

BURSA MALAYSIA DERIVATIVES BERHAD

Date: 7 December 2020

Trading Participant Circular: 27/2020

AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BHD (“BMD”) IN RELATION TO REVITALISATION OF THE MINI FTSE BURSA MALAYSIA MID 70 INDEX FUTURES (“FM70”) CONTRACT**1. INTRODUCTION**

- 1.1 Bursa Malaysia Derivatives Berhad (“**Exchange**”) has revised the contract specifications for the FM70 Contract with an aim to revitalise the FM70 Contract and improve the traction in trading of the FM70 Contract in the retail segment.
- 1.2 The amendments are aimed at increasing cost efficiency in trading the FM70 Contract, which include changes to the Contract Multiplier, Minimum Price Fluctuation and Final Settlement Value, as set out under the BMD Rules, as well as changes to the position limits for the FM70 Contract under the Directives of the BMD Rules.
- 1.3 The amendments have been approved by the Securities Commission Malaysia and are further detailed in paragraph 2 below.

2. AMENDMENTS TO THE BMD RULES AND DIRECTIVES

- 2.1 The salient amendments to the contract specifications of the FM70 Contract under Item 2.04 of Schedule 2 of the BMD Rules are as follows:
- (a) Amending the Contract Multiplier from RM2.00 per 1 index point, to RM4.00 per index point;
 - (b) Amending the Minimum Price Fluctuation from 1 index point = RM2.00, to 5 index points for RM20.00; and
 - (c) Amending the Final Settlement Value from an average value rounded to the nearest index point (values of 0.50 and above being rounded upwards), to an average value rounded to the nearest multiple of 5 index points (values of 2.5 and 7.5 and above being rounded upwards).
- 2.2 Under the Trading Participants’ Directive on Position Limits and Exercise Limits (No. 6.44-001) under the BMD Rules (“**BMD Directive No. 6.44-001**”) amendments are made to lower the position limits for the FM70 Contract in order to maintain the present notional value of the FM70 Contract in line with the increase in Contract Multiplier – from 20,000 contracts for all contract months combined to 15,000 contracts for the same.
- 2.3 The detailed amendments to the BMD Rules and Directives are as set out in **Annexure 1**.

3. AMENDMENTS TO THE TRADING PARTICIPANTS’ TRADING MANUAL (“TRADING MANUAL”)

- 3.1 The Trading Manual has also been amended to reflect corresponding changes made to the contract specifications of the FM70 Contract.
- 3.2 The updated version of the Trading Manual is attached as **Annexure 2**.

4. EFFECTIVE DATE

4.1 The amendments to the BMD Rules and Directives will take effect from **14 December 2020**.

5. CONTACT PERSON

5.1 In the event of any queries in relation to the above matter, kindly contact us at the following:

| | Contact Details |
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| Regulatory Policy & Advisory (Rule Amendments and Directives) | rpa@bursamalaysia.com |
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Regulation