any Trading Participants or Registered Persons whereif:-~~

~~(a) there is a breach or likelihood of a breach of any provisions in Rule 617Part B of Chapter 6; and/or~~

~~(b) the Direct Market Access may lead or is likely to lead to the 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)6.31(1), the following actions may be taken by the Exchange summarily against any Trading Participants or Registered Persons:-~~

~~(a) directing a Trading Participant to suspend or cease Direct Market Access provided to its Clients and the persons authorised by the Clients; 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 imposing restrictions or conditions on the Direct Market Access provided by the a Trading Participant to any one or more of the or all of its 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 500 shall not apply to any action taken under Rule 617.6(2).~~

~~RULE 700B — EXCHANGE FOR RELATED POSITIONS~~

PART C EXCHANGE FOR RELATED POSITIONS

~~Rule 700B.1 — Off-Market Transactions~~

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

~~Rule 700B.26.32 Nature of Exchange For Related Positions Definition~~

- (1) An exchange for related position (“EFRP”) is an off-market transaction and consists of ~~two (2)~~ separate but related transactions made between ~~two (2)~~ parties in which:
 - (a) one party is a seller of a Contract and the buyer of a related position; and
 - (b) the other party is a buyer of the Contract and the seller of the same related position.
- (2) The purchase and sale of the Contract ~~shall~~ must be simultaneous with the sale and purchase of the related position.

~~Rule 700B.2A — Related Positions~~

- (3) The related position must involve the Instrument underlying the Contract, or such other asset, commodity or instrument that has a reasonable degree of price correlation to the Instrument underlying the Contract as may be prescribed by the Exchange.

~~Rule 700B.36.33 Requirements~~

- (1) An EFRP may be permitted by the Exchange if:
 - (a) the seller of the related position referred to in Rule ~~700B.2(1)(b)~~ 6.32(1)(b) has possession of the related position;
 - (b) the transaction is made at a price that is within the price range as may be prescribed by the Exchange or as approved by the Exchange in consultation with the Clearing House;
 - (c) the quantity covered by the related position must be the same or approximately equivalent to the quantity covered by the Contract;
 - (d) a Participant satisfies the Exchange that the transaction is bona fide; and
 - (e) the transaction is submitted by the Participant to the Exchange within the time and in accordance with the procedures as may be prescribed by the Exchange.
- (2) The Exchange may reject an EFRP which does not comply with ~~Rules 700B or 700D~~ Part C or E of Chapter 6 of these Rules, or such other provisions in the Rules, Directives or Trading Procedures, where applicable, ~~or the Trading Procedures issued by the Exchange.~~

~~Rule 700B.4 — Procedure~~

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

Rule 700B.4A6.34 Registration

- (a1) An EFRP permitted under these Rules must be presented to the Clearing House for registration in accordance with the Clearing House Rules.
- (b2) The Exchange is authorised to provide any information and documents received from the Participant pursuant to Rule ~~700B.3(1)(e)~~6.33(1)(e) to the Clearing House, as the Clearing House may require.

Rule 700B.4A6.35 Retention of Records

A Participant must maintain a record of the EFRP and identify and mark all orders, records and memoranda. The Participant must furnish any such records and documentation to the Exchange as the Exchange may request.

Rule 700B.56.36 Prohibition On Amendments Or Cancellation

A transaction that has been registered by the Clearing House in accordance with the Clearing House Rules pursuant to Rule ~~700B.4A(a)6.34(1)~~ shall be firm and binding on the Participant and no amendment or cancellation of the same is allowed.

Rule 700B.6

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

Rule 700B.7 Brokerage

~~[Deleted]~~

Rule 700B.8 Liability of the Exchange

~~The Exchange and/or Clearing House shall not be liable for any loss or damage caused to any party in relation to the agreement for the relevant related position, which has been exchanged for the Contract.~~

~~(End of Business Rule 700B)~~

~~[The rest of this page is intentionally left blank]~~

~~RULE 700C — NEGOTIATED LARGE TRADES~~

PART D NEGOTIATED LARGE TRADES

Rule 700C.16.37 **Requirements**

- (1) A Negotiated Large Trade (“NLT”) is an off-market transaction and may be permitted by the Exchange if:
 - (a) the transaction is in respect of a Contract designated by the Exchange for NLT transactions;
 - (b) the transaction is for a quantity at or exceeding the minimum volume threshold as may be prescribed by the Exchange;
 - (c) the transaction is made at a price that is within the price range as may be prescribed by the Exchange; and
 - (d) the transaction is submitted by the Trading Participant to the Exchange within the time and in accordance with the procedures as may be prescribed by the Exchange.
- (2) The Exchange may reject a NLT transaction which does not comply with ~~Rules 700C or 700D, Part D or E of Chapter 6 of these Rules, or such other provisions in the Rules, Directives or Trading Procedures, where applicable. such other provisions in the Rules, where applicable, or the Trading Procedures issued by the Exchange.~~

Rule 700C.26.38 **Registration**

- (1) A NLT transaction permitted under these Rules must be presented to the Clearing House for registration in accordance with the Clearing House Rules.
- (2) The Exchange is authorised to provide any information and documents received from the Trading Participant pursuant to Rule ~~700C.1(1)(d)~~6.37(1)(d) to the Clearing House, as the Clearing House may require.

Rule 700C.36.39 **Retention of Records**

A Trading Participant must maintain a record of the NLT transaction and identify and mark all orders, records and memoranda. The Trading Participant must furnish any such records and documentation to the Exchange as the Exchange may request.

Rule 700C.46.40 **Prohibition On Amendments Or Cancellation**

A NLT transaction that has been registered by the Clearing House ~~in accordance with the Clearing House Rules~~ pursuant to Rule ~~700C.2(1)~~6.38(1) is firm and binding on the Trading Participant and no amendment or cancellation of the same is allowed.

~~Rule 700C.5 — Brokerage~~

~~[Deleted]~~

~~Rule 700C.6 — Fees~~

~~[Deleted]~~

~~(End of Business Rule 700C)~~

~~RULE 700D — OFF-MARKET TRANSACTIONS~~

PART E OFF-MARKET TRANSACTIONS

Rule 700D.16.41 Prohibition on Off-Market Transactions

Except as provided in Rule 700D.26.42 or otherwise ~~determined-prescribed~~ by the Exchange, a contract or transaction effected by a Participant otherwise than in the normal course of trading on the Market is prohibited.

Rule 700D.26.42 Exceptions

The prohibition in Rule 700D.16.41 does not apply to the following transactions:

- (a) any ~~Exchange for Related Positions made~~EFRP made pursuant to ~~Rule 700B~~Part C of Chapter 6; and
- (b) any ~~Negotiated Large Trade made~~NLT made pursuant to ~~Rule 700C~~Part D of Chapter 6.

Rule 700D.36.43 Deemed As Principal

- (1) A Participant is deemed as a principal to a transaction made pursuant to ~~Rules 700B or 700C~~Part C or D of Chapter 6 and neither the Exchange nor the Clearing House is obliged to recognise the interest of any third party.
- (2) Nothing in Rule ~~700D.3(1)~~6.43(1) ~~shall affect~~s the rights of a Client to take any action or commence any proceedings against a Participant.

~~(End of Business Rule 700D)~~

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PART F POSITION AND EXERCISE LIMITS

Rule 613 — Position and Exercise Limits

Rule 613.16.44 Position and exercise limits

- (a1) The Exchange may, in consultation with the Clearing House, determine ~~from time to time~~ the limits on the Open Positions which may be held or controlled by any Client or a Participant in any Contract (“position limits”) or the number of Options that can be exercised by any Client or a Participant (“exercise limits”).
- (b2) A Participant ~~shall~~ must ensure that ~~the a Client or Participant complies with the~~ position limits and/or exercise limits ~~, as the case may be, which are~~ applicable to ~~any the~~ Client or Participant ~~are adhered to at all times.~~
- (e3) The Exchange may, ~~in circumstances it deems fit and,~~ in consultation with the Clearing House, grant such exemption, modification ~~and/or~~ variation in relation to the position limits or exercise limits, ~~as the case may be,~~ subject to such terms and conditions prescribed by the Exchange.

[Refer to Directive No. 6.44-001]

Rule 202.46.45 Control of another person

For the purposes of determining whether a person is in ‘control’ of another person under Rule 6.44, the following apply:

- (a) a person is deemed to have control of another person:
- (i) 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 15% or more of the 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
 - (ii) 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
 - (iii) 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 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.
- (b) notwithstanding Rule 6.45(a) above, a person will not be deemed to be in control of another person’s Open Positions if both persons:
- (i) do not have knowledge of one another’s trading decisions;
 - (ii) trade pursuant to separately developed and independent trading strategies;
 - (iii) have and enforce written procedures which preclude each from having knowledge of, gaining access to, or receiving data concerning, the trades of the other. Such procedures must include document routing and other procedures or security arrangements which would maintain the independence of their activities; and
 - (iv) do not share personnel in control of the respective trading decisions.

Rule 613.26.46 Reporting

- (1) The Exchange may establish reporting levels on the Open Positions held₇ by any Client or a Participant and may require daily (or other periodic) reports from Trading Participants or Associate Participants on the amount of Open Positions held₇ by any Client or any Participant. The Exchange ~~shall be entitled to~~ may require reports even if the amount of Open Positions held₇ is below the reporting levels currently prescribed by the Exchange.

Rule 613.3

- (2) A Trading Participant or Associate Participant ~~shall report promptly~~ must promptly report to the Exchange any instance in which the Trading Participant or Associate Participant has reason to believe that it has exceeded or a Client or another Participant, acting alone or in concert with others, has exceeded or is attempting to exceed any limits established pursuant to Rule ~~613.16.44~~.

Rule 613.46.47 Prohibition to accept orders

~~It shall be the responsibility of each~~

- (1) A Trading Participant ~~or Associate Participant~~ accepting orders for opening transactions ~~to~~ must inform Clients of the applicable position limits and exercise limits. ~~and~~
- (2) A Trading Participant must not ~~to~~ accept orders from any Client if the Trading Participant ~~or Associate Participant~~ has reason to believe that the Client, acting alone or in concert with others, has exceeded or is attempting to exceed ~~such the applicable position~~ limits and exercise limits.

[End of ~~Business Rule 700~~Chapter 6]

CHAPTER 7

ACCOUNTING, AUDIT AND FINANCIAL REPORTING REQUIREMENTS

PART A ACCOUNTS AND FINANCIAL REPORTING

7.01 Accounts

A Trading Participant must keep up-to-date accounting and other books and records. The accounting and other books and records must comply with the Exchange's requirements.

[Refer to Directive No. 7-001]

7.02 Financial statements

A Trading Participant must submit to the Exchange all financial statements the Exchange specifies within the period prescribed. The financial statements must comply with the Exchange's requirements.

[Refer to Directive No. 7-001]

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PART B STATUTORY AUDIT

7.03 Annual statutory audit

A Trading Participant must submit to the Exchange the accounts audited by a statutory auditor annually ("Annual Audited Accounts") within 3 months after the close of the financial year. The Annual Audited Accounts must comply with the Exchange's requirements.

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PART C OFF-BALANCE SHEET TRANSACTIONS

7.04 Investment Banks

All provisions in this Part C of this Chapter 7 do not apply to a Trading Participant that is an Investment Bank.

7.05 Records of Off-Balance Sheet transactions

A Trading Participant must maintain a Record that sufficiently explains the Off-Balance Sheet transactions entered by it.

[Refer to Directive No. 7-002]

7.06 Reporting of Off-Balance Sheet transactions

A Trading Participant must lodge with the Exchange a monthly report on Off-Balance Sheet transactions in the form as prescribed by the Exchange.

[Refer to Directive No. 7-002]

[End of Chapter 7]

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

Rule 602.02 Minimum Financial Resources Requirements

Rule 602.1

~~(1) Subject to Rule 602.1A, each A Trading Participant shall at all times, maintain as must ensure that its Adjusted Net Capital is at all times:~~

- ~~(a) RM500,000.00; or~~
- ~~(b) 10% of aggregate Margins rRequired;~~

~~whichever is the higher.~~

~~It is the responsibility of the Trading Participant to be in compliance with the Minimum Financial Resources Requirements, as stipulated above and must demonstrate such compliance to the satisfaction of the Exchange.~~

~~(2) Where thelf a Trading Participant has reason to believe that it is unable to comply with Rule 8.02(1) or fails to, comply with the Minimum Financial Resources Requirements as stipulated above Rule 8.02(1), the Trading Participant shallmust immediately notify the Exchange and indicate the steps taken by the Trading Participant to comply with such Minimum Financial Resources Requirements. 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.~~

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.~~

Rule 602.1A8.03 Trading Participant who is also a Participating Organisation or Investment Bank

~~(a)(1) The minimum financial resources requirement as stipulated in rule 602.1 and rule 602.2 Rules 8.02 and 8.04 shall not be applicabledo not apply to a Trading Participant who is also a Participating Organisation or an Investment Bank.~~

~~(b)(2) Notwithstanding Rule 602.1A(a), aA Trading Participant who is also a Participating Organisation of Bursa Securities or an Investment Bank shallmust 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.~~

~~In the case of an Investment Bank, it shall at all times comply with the Capital Adequacy Requirements as imposed by Bursa Securities on an Investment Bank.~~

- (c) — ~~For the purposes of this Rule 602.1A, the Capital Adequacy Requirements imposed by Bursa Securities on Participating Organisations and Investment Banks respectively, shall be deemed to be part of these Rules.~~

Rule 602.28.04 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]

- (a) — ~~For the purpose of calculating Adjusted Net Capital:~~

- (i) — ~~all Contracts must be marked to their current market value;~~
- (ii) — ~~all unrealised profits and losses on all Contracts, forward and fixed price commitment contracts must be treated as realised profits and losses; and~~
- (iii) — ~~unless otherwise specifically stated, the value ascribed to all other assets and liabilities must be their current market value.~~

Adjusted Net Capital is:

Permitted Assets

less

Total Liabilities

less

Additional Deductions

- (b) — ~~Permitted assets are cash and other assets which are commonly identified in accordance with generally accepted accounting principles prevailing from time to time as being current assets and are realisable for cash or collectible within ten (10) Business Days from the computation date, but must exclude:~~

- (i) — ~~all prepaid expenses and deferred charges;~~
- (ii) — ~~all advances, loans and other receivables which are not secured except:~~
- (A) — ~~brokerage, fees and commissions which have not been outstanding for longer than ten (10) Business Days from the due date;~~
- (B) — ~~all dividends which have not been outstanding for longer than ten (10) Business Days from the payable date;~~
- (C) — ~~receivables from the Clearing House but not including any asset lodged with the Clearing House in respect of contributions to the clearing fund or as security deposits;~~
- (D) — ~~receivables from the Exchange;~~
- (E) — ~~receivables due in the ordinary course of business from a financial institution licensed by Bank Negara Malaysia including interest due to be paid on the next Business Day but excluding any other accrued interest;~~

- ~~(F) — receivables, other than fees, commission and brokerage, from other affiliates of the Clearing House;~~
- ~~(G) — receivables from another clearing house approved by the Exchange;~~
- ~~(H) — receivables resulting from the sale of inventories commonly associated with the business activities of the Trading Participants, which in the opinion of the Trading Participant's auditors, are good for collection; and~~
- ~~(I) — such other amounts as may be determined by the Exchange from time to time;~~
- ~~(iii) — any asset the possession, or control over the disposal, of which has been given to a financial institution as security for any credit facility provided by the financial institution to the Trading Participant or as security for an irrevocable letter of credit, bank guarantee or surety or any line of credit provided by that financial institution to the Clearing House, the Exchange, another clearing house or to any other person;~~
- ~~(iv) — shares held in a related corporation unless otherwise approved by the Exchange;~~
- ~~(v) — all advances or loans to any director or employee of the Trading Participant or any third party;~~
- ~~(vi) — all amounts owed to the Trading Participant by its related corporations other than amounts falling within the description in subparagraph (b)(ii)(E);~~
- ~~(vii) — all intangible assets;~~
- ~~(viii) — all exchange participations and participations of clearing houses;~~
- ~~(ix) — all securities except:
 - ~~(A) — Malaysian government securities;~~
 - ~~(B) — bills, notes and debentures traded in the money market;~~
 - ~~(C) — medium to long term bills, notes and debentures issued by financial institutions licensed by Bank Negara Malaysia for which there are readily ascertained market prices;~~
 - ~~(D) — securities listed on a stock exchange approved by the Exchange and;~~
 - ~~(E) — such other securities as may be approved by the Exchange from time to time;~~~~
- ~~(x) — such other items as may be determined by the Exchange from time to time.~~
- ~~(c) — Total liabilities are those liabilities which are commonly identified in accordance with generally accepted accounting principles prevailing from time to time as being short term and long term liabilities but exclude:
 - ~~(i) — liabilities under a subordinated loan agreement:
 - ~~(A) — which has a remaining term to maturity of not less than one year; and~~
 - ~~(B) — to which the Exchange is a party,~~~~~~

~~up to a maximum amount of four times the shareholders' funds of the Trading Participant,~~

- ~~(ii) — long term liabilities owed to a financial institution under a commercial loan secured by a fixed charge over real property or motor vehicles owned by the Trading Participant and applied for use in normal course of the business of the Trading Participant, up to an amount equal to the lower of net book value or eighty percent (80%) of the market value of the real property or motor vehicles;~~
- ~~(iii) — such other liabilities as may from time to time be determined by the Exchange.~~
- ~~(d) — The Exchange may prescribe as an additional deduction an amount, in relation to each of the following categories of permitted assets, expressed as percentage of the value of the relevant permitted asset, or in relation to other matters, from which the total value of permitted assets is to be deducted:~~
 - ~~(i) — Malaysian government securities;~~
 - ~~(ii) — readily marketable Malaysian securities listed on a stock exchange approved by the Exchange;~~
 - ~~(iii) — such other securities that may be approved by the Exchange from time to time;~~
 - ~~(iv) — *[This sub-Rule has been deleted]*~~
 - ~~(v) — *[This sub-Rule has been deleted]*~~
 - ~~(vi) — amounts due from Clients in respect of margin where such amounts are outstanding for more than three (3) Business Days as at the computation date;~~
 - ~~(vii) — *[This sub-Rule has been deleted]*~~
 - ~~(viii) — the margin requirement on open contracts in the Proprietary Account of a Trading Participant which are not bona fide hedged contracts;~~
 - ~~(ix) — *[This sub-Rule has been deleted]*~~
 - ~~(x) — the net debit balance arising from the marking-to-market or interim settlement of outstanding Contracts held by Clients as at the close of business on the computation date;~~
 - ~~(xi) — inventories which are not hedged in any market or association;~~
 - ~~(xii) — inventories which are not hedged by any hedging position in any market or association; and~~
 - ~~(xiii) — such other assets or amounts as may be determined by the Exchange from time to time.~~
- ~~(e) — For the purpose of this Rule, a related corporation is any corporation:~~
 - ~~(i) — in which the Trading Participant owns or effectively controls twenty percent (20%) or more of the issued share capital;~~
 - ~~(ii) — which owns or effectively control twenty percent (20%) or more of the issued share capital of the Trading Participant;~~
 - ~~(iii) — which effectively directs or has the ability to direct or indirectly influence the management policies of the Trading Participant;~~
 - ~~(iv) — of which management policies the Trading Participant effectively directs or has the ability to directly or indirectly influence;~~

- (v) ~~where one party holds or effectively controls twenty percent (20%) or more of the issued share capital of that corporation and simultaneously holds or effectively controls twenty percent (20%) or more of the issued share capital of the Trading Participant.~~
- (f) ~~For the purpose of this Rule, except in subparagraph (c)(ii), a loan or other form of receivable is considered to be secured if and only if:~~
- ~~(i) collateral of the type, approved by the Clearing House and/or the Exchange, has been given to the Trading Participant as security for that loan or receivable and is at least of such value approved by the Clearing House and/or the Exchange;~~
 - ~~(ii) the collateral is in the possession or control of the Trading Participant; and~~
 - ~~(iii) the Trading Participant has a legally enforceable written security agreement executed by the debtor in its favour under which the Trading Participant has the power to readily sell or otherwise convert the collateral into cash in the event of the receivable being placed in jeopardy.~~
- (g) ~~For the purpose of this Rule, the term “securities” means debentures, stocks and shares in a public company or corporation, or bonds of any government or of any body, corporate or unincorporate, and includes any option in respect thereof and any interesting unit trust schemes.~~
- (h) ~~For the purpose of this Rule, the term “unit trust scheme” means any arrangement made for the purpose, or having the effect, of providing facilities for the participation by persons as beneficiaries under a trust in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.~~
- (i) ~~For the purpose of this Rule, the term “computation date” means any day on which the Adjusted Net Capital of a Trading Participant is computed.~~

Rule 602.38.05 Submission of statements by Trading Participants

~~It is the responsibility of each A Trading Participant to~~ must submit the following statement to the Exchange ~~the following statements:~~

- (a) ~~In the case of a A Trading Participant who is a Universal Broker, Eligible Non-Universal Broker 1+1 Broker and/or Special Scheme Broker, the Adjusted Net Capital herein is substituted with a statement of its Capital Adequacy Ratio which is to be reported within the timeframe as stipulated~~ prescribed in the Rules of Bursa Securities;
- (b) ~~In the case of a 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 stipulated~~ 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]

- (b) ~~a statement of financial condition on a monthly basis, i.e. not later than fifteen (15) calendar days after the end of each month.~~
- (c) ~~a statement of income/(loss) on a monthly basis, i.e. not later than fifteen (15) calendar days after the end of each month; and~~

- (d) ~~signed audited annual financial accounts within three (3) months after the end of each financial year. The signed audited annual financial accounts shall be submitted together with an auditor's report.~~

~~Provided always that the Exchange, at its discretion, may from time to time prescribe a different reporting interval for any particular Trading Participant as it deems fit and appropriate.~~

Rule 602.4

~~A Trading Participant who fails to submit the statements as stipulated in Rule 602.3(i) to the Exchange by the stipulated reporting interval shall be liable to a maximum fine of RM10,000 and any other action deemed appropriate by the Exchange.~~

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PART C EARLY WARNING REQUIREMENTS FOR ADJUSTED NET CAPITAL

Rule 601.58.06 Early Warning ~~Financial~~ Requirements for Adjusted Net Capital

A Trading Participant must comply with such early warning ~~financial~~ requirements for Adjusted Net Capital that as prescribed by the Exchange ~~may prescribe from time to time~~.

[Refer to Directive No. 8.06-001]

[End of Chapter 8]

RULE 2000 CONTRACTS

CHAPTER 9

CONTRACTS

PART A RULES APPLICABLE TO ALL CLASSES OF CONTRACTS

Rules Applicable to All Classes of Contracts

Rule 20019.01 Contract Specifications

Rule 2001.1

(1) Contracts offered for trading by the Exchange are governed by these Rules and the relevant Contract Specifications prescribed by the Exchange.

Rule 2001.2

(2) In the event of a conflict between these Rules and the Contract Specifications, these Rules will prevail.

Rule 20029.02 Final Trading Day and Expiration Date

Rule 2002.1

(1) The Final Trading Day and Expiration Date for a Contract is as prescribed in the Contract Specifications of that Contract.

Rule 2002.2

(2) The Exchange may change the Final Trading Day and Expiration Date for a Contract and announce a day that is different from the Final Trading Day and Expiration Date that is prescribed in the Contract Specifications whenever such action is required in the public interest or to meet unusual conditions.

Rule 2002.3

(3) Trading in a Contract on its Final Trading Day will cease at such time as is prescribed in the Contract Specifications of that Contract or at such other time ~~specified~~ prescribed by the Exchange.

Rule 20039.03 Contract Settlement

Rule 2003.1

(1) Settlement of Contracts may either be via ~~C~~cash ~~S~~settlement or delivery of the Instrument underlying the Contract as prescribed in the Contract Specifications.

Rule 2003.2

(2) Any Contract remaining open after trading ceases on the Final Trading Day of the Contract will be settled by the Final Settlement Day in accordance with the Clearing House Rules.

Rule 2003.3

(3) The Exchange may change the Final Settlement Day for a Contract whenever such action is required in the public interest or to meet unusual conditions.

Rule 2004.04 Final Settlement Value and Final Closing Price

Rule 2004.1

(1) The final settlement value or Final Closing Price (as the case maybe) for a Contract is calculated based on the methodology as prescribed in the Contract Specifications ~~and any final settlement value or Final Closing Price so determined is final and binding.~~

Rule 2004.2

(2) The Exchange may use any other methodology it deems fit to compute and declare the final settlement value or Final Closing Price if an event that will affect the ability of the Exchange to compute the final settlement value or the Final Closing Price based on the methodology prescribed in the Contract Specifications has occurred or is likely to occur. ~~Any decision made by the Exchange pursuant to this Rule is final and binding.~~

Rule 2005.05 Contracts No Longer Offered for Trading

(1) If the Exchange determines that a Contract should no longer be offered for trading for any reason, including where the underlying Instrument no longer meets the current requirements for selection or should no longer be used, the Exchange may take any one or more of the following actions:

- (a) withdraw the Contract from being offered for trading;
- (b) suspend trading of the Contract;
- (c) not open for trading any additional Contracts;
- (d) direct any actions to be taken in respect of the Contract; or
- (e) any other action which the Exchange deems fit in the circumstances.

~~(2) Any decision made by the Exchange pursuant to Rule 2005(1) is final and binding.~~

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PART B RULES APPLICABLE TO PHYSICALLY DELIVERED CONTRACTS

Rules Applicable to Physically Delivered Contracts

Rule 20069.06 Application

~~The provisions in~~ Rules 20079.07 and 20089.08 apply where settlement of the Contract is prescribed in the Contract Specifications to be by physical delivery of the Instrument underlying the Contract.

Rule 20079.07 Obligations of ~~The~~ Buyer and Seller

Rule 2007.1

(1) The buyer's obligation under a Contract is to take delivery and make payment.

Rule 2007.2

(2) The seller's obligation under a Contract is to make delivery of the Instrument underlying the Contract in accordance with the Contract Specifications.

Rule 20089.08 Undertaking By Port Tank Installations

Rule 2008.1

(1) The Exchange will publish a list of Port Tank Installations contemplated in the relevant Contract Specifications. ~~Port Tank Installation Owners must give such written undertaking as the Exchange may be required~~ require by the Exchange from time to time including that they will comply with these Rules in respect of the handling and documentation of the Instrument underlying a Contract which may be Tendered on the Contract.

Rule 2008.2

(2) Charges for services, including storage and insurance, rendered by a Port Tank Installation must not exceed the rates filed with the Exchange.

Rule 2008.3

(3) Neither the Exchange nor the Clearing House will have any liability for the conditions of a Port Tank Installation or its suitability for the storage of the Instrument underlying a Contract or for the performance by the Port Tank Installation Owners of any responsibility that they may assume towards the Participants or other persons pursuant to these Rules.

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PART C RULES APPLICABLE TO SPECIFIC CONTRACTS

Rules Applicable to Specific Contracts

Rule 2009.09 Single Stock Futures Contract

Rule 2009.1 General

For the purpose of ~~this Rule 2009~~Rules 9.10 and 9.11, “underlying stock” means the securities which are the subject of the Single Stock Futures Contract.

Rule 2009.29.10 Single Stock Futures Contract no longer Offered for Trading

~~(1)~~ If the underlying stock used for a Single Stock Futures Contract is de-listed or its trading is suspended or halted in the Underlying Market by the relevant stock exchange, or in any other circumstances deemed fit by the Exchange, the Exchange may take any one or more of the following actions:

- (a) withdraw the Contract from being offered for trading;
- (b) suspend trading of the Contract;
- (c) not open for trading any additional Contracts;
- (d) direct any actions to be taken in respect of the Contract; or
- (e) any other action which the Exchange deems fit in the circumstances.

~~(2) Any decision made by the Exchange pursuant to Rule 2009.2(1) is final and binding.~~

Rule 2009.39.11 Adjustments

- (1) The Exchange may make adjustments in respect of a Single Stock Futures Contract in accordance with the provisions on adjustments provided in the Contract Specifications in the event the issuer of its underlying stock undertakes a corporate exercise.
- (2) In the event of any corporate exercise in respect of the underlying stocks for which an adjustment is not provided in the Contract Specifications, but is considered by the Exchange to be appropriate under the circumstances, the Exchange may make adjustments as it deems fit.

Rule 2010.12 Stock Option Contract

Rule 2010.1 General

For the purpose of ~~this Rule 2010~~Rules 9.13 and 9.14, “underlying share” means the securities which are the subject of the Stock Option Contract.

Rule 2010.29.13 Stock Option Contracts no longer Offered for Trading

~~(1)~~ If the underlying share used for a Stock Option Contract is de-listed or its trading is suspended or halted in the Underlying Market by the relevant stock exchange, or in any other circumstances deemed fit by the Exchange, the Exchange may take any one or more of the following actions:

- (a) withdraw the Contract from being offered for trading;

- (b) suspend trading of the Contract;
- (c) not open for trading any additional Contracts;
- (d) direct any actions to be taken in respect of the Contract; or
- (e) any other action which the Exchange deems fit in the circumstances.

~~(2) — Any decision made by the Exchange pursuant to Rule 2010.2(1) is final and binding.~~

Rule ~~2010.39.14~~ Adjustments

- (1) The Exchange may make adjustments in respect of a Stock Option Contract in accordance with the provisions on adjustments provided in the Contract Specifications in the event the issuer of its underlying share undertakes a corporate exercise.
- (2) In the event of any corporate exercise in respect of the underlying share for which an adjustment is not provided in the Contract Specifications, but is considered by the Exchange to be appropriate under the circumstances, the Exchange may make adjustments as it deems fit.

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PART D RULES APPLICABLE TO OPTIONS

Rules Applicable to Options

Rule 20149.15 Application

The provisions in Rules 20129.16 to 20149.18 are only applicable to Options.

Rule 20129.16 Premiums and Margins

Rule 2012.1

(1) The obligation to pay premiums accrues from the day an Option comes into existence.

Rule 2012.2

(2) If a Client is a buyer of an Option, its Trading Participant must collect premiums from the Client in accordance with the requirements in Rule 614A4.21.

Rule 2012.3

(3) If a Client is a seller of an Option, its Trading Participant must obtain margin from the Client in accordance with the requirements in Rule 614.14.18 unless otherwise specified by the Exchange. The Client will be credited with the premiums due from its Trading Participants within such period that the Exchange may prescribe ~~from time to time~~.

Rule 20139.17 Exercise Price

Rule 2013.1

(1) Exercise Prices of an Option will be set by the Exchange and fixed at:

- (a) a level which is reasonably close to the price of the underlying Instrument at the time the series of Options were introduced for trading; and
- (b) levels above and below the level that is mentioned in paragraph (a) as determined by the Exchange.

Rule 2013.2

(2) Exercise Prices may be introduced or removed as the price of the underlying Instrument moves from the initial or existing Exercise Prices range.

Rule 20149.18 Option Exercise

Rule 2014.1

(1) An Option may either be a European Style Option or an American Style Option as prescribed in the Contract Specifications of that Contract and must be exercised in accordance with the Clearing House Rules.

Rule 2014.2

(2) A buyer of an Option may exercise the Option:

- (a) in the case of a European Style Option, on the Expiration Date; or
- (b) in the case of an American Style Option, on or before the Expiration Date,

subject to and in accordance with Rule ~~701.46.07~~ and any other terms agreed between the Client and the Trading Participant where applicable.

Rule 2014.3

(3) To exercise an Option, an Exercise Notice must be lodged with the Clearing House within the period specified in Rule ~~2014.29.18(2)~~ or on such other date and at such time that the Clearing House may prescribe ~~from time to time~~.

Rule 2014.4

(4) On the Expiration Date of an Option, unless otherwise instructed by a buyer of an Option, an Option which is in the money by such amount as the Exchange may determine ~~be determined~~ ~~by the Exchange from time to time~~ (with the agreement of the Clearing House) will automatically be exercised in accordance with the Clearing House Rules.

Rule 2014.5

(5) Notwithstanding the other provisions in this Rule ~~2014.9.18~~, the Exchange may impose a restriction on the exercise of any Option on the grounds that such restriction is deemed necessary in the interests of maintaining an orderly and fair market, or is otherwise in the public interest, or for the protection of investors.

~~(End of Business Rule 2000)~~ [End of Chapter 9]

CHAPTER 10

INSPECTIONS AND INVESTIGATIONS

PART A INSPECTIONS

Rule 400A.110.01 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; ~~and~~

~~(c) provide such information relevant to the inspection, comply and give effect to any Directive the Exchange issued pursuant to Rule 2.01(2)(i).~~

Rule 400A.210.02 Reporting

(1) The Exchange will notify the Participant ~~concerned~~ of the findings ~~offrom~~ 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~~prescribed 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.

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PART B INVESTIGATIONS

Rule ~~400A.3~~10.03 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;~~
 - ~~(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) provide such information relevant to the investigation, comply and give effect to any Directives the Exchange issued ~~in exercising the powers under~~pursuant to Rule ~~400A.3(2)~~2.01(2)(i).

~~{[End of Business Rule 400A Chapter 10]}~~

CHAPTER 11

DISCIPLINARY ACTIONS

PART A DISCIPLINARY POWERS

Rule 50111.01 **General**

Rule 501.1

(1) In this ~~Rule 500~~Chapter 11, “disciplinary proceedings” where the context permits includes appeal proceedings under Rule ~~545~~11.15.

Rule 501.2

(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 50211.02 **Disciplinary Powers**

Rule 502.1

The Exchange may exercise its disciplinary powers under this Rule 50211.02 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) reprimanding (publicly or privately) a Participant or Registered Person;
- (b) imposing a fine not exceeding RM1 million on a Participant or Registered Person;
- (c) suspending a Participant or Registered Person in accordance with the terms prescribed by the Exchange;
- (d) terminating participantship where the Participant will immediately cease to enjoy the privileges of participantship;
- (e) imposing any restriction or condition or both in relation to the breach committed or on activities that a Participant or Registered Person undertakes;
- (f) 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;
- (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 Participant or Registered Person to liquidate such portion of the Participant's Open Position on its Proprietary Account or Clients' Accounts, or both;
- (i) ordering the Participant or Registered Person to transfer existing Open Positions to another Trading Participant or prescribing restrictions on positions;
- (j) striking off the Registered 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, imposing any restriction or condition in relation to the breach committed or on the activities that a Participant or Registered Person undertakes;
- (l) mandating education, training or such other types of programme as the Exchange may ~~be determined~~determine by the Exchange to be undertaken or implemented by the Participant, its employees or Registered Person; or
- (m) any other action the Exchange considers appropriate, subject to consultation with the Commission.

Rule 50311.03 Procedures

Rule 503.1

- (1) The Exchange will determine the procedures applicable to any disciplinary proceedings taken under this ~~Rule 500~~Chapter 11. Such procedures may vary to adapt to the circumstances of any particular case.

Rule 503.2

- (2) The Exchange is not bound by legal rules of evidence and procedure in any disciplinary proceedings under this ~~Rule 500~~Chapter 11.

Rule 504-11.04 Agreed Settlement

Rule 504.1

- (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

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

Rule 504.3

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

Rule 504.4

(4) If the Exchange is not agreeable to the proposed settlement, the proceedings under Rule ~~509~~11.09 will apply.

Rule ~~505~~11.05 Request for oral representations

Rule ~~505.1~~

(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 ~~540~~11.10 or the Notice of Appeal stated in Rule ~~546~~11.16.

Rule ~~505.2~~

(2) The Exchange may, in its absolute discretion, allow or disallow any request made pursuant to Rule ~~505.1~~11.05(1), upon such terms and conditions as the Exchange deems appropriate.

Rule ~~506~~11.06 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~~11.07 Other rights

The exercise of powers in Rule ~~502.1~~11.02 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.

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PART B VIOLATIONS

Rule 508-11.08 Violation by Participants or Registered Persons

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

- (a) commits a breach or violates any of these Rules;
- (b) is found by the Exchange to be guilty of misconduct;
- (c) fails to perform his duties efficiently, honestly or fairly;
- (d) knowingly ~~-acts -as -both -buyer -and -seller -in -the -same -transaction -except~~ when permitted under the Rules;
- (e) manipulates ~~-prices -or -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) being a Registered Representative:

(i) without prejudice to the generality of the foregoing:

- (aa) falsely declares authentication of an account opening application; or
- (bb) without proper authority, makes use of another person's particulars of an account;
- (ii) falsifies particulars of an account;
- (iii) falsifies signature of a Client or any other forms of authorisation by the Client;
- (iv) unlawfully transacts on another person's account;
- (v) commits any act in breach of his fiduciary position in respect of the foregoing matters;
- (vi) unlawfully delegates powers or assigns duties properly vested in him to unauthorised person or persons; or

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(vii) applies any amount paid or securities deposited by a Client to any person not entitled to the same or for payment other than the said Client's trading account;

- (~~h~~) knowingly disseminates false or misleading reports concerning market information or conditions that may affect the price of any Instrument;
- (~~j~~) trades or accepts margins during its insolvency or after its Capital Markets Services Licence has been revoked, suspended or lapsed;
- (~~k~~) 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~~) commits an act, which is substantially detrimental to the interest of the Exchange ~~or~~ Exchange holding company and of its Participants or a Client of a Participant;
- (~~m~~) fails to comply with 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 or by the Exchange; or
- (~~n~~) 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.

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PART C DISCIPLINARY PROCEEDINGS

Rule 50911.09 — 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 51011.10 — 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~~ prescribed in the Requisite Notice.

Rule 51111.11 — Notification of decision

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).

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PART D EXPEDITED PROCEEDINGS

Rule 51211.12 Scope

The Exchange may initiate expedited proceedings under this Rule ~~51211.12~~ against a Participant or Registered Person against whom disciplinary action is proposed to be taken instead of the proceedings under Rule ~~50911.09~~ 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 51311.13 Procedure

Rule 513.1

(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

(2) The Participant or Registered Person must, within the time ~~specified-prescribed~~ 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-prescribed~~ time.

Rule 513.3

(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-prescribed~~ time.

Rule 513.4

(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-prescribed~~ in the Determination;

as the case may be.

Rule 513.5

(5) If the Participant or Registered Person does not agree with the Determination, the matter will proceed under Rule ~~50911.09~~. The Participant or Registered Person may,

As at ~~4-September-2016~~ 15 August 2019

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within the time ~~specified-prescribed~~ in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule ~~509~~11.09. In deliberating the matter under Rule ~~509~~11.09, 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~~11.09.

~~Rule 514~~11.14 No limitation

Nothing in Rules ~~512~~11.12 and ~~Rule 513~~11.13 prevents the Exchange from proceeding with disciplinary proceedings under Rule ~~509~~11.09 for any breach of a Rule.

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PART E APPEAL

Rule ~~515~~11.15 Right of appeal

Rule ~~515.1~~

(1) In amplification of Rule ~~404A2.05~~, any party to the disciplinary proceedings taken under Rule ~~509~~11.09 who is dissatisfied with a decision resulting from the disciplinary proceedings, may appeal against such decision in the manner ~~specified~~prescribed in Rule ~~516~~11.16 unless the decision was recorded pursuant to an agreed settlement under Rule ~~504~~11.04 (“the Appellant”).

Rule ~~515.2~~

(2) The Exchange may suspend the enforcement of any action taken under Rule ~~502~~11.02 that is the subject of the appeal until the disposal of the appeal.

Rule ~~516~~11.16 Notice of appeal

The Appellant must, within the time stated in the notification of decision given under Rule ~~509~~11.09, 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~~11.17 Deliberation of appeal

Rule ~~517.1~~

(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~~

(2) The Appellant must produce the new evidence as stated in Rule ~~517.4~~11.17(1) when submitting the Notice of Appeal.

Rule ~~517.3~~

(3) The Exchange may exercise its powers under ~~Rule 400A~~Chapter 10 and produce new evidence arising from the Notice of Appeal submitted by a Participant or Registered Person.

Rule ~~517.4~~

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

Rule ~~51811.18~~ 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.

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PART F EFFECT OF DISCIPLINARY ACTION

Rule ~~519~~11.19 General

Rule ~~519~~.1

(1) A Participant or Registered Person must give effect to a decision made under Rule ~~509~~11.09 or Rule ~~512~~11.12 ~~of this Rule 500~~ or a decision affirmed or varied under Rule ~~515~~11.15 within the time ~~stipulated~~prescribed by the Exchange.

Rule ~~519~~.2

(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~~11.02.

Rule ~~520~~11.20 Period of payment and effect of non-payment of fine

- (1) Without prejudice to Rule ~~519-211~~.19(2), a fine imposed by the Exchange must be paid by the Participant or Registered Person within the time ~~stipulated~~prescribed in the notice under Rule ~~511-11~~.11 or Rule ~~518~~11.18.
- (2) Pursuant to Rules ~~520-111~~.20(1) and ~~Rule 513-411~~.13(4), a Participant or Registered Person who fails to make payment within the ~~stipulated~~prescribed time frame will be summarily 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 ~~520-211~~.20 (2), the Exchange may ~~at any time thereafter~~ summarily terminate ~~for the~~ participantship of the Participant or summarily 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~~11.21 Effect of suspension

- (1) A suspension imposed by the Exchange upon the Participant or Registered Person:
 - (a) takes effect on the date ~~notified~~prescribed in the notice under Rule ~~511-11~~.11 or Rule ~~518~~11.18 ("the said notice"); and
 - (b) remains for such period as ~~specified~~prescribed 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,~~

As at ~~4 September 2016~~ 15 August 2019

- ~~(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.~~

~~{[End of Business Rule 500 Chapter] 11}~~

SCHEDULE 1B
MEMORANDUM OF DEPOSIT

[Name and registered address of Trading Participant]

Dear Sirs,

MEMORANDUM OF DEPOSIT

In consideration of you trading in futures or options contracts on my behalf from time to time, I, *[Fill in name of client]* of *[Fill in the address of the client]*, have deposited or will deposit with you from time to time as may be required by you, the securities enumerated in Schedule 1 and such other securities that may be accepted by you (hereinafter referred to as “the Securities”) on the following terms and conditions:

1. ~~I confirm that I am entitled to pledge the Securities to you and where necessary, have obtained the relevant authorisation to do so in accordance with the requirements of the law, and that the Securities are free from liens, encumbrances or any prior pledge(s). In furtherance thereof I hereby pledge the Securities as part of or the total margin required by you in accordance with Rule 614.1 of the business rules of Bursa Malaysia Derivatives Berhad (“Bursa Derivatives”), arising from the Open Positions in respect of futures or options contracts traded on my behalf on the exchange i.e. Bursa Derivatives by you or given up to you. Open Positions means the position of a party under a futures or options contract whose rights or obligations have not expired or been discharged or where the rights/and or obligation under the futures or options contract are yet to be fulfilled.~~
2. ~~I represent and confirm that the Securities are held in a central depository system maintained by Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) and in this respect I shall transfer and/or cause to be transferred the Securities which are pledged to you under Clause 1 to a securities account held in your name or the name of your nominee with Bursa Depository, the particulars of which shall be furnished by you.~~
3. ~~Upon transfer of the Securities in accordance with Clause 2, the Securities pledged under Clause 1 shall include all stocks, shares and other securities, rights or other property paid, distributed, accruing or offered at any time (by way of dividends, bonus, redemption rights, preference, option, warrant or otherwise) on, to or in respect of or in substitution of any of the Securities (“the Additional Securities”) and all dividends paid or payable on the Securities and the Additional Securities (“the Dividends”). Reference to the word Securities wherever appearing in this Memorandum of Deposit hereinafter, shall include Additional Securities unless the context otherwise requires, or unless expressly excluded.~~
4. ~~Notwithstanding that the Securities are transferred to you in accordance with Clause 2 and pledged to you in accordance with the terms of this Memorandum of Deposit, you shall have no duty or responsibility and shall be under no obligation to exercise any rights incident to the Securities including the exercise of power to purchase shares or stocks under any warrant or option or to take up any rights issue or voting rights. In the event that I intend to exercise any rights incident to the Securities including the exercise of power to purchase shares or stocks under any warrant or option or to take up any rights issue or voting rights, I acknowledge that I shall have to withdraw the Securities and that the withdrawal shall only be allowed by you in circumstances stipulated under Clause 8 unless determined otherwise by you and when withdrawn I shall be entitled to exercise the same in the manner that I deem fit without any further reference to you. In relation to Dividends, the same shall forthwith be released to me upon clearance of the Dividend cheques/s, notwithstanding that the securities have been pledged to Bursa Malaysia Derivatives Clearing Bhd (“Bursa Clearing (D)”) pursuant to Clause 5 herein.~~
5. ~~I hereby consent and authorise that any or all of the Securities deposited and pledged with you in accordance with the terms of this Memorandum of Deposit may be pledged at any time and from time to time to Bursa Clearing (D) who is the clearing house for the futures and option contracts traded on~~

~~Bursa Derivatives as part of or the total margin required by Bursa Clearing (D) as security against the non-performance of your obligations to Bursa Clearing (D) in respect of clearing of futures or options contracts traded on Bursa Derivatives and that Bursa Clearing (D) shall at any time have full rights to sell, exchange, convert into money or otherwise dispose of or realise or concur in selling, exchanging, converting into money or otherwise dispose of or realise the Approved Securities or any part thereof as Bursa Clearing (D) may in its absolute discretion select and for such consideration and on such terms as Bursa Clearing (D) may think fit and to do all such acts and things as Bursa Clearing (D) may consider necessary or desirable for the realising of the Approved Securities or any part thereof if you default on your obligations to Bursa Clearing (D). The aforementioned is subject to the following conditions:~~

- ~~i. That the utilisation of the Securities shall be strictly limited to the purpose/s above;~~
 - ~~ii. That the Securities shall be made available to me for withdrawal in circumstances permitted in this Memorandum of Deposit and in the event that the Securities are not returned to me pursuant to the above, my recourse shall be against you as stipulated in Clause 10 and not against Bursa Clearing (D); and~~
 - ~~iii. That the Securities shall be taken into account in computing the margin that has been deposited by me with you under Clause 1; and~~
 - ~~iv. That the value of the Securities shall be set off as against the sum owed to you arising from a default under Clause 11.~~
- ~~6. I further hereby agree to execute all relevant documents as may be required by you at any time and from time to time for the purpose of facilitating and giving effect to Clause 5.~~
- ~~7. I agree and consent that my rights to the exercise of and/or all or any dealings with respect to and in relation to the rights, benefits, powers and privileges in respect of or arising from the Securities and/or as conferred under the relevant laws and/or the constitution of the issuer of the Securities shall be subject to the terms of this Memorandum of Deposit. I further agree that I shall not enter into any dealings and/or any arrangement howsoever called with respect to the Securities except where permitted in this Memorandum of Deposit and/or by you.~~
- ~~8. I shall be entitled to withdraw any or all of the Securities deposited and pledged herein, by providing you with written notice thereof, in any of the following circumstances:~~
- ~~(i) where the Securities are in surplus of the amount of margin required by you for the purposes stipulated in Clause 1 herein, to the extent of the surplus amount; or~~
 - ~~(ii) where the value of the Securities to be withdrawn is replaced/exchanged with any other securities or form/s of collateral acceptable by you or cash of equal value; or~~
 - ~~(iii) where I no longer have any Open Positions in respect of futures or options contracts traded on my behalf by you or given up to you and have no sums outstanding owed to you with regards to my obligations stipulated in Clause 1 herein.~~
- ~~9. Subject to Clause 11, where the withdrawal of the Securities is permitted under Clause 8, the Securities shall be transferred to a securities account(s) designated by me subject to the rules and procedures of Bursa Depository and the said transfer shall not be effected later than two (2) clear market day from the date of the receipt by you of the notice stipulated in Clause 8.~~
- ~~10. In the event that you are not able to return the Securities and/or the Additional Securities to me within the timeframe stipulated in Clause 9 ("Initial Period") for any reason(s) whatsoever, you shall within five (5) clear market days from the expiry of the Initial Period take measures to procure and return to me those Securities in specie and in the event that you are unable to procure such securities due to circumstances beyond your control, you shall provide me with the market value of those Securities in monetary form. Market value of the Securities shall be computed based on the weighted average price of the Securities plus one percentum (1%) (of the weighted average price of the Securities) on the trading day or the last trading day, as the case may be, preceding the date that delivery of Securities in specie should have been made under this clause. I agree that once the aforementioned Securities in specie is returned or monetary compensation is paid to me pursuant to this clause, the same shall serve as full~~

~~and final settlement of your obligation under Clause 8, Clause 9 and this clause and I shall have no further claim against you in relation thereto.~~

- ~~11. Where I default in the performance of any of my obligations arising from the Open Positions in respect of futures or options contracts traded on my behalf by you or given up to you, I acknowledge that you shall have full rights to sell, exchange, convert into money or otherwise dispose of or realise or concur in selling, exchanging, converting into money or otherwise disposing of or realising the Securities or any part thereof as you may in your absolute discretion select and for such consideration and on such terms as you may think fit to do all such acts and things as you may consider necessary or desirable for the realising of the Securities or any part thereof. The consideration received from the above, shall be utilised towards the discharge of the monies owing by me to you pursuant to the above default and the residue thereof (if any) shall be paid to me.~~
- ~~12. I hereby consent and agree to the transfer of the legal ownership of the Securities to any party arising from the exercise of your powers under Clause 11 and in connection thereto I authorise you to execute all relevant documents at any time and from time to time and accord to you all rights and powers to take the necessary steps to execute and give effect to the above said transfer. Notwithstanding the above, where required by you, I shall also execute all relevant documents for the purpose of executing and giving effect to the above said transfer.~~
- ~~13. I acknowledge and agree that the terms stipulated in this Memorandum of Deposit shall be subject to the business rules of Bursa Derivatives, and all procedures, guidelines etc issued by Bursa Derivatives from time to time in connection with the depositing of securities for the purpose stipulated under Clause 1 ("the Provisions") and I shall comply with the Provisions as if the same is stipulated herein. In the event of any inconsistency between the terms stipulated in this Memorandum of Deposit and the Provisions, the Provisions shall prevail.~~
- ~~14. Where additional securities are deposited with you to satisfy the margin required by you for the purpose stipulated in Clause 1, the provisions of this Memorandum of Deposit shall equally apply to those additional securities deposited. In this respect, Schedule 1 of this Memorandum of Deposit shall be read to include the above additional securities as if enumerated therein and the word Securities wherever appearing in this Memorandum of Deposit shall also include the above additional securities.~~
- ~~15. Pursuant to Clause 14, where additional securities are deposited with you as margin, you shall provide me with written confirmation of such a deposit of securities.~~
- ~~16. Any demand, request or notice made under this Memorandum of Deposit by me or you shall be in writing and addressed to the address specified herein or such address as notified in writing from time to time.~~
- ~~17. I agree that you may deduct, from monies held by you, all fees, cost incurred, stamp duty and other charges relating to or in connection with the execution of this Memorandum of Deposit.~~
- ~~18. This Memorandum of Deposit shall be binding and enure to my and your benefit and our successors, legal representatives and permitted assigns.~~
- ~~19. I hereby indemnify you and hold you indemnified for any loss, legal costs (including third party costs), damage or liability suffered or incurred by you, whether directly or otherwise, arising as a result of your reliance on the representations made in Clause 1 in accepting the securities pledged under this Memorandum of Deposit.~~
- ~~20. I agree that this Memorandum of Deposit shall be governed by and construed in all respects in accordance with the laws of Malaysia and I shall submit to the jurisdiction of the courts of Malaysia in all matters set out in this Memorandum of Deposit.~~

Dated this [] day of [] Year []

.....

~~Common Seal or Signature~~

~~Name:~~

~~Designation of Authorised Signatory/ies(where it is a corporation):~~

~~In the presence of,~~

.....

~~Signature~~

~~Name:~~

~~NRIC No:~~

(End of Schedule 1B)

SCHEDULE 2**RISK ASSOCIATED WITH CONTRACTS**

All Trading Participants must furnish to all clients a document containing at minimum the terms prescribed in the following Risk Disclosure Statement.

This brief statement does not disclose all of the risks and other significant aspects of trading in Contracts. In light of the risks, you should undertake such transactions only if you understand the nature of the Contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in Contracts is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

RISKS ASSOCIATED WITH CONTRACTS**1. Effect of "Leverage" or "Gearing"**

Transactions in Contracts carry a high degree of risk. The amount of initial margin is small relative to the value of a Contract so that transactions are "leveraged" or "geared". A relatively small market movement will have proportionately larger impact on the funds you have deposited or will have to deposit — this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the Trading Participant to maintain your position. If the market moves against your position or margin levels are increased you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss as you will be liable for any resulting deficit.

2. Risk reducing Orders or Strategies

The placing of certain orders (e.g. "stop-loss" orders, where permitted under the business rules of an exchange company) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

3. Terms and Conditions of Contracts

You should ask the Futures Broker with which you deal about the terms and conditions of the specific Contracts which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying instrument of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the Exchange or clearing house to reflect changes in the underlying instrument or state of affairs that is the subject of the futures contract.

4. Suspension or Restriction of Trading and Pricing Relationship

~~Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.~~

~~Further, normal pricing relationships between the underlying that is the subject of a futures contract and the futures contract, may not exist. This can occur when, for example, the absence of an underlying reference price may make it difficult to judge “fair” value.~~

~~5. Deposited Cash and Securities~~

~~You should familiarise yourself with the protections accorded to money or other securities you deposit, particularly in the event of a Trading Participant’s insolvency or bankruptcy. The extent to which you may recover your money or securities may be governed by specific legislation.~~

~~6. Commission and Other Charges~~

~~Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increases your loss.~~

~~7. Currency Risks~~

~~The profit or loss in transactions in foreign currency denominated contracts will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.~~

~~8. Trading Facilities~~

~~Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or Trading Participants. Such limits may vary – you should ask the Trading Participant with which you deal for details in this respect.~~

~~9. Electronic Trading~~

~~Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.~~

~~ADDITIONAL RISKS ASSOCIATED WITH OPTIONS~~**~~10. Variable Degree of Risk~~**

~~Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.~~

~~The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying instrument. If the option is on a futures contract, the purchaser will acquire a long position or short position (as the case may be) in relation to the futures contract, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment (which is the option premium) in addition to incurring transaction costs. If you are contemplating purchasing deep out of the money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.~~

~~Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by a seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying instrument. If the option is on a futures contract, the seller will acquire a position in the futures contract with associated liabilities for margin. If the option is “covered”, for example by the seller assuming a corresponding long position in the underlying that is the subject of the option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.~~

~~I hereby acknowledge that I have received and understood this risk disclosure statement.~~

Date

Signature of Client

~~End of Document~~

(End of Schedule 2)

~~**SCHEDULE 4**~~
~~**SUBORDINATED LOAN**~~

~~**4.1. MINIMUM CRITERIA**~~

~~Subordinated loan agreement means an agreement between the Trading Participant and its lender (hereinafter referred to as the “subordinated creditor”) and an exchange company (as defined in the Futures Industry Act) which agreement shall be in such form and shall contain such terms as the Exchange may from time to time require but shall as a minimum contain the following criteria:~~

- ~~(a) the subordinated creditor will not claim or receive from the Trading Participant, by set-off or in any other manner, any subordinated debt unless and until all senior debt has been paid or except with the prior written approval of the Exchange;~~
- ~~(b) in the event of any payment or distribution of assets of the Trading Participant, in cash, in kind or in securities (hereinafter referred to as a “distribution”), upon any dissolution, winding up, liquidation or re-organisation of the Trading Participant:

 - ~~(i) the senior creditors shall first be entitled to receive payment in full of the senior debt before the subordinated creditor receives any payment in respect of the subordinated debt;~~
 - ~~(ii) any distribution to which the subordinated creditor would be entitled but for the provisions of this agreement shall be paid or delivered by the liquidators, trustee in bankruptcy or any other person making distribution directly to the senior creditors rateably according to their senior debt until they have been paid in full (taking into account other distributions to the senior creditors);~~~~
- ~~(c) if notwithstanding the above, any distribution is received by the subordinated creditor in respect of the subordinated debt, such distribution shall be paid over to the senior creditors for application rateably against their senior debt until the senior debt has been paid in full (taking into account other distributions to the senior creditors) and until such payment in full shall be held in trust for the senior creditors;~~
- ~~(d) has a minimum term loan of three (3) years;~~
- ~~(e) has no provision for accelerated payment unless otherwise approved by the Exchange; and~~
- ~~(f) the Exchange reserves the right to suspend repayment of the loan at maturity date if it is of the opinion that the Trading Participant fails to meet Minimum Financial Resources Requirements.~~

~~**4.2 APPROVED SUBORDINATED LOAN FOR NET CAPITAL COMPUTATION PURPOSES**~~

~~For the purpose of computing “Net Capital” as provided in Business Rules 602, the subordinated loan agreement must fulfill the following criteria:~~

- ~~(a) has an initial term of at least three (3) years and at least one (1) year remaining period;~~
- ~~(b) the amount incurred under should not exceed four (4) times the Trading Participant’s shareholders’ funds at all times; and~~
- ~~(c) the loan must be approved by the Exchange.~~

~~A Subordinated Loan Agreement shall contain provisions to the effect of such of the following clauses as are prescribed below.~~

SUBORDINATED LOAN AGREEMENT

~~THIS AGREEMENT is made this _____ day of _____ 200~~

BETWEEN

~~[_____] a company incorporated in Malaysia and having its registered office at [_____] (hereinafter referred to as “the Borrower”)~~

AND

~~[_____] a company incorporated in [_____] and having its registered office at [_____] (hereinafter referred to as “the Lender”).~~

AND

~~Bursa Malaysia Derivatives Berhad, an exchange company and having its registered office at 10th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur. (hereinafter referred to as “the Exchange”)~~

WHEREAS

- ~~(i) _____ The Borrower is a Trading Participant of the Exchange.~~
- ~~(ii) _____ At the request of the Borrower, the Lender has agreed to grant and make available to the Borrower a subordinated loan up to a maximum aggregate principal amount of Ringgit Malaysia [_____] for principal (hereinafter referred to as “the Facility”) upon the terms and conditions herein contained and set forth.~~
- ~~(iii) _____ The Facility shall be made available for a period of [_____] years from the Effective Date (as defined under Clause 11 of this Agreement) or in any event it shall be made available for the minimum period of no less than 3 years from the Effective Date of this Agreement (hereinafter referred to as “the Scheduled Maturity Date”).~~

~~NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED as follows:~~**~~1. _____ SUBORDINATION~~**

~~1.1 _____ Subject to and in accordance with the terms of this Agreement, the Lender agrees with the Borrower, that it will make available to the Borrower the Facility and further agrees that the Indebtedness and the rights of the Lender against the Borrower under this Agreement are subordinated to the Senior Indebtedness of the Borrower to the intent that (notwithstanding any other provisions of this Agreement) payment of the Indebtedness or any part thereof is conditional upon the Borrower being solvent at the time of payment by the Borrower and that no such payment shall be made except to the extent that the Borrower could make it and still be solvent immediately thereafter.~~

~~1.2 _____ As used herein:~~

~~1.2.1 _____ “Indebtedness” shall mean the aggregate of all sums advanced by the Lender to the Borrower pursuant to this Agreement together with interest thereon and all other monies payable by the Borrower to the Lender pursuant to, upon and under this Agreement (whether in respect of principal, interest, additional interest, costs, expenses or otherwise);~~

~~1.2.2 _____ “Senior Indebtedness” shall mean all liabilities of the Borrower (whether as principal debtor or guarantor), which rank or are expressed to rank ahead of the Indebtness (but does not include liabilities of the Borrower expressed to be subordinated in the like manner as provided herein).~~

~~2. INTEREST~~

~~2.1 The Borrower shall pay interest on the Loan at the rate [] percent (%) per annum (hereinafter referred to as "the Prescribed Rate of Interest") in accordance with the following provisions:~~

~~2.1.1 The first Interest Period shall begin on the Effective Date and end on the day immediately preceding the last day of that Interest Period and each subsequent Interest Period shall begin on the last day of the preceding Interest Period.~~

~~2.1.2 All interest hereunder shall accrue from day to day and be calculated on the actual number of days elapsed and on the basis of a 365 day year.~~

~~2.1.3 Any Interest Period, which would otherwise be beyond the Repayment Date shall end on such date.~~

~~2.2 The interest on any principal monies advanced under the Facility shall end at the end of each relevant Interest Period and in the event of non-payment be capitalized and added for all purpose to the principal sum then owing and shall henceforth bear interest at the Prescribed Rate of Interest then applicable and be payable accordingly and all the covenants and conditions contained in or implied by these presents and all rules of law or equity in relation to the said principal sum and interest shall equally apply to such capitalized arrears of interest on such arrears.~~

~~2.3 As used herein, interest period shall mean each period of six (6) months by reference to which interest payable is to be computed.~~

~~3. REPAYMENT~~

~~3.1 Subject to Clause 3.2 below, the Borrower covenants and agrees with the Lender to repay to the Lender without demand on the Scheduled Maturity Date all such monies as may be due by the Borrower to the Lender in respect of the facility in one lump sum, provided always prior written approval of the Exchange has been obtained.~~

~~3.2 The repayment of the Facility shall not take place on the Scheduled Maturity Date if the Exchange is not satisfied that the Borrower is capable of continuing to comply with the minimum financial requirements of the Exchange.~~

~~3.3 The Lender and the Borrower hereby covenant and agree that upon the suspension of repayment on the Scheduled Maturity Date (as provided for under Clause 3.2 above), the repayment shall be effected on the date that the Exchange communicates its approval for the repayment of the Facility (hereinafter referred to as "the Repayment Date"), wherein the Borrower further agrees and covenants that it shall pay interest on the Loan at the Prescribed Rate of Interest up to the Repayment Date.~~

~~4. PREPAYMENT~~

~~Subject to the prior written approval of the Exchange, the Borrower at its option may make payment of all its Indebtedness under this Agreement prior to the Scheduled Maturity Date. No prepayment shall be made unless notice is given to the Lender and the Exchange at least 30 days prior to the intended date for such prepayment.~~

~~5. RESTRICTIONS ON LENDER~~

~~The Lender hereby further covenants for the benefit of all Senior Indebtedness that, until all Senior Indebtedness shall have been paid and satisfied in full, the Lender shall not prior to the Repayment Date (but subject always to Clause 6):~~

~~5.1 demand, sue for, receive or collect any repayment from the Borrower in respect of the Loan (except as provided for under Clause 4), including any interest thereon or take~~

~~any steps, actions or proceedings anywhere, directly or indirectly, to recover or enforce repayment or payment of the same in any way;~~

- ~~5.2 assign or purport to assign to any person the Loan or any part thereof or commence or continue execution proceedings or winding-up in respect of the Loan;~~
- ~~5.3 combine or consolidate or purport to do so, the Loan with any of its liabilities to the Borrower or retain or set off the Loan in satisfaction of all or any of its liabilities to the Borrower;~~
- ~~5.4 take or have or allow to subsist any charge, mortgage, lien or any security on or over any monies and/or property, movable or immovable of or belonging to the Borrower as security for the repayment of the Loan;~~
- ~~5.5 borrow, take or accept any loans or advances, whether directly or indirectly from the Borrower or take or accept any gift, in cash or in kind or in securities or obtain or procure any guarantee, indemnity or security to be given or issued by the Borrower for or in connection with the Indebtedness;~~
- ~~5.6 cause, procure, permit or suffer the Borrower to sell, transfer or in any way dispose of any of the Borrower's property or assets to the Lender in any manner save and except at arms length and for good, valuable and adequate consideration which shall be fully paid for in cash.~~

~~6. DISSOLUTION, WINDING-UP, LIQUIDATION OR REORGANISATION OF THE BORROWER~~

- ~~6.1 In the event of any payment or distribution of assets of the Borrower, in cash, in kind or in securities, upon any dissolution, winding-up, liquidation or reorganisation of the Borrower;~~
- ~~6.1.2 the creditors of any Senior Indebtedness shall first be entitled to receive payment in full of the Senior Indebtedness before the Lender receives any payment in respect of the Indebtedness;~~
- ~~6.1.2 any distribution to which the Lender would be entitled but for the provisions of this Clause 6 shall be paid or delivered by the liquidator or other person making the distribution of the assets of the Borrower directly to the creditors of the Senior Indebtedness rateably accordingly to their due until they have been paid in full.~~
- ~~6.2 If, notwithstanding Clause 6.1, any distribution is received by the Lender in respect of the Indebtedness, the distribution shall be paid over to the creditors of the Senior Indebtedness until such Senior Indebtedness has been paid in full and until such payment in full shall be held in trust for such creditors.~~

~~7. DEFAULT~~

~~No default in the payment of any part of the Indebtedness or in the performance of any other covenant or condition in this Agreement by the Borrower shall have the effect of accelerating the Scheduled Maturity Date. The Indebtedness shall be accelerated prior to its Scheduled Maturity Date only in a winding-up of the Borrower but subject always to repayment of the Indebtedness being subordinated as provided by this Agreement.~~

~~8. EXCHANGE NOTIFICATION~~

~~The Borrower covenants that it shall notify the Exchange in writing that the Indebtedness will mature in the following six (6) months from the date of the notification.~~

~~9. NON LIABILITY OF THE EXCHANGE~~

~~The Lender acknowledges that the Facility is not being made and this Agreement is not being entered into in reliance upon the standing of the Borrower as a Trading Participant of the Exchange or upon the Exchange's surveillance of the Borrower's financial position or its compliance with the constitution, rules and practices of the Exchange. The Lender has made such investigation of the Borrower and its officer, directors and shareholder as the Lender deems necessary and appropriate under the circumstances. The Lender is not relying upon the Exchange to provide or cause to be provided any information concerning or relating to the Borrower and agrees that the Exchange has no responsibility to disclose or cause to be disclosed to the Lender any information concerning or relating to the Borrower which the Exchange may now or at any future time have.~~

~~The Lender agrees that neither the Exchange nor any director, committee member, officer or employee of the Exchange shall have any liability to the Lender for any matter related to or arising from this Agreement, the Loan made hereby, the payment obligations hereunder or the payment of any interest thereon and the Lender agrees not to assert any such liability or any claims based upon any such liability now or at any near future time.~~

~~10. ON WHOM BINDING~~

~~This Agreement shall enure to the benefit of and be binding upon the Exchange, the Lender and the Borrower, and their respective heirs, executors, administrators, successors and assigns.~~

~~11. EFFECTIVE DATE~~

~~This Agreement shall be effective from the date that Facility is utilised by the Borrower.~~

~~12. THE ENTIRE AGREEMENT~~

~~This Agreement represents the entire Agreement between the parties, hereto and no amendment or supplement hereto shall be effective unless in writing and signed by all the Parties.~~

~~13. LAW AND JURISDICTION~~

~~This Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia and the parties submit to the jurisdiction to the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties under this Agreement and the parties further agrees that service of any writs or summons or any legal process in respect of any action arising out or connected with this Agreement to be effected by forwarding a copy of the writ or summon and a statement of claim or other legal process by prepaid registered post to their respective addresses.~~

~~14. NOTICE~~

~~Any notice required to be given to all parties hereunder shall be in writing shall be delivered personally or sent by registered post or facsimile at the relevant address given below or such other address as one party may have notified to the other in writing. Any notice so delivered or sent shall be deemed to have been received one (1) day after delivery or sending provided that a notice with respect to a change of address shall be effective only when actually received.~~

~~(i) Bursa Malaysian Derivatives Berhad
10th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Facsimile No.:~~

(ii) ~~The Lender~~
~~Facsimile No.:~~

(iii) ~~The Borrower~~
~~Facsimile No.:~~

~~IN WITNESS WHEREOF the parties hereto have caused the respective hands of their attorneys/representatives to be set out hereunder.~~

~~The Borrower~~

~~Signed by _____ }
for and on behalf of _____ }
_____ }
in the presence of _____ }~~

~~The Lender~~

~~Signed by _____ }
for and on behalf of _____ }
_____ }
in the presence of _____ }~~

~~The Exchange~~

~~Signed by _____ }
for and on behalf of _____ }
_____ }
in the presence of _____ }~~

~~End of Agreement~~

(End of Schedule 4)

~~**SCHEDULE 8**~~
~~**LIST OF STOCK**~~
~~**EXCHANGE CONTRACT**~~

~~**Selection of Underlying Shares referred to in item 2503A (Stock Option Contract) of Schedule 25 (Equity Contracts)**~~

- ~~1. The selection of underlying shares for the purposes of listing Stock Option Contracts is based on the following criteria:~~

Market Capitalisation	The average daily market capitalisation of the company must be at least RM2 billion in the 3 months ending on the last Business Day of the calendar month immediately preceding the date of introduction of the Stock Option Contract.
Turnover	The average monthly turnover of the underlying shares must be at least 2 million shares for the 6 calendar months immediately preceding the date of introduction of the Stock Option Contract.
Number of Shareholders	The total number of registered shareholders in the underlying company must be at least 2000 as at the last Business Day of the year immediately preceding the date of introduction of the Stock Option Contract.
Public Float	The total number of underlying shares issued, excluding shares which are recorded in the register of substantial shareholders of that company, must be at least 100 million as at the last Business Day of the calendar month immediately preceding the date of introduction of the Stock Option Contract.
Profit Record	The underlying company must have had an uninterrupted after-tax profit record in the 3 financial years immediately preceding the date of introduction of the Stock Option Contract.

- ~~2. The above criteria are subject to review by the Exchange at least once every year. The Exchange reserves the right to change the criteria, with the approval of the Commission, as and when it deems appropriate.~~

~~*(End of Schedule 8)*~~

SCHEDULE 22
ESTABLISHMENT OF BRANCH
OFFICE AND TRADING KIOSK

22.1 RULE 601C.2(1)

- (1) ~~Rule 601C.2(1) provides that a Trading Participant that wishes to establish, maintain and operate branch offices and trading kiosks for the carrying out of the business of trading on the Exchange must obtain the Exchange's prior approval.~~
- (2) ~~Pursuant to the above Rule, a Trading Participant must comply with the following Schedules.~~

22.1.1 ~~Written application~~

- (1) ~~A Trading Participant who intends to establish a Branch Office or a Trading Kiosk pursuant to Rule 601C must submit a written application to the Exchange in accordance with this Schedule.~~
- (2) ~~The written application must be submitted together with a written notification of the location and intended commencement date of the operations of the Branch Office or Trading Kiosk no later than 30 Business Days prior to the intended commencement date of the operations of the Branch Office or Trading Kiosk.~~

22.1.2 ~~Approval in principle for establishment of Branch Office and Trading Kiosk~~

- (1) ~~Upon receipt of the application to establish a Branch Office or an Trading Kiosk, the Exchange will evaluate the application and consider among others, the following-~~
- ~~(a) the area in which the Trading Participant is applying to establish a Branch Office or a Trading Kiosk;~~
 - ~~(b) the Trading Participant's business integrity;~~
 - ~~(c) its financial standing; and~~
 - ~~(d) its experience of trading in Contracts.~~

22.1.3 Readiness audit

- (1) ~~A Trading Participant cannot commence operations of a Branch Office or a Trading Kiosk until completion of a readiness audit by the Exchange.~~
- (2) ~~If the Exchange is satisfied with the readiness of the Trading Participant, the Exchange will issue a letter of approval for commencement of the Branch Office or Trading Kiosk.~~

22.1.4 ~~Name of Branch Office and Trading Kiosk~~

- (1) ~~The Branch Office and Trading Kiosk must carry the name of the Trading Participant and not any other name.~~

22.1.5 Material changes to the Branch Office or Trading Kiosk

- (1) A Trading Participant must obtain the prior approval of the Exchange in respect of any material change to the Branch Office or Trading Kiosk established, maintained or operated pursuant to this Schedule.

22.2 ~~RULE 601C.3(2)~~

- (1) ~~Rule 601C.3(2) provides that a Trading Participant may only carry out activities as the Exchange may permit at a Trading Kiosk.~~
- (2) ~~The list of activities a Trading Participant may carry out at a Trading Kiosk is set out in Schedule 22.2.1 below. For the avoidance of doubt, the list of activities a Trading Participant must ensure is not carried out at a Trading Kiosk is set out in Schedule 22.2.2 below.~~

22.2.1 ~~Permitted activities at the Trading Kiosk~~

- (1) ~~The conduct of educational seminars and events to promote product and market awareness.~~
- (2) ~~The collection of relevant forms duly executed by the Clients.~~
- (3) ~~The stationing of the Trading Participant's employee(s) or third party(ies) but not its Registered Representative(s) at the Trading Kiosk for the following purposes only—~~
- (a) ~~to provide assistance to the Clients utilising the Trading Kiosk facilities;~~
 - (b) ~~to provide maintenance services in respect of the Trading Kiosk;~~
 - (c) ~~to provide security services in respect of the Trading Kiosk and its site(s);~~
 - (d) ~~for the conduct of educational seminars; and~~
 - (e) ~~such other activities as may be approved by the Commission and/or Exchange from time to time.~~

22.2.2 ~~Prohibited activities at the Trading Kiosk~~

- (1) ~~A Trading Participant must not carry out at the Trading Kiosk any type of front office and back office operations and activities including the following:~~
- (a) ~~the opening and closing of Client Accounts;~~
 - (b) ~~trading in Contracts, but excluding such orders entered into the Trading Kiosk facilities by the Clients;~~
 - (c) ~~the processing, production or printing of contract notes;~~
 - (d) ~~any other business permitted by the Commission or Bank Negara Malaysia that are not specified in Schedule 22.2.1 above; and~~
 - (e) ~~the stationing of Registered Representatives at the Trading Kiosk.~~

22.3 ~~RULE 601C.4~~

- (1) ~~Rule 601C.4(1) provides that a Trading Participant may convert its Trading Kiosk to a Branch Office or vice versa upon the approval of the Exchange.~~

~~(2) — The requirements that a Trading Participant must comply with in relation to a conversion of a Trading Kiosk to a Branch Office or vice versa are set out in Schedule 22.3.1 below.~~

~~**22.3.1 — Conversion of Trading Kiosk to Branch Office or Branch Office to Trading Kiosk**~~

~~(1) — A Trading Participant who intends to convert a Trading Kiosk to a Branch Office, or a Branch Office to a Trading Kiosk must:~~

~~(a) — submit a written application to the Exchange, at least 3 months prior to the date of the proposed conversion; and~~

~~(b) — give prior written notification of not less than 2 months before the proposed date of conversion to its Clients who may be affected by the proposed conversion.~~

~~*(End of Schedule 22)*~~

SCHEDULE 241**AGRICULTURE CONTRACTS**

Item No.	Contract	Contract Code
<u>24041.01</u> <u>(FCPO)</u>	Ringgit Malaysia Denominated Crude Palm Oil Futures Contract	FCPO
<u>2404A1.01A</u> <u>(OCPO)</u>	Option on Ringgit Malaysia Denominated Crude Palm Oil Futures	OCPO
<u>24021.02</u> <u>(FUPO)</u>	United States Dollar Denominated Crude Palm Oil Futures Contract	FUPO
<u>24031.03</u> <u>(FPKO)</u>	Crude Palm Kernel Oil Futures Contract	FPKO
<u>24041.04</u> <u>(FPOL)</u>	United States Dollar Denominated Refined, Bleached and Deodorized (RBD) Palm Olein Futures Contract	FPOL

Item <u>2401.01</u> <u>(FCPO)</u>	Contract Specifications for Ringgit Malaysia Denominated Crude Palm Oil Futures Contract
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CONTRACT	RINGGIT MALAYSIA DENOMINATED CRUDE PALM OIL FUTURES CONTRACT
CONTRACT CODE	FCPO
UNDERLYING INSTRUMENT	Crude Palm Oil
CONTRACT UNIT	25 metric tons (25,000 kilogrammes)
MINIMUM PRICE FLUCTUATION	RM1.00 per metric ton
PRICE LIMITS	<p>1. With the exception of trades in the current delivery month, trades for future delivery of Crude Palm Oil in any month, must not be made, during any 1 Business Day, at prices varying more than 10% above or below the settlement prices of the preceding Business Day (“the 10% Limit”) except as provided below:</p> <p>(a) When the 10% Limit is triggered (except for the current month), the Exchange will announce a 10-minute cooling off period (“the Cooling Off Period”) for Contracts of all contract months (except the current delivery month) during which trading may only take place within the 10% Limit.</p> <p>(b) Following the Cooling Off Period, Contracts of all contract months will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 15%. The prices traded for Contracts of all contract months (except the current month) must then not vary more than 15% above or below the settlement prices of the preceding Business Day (“the 15% Limit”).</p> <p>(c) If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months (except the current month) for the rest of the first trading session and the 15% Limit will apply to Contracts of all contract months (except the current month) during the second trading session.</p> <p>(d) If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months (except the current month) for the rest of the Business Day.</p> <p>2. For the purposes of paragraph 1(a), the 10% Limit will be considered triggered in the manner as may be prescribed by the Exchange <u>may prescribe</u>.</p>
CONTRACT MONTHS	Spot month and the next 11 succeeding months. Thereafter, followed by alternate months i.e. odd months, up to 36 months ahead. –The contract months are as set out in Appendix A.

TRADING HOURS	First trading session: 1030 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).												
FINAL TRADING DAY	1. 15 th day of the delivery month or, if the 15 th day is a non Business Day, the Final Trading Day will be the last Business Day preceding the 15 th day. 2. Trading in the delivery month ceases at 1200 hours (Malaysia time) on the Final Trading Day.												
SETTLEMENT METHOD	Physical delivery.												
FINAL SETTLEMENT DAY	1. Any Contracts remaining open after the cessation of trading for a delivery month will be settled by delivery which must be made by the 20 th day of that month or, if the 20 th day is a non Business Day, by the last Business Day preceding the 20 th day. 2. The Tendering and delivery process must be done in accordance with the Clearing House Rules.												
CONTRACT GRADE AND DELIVERY POINTS	<p>Contract Grade</p> <p>1. The contract grade is for crude unbleached palm oil of good merchantable quality, in bulk, in Port Tank Installations, conforming to the following specifications:</p> <table border="1"> <thead> <tr> <th>Specification</th> <th>In</th> <th>Out</th> </tr> </thead> <tbody> <tr> <td>Free Fatty Acid (as Palmitic-molecular weight 256), % max</td> <td>4</td> <td>5</td> </tr> <tr> <td>Moisture and Impurities, % max</td> <td>0.25</td> <td>0.25</td> </tr> <tr> <td>Deterioration of Bleachability Index (DOBI) min</td> <td>2.5</td> <td>2.31</td> </tr> </tbody> </table> <p>2. -The specifications above must be satisfied by sample(s) drawn and analysed on delivery into Port Tank Installations and from Port Tank Installations in accordance with procedures governing sampling and analysis that the Exchange may prescribe.</p> <p>Delivery Points</p> <p>3. Port Tank Installation located, at the option of the seller, in Penang/Butterworth, Port Klang and Pasir Gudang and such other ports as the Exchange may specify.</p>	Specification	In	Out	Free Fatty Acid (as Palmitic-molecular weight 256), % max	4	5	Moisture and Impurities, % max	0.25	0.25	Deterioration of Bleachability Index (DOBI) min	2.5	2.31
Specification	In	Out											
Free Fatty Acid (as Palmitic-molecular weight 256), % max	4	5											
Moisture and Impurities, % max	0.25	0.25											
Deterioration of Bleachability Index (DOBI) min	2.5	2.31											
DELIVERABLE UNIT	1. 25 metric tons, plus or minus not more than 2%. 2. Settlement of weight differences will be based on the simple average of the Daily Settlement Prices of the delivery month from: (a) the 1 st Business Day of the delivery month to the day of Tender, if the Tender is made before the last trading day of the delivery month; or (b) the 1 st Business Day of the delivery month to the last day of trading, if the Tender is made on <u>or after</u> the last trading day or thereafter .												
APPRAISAL	1. A seller who intends to have Crude Palm Oil appraised for possible delivery to the market must deliver the Crude Palm Oil to a Port Tank Installation.												

	<p>2. Upon request by the seller for Appraisal, the Port Tank Installation Owner must arrange for the Crude Palm Oil to be appraised in accordance with procedures as the may be prescribed by the Exchange <u>may prescribe</u>.</p> <p>3. <u>The seller is responsible for all cost relating to the Appraisal.</u></p>
NEGOTIABLE STORAGE RECEIPT	<p>1. Upon completion of Appraisal of the Crude Palm Oil, the Port Tank Installation Owner must issue a Negotiable Storage Receipt in the form approved by the Exchange, for all Crude Palm Oil, which is deliverable.</p> <p>2. The Negotiable Storage Receipt must state the following:</p> <p>(a) the name of the Port Tank Installation Owner;</p> <p>(b) the date of Appraisal; and</p> <p>(c) that the oil in question meets the needs of the Exchange's specifications for delivery.</p> <p>3. A separate Negotiable Storage Receipt must be issued for each lot of 25 metric tons of Crude Palm Oil.</p>
VALIDITY OF CERTIFICATION OF QUALITY	The Certification of Quality expires at midnight on the last day of calendar month of Appraisal.
INFORMATION ON DELIVERED CRUDE PALM OIL	The details of delivered Crude Palm Oil showing the number of Contracts and the locations where they are stored will be made available to the Participants in such manner as the Exchange considers appropriate.
COST OF APPRAISAL	The original Tenderer in any delivery month is responsible for all cost relating to the Appraisal of Crude Palm Oil delivered into Port Tank Installations.
CO-MINGLED STORAGE ALLOWED	Co-mingled storage of Crude Palm Oil is permitted at Port Tank Installations.
APPRAISAL AND DISPUTE ON QUALITY	<p>The Appraisal of Crude Palm Oil will be conducted by the Port Tank Installations, which issues a Negotiable Storage Receipt as specified above.</p> <p>In the event ofWhere there is dispute as to the quality of the Crude Palm Oil, an analysis must be conducted by an independent qualified analyst and surveyor approved by the Exchange. -The results of such analysis will be regarded as final.</p>
CHARGES FOR STORAGE AND INSURANCE CHARGES PREPAID	All charges for storage and insurance must be paid in advance by the original Tenderer seller up to midnight of the first 1 st Business Day of the calendar month following the month of the Appraisal.

[End of item 2401.01 (FCPO) of Schedule 241]

Item <u>2401A1.01A (OCPO)</u>	Contract Specifications for Option on Ringgit Malaysia Denominated Crude Palm Oil Futures Contract
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CONTRACT	OPTION ON RINGGIT MALAYSIA DENOMINATED CRUDE PALM OIL FUTURES
CONTRACT CODE	Calls: C OCPO Puts: P OCPO
UNDERLYING INSTRUMENT	Ringgit Malaysia Denominated Crude Palm Oil Futures ("FCPO") Contract
CONTRACT UNIT	1 FCPO Contract
MINIMUM PREMIUM FLUCTUATION	RM0.50 per metric ton
CONTRACT MONTHS	Spot month and the next 9 succeeding months. Thereafter, followed by alternate months i.e. odd months up to 36 months ahead. The first spot option contract month will be trading the 3rd month FCPO Contract. The contract months are <u>as</u> set out in Appendix <u>DA</u> .
TRADING HOURS	First trading session: 1030 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).
EXERCISE PRICE INTERVAL	At least 11 Exercise Prices (5 are in-the-M money, 1 is A at-the- M money and 5 are O out-of- M money) will be set at intervals of RM50.00 per metric ton for all contract months.
EXERCISE	1. European style exercise. 2. An Option is in-the-M money if the Daily Settlement Price of the underlying Crude Palm Oil Futures Contract on the Expiration Date is above the Exercise Price of the Option (in the case of a Call Option), or below the Exercise Price of the Option (in the case of a Put Option).
SETTLEMENT	Positions in the underlying FCPO Contract, as a result of the Exercise of an Option, will be assumed by the parties to the Option on the <u>first1st</u> Business Day after the Final Trading Day.
FINAL TRADING DAY AND EXPIRATION DATE	1. 10 th day 2 months prior to the delivery month of the underlying FCPO Contract or, if the 10 th day is non-Business Day, on the last Business Day preceding the 10 th day. 2. Trading in the expiring series of the Contract ceases at 1800 hours (Malaysia time) on the Final Trading Day.

[End of item 2401A1.01A (OCPO) of Schedule 241]

Item <u>24021.02</u> <u>(FUPO)</u>	Contract Specifications for United States Dollars Denominated Crude Palm Oil Futures Contract
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CONTRACT	USD CRUDE PALM OIL FUTURES CONTRACT
CONTRACT CODE	FUPO
UNDERLYING INSTRUMENT	Crude Palm Oil
CONTRACT UNIT	25 metric tons (25,000 kilogrammes)
MINIMUM PRICE FLUCTUATION	USD0.25 per metric ton
PRICE LIMITS	<p>1. With the exception of trades in the spot month, trades of the Contract in any of the future contract months, must not be made, during any one Business Day, at prices varying more than 10% above or below the settlement prices of the preceding Business Day ("the 10% Limit") except as provided below:</p> <p>(a) When the 10% Limit is triggered (except for the current month), the Exchange will announce a 10-minute cooling off period ("the Cooling Off Period") for all Contracts of all contract months (except the current month) during which trading may only take place within the 10% Limit.</p> <p>(b) Following the Cooling Off Period, Contracts of all contract months will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 15%. The prices traded for Contracts of all contract months (except the current month) must then not vary more than 15% above or below the settlement prices of the preceding Business Day ("the 15% Limit").</p> <p>(c) If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months (except the current month) for the rest of the first trading session and the 15% Limit will apply to Contracts of all contract months (except the current month) during the second trading session.</p> <p>(d) If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months (except the current month) for the rest of the Business Day.</p> <p>2. For the purposes of paragraph 1(a), the 10% Limit shallwill be considered triggered in the manner as may be prescribed by the Exchange <u>may prescribe</u>.</p>
CONTRACT MONTHS	Spot month and the next 5 succeeding months, and thereafter, followed by alternate months <u>i.e. odd months</u> up to 24 months ahead. - The contract months <u>are</u> as set out in Appendix A.
CONTRACT SETTLEMENT	Settlement of the Contract shall must be by cash settlement. -

TRADING HOURS	First trading session: 1030 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).
FINAL TRADING DAY	1. 15 th day of the spot month or, if the 15 th day is a non Business Day, the Final Trading Day will be on the last Business Day preceding the 15 th day. 2. Trading in the spot month ceases at 1200 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	1. The average price of the Daily Spot Month Settlement Price of the FCPO on the 5 Business Days prior to the expiration of the Contract including the Final Trading Day. 2. For the calculation of the final settlement value, the following will apply: (a) The mid exchange rate of USD/MYR as at 1800 hours (Malaysia time) on each of the 4 Business Days prior to the Final Trading Day taken from <u>the Central Bank Negara Malaysia</u> will be used as the conversion price for the calculation of Daily Spot Month Settlement Value (mid price USD/MYR multiplied by the Daily Spot Month Settlement Price of FCPO). (b) The mid exchange rate of USD/MYR as at noon (Malaysia time) will be used for calculation of Daily Spot Month Settlement Price for the Final Trading Day. (c) The final settlement value will be the average of the converted Daily Spot Month Settlement Prices rounded to the nearest 25 cents. In the event If the final settlement value is equidistant between two minimum price fluctuations, the value will be rounded upwards.

[End of item 24021.02 (FUPO) of Schedule 241]

Item <u>24031.03</u> <u>(FPKO)</u>	Contract Specifications for Crude Palm Kernel Oil Futures Contract
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CONTRACT	CRUDE PALM KERNEL OIL FUTURES CONTRACT
CONTRACT CODE	FPKO
UNDERLYING INSTRUMENT	Crude Palm Kernel Oil
CONTRACT UNIT	25 metric tons (25,000 kilogrammes)
MINIMUM PRICE FLUCTUATION	RM1.00 per metric ton
PRICE LIMITS	<p>With the exception of trades in the current delivery month, trades for future delivery of Crude Palm Kernel Oil in any month must not be made, during any 1 Business Day, at prices varying more than RM100.00 per metric ton above or below the settlement prices of the preceding Business Day (“the RM100.00 Limit”) except as provided below:</p> <p>(a) When the settlement prices for the first 3 quoted months (excluding the current month) at the closing for that day are at the RM100.00 Limit, the price limit will be expanded in the following manner:</p> <p style="margin-left: 40px;">LIMIT AMOUNT</p> <p style="margin-left: 40px;">First<u>1st</u> Day RM100.00</p> <p style="margin-left: 40px;">Second<u>2nd</u> Day RM150.00</p> <p style="margin-left: 40px;">Third<u>3rd</u> Day RM200.00</p> <p>(b) Daily price limits will remain at RM200.00, when the preceding day's prices of all the 3 quoted months immediately following the current delivery month settle at limits of RM200.00.</p> <p>(c) Notwithstanding-Despite paragraph (a) above, if on any Business Day the settlement prices for the first 3 quoted months (excluding the current month) are not at the specified limits, the price limit on the following Business Day will revert to the basic limit amount of RM100.00.</p>
CONTRACT MONTHS	Spot and next 5 succeeding months, and hereafter followed by alternate months <u>i.e. odd months</u> up to 12 months <u>forward ahead</u> . -The contract months are as set out in Appendix <u>E.A.</u>
TRADING HOURS	First trading session: 1030 hours to 1230 hours (Malaysia time); and Second trading session: 1500 hours to 1805 hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 1. 15th day of the delivery month or, if the 15th day is a non Business Day, the Final Trading Day will be the last Business Day preceding the 15th day. 2. Trading in the delivery month ceases at 1205 hours (Malaysia time) on the Final Trading Day.

SETTLEMENT METHOD	Physical delivery.															
FINAL SETTLEMENT DAY	<ol style="list-style-type: none"> Any Contracts remaining open after the cessation of trading for a delivery month will be settled by delivery which must be made by the 20th day of that month or, if the 20th day is a non Business Day, by the last Business Day preceding 20th day. The Tendering and delivery process must be done in accordance with the Clearing House Rules. 															
CONTRACT GRADE AND DELIVERY POINTS	<p>Contract Grade</p> <ol style="list-style-type: none"> The contract grade is for crude unbleached palm kernel oil of good merchantable quality, in bulk, in Port Tank Installations, conforming to the following specifications: <table border="1"> <thead> <tr> <th>Specification</th> <th>In</th> <th>Out</th> </tr> </thead> <tbody> <tr> <td>Free Fatty Acids content (as Lauric Acid of CPKO), % max</td> <td>3.75</td> <td>4</td> </tr> <tr> <td>Moisture and Impurities, % max</td> <td>0.5</td> <td>0.5</td> </tr> <tr> <td>Iodine Value Range</td> <td>16.5 ≤ 18.75</td> <td>16.5 ≤ 18.75</td> </tr> <tr> <td>Colour Range</td> <td> <ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. </td> <td> <ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. </td> </tr> </tbody> </table> <ol style="list-style-type: none"> -The specifications above must be satisfied by sample(s) drawn and analysed on delivery into Port Tank Installations and from Port Tank Installations in accordance with procedures governing sampling and analysis that the Exchange may prescribe. <p>Delivery Points</p> <ol style="list-style-type: none"> Port Tank Installation located, at the option of the seller, in Penang/Butterworth, Port Klang, Pasir Gudang and such other ports as the Exchange may specify. 	Specification	In	Out	Free Fatty Acids content (as Lauric Acid of CPKO), % max	3.75	4	Moisture and Impurities, % max	0.5	0.5	Iodine Value Range	16.5 ≤ 18.75	16.5 ≤ 18.75	Colour Range	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. 	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max.
Specification	In	Out														
Free Fatty Acids content (as Lauric Acid of CPKO), % max	3.75	4														
Moisture and Impurities, % max	0.5	0.5														
Iodine Value Range	16.5 ≤ 18.75	16.5 ≤ 18.75														
Colour Range	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. 	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. 														
DELIVERABLE UNIT	<ol style="list-style-type: none"> 25 metric tons, plus or minus not more than 2%. Settlement of weight differences will be based on the simple average of the Daily Settlement Prices of the delivery month from: <ol style="list-style-type: none"> the 1st Business Day of the delivery month to the day of Tender, if the Tender is made before the last trading day of the delivery month; or the 1st Business Day of the delivery month to the Business Day immediately preceding the last day of trading, if the Tender is made on <u>or after</u> the last trading day or thereafter. 															
APPRAISAL	<ol style="list-style-type: none"> A seller who intends to have Crude Palm Kernel Oil appraised for possible delivery to the market must deliver the Crude Palm Kernel Oil to a Port Tank Installation. Upon request by the seller for Appraisal, the Port Tank Installation Owner must arrange for the Crude Palm Kernel Oil to be appraised in accordance with procedures as may be prescribed by the Exchange <u>may prescribe</u>. 															

	<u>3. The seller is responsible for all cost relating to the Appraisal.</u>
NEGOTIABLE STORAGE RECEIPT	<ol style="list-style-type: none"> 1. Upon completion of Appraisal of the Crude Palm Kernel Oil, the Port Tank Installation Owner must issue a Negotiable Storage Receipt in the form approved by the Exchange, for all Crude Palm Kernel Oil, which is deliverable. 2. The Negotiable Storage Receipt must state the following: <ol style="list-style-type: none"> (a) the name of the Port Tank Installation Owner; (b) the date of Appraisal; and (c) that the oil in question meets the needs of the Exchange's specifications for delivery. 3. A separate Negotiable Storage Receipt must be issued for each lot of 25 metric tons of Crude Palm Kernel Oil.
VALIDITY OF CERTIFICATION OF QUALITY	The Certification of Quality expires at midnight on the last day of calendar month of Appraisal.
INFORMATION ON DELIVERED CRUDE PALM KERNEL OIL	The details of delivered Crude Palm Kernel Oil showing the number of Contracts and the locations where they are stored will be made available to the Participants in such manner as the Exchange considers appropriate.
COST OF APPRAISAL	The original Tenderer in any delivery month is responsible for all cost relating to the Appraisal of Crude Palm Kernel Oil delivered into Port Tank Installations.
CO-MINGLED STORAGE ALLOWED	Co-mingled storage of Crude Palm Kernel Oil is permitted at Port Tank Installations.
APPRAISAL AND DISPUTE ON QUALITY	<p>The Appraisal of Crude Palm Kernel Oil must be conducted by the Port Tank Installations, which must issue a Negotiable Storage Receipt as specified above.</p> <p>In the event of Where there is dispute as to the quality of the Crude Palm Kernel Oil, an analysis must be conducted by an independent qualified analyst and surveyor approved by the Exchange. -The results of such analysis will be regarded as final.</p>
CHARGES FOR STORAGE AND INSURANCE CHARGES PREPAID	All charges for storage and insurance must be paid in advance by the original Tenderer seller up to midnight of the first 1 st Business Day of the calendar month following the month of the Appraisal.

[End of item 24031.03 (FPKO) of Schedule 241]

Item <u>24041.04</u> <u>(FPOL)</u>	Contract Specifications for United States Dollar Denominated Refined, Bleached and Deodorized (RBD) Palm Olein Futures Contract
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CONTRACT	USD RBD PALM OLEIN FUTURES CONTRACT
CONTRACT CODE	FPOL
UNDERLYING INSTRUMENT	RBD Palm Olein
CONTRACT UNIT	25 metric tons (25,000 kilogrammes)
MINIMUM PRICE FLUCTUATION	USD0.50 per metric ton
PRICE LIMITS	<p>1. With the exception of trades in the current spot month, trades for future delivery of RBD Palm Olein in any month, must not be made, during any 1 Business Day, at prices varying more than 10% above or below the settlement prices of the preceding Business Day (“the 10% Limit”) except as provided below:</p> <p>(a) When the 10% Limit is triggered (except for the current spot month), the Exchange will announce a 10-minute cooling off period (“the Cooling Off Period”) for Contracts of all contract months (except the current spot month) during which trading may only take place within the 10% Limit.</p> <p>(b) Following the Cooling Off Period, Contracts of all contract months will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 15%. The prices traded for Contracts of all contract months (except the current spot month) must then not vary more than 15% above or below the settlement prices of the preceding Business Day (“the 15% Limit”).</p> <p>(c) If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months (except the current spot month) for the rest of the first trading session and the 15% Limit will apply to Contracts of all contract months (except the current spot month) during the second trading session.</p> <p>(d) If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months (except the current spot month) for the rest of the Business Day.</p> <p>2. For the purposes of paragraph 1(a), the 10% Limit will be considered triggered in the manner as may be prescribed by the Exchange <u>may prescribe</u>.</p>
CONTRACT MONTHS	Spot month and the next 5 succeeding months, and thereafter, followed by alternate months <u>i.e. odd months</u> up to 24 months ahead. -The contract months as set out in Appendix A.
TRADING HOURS	First trading session: 0900 hours to 1200 hours (Malaysia time); and

	Second trading session: 1330 hours to 1800 hours (Malaysia time).																		
FINAL TRADING DAY	<ol style="list-style-type: none"> 25th day of the spot month or, if the 25th day is a non Business Day, the Final Trading Day will be the last Business Day preceding the 25th day. Trading in the spot month ceases at 1800 hours (Malaysia time) on the Final Trading Day. 																		
SETTLEMENT METHOD	Physical delivery vide FOB or such other settlement methodology as prescribed by the Clearing House.																		
FINAL SETTLEMENT DAY	<ol style="list-style-type: none"> Any Contracts remaining open after the cessation of trading for a spot month will be settled by delivery which must be made by the end of the delivery month i.e. by the last day of the second month following the spot month or, if the last day is a non Business Day, by the last Business Day preceding the last day. The delivery process must be done in accordance with the Clearing House Rules. 																		
CONTRACT GRADE AND DELIVERY POINTS	<p>Contract Grade</p> <ol style="list-style-type: none"> The contract grade is for RBD Palm Olein of good merchantable quality, in bulk, and conforming to the specifications prescribed by Palm Oil Refiners Association of Malaysia ("PORAM"), as may be amended by PORAM and supplemented by the Exchange from time to time. The specifications* for the time being are as follows: <table border="1"> <thead> <tr> <th>Specification</th> <th>In</th> <th>Out</th> </tr> </thead> <tbody> <tr> <td>Free Fatty Acid (as Palmitic-molecular weight 256), % max</td> <td>0.07</td> <td>0.10</td> </tr> <tr> <td>Moisture and Impurities, % max</td> <td>0.10</td> <td>0.10</td> </tr> <tr> <td>Iodine Value (Wijs), min</td> <td>56</td> <td>56</td> </tr> <tr> <td>Melting Point, °C (AOCS Cc 3-25)⁺, max</td> <td>24</td> <td>24</td> </tr> <tr> <td>Colour (5 ¼" Lovibond Cell) #, max</td> <td>2.6 red</td> <td>3 red</td> </tr> </tbody> </table> <p>Delivery Points</p> <ol style="list-style-type: none"> FOB delivery at Port Klang or Pasir Gudang and such other ports as the Exchange may specify. <p>* Notes:</p> <ol style="list-style-type: none"> The specifications in paragraph 2 above are the specifications of PORAM as at 16 June 2014, supplemented by the Exchange. For the avoidance of doubt, all parties must refer to PORAM for the up-to-date specification. + Slip Point, Softening Point or Rising Point # Colour measurement based on Tintometer Model 'E' AF 900 and Model 'D' AF 702 	Specification	In	Out	Free Fatty Acid (as Palmitic-molecular weight 256), % max	0.07	0.10	Moisture and Impurities, % max	0.10	0.10	Iodine Value (Wijs), min	56	56	Melting Point, °C (AOCS Cc 3-25) ⁺ , max	24	24	Colour (5 ¼" Lovibond Cell) #, max	2.6 red	3 red
Specification	In	Out																	
Free Fatty Acid (as Palmitic-molecular weight 256), % max	0.07	0.10																	
Moisture and Impurities, % max	0.10	0.10																	
Iodine Value (Wijs), min	56	56																	
Melting Point, °C (AOCS Cc 3-25) ⁺ , max	24	24																	
Colour (5 ¼" Lovibond Cell) #, max	2.6 red	3 red																	
DELIVERABLE UNIT	<ol style="list-style-type: none"> 500 metric tons, plus or minus not more than 1% or 10 metric tons (whichever is the lower) from the total contract quantity. 																		

	<p>2. <u> </u> Settlement of weight differences will be as follows:</p> <p>(a) if the weight difference is 1-2% or 25 metric tons (whichever is the lower), from the total contract quantity, the difference will be settled against the final settlement value as may be determined by the Clearing House; or</p> <p>(b) if the weight difference is more than 2%, the following options are available to the buyer:</p> <p>(i) <u> </u> if the total quantity delivered is more than 2% in excess of the total contract quantity, to reject delivery of the excess quantity;</p> <p>(ii) <u> </u> if the total quantity delivered is short by more than 2% from the total contract quantity, to require the seller to deliver additional quantity of RBD Palm Olein to make up 100% of the total contract quantity; or</p> <p>(iii) <u> </u> if the buyer accepts the total quantity delivered as it is without rejecting the excess quantity or requiring the seller to deliver additional quantity of RBD Palm Olein to make up 100% of the total contract quantity, the difference will be settled against the final settlement value as may be determined by the Clearing House.</p> <p>3. Open Positions of less than 500 metric tons which are not Closed Out by the Final Trading Day will be cash settled against the final settlement value as may be determined by the Clearing House.</p>
<p>INFORMATION ON DELIVERED RBD PALM OLEIN</p>	<p>The details of FOB delivered RBD Palm Olein showing the number of Contracts will be made available to the Participants in such manner as the Exchange considers appropriate.</p>

[End of Schedule [241](#)]

SCHEDULE ~~252~~
EQUITY CONTRACTS

Item No.	Contract	Contract Code
<u>2504</u> <u>2.01</u> <u>(FKLI)</u>	FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures Contract	FKLI
<u>2504A</u> <u>2.01A</u> <u>(OKLI)</u>	Option on FTSE Bursa Malaysia KLCI Futures	OKLI
<u>25022.0</u> <u>2 (F)</u>	Single Stock Futures Contract	F Followed by a 3 letter code denoting the underlying stocks
<u>2503A</u> <u>2.03A</u> <u>(CO/</u> <u>PO)</u>	Stock Option Contract	C O or P O followed by a 3-letter code for the particular underlying share
<u>25042.0</u> <u>4</u> <u>(FM70)</u>	Mini FTSE Bursa Malaysia Mid 70 Index Futures Contract	FM70

Item <u>25012.01</u> <u>(FKLI)</u>	Contract Specifications for FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures Contract
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CONTRACT	FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX FUTURES CONTRACT
CONTRACT CODE	FKLI
UNDERLYING INSTRUMENT	FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI")
CONTRACT MULTIPLIER	RM50.00 per 1 index point
CONTRACT UNIT	FBM KLCI multiplied by the Contract Multiplier.
MINIMUM PRICE FLUCTUATION	0.5 index point = RM25.00.
PRICE LIMITS	<ol style="list-style-type: none"> 1. In the first trading session of the day, the price limit for the respective contract months is 20% (or a percentage as determined by the Exchange from time to time) in either direction from the previous Business Day's Daily Settlement Price. 2. In the second trading session of the day, the price limit for the respective contract months is 20% (or a percentage as determined by the Exchange from time to time) in either direction from the same day's first trading session's last traded price. 3. The price limits in the above paragraphs do not apply to trades in: <ol style="list-style-type: none"> (a) the spot month Contract; and (b) the second contract month during the 5 final Business Days before the Final Trading Day of the spot month.
CONTRACT MONTHS	Spot month, the next month, and the next two 2 calendar quarterly months. The calendar quarterly months are March, June, September and December.
TRADING HOURS	First trading session: 0845 hours to 1245 hours (Malaysia time); and Second trading session: 1430 hours to 1715 hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 1. The last Business Day of the contract month. 2. Trading in the expiring month Contract ceases at 1715 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	<ol style="list-style-type: none"> 1. The average value, rounded to the nearest 0.5 of an index point (values of 0.25 or 0.75 and above being rounded upwards), taken at every 15 seconds or at such intervals as may be determined by the Exchange from time to time from 3.45:30 p.m. to 4.45:15 p.m. plus one1 value after 5.00pm of the FBM KLCI

	<p>on the Final Trading Day except the 3 highest and 3 lowest values.</p> <p>2. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.</p>
<p>ATTRIBUTION /DISCLAIMER</p>	<p>FBM KLCI is calculated by FTSE International Limited ("FTSE").</p> <p>All intellectual property rights in the FBM KLCI vests in FTSE and Bursa Malaysia Berhad ("BURSA MALAYSIA"). "FTSE®", "FT-SE®" and "Footsie®" are trademarks of the London Stock Exchange Plc (the "LSE") and The Financial Times Limited ("FT") and are used by FTSE under licence. "BURSA MALAYSIA", "Kuala Lumpur Composite Index" and "KLCI" are trade marks of BURSA MALAYSIA.</p> <p>FTSE nor BURSA MALAYSIA nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FBM KLCI and/or the figure at which the FBM KLCI stands at any particular time on any particular day or otherwise.</p> <p>Neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall will be liable (whether in negligence or otherwise) to any person for any error in the FBM KLCI and neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall will be under any obligation to advise any person of any error therein in the FBM KLCI.</p>

[End of item [25042.01 \(FKLI\)](#) of Schedule 25]

Item <u>2501A2.01A (OKLI)</u>	Contract Specifications for Option on FTSE Bursa Malaysia KLCI Futures
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CONTRACT	OPTION ON FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX FUTURES
CONTRACT CODE	Calls: C OKLI Puts: P OKLI
UNDERLYING INSTRUMENT	FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures ("FKLI") Contract
CONTRACT UNIT	1 FKLI Contract
MINIMUM PREMIUM FLUCTUATION	0.1 = RM5.00
CONTRACT MONTHS	Spot month, the next month, and the next two 2 calendar quarterly months. The calendar quarterly months are March, June, September and December.
TRADING HOURS	First trading session: 0845 hours to 1245 hours (Malaysia time); and Second trading session: 1430 hours to 1715 hours (Malaysia time).
EXERCISE PRICE INTERVAL	<ol style="list-style-type: none"> At least 13 Exercise Prices (6 are in-the-Money, 1 is At-the-Money and 6 are Out-of-Money) will be set at intervals of 10 index points for the spot month and next month Contracts. At least 7 Exercise Prices (3 are in-the-Money, 1 is At-the-Money and 3 are Out-of-Money) will be set at intervals of 20 index points for the next nearest 2 quarterly month Contracts.
EXERCISE	<ol style="list-style-type: none"> European style exercise. An Option is in-the-Money if the final settlement value of the underlying FKLI Contract is above the Exercise Price of the Option (in the case of a Call Option), or below the Exercise Price of the Option (in the case of a Put Option).
SETTLEMENT	Positions in the underlying FKLI Contract, as a result of the Exercise of an Option, will be settled in cash in accordance with the Contract Specifications of the FKLI Contract.
FINAL TRADING DAY AND EXPIRATION DATE	The last Business Day of the contract month.
ATTRIBUTION /DISCLAIMER	<p>FTSE Bursa Malaysia Kuala Lumpur Composite Index ('FBM KLCI') is calculated by FTSE International Limited ('FTSE').</p> <p>All intellectual property rights in the FBM KLCI vests in FTSE and Bursa Malaysia Berhad ('BURSA MALAYSIA'). 'FTSE®', 'FT-SE®' and 'Footsie®' are trademarks of the London Stock Exchange Plc (the 'LSE') and The Financial Times Limited ('FT') and are used by FTSE under licence. 'BURSA MALAYSIA', 'Kuala Lumpur Composite Index' and 'KLCI' are trademarks of BURSA MALAYSIA.</p>

	<p>FTSE nor BURSA MALAYSIA nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FBM KLCI and/or the figure at which the FBM KLCI stands at any particular time on any particular day or otherwise.</p> <p>Neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall will be liable (whether in negligence or otherwise) to any person for any error in the FBM KLCI and neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall will be under any obligation to advise any person of any error therein <u>in the FBM KLCI</u>.</p>
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[End of item 2501A2.01A (OKLI) of Schedule 25]

Item <u>25022.02</u> (F)	Contract Specifications for Single Stock Futures Contract
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CONTRACT	SINGLE STOCK FUTURES CONTRACT
CONTRACT CODE	F Followed by a 3 letter code denoting the underlying stocks (e.g. F TNB)
UNDERLYING INSTRUMENT	Securities traded on any Underlying Market, as determined by the Exchange.
CONTRACT UNIT	1000 units of the underlying stocks or as may be determined by the Exchange for each Single Stock Futures Contract having regard to the board lot of the underlying stocks traded on the Underlying Market.
MINIMUM PRICE FLUCTUATION	1 tick = RM0.02 Value of 1 Tick = 0.02 X contract unit, or any such minimum price fluctuation as set by the Exchange from time to time .
MINIMUM PRICE	The Single Stock Futures Contract shall <u>must</u> be traded at a minimum price of RM0.02. The following trades shall <u>will</u> be deemed null and void and shall <u>will</u> be cancelled by the Exchange within the same Business Day:- (a) all trades arising from orders matched at a price below the minimum price; and (b) all trades arising from a combination order comprising an individual order that is matched at a price below the minimum price.
CONTRACT MONTHS	Spot month, the next month, and the next 2 calendar quarterly months. The calendar quarterly months are March, June, September and December.
TRADING HOURS	First trading session: 0845 hours to 1245 hours (Malaysia time); and Second trading session: 1430 hours to 1715 hours (Malaysia time), or such other trading hours <u>as</u> determined by the Exchange from time to time .
FINAL TRADING DAY	1. The last Business Day of the contract month or any such day that may be determined by the Exchange from time to time . 2. Trading in the expiring month Contract ceases at the close of trading on the Final Trading Day or such other time that may be determined by the Exchange.
SETTLEMENT METHOD	Cash settlement based on the final settlement value or such other settlement method as determined by the Exchange from time to time .
FINAL SETTLEMENT VALUE	1. The final settlement value is the weighted average price of the underlying stocks prices traded for all trading sessions on the Underlying Market on the Final Trading Day, rounded to 2 decimal points. In the event <u>if</u> the final settlement value is equidistant

	<p>between 2 minimum price fluctuations, the value will be rounded upwards.</p> <ol style="list-style-type: none"> 2. If the underlying stocks are suspended or not permitted in the Underlying Market to trade, and if no reference price is available on the Final Trading Day, the Exchange, in its absolute discretion, may determine the final settlement value for such Contract. 3. The Exchange can determine the final settlement value of the stock by calculating: <ol style="list-style-type: none"> (a) the weighted average price of the underlying stock traded for the morning session (or part of), when the stock is suspended/not permitted to trade in the afternoon session; (b) the weighted average price of the underlying stock traded for the afternoon session (or part of), when the stock is suspended/not permitted to trade in the morning session; or (c) where (1) and (2) above are inapplicable, and if the underlying stock is suspended or not permitted to trade on the Final Trading Day, the weighted average price of the stock on its previous trading day (or session or part of).
<p>ADJUSTMENTS</p>	<p>Adjustment Principles For Corporate Exercises</p> <ol style="list-style-type: none"> 1. In the event of<u>Where there is</u> a bonus issue, stock split, consolidation (reversed stock split) or other activities in respect of the issuer of the underlying stocks of the Single Stock Futures Contract, an adjustment may be made by the Exchange (to take into account such issue, split or other activity), to one<u>1</u> or more of the following: <ol style="list-style-type: none"> (a) the Open Position; (b) the Daily Settlement Price of the day preceding the “ex” date. <p>Effective Date Of Adjustment</p> <ol style="list-style-type: none"> 2. The adjustments made by the Exchange takes effect on the “ex” date. <p>Adjustments For Corporate Exercises</p> <ol style="list-style-type: none"> 3. In the event<u>Where there is</u> a bonus issue, rights issue, stock split, or consolidation (reversed stock split) is undertaken by the issuer of an underlying stock, the following adjustments will be made: <ol style="list-style-type: none"> (a) the value of existing Open Positions will be adjusted based on the product of the contract unit before the adjustment and the inverse of an adjustment factor, and (b) the Daily Settlement Price of the day preceding the “ex” date after the adjustment will be the product of the Daily Settlement Price preceding the “ex” date and the adjustment factor; <p style="margin-left: 40px;">where $R = N_o/N_n \times (1 - E/S_o) + E/S_o$</p> <p style="margin-left: 40px;">R is the adjustment factor;</p>

	<p>N_0 is the number of the underlying stocks before the capital change takes effect;</p> <p>N_n is the number of the underlying stocks upon the capital change taking effect;</p> <p>E is in the case of a rights issue, the offer price of the new underlying stocks; and in the case of a bonus issue, stock split and consolidation (reversed stock split), shall<u>will</u> be zero;</p> <p>S_0 is the last closing price of the underlying stocks before the capital change takes effect.</p>
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[End of item ~~25022.02 (F)~~ of Schedule 25]

Item <u>2503A2.03A (CO/PO)</u>	Contract Specifications for Stock Option Contract
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CONTRACT	STOCK OPTION CONTRACT
CONTRACT CODE	C O or P O followed by a 3-letter code for the particular underlying share (e.g. C OTNB or P OTNB)-
UNDERLYING INSTRUMENT	Shares traded on Bursa Malaysia Securities Berhad, as determined by the Exchange-
SELECTION OF UNDERLYING SHARE	<p>In accordance with the criteria as set out in Schedule 8.</p> <p>1. <u> </u> The selection of underlying shares for the purposes of listing Stock Option Contracts is based on the following criteria:</p> <p>(a) Market Capitalisation</p> <p>The average daily market capitalisation of the company must be at least RM2 billion in the 3 months ending on the last Business Day of the calendar month immediately preceding the date of introduction of the Stock Option Contract.</p> <p>(b) Turnover</p> <p>The average monthly turnover of the underlying shares must be at least 2 million shares for the 6 calendar months immediately preceding the date of introduction of the Stock Option Contract.</p> <p>(c) Number of Shareholders</p> <p>The total number of registered shareholders in the underlying company must be at least 2000 as at the last Business Day of the year immediately preceding the date of introduction of the Stock Option Contract.</p> <p>(d) Public Float</p> <p>The total number of underlying shares issued, excluding shares which are recorded in the register of substantial shareholders of that company, must be at least 100 million as at the last Business Day of the calendar month immediately preceding the date of introduction of the Stock Option Contract.</p> <p>(e) Profit Record</p> <p>The underlying company must have had an uninterrupted after-tax profit record in the 3 financial years immediately preceding the date of introduction of the Stock Option Contract.</p> <p>2. The above criteria are subject to review by the Exchange at least once every year. -The Exchange reserves the right to change the criteria, with the approval of the Commission, as and when it deems appropriate.</p>

CONTRACT UNIT	1000 units of the underlying share (or as may be determined by the Exchange)-
MINIMUM PREMIUM FLUCTUATION	RM0.01
CONTRACT MONTHS	Spot month, the next month, and the next 2 calendar quarterly months. The calendar quarterly months are March, June, September and December.
TRADING HOURS	First trading session: 0845 hours to 1245 hours (Malaysia time); and Second trading session: 1430 hours to 1715 hours (Malaysia time).
EXERCISE PRICE INTERVAL	In 25 sen intervals for Exercise Prices which are below RM5.00, in 50 sen intervals for Exercise Prices which are between RM5.00 and RM10.00, and in RM1.00 intervals for Exercise Prices which are above RM10.00.
OPTION SERIES	At the start of trading daily, there will be at least an in-the-money Exercise Price, an out-of-the-money strike price, and an approximate at-the-money strike price for each contract month of both the Call Options and Put Options.
EXERCISE	American or European style exercise.
MARGIN AND SCRIP COVERED OPTION SELLER	<ol style="list-style-type: none"> 1. If a Client is a seller of an Option, its Trading Participant must obtain margin from the Client in accordance with the requirements in Rule 614.4 <u>4.18</u> unless the Client is a Scrip Covered Call Option seller. 2. A Call Option becomes Scrip Covered when the seller's obligation under that Call Option is secured by the shares in the manner prescribed by and to the satisfaction of the Clearing House.
DELIVERY	<ol style="list-style-type: none"> 1. On the 6th Business Day after the Exercise Notices have been lodged pursuant to the Rules, the Call Option sellers and Put Option buyers must make delivery of the shares to the respective Trading Participant. -The Call Option buyers and Put Option sellers must take delivery of the shares on the 7th Business Day after the Exercise Notices have been lodged. 2. The obligation to deliver or take delivery in this section may be varied by the Exchange from time to time.
FINAL TRADING DAY AND EXPIRATION DATE	<ol style="list-style-type: none"> 1. The last Business Day of the contract month. 2. Trading in the expiring series of the Contract ceases at 1715 hours (Malaysia time) on the Final Trading Day.
FINAL CLOSING PRICE	<ol style="list-style-type: none"> 1. The Final Closing Price will be determined by reference to the prices of the underlying share transacted during the last half hour of trading on the Underlying Market on the last day of trading of the Stock Option Contracts or by any other method as may be determined from time to time by the Exchange. If for any reason, however, the Exchange is of the view that the prices transacted during the last half hour of trading would not be appropriate for the determination of the Final Closing Price, the Exchange may take the prices transacted from any other time frame.

	<p>2. The Exchange will calculate the average of the transactions taken above, after disregarding the highest and the lowest prices transacted. The average of the remaining prices rounded to the nearest whole sen will be the Final Closing Price of the underlying share. When the weighted average ends in 0.5, it will be rounded upwards to the next whole sen.</p>
ASSIGNMENT	By pro-rata allocation to the Participants.
ADJUSTMENTS	<p>1. In the event ofWhere there is a bonus issue, rights issue, stock split, consolidation (reversed stock split) or other activity in respect of the issuer of the underlying share, an adjustment may be made by the Exchange (to take into account such issue, split or other activity), to one1 or more of the following in respect of unexercised Options:</p> <p>(a) the number of open Options;</p> <p>(b) the contract unit;</p> <p>(c) the Exercise Price of the Options.</p> <p>2. No adjustment will be made for cash dividends.</p> <p>3. The adjustment takes effect on the “ex” date. No Exercise is allowed on the Business Day before the “ex” date.</p> <p>4. When determining new Exercise Prices as a result of an adjustment, the Exercise Price will be rounded to the nearest whole sen. Numbers ending in a half will be rounded upwards.</p> <p>5. When, as a result of the adjustment, the number of underlying share due for delivery results in odd lots, then the underlying share must be delivered in lots of the contract unit and the remainder will be settled in cash where the price will be the difference between the Exercise Price and the underlying share closing price on the day of Exercise.</p> <p>6. In the event ofWhere there is a bonus issue, rights issue, stock split, or consolidation (reversed stock split), the following adjustments will be made:</p> <p>(a) the contract unit after adjustment will be the product of the contract unit before the adjustment and the inverse of an adjustment factor, and</p> <p>(b) the Exercise Price after the adjustment will be the product of the Exercise Price before the adjustment and an adjustment factor;</p> <p>where $R = N_0/N_n \times (1 - E/S_0) + E/S_0$</p> <p>R is the adjustment factor;</p> <p>N_0 is the number of the underlying share before the capital change takes effect;</p> <p>N_n is the number of the underlying share upon the capital change taking effect;</p>

	<p>E is in the case of a rights issue, the offer price of the new underlying share, and in the case of a bonus issue, stock split and consolidation (reversed stock split); shall<u>will</u> be zero;</p> <p>S_0 is the last closing price of the underlying share before the capital change takes effect.</p> <p>7. In the event of<u>Where there is</u> a dividend payment, capital distribution, bonus issue, rights issue, or other circumstances in which the owner of the underlying share will receive some benefit or entitlement, it is the responsibility of the H<u>H</u>holder of the Call Option wishing to receive the benefit or entitlement, to exercise the Call Option, so delivery will occur, before the benefit or the entitlement accrues to the owner of the underlying share.</p> <p>8. In the event of<u>Where there is</u> a take-over offer or other circumstances in which the owner of the underlying share must exercise a discretion or accept an offer before a specified date, it is the responsibility of the H<u>H</u>holder of a Call Option to decide whether to exercise the discretion or accept the offer and to exercise the Call Option, so delivery will occur before the discretion must be exercised or the offer accepted, and the W<u>W</u>riter of the Call Option must deliver the underlying share for which the discretion has not been exercised or the offer accepted.</p>
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[End of item 2503A2.03A (CO/PO) of Schedule 25]

Item 25042.04 (FM70)	Contract Specifications for Mini FTSE Bursa Malaysia Mid 70 Index Futures Contract
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CONTRACT	MINI FTSE BURSA MALAYSIA MID 70 INDEX FUTURES CONTRACT
CONTRACT CODE	FM70
UNDERLYING INSTRUMENT	FTSE BURSA MALAYSIA MID 70 INDEX ("FBM Mid 70")
CONTRACT MULTIPLIER	RM2.00 per 1 index point
CONTRACT UNIT	FBM Mid 70 multiplied by the Contract Multiplier.
MINIMUM PRICE FLUCTUATION	1 index point = RM2.00
PRICE LIMITS	<ol style="list-style-type: none"> 1. In the first trading session of the day, the price limit for the respective contract months is 20% (or a percentage as determined by the Exchange from time to time) in either direction from the previous Business Day's Daily Settlement Price. 2. In the second trading session of the day, the price limit for the respective contract months is 20% (or a percentage as determined by the Exchange from time to time) in either direction from the same day's first trading session's last traded price. 3. The price limits in the above paragraphs do not apply to trades in: <ol style="list-style-type: none"> (a) the spot month Contract; and (b) the second contract month during the 5 final Business Days before the Final Trading Day of the spot month.
CONTRACT MONTHS	Spot month, the next month and the next two ² calendar quarterly months. The calendar quarterly months are March, June, September and December.
TRADING HOURS	First trading session: 0845 hours to 1245 hours (Malaysia time): and Second trading session: 1430 hours to 1715 hours (Malaysia time). ₂
FINAL TRADING DAY	<ol style="list-style-type: none"> 1. The last Business Day of the contract month. 2. Trading in the expiring month Contract ceases at 1715 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S ₂ settlement based on the Final Settlement Value.
FINAL SETTLEMENT VALUE	<ol style="list-style-type: none"> 1. The average value, rounded to the nearest index point (values of 0.50 and above being rounded upwards), taken at every 15 seconds or at such intervals as may be determined by the Exchange from time to time from 3.45:30 p.m. to 4.45:15 p.m. plus one₁ value after 5.00pm of the FBM Mid 70 on the Final Trading Day except the 3 highest and 3 lowest values.

	<p>2. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.</p>
<p>ATTRIBUTION / DISCLAIMER</p>	<p>FBM Mid 70 is calculated by FTSE International Limited ("FTSE").</p> <p>All intellectual property rights in the FBM Mid 70 vests in FTSE and Bursa Malaysia Berhad ("BURSA MALAYSIA"). "FTSE®", "FT-SE®" and "Footsie®" are trademarks of the London Stock Exchange Plc (the "LSE") and The Financial Times Limited ("FT") and are used by FTSE under licence.</p> <p>Neither FTSE nor BURSA MALAYSIA nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FBM Mid 70 and/or the figure at which the FBM Mid 70 stands at any particular time on any particular day or otherwise.</p> <p>Neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the FBM Mid 70 and neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be under any obligation to advise any person of any error therein <u>the FBM Mid 70</u>.</p>

[End of Schedule ~~252~~]

SCHEDULE ~~263~~

METAL CONTRACTS

Item No.	Contract	Contract Code
26043.0 <u>1</u> (FGLD)	Gold Futures Contract	FGLD
26023.0 <u>2</u> (FTIN)	Tin Futures Contract	FTIN

Item <u>26043.01</u> <u>(FGLD)</u>	Contract Specifications for Gold Futures Contract
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CONTRACT	GOLD FUTURES CONTRACT
CONTRACT CODE	FGLD
UNDERLYING INSTRUMENT	Gold assayed to a minimum of 995 fineness or such other technical specification of gold underlying LBMA Gold Price AM from time to time.
CONTRACT UNIT	100 grams
MINIMUM PRICE FLUCTUATION	RM0.05 per gram
PRICE LIMITS	<p>There must be no trading at a price more than 10% above or below the settlement prices of the preceding Business Day ("the 10% Limit") except as provided below:</p> <p>(a) If spot month Contract trades at the 10% Limit, the Exchange will announce a 10-minute cooling off period ("the Cooling Off Period") for Contracts of all contract months (including the spot month) during which trading may only take place within the 10% Limit for Contracts of all contract months (including the spot month).</p> <p>(b) After the Cooling Off Period, Contracts of all contract months (including the spot month) will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 20%. The prices traded for Contracts of all contract months (including the spot month) must then not vary more than 20% above or below the settlement prices of the preceding Business Day ("the 20% Limit").</p> <p>(c) If spot month Contract trades at the 10% Limit less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months (including the spot month) for the rest of the first trading session, and the 20% Limit will apply to Contracts of all contract months (including the spot month) during the second trading session.</p> <p>(d) If spot month Contract trades at the 10% Limit less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months (including the spot month) for the rest of the Business Day.</p> <p>(e) On any Business Day other than the Final Trading Day, the price limits in the above paragraphs apply to trades in Contracts of all contract months including the spot month. On the Final Trading Day, the price limits in the above paragraphs do not apply to trades in spot month Contracts.</p>
CONTRACT MONTHS	Spot month, the next 3 calendar months and any February, April, June, August, October and December falling within a 12 month period beginning with the spot month. -The contract months <u>are</u> as set out in Appendix <u>FB</u> .
TRADING HOURS	First trading session: 0900 hours to 1230 hours (Malaysia time); and

	Second trading session: 1430 hours to 1900 hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 1. The last Business Day of the contract month unless such a day is a holiday in London, in which case the Final Trading Day will be the first preceding Business Day that is not a holiday in London. 2. Trading in the expiring month Contract ceases at 1900 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	<ol style="list-style-type: none"> 1. The LBMA Gold Price AM (quoted in USD/troy oz) on the Final Trading Day will be the reference price for the purpose of calculating the final settlement value. 2. For the calculation of the final settlement value, the following will apply: <p style="text-align: center;">Conversion from USD to RM</p> <p>(a) The LBMA Gold Price AM will be converted to Ringgit Malaysia and rounded to the nearest RM0.05 using the mid exchange rate of USD/MYR based on the last rate published by <u>the Central Bank-Negara Malaysia</u> before 1900 hours (Malaysia time), on the Final Trading Day. In the event the final settlement value is equidistant between 2 minimum price fluctuations, the value will be rounded upwards.</p> <p style="text-align: center;">Conversion from Troy Ounce to Grams</p> <p>(b) 1 troy oz = 31.1034768 grams</p> 3. On the Final Trading Day for a Contract, all Open Positions for the Contract will be marked to the final settlement value determined by the Exchange.
ATTRIBUTION / DISCLAIMER	<p>The LBMA Gold Price AM is a trade mark of Precious Metals Prices Limited and is sourced by and licensed to ICE Benchmark Administration Limited as the administrator, operator and publication agent of the LBMA Gold Price AM, and is used by Bursa Malaysia Derivatives Bhd<u>the Exchange</u> with permission under licence by ICE Benchmark Administration Limited.</p> <p>ICE Benchmark Administration Limited and the ExchangeBursa Malaysia Derivatives Bhd make no warranty, express or implied, either as to the results to be obtained from the use of the LBMA Gold Price AM and/or the figure at which the LBMA Gold Price AM stands at any particular time on any particular day. ICE Benchmark Administration Limited and the ExchangeBursa Malaysia Derivatives Bhd make no express or implied warranties of merchantability or fitness for a particular purpose for use with respect to the Gold Futures Contract.</p>

[End of item 26043.01 (FGLD) of Schedule 263]

Item <u>26023.02</u> <u>(FTIN)</u>	Contract Specifications for Tin Futures Contract
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CONTRACT	TIN FUTURES CONTRACT
CONTRACT CODE	FTIN
UNDERLYING INSTRUMENT	Refined tin metal of ASTM Grade A specification B 339.93, with a minimum tin content of 99.85% Sn of any of the brands which are approved by the Board of the Kuala Lumpur Tin Market, or such other technical specification of refined tin metal underlying the physical tin official price published by the Kuala Lumpur Tin Market (“KLTM Price”) from time to time.
CONTRACT UNIT	1 metric ton
MINIMUM PRICE FLUCTUATION	USD1 per metric ton
PRICE LIMITS	<p>There must be no trading at a price more than 10% above or below the settlement prices of the preceding Business Day (“the 10% Limit”) except as provided below:</p> <p>(a) If spot month Contract trades at the 10% Limit, the Exchange will announce a 10-minute cooling off period (“the Cooling Off Period”) for Contracts of all contract months (including the spot month) during which trading may only take place within the 10% Limit for Contracts of all contract months (including the spot month).</p> <p>(b) After the Cooling Off Period, Contracts of all contract months (including the spot month) will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 20%. The prices traded for Contracts of all contract months (including the spot month) must then not vary more than 20% above or below the settlement prices of the preceding Business Day (“the 20% Limit”).</p> <p>(c) If spot month Contract trades at the 10% Limit less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months (including the spot month) for the rest of the first trading session, and the 20% Limit will apply to Contracts of all contract months (including the spot month) during the second trading session.</p> <p>(d) If spot month Contract trades at the 10% Limit less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months (including the spot month) for the rest of the Business Day.</p> <p>(e) On any Business Day other than the Final Trading Day, the price limits in the above paragraphs apply to trades in Contracts of all contract months including the spot month. On the Final Trading Day, the price limits in the above paragraphs do not apply to trades in spot month Contracts.</p>
CONTRACT MONTHS	Spot month and the next 11 succeeding months up to 12 months ahead. <u>The contract months are as set out in Appendix B.</u>

TRADING HOURS	First trading session: 0900 hours to 1200 hours (Malaysia time); and Second trading session: 1330 hours to 1500 hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 15th day of the spot month or, if the 15th day is a non-Business Day, the Final Trading Day will be the last Business Day preceding the 15th day of the spot month. Trading in the spot month ceases at 1200 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	<ol style="list-style-type: none"> The KLTM Price (quoted in USD/metric ton) on the Final Trading Day will be the reference price for the purpose of calculating the final settlement value. On the Final Trading Day for a Contract, all Open Positions for the Contract will be marked to the final settlement value determined by the Exchange.
ATTRIBUTION / DISCLAIMER	<p>The KLTM Price is owned by the Kuala Lumpur Tin Market ("KLTM") and is used by Bursa Malaysia Derivatives Bhdthe Exchange with permission under licence by KLTM.</p> <p>KLTM and Bursa Malaysia Derivatives Bhdthe Exchange make no warranty, express or implied, either as to the results to be obtained from the use of the KLTM Price and/or the figure at which the KLTM Price stands at any particular time on any particular day. KLTM and Bursa Malaysia Derivatives Bhdthe Exchange make no express or implied warranties of merchantability or fitness for a particular purpose for use with respect to the KLTM Price.</p>

[End of Schedule 263]

SCHEDULE 274
INTEREST RATE CONTRACTS

Item No.	Contract	Contract Code
<u>27014.01</u> <u>(FKB3)</u>	3 Month KLIBOR Futures Contract	FKB3
<u>27024.02</u> <u>(FMG3)</u>	3-Year MGS Futures Contract	FMG3
<u>27034.03</u> <u>(FMG5)</u>	5-Year MGS Futures Contract	FMG5
<u>27044.04</u> <u>(FMGA)</u>	10-Year MGS Futures Contract	FMGA

Item <u>27014.01</u> <u>(FKB3)</u>	Contract Specifications for 3 Month KLIBOR Futures Contract
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CONTRACT	3 MONTH KLIBOR FUTURES CONTRACT
CONTRACT CODE	FKB3
UNDERLYING INSTRUMENT	3 month Kuala Lumpur Interbank Offered Rate ("KLIBOR")
CONTRACT UNIT	Ringgit interbank time deposit in the Kuala Lumpur Wholesale Money Market having principal value of RM1,000,000.00 with a 3-month maturity on a 360-day year
PRICE QUOTATION	In terms of an index, calculated as 100.00 minus the yield on an annual basis for a 360-day year (i.e: a deposit rate of 8.10% shall be quoted as a futures price of 91.90)-
MINIMUM PRICE FLUCTUATION	1 basis point (0.01= RM25.00)
CONTRACT MONTHS	Quarterly cycle months of March, June, September and December up to 5 years forward and 2 nearest Serial Months. -The contract months <u>are</u> as set out in Appendix <u>GC</u> .
TRADING HOURS	First trading session: 0900 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1700 hours (Malaysia time).
FINAL TRADING DAY	1. 3 rd Wednesday of the contract month or the 1 st Business Day immediately following the 3 rd Wednesday if the 3 rd Wednesday of the contract month is not a Business Day. 2. Trading in the expiring month Contract ceases at 1100 hours (Malaysian time) on the Final Trading Day.
SETTLEMENT METHOD	Cash <u>S</u> settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	1. Calculated as 100.00 minus the 3 Month KLIBOR as published by Thomson Reuters. On reference page "KLIBOR" at 1100 hours (Malaysian time) on the Final Trading Day. 2. If calculation based on paragraph 1 cannot be made, the final settlement value will be calculated as 100.00 minus the 3 month KLIBOR obtained from <u>the Central Bank Negara Malaysia</u> at 1100 hours (Malaysia time) on the Final Trading Day. 3. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.

[End of item 27014.01 (FKB3) of Schedule 274]

Item 2702 4.02 (FMG3)	Contract Specifications for 3-Year MGS Futures Contract
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CONTRACT	3-YEAR MGS FUTURES CONTRACT
CONTRACT CODE	FMG3
UNDERLYING INSTRUMENT	Malaysian Government securities with a 3-year maturity ("3-Year MGS")
COUPON RATE	6% per annum, payable semi-annually
CONTRACT UNIT	3-Year MGS having a principal value of RM100,000.00-
PRICE QUOTATION	In Ringgit Malaysia per RM100.00 in face value, up to 2 decimal places-
MINIMUM PRICE FLUCTUATION	0.01 = RM10.00
CONTRACT MONTHS	4 nearest quarterly cycle months of March, June, September and December. <u>The contract months are as set out in Appendix C.</u>
TRADING HOURS	First trading session: 0900 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).
FINAL TRADING DAY	1. 3 rd Wednesday of the contract month or the 1 st Business Day immediately following the 3 rd Wednesday if the 3 rd Wednesday of the contract month is not a Business Day. 2. Trading in the expiring month Contract ceases at 1800 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	1. The final settlement value will be calculated from the prices of MGS in the basket of eligible MGS that are reported in the Electronic Trading Platform ("ETP") of Bursa Malaysia Bonds Sdn Bhd on the Final Trading Day from 0900 hours to 1800 hours (Malaysia time). 2. Volume weighted average prices ("VWAP") of each MGS in the basket will be calculated and converted to yield in percentage, rounded to the nearest 4 decimal places. -Only transactions reported in the ETP with notional values of RM10 million and above per transaction ("Relevant Transactions") will be included in the calculation of the VWAP. 3. The final yield is derived from the yield for each MGS in the basket after weighting the yield of all benchmark bonds by 60% or such other weighting as may be prescribed by the Exchange. -The remaining <u>weighting</u> will be equally distributed over the yields of the other bonds. 4. The final settlement value will be calculated from the final yield in accordance with the following formula rounded to the nearest 2 decimal places:

$$\text{Price} = \left\{ \frac{C}{Y} [1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N} \right\} \times \text{RM}100$$

where

N is the number of years, = 3

C is the coupon, = 0.06

Y is the yield rounded to the nearest 4 decimal places.

5. **Basket of eligible MGS**

5.1 Subject to paragraph 5.4 below, the basket of eligible MGS includes MGS with the following characteristics:

	Bond Type	Minimum Issuance Size	Term to Maturity	Other requirements
(a)	Benchmark bonds	Not applicable	2 to 4 years on the first calendar day of the contract month	Not applicable
(b)	Non-benchmark bonds	RM5 billion	2 to 4 years on the first calendar day of the contract month	(i) Private placements are excluded. (ii) A maximum of 2 bonds which meet the requirements in paragraph 5.2 below will be included in the basket of eligible MGS.

5.2 **Additional Requirements for Non-Benchmark Bonds**

(1) In addition to the characteristics specified in paragraph 5.1(b) above, the non-benchmark bonds must meet the following requirements:

(a) The bonds must have Relevant Transactions reported in the ETP within a period of 3 months prior to the date of announcement referred to in paragraph 5.3. -The period of 3 months is calculated until the Business Day immediately before the date of such announcement.

(b) A maximum of 2 non-benchmark bonds may be selected for inclusion in the basket of eligible MGS, using the following criteria applied in the following sequence:

(i) Bonds with the highest aggregate number of Relevant Transactions;

	<p>(ii) From the bonds with equal number of Relevant Transactions, the bond(s) with Relevant Transactions having the highest aggregate transacted notional value(s);</p> <p>(iii) From the bonds with Relevant Transactions having equal aggregate transacted notional values, the bond(s) with a remaining maturity period that is closest to 3 years on the first calendar day of the contract month.</p> <p>(2) If a maximum of 2 non-benchmark bonds cannot be selected by applying the requirements in paragraph (1) above, the Exchange may, in its absolute discretion, make a decision on the selection including a decision to exclude non-benchmark bonds from the basket of eligible MGS. –Any decision made by the Exchange pursuant to this paragraph is final and binding.</p> <p>5.3 The eligible MGS and its weightage for a Contract will be announced on the 10th day of the quarterly month (i.e. March, June, September, December) immediately before the contract month of that Contract or the next Business Day immediately following the 10th day if the 10th day is not a Business Day.</p> <p>5.4 No new MGS will be included after the announcement of eligible MGS for the spot quarterly month Contract.</p> <p>6. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.</p>
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[End of item [27024.02 \(FMG3\)](#) of Schedule [274](#)]

Item <u>27034.03</u> <u>(FMG5)</u>	Contract Specifications for 5-Year MGS Futures Contract
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CONTRACT	5-YEAR MGS FUTURES CONTRACT
CONTRACT CODE	FMG5
UNDERLYING INSTRUMENT	Malaysian Government securities with a 5-year maturity ("5-Year MGS")
COUPON RATE	6% per annum, payable semi-annually
CONTRACT UNIT	5-Year MGS having a principal value of RM100,000.00-
PRICE QUOTATION	In Ringgit Malaysia per RM100.00 in face value, up to 2 decimal places-
MINIMUM PRICE FLUCTUATION	0.01 = RM10.00
CONTRACT MONTHS	4 nearest quarterly cycle months of March, June, September and December. <u>The contract months are as set out in Appendix C.</u>
TRADING HOURS	First trading session: 0900 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 3rd Wednesday of the contract month or the 1st Business Day immediately following the 3rd Wednesday if the 3rd Wednesday of the contract month is not a Business Day. Trading in the expiring month Contract ceases at 1800 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash <u>S</u> ettlement based on the final settlement value.
FINAL SETTLEMENT VALUE	<ol style="list-style-type: none"> The final settlement value will be calculated from the prices of MGS in the basket of eligible MGS that are reported in the Electronic Trading Platform ("ETP") of Bursa Malaysia Bonds Sdn Bhd on the Final Trading Day from 0900 hours to 1800 hours (Malaysia time). Volume weighted average prices ("VWAP") of each MGS in the basket will be calculated and converted to yield in percentage, rounded to the nearest 4 decimal places. -Only transactions reported in the ETP with notional values of RM10 million and above per transaction ("Relevant Transactions") will be included in the calculation of the VWAP. The final yield is derived from the yield for each MGS in the basket after weighting the yield of all benchmark bonds by 60% or such other weighting as may be prescribed by the Exchange. -The remaining weighting will be equally distributed over the yields of the other bonds. The final settlement value will be calculated from the final yield in accordance with the following formula rounded to the nearest 2 decimal places:

$$\text{Price} = \left\{ \frac{C}{Y} [1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N} \right\} \times \text{RM}100$$

where

N is the number of years, = 5

C is the coupon, = 0.06

Y is the yield rounded to the nearest 4 decimal places.

5. **Basket of eligible MGS**

5.1 Subject to paragraph 5.4 below, the basket of eligible MGS includes MGS with the following characteristics:

	Bond Type	Minimum Issuance Size	Term to Maturity	Other requirements
(a)	Benchmark bonds	Not applicable	4 to 6 years on the first calendar day of the contract month	Not applicable
(b)	Non-benchmark bonds	RM5 billion	4 to 6 years on the first calendar day of the contract month	(i) Private placements are excluded. (ii) A maximum of 2 bonds which meet the requirements in paragraph 5.2 below will be included in the basket of eligible MGS.

5.2 **Additional Requirements for Non-Benchmark Bonds**

(1) In addition to the characteristics specified in paragraph 5.1(b) above, the non-benchmark bonds must meet the following requirements:

(a) The bonds must have Relevant Transactions reported in the ETP within a period of 3 months prior to the date of announcement referred to in paragraph 5.3. -The period of 3 months is calculated until the Business Day immediately before the date of such announcement.

(b) A maximum of 2 non-benchmark bonds may be selected for inclusion in the basket of eligible MGS, using the following criteria applied in the following sequence:

(i) Bonds with the highest aggregate number of Relevant Transactions;

	<p>(ii) From the bonds with equal number of Relevant Transactions, the bond(s) with Relevant Transactions having the highest aggregate transacted notional value(s);</p> <p>(iii) From the bonds with Relevant Transactions having equal aggregate transacted notional values, the bond(s) with a remaining maturity period that is closest to 5 years on the first calendar day of the contract month.</p> <p>(2) If a maximum of 2 non-benchmark bonds cannot be selected by applying the requirements in paragraph (1) above, the Exchange may, in its absolute discretion, make a decision on the selection including a decision to exclude non-benchmark bonds from the basket of eligible MGS. –Any decision made by the Exchange pursuant to this paragraph is final and binding.</p> <p>5.3 The eligible MGS and its weightage for a Contract will be announced on the 10th day of the quarterly month (i.e. March, June, September, December) immediately before the contract month of that Contract or the next Business Day immediately following the 10th day if the 10th day is not a Business Day.</p> <p>5.4 No new MGS will be included after the announcement of eligible MGS for the spot quarterly month Contract.</p> <p>6. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.</p>
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[End of item [27034.03 \(FMG5\)](#) of Schedule [274](#)]

Item 27044.04 (FMGA)	Contract Specifications for 10-Year MGS Futures Contract
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CONTRACT	10-YEAR MGS FUTURES CONTRACT
CONTRACT CODE	FMGA
UNDERLYING INSTRUMENT	Malaysian Government securities with a 10-year maturity ("10-Year MGS")
COUPON RATE	6% per annum, payable semi-annually
CONTRACT UNIT	10-Year MGS having a principal value of RM100,000.00-
PRICE QUOTATION	In Ringgit Malaysia per RM100.00 in face value, up to 2 decimal places-
MINIMUM PRICE FLUCTUATION	0.01 = RM10.00
CONTRACT MONTHS	4 nearest quarterly cycle months of March, June, September and December. <u>The contract months are as set out in Appendix C.</u>
TRADING HOURS	First trading session: 0900 hours to 1230 hours (Malaysia time); and Second trading session: 1430 hours to 1800 hours (Malaysia time).
FINAL TRADING DAY	1. 3 rd Wednesday of the contract month or the 1 st Business Day immediately following the 3 rd Wednesday if the 3 rd Wednesday of the contract month is not a Business Day. 2. Trading in the expiring month ceases at 1800 hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Cash S settlement based on the final settlement value.
FINAL SETTLEMENT VALUE	1. The final settlement value will be calculated from the prices of MGS in the basket of eligible MGS that are reported in the Electronic Trading Platform ("ETP") of Bursa Malaysia Bonds Sdn Bhd on the Final Trading Day from 0900 hours to 1800 hours (Malaysia time). 2. Volume weighted average prices ("VWAP") of each MGS in the basket will be calculated and converted to yield in percentage, rounded to the nearest 4 decimal places. -Only transactions reported in the ETP with notional values of RM10 million and above per transaction ("Relevant Transactions") will be included in the calculation of the VWAP. 3. The final yield is derived from the yield for each MGS in the basket after weighting the yield of all benchmark bonds by 60% or such other weighting as may be prescribed by the Exchange. -The remaining weighting will be equally distributed over the yields of the other bonds. 4. The final settlement value will be calculated from the final yield in accordance with the following formula rounded to the nearest 2 decimal places:

$$\text{Price} = \left\{ \frac{C}{Y} [1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N} \right\} \times \text{RM100}$$

where

N is the number of years, = 10

C is the coupon, = 0.06

Y is the yield rounded to the nearest 4 decimal places.

5. **Basket of eligible MGS**

5.1 Subject to paragraph 5.4 below, the basket of eligible MGS includes MGS with the following characteristics:

	Bond Type	Minimum Issuance Size	Term to Maturity	Other requirements
(a)	Benchmark bonds	Not applicable	8 to 11 years on the first calendar day of the contract month	Not applicable
(b)	Non-benchmark bonds	RM3 billion	8 to 11 years on the first calendar day of the contract month	(i) Private placements are excluded. (ii) A maximum of 2 bonds which meet the requirements in paragraph 5.2 below will be included in the basket of eligible MGS.

5.2 **Additional Requirements for Non-Benchmark Bonds**

(1) In addition to the characteristics specified in paragraph 5.1(b) above, the non-benchmark bonds must meet the following requirements:

(a) The bonds must have Relevant Transactions reported in the ETP within a period of 3 months prior to the date of announcement referred to in paragraph 5.3. -The period of 3 months is calculated until the Business Day immediately before the date of such announcement.

(b) A maximum of 2 non-benchmark bonds may be selected for inclusion in the basket of eligible MGS, using the following criteria applied in the following sequence:

(i) Bonds with the highest aggregate number of Relevant Transactions;

(ii) From the bonds with equal number of Relevant

	<p>Transactions, the bond(s) with Relevant Transactions having the highest aggregate transacted notional value(s);</p> <p>(iii) From the bonds with Relevant Transactions having equal aggregate transacted notional values, the bond(s) with a remaining maturity period that is closest to 10 years on the first calendar day of the contract month.</p> <p>(2) If a maximum of 2 non-benchmark bonds cannot be selected by applying the requirements in paragraph (1) above, the Exchange may, in its absolute discretion, make a decision on the selection including a decision to exclude non-benchmark bonds from the basket of eligible MGS. –Any decision made by the Exchange pursuant to this paragraph is final and binding.</p> <p>5.3 The eligible MGS and its weightage for a Contract will be announced on the 10th day of the month for the current quarterly month (i.e. March, June, September, December) immediately before the contract month of that Contract or the next Business Day immediately following the 10th day if the 10th day is not a Business Day.</p> <p>5.4 No new MGS will be included after the announcement of eligible MGS for the spot quarterly month Contract.</p> <p>6. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.</p>
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{[End of Schedule ~~274~~]}

~~GUIDELINE 1.1~~

~~Fee Charged for Extract from Register of Participants~~

~~(Rule 301 and 319)~~

~~{Deleted}~~

~~GUIDELINE 1.2~~

~~Trading Participant – Admission to Participantship~~

~~(Rules 305 and 306)~~

~~{Deleted}~~

~~GUIDELINE 1.3~~

~~Local Participant – Admission Participant~~

~~(Rule 314)~~

~~{This Guideline has been deleted}~~

~~GUIDELINE 1.4~~

~~Trading Permits~~

~~(Rule 319)~~

~~{This Guideline has been deleted}~~

~~GUIDELINE 1.4A~~

~~Associate Participants – Admission to Participantship~~

~~(Rules 320C and 320D)~~

~~{Deleted}~~

~~GUIDELINE 1.5~~

~~Market Makers~~

~~(Rule 321)~~

~~1.5.1 Pursuant to Rule 321, the following conditions and privileges are granted to market makers:~~

Minimum Quote Size		
Rule Reference		Stock Option Contract
321.4(b)	<i>{This Guideline has been deleted.}</i>	5 lots per bid or ask

Maximum Spread – by tiers			
Rule Reference		Stock Option Contract	
321.4(d)	<i>{This Guideline has been deleted.}</i>	At Premium Price (RM)	Maximum Spread (RM)
		< 2.00	0.20
		2.01 – 5.00	0.40
		5.01 – 10.00	1.00
		> 10.00	1.50

~~1.5.2 Pursuant to Rule 321.6, the Exchange may relieve the obligations of market makers under a fast market. The Exchange shall announce the fast market which is generally defined as a situation when the Underlying Market is experiencing volatile price movements and high trading volume.~~

{End of Guideline 1.5}

~~GUIDELINE 1.6~~

~~Registered Representatives~~

~~(Rule 322)~~

{Deleted}

~~GUIDELINE 2.1~~~~Statement of Adjusted Net Capital~~~~(Rule 602)~~~~2.1.1 [Deleted]~~~~2.1.2 Failure to Submit Statement of Adjusted Net Capital in a Timely Manner~~

~~Trading Participant who fails to submit the Statement of Adjusted Net Capital to the Exchange by the specified reporting interval as stipulated in Rule 602.3 shall be liable to the following actions:~~

Days Late	Sanction
1-5	RM5,000
6-10	RM10,000
More than 10	Other action deemed appropriate by the Exchange

~~In addition to the above, the Exchange may also order the Trading Participant to trade for liquidation purposes only.~~

~~(End of Guideline 2.1)~~

~~GUIDELINE 2.2~~~~Statement of Financial Condition and Statement of Income/(Loss)~~~~(Rule 602)~~~~2.2.1 [Deleted]~~~~2.2.2 [Deleted]~~

~~2.2.3 Failure to Submit Statement of Financial Condition and Statement of Income/(Loss) in a Timely Manner~~

~~Trading Participant who fails to submit the Statement of Financial Condition and Statement of Income/(Loss) to the Exchange by the specified reporting interval as stipulated in Rule 602.3 shall be liable to the following actions:-~~

Days Late	Sanction
1-5	RM5,000
6-10	RM10,000
More than 10	Other action deemed appropriate by the Exchange.

~~In addition to the above, the Exchange may also order the Trading Participant to trade for liquidation purposes only.~~

~~(End of Guideline 2.2)~~

~~GUIDELINE 2.3~~**~~Letter of Attestation~~**

~~(Rule 602)~~

~~{Deleted}~~

~~(End of Guideline 2.3)~~

~~GUIDELINE 2.4~~**~~Statement of Segregation Requirements and Funds in Segregation for Clients Trading on Malaysian and Foreign Exchanges~~**

~~(Rule 608)~~

~~2.4.1 {Deleted}~~

~~2.4.2 Failure to Submit the Statement of Segregation Requirements and Funds in Segregation for Clients Trading on Malaysian and Foreign Exchange in a Timely Manner~~

~~Trading Participant who fails to submit the abovementioned statement to the Exchange by the specified reporting interval as stipulated in Rule 608.6 shall be liable to the following actions:~~

Days Late	Sanction
1—5	RM5,000
6—10	RM10,000
More than 10	Other action deemed appropriate by the Exchange.

~~In addition to the above, the Exchange may also order the Trading Participant to trade for liquidation purposes only.~~

(End of Guideline 2.4)

~~GUIDELINE 2.5~~

~~Reportable Position Report~~

~~(Rule 613)~~

~~2.5.1 The Exchange has prescribed the following format of Reportable Position Report.~~

**~~REPORTABLE POSITION
REPORT OF LARGE POSITIONS FOR KLOFFE CONTRACTS
(100 CONTRACTS OR MORE)~~**

~~Company Name :~~ _____

~~Company Identification ID (Acronym) :~~ _____

~~Position as at close of Business on :~~ _____

Account No.	Contract	Positions	
		Long	Short

Authorised Signature _____

Name _____

Designation _____

Company Stamp _____

End of Report

IDENTIFICATION OF REPORTABLE ACCOUNTS

Company Name

Company Identification ID (Acronym)

- ~~1. Account Number~~ _____
- ~~2. Name Account Owner(s)~~ _____
- ~~3. Address of Account Owner(s)~~ _____

- ~~4. Nationality / Incorporation~~
- ~~Domestic~~
- ~~Foreign~~
- ~~5. Principal Business and Occupation of the Account Owner~~ _____
- ~~6. Is this Account : (tick one of the following)~~
- ~~An Account owned or controlled by your company~~
- ~~A House Account of another Participant~~
- ~~A Client Omnibus Account of another Participant~~
- ~~A Client Account~~
- ~~Others (please give details)~~
- ~~7. Does this account control the trading of any other accounts or have 15% or more financial interest in any other accounts carried on your books or the books of another Participant in any contracts?~~
- ~~Yes No~~

~~If yes, give names and addresses of such accounts~~

Name	Address
1.	_____ _____ _____
2.	_____ _____ _____
3.	_____ _____ _____

8. Does any other person(s) control the trading of this account?

Yes No

If "yes", complete the following for such person(s)

Name	Address
1.	_____

2.	_____

3.	_____

9. Does any other person(s) have a financial interest of 15% or more in this account?

Yes No

If "yes", complete the following for such person(s)

1.	_____

2.	_____

3.	_____

10. Type of Account

- Individual
- Corporation
- Joint
- Sole Proprietary
- Partnership
- Trust
- Omnibus
- Others (please specify)

11. Purpose of Account

- Hedging
- Speculation
- Others (please specify)

12. Activity of Client on CPO

- Palm Oil Miller
- Palm Oil Dealer
- Palm oil Exporter
- Palm Kernel Crusher
- Broker Participant
- Retail Client
- Estate

- Local Trader
 Palm Oil Refinery Processor
 Others (please specify)

~~Activity of Clients on KB~~

- Commercial Banks
 Finance Company
 Merchant Bank
 Insurance Company
 Discount House
 Stock Broking
 Leasing Company
 Derivatives Trading Company
 Government Financial Entity
 Others (please specify)

~~13. Name of FBR Handling the Account~~

Registration No : _____

Telephone No: _____

Authorised Signature

Name

Designation

Company Stamp

~~End of Report~~

~~**2.5.2 Failure to Submit the Reportable Position Report in a Timely Manner**~~

~~Trading Participant who fails to submit the Reportable Position report to the Exchange by the specified reporting interval as stipulated in Rule 613 shall be liable to the following actions:-~~

Days Late	Sanction
1-5	RM5,000
6-10	RM10,000
More than 10	Other action deemed appropriate by the Exchange

~~In addition to the above, the Exchange may also order the Trading Participant to trade for liquidation purposes only.~~

~~(End of Guideline 2.5)~~

~~**GUIDELINE 2.6**~~

~~{Deleted}~~

~~**GUIDELINE 2.7**~~

~~**Forms of Margin Payment**~~

~~**(Rule 614)**~~

~~{Deleted}~~

~~(End of Guideline 2.7)~~

Schedule of Contract Months referred to in Schedule 241 (Agriculture Contracts):

PART 1**(a) Item 2401.01 (FCPO) – Ringgit Malaysia Denominated Crude Palm Oil Futures Contract**

	CURRENT YEAR												1 st FOLLOWING YEAR												2 nd FOLLOWING YEAR												3 rd FOLLOWING YEAR											
As at 1 st of	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
JANUARY	X	X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X	
FEBRUARY		X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X	
MARCH			X	X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X		X	X	X		X		X		X		X		X		X		X		X		X		X	
APRIL				X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X	
MAY					X	X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X	X	X		X		X		X		X		X	X			X		X		X		X	
JUNE						X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X		
JULY							X	X	X	X	X	X	X	X	X	X	X	X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X			
AUGUST								X	X	X	X	X	X	X	X	X	X	X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X			
SEPTEMBER									X	X	X	X	X	X	X	X	X	X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X			
OCTOBER										X	X	X	X	X	X	X	X	X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X			
NOVEMBER											X	X	X	X	X	X	X	X	X		X		X		X	X	X		X		X		X		X		X	X		X		X		X		X		
DECEMBER											X	X	X	X	X	X	X	X	X	X		X		X	X	X		X		X		X		X		X	X		X		X		X		X	X		

PART 3(a) Item 1.03 (FPKO) -- Schedule of Contract Months referred to in item 2403 (Crude Palm Kernel Oil Futures Contract) of Schedule 24 (Agriculture Contracts)

As At 1st of	Current Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	•	•	•	•	•	•	•		•		•	
February		•	•	•	•	•	•		•		•	
March			•	•	•	•	•	•	•		•	
April				•	•	•	•	•	•		•	
May					•	•	•	•	•	•	•	
June						•	•	•	•	•	•	
July							•	•	•	•	•	•
August								•	•	•	•	•
September									•	•	•	•
October										•	•	•
November											•	•
December												•
As At 1st of	Current Year + 1											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January												
February	•											
March	•											
April	•		•									
May	•		•									
June	•		•		•							
July	•		•		•							
August	•		•		•		•					
September	•	•	•		•		•					
October	•	•	•		•		•	•				
November	•	•	•	•	•		•	•	•			
December	•	•	•	•	•		•	•	•		•	

Notes:

- (1) In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked "•" in the other columns reading horizontally to the right.
- (2) The contract months will be determined by the Exchange and may be varied from time to time but will not at any time exceed 18 months forward.

APPENDIX B

**~~SCHEDULE OF EXCHANGE LEVY, CLEARING
HOUSE CLEARING FEE, MINIMUM CLEARING FEE
IMPOSED BY CLEARING PARTICIPANTS AND MINIMUM
BROKERAGE CHARGED BY DEALERS PER LOT FOR A
SINGLE TRANSACTION, BUYING OR SELLING IN
MALAYSIAN RINGGIT.~~**

{Deleted}

APPENDIX C

List of Specified Exchanges and the Approved Classes of Futures Contracts

{Deleted}

APPENDIX E

Schedule of Contract Months referred to in item 2403 (Crude Palm Kernel Oil Futures Contract) of Schedule 24 (Agriculture Contracts)

As-At 1st of	Current Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	*	*	*	*	*	*	*	-	*	-	*	-
February	-	*	*	*	*	*	*	-	*	-	*	-
March	-	-	*	*	*	*	*	*	*	-	*	-
April	-	-	-	*	*	*	*	*	*	-	*	-
May	-	-	-	-	*	*	*	*	*	*	*	-
June	-	-	-	-	-	*	*	*	*	*	*	-
July	-	-	-	-	-	-	*	*	*	*	*	*
August	-	-	-	-	-	-	-	*	*	*	*	*
September	-	-	-	-	-	-	-	-	*	*	*	*
October	-	-	-	-	-	-	-	-	-	*	*	*
November	-	-	-	-	-	-	-	-	-	-	*	*
December	-	-	-	-	-	-	-	-	-	-	-	*
As-At 1st of	Current Year + 1											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	-	-	-	-	-	-	-	-	-	-	-	-
February	*	-	-	-	-	-	-	-	-	-	-	-
March	*	-	-	-	-	-	-	-	-	-	-	-
April	*	-	*	-	-	-	-	-	-	-	-	-
May	*	-	*	-	-	-	-	-	-	-	-	-
June	*	-	*	-	*	-	-	-	-	-	-	-
July	*	-	*	-	*	-	-	-	-	-	-	-
August	*	-	*	-	*	-	*	-	-	-	-	-
September	*	*	*	-	*	-	*	-	-	-	-	-
October	*	*	*	-	*	-	*	-	*	-	-	-
November	*	*	*	*	*	-	*	-	*	-	-	-
December	*	*	*	*	*	-	*	-	*	-	*	-

Notes:—

- (1) In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked '●' in the other columns reading horizontally to the right.
- (2) The contract months will be determined by the Exchange and may be varied from time to time but will not at any time exceed 18 months forward.

Schedule of Contract Months referred to in ~~item 2601 (Gold Futures Contract)~~ of Schedule ~~263~~ (Metal Contracts)PART 1(a) Item 3.01 (FGLD) – Gold Futures Contract

As At 1st of	Current Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	•	•	•	•		•		•		•		•
February		•	•	•	•	•		•		•		•
March			•	•	•	•		•		•		•
April				•	•	•	•	•		•		•
May					•	•	•	•		•		•
June						•	•	•	•	•		•
July							•	•	•	•		•
August								•	•	•	•	•
September									•	•	•	•
October										•	•	•
November											•	•
December												•
As At 1st of	Current Year + 1											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January												
February												
March		•										
April		•										
May		•		•								
June		•		•								
July		•		•		•						
August		•		•		•						
September		•		•		•		•				
October	•	•		•		•		•				
November	•	•		•		•		•		•		
December	•	•	•	•		•		•		•		

Notes:

- (1) In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “•” in the other columns reading horizontally to the right.
- (2) The contract months will be determined by the Exchange and may be varied from time to time but will not at any time exceed 72 months forward.

PART 2(a) Item 3.02 (FTIN) -- Schedule of Contract Months referred to in item 2602 (Tin Futures Contract) of Schedule 26 (Metal Contracts)

As At 1 st of	Current Year												1 st Following Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	x	x	x	x	x	x	x	x	x	x	x	x												
February		x	x	x	x	x	x	x	x	x	x	x	x											
March			x	x	x	x	x	x	x	x	x	x	x	x										
April				x	x	x	x	x	x	x	x	x	x	x	x									
May					x	x	x	x	x	x	x	x	x	x	x	x								
Jun						x	x	x	x	x	x	x	x	x	x	x								
July							x	x	x	x	x	x	x	x	x	x	x							
August								x	x	x	x	x	x	x	x	x	x	x						
September									x	x	x	x	x	x	x	x	x	x	x					
October										x	x	x	x	x	x	x	x	x	x	x				
November											x	x	x	x	x	x	x	x	x	x	x			
December												x	x	x	x	x	x	x	x	x	x	x		

Note: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked "x" in the other columns reading horizontally to the right.

[End of Appendix B]

Schedule of Contract Months referred to in ~~item 2701 (3 Month KLIBOR Futures Contract)~~ of Schedule 274 (Interest Rate Contracts)PART 1(a) Item 4.01 (FKB3) – 3 Month KLIBOR Futures Contract

As At 1st of	Current Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	•	•	•			•			•			•
February		•	•	•		•			•			•
March			•	•	•	•			•			•
April				•	•	•			•			•
May					•	•	•		•			•
June						•	•	•	•			•
July							•	•	•			•
August								•	•	•		•
September									•	•	•	•
October										•	•	•
November											•	•
December												•
As At 1st of	Current Year + 1											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January			•			•			•			•
February			•			•			•			•
March			•			•			•			•
April			•			•			•			•
May			•			•			•			•
June			•			•			•			•
July			•			•			•			•
August			•			•			•			•
September			•			•			•			•
October			•			•			•			•
November	•		•			•			•			•
December	•	•	•			•			•			•

ANNEXURE 1A

As At 1st of	Current Year + 2											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
As At 1st of	Current Year + 3											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
As At 1st of	Current Year + 4											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

As At 1st of	Current Year + 5											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January												
February												
March												
April			•									
May			•									
June			•									
July			•			•						
August			•			•						
September			•			•						
October			•			•			•			
November			•			•			•			
December			•			•			•			

Note: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “•” in the other columns reading horizontally to the right.

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PART 2**Schedule of Contract Months referred to in Schedule 27 (Interest Rate Contracts):**

- (a) Item 27024.02 (FMG3) – 3-Year MGS Futures Contract
 (b) Item 27034.03 (FMG5) – 5-Year MGS Futures Contract
 (c) Item 27044.04 (FMGA) – 10-Year MGS Futures Contract

As At 1 st of	Current Year												1 st Following Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January			x			x			x			x												
February			x			x			x			x												
March			x			x			x			x												
April						x			x			x			x									
May						x			x			x			x									
Jun						x			x			x			x									
July									x			x			x			x						
August									x			x			x			x						
September									x			x			x			x						
October												x			x			x			x			
November												x			x			x			x			
December												x			x			x			x			

Note: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “-x-” in the other columns reading horizontally to the right.

[End of Appendix C]

Schedule of Contract Months referred to in Schedule 27 (Interest Rate Contracts):-**(a) Item 2702 – 3-Year MGS Futures Contract****(b) Item 2703 – 5-Year MGS Futures Contract****(c) Item 2704 – 10-Year MGS Futures Contract**

As-At 1 st of	Current Year												1 st Following Year												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
January			*			*			*			*													
February			*			*			*			*													
March			*			*			*			*													
April						*			*			*			*										
May						*			*			*			*										
Jun						*			*			*			*										
July									*			*			*			*							
August									*			*			*			*							
September									*			*			*			*							
October												*			*			*			*				
November												*			*			*			*				
December												*			*			*			*				

Note: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked “x” in the other columns reading horizontally to the right.

APPENDIX I

~~Schedule of Contract Months referred to in item 2602 (Tin Futures Contract) of Schedule 26 (Metal Contracts)~~

As-At 1 st of	Current Year												1 st Following Year											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
January	x	x	x	x	x	x	x	x	x	x	x	x												
February		x	x	x	x	x	x	x	x	x	x	x	x											
March			x	x	x	x	x	x	x	x	x	x	x	x										
April				x	x	x	x	x	x	x	x	x	x	x	x									
May					x	x	x	x	x	x	x	x	x	x	x	x								
Jun						x	x	x	x	x	x	x	x	x	x	x	x							
July							x	x	x	x	x	x	x	x	x	x	x	x						
August								x	x	x	x	x	x	x	x	x	x	x	x					
September									x	x	x	x	x	x	x	x	x	x	x	x				
October										x	x	x	x	x	x	x	x	x	x	x	x			
November											x	x	x	x	x	x	x	x	x	x	x	x		
December												x	x	x	x	x	x	x	x	x	x	x	x	

Note: In each month shown in the left hand vertical column of this chart, the officially quoted forward months are those marked "x" in the other columns reading horizontally to the right.