

PART V **RULES RELATING TO DEPOSITORS****Chapter 25.0** **General****Rules 25.01** **Application to be a depositor:**

- (1) **Application:** Any person who intends to open a securities account or formalise a securities account that has been opened by the Depository under a public offer must:
- (a) be eligible to be a depositor pursuant to Rule 25.02; and
 - (b) submit an application containing the information together with the relevant supporting documents as prescribed by the Depository to the authorised depository agent; or
 - (c) submit an application to open a securities account via CDS eServices in the manner prescribed by the Depository.
- (1A) Where a person intends to open a securities account or formalise a securities account opened by the Depository under a public offer, the person must comply with the authorised depository agent's requirements relating to verification referred to in Rule 5.02A(2).
- (2) **No obligation:** The Depository or the authorised depository agent is under no obligation and may refuse to open a securities account for any person who has not duly completed or submitted an application to the authorised depository agent or via CDS eServices together with the relevant documents required in relation to the opening of such account.
- (3) **Deleted**

Rule 25.02 Eligibility:

- (1) **Criteria:** Any of the following persons shall be eligible to open a securities account with the Depository -
- (a) an individual who has attained the age of eighteen (18) years as at the application date;
 - (b) a corporation within the meaning of section 3 of the Companies Act 2016;
 - (c) any body corporate that is incorporated within Malaysia and is by notice published in the Gazette declared to be a public authority or an instrumentality or agency of the Government of Malaysia or of any State;
 - (d) a society under any written law relating to co-operative societies;
 - (e) a trustee or trust corporation duly constituted under any written law;
 - (f) a society registered under the Societies Act 1966; or
 - (g) statutory bodies incorporated under an Act of Parliament.
 - (h) Deleted
- (2) **Exceptions:** Notwithstanding the provisions of Rule 25.02(1), the following categories shall not be eligible to open a securities account-
- (a) a person who has been adjudicated a bankrupt under the Insolvency Act 1967 and remains an undischarged bankrupt at the time of application;
 - (b) a person who is “mentally disordered” or has a “mental disorder” within the meaning of the Mental Health Act 2001;

- (c) a partnership within the meaning of the Partnership Act 1961; or
- (d) a person who is not a beneficial owner or not an authorised nominee of the deposited securities.

Rule 25.02A Classification of depositor:

- (1) **Representation by depositor:** The Depository shall classify a depositor as a foreigner based solely on the depositor's representation as to whether the depositor is a Malaysian or foreigner made when opening a securities account or updating of securities account particulars in accordance with these Rules (hereinafter referred to as "the said representation").
- (2) **Representation in accordance with the Foreign Ownership Regulations:** Every depositor shall ensure that the said representation is in accordance with the Foreign Ownership Regulations.
- (3) **Accounts opened prior to Foreign Ownership Regulations:** Any depositor who had opened a securities account prior to the date the Foreign Ownership Regulations came into force (hereinafter in this chapter referred to as "the said Date"), shall ensure that the said representation made previously to the Depository is in accordance with the Foreign Ownership Regulations. Such depositor shall update the particulars of his securities account in accordance with Rule 25.05 expeditiously, where necessary to comply with this Rule.
- (4) **Failure to comply:** Any depositor who fails to update his account particulars in accordance with Rule 25.02A(3) shall be deemed to have complied with Rule 25.02A(2) and shall be classified as either Malaysian or foreigner by the Depository in reliance of the said representation made previously to the Depository before the said Date.

- (5) **Suspension of restricted shares:** In reliance of the said representation, the Depository shall place restricted shares standing to the credit of the securities account of such depositor in suspense in accordance with the Foreign Ownership Regulations.
- (6) **Disclaimer of liability:** The said representation made by the depositor to the Depository shall be deemed as true and correct by the Depository without having to enquire beyond the said representation and the Depository shall not be liable for any loss, damage, cost, expense, liability or claim that may be suffered or incurred by the depositor as a result of the classification made by the Depository in reliance of the said representation.
- (7) **Indemnity by depositor:** The depositor shall fully indemnify and hold indemnified the Depository from all demands, actions and proceedings made by any person against the Depository for any loss, damage, cost, expense, liability or claim suffered by such person in respect of or arising from the classification made on the depositor by the Depository in reliance of the said representation.

Rule 25.02B Authorised nominee:

- (1) **One beneficial owner for one securities account:** Subject to any exemptions made pursuant to any securities laws, an authorised nominee shall only be allowed to hold deposited securities for one beneficial owner in respect of each securities account opened by the authorised nominee.
- (2) **Name and details of beneficial owner:** Subject to any exemptions made pursuant to any securities laws, an authorised nominee who intends to open securities account with the Depository shall stipulate the name and other required details of the beneficial owner of the deposited securities in the application for account opening in the manner prescribed by the Depository.

- (3) **Deleted**
- (4) **Disclosure of information:** An authorised nominee shall, in such manner and within such period as may be specified by the Depository, furnish to the authorised depository agent, authorised direct member or the Depository, as the case may be, the name and other particulars of the instructing client of the authorised nominee and/or the name and other particulars of the beneficial owner of the securities deposited in the securities account opened in the name of the authorised nominee.
- (5) **Failure to disclose information or breach of the Rules of the Stock Exchange:** The Depository may take any one or more of the actions set out in Rule 25.02B(6) as it deems fit if:-
- (a) an authorised nominee fails to provide the information required by the Depository pursuant to Rule 25.02B(4) within such period as may be specified by the Depository, whether due to the failure of an instructing client to provide the information or otherwise; or
 - (b) there is an act or omission by an authorised nominee or its instructing client, where applicable, in relation to any transaction or dealing in securities held in the authorised nominee's securities account which act or omission directly or indirectly causes, aids or facilitates a breach of the Rules of the Stock Exchange.
- (6) **Actions that may be taken by the Depository:** Without prejudice to any of the powers granted to the Depository in these Rules or under any written law, the actions that the Depository may take upon the happening of any of the events set out in Rule 25.02B(5) include one or more of the following:-

- (a) prohibiting the said authorised nominee, any other authorised nominee, authorised depository agent or authorised direct member from maintaining any securities account which is exempted from the provisions of subsection 25A(1) of the Act for the instructing client referred to in paragraph (a) or (b) of Rule 25.02B(5), where applicable (hereinafter referred to respectively as “the Instructing Client”);
 - (b) revoking the said authorised nominee’s authority to act as an exempt authorised nominee, where applicable, in respect of any or all securities accounts held by the said authorised nominee;
 - (c) revoking the said authorised nominee’s authority to act as an authorised nominee, in respect of any or all securities accounts held by the said authorised nominee;
 - (d) specifying any or all securities accounts held by the said authorised nominee, any other authorised nominee, authorised depository agent or authorised direct member for the Instructing Client, as under suspense for such period as may be specified by the Depository; or
 - (e) issuing any instruction or directive or imposing any condition on the said authorised nominee as it deems fit.
- (7) **Depository to notify Commission:** The Depository shall notify the Commission of any action taken by the Depository as provided in Rule 25.02B(6).
- (8) **Transfer of securities to beneficial owners:** Subject to Rule 25.02B(6), in circumstances where the Depository takes any of the actions under paragraphs (a) to (c) of Rule 25.02B(6), the authorised nominee shall, where applicable, transfer the deposited securities held in its securities accounts that are affected to the securities account(s) of the beneficial owner(s) of the deposited securities or the securities account(s) of the authorised nominee(s) acting for the

beneficial owner(s) within the time frame stipulated by the Depository.

Rule 25.02C Declaration by a beneficial owner or an authorised nominee:

- (1) **Declaration by any person who intends to open a securities account:** Any person who intends to open a securities account with the Depository must make a declaration as prescribed by the Depository, as to whether that person is a beneficial owner or an authorised nominee of the deposited securities.
- (2) **Declaration by any person who had opened a securities account:** Any person who had opened securities account with the Depository, must furnish to the Depository within the time frame as directed by the Depository after consultation with the Commission a declaration as to whether that person is a beneficial owner or an authorised nominee.

Rule 25.03 Compliance with Rules, etc:

Every depositor shall comply with the provisions of the Act, the Regulations and these Rules, whether in this part or otherwise, and any directions which may be issued by the Depository from time to time where they purport to apply to him, directly or indirectly.

Rule 25.04 Authorisation:

- (1) **Authorisation:** The Depository shall be authorised by a depositor to perform and discharge all depositor's transactions specified under Rule 25.04(2) made for and on behalf of the depositor-
 - (a) upon the written instructions of the depositor in such manner as may be prescribed under these Rules; or

- (b) where a trade has been initiated and conducted through the stock market of the Stock Exchange for which the depositor's securities account is to be used for settlement of such trade, upon the instructions of the Clearing House in accordance with the Rules of the Stock Exchange and the Rules of the Clearing House.
- (1A) **Depository may refuse to act:** Notwithstanding Rule 25.04(1), the Depository may refuse to act on the instructions of the depositor in performing and discharging any of the depositor's transactions specified under Rule 25.04(2) relating to any deposited securities where –
- (a) the Depository has reason to believe that the depositor's transactions are intended to facilitate the dealing in securities or interest in securities outside a stock market of the Stock Exchange; or
 - (b) where the depositor's transactions are in breach of any provisions of the Act, these Rules, the Procedures Manual or any securities laws.
- (2) **Depositor's transactions:** For the purposes of these Rules, depositor's transactions with respect to a securities account shall include any of the following –
- (a) opening, updating, suspending or closing a securities account;
 - (b) processing a deposit of scrips;
 - (c) Deleted
 - (d) book-entry delivery of deposited securities, whether in respect of a trade or dealing in securities (including buying ins and selling outs on the stock market of the Stock Exchange or otherwise);

- (e) enquiry into status of depositor's securities account; and
- (f) request for additional statement of accounts.

Rule 25.04A Authorisation for Bursa SBL Transaction or SBL Negotiated Transaction:

- (1) **Authorisation:** The Depository shall be authorised by a depositor to effect any debit or credit entries in the depositor's securities account upon the instructions of the Clearing House in accordance with the SBL Conditions, the Rules of the Clearing House or authorisation given by the depositor to the Clearing House, where a Bursa SBL Transaction or a SBL Negotiated Transaction has been executed or agreed or for which the depositor's securities account is to be used for delivery of securities into or from such securities account.
- (2) **Definition:** For the purposes of this Rule -

"Approved SBLNT Borrower" means a person whose application to participate as a borrower in SBL Negotiated Transactions either to borrow for itself or its client, has been approved by the Clearing House;

"Approved SBLNT Lender" means a person whose application to participate as a lender in SBL Negotiated Transactions, either to lend its own securities or securities owned by its client, has been approved by the Clearing House;

"Bursa SBL" means the securities borrowing and lending business established and operated by the Clearing House acting as a central lending agency;

"Bursa SBL Transaction" means a securities borrowing and lending transaction where Eligible Securities are borrowed from or lent to the Clearing House acting as a central lending agency;

“Eligible Securities” means the securities prescribed by the Clearing House in the SBL Circulars from time to time as approved for lending to or borrowing either in a Bursa SBL Transaction or a SBL Negotiated Transaction;

“SBL Circulars” means any circulars, guidelines, procedures, terms and conditions and all other written requirements as may be prescribed and issued from time to time by the Clearing House, whether or not electronically, relating to the Bursa SBL Transactions, the SBL Negotiated Transactions, the SBL Conditions or the transactions contemplated under the SBL Conditions;

“SBL Conditions” means the prescribed application to be approved as a Lending Participant together with the Bursa SBL (Terms and Conditions for Lending Participant and Lender) or the prescribed application to be approved as a Borrower together with the Bursa SBL (Terms and Conditions for Borrower) individually or collectively, as the context may require, as may be amended, modified or varied from time to time, and shall include the SBL Circulars for the time being in force; and

“SBL Negotiated Transaction” means a securities borrowing and lending transaction entered into between an Approved SBLNT Lender and an Approved SBLNT Borrower where the parties may negotiate and agree on the terms of the transaction and the transaction is facilitated by the Clearing House in accordance with the Rules of the Clearing House.

Rule 25.04B Authorisation in connection with the default proceedings under the Rules of the Clearing House:

The Depository is authorised by a depositor to effect any debit or credit entries in the depositor’s securities account upon the instructions of the Clearing House in connection with the default proceedings under the Rules of the Clearing House.

Rule 25.04C Authorisation for ISSB Negotiated Transaction:

- (1) **Authorisation:** The Depository shall be authorised by a depositor to effect any debit or credit entries in the depositor's securities account upon the instructions of the Clearing House in accordance with the Rules of the Clearing House or authorisation given by the depositor to the Clearing House where an ISSB Negotiated Transaction has been executed or agreed or for which the depositor's securities account is to be used for delivery of securities into or from such securities account.
- (2) **Definition:** For the purposes of this Rule –

“Approved Supplier” means a person approved by the Clearing House to be a supplier in an ISSB Negotiated Transaction.

“Approved User” means a person approved by the Clearing House to be a user in an ISSB Negotiated Transaction.

“ISSB Negotiated Transaction” means a securities selling and buying transaction entered into between an Approved Supplier and an Approved User in accordance with the ISSBNT Model and the transaction is facilitated by the Clearing House in accordance with the Rules.

“ISSBNT Model” means the prevailing ISSBNT model endorsed by the Shariah Advisory Council of Securities Commission Malaysia.

Rule 25.05 Change of particulars:

It shall be the responsibility of a depositor to notify the Depository, in the manner prescribed, of any change of particulars or information provided to the Depository including, amongst others -

- (a) the name of the depositor;
- (b) the address for correspondence as well as for legal service;
- (c) the identity card, passport or company/business registration number;
- (d) for depositors that are not individuals, the authorised signatories;
- (e) for depositors that are companies, the shareholding, if the change in shareholding results in the change of status from foreign depositor to Malaysian or vice versa;
- (f) bank account information; and
- (g) the depositor's contact details for the purposes of receiving electronic notification of notices, statements of accounts or other communication in respect of the depositor's deposited securities.

Rule 25.05A Depositors' Information:

- (1) **Disclosure of Information:** A depositor must provide to the Depository, information in relation to or in connection with his securities accounts or deposited securities, in the manner and within such period as may be specified by the Depository.
- (2) **Accuracy:** A depositor must ensure that all information provided to the Depository is correct and accurate at all times.
- (3) **Reliance:** The Depository is entitled to rely solely on any information provided to it by the depositor without any obligation to inquire further and the Depository shall not be liable to any party for any loss, damage, liability or cost that may be incurred by such party as a result of or in connection with any inaccuracy of information provided by the depositor.

Rule 25.05B Requirement to keep original documents

In the event the depositor submits any form or supporting document (“document”) by electronic means to the authorised depository agent pursuant to Rule 38.01(4), the depositor must retain possession or power of the original document and must produce such original document to the Depository at the Depository’s request.

Rule 25.06 Notices:

- (1) **Notice to depositors:** Notwithstanding Rules 2.11 and 14.11, any notice, statement of accounts or other communication from the Depository to the depositor may be given or sent using any one of the following modes, as the Depository deems fit:
 - (a) by hand to the depositor’s last known address as provided by the depositor to the Depository;
 - (b) by ordinary post to the depositor’s last known address as provided by the depositor to the Depository;
 - (c) by electronic means to the depositor’s last known electronic contact details as provided by the depositor to the Depository or any other instantaneous means; or
 - (d) by any other means as the Depository may deem fit.

- (2) **Notice to depositors (deemed service):** Any notice, statement of accounts or other communication is deemed served upon and received by the depositor:
 - (a) if sent by hand, at the time of delivery;
 - (b) if sent by ordinary post, at the time when the letter containing the notice, statement of accounts or other communication would be delivered in the ordinary course of post; and

(c) if sent by electronic or any other instantaneous means, on the same day as when the notice, statement of accounts or other communication was sent or effected by the Depository.

(3) **Deleted**

(4) **Notice to Depository:** Any notice or other communication to be served on or sent to the Depository must be addressed to its registered office at:

15th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur,

and unless the mode of delivery is otherwise specified by the Depository, must be delivered by hand, by courier or by post. Proof of posting is not proof of receipt and the Depository is deemed to have received such notice, other communication or court process only if receipt is acknowledged by the Depository.

(5) **Undelivered communication:** The Depository may cease sending notices, statements of accounts or other communications to the depositor's address or contact details in the Depository's records if three (3) of these communications are consecutively returned undelivered to the Depository. The Depository will resume sending notices, statements of accounts or other communications upon the address or contact details being updated by the depositor.

Rule 25.07 Suspension:

(1) **Right to suspend:** The Depository may, in good faith and in the exercise of any power or performance of any duty, conferred or imposed on it by or under these Rules, specify any or all of the deposited securities held in a depositor's securities account to be in or under suspense in accordance with Rules 36.01 and 36.02.

- (2) **Disclaimer of liabilities:** In the event that a depositor's account or any of the deposited securities are in suspense or under suspense in accordance with Rules 36.01 or 36.02 or under any written law the depositor agrees that the Depository or its nominee company, Bursa Malaysia Depository Nominees Sdn. Bhd. shall not, where it is acting in good faith, be liable for and shall be held harmless against all losses, costs and expenses which may be incurred by the depositor in connection with the suspension of such account or of any deposited securities held therein. However nothing in this Rule shall prevent any aggrieved person or depositor from bringing a suit directly against any authorised depository agent or member company who has wrongfully suspended or initiated any suspension of such account or of any deposited securities held therein.
- (3) **Depositor may request suspension:** Notwithstanding anything in this Rule, a depositor may voluntarily request for suspension of any deposited securities held in his account, whether *in toto* for any or all the depositor's transactions, or for any specific transaction. A request to suspend an account or any deposited securities therein shall be made in the manner prescribed by the Depository..

Rule 25.08 Amendments to these Rules:

Any amendments to these Rules made pursuant to section 7 of the Act shall be binding on the depositor notwithstanding that the depositor may or may not have knowledge of such amendments.

Rule 25.09 Deleted

Rule 25.10 Complaints:

All complaints from depositors shall be directed to the Complaints/Help Desk of the Depository established pursuant to chapter 37.0 of these Rules.

Rule 25.11 Compensation:

A compensation scheme shall be maintained under chapter 34.0 of these Rules at all times for the protection of, *inter alia*, the depositors. Details of the compensation scheme together with the circumstances and mode of claim from such scheme shall be made available to any depositor upon request from the Depository or any of its agents.

Rule 25.12 Variation of procedures:

Where the Depository takes any one or more of the actions under Rules 3.01(2) or 3.02(2), as the case may be against an authorised depository agent, the procedures set out in Part V of these Rules as may be applicable to the depositors whose securities accounts are maintained with such authorised depository agent, may be varied to such extent as the Depository may deem fit or necessary.

Rule 25.13 Non-payment of Securities of Unlisted Public Companies (“SUPCO”) Fee:

- (1) **Depository’s right of refusal:** Notwithstanding any provisions in these Rules, the Depository may refuse to act on any instruction of an issuer in handling or processing any corporate action set out in Chapter 20A, Chapter 21 and Chapter 22 or perform any other services requested by the issuer where payment of SUPCO fees as prescribed by the Depository is due and owing to the Depository.
- (2) **Issuer to undertake any other action:** Notwithstanding any provisions in these Rules, it shall be the sole responsibility of the issuer to undertake any other action it deems fit in relation to the handling and processing of the corporate action stipulated under Rule 25.13(1) or any other services refused by the Depository and the Depository shall not be held liable for any loss or damage suffered by depositors arising from its refusal to act as stipulated under Rule 25.13(1).

**Rule 25.14 Termination of central depository services
in relation to unlisted securities:**

Withdrawal of unlisted deposited securities: Where the issuer of unlisted securities or the Depository terminates the central depository services provided by the Depository in relation to the unlisted securities of the issuer under these Rules for any reason whatsoever, the depositor shall upon being notified by the issuer of the same, effect withdrawal of all the unlisted securities of the issuer credited into the securities account of the depositor from the Depository in accordance with directions issued or conditions imposed by the Depository.

Chapter 26.0 Securities Account**Rule 26.01 Operation of an account:**

A depositor may only operate his securities account through the authorised depository agent with whom such account is maintained or through any branch offices, if any, of that authorised depository agent.

Rule 26.02 “One Person One Account” rule for individuals:

No individual depositor shall open or maintain more than one securities account with the same authorised depository agent. An application to open an individual account shall be made in the manner prescribed by the Depository. All individuals who are Malaysian citizens or permanent residents shall be required to open their securities account with their individual identity card numbers.

Rule 26.03 Body corporate:

Subject to Rule 26.01, any corporate body shall be allowed to open more than one corporate account with any authorised depository agent. An application to open a corporate account shall be made in the manner prescribed by the Depository.

Rule 26.04 Deleted**Rule 26.04A Establishment of share buy-back accounts:**

- (a) **Opening of account:** Unless permitted otherwise by a Stock Exchange, an issuer shall open only one securities account designated as share buy-back account with any one of the authorised depository agent.

- (b) **Operation of account:** An issuer shall only utilise “the share buy-back account” for the purpose of purchasing its own securities in a share buy-back or dealing with its treasury shares in accordance with the relevant laws, regulations or rules.

Rule 26.05 Account details:

Every securities account, upon approval by the Depository, shall include the name and address of the depositor and an account number. No applicant for a securities account shall be deemed to be a depositor unless and until he has been allocated a securities account number by the Depository.

Rule 26.06 Closing of securities account by depositor:

A depositor may close his securities account maintained with any authorised depository agent by providing written notice to the Depository in the manner prescribed by the Depository.

Rule 26.06A Closing of dormant account by Depositor:

- (1) **Prescribed Period:** The Depository may prescribe a period of time after which the Depository may proceed to close a dormant account with Nil balance as defined in Rule 26.10(1)(a).
- (2) **Closure of dormant account:** The Depository may at any time after the expiry of the prescribed period referred to in Rule 26.06A(1) close a dormant account with Nil balance upon providing notice of such closure to the depositor.

Rule 26.07 Opening of accounts through an application for new issue:

Where an application has been made for any prescribed securities under a public offer by any person who has been successful in his application but does not yet have a securities

account, the Depository shall automatically open a securities account for such person and advise him to contact his preferred authorised depository agent to formalise the opening of the account (see chapter 30.0).

Rule 26.08 Pledging:

Subject to Rule 25.02B and Rule 33.09(6), any person (hereinafter in this rule referred to as “the pledgee”) intending to accept any deposited securities which have been pledged or charged by another person to the pledgee may use a securities account designated as a “pledged securities account” and maintained in the name of any of the following persons to hold the pledged securities: -

- (a) The pledgee;
- (b) The pledgee’s wholly owned nominee company; or
- (c) A custodian which is a body corporate appointed by the pledgee.

Where the said securities account is designated as a “pledged securities account”, such account must be used solely to hold pledged securities.

Rule 26.09 Available Balance:

- (1) **Depositor may check the available balance amount:** A depositor may at any time check the available balance amount of securities in the depositor’s securities account in the manner prescribed by the Depository.
- (2) **Authorisation and revocation by depositor:** For the purposes of this Rule, a depositor may –
 - (a) subject to Rule 5.08(2) authorise any person to enquire into the balance status of the depositor’s securities account; and

- (b) where the person authorised by the depositor pursuant to Rule 5.08(2) is a dealer's representative, revoke such authorisation by providing a written notice to the authorised depository agent in the manner prescribed by the Depository.

Rule 26.10 Dormant Account

- (1) **Interpretation:** A securities account is termed a dormant account where
 - (a) there are no deposited securities in the depositor's securities account (hereinafter referred to in this Rule as 'Nil balance'); and
 - (b) there have not been any debit or credit entries in the depositor's securities account for thirty six (36) months from the date of Nil balance (hereinafter referred to as "the said period").
- (2) **Designation of a securities account as a dormant account:** All dormant accounts shall be designated as such by the Depository on or after the said period.
- (3) **Deleted**
- (4) **Prohibition:** Upon the designation of a dormant account as such, the depositor shall be prohibited, unless otherwise directed by the Depository, in consultation with the Commission, from performing and/or discharging any of the depositor's transactions specified under Rule 25.04(2) which requires debit or credit entries to be effected by the Depository in the dormant account. This prohibition does not apply to a subscription to a public offer or participation in a corporate action so long as the dormant account has not been closed at the point of the crediting of the securities in relation to the public offer or corporate action.

- (5) **Reactivation:** A depositor who intends to reactivate a dormant account that has not been closed pursuant to Rule 26.06A(2) must apply to the authorised depository agent or the Depository in the manner prescribed by the Depository.
- (6) **Processing period:** An application to reactivate a dormant account shall be processed by the authorised depository agent or the Depository within two market days from the date of receipt of the complete application.

Rule 26.11 Inactive Account

- (1) **Interpretation:** A securities account is termed an inactive account where
 - (a) there are deposited securities in the depositor's securities account;
 - (b) there have not been any debit or credit entries in the depositor's securities account for thirty six (36) months from the date of the last entry made in the securities account (hereinafter referred to as "the said period"); and
 - (c) there has been no suspension placed on the securities account on the expiry date of the said period.
- (2) **Designation of a securities account as an inactive account:** All inactive accounts shall be designated as such by the Depository on or after the said period.
- (3) **Notice:** One month prior to the above designation, the Depository shall, issue a notice to the depositor to inform the depositor of the same.

- (4) **Prohibition:** Upon the designation of an inactive account as such, the depositor shall be prohibited, unless otherwise directed by the Depository, in consultation with the Commission, from performing and/or discharging any depositor's transactions specified under Rule 25.04(2) which requires debit entries to be effected by the Depository in the inactive account.
- (5) **Reactivation:** A depositor who intends to reactivate an inactive account must apply to the authorised depository agent or the Depository in the manner prescribed by the Depository.
- (6) **Processing period:** An application to reactivate an inactive account shall be processed by the authorised depository agent or the Depository within two market days from the date of receipt of the complete application.
- (7) **Designation from inactive account to dormant account:** Where a debit entry directed by the Depository under Rule 26.11(4) results in a nil balance in the securities account and no debit or credit entries have been made in the securities account for thirty six (36) months from the date of nil balance, the account shall be designated as dormant account and all provisions in the Rules relating to dormant account shall apply accordingly.

Chapter 27.0**Deposit of Scrips****Rule 27.01 Prescribed securities:**

The prescription of any security shall be done by the Stock Exchange after consultation with the Depository and notice shall be given to the public by advertisement in not less than three daily national newspapers, one of which shall be in the national language and one in the English language unless exempted by the Commission in writing.

Rule 27.01A Mandatory deposits:

- (1) **Deposits upon prescription of securities listed or proposed to be listed:** Upon prescription of any securities listed or proposed to be listed on the Stock Exchange, the holders of those securities shall deposit the securities within the prescribed period with the Depository.
- (2) **Deposits of existing prescribed securities:** All holders of existing prescribed securities shall deposit their securities with the Depository within the time frame stipulated in the Act.
- (3) **Exceptions to mandatory deposits:**
 - (a) Rule 27.01A(1) and Rule 27.01A(2) shall not apply to the following securities or class of securities of an issuer-
 - (i) Deleted
 - (ii) securities or class of securities of an issuer listed, quoted or traded on a stock market other than a stock market of the Stock Exchange, as may be prescribed by the Depository; or
 - (iii) any other securities or class of securities of an issuer, as may be determined by the Depository after

consultation with the Commission (hereinafter referred to as “the Exempted Securities”).

- (b) The Depository may with respect to the Exempted Securities prescribe-
 - (i) the period of exemption; and
 - (ii) upon the expiry of the period of exemption, the manner of deposit of the same.

Rule 27.02 Prescribed securities and unlisted securities:

- (1) **Securities accepted for deposit:** The Depository shall accept prescribed securities and unlisted securities to be deposited with the Depository provided always that the requirements for deposit as stipulated in Rule 6.04 have been fully complied with.
- (2) **When deposits are not allowed:** Notwithstanding the provisions in Rule 27.02(1), the Depository may disallow a depositor from depositing his securities with the Depository under such circumstances and for such period of time as may be prescribed by the Depository.

Rule 27.03 Precondition for deposit:

Unless he already has an existing securities account, a person who wishes to deposit any prescribed securities or unlisted securities shall first open a securities account.

Rule 27.04 Deposit Period:

- (1) **Deposit date:** Prescribed securities shall be deposited with the Depository via the authorised depository agents with or through whom securities accounts are maintained from the deposit date.

- (2) **Eligibility for deposit:** Unlisted securities of an issuer may be deposited at any time and from time to time with the Depository via the authorised depository agents with or through whom securities accounts are maintained on or after the date the Depository prescribes such securities of the issuer as being eligible for deposit.

Rule 27.04A Processing of deposits:

A depositor shall deposit all prescribed securities and unlisted securities with the Depository via his authorised depository agent before 12.00 p.m. on any market day to ensure that the deposit shall be considered the same market day's transaction.

Rule 27.05 Deleted

Rule 27.05A Rejection of deposit:

- (1) **Rejection of deposit:** A deposit of any scrip or document lodged by a depositor which is not capable of being registered by the issuer under Rule 18.03 or which is not good for delivery shall, unless withheld for investigation purposes, be rejected by the Depository or an authorised depository agent.
- (2) **Deleted**

Rule 27.05 B Moratorium securities:

Moratorium securities shall be deposited into the securities account of the person whose name appears on the scrip and shall be designated as securities under moratorium. The designation shall be removed after expiry of the moratorium upon confirmation by the issuer.

Rule 27.06 Suspension of securities:

- (1) **Securities in suspense:** Where prescribed securities have been deposited with the Depository under these Rules, pending verification by the respective issuers or their company registrars, as the case may be, pursuant to Rule 18.03, such securities shall be credited into and designated as “securities in suspense” in the securities accounts of the respective depositors.

- (2) **Depositor not to perform Depositor’s Transactions:** Where unlisted securities are deposited with the Depository under these Rules, pending verification by the issuers pursuant to Rule 18.03, no depositor’s transactions as defined under Rule 25.04(2) shall be allowed with respect to the unlisted securities and such additional securities as the case may be, arising from any corporate actions in relation to the unlisted securities, notwithstanding the crediting of those securities into the securities accounts of the respective depositors.

Rule 27.07 “Free Securities”:

Notwithstanding the provisions of Rule 27.06, where a deposit of scrips is made on any market day, the depositor is hereby advised that at least nine market days may be required before such securities which are capable of being accepted into the Depository shall be standing to the credit of the depositor’s securities account as “free securities”.

Rule 27.08 Transmission of securities to be deposited with the Depository:

- (1) **Types of transmissions to be facilitated:** The Depository may prescribe circumstances in which the Depository will facilitate a transmission of securities to be deposited with the Depository.

- (2) **Procedures:** The Depository may prescribe the procedures applicable to a transmission of securities to be effected under this rule.

- (3) **Depositor to comply with procedures:** A depositor who wishes to transmit securities pursuant to this Rule must comply with the procedures applicable to a transmission of securities as may be prescribed by the Depository.
- (4) **Issuer to comply with procedures:** The issuer must comply with the procedures referred to in Rule 18.08(2) in processing the depositor's request pursuant to Rule 27.08(3).

Chapter 28.0**Withdrawal of Securities****Rule 28.01 Prohibitions:**

- (1) **Circumstances for withdrawals:** A depositor is prohibited from withdrawing his deposited securities from the Depository except in the following circumstances -
- (a) to facilitate cancellation of the depositor's own securities purchased by the depositor in a share buy-back where the depositor is the issuer of such securities;
 - (b) to facilitate conversion of non-equity securities;
 - (c) to facilitate company restructuring process;
 - (d) to facilitate rectification of error;
 - (e) to facilitate redemption or partial redemption of the non-equity securities or any other action by the issuer that results in a cancellation of the non-equity securities;
 - (f) to facilitate the restructuring of the non-equity securities arising from a declaration of an event of default in respect of the non-equity securities;
 - (g) where a body corporate has been removed from the official list of a stock exchange;
 - (h) where such securities are unlisted securities;
 - (i) to facilitate a transmission of securities out from the Depository as contemplated under Rules 19.03 and 28.07;
 - (j) in relation to a Special Purpose Acquisition Company ("SPAC") as defined under the Commission's Equity Guidelines, to facilitate the SPAC's compliance with the Commission's

Equity Guidelines or the Listing Requirements of the Stock Exchange; or

(k) in any other circumstances determined by the Depository from time to time, after consultation with the Commission.

(2) **When withdrawals are not allowed:** Notwithstanding the provisions in Rule 28.01(1), the Depository may disallow a depositor from withdrawing his securities from the Depository under such circumstances and for such period of time as may be prescribed by the Depository.

Rule 28.01A Deleted

Rule 28.01B Processing of withdrawal of securities:

All requests for withdrawal of securities pursuant to Rule 28.01 shall be made and processed in accordance with these Rules and directions issued by the Depository.

Rule 28.02 Deleted

Rule 28.02A Deleted

Rule 28.03 Deleted

Rule 28.04 Deleted

Rule 28.05 Deleted

Rule 28.06 No withdrawals during corporate actions:

The Depository may refrain any authorised depository agent from accepting any withdrawals of any particular security for such period of time prescribed by the Depository in relation to any corporate action undertaken by an issuer.

Rule 28.07 Transmission of securities out from the Depository:

- (1) **Types of transmissions to be facilitated:** The Depository may prescribe circumstances in which the Depository will facilitate a transmission of securities out from the Depository.
- (2) **Procedures:** The Depository may prescribe the procedures applicable to a transmission of securities to be effected under this rule.
- (3) **Depositor to comply with procedures:** A depositor who wishes to transmit securities pursuant to this Rule must comply with the procedures applicable to a transmission of securities as may be prescribed by the Depository.
- (4) **Issuer to comply with procedures:** The issuer must comply with the procedures referred to in Rule 19.03(2) in processing the depositor's request pursuant to Rule 28.07(3).

Rule 29.01 Transfer of securities:

- (1) **Depositor may request transfer:** Subject to the provisions of Rule 29.02, a depositor (hereinafter in this chapter referred to as “the transferring depositor”) may request an authorised depository agent with whom the Transferring Depositor’s securities account is maintained, to transfer any securities held in the Transferring Depositor’s securities account to another securities account belonging to himself or to another depositor (hereinafter in this chapter referred to as “the Recipient Depositor”) maintained either with that agent or with another authorised depository agent or authorised direct member provided always that the request is made in accordance with the rules and directions issued by the Depository.
- (2) **Request for transfer by any other person:** Notwithstanding Rule 29.01(1), the Depository may issue directions to allow any other person apart from the Transferring Depositor to request for a transfer of securities between securities accounts.
- (3) **Transfers of unlisted securities:** The restrictions on transfers of securities imposed via the approved reasons for transfer of securities prescribed by the Depository, shall not apply to transfers of unlisted securities between securities accounts.
- (4) **Transfers to the securities account of a depository or its nominee:** Where a depository other than the Depository or its nominee holds the securities of an issuer which is traded on another stock market as contemplated in Rules 27.08 and 28.07, in a securities account, the depository or its nominee shall comply with such procedures as may be prescribed by the Depository.

Rule 29.02 Restriction:

Save and except as provided in the Foreign Ownership Regulations, no deposited securities which are for the time being designated as “securities in suspense” shall be utilised for any book-entry transfer by a depositor from one account to another.

Rule 29.03 Deleted**Rule 29.03A Processing:**

- (1) **Manner of processing:** All requests for the transfer of securities shall be processed in accordance with these Rules and the directions issued by the Depository from time to time.
- (2) **Compliance with Rules and directions:** The Transferring Depositor shall comply with all provisions of these Rules and the directions of the Depository pertaining to transfer of securities.
- (3) **Rejection of transfer:** In processing the transfer of securities, the authorised depository agent shall reject such transfer of securities under any of the following circumstances :-
 - (a) The Transferring Depositor fails to comply with any of the provisions of these Rules and the directions of the Depository;
 - (b) The securities have been designated in the computer system to be utilised for any of the depositor’s transactions specified under Rule 25.04(2) of these Rules; and
 - (c) Any other circumstances determined in the directions issued by the Depository from time to time.

- (4) **Non-acceptance of transfer:** The Depository may refrain authorised depository agents from accepting any transfer of securities in such circumstances determined by the Depository from time to time.
- (5) **“Construction”:** For the purposes of this Rule, the expression “processing the transfer of securities” shall include the making of entries into the computer system.

Rule 29.03B Transfer entered into the computer system:

Once the transfer of securities has been entered into the computer system and has not been rejected pursuant to Rule 29.03A(3), such securities shall only be utilised to effect such transfer of securities and not for any other transactions.

Rule 29.04 Deleted

Rule 29.04A Deleted

Rule 29.05 Implied terms:

- (1) **Transferring depositor:** It is an implied term in an agreement for the transfer of the said securities that:-
- (a) the transferring depositor has the authority or the approval of the recipient depositor to transfer such securities; or
 - (b) the transferring depositor is under a duty, before requesting the transfer, to ascertain whether the recipient depositor shall, as a result of receiving such securities, be subject to any liabilities or restrictions, under the Companies Act 2016 or any other written law or governmental guidelines which may accrue upon the latter who shall be treated as if he were a member of the

issuing company of the said securities pursuant to section 35 of the Act; and

- (c) in the event that a recipient depositor objects to the transfer, the transferring depositor agrees to allow the Depository or its authorised depository agent to disclose his identity and any relevant information pertaining to the transfer to the recipient depositor.

Rule 29.06 Objections:

(1) **Deleted**

(2) **Deleted**

Rule 29.07 Disclaimer of liability:

The Depository and the authorised depository agent shall not be liable to any person for any loss or damage suffered by that person as a result of effecting any transfer of securities in accordance with Rule 29.01.

Rule 29.08 Deleted

Chapter 30.0 Public Offers**Rule 30.01 Application:**

An applicant for any prescribed securities issued pursuant to a public offer must be a depositor and such application must be made in the form or manner prescribed by the issuer in the relevant prospectus.

Rule 30.01A Deleted**Rule 30.02 Allotment in a public offer:**

Where an applicant is successfully allocated or allotted any securities pursuant to the public offer, the Depository shall, upon receipt of such allotted securities in accordance with these Rules, credit such securities to his securities account provided always that the applicant has correctly furnished his securities account number in the manner prescribed by the issuer.

Rule 30.03 Deleted**Rule 30.04 Notice:**

- (1) **Notice:** The issuer or offeror must send to each successful applicant a notice confirming that he has been successful in his application and that his allotted securities have been credited into his securities account.
- (1A) The notice will be sent to the applicant using the contact details as provided by the Depository to the issuer or offeror.
- (2) **Deleted**

Rule 30.05 Construction:

Reference to “issuer” or “offeror” in this chapter shall be deemed to include a reference to the issuing house or agent of such issuer or offeror.

Rule 30.06 No physical securities and crediting in third parties’ names:

Subject to any exemptions made pursuant to any securities laws, where prescribed securities are issued pursuant to a public offer, the depositor shall not request for -

- (a) the new securities to be delivered in the form of scrips; or
- (b) the new securities to be credited into a securities account other than one of those from which the securities are to be credited pursuant to a public offer by the depositor.

Rule 30.07 Saving and transitional provision

- (1) This rule sets out the requirements that must be complied with by an applicant who had been successfully allotted with securities pursuant to a public offer but has yet to formalise the opening of a securities account with the Depository (hereinafter referred to as the “**Unformalised Depositor**”), prior to the deletion of Rule 30.03.
- (2) An Unformalised Depositor must formalise the opening of his securities account by completing the application form and submitting the relevant supporting documents to his preferred authorised depository agent within the time prescribed by the Depository.
- (3) An Unformalised Depositor is not allowed to sell, transfer or withdraw any of the allotted securities before formalising the opening of his securities account with the Depository.

Chapter 31.0 Rights and Bonuses, etc .**Rule 31.01 Deleted****Rule 31.02 Entitlement:**

- (1) **Basis:** Subject to the Foreign Ownership Regulations, a depositor's entitlement to bonus issue, rights issue or any other rights or options shall be determined on the basis of the amount of deposited securities held by the depositor provided that he acquired such securities cum entitlement in accordance with Rule 21.03.
- (2) **Fractional entitlement:** Fractional entitlement belonging to the same depositor with multiple accounts shall be determined by the issuer in accordance with the procedures as may be laid down in the prospectus, if any.

Rule 31.03 Cash Dividends:

- (1) A depositor must provide his bank account information to receive cash distributions from an issuer via direct credit into the depositor's bank account by submitting a duly completed prescribed form together with the relevant supporting documents in the manner prescribed by the Depository.
- (2) By complying with Rule 31.03(1), the depositor irrevocably consents to:
 - (a) the receipt of all cash distributions that may accrue to the depositor in respect of the depositor's deposited securities via direct credit into the depositor's bank account; and
 - (b) the disclosure by the Depository, the issuer or their respective agents to any person, of the depositor's bank account information or such other information, as may be necessary or expedient to facilitate the payment of cash

distributions that may accrue to the depositor via direct credit into the depositor's bank account or for any other purpose in connection with the payment of cash distributions via direct credit into the depositor's bank account.

Rule 31.03A General Disclosure of Bank Account Information:

For the avoidance of doubt, where the depositor's prior consent has been obtained by the issuer for the purposes of Rule 21.10A, the Depository may disclose the depositors' bank account information provided by the depositor under Rule 31.03 for purposes of payments being made to the depositor.

Rule 31.03B Issuer's responsibility to make payment:

For the avoidance of doubt, it is the issuer's responsibility to make payment of the depositor's cash distribution or cash payment entitlements.

Rule 31.03C Issuer unable to credit account

The Depository will issue a notice to the depositor if the issuer is unable to credit the cash payments into a depositor's bank account based on the bank account information.

Rule 31.03D Omission of depositor from list

The Depository may, in circumstances as may be prescribed by the Depository including where the issuer is unable to credit the cash payments into a depositor's bank account, omit such depositor from the list of depositors' bank account information that is provided for the purposes of payments being made to the depositor.

Rule 31.03E “Issuer” to include offeror in a take-over

Reference to “issuer” in Rules 31.03A to 31.03D includes a reference to an offeror who makes a take-over offer for the acquisition of deposited securities.

Rule 31.04 Trading of Provisional Letters of Allotment and Provisional Letters of Offer:

No Provisional Letters of Allotment or Provisional Letters of Offer distributed pursuant to any rights issue or offer for sale respectively shall be traded as a prescribed security using the Depository’s book-entry system unless and until such time as may be determined by the Depository.

Rule 31.05 No physical securities and crediting in third parties’ names:

Subject to any exemptions made pursuant to any securities laws, where the issuance of new securities by the issuer pursuant to a bonus issue, a rights issue, an exercise of any right or option to acquire securities in the share capital of the issuer or an offer for sale, is in relation to deposited securities, a depositor shall not request for -

- (a) the new securities to be delivered in the form of scrip;
or
- (b) the new securities to be credited into a securities account other than one of those from which the securities are to be debited for the exercise of rights by the depositor.

Chapter 31A.0**Non-equity Securities****Rule 31A.01 Deleted****Rule 31A.02 Application:**

Any application made by a depositor for the exercise of rights shall be made in the form prescribed by the issuer in accordance with Rule 20A.04(1).

Rule 31A.02A Reliance on information provided by the issuers or trustees of exchange traded funds:

The Depository shall rely solely on the information provided by the issuer or trustee of an exchange traded fund, as the case may be, when debiting or crediting the securities from or into the depositor's securities account pursuant to an exercise of rights for non-equity securities, or a creation and redemption of exchange traded fund units. As such, the Depository shall not be liable for any loss or damage arising from any act committed by it when handling the above matters in reliance of the information provided by the issuers or trustees of exchange traded funds, as the case may be.

Rule 31A.03 Exercise of rights:

A depositor shall not submit any application for the exercise of rights unless the deposited non-equity securities intended for the exercise are designated as "free securities" in his securities account.

Rule 31A.04 No dealings with non-equity securities:

Upon submission of the application to the issuer pursuant to Rule 20A.04(1), the depositor shall not thereafter dispose, transfer or charge the deposited non-equity securities until the exercise of rights is completed by the debiting or the non-equity

securities from the securities account of the depositor or the rejection of the application by the issuer, whichever shall be applicable.

Rule 31A.05 Entitlement in relation to the maturity of non-equity securities:

A depositor's entitlement to the exercise of rights upon the maturity of any deposited non-equity securities shall be determined on the basis of the amount of deposited non-equity securities held in the depositor's securities account provided that he acquired such securities in accordance with Rule 20A.08(6).

Rule 31A.06 Payment in cash:

- (1) Any payment in cash which may be due to a depositor in connection with the deposited non-equity securities shall be the responsibility of the issuer.
- (2) The depositor of deposited non-equity securities irrevocably authorises the Depository to receive, on the depositor's behalf, cash payments in connection with the depositor's securities for which arrangements have been made by the Depository under Rules 18.09.
- (3) The depositor further irrevocably authorises the Depository to deal with the payments received in the matter as may be instructed by the issuer to enable the issuer to fulfill its obligations to make the cash payments to the depositor.

Rule 31A.07 No physical securities and crediting in third parties' names:

Subject to any exemptions made pursuant to any securities laws, where the exercise of rights in relation to deposited non-equity securities involves the issuance of new securities by the issuer, a depositor shall not request for -

- (a) the new securities to be delivered in the form of scrip;
or
- (b) the new securities to be credited into a securities account other than one of those from which the securities are to be debited for the exercise of rights by the depositor.

Chapter 32.0**Statement of Accounts****Rule 32.01 Issuance:**

Subject to Rule 32.04, the Depository will issue free of charge to every depositor a statement of his securities account in the following manner:

(a) Active accounts:

- (i) in the month following any debit or credit entries in the depositor's securities account; and
- (ii) where there are deposited securities in the depositor's account but no debit or credit entry in the depositor's securities account since the date of issuance of the last statement, on a half-yearly basis in the months of June and December.

(b) Inactive accounts: a yearly statement in the month of December, and where there is a debit or credit entry in the depositor's securities account, a statement in the month following such entry.

(c) Dormant accounts: no statement of accounts will be issued.

Rule 32.02 Additional statements:

Notwithstanding Rule 32.01, a depositor may, at any time, require the Depository to issue him a statement of account in respect of all or any of the deposited securities for the time being standing to the credit of his securities account. An application for such statement shall –

- (a) in the case of a principal account, be submitted to the Depository; or

- (b) in the case of a non-principal account, be submitted to the authorised depository agent through whom such securities account is maintained.

Rule 32.03 Discrepancies:

Any depositor who disputes any entry shown on his statement of account is to report the discrepancy to the Depository, whether directly or through his authorised depository agent within seven days from the date of receipt of the statement. In this context, the presumption as stated in Rule 25.06 shall not apply if it is established by the depositor that the delay, if any, is not due to his fault. The Depository shall in any event ensure that the statement of account is sent out promptly.

Rule 32.04 Statement of Accounts and Notices to Depositors on CDS eServices:

- (1) **Access to Statement of Accounts and Notices to Depositors:** Where any provision of these Rules requires the Depository to send or issue statement of accounts or notices to a depositor and such depositor has registered for CDS eServices, the Depository may do so in the following manner:
 - (a) by placing the statement of accounts and notices in relation to the depositor's securities accounts (hereinafter referred to as "the Statements and Notices to Depositor") on the CDS eServices; and
 - (b) by allowing the access and retrieval of such Statements and Notices to Depositor from the CDS eServices in accordance with the directions issued by the Depository.
- (2) **Issuance:**
 - (a) For the purposes of this Rule, the Statements and Notices to Depositors are deemed sent or

issued by the Depository to the Depositor when the same is placed on the CDS eServices and is capable of being retrieved by the depositor in accordance with the directions issued by the Depository.

- (b) where through no fault of the Depository, the Statements and Notices to the Depositor are not capable of being retrieved by the depositor, in accordance with the directions issued by the Depository, the Statements and Notices to the Depositor are nevertheless deemed sent or issued pursuant to Rule 32.04(2)(a).

Chapter 32A.0**Foreign Ownership****Rule 32A.01 Application of this chapter:**

This chapter applies to foreign depositors only in relation to restricted shares.

Rule 32A.02 Cross transfers:

- (1) **Application:** Any application made by a foreign depositor for cross transfer as defined under Rule 24A.07(2) shall be made in the form prescribed by the issuer.
- (2) **Credit of foreign shares:** Where a foreign depositor is successful in his application for cross transfer, the Depository shall upon confirmation of the cross transfer list in accordance with Rule 24A.07(6) redesignate such local shares in the foreign depositor's securities account as foreign shares.
- (3) **Notice:** The issuer shall send to each successful foreign depositor a notice confirming that the foreign shares applied for in his cross transfer application has been credited into his securities account by the Depository. Where the cross transfer has been rejected by the Depository, the issuer shall send to the foreign depositor a notice informing the depositor of the rejection.