

REFERENCE

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- ADA** - RULES RELATING TO AUTHORISED DEPOSITORY AGENTS
- ADM** - RULES RELATING TO AUTHORISED DIRECT MEMBERS
- I** - RULES RELATING TO ISSUERS
- D** - RULES RELATING TO DEPOSITORS
- GR** - GENERAL RULES OF THE CENTRAL DEPOSITORY
- FC** - FEES AND CHARGES
- AN** - AUTHORISED NOMINEE

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PART I DEFINITION AND INTERPRETATION**Chapter 1.0 Definition and Interpretation****Rule 1.01 Definition:**

In these Rules, unless the context otherwise requires -

“Act” means the Securities Industry (Central Depositories) Act 1991 and includes any regulations made thereunder;

“advisory committee” means the advisory committee established by the Minister pursuant to section 6 of the Act;

“American Depository Receipt” means a security which accords a right to the holder of the security to own certain quantity of securities of an issuer listed on the Stock Exchange and the same is traded on a stock market in the jurisdiction of the United States of America.

“application date”, in relation to any application under these Rules, means the date on which the application is lodged with the Depository or an authorised depository agent;

“approved functions”, in relation to any authorised depository agent, means those functions which have been allowed or approved, from time to time, by the Depository under these Rules to be performed by that depository agent and includes inter alia those functions, of any description whatsoever, relating to the purposes listed under section 13(1) of the Act;

“authorised depository agent” means a person appointed by the Depository under Part II chapter 2.0 of these Rules;

“authorised direct member” means a person appointed by the Depository under Part III chapter 14.0 of these Rules;

“authorised nominee” means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under part VIII;

“bank” [Deleted]

“bank account information” in relation to a depositor, means the information prescribed by the Depository relating to the depositor’s bank account that is to be used for crediting of cash distributions or other cash payments paid by the issuer.

“beneficial owner” means in relation to deposited securities, the ultimate owner of the deposited securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the deposited securities and does not include a nominee of any description;

“books” has the meaning given under the Capital Markets and Services Act 2007;

“books closing date” means the specified time and date set by an issuer for the purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of its securities;

“book-entry delivery” in the case of prescribed securities means the debiting of the delivering depositor’s and/or the selling depositor’s securities account with the number of prescribed securities sold and the crediting of the receiving depositor’s and/or the purchasing depositor’s securities account with the number of prescribed securities purchased both in respect of a trade done on (T) in accordance with the Rules of the Stock Exchange and the Rules of the Clearing House;

“branch office”, means a branch office of an authorized depository agent or an authorized direct member which has been allocated and approved branch identity code by the Depository pursuant to Rule 2.06 and Rule 14.12 respectively and in the case of an authorised depository agent which is an Investment Bank, such branch office which has been approved by the Central Bank;

“buying depositor” [Deleted]

“Capital Markets Services Licence” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“Central Bank” means the Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;

“Central Depository System Electronic Services” or “CDS eServices” means the internet-based facility made available to the depositors by the Depository to facilitate its various services, such as opening, re-activating of securities accounts, accessing the depositors’ securities account information or conducting specified transactions electronically.

“clearing facilities” shall have the same meaning as is assigned to that expression in the Capital Markets and Services Act 2007, in relation to the Clearing House;

“Clearing House” means a person approved under section 38 of the Capital Markets and Services Act 2007 to establish or operate clearing facilities;

“clearing participant” shall have the same meaning as is assigned to it under the Rules of the Clearing House;

“Commission’s Licensing Handbook” means the licensing handbook issued by the Commission pursuant to Section 377 of the Capital Markets and Services Act 2007 and includes any subsequent amendments, modifications, variations, supplements or substitutes;

“cum entitlement date” means the date fixed by an issuer as being the last date for entitlement to dividends, bonus issue, rights issue or other distributions to or rights of depositors in respect of securities issued by the issuer;

“corporate action” means any action taken by an issuer in relation to or arising from its securities including payment of dividend, issue of bonus shares and other rights and interests associated with such securities, capital restructuring and share consolidation

“(D)” means the market day on which a depositor deposits a scrip with an authorised depository agent pursuant to chapter 27.0;

“dealer’s representative” means a person, by whatever name called, in the direct employment of, or acting for, or by arrangement with, a person who carries on the business of dealing in securities (other than work ordinarily performed by accountants, clerks or cashiers), whether or not he is

remunerated, and whether his remuneration, if any, is by way of salary, wages, commission or otherwise;

“dealing in securities” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“delivering depositor” means a depositor who acts on behalf of or in relation to a person who places an order to sell a deposited security with a participating organisation of a Stock Exchange;

“Depository” means Bursa Malaysia Depository Sdn. Bhd.;

“Depository Functions” mean the functions of an authorised depository agent or an authorised direct member as an authorised depository agent or an authorised direct member of the Depository;

“deposit date”, means the commencement date for the deposit of securities with the Depository in relation to securities which have been prescribed by the Stock Exchange to be deposited with the Depository pursuant to section 14(1) of the Act;

“directions” includes any instructions, guidelines or operating procedures issued by the Depository whether in the form of circulars, letters or Procedures Manual or posted on the website of the Exchange Holding Company;

“document” has the meaning given under the Capital Markets and Services Act 2007;

“dormant account” means a securities account designated as such by the Depository under Rule 26.10(2).

“eRAPID System” means a web-based system established by the Depository for the electronic transmission of information or records between the Depository and the issuer and such other web-based services or facilities as may be determined by the Depository

“Exchange Holding Company” means Bursa Malaysia Berhad;

“exchange traded fund” shall have the meaning as assigned to it in the Commission’s Guidelines on Exchange Traded Funds.

“exempt authorised nominee” means an authorised nominee who is exempted from compliance with the provisions of subsection 25A(1) of the Act;

“exercise of rights”, in relation to deposited non-equity securities, means the conversion of any debt securities into shares, the redemption of any debt securities or the exercise of any right or option in respect of non-equity security;

“finance company” [Deleted]

“foreign corporation” has the meaning given under the Stock Exchange’s Listing Requirements

“foreign depositor” means a depositor who is a foreigner as defined in sub-regulation 2 of the Foreign Ownership Regulations;

“Foreign Ownership Regulations” means the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996;

“free securities” means prescribed securities which have been verified by the issuer in accordance with section 18 of the Act, and registered or confirmed to be capable of registration in the name of the Depository or its nominee company;

“fund management” [Deleted]

“Global Depository Receipts” means a security which accords a right to the holder of the security to own certain quantity of securities of an issuer listed on the Stock Exchange and the same is traded on a stock market outside the jurisdiction of the United States of America;

“Guidelines on Investment Banks” means the Guidelines on Investment Banks issued jointly by the Central Bank and the Commission, including subsequent amendments, modifications, variations, supplements or substitutes thereto and any directives or guidelines as may be issued thereunder;

“in suspense”, in relation to any deposited security, shall have the meaning and effect assigned to it under Rule 36.04(a) of these Rules;

“inactive account” means a securities account designated as such by the Depository under Rule 26.11(2);

“instructing client” means a direct client of an authorised nominee who is a body corporate and has given instruction to such authorised nominee to hold deposited securities on its behalf or on behalf of its clients;

“interest in securities” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“issuer” shall have the meaning as assigned to it in the Act and in the case of a trust, shall mean the management company or the trustee-manager of the trust, as the case may be;

“Investment Bank” means an Investment Bank referred to under the Guidelines on Investment Banks which is a licensed investment bank and holds a Capital Markets Services Licence for dealing in securities;

“licensed bank” shall have the same meaning as is assigned to it under the Financial Services Act 2013;

“licensed investment bank” shall have the same meaning as is assigned to it under the Financial Services Act 2013;

“licensed Islamic bank” shall have the same meaning as is assigned to it under the Islamic Financial Services Act 2013;

“listed securities” means securities admitted for quotation on the official list of the Stock Exchange;

“Malaysian” means any person other than a foreigner and includes –

- (a) a Malaysian citizen;
- (b) a nominee company incorporated in Malaysia which is identified with the word “(Tempatan)” in its name and performs the services of a nominee, agent or trustee solely for or on behalf of legal or beneficial owners of securities who are Malaysians;
- (c) a company incorporated in Malaysia other than the company referred to in paragraph (b) above and

Malaysians are entitled to exercise or control the exercise of fifty per centum or more of the voting rights of such company; or

- (d) any other legal entity incorporated or created under any Malaysian law;

“market day” means any day on which the stock market is open for trading as may be determined by the Stock Exchange from time to time;

“market holiday” [Deleted]

“merchant bank” [Deleted]

“moratorium securities” means securities which are imposed with a restriction by the Commission or the Stock Exchange, on selling, transferring, assigning or otherwise dealing with the securities, for a stipulated period;

“nominee account” means a securities account opened by an authorised nominee in accordance with the Rules;

“non-equity securities” means any securities other than ordinary shares which have been prescribed by the Stock Exchange to be deposited with the Depository under and in accordance with section 14 of the Act;

“officer” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“official list”, in relation to a stock market of a stock exchange, means a list specifying all securities which have been admitted for quotation on the stock market of the Stock Exchange;

“person” includes any body of persons, corporate or unincorporate;

“prescribed date”, in relation to any prescribed security, means the date specified in a notice given by a stock exchange under subsection 14(3) as being the last day on which the prescribed security may be traded on a stock market of the stock exchange unless such security has been deposited with the Depository;

“prescribed securities” means securities prescribed by the Stock Exchange to be deposited with the Depository under and in accordance with section 14 of the Act;

“Procedures Manual” includes any manual containing guidelines and operating procedures for authorised depository agents, authorised direct members and issuers, from time to time, issued by the Depository;

“purchasing depositor” means a depositor who places an order to purchase a deposited security with a participating organisation of a Stock Exchange;

“receiving depositor” means a depositor who acts on behalf of or in relation to a person who places an order to purchase a deposited security with a participating organisation of a Stock Exchange;

“Record of Depositors” means a record provided by the Depository to an issuer pursuant to an application under chapter 24.0 of these Rules;

“Register of Securities” means the register of securities required to be maintained pursuant to section 83 of the Capital Markets and Services Act 2007;

“Regulations” means Regulations made under the Act including the Foreign Ownership Regulations;

“Relevant Person”, in relation to an authorised depository agent, authorised direct member, issuer, other user or authorised nominee means the agent, director and employee of the authorised depository agent, authorised direct member, issuer, other user or authorised nominee, as the case may be;

“Rules of the Clearing House” means the Rules of Bursa Malaysia Securities Clearing Sdn Bhd including any amendment that may be made from time to time;

“Rules of the Stock Exchange” means the Rules of Bursa Malaysia Securities Berhad including any amendment that may be made from time to time;

“System Auditor” means an officer or manager appointed by the Depository to be in charge of security measures and controls pursuant to chapter 35.0 of these Rules;

“securities laws” shall have the same meaning as is assigned to it under the Securities Commission Malaysia Act 1993;

“selling depositor” means a depositor who places an order to sell a deposited security with a participating organisation of a Stock Exchange;

“Service Provider” means the entity within the group or an external entity to which the authorised depository agent or the authorised direct member has outsourced the Depository Functions and includes any service provider(s) to whom the Depository Functions have been subsequently outsourced to;

“Settlement Date” means the day stipulated by the Stock Exchange to be the day for effecting book-entry delivery of any trade done on (T) in respect of prescribed securities on any basis that may be provided under the Rules of the Stock Exchange;

“share buy-back” in relation to a trust, means the buy-back of the trust’s own units by the management company of the trustee-manager;

“Specified Bonus Issue” has the meaning given under the Stock Exchange’s Listing Requirements;

“Specified Capital Restructuring” has the meaning given under Rule 22.06B;

“Specified Consolidation” has the meaning given under the Stock Exchange’s Listing Requirements;

“Specified Subdivision” has the meaning given under the Stock Exchange’s Listing Requirements;

“SPEEDS” means an expedited process for the crediting of securities by the Depository for corporate actions specified in the Rules;

“sponsored depository receipt programme” means

- (a) a programme established by way of an agreement involving an issuer of securities listed on the Stock Exchange, an issuer of the American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) and the holders of the ADR or GDR, for the issuance and trading of ADR or GDR as the case may be; and
- (b) the programme is registered with the Securities and Exchange Commission of the United States of America and/or with the relevant regulatory authorities in the case of GDR unless exempted by the Securities and Exchange Commission of the United States of America or the relevant regulatory authorities as the case may be;

“Stock Exchange” means any body corporate approved as a stock exchange by the Minister under section 8 of the Capital Markets and Services Act 2007;

“stock market” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“T” means the market day on which a security is purchased or sold by a depositor;

“terminal” means the computer terminal located at the premises of the user and forms part of the computer system;

“transitional period”, in relation to any prescribed securities, means the period immediately following the notification date and ending on the prescribed date;

“unlisted securities” means securities which have been approved by the Depository for deposit in accordance with Rule 17.07(3);

“under suspense” in relation to any deposited security or any securities account, shall have the meaning and effect assigned to it under Rule 36.04(b) of these Rules;

“user” means any person who has been given access to the computer system via the terminal by the Depository under these Rules and includes authorised depository agents, authorised direct members and issuers; and

“(W)” means the market day on which an application for withdrawal of a deposited security is lodged with the Depository or an authorised depository agent.

Rule 1.02 Additional Definitions:

- (1) Definitions under the Act: The following words and expressions shall have the meaning assigned to them respectively under section 2(1) of the Act, unless the context otherwise requires, namely-

“access”

“bearer security”

“Commission”

“computer system”

“debt securities”

“depositor”

“deposited security”

“information”

[Deleted]

“Minister”

“participating organisation”

“record”

“Rules”

“scrip”

“security”

“securities account”

- (2) **Definitions under the Foreign Ownership Regulations:** The following words and expressions shall have the meanings assigned to them respectively under Regulation 2 of the Foreign Ownership Regulations, namely -

“conversion of shares”

“foreigner”

“foreign shares”

“local shares”

“prescribed limit”

“restricted shares”

“rights and obligations”

“shares”

Rule 1.03 Interpretation:

In these Rules, unless otherwise expressed to the contrary-

- (1) Words in the singular include the plural, and words in the plural include the singular.
- (2) Words importing the masculine gender include feminine and neuter gender.
- (3) References to the Act or any statute shall be deemed to include the Act or that statute as amended or re-enacted from time to time.
- (4) References to record or list shall be deemed to include any disc, tape or other device in which sounds or data (not being visual images) are embodied so as to be capable (with or without the aid of some other instrument) of being reproduced there from and references to a copy of such record or list shall be deemed to include a transcript of the sounds or other data embodied therein.

- (5) A reference to writing shall be deemed to include any mode of representing or reproducing letters, figures or marks in a visible form.
- (6) Where an act is required to be done a specified number of clear days before or after a specified date, at least that number of days must intervene between the day on which the act is done and that date.
- (7) Any reference to a matter being prescribed or determined by the Depository shall mean the matter being prescribed or determined via directions issued by the Depository.

PART II RULES RELATING TO AUTHORISED DEPOSITORY AGENTS**Chapter 2.0 Appointment of Authorised Depository Agents**

Rule 2.01 Deleted

Rule 2.02 Appointment of authorised depository agents:

(1) **Eligibility as an authorised depository agent:** To be eligible to be appointed as an authorised depository agent, an applicant must be:

- (a) a Stock Exchange;
- (b) a Clearing House;
- (c) a participating organisation;
- (d) a licensed Islamic bank;
- (e) a licensed bank or licensed investment bank;
- (f) a bank established under an Act of Parliament;
or
- (g) a body corporate of a type prescribed by the Minister under the Act.

(2) **Conditions for appointment as an authorised depository agent:** Unless directed otherwise by the Depository, the conditions for appointment as an authorised depository agent are as follows-

- (a) **Paid-Up Capital and Shareholders Funds:** the applicant has:
 - (i) a minimum amount of paid-up capital and shareholders' funds of not less than twenty million ringgit unimpaired by losses;
or

- (ii) in the case of a participating organisation, the minimum paid-up capital and shareholders' funds unimpaired by losses as may be prescribed from time to time under the Rules of the Stock Exchange;
 - (b) **Personnel, experience and skill:** the applicant has adequate number of personnel having the experience and skill to be able to perform the functions of an authorised depository agent;
 - (c) **Ability to provide required systems, etc:** the applicant is able to provide adequate systems and facilities for the provision of the services, and performance of the duties and obligations, required under the Act and these Rules;
 - (d) **Legal proceedings, statutory audit etc:** the applicant is not subject to any qualified audit opinion in a statutory audit, legal or administrative proceedings which might adversely affect its financial or business condition or its ability to comply with any requirements under these Rules.
- (3) **Application and accompanying information:** An application under this Rule shall be made in writing to the Depository and shall be accompanied with such information as may be necessary in order to assist the Depository in determining the application and the suitability of the applicant to act as an authorised depository agent. An application for opening a branch office of an authorised depository agent shall be made separately in writing. In the case of an Investment Bank, the approval of an application for opening a branch office shall be subject to the applicant receiving the approval of the Central Bank for the same.
- (4) **Additional information:** At any time after receiving an application the Depository may, in writing, require the applicant to furnish additional information or documents.

- (5) **Deleted**
- (6) **Deleted**
- (7) **No obligation to appoint:** Notwithstanding and without prejudice to any other provisions in this chapter the Depository need not (without giving any reason whatsoever) be obligated to appoint every person who is eligible under Rule 2.02(1) to be an authorised depository agent. Any person so aggrieved by virtue of not being appointed as an agent may appeal to the Depository. Upon presentation of the appeal, such person shall submit to the decision of the Depository whose decision shall be final and binding upon that person.

Rule 2.03 Deleted

Rule 2.03A Fees and other charges:

- (1) **Processing fee:** Upon making an application for appointment as an authorised depository agent or a branch office, each applicant shall pay a processing fee as prescribed by the Depository.
- (2) **Deleted**
- (3) **Deleted**

Rule 2.04 Conditions of appointment:

- (1) Every authorised depository agent shall, throughout the term of its appointment -
 - (a) not later than six (6) months after the end of its each financial year or such longer period as the Depository may allow, submit to the Depository a copy of its audited financial statements and such other documents as may be required by the Depository from time to time; and

- (b) comply with these Rules (whether in this Part or otherwise), the Procedures Manual, the provisions of the Act and the Regulations to such extent to which the same purports to apply to them.
- (2) An authorised depository agent need not comply with Rule 2.04(1)(a) in the event it is a participating organisation and it has submitted its latest audited financial statements to the Stock Exchange pursuant to the Rules of the Stock Exchange.

Rule 2.05 Additional conditions:

The Depository may, in approving an application, impose such requirements or conditions as it considers necessary to ensure orderly deposits, withdrawals, transfers and dealings in securities deposited or to be deposited with it.

Rule 2.05A Opening of an authorised depository agent's securities accounts:

The Depository shall open the first principal account for the said authorised depository agent. Thereafter, the authorised depository agent shall be allowed to open all subsequent principal accounts and any nominee accounts for its nominee company subject to the conditions and in the manner prescribed by the Depository.

Rule 2.06 Identity codes:

- (1) **Allocation of codes:** The Depository shall allocate to every authorised depository agent an identity code.
- (2) **Branch identity codes:** An authorised depository agent may, from time to time with the prior approval of the Depository and in the case of an authorised depository agent which is an Investment Bank, with the prior approval of both the Depository and the Central Bank, authorise any of its branch offices to perform any

of its approved functions. Every branch office of an authorised depository agent which has been approved by the Depository shall be allocated a branch identity code.

- (3) **Single entity:** Notwithstanding the allocation of different identity codes for an authorised depository agent and its branch offices by the Depository, the authorised depository agent and its branch offices shall, for the purposes of these Rules, be treated as a single entity.

Rule 2.07 Commencement of operations:

- (1) **Commencement of operations as an authorised depository agent:** No person shall be allowed to commence operations as an authorised depository agent without-
- (a) obtaining prior clearance in writing from any authorised person of the Depository for the time being in charge of security measures and control;
 - (b) having paid the appointment fee, if applicable, prescribed in Rule 2.03A; and
 - (c) having executed such agency agreement or agreements, as may be prescribed by the Depository, to establish the confidential terms and conditions in respect to the contractual relationship between that person and the Depository.
- (2) **Commencement of operations as a branch office of an authorised depository agent:** No person shall be allowed to commence operations as a branch office of any authorised depository agent without obtaining prior clearance in writing from an authorised person of the Depository for the time being in charge of security measures and control.

- (3) **When deemed to have commenced operations:** For the purposes of this Rule an authorised depository agent or a branch office of an authorised depository agent shall be deemed to have commenced operations if it has opened any securities account for any of its clients.

Rule 2.08 Rules of the Stock Exchange, etc:

In addition to these Rules, every authorised depository agent which is a participating organisation and/or a clearing participant shall in such capacity, comply with the Rules of the Stock Exchange and/or the Rules of the Clearing House. Nothing in these Rules shall operate to relieve an authorised depository agent from any obligation imposed on it by the Rules of the Stock Exchange and/or the Rules of the Clearing House in its capacity as a participating organisation or a clearing participant.

Rule 2.09 Indemnity:

Every authorised depository agent shall be responsible for its own operations and functions as required to be maintained under the Act, the Regulations, these Rules and the Procedures Manual and shall indemnify and hold indemnified the Depository, whether such indemnity is claimed by the Depository during the appointment of or after the termination of appointment of the authorised depository agent, for any loss, legal costs (including third party legal costs), damage or liability suffered or incurred by the Depository, whether directly or otherwise, as a result of any negligence, omission, mistake, misrepresentation, fraud or error on the part of the authorised depository agent, its servants or agents, provided always that such acts were committed during its tenure as an authorised depository agent of the Depository.

Rule 2.10 Inspection

- (1) **Depository's right to inspection:**
- (a) The Depository may conduct an inspection on an authorised depository agent, including its branch offices, on

any matter in relation to these Rules, the authorised depository agent's internal policies and procedures and any other rules and regulations related to its functions as an authorised depository agent.

- (b) An authorised depository agent and its Relevant Person must:
 - (i) give or procure for the Depository all information, documents, books and records the Depository requests for and allow the Depository to take copies and extracts of such documents, books and records; and
 - (ii) give the Depository access to the relevant premises, including its terminals and other computer peripherals situated at the authorised depository agent's premises, for the Depository to conduct an inspection under Rule 2.10.
- (c) An authorised depository agent and its Relevant Person must:
 - (i) not hinder or obstruct the Depository during the inspection; and
 - (ii) give the Depository all assistance the Depository reasonably requires to conduct the inspection.

(2) **Deleted**

(3) **Reporting:**

- (a) The Depository will notify the authorised depository agent concerned of the findings of the Depository's inspection.
- (b) An authorised depository agent must table the Depository's findings to the authorised depository agent's board of directors as soon as possible.

- (c) An authorised depository agent must within such time as may be stipulated by the Depository:
 - (i) take corrective measures to address the Depository's findings; and
 - (ii) notify the Depository in writing of the authorised depository agent's board of director's decided course of action and corrective measure taken (if any) to address the Depository's findings.

(4) **Deleted**

Rule 2.11 Statement of Accounts and Notices:

- (1) **Access to Statement of Accounts and Notices:**

Where any provision in these Rules requires the Depository to send or issue statement of accounts or notices to a depositor and such depositor is an authorised depository agent or its nominee company, the Depository shall do so by providing the authorised depository agent or its nominee company access to such statement of accounts and notices in relation to its principal or nominee accounts (hereinafter referred to as "the Statements and Notices") in the following manner:-

 - (a) by placing the Statements and Notices on the computer system of the Depository in accordance with the directions issued by the Depository; and
 - (b) by allowing the retrieval of the Statements and Notices from the computer system of the Depository in accordance with the directions issued by the Depository.
- (2) **Issuance:**
 - (a) For the purposes of this Rule, the Statements and Notices are deemed issued by the Depository to the authorised depository agent

and its nominee company when the same is placed on the computer system of the Depository and is capable of being retrieved by the authorised depository agent in accordance with the directions issued by the Depository.

- (b) where through no fault of the Depository, the Statements and Notices are not capable of being retrieved by the authorised depository agent and its nominee company, in accordance with the directions issued by the Depository, the Statements and Notices are nevertheless deemed issued pursuant to Rule 2.11(2)(a).

(3) **Frequency of issuance:**

- (a) subject to Rule 2.11(1), the provisions of Rule 32.01 shall apply *mutatis mutandis* to all authorised depository agents.
- (b) where reference is made to the following terms in Rule 32.01, it shall be construed respectively as follows:
 - (i) depositor shall be construed as an authorised depository agent; and
 - (ii) securities account shall be construed as the principal or nominee account of the authorised depository agent opened pursuant to Rule 33.01.

- (4) **Discrepancies:** Any authorised depository agent who disputes any entries shown on the Statements and Notices, is to report the discrepancy to the Depository directly within seven days from the date the Statements and Notices are issued to the authorised depository agent and its nominee company.

- (5) **Paper Copy:** No paper copy of the Statements and Notices shall be issued to an authorised depository agent and its nominee company unless expressly stated otherwise by the Depository.

Rule 2.12 Outsourcing by Authorised Depository Agents:

- (1) **Outsourcing:** An authorised depository agent which outsources its Depository Functions must comply with these Rules and the Commission's Licensing Handbook as though the authorised depository agent holds a Capital Markets Services Licence.
- (2) **Directions:** An authorised depository agent must ensure that the Service Provider(s) comply with the Rules that are applicable to the outsourced Depository Functions in the same manner as the authorised depository agent is required to.
- (3) **Accountability:** An authorised depository agent remains accountable for all outsourced Depository 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.
- (4) **Investment Bank:**
 - (a) This Rule 2.12 is not applicable to an authorised depository agent which is an Investment Bank.
 - (b) An authorised depository agent which is an Investment Bank must instead comply with the Guidelines on Investment Banks and such other requirements of the Central Bank relating to the matter.

Rule 2.13 Investment Bank:

In relation to an authorised depository agent that has acquired the status of an Investment Bank after its appointment as an authorised depository agent under Part II of these Rules, the said authorised depository agent shall notify the Depository in writing of the same at least seven (7) days (or such other time as may be determined by the Depository) prior to the commencement of its business as an Investment Bank, which notification shall be accompanied with such information or documents as may be required by the Depository.

Chapter 3.0 Suspension as an Authorised Depository Agent, etc

Rule 3.01 Circumstances and Actions:

- (1) **Circumstances which warrant action:** An authorised depository agent or any branch office may be subjected to any one or more of the actions set out in Rule 3.01(2) to be taken by the Depository if-
- (a) it has been suspended from trading as a participating organisation of the Stock Exchange;
 - (b) the Stock Exchange has withdrawn its recognition as a participating organisation;
 - (c) it has violated the Rules, directions, or any agreement with the Depository referred to in Rule 2.07(1)(c);
 - (d) it has failed to comply with any recommendations made by the advisory committee;
 - (e) it has violated, whether directly or indirectly, any provisions of the Act;
 - (f) it has failed to pay any debts due and owing to the Depository, an authorised depository agent, an authorised direct member, an issuer or depositor in accordance with these Rules;
 - (g) it has failed to indemnify the Depository in accordance with Rule 2.09;
 - (h) it has become or is likely to become insolvent or has been or is likely to be wound up under the Companies Act 2016 or any rules or regulations thereto;
 - (i) Deleted

- (j) where it is a statutory body established under any Act of Parliament, it has been placed under the control of the Government of Malaysia or any of its appointees by reason that it is financially insolvent;
 - (k) it is necessary to facilitate the carrying out of any instructions, directives, orders or decisions made by the Stock Exchange or the Commission in respect of the authorised depository agent;
 - (l) the Depository is not satisfied with the security features and controls of the authorised depository agent; or
 - (m) a receiver or a receiver and manager has been appointed over it.
- (2) **Actions that may be taken by the Depository:** Upon the happening of any of the events set out in Rule 3.01(1), the Depository may take any one or more of the following actions against an authorised depository agent or any branch office-
- (a) suspend the authorised depository agent from maintaining or performing any or all of the approved functions of an authorised depository agent;
 - (b) issue instructions, directives or orders to the authorised depository agent in relation to the control and management of the securities accounts of depositors who have maintained their accounts with such authorised depository agent and the performance of any or all of the approved functions of the authorised depository agent;
 - (c) enter the premises of the authorised depository agent for any one or more of the following purposes:

- (i) to supervise the management of the securities accounts of depositors maintained with the authorised depository agent and the performance of any or all of the approved functions of the authorised depository agent;
- (ii) to take over the control and management of the securities accounts of depositors maintained with the authorised depository agent;
- (iii) to take possession or control of all records and communications in relation to all securities accounts of depositors maintained with the authorised depository agent, and such other records and accounts as will sufficiently explain the transactions and operations of the authorised depository agents in relation to the deposited securities;
- (d) Deleted
- (e) Deleted
- (f) assume total control of the management of all securities accounts maintained with the authorised depository agent and transfer the whole operation of the authorised depository agent in its capacity as an authorised depository agent to another location to be determined by the Depository in its absolute discretion; or
- (g) terminate the appointment as an authorised depository agent,

provided that no such action shall be effected by the Depository without prior consultation with -

- (i) the Stock Exchange and the Commission where the authorised depository agent is a participating organisation or a Clearing House; and

- (ii) the Central Bank and the Commission where such authorised depository agent is a licensed bank, licensed investment bank, licensed Islamic bank or a bank established under an Act of Parliament.
- (iii) Deleted

Rule 3.02 Deleted

Rule 3.02A Appeal:

Where any person has been suspended or whose appointment as authorised depository agent has been terminated under Rule 3.01 and is thereby aggrieved as a result of the decision of the Depository, that person may appeal to the Depository stating the reasons why it should not be suspended or its appointment terminated. The decision of the Depository shall be final and binding unless an appeal against the decision is made to the Commission. Upon presentation of the appeal, such person shall submit to the decision of the Commission whose decision shall be final and binding upon that person.

Rule 3.03 Appointment of manager:

The Depository upon consultation with the Commission may appoint any suitable and competent person or persons, with remuneration to be paid by the authorised depository agent for the purpose of exercising any of the powers specified in Rule 3.01(2) paragraphs (c) and (f).

Rule 3.04 Actions against branch offices:

- (1) **Actions that may be taken by the Depository:** Notwithstanding any provision in this chapter the Depository may take any one or more of the actions set out in Rules 3.01(2) against a particular branch office of an authorised depository agent-

- (a) where the circumstances which warrant action stipulated under Rule 3.01(1) apply to that branch office; or
 - (b) if the Depository is not satisfied with the capabilities of that branch office to discharge any of the approved functions.
- (1A) **Consultation required:** The Depository shall not take any action pursuant to Rule 3.04(1) above without prior consultation with:
- (a) the Central Bank, if the authorised depository agent is a licensed bank, licensed investment bank, licensed Islamic bank, or a bank established under an Act of Parliament; and
 - (b) the Stock Exchange and Commission, if the authorised depository agent is a participating organisation or a Clearing House.
- (2) **Suspension or termination of appointment:** Suspension or termination by the Depository of the appointment of an authorised depository agent shall mean the automatic suspension or termination of any of its approved branch offices, but the suspension or termination of appointment of any branch office of an authorised depository agent shall not relieve any other branch office or the main office from performing any duties or functions of an authorised depository agent.

Rule 3.05 Variation of procedures:

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

Rule 3.06 Deleted**Rule 3.07 Obstruction:**

The authorised depository agent shall indemnify and hold indemnified the Depository for any loss, damage, cost, expense, liability or claim suffered or incurred by the Depository whether directly or otherwise by reason of -

- (a) the authorised depository agent in any way not complying with the instructions and/or directions issued by the Depository and/or obstructing or hindering the Depository in the exercise of its powers under this chapter; or
- (b) the authorised depository agent failing to give to the Depository such assistance as is required by the Depository.

Rule 3.08 Liability:

The Depository shall not be liable to any person for any loss or damage that may be incurred or suffered by such person as a result of the exercise or intended exercise of any power or performance of any duty conferred or imposed on the Depository under this chapter and exercised by the Depository in good faith.

Rule 3.09 Indemnification:

The exercise by the Depository of the powers referred to in Rule 3.01(2) shall not in any way affect the right of the Depository to claim indemnification from the authorised depository agent whether such right to indemnification is pursuant to these Rules or otherwise.

Rule 3.10 Rights or liabilities of the authorised depository agent prior to termination:

Where the appointment of an authorised depository agent is terminated pursuant to Rule 3.01, such termination shall not affect any rights or liabilities of the authorised depository agent prior to such termination.

Chapter 3A.0 Transfer, Termination and Cessation of Appointment

Rule 3A.01 Transfer of Appointment:

An authorised depository agent is not permitted to transfer its appointment by the Depository to any other person without the approval of the Depository.

Rule 3A.02 Obligations upon Termination of Appointment:

- (1) In the event that the appointment of any authorised depository agent is terminated for any reason whatsoever, the authorised depository agent shall, as soon as possible:
 - (a) give notice of the termination to its clients; and
 - (b) transfer the deposited securities of its clients to such other securities accounts indicated by the clients within the time specified by the Depository.
- (2) In addition to the actions to be taken under Rule 3A.02(1) above, the authorised depository agent whose appointment has been terminated must:
 - (a) pay all outstanding charges as directed by the Depository;
 - (b) fulfill all outstanding obligations as directed by the Depository;
 - (c) transfer its deposited securities to another authorised depository agent within the time specified by the Depository; and
 - (d) until the termination of its appointment is effective, continue to comply with the Rules.

Rule 3A.03 Resignation:

- (1) An authorised depository agent may resign by giving at least 60 days written notice to the Depository and the resignation takes effect at the later of either the expiration of that notice period or:
 - (a) when there is no further obligation or liability owed by the authorised depository agent to the Depository, any other authorised depository agent, any authorised direct member, any issuer or any depositor;
 - (b) when all securities in the securities accounts maintained by the authorised depository agent for depositors have been transferred to another authorised depository agent at the choice of the depositors in whose name the securities accounts have been opened; and
 - (c) when the authorised depository agent has presented to the Depository such indemnities and guarantees as the Depository in its sole discretion may require.
- (2) The acceptance of the resignation is at the absolute discretion of the Depository.
- (3) The resigning authorised depository agent's name will be removed from the register of authorised depository agents on the effective date of resignation.
- (4) The resignation of an authorised depository agent does not in any way affect any pre-existing liability which that authorised depository agent may have incurred to the Depository.
- (5) An authorised depository agent shall continue to comply with the Rules until the effective date of resignation.

Rule 3A.04 Continuing Liability:

- (1) A former authorised depository agent remains liable to disciplinary action for any breach of these Rules committed during the period while it was an authorised depository agent.

- (2) A former authorised depository agent must retain all its records for the duration required by the Act and produce such record in a legible form to the Depository upon demand.
- (3) All provisions in these Rules continue to apply in respect of the former authorised depository agent to the extent required to give effect to Rules 3A.04(1) or (2).

**Chapter 4.0 Procedures Manual and Standard of
Facilities****Rule 4.01 Directions:**

- (1) **Authorised depository agents bound by Directions:** The Depository may, from time to time, issue directions to or for, authorised depository agents in order to ensure the orderly handling of securities deposited or lodged with such agents and to facilitate all other services and functions incidental thereto. Every authorised depository agent shall be bound by such directions and any amendment thereto in the same manner as it is bound by the provisions of these Rules.

- (2) **Rules to prevail:** Notwithstanding anything in Rule 4.01(1) in the event where there is a conflict between any of the provisions of these Rules and anything in the directions, the Rules shall prevail.

Rule 4.02 Standard of facilities:

Every authorised depository agent shall throughout its appointment install and maintain the equipment and facilities, including the hardware and software, specified in writing by the Depository from time to time.

Chapter 4A.0 Miscellaneous**Rule 4A.01 Authorised depository agent shall refuse to act:**

An authorised depository agent shall refuse to act on the instructions of a 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 authorised depository agent 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) the transactions are in breach of any provisions of the Act, these Rules, the Procedures Manual or any securities laws.

Rule 4A.02 Authorised depository agent shall not perform certain transactions:

An authorised depository agent shall not perform and discharge any of the transactions specified under Rule 25.04(2) relating to any deposited securities held in its Principal or nominee accounts where -

- (a) the 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 transactions are in breach of any provisions of the Act, these Rules, the Procedures Manual or any securities laws.

Rule 4A.03 Authorisation:

- (1) The Depository shall be authorised by an authorised depository agent to perform and discharge all Depositor's Transactions specified under Rule 25.04(2) in respect of its principal and nominee accounts-
 - (a) upon the written instructions of the authorised depository agent, 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 principal or nominee account is to be used for settlement of such trade, as the case may be, upon the instructions of the Clearing House in accordance with the Rules of the Stock Exchange and the Rules of the Clearing House.

Rule 4A.04 Compliance with Rules, etc:

Every authorised depository agent shall comply with the provisions of the Act, the Regulations and these Rules, whether in this part or otherwise, where they purport to apply to him, directly or indirectly.

Rule 4A.05 Authorised Depository Agent to include other persons:

An authorised depository agent is responsible to the Depository for all acts or omissions of its owners, principals, directors, officers, employees, trainees, agents, service providers and sub-contractors.

Rule 4A.06 Integrity of the Computer System and Orderly Handling of Deposited Securities:

An authorised depository agent must not engage in any activity that may affect the integrity of the Depository's computer system or the orderly handling of deposited securities.

Chapter 5.0 Opening and Maintenance of Securities Accounts

Rule 5.01 Account details:

Every securities account, upon approval by the Depository, shall bear the name, national identity card number or passport number and address of the depositor and an account number and shall state whether it is a securities account belonging to a Malaysian or a foreigner.

Rule 5.02 Processing period:

An authorised depository agent must process an application to open a securities account within two market days from the date of receipt of the complete application and the relevant supporting documents.

Rule 5.02A Opening of securities accounts:

- (1) An authorised depository agent must require 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 to submit to it an application containing the information together with the relevant supporting documents as prescribed by the Depository, unless such application is submitted to it via CDS eServices.
- (2) An authorised depository agent must comply with the procedures as may be determined by the Depository relating to the application to open or formalise a securities account, including verifying the applicant's identity and the authenticity of the application in the manner prescribed by the Depository when processing an application to open a securities account that it received directly or via CDS eServices.
- (3) Deleted

- (4) The authorised depository agent shall be liable for and shall indemnify and hold indemnified the Depository against any loss, damage, cost, expense, liability or claim suffered or incurred by the Depository, whether directly or otherwise arising from or in connection with:
- (a) a breach of Rule 5.02A(2); or
 - (b) any wilful act, omission, neglect, fraud or error on the part of any third party relied on to verify the applicant's identity and the authenticity of the application.
- (5) In the event of any wilful act, omission, neglect, fraud or error on the part of any third party referred to in Rule 5.02A(4)(b), the authorised depository agent shall be deemed to have committed a breach of the provision of this Rule as if the wilful act, omission, neglect, fraud or error had been committed by the authorised depository agent and be subject to the powers of the Depository pursuant to Rule 39.02.

Rule 5.03 Approval or rejection:

- (1) **Disclaimer of obligation:** The Depository shall not be under any obligation to accept every application to open a securities account.
- (2) **No right of refusal:** Notwithstanding anything in Rule 5.03(1), no authorised depository agent shall refuse to process an application to open a securities account with such agent for any person, whether that person is a client of the agent or otherwise, in respect of an application for securities under a public offer pursuant to section 37 of the Act unless in the honest opinion of the agent, such person appearing before the agent may be opening the account to facilitate fraudulent practices.
- (3) **Fees and Charges:** Where the Depository refuses to open a securities account for any person, any fees or charges (other than stamping fees) collected from such person shall be refunded by the authorised depository agent.

Rule 5.04 Criteria for opening of clients' accounts:

Every authorised depository agent shall comply with Rule 25.02 in its selection of clients who are eligible to open a securities account with it.

Rule 5.04A Change of particulars:

- (1) **Processing of application:** An authorised depository agent must process an application to update the particulars of a securities account in the manner prescribed by the Depository.(2) **On-going obligation:** If an authorised depository agent has updated any particulars of a depositor in its internal records and similar data fields are present in the Depository's computer system, the authorised depository agent must request that the depositor updates the depositor's particulars with the Depository and notify the Depository on the updated particulars, in the manner prescribed by the Depository.
- (3) **Records:** If the authorised depository agent does not submit a notification to the Depository under Rule 5.04A(2) due to the depositor's refusal or inability to comply with the updating requirements prescribed by the Depository, the authorised depository agent must maintain written records of their efforts to request the depositor to comply with the updating requirements.

Rule 5.05 Responsibility for entries in securities accounts:

Every authorised depository agent shall be responsible for all entries made by such agent, its employees or servants in the securities accounts of its depositors and shall, in respect of any such entries, fully indemnify such depositors for any loss, damage or liability suffered by them arising from any wilful act, omission, neglect, fraud or error on the part of such agent, its employees or servants in respect thereof and shall indemnify and hold indemnified the Depository against any claim, action or proceeding instituted against the Depository by the depositors or any other third party towards any cost, expense,

loss, damage or liability suffered or incurred by the Depository as a result of such claim, action or proceeding.

Rule 5.06 Prohibition against variation of contract:

- (1) **Terms and conditions of Depository to prevail:** The agreements governing the contractual relationship between the Depository and the depositors must be made in the manner and contain the terms and conditions prescribed by the Depository. The terms and conditions prescribed by the Depository must not be varied, deleted or added to without the prior written approval of the Depository.
- (2) **Prohibition on additional agreements:** No authorised depository agent shall enter into any additional agreement, whether supplemental or principal, with their depositors, not already approved by the Depository which may
 - (a) exclude, exempt, disclaim, reduce, limit or waive any loss, damage or liability on the part of the agent for any wilful act, omission, neglect, fraud or error on the part of such agent; and
 - (b) vary, delete, amend any provisions as may be stated under this Rules or in the directions issued by the Depository.
- (3) **Other agreements:** No authorised depository agent who is a participating organisation of the Stock Exchange shall incorporate or include any term or condition relating to the securities accounts of their depositors as part of the contract or agreement governing these depositors' trading or custodian accounts also held with such participating organisation which may exclude, exempt, disclaim, reduce, limit or waive any loss, damage or liability on the part of the agent for any wilful act, omission, neglect, fraud or error on the part of such agent.
- (4) **Deleted**

Rule 5.07 Closing of securities account:

Unless expressly authorised by the Depository, no securities account may be closed by an authorised depository agent without obtaining prior written consent of the depositor. An application to close a securities account shall be made in the manner prescribed by the Depository.

Rule 5.08 Balance enquiry:**(1) Request for balance enquiry:**

- (a) A depositor may require an authorised depository agent with whom the depositor's securities account is maintained to enquire into the balance status of the depositor's securities account.
- (b) A person permitted by the Act may request any authorised depository agent to enquire into the balance status of a depositor's securities account.
- (c) A request for balance enquiry under Rule 5.08(1)(a) and (b) above must be made in the manner prescribed by the Depository.

- (2) Authorisation by depositor:** A depositor may, by way of a written authorisation permit the authorised depository agent with whom his securities account is maintained, to allow any person duly authorised by the depositor and specifically named in the written authorisation, to enquire into the balance status of the depositor's securities account. Where the person authorised is a person other than a dealer's representative of that authorised depository agent, the written authorisation shall only be effective for the purpose of making one balance enquiry. Where the person authorised is a dealer's representative of that authorised depository agent, the written authorisation must be in the manner prescribed by the Depository and shall be valid for such period as may be stipulated by the depositor in the written authorisation unless revoked by the depositor in accordance with Rule

5.08(3). Notwithstanding the foregoing, the authorisation effected under this Rule shall cease to be of effect if the dealer's representative authorised under this Rule ceases to be a dealer's representative of the authorised depository agent with whom the depositor maintains a securities account.

- (3) **Revocation of authorisation:** Where the person authorised by a depositor is a dealer's representative, the depositor may revoke such authorisation by providing written notice to the authorised depository agent with whom his securities account is maintained in the manner prescribed by the Depository.
- (4) **Responsibility of authorised depository agent for disclosure:** Without prejudice to the provisions of section 45 of the Act and pursuant to this Rule, it shall be the responsibility of the authorised depository agent to ensure that no information relating to the balance status of any securities account shall be disclosed to any person except to the person duly permitted by the Act or authorised under Rule 5.08(2).
- (5) **Interpretation:** For the purposes of this Rule, "dealer's representative" shall refer to a dealer's representative of the Participating Organisation for or on behalf of whom the authorised depository agent maintains the securities account for the depositor giving the authorisation.

Rule 5.09 Dormant account:

- (1) **Reactivation:** An authorised depository agent must require any depositor who intends to reactivate a dormant account that has not been closed pursuant to Rule 26.06A(2) to make an application in the manner prescribed by the Depository.
- (2) **Processing period:** An authorised depository agent must process an application to reactivate a dormant account within two market days from the date of receipt of the complete application in the manner prescribed by the Depository.

- (3) **Prohibition:** No authorised depository agent unless otherwise directed by the Depository, in consultation with the Commission, shall effect a debit or credit entry in any dormant account unless the provisions in Rule 5.09(1) and (2) have been complied with.
- (4) **Interpretation:** Dormant account shall have the same meaning as defined under Rule 26.10.

Rule 5.10 Inactive account:

- (1) **Reactivation:** An authorised depository agent must require any depositor who intends to reactivate an inactive account to make an application in the manner prescribed by the Depository.
- (2) **Processing period:** An authorised depository agent must process an application to reactivate an inactive account within two market days from the date of receipt of the complete application in the manner prescribed by the Depository.
- (3) **Prohibition:** No authorised depository agent unless otherwise directed by the Depository, in consultation with the Commission, shall effect a debit entry in any inactive account unless the provisions in Rule 5.10(1) and (2) have been complied with.
- (4) **Interpretation:** Inactive account shall have the same meaning as defined under Rule 26.11.

Chapter 6.0 Deposit of Scrips by Authorised Depository Agents

Rule 6.01 Prescribed securities and unlisted securities:

Securities accepted for deposit: All authorised depository agents 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.

Rule 6.01A 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 date 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) **Exception to mandatory deposits:**
 - (a) Rule 6.01A(1) and Rule 6.01A(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 6.02 Deleted

Rule 6.03 Deposit Period:

- (1) **Prescribed securities:** 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) **Unlisted securities:** 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 6.04 Procedures for deposits:

- (1) **One deposit form for each type of security:** When a depositor lodges with an authorised depository agent, two or more types of prescribed or unlisted securities to be deposited with the Depository, the agents shall ensure that the depositor completes a separate prescribed form for each type of security.

- (2) **Documents to lodge:** It shall be the responsibility of the authorised depository agent, in processing a deposit of scrip lodged by a depositor (hereinafter in this chapter such deposit is referred to as a "Deposit"), to check and ensure the completeness, accuracy and genuineness of the documents lodged as follows-
- (a) forms (deposit request), if any, fully and properly completed;
 - (b) that the scrips and instruments of transfer to be deposited are "good for delivery" and that such scrips are those mentioned in the deposit request form; and
 - (c) such other accompanying documents duly processed in such manner as the Depository may, from time to time, determine in its Procedures Manual.

A fee prescribed by the Depository shall be collected by the authorised depository agent on behalf of the Depository when a depositor submits the above documents.

- (2A) (a) **Deleted**
- (b) **Moratorium securities:**
- (i) Moratorium securities shall be deposited into the securities account of the person whose name appears on the scrip unless permitted otherwise by the Commission and the securities shall be placed under suspense.
 - (ii) All moratorium securities deposited pursuant to Rule 6.04(2A)(b)(i), shall, in the securities account be designated as moratorium securities and the designation shall be removed after the expiry of then moratorium period upon confirmation by the issuer.

- (3) **“good for delivery”**: For the purposes of this chapter, a scrip and the instrument of transfer is good for delivery if-
- (a) the scrip has not been reported lost or stolen at the time of deposit;
 - (b) the scrip has been issued in accordance with section 97 of the Companies Act 2016; and
 - (c) the instrument of transfer has been duly executed by the transferor and duly witnessed by a person other than the transferor’s spouse and presented with such other documents, if any, as may be required by the issuer concerned to enable lawful registration of the transfer to be effected notwithstanding that the transferee’s portion of the instrument of transfer is left uncompleted (blank).

Rule 6.05 Processing of deposits:

- (1) **Processing period:** Any information relating to a deposit shall be recorded by the computer system if the appropriate entries are made by an authorised depository agent before 12.30 p.m. on any date of lodgement (D). All entries entered in after 12.30 p.m. on (D) shall be updated by the computer system on the following market day.
- (1A) **Lodging period:** All deposits of scrips lodged by a depositor with an authorised depository agent before 12.00 p.m. on any market day shall be entered by the authorised depository agent into the computer system before 12.30 p.m. on the same market day.
- (1B) **Securities account:** An authorised depository agent shall ensure that the entries for deposits are only made into the securities account of the beneficial owners or the authorised nominees of the deposited securities.

- (2) **Depository to execute as transferee:** All documents required with respect to a deposit of prescribed and unlisted security shall be forwarded by the authorised depository agent duly processed (with the instrument of transfer and in the case of prescribed security only the transferee part duly certificated and signed by the authorised depository agent in favour of the Bursa Malaysia Depository Nominees Sdn. Bhd.) to the Depository.
- (3) **Time period for delivery:** Where an authorised depository agent is located within the Kuala Lumpur-Klang Valley, the authorised depository agent shall deliver the necessary documents relating to a deposit to reach the Depository by 4.00 p.m. on (D) itself. All other authorised depository agents located outside of the Kuala Lumpur-Klang Valley shall follow the guidelines for delivery as stated in the Procedures Manual.
- (4) **Delivery to the issuer:** All necessary documents relating to a deposit shall, after proper processing by the Depository, be delivered to the appropriate issuer or its company registrar, as the case may be, by (D+2). It shall be the responsibility of the Depository to ensure that such documents are delivered safely to the issuer or its company registrar, as the case may be, and on time.

Rule 6.06 Status of securities pending verification:

- (1) **Securities in suspense:** Where prescribed securities are deposited with the Depository under these Rules, pending verification by the issuers pursuant to Rule 18.03, such securities shall be credited into the securities accounts of the respective depositors and designated as “securities in suspense” However during the transitional period, the Depository is authorised to utilise such securities in suspense belonging to a selling depositor for settlement purposes subject to any buying-in requirements under the Rules of the Stock Exchange and the Rules of the Clearing House.

- (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 credited 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 6.07 Time is of essence:

Unless arrangement has been made for delivery via the Depository's courier service, it shall be the responsibility of the authorised depository agents to ensure that such documents relating to any deposit under Rule 6.05 are delivered safely to the Depository and on time as detailed under these Rules, the Procedures Manual or other directives or circulars issued by the Depository. Unless otherwise allowed by the Depository, time wherever is mentioned in this Rule shall be of essence.

Rule 6.08 Deposit reference number and deposit request forms:

Every authorised depository agent shall, in relation to a deposit under this chapter, record the deposit reference number generated by the computer system on the deposit request form, if any. A copy of the form shall then be given to the depositor (as acknowledgement) and a second copy given to the Depository.

Rule 6.09 Deposit listing:

A listing shall be generated automatically at the terminal by the computer system indicating all deposits lodged with the authorised depository agent which has been recorded by the computer system and it shall be the responsibility of the authorised depository agent to ensure that the necessary documents relating to such deposits tally with the listing before dispatching the same to the Depository.

Rule 6.10 Accepted deposits:

Upon confirmation from the respective issuer or its company registrar, as the case may be, that the security underlying a scrip is capable of being transferred into the name of Bursa Malaysia Depository Nominees Sdn. Bhd. in accordance with Rule 18.03, such security shall be immediately redesignated by the Depository as “free securities”. However, in circumstances where the authorised depository agent requires the confirmation from the issuer at an earlier date the Depository may, on a case by case basis, allow such security to be redesignated as “free securities” provided that the agent provides an indemnity in a form acceptable to the Depository and the issuer to provide replacement securities, whether wholly or in part, and to pay for any fees and charges involved in obtaining such securities in the event that the former security underlying the scrip is incapable of registration.

Rule 6.11 Rejected deposits:

Documents relating to a deposit which have been rejected by the Depository and listed in the Rejection Covering Letter and Report issued by the Depository shall, unless withheld for investigation purposes, be returned as “Rejected Securities” and the securities in respect thereof shall be debited from the securities account of the relevant depositor.

Rule 6.12 Bare trustee:

- (1) All registrable securities deposited with the Depository shall be held in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. which acts as bare trustee for the depositors.
- (2) All bearer securities deposited with the Depository are held by the Depository as bare trustee for the depositors.

Rule 6.13 Misplaced, lost or destruction of scrips:

The Depository shall not be liable to a depositor for any scrip or instruments of transfers which have been misplaced, lost, destroyed or stolen by any of its authorised depository agents. In the event of any legal suits brought against the Depository by the depositor or any other party by reasons thereof, the agent hereby agrees to indemnify and to hold indemnified the Depository for any loss, damage or liability suffered by the aggrieved party arising from any scrip or instruments of transfers in respect thereof.

Rule 6.14 Deleted**Rule 6.14A Deposits to the principal or nominee accounts:**

Deposits made by authorised depository agent to the agent's principal or nominee accounts shall be subject to the rules in this chapter.

Rule 6.15 No deposits during corporate actions:

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

Chapter 7.0 Withdrawal of Securities

Rule 7.01 Prohibitions:

An authorised depository agent must not allow a depositor to withdraw deposited securities from the Depository except in the following circumstances -

- (a) where a body corporate has been removed from the official list of a stock exchange;
- (b) where such securities are unlisted securities; or
- (c) in any other circumstances determined by the Depository from time to time, after consultation with the Commission.

Rule 7.01A Processing of withdrawal of securities:

All requests for withdrawal of securities pursuant to Rule 7.01 shall be made and processed in accordance with these Rules and directions issued by the Depository.

Rule 7.02 Deleted

Rule 7.03 Deleted

Rule 7.04 Deleted

Rule 7.05 Deleted

Rule 7.06 Deleted

Rule 7.07 Deleted

Rule 7.08 Deleted

Rule 7.09 Deleted

Rule 7.10 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.

Chapter 8.0**Transfer of Securities between
Securities Accounts held by the
Same Depositor****Rule 8.01 Transfer of securities:**

(1) Deleted

(2) Deleted

Rule 8.02 Deleted**Rule 8.03 Processing of securities:**

(1) Deleted

(2) Deleted

**Rule 8.03A “Earmarking” of securities destined for
transfer:**

(1) Deleted

Rule 8.04 Deleted**Rule 8.05 Deleted****Rule 8.05A Deleted****Rule 8.06 Deleted**

Chapter 9.0 Transfer of Securities**Rule 9.01 Transfer of securities:**

- (1) **Request for transfer:** Subject to the provisions of Rule 9.02, a depositor (hereinafter in this chapter referred to as "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 9.01(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.

Rule 9.02 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 from one account to another.

Rule 9.03 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) **Duty of authorised depository agent:** It shall be the duty and responsibility of the authorised depository agent, in processing the transfer of securities, to ensure that the Transferring Depositor complies 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 9.03A Lodging period:

- (1) Deleted
- (2) Deleted

Rule 9.03B 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 9.03(3), such securities shall only be utilised to effect such transfer of securities and not for any other transactions.

Rule 9.04 Updating of transfers:

- (a) Deleted
- (b) Deleted

Rule 9.05 Deleted**Rule 9.06 Deleted****Rule 9.07 “Earmarking” of securities destined for transfer:**

- (1) Deleted
- (2) Deleted
- (3) Deleted

Rule 9.08 Rejected transfers:

All transfers which have been rejected by the authorised depository agent shall be immediately reported by the authorised depository agent to the Transferring Depositor.

Rule 9.09 Deleted

Rule 9.10 Notice to depositors and the Stock Exchange:

(1) Deleted

(2) Deleted

(3) Deleted

Rule 9.11 Deleted

Rule 9.11A Deleted

Rule 9.12 Deleted

Rule 9.13 Deleted

Chapter 10.0 Depository Trade Delivery and Settlement

Rule 10.01 Deleted

Rule 10.02 Stock Exchange rules:

Unless otherwise provided in these Rules, all trading in respect of prescribed securities, shall be subject to the Rules of the Stock Exchange.

Rule 10.03 Application of this chapter:

In this chapter unless otherwise expressed to the contrary, a reference to an authorised depository agent shall be restricted to a reference to an authorised depository agent who is a participating organisation of the Stock Exchange.

Rule 10.04 Prerequisite to trade:

No trade shall be effected by an authorised depository agent, whether a participating organisation or otherwise, in respect of any prescribed security from the deposit date of such security for or on behalf of a client who does not have a securities account.

Rule 10.05 Delivery of securities:

- (1) **Book-entry delivery:** The book-entry delivery of any deposited security pursuant to trade done on 'T' shall be effected by the Depository through the computer system on a book entry basis between the securities account.
- (2) **Validity of accounts:** Pursuant to a trade done (T) the Depository shall, upon receipt of the daily trade information from the Clearing House or the Stock Exchange acting on the instructions of the Clearing House verify the validity of the account numbers of the

respective receiving and/or purchasing and delivering/selling depositors.

- (3) **Transfer by book–entry delivery:** Upon verification of the account numbers pursuant to Rule 10.05(2) and provided however there are sufficient securities in the delivering/selling depositor's account during the processing for book entry delivery on the Settlement Date, the Depository shall proceed to transfer from the delivering/selling depositor's account to the receiving/purchasing depositor's account the appropriate amount of deposited securities.
- (4) **Failed Trade:** Where during the processing for book entry delivery on Settlement Date, it is discovered that there are none or insufficient securities in the delivering and/or selling depositor's securities account, the Depository shall report such event to the Clearing House or on the instructions of the Clearing House, the Stock Exchange as a failed trade, whether partial or as a whole on the part of the delivering and/or selling depositor.

Rule 10.06 Deleted

Rule 10.07 Deleted

Rule 10.08 Deleted

Rule 10.09 Deleted

Rule 10.10 Deleted

Rule 10.11 Cash settlement:

Settlement of cash between the participating organisations and the Clearing House shall be made in accordance with the Rules of the Clearing House.

Chapter 11.0 Buying-In

Rule 11.01 Deleted

Rule 11.02 Report for insufficient securities for delivery:

After the processing for book entry delivery on Settlement Date, a report containing information on the delivering and/or selling depositors' securities accounts for which there are no or insufficient deposited securities for book-entry delivery, shall be transmitted by the Depository to the Clearing House or if instructed by the Clearing House, the Stock Exchange for the appropriate action. Any such report transmitted to the Clearing House or the Stock Exchange pursuant to this Rule shall be *prima facie* evidence of the truth of the matters so reported.

Rule 11.03 Deleted

Chapter 12.0 Selling-Out**Rule 12.01 Application of this chapter:**

In this chapter, unless otherwise expressed to the contrary, a reference to an authorised depository agent shall be restricted to a reference to an authorised depository agent who is a participating organisation of the Stock Exchange.

Rule 12.02 Conditions:

If a purchasing participating organisation is not paid within the time prescribed in the Rules of the Stock Exchange for deposited securities that are purchased and to be credited into the securities account of a depositor maintained with the authorised depository agent which is the purchasing participating organisation, a selling out may be instituted by the purchasing participating organisation as permitted under the Rules of the Stock Exchange, directly from the account of such depositor.

Rule 12.03 Deleted

Rule 12.04 Deleted

Rule 12.05 Deleted

Rule 12.06 Deleted

Rule 12.07 Deleted

Chapter 13.0 Direct Business

Rule 13.01 Deleted

Rule 13.02 Deleted

PART III**RULES RELATING TO
AUTHORISED DIRECT MEMBERS
Appointment of Authorised
Direct Member****Chapter 14.0****Rule 14.01 Depository to appoint authorised direct members:**

The Depository may appoint any of the persons eligible under Rule 14.02 to be an authorised direct member who may upon appointment, be authorised to maintain such securities accounts as stated under Rule 33.01(3).

Rule 14.02 Eligibility as an authorised direct member:

To be eligible to be appointed as an authorised direct member, an applicant must be:

- (a) a 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;
- (b) a statutory body (other than a bank under category (d) established under an Act of Parliament);
- (c) a licensed Islamic bank, licensed bank or licensed investment bank;
- (d) a bank established under an Act of Parliament;
- (e) a licensed insurer under the Financial Services Act 2013;
- (f) a management company for a unit trust fund which has been approved by the Commission (or any other relevant authority);
- (g) an asset management company in possession of a valid licence under the Capital Markets and Services Act 2007;
- (h) a body corporate which is, primarily or, in the ordinary course of its business, engaged in the making of

investments in marketable securities, with an aggregate investment fund for trading on the stock market of the Stock Exchange in excess of one hundred million ringgit;

- (i) a body corporate (other than any of the above) which has been approved by the Depository upon consultation with the Commission.

Rule 14.03 Application to be an authorised direct member:

- (1) **Conditions** : Unless expressly stipulated to the contrary by the Depository, an application by a person eligible under Rule 14.02 to be an authorised direct member shall be made in writing to the Depository who shall consider such application in the following manner -
 - (a) where there are numerous applications from different categories, in descending order of priority as listed under Rule 14.02 (a) to (i); and
 - (b) where there are numerous applications within the same category, on a “first come first serve basis”.
- (2) **Branch Office** : Where there is an application for a branch office, the application shall be made separately in writing.

Rule 14.04 Accompanying information:

An application under this chapter shall be accompanied with such information as may be necessary in order to assist the Depository in determining the application and the suitability of the applicant as an authorised direct member.

Rule 14.05 Additional information:

At any time after receiving an application the Depository may, in writing, require the applicant to furnish additional information or documents.

Rule 14.06 Fees and other charges:

- (1) **Processing fee:** Upon making an application for appointment as an authorised direct member or a branch office, each applicant shall pay a processing fee as prescribed by the Depository.
- (2) **Deleted**
- (3) **Deleted**

Rule 14.07 Availability:

Notwithstanding anything in the Rules, the Depository may limit the number of persons to be appointed as its authorised direct member if the computer system or any of its related network is unavailable for the time being to accommodate such person. Any person who is unsuccessful in their application by reasons whereof shall however be placed on the waiting list of the Depository.

Rule 14.08 No obligation to appoint:

Notwithstanding and without prejudice to any other provision in this chapter, the Depository shall be under no obligation to appoint every person who is eligible under Rule 14.02 to be an authorised direct member. Any person so aggrieved by virtue of not being appointed as an authorised direct member may appeal to the Depository. Upon presentation of the appeal, such person shall submit to the decision of the Depository whose decision shall be final and binding upon the Depository and that person.

Rule 14.09 Deleted**Rule 14.10 Conditions of appointment:**

- (1) **Authorised direct members bound by the instructions, guidelines and procedures:** The Depository may, from time to time, issue instructions, guidelines or prescribe operating procedures whether

in the form of circulars, letters or Procedures Manual to or for authorised direct members in order to ensure the orderly handling of securities deposited or lodged with such members and to facilitate all other services and functions incidental thereto. Every authorised direct member shall, as a continuous condition of appointment be bound by such instructions, guidelines and procedures and any amendment thereto in the same manner as it is bound by the provisions of these Rules.

- (2) **Rules to prevail:** Notwithstanding the provisions in Rule 14.10(1), where there is a conflict between any provision in these Rules and anything in the Procedures Manual, the Rules shall prevail.

Rule 14.11 Statement of Accounts and Notices:

The provisions stated in Rule 2.11 shall apply, *mutatis mutandis*, to every authorised direct member as if it were an authorised depository agent mentioned therein.

Rule 14.12 Identity codes :

- (1) **Allocation of codes:** The Depository shall allocate to every authorised direct member an identity code.
- (2) **Branch identity codes:** An authorised direct member may, from time to time with the prior approval of the Depository, authorise any of its branch offices to perform any of its approved functions. Every branch office of an authorised direct member which has been approved by the Depository shall be allocated a branch identity code.
- (3) **Single entity:** Notwithstanding the allocation of different identity codes for an authorised direct member and its branch offices by the Depository, the authorised direct member and its branch offices shall, for the purposes of these Rules, be treated as a single entity.

Rule 14.13 Outsourcing by Authorised Direct Members:

- (1) **Compliance with conditions:** An authorised direct member which outsources its Depository Functions to a Service Provider must comply with the conditions set out in this Rule 14.13.
- (2) **Compliance by Service Provider:** The authorised direct member must ensure compliance by the Service Provider(s) of all relevant provisions in these Rules, agreement between the authorised direct member and the Depository and direction issued by the Depository.
- (3) **Accountability:** An authorised direct member remains accountable for all outsourced Depository 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.
- (4) **Insurance:** The authorised direct member must have in place an insurance policy to protect it against any liability, loss or damage arising from any action or omission of the Service Provider in performing the said Depository Functions.
- (5) **Access to books:** The authorised direct member must ensure that the Depository or its agent shall at all times have access to and be allowed to make copies of the books of the authorised direct member or the Service Provider. The authorised direct member shall procure a written consent through a letter of undertaking from the Service Provider to allow the Depository or its agent to exercise its powers as stated above.
- (6) **Amendments to conditions:** The Depository reserves the right to add, delete or amend any of the conditions set out in this Rule 14.13.
- (7) **Notification of outsourcing:** An authorised direct member must notify the Depository within 2 weeks from the signing of the relevant agreement(s) setting out the terms and conditions of the outsourcing arrangement, including where applicable, the agreement setting out the terms and conditions for sub-contracting the Depository Functions to another

Service Provider (“relevant service level agreement(s)”).

- (8) **Termination or variation of services of Service Provider:** An authorised direct member must, in respect of the outsourcing of the Depository Functions, notify the Depository of:

- (i) the termination or variation of the relevant service level agreement(s); or
- (ii) any adverse development arising from or in connection with the outsourcing arrangement that could significantly affect the authorised direct member,

within 2 weeks from the occurrence of such event.

- (9) **Non-application:** The above provisions shall not apply to an authorised direct member who also holds a Capital Markets Services Licence. Such authorised direct member may outsource its Depository Functions subject to compliance with the Commission’s Licensing Handbook and the provisions in Rule 2.12 shall apply, mutatis mutandis, to such authorised direct member as if it were an authorised depository agent mentioned therein.

**Chapter 14A.0 Transfer, Termination & Cessation
of Registration****Rule 14A.01 No Transfer of Appointment:**

An authorised direct member is not permitted to transfer its appointment by the Depository to any other person.

Rule 14A.02 Obligations upon Termination of Appointment:

- (1) In the event that the appointment of any authorised direct member is terminated for any reason whatsoever, the authorised direct member shall:
 - (a) transfer its deposited securities as specified by the Depository;
 - (b) pay all outstanding charges as directed by the Depository;
 - (c) fulfill all outstanding obligations as directed by the Depository; and
 - (d) until the termination of its appointment is effective, continue to comply with the Rules.

Rule 14A.03 Resignation:

- (1) An authorised direct member may resign by giving at least 60 days written notice to the Depository and the resignation takes effect at the later of either the expiration of that notice period or:
 - (a) when there is no further obligation or liability owed by the authorised direct member to the Depository, any authorised depository agent, any other authorised direct member or any issuer;
 - (b) when all securities in the securities accounts maintained by the authorised direct member have been transferred to an authorised

depository agent of the authorised direct member's choice; and

- (c) when the authorised direct member has presented to the Depository such indemnities and guarantees as the Depository in its sole discretion may require.
- (2) The acceptance of the resignation is at the absolute discretion of the Depository.
- (3) The resigning authorised direct member's name will be removed from the register of authorised direct members on the effective date of resignation.
- (4) The resignation of an authorised direct member does not in any way affect any pre-existing liability which that authorised direct member may have incurred to the Depository.
- (5) An authorised direct member shall continue to comply with the Rules until the effective date of resignation.

Rule 14A.04 Continuing Liability:

- (1) A former authorised direct member remains liable to disciplinary action for any breach of these Rules committed during the period while it was an authorised direct member.
- (2) A former authorised direct member must retain all its records for a minimum of seven (7) years and produce such record in a legible form to the Depository upon demand.
- (3) All provisions in these Rules continue to apply in respect of the former authorised direct member to the extent required to give effect to Rules 14A.04(1) or (2).

Chapter 15.0 Securities Account**Rule 15.01 Opening of an authorised direct member's securities accounts:**

The Central Depository shall open the first principal account for an authorised direct member. Thereafter, the authorised direct member shall be allowed to open all subsequent principal accounts and any nominee accounts for its nominee company subject to the conditions and in the manner prescribed by the Central Depository.

Rule 15.02 Allocation of account numbers:

The Depository shall allocate to every authorised direct member a securities account number for each account maintained by such authorised direct member.

Rule 15.03 Single entity:

Notwithstanding the allocation of different securities account numbers for an authorised direct member and/or its branches by the Depository, the authorised direct member and its branches, if any, shall for the purposes of these Rules, be treated as a single entity.

Chapter 16.0 **Miscellaneous****Rule 16.01** **Application of other rules:**

- (1) **General rule:** Unless expressed otherwise to the contrary, the following Rules shall apply, *mutatis mutandis*, to an authorised direct member as if it were an authorised depository agent mentioned therein -
- (a) all Rules under chapter 6.0;
 - (b) all Rules under chapter 7.0; and
 - (c) deleted
 - (d) all Rules under chapter 9.0.
- (2) **Construction:** Where a reference is made to a depositor in any of the Rules mentioned under Rule 16.01(1), it shall be construed as a reference-
- (a) where the securities account of the depositor is a principal account, to the authorised direct member; and
 - (b) where the securities account of the depositor is a nominee account, to the authorised nominee of the authorised direct member.

Rule 16.02 **Agreements:**

The Depository shall, in approving an application pursuant to this chapter, require the applicant to enter into such written agreement or agreements as may be deemed necessary by the Depository for the provision of terms relating to, *inter alia* -

- (a) the appointment and suspension / termination as an authorised direct member;
- (b) the maintenance of any direct account facility together with any of its related functions;

- (c) the provision of any computer hardware or software;
- (d) training services, if any, related to the proper establishment of any securities account or accounts maintained by an authorised direct member; and
- (e) any other term or condition which should be kept confidential between the parties thereto.

All costs, including legal and stamping fees, involved in the preparation of such agreements shall be borne by the applicant.

Rule 16.03 Clearance on security measures and controls:

Where an authorised direct member has been allocated a terminal for direct linkage with the computer system such direct member shall not be allowed to commence operations through the terminal without obtaining prior clearance in writing from the authorised person of the Depository in charge for the time being of security measures and control. For the purposes of this rule, an authorised direct member shall be deemed to have commenced operations if it has opened any securities account for itself.

Rule 16.04 Responsibility for entries in securities accounts:

Every authorised direct member shall be responsible for all entries made by itself, its employees or servants relating to any securities accounts maintained by itself and shall, in respect of any such entries, be liable to fully indemnify the Depository, an authorised depository agent, any other direct member or an issuer for any loss, damage or liability suffered by them arising from any wilful act, omission, neglect, fraud or error on the part of such direct member its employees or servants in respect thereof.

Rule 16.05 Authorised direct member shall not perform certain transactions:

An authorised direct member shall not perform and discharge any of the transactions specified under Rule 25.04(2) relating to any deposited securities held in its principal or nominee accounts where -

- (a) the 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 transactions are in breach of any provisions of the Act, these Rules, the Procedures Manual or any securities laws.

Rule 16.06 Authorisation:

- (1) The Depository shall be authorised by an authorised direct member to perform and discharge all Depositor's Transactions specified under Rule 25.04(2) in respect of its principal and nominee accounts-
 - (a) upon the written instructions of the authorised direct member in such manner as may be prescribed under these Rules; or
 - (b) in accordance with the Rules of the Stock Exchange and the Rules of the Clearing House, where the authorised direct member is a receiving depositor or a delivering depositor.

Rule 16.07 Rules of the Clearing House:

In addition to these Rules, every authorised direct member which is a clearing participant shall in such capacity comply with the Rules of the Clearing House. Nothing in these Rules shall operate to relieve an authorised direct member from any obligation imposed on it by the Rules of the Clearing House in its capacity as a clearing participant.

Rule 16.08 Compliance with Rules, etc:

Every authorised direct member shall comply with the provisions of the Act, the Regulations and these Rules, whether in this part or otherwise, where they purport to apply to him, directly or indirectly.

Rule 16.09 Authorised Direct Member to include other persons

An authorised direct member is responsible to the Depository for all acts or omissions of its owners, principals, directors, officers, employees, trainees, agents, service providers and sub-contractors.

PART IV**RULES RELATING TO ISSUERS****Chapter 17.0****General Rules****Rule 17.01 Compliance with Rules, etc:**

- (1) Every issuer of prescribed securities or deposited securities shall comply with these Rules where they purport to apply to them directly or indirectly (whether in this Part IV or otherwise), the Procedures Manual, the provisions of the Act and the Regulations, any directions which may be issued by the Depository from time to time, any undertakings, representations or warranties given to the Depository by the issuer and any terms and conditions agreed upon between the Depository and the issuer. For the purposes of this Rule, an issuer shall include, if applicable, its company registrar, its issuing house or any agent of the issuer.
- (2) A trustee of an exchange traded fund shall comply with these Rules where they purport to apply to the trustee directly or indirectly (whether in this Part IV or otherwise), the Procedures Manual, the provisions of the Act and the Regulations and any directions which may be issued by the Depository from time to time. In this connection, a trustee must give the Depository an undertaking in the form of Appendix IV.

Rule 17.01A Indemnity:

Every issuer of prescribed securities or deposited securities and in the case of an exchange traded fund, both the issuer and the trustee shall fully indemnify and hold indemnified the Depository against any loss, damage, liability, cost or expense (including legal costs) suffered or incurred by the Depository, whether directly or indirectly, as a result of any demand, action or proceeding made by any person for, on account of, or in respect of anything done, any statement made or omitted to be done or made, by the Depository in connection with the discharge or performance or purported discharge or performance of any duties or services by the Depository under

these Rules or in the exercise or intended exercise of any power under these Rules, in relation to such issuer, its securities or trustee of an exchange traded fund provided always that such act, statement or omission did not arise as a result of negligence on the part of the Depository.

Rule 17.01B Rectification of error or omission:

- (1) **Right to rectify:** Without prejudice to the provision in Rule 17.01A, the Depository shall have the right to do any act or thing to rectify any error or omission made by the Depository in relation to entries made in any securities account pursuant to any corporate action undertaken by an issuer.
- (2) **No liability for rectification:** The Depository shall not be liable to any issuer or depositor in respect of any such rectification except such liability as may arise as a result of bad faith of the Depository.

Rule 17.01C Documents required to be provided by foreign corporations:

- (1) Prior to the prescription of the securities of an issuer which is a foreign corporation under section 14 of the Act or the deposit of securities of a foreign corporation with the Depository, the foreign corporation must provide to the Depository:
 - (a) an undertaking in the form of Appendix V or in such other form as the Depository may require; and
 - (b) any other documents, including legal opinions that the Depository may require.

Rule 17.02 Identity code:

The Depository shall allocate to every issuer (or its company registrar or issuing house) of prescribed securities an identity code.

Rule 17.03 Deleted

Rule 17.04 Deleted

Rule 17.05 Issuer to ensure all information pertaining to corporate actions are correct and accurate:

Every issuer of deposited securities shall be responsible to ensure that all information provided to the Depository in relation to corporate actions under Chapter 21 and Chapter 22 of these Rules, in particular information relating to the debiting or crediting of securities from or into the depositor's securities account are correct, accurate and in accordance with the application form received from the depositor. The Depository shall rely solely on the information provided by the issuer in processing the corporate actions under Chapter 21 and Chapter 22 of these Rules.

Rule 17.06 Compliance with the law, regulations, requirements etc.

The Depository shall deem that the issuer of deposited securities has obtained all the necessary approval(s) from the relevant regulatory authorities to undertake the corporate actions set out under Chapter 21 and Chapter 22 of these Rules and the same are in compliance with all requirements of the laws, regulations, rules, procedures etc. that govern the corporate actions.

Rule 17.07 Application for deposit of unlisted securities:

- (1) **Application:** Any issuer of securities which are not listed or proposed to be listed on the official list of the Stock Exchange, who wishes to have such securities deposited with the Depository, shall apply to the Depository by submitting an application in the form prescribed by the Depository.

- (2) **No obligation:** The Depository may exercise its discretion and may approve or reject applications for the deposit of securities as referred to in Rule 17.07(1) by any issuer, as it deems fit.
- (3) **Approval:** The Depository may also approve such applications for deposit unconditionally or subject to such conditions, as it deems fit.

Rule 17.08 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 17.08(1) or any other services refused to be performed by the Depository and the Depository shall not be held liable for any loss or damage suffered by any depositor arising from its refusal to act as stipulated under Rule 17.08(1).

Rule 17.09 Undertaking:

An issuer who has been approved to have its unlisted securities deposited with the Depository shall issue or provide an undertaking to the Depository in the form prescribed in Appendix III of these Rules.

Rule 17.10 Termination of central depository services in relation to unlisted securities:

- (1) **Termination of services by issuer:** Notwithstanding any of the provisions in these Rules, an issuer of unlisted securities may terminate the central depository services provided by the Depository in relation to the unlisted securities of the issuer at any time with or without assigning any reason or reasons thereto, by giving the Depository not less than thirty (30) days' prior notice in writing of such intention provided that the following conditions have been satisfied, and the effective date of the termination of such services shall be the date of expiry of such notice or the date on which all the following conditions have been fully satisfied, whichever is later –
- (a) there are no outstanding fees or charges due and owing by the issuer to the Depository;
 - (b) there is no pending action to be taken by the Depository in relation to any request for central depository services made by the issuer;
 - (c) all unlisted securities of the issuer have been withdrawn from the Depository in accordance with these Rules, directions issued or conditions imposed by the Depository; and
 - (d) fulfillment of any other conditions as may be imposed by the Depository on the issuer.
- (2) **Termination of services by Depository:** Notwithstanding any of the provisions in these Rules, the Depository may terminate the central depository services provided by the Depository in relation to the unlisted securities of the issuer at any time with or without assigning any reason or reasons thereto, by giving the issuer of the unlisted securities prior notice in writing of such intention. The termination of such services shall be made subject to the fulfilment of the

conditions provided in Rule 17.10(1)(a)-(d) except as specified by the Depository in its absolute discretion. The effective date of the termination of such services shall be the date of expiry of such notice or such other date as may be determined by the Depository as it deems fit.

- (3) **Withdrawal of unlisted securities:** Where the issuer of unlisted securities or the Depository, as the case made be, 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 issuer shall notify all depositors of its unlisted securities that the notice to terminate such services has been served and the depositors must effect withdrawal of such unlisted securities from the Depository in accordance with directions issued or conditions imposed by the Depository.
- (4) **Effect of Termination of Services:** Upon the termination of the central depository services in relation to the unlisted securities by an issuer of unlisted securities or the Depository, as the case may be, taking effect :-
- (a) the Depository shall not be under any duty or obligation, whether or not expressly provided in these Rules, to provide any services or facilities to the issuer in relation to the unlisted securities on or after the effective date of such termination but shall not be precluded from doing so at its absolute discretion; and
 - (b) such termination shall be without prejudice to any rights or remedies either party may be entitled to and shall not affect any accrued rights or liabilities of either party before the effective date of such termination and the coming into or continuance in force of any provisions in these Rules which are expressly or by implication intended to come into or continue in force on or after the effective date of such termination.

Rule 17.11 eRAPID:

(1) **eRAPID Information:** Any of the following record or information that is to be provided by the Depository to an issuer or offeror (hereinafter referred to as “the Issuer”) or by an Issuer to the Depository, as the case may be, shall be transmitted electronically via the eRAPID System unless otherwise permitted or directed by the Depository:

- (a) Record of Depositors;
- (b) data in relation to corporate actions or public offers for the purpose of debiting or crediting the securities accounts of the relevant depositors;
- (c) reports or information as stipulated under these Rules or the Procedures Manual, pursuant to a request made by the Issuer which reports or information are generated by the computer system of the Depository in relation to Rule 17.11(1)(b) or which may be provided by the Depository; and
- (d) such other records or information as may be prescribed by the Depository from time to time.

(hereinafter collectively referred to in this Chapter as “the eRAPID Information”).

(2) **Request:**

- (a) **Form of Request:** An Issuer must ensure that any request made under these Rules that relates to the eRAPID Information (hereinafter referred to as “the Request”) is sent electronically via the eRAPID System, unless otherwise permitted or directed by the Depository.

- (b) **User identification and password:** An Issuer will be allocated specific user identification and password, in accordance with the Procedures Manual for access to the eRAPID System to such extent or in such manner as may be determined by the Depository.
 - (c) **Valid Request:** Any Request received by the Depository via the successful usage of the user identification and password allocated to the Issuer shall be deemed to be a valid Request made by such Issuer which may be relied and acted upon by the Depository.
 - (d) **Approval:** Information relating to the eRAPID Information that is requested by the Issuer will be transmitted by the Depository to the Issuer only upon the relevant approval of the Request by the Depository.
- (3) **Information**
- (a) **When information deemed received:** Any information transmitted via the eRAPID System shall be deemed received by the recipient as soon as the information is placed on the server of the eRAPID System.
 - (b) **Other form:** Nothing in this Rule shall preclude the Depository from requiring or allowing the information relating to the eRAPID Information to be provided in any other form, as the Depository, in its absolute discretion, deems fit.
- (4) **Liability:** Without limiting the generality of any of the provisions of these Rules, the Depository shall not be liable for the inadvertent disclosure of, or corruption or erasure of, data transmitted or received or stored in the eRAPID System. The Depository shall not be liable for, including but not limited to, losses or damages of

any and every nature, resulting from the loss of data, inability to access the internet or inability to transmit, receive or access information unless such losses or damages resulted from the Depository acting in bad faith or negligently.

- (5) **Indemnity:** The Issuer shall fully indemnify and hold indemnified the Depository against any loss, damage, liability, cost or expense (including legal costs) suffered or incurred by the Depository, whether directly or indirectly, as a result of the Depository acting in reliance of a Request made via the successful usage of the user identification and password allocated to the Issuer provided always that the loss, damage, liability, cost or expense did not result from bad faith or negligence on the part of the Depository.

Chapter 18.0**Deposit of Physical Scrips,
Verification and Registration****Rule 18.01 Prescription of security by the Stock Exchange:**

Where, pursuant to section 14 of the Act, the Stock Exchange is to prescribe a security listed or proposed to be listed on its official list, the Stock Exchange shall, prior to prescribing such security, notify the Commission with respect to-

- (a) the ability of the issuer or its company registrar of such security, as the case may be, to handle the prescription exercise; and
- (b) the length of the proposed transitional period required in order to achieve satisfactory results for such prescription exercise.

Rule 18.02 Duty to notify members (or debenture/interest holders) on conversion as a prescribed security:

Where a security listed or proposed to be listed for quotation on the official list of the Stock Exchange has been prescribed by the Stock Exchange as a prescribed security, the Depository shall notify the respective issuer of this matter at least one month prior to the deposit date whereupon the issuer or its company registrar, as the case may be, shall in furtherance thereof serve written notice within seven market days from the deposit date to all its registered members (or debenture/interest holders) that –

- (a) such security has, from the deposit date, become a prescribed security;
- (b) no registered member (or debenture/interest holder) shall, from the deposit date, receive any written notice as the transferor in the event that a scrip with his name as the registered owner, together with the relevant instrument of transfer, has been lodged with the Depository to become a deposited security to be credited into a transferee's securities account; and

- (c) in the event that the member (or debenture/ interest holder) whose scrip has been deposited with the Depository without his knowledge or consent he may lodge a complaint to the Depository.

Rule 18.03 Verification of scrips and transfer into the name of the Depository or its nominee company:

- (1) An issuer or its company registrar, as the case may be shall, within seven (7) market days (or such longer period as may be allowed in writing by the Depository) upon receipt of the appropriate documents from the Depository pursuant to Rule 6.05(4) ascertain and notify the Depository whether the security underlying the scrip lodged is capable of being transferred into the name of the Depository or its nominee company.
- (2) An issuer shall refuse to register such transfer if-
- (a) it ascertains that the scrip is not a genuine scrip or is a scrip that was reported lost or destroyed;
 - (b) in relation to any such security, it discovers that –
 - (i) there has been duplication in the issuance of the scrip representing that security; or
 - (ii) such scrip is a scrip issued in excess of the issued capital of the issuer;
 - (c) it has been served with an order of court of competent jurisdiction prohibiting any dealings in respect of such security underlying such scrip; or
 - (d) an order under regulation 8 of the Essential (Protection of Depositors) Regulations 1986 made by the Central Bank and published in the Gazette prevents the person who deposited the scrip from dealing with any of his monies, properties or assets.

- (3) Where the registration of such transfer has not been refused pursuant to Rule 18.03(2), the issuer or its company registrar shall complete and deliver the appropriate certificate duly registered in the name of the Bursa Malaysia Depository Nominees Sdn. Bhd. and the Depository shall then be authorised to credit the securities by book entry as “free securities” in the respective securities accounts of the depositors.
- (4) Where the registration of such transfer has been refused pursuant to Rule 18.03(2), the issuer or its company registrar, as the case may be, shall prepare a List of Rejected Deposits to indicate all the rejected transfers and serve notice of such rejection on the Depository as well as the transferor with the reasons for such rejection.
- (5) The List of Rejected Deposits shall be delivered to the Depository in the manner prescribed by the Depository, within seven (7) market days (or such longer period as may be allowed in writing by the Depository) after the lodgement of such scrips by the Depository. Thereafter, the issuer or its company registrar shall return the scrips and the relevant instruments of transfers to the Depository unless the same are required for the purposes of conducting any investigation by the relevant authorities. Upon being notified of such rejection, the Depository shall debit such securities from the securities accounts of the respective depositors.

Rule 18.04 Notification of late delivery to the Depository:

Where an issuer or its company registrar, as the case may be, is of the opinion that it is unable to ascertain and deliver the appropriate certificate registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. within seven market days it shall submit a request for an extension of time at least forty-eight hours before the expected deadline in writing addressed to the Depository and provided that the former has exercised all due diligence and the requested extension is reasonable depending on the circumstances, the Depository shall do the necessary to grant such a request.

Rule 18.05 Notification and record of bad scrips:

The issuer or its company registrar, as the case may be, shall compile a record of all scrips which have been-

- (a) reported lost, missing, stolen or forged;
- (b) duplicated in excess of the issued share capital of the issuer; and

promptly inform the Depository as and when the events or changes arise through out the transitional period.

Rule 18.06 Deleted**Rule 18.07 Arrangement for delivery:**

Where there is delivery of a scrip or document to be made in accordance with any rule under this chapter by an issuer or its company registrar, as the case may be, arrangements may be made to utilise the Depository's courier service whereupon such issuer or its company registrar, as the case may be, shall ensure that the scrip or document shall be made available for collection at its business office during its official business hours. Unless such arrangements have been made with the Depository it shall be the responsibility of the issuer or its company registrar to ensure that the scrip or document is delivered to the Depository and on time.

Rule 18.08 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) **Issuer to comply with procedures:** The issuer must comply with the procedures applicable to a transmission of securities as may be prescribed by the Depository.

Rule 18.09 Deposited securities being held by a third party:

- (1) The Depository is empowered to enter into arrangements with another person, including a depository to hold the legal title or possession of the physical scrips underlying the deposited securities or to hold the rights and liabilities to such securities on behalf of the Depository, as bare trustee for the depositors.
- (2) In relation to the Depository entering into such arrangements as are contemplated in Rule 18.09(1), the relevant provisions in these Rules apply with such modifications as may be prescribed by the Depository.

Chapter 19.0**Withdrawals of Deposited Securities****Rule 19.01 Prohibitions:**

An issuer is prohibited from withdrawing deposited securities from the Depository except in the following circumstances -

- (a) to facilitate cancellation of the issuer's own securities purchased in a share buy-back;
- (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 circumstance determined by the Depository from time to time, after consultation with the Commission.

Rule 19.02 Processing of withdrawal of securities:

All requests for withdrawal of securities pursuant to Rule 19.01 shall be made and processed in accordance with these Rules and directions issued by the Depository.

Rule 19.03 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) **Issue to comply with procedures:** The issuer must comply with the procedures applicable to a transmission of securities as may be prescribed by the Depository.

Chapter 20.0**Public Offer****Rule 20.01 Section 37 of the Act:**

This chapter shall apply to all securities proposed to be listed for quotation on the official list of the Stock Exchange which have been prescribed by the Stock Exchange under section 37 of the Act to be deposited with the Depository (in this chapter hereinafter referred to as “the said securities”).

Rule 20.02 Procedures for handling of applications for the said securities:

- (1) **Applications:** Any application made by a person for any of the said securities shall be made in the form or manner prescribed by the issuer. The issuer or offeror must ensure that the person’s securities account number has been correctly submitted by the applicant.
- (1A) **Deleted**
- (2) **Wrong securities account number:** An issuer or offeror must reject any application if the securities account number has been wrongly submitted pursuant to Rule 20.02(1).

Rule 20.03 No physical securities:

Any request made by any applicant for any of the said securities to be delivered in the form of scrips shall be rejected by the issuer or offeror, as the case may be.

Rule 20.03A Deleted

Rule 20.04 Depository to process Allotment List:**(1) Issuer to deliver:**

The issuer or offeror, upon the completion of balloting of applications for the said securities, shall provide a record to the Depository containing, *inter alia*, information pertaining to the successful allottees referred to in Rule 20.06 (hereinafter in this chapter referred to as "the Allotment List").

(2) Depository to process: The Depository shall within three market days upon receipt of the Allotment List pursuant to Rule 20.04(1), verify the Allotment List and notify the issuer or offeror of the results thereof.**Rule 20.05 Verification by the computer system:**

For the purposes of verification pursuant to Rule 20.04(2), the Depository shall provide the issuer or offeror information which include, *inter alia* -

- (a) a list of applicants, whose applications have been rejected by the computer system by reason that their securities account numbers do not tally with their respective national registration identity card or in the case of companies, their respective certificates of incorporation numbers.
- (b) **Deleted**
- (c) **Deleted**

Rule 20.06 Allotment List:

The issuer or offeror must, for the purpose of allotment of deposited securities pursuant to this chapter, ensure that the Allotment List provided to the Depository contains, *inter alia*-

- (a) their names, race, nationality, national registration identity card numbers (or in the case of companies, the company registration numbers);

- (b) the number of shares allotted to each of them; and
- (c) their securities account numbers.

Rule 20.07 Finalisation of successful applicants:

- (1) Upon completion of the verification of the Allotment List pursuant to Rule 20.05, the issuer or offeror must provide to the Depository a final record of the successful allottees together with the scripts (in such denomination as may be specified by the Depository) duly registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd.
- (2) For the purposes of Rule 20.07, the final record submitted to the Depository shall be deemed to be the final record of successful allottees where information pertaining to the successful allottees referred to in Rule 20.06 are not rejected by the computer system pursuant to Rule 20.05.

Rule 20.08 Deleted

Rule 20.09 Book entries:

Upon receipt of the recording and scrips, the Depository shall, after consultation with the Stock Exchange, credit the securities accounts of the successful applicants with the number of shares allotted or allocated to them respectively prior to the listing of the said securities.

Rule 20.10 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 securities account has been credited with the number of shares allotted to him.
- (1A) The notice must be sent to the applicant using the contact details as provided by the Depository.

(2) Deleted

Rule 20.11 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 and in the case of an exchange traded fund, reference to “issuer” under Rules 20.03A, 20.04, 20.05, 20.06 and 20.07 in this Chapter shall mean the trustee of the exchange traded fund.

Chapter 20A.0 Non-equity Securities**Rule 20A.01 Application of this chapter:**

This chapter applies to every issuer of non-equity security whose non-equity securities are deposited with the Depository.

Rule 20A.02 Compliance with section 38 of the Act:

Every issuer in relation to any prescribed security who issues securities enumerated in Rule 20A.01 shall do all such acts and things as may be necessary in order to comply with section 38 of the Act.

Rule 20A.03 Exercise of rights upon given notice:

The issuer shall not be under any obligation to accept an application for the exercise of rights which is in relation to deposited non-equity securities which are or have not been designated as “free securities”.

Rule 20A.04 Procedure for handling of application for exercise of rights prior to the maturity of non-equity securities:

- (1) **Application for exercise of rights:** Any application made by a depositor for the exercise of rights prior to the maturity of the deposited non-equity securities shall be made in the form prescribed by the issuer (hereinafter in this chapter referred to as “the application form”), accompanied by such other supporting documentary evidence as may be required by the issuer. It shall be the responsibility of the issuer to ensure that such form shall include the particulars and statements as may be required by the Depository from time to time under the Procedures Manual.

- (2) **Inclusion of other terms:** Except as may be permitted by law, no issuer shall include any term or condition into the application form which may exclude, exempt, disclaim, reduce, limit or waive any loss, damage or liability on the part of the issuer in respect of the handling of the exercise of rights or the rejection thereof.
- (3) **No physical securities and crediting in third parties' names:** Where the exercise of rights in relation to deposited non-equity securities involves the issuance of new securities by the issuer, the issuer shall reject any request by a depositor 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 debited for the exercise of rights by the depositor.

Rule 20A.05 Procedure for handling exercise of rights prior to the maturity of non-equity securities:

- (1) **Application of this Rule:** This Rule applies to the exercise of rights prior to the maturity of the non-equity security.
- (2) **Issuer to send information for debiting:** The issuer, upon receiving the application for the exercise of rights from the depositor, shall send or cause to be sent to the Depository information pertaining to, inter alia, the names of the depositors, their national registration identity card numbers or passport numbers (or in the case of companies, the company numbers, etc), their securities account numbers and the quantity of deposited non-equity securities involved in the exercise of rights by each depositor (hereinafter in this chapter referred to as "the Debit List"), on the days determined from time to time by the Depository in the Procedures Manual.

- (3) **Depository to process Debit List:** The Depository shall, upon receipt of the Debit List, and after verification, debit the securities accounts of the depositors with the number of deposited non-equity securities involved in the exercise of rights in accordance with the Debit List, and issue the appropriate certificates representing such securities to the issuer.
- (4) **Splitting:** Where in connection with the cancellation of certificates of the deposited non-equity securities set out in the Debit List, the original certificates of non-equity securities delivered by the Depository were split into smaller denominations, the issuer shall register the remaining certificates underlying such non-equity securities which do not form part of the Debit List in the name of the Depository or that of its nominee company and such certificates shall be delivered or caused to be delivered by the issuer to the Depository in such manner prescribed by the Depository.
- (5) **Issuer to send information for crediting:** Where the exercise of rights involves the issuance of new securities by the issuer, the issuer shall, upon receipt of the certificates pursuant to Rule 20A.05(3), send or cause to be sent to the Depository information pertaining to, inter alia, the names of the depositors, their national registration identity card numbers or passport numbers (or in the case of companies, the company numbers, etc), their securities account numbers and the quantity of new securities allotted to each depositor pursuant to the exercise of rights (hereinafter in this chapter referred to as “the Credit List”), together with the appropriate share certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd.
- (6) **Depository to process Credit List:** The Depository shall, upon receipt of the Credit List and the share certificates pursuant to Rule 20A.05(5) and after verification, credit the securities accounts of the depositors with the number of new securities specified therein prior to the listing of the new securities.

(7) **Rejections:**

- (a) In the event any of the exercise of rights as contained in the Debit List or Credit List is rejected by the Depository after the verification process, the issuer shall immediately verify the discrepancy which is the source of the rejection by the Depository, to determine whether to reject the application.
- (b) Every issuer shall be held liable for any rejections made by them in respect of any exercise of rights where such rejections were result of any omission, neglect, error, fraud or failure to comply with these Rules on the part of the issuer.

- (8) **Notices:** Every issuer shall send to each depositor a notice or notices informing him of the debiting of deposited non-equity securities or the crediting of new securities from or into the depositor's securities account.

Rule 20A.06 Redemption or conversion of non-equity securities or any other action resulting in a cancellation of the non-equity securities prior to maturity:

- (1) **Redemption or any other action resulting in a cancellation of the non-equity securities before maturity:**
- (a) In the event of a redemption or any other action by the issuer resulting in a cancellation of part or all of the deposited non-equity securities prior to the maturity of such securities, the issuer shall instruct the Depository to debit all deposited non-equity securities and in that respect the procedures set out in Rules 20A.08(1) to 20A.08(6) shall apply *mutatis mutandis*, as if the redemption is made upon maturity.

- (b) Where a reference is made to the “maturity date” in any of the Rules as mentioned in Rule 20A.06(1)(a), it shall be construed as a reference to the date to be fixed by the issuer for the redemption or the action by the issuer that results in a cancellation of the non-equity securities before maturity.
- (2) **Partial redemption:** Where the issuer redeems or where the action by the issuer that results in a cancellation of the non-equity securities affects only part of the deposited non-equity securities, in addition to the applicability of Rules 20A.08 (1) to 20A.08(6), Rules 20A.08(7) to 20A.08(8) shall apply mutatis mutandis, as if the portion of the deposited non-equity securities not to be redeemed or cancelled were the new securities mentioned therein.
- (3) **Compulsory conversion before maturity:**
- (a) Where the issuer determines to compulsorily convert part or all of the deposited non-equity securities prior to the maturity of such securities, Rule 20A.08 shall apply mutatis mutandis, as if the conversion is made upon maturity.
- (b) Where a reference is made to the “maturity date” in any of the Rules as mentioned in Rule 20A.06(3)(a), it shall be construed as a reference to the date to be fixed by the issuer for the conversion before maturity.

Rule 20A.07 Cancellation of non-equity securities:

Where the issuer wishes to cancel any deposited non-equity securities prior to the maturity of such securities by virtue of having acquired the same in accordance with the provisions of the trust deed or deed poll constituting the non-equity securities, the procedures set out in Rules 20A.05(2) to 20A.05(4) shall apply mutatis mutandis except that there shall not be any requirement for the submission of any application form.

Rule 20A.08 Procedures upon maturity of non-equity securities:

- (1) **Application of Rule:** This Rule applies upon the maturity of any non-equity securities.
- (1A) **Application for exercise of rights:** Any application made by a depositor for the exercise of rights upon maturity of the deposited non-equity securities shall be made in the form prescribed by the issuer (hereinafter in this chapter referred to as “the application form”) accompanied by such other supporting documentary evidence as may be required by the issuer. It shall be the responsibility of the issuer to ensure that such forms shall include the particulars and statements as may be required by the Depository from time to time under the Procedures Manual.
- (2) **Notification:** Every issuer, in relation to maturity of any prescribed non-equity security shall, immediately upon making an announcement in accordance with the requirements of the Stock Exchange relating to the maturity of such non-equity securities, extend a copy of such announcement to the Depository.
- (3) **Request for Record of Depositors:** Every issuer shall request for a Record of Depositors within such time frame prescribed by the Depository prior to the date of the Record of Depositors which date shall be prescribed by the Depository (hereinafter in this chapter referred to as “the ROD Date”).
- (4) **Record of Depositors:** Within three clear market days after the ROD Date, the Depository shall issue the relevant Record of Depositors as at the ROD Date to the issuer.
- (5) **Return of scrips:** The Depository shall, on the instructions of the issuer, debit all the securities accounts of the depositors appearing in the Record of Depositors on the day after the maturity date and deliver or cause to be delivered to the issuer the appropriate certificates representing the entire non-equity securities issued by the issuer which have been deposited with the Depository as at the ROD Date.

- (5A) **No withdrawals and deposits:** In relation to the maturity of a non-equity security, the Depository may not accept any withdrawals and deposits in respect of the said non-equity security, for such period of time prescribed by the Depository.
- (5B) **No transfers:** In relation to the maturity of a non-equity security, the Depository may not accept any transfer of securities in such circumstances prescribed by the Depository from time to time.
- (6) **Qualification:** Subject to the Foreign Ownership Regulations, no depositor shall be entitled to the exercise of any rights in respect of non-equity security standing to the credit of his securities account unless-
- (a) the scrip representing such deposited non-equity security has been deposited within such time frame prescribed by the Depository, and the issuer or its company registrar, as the case may be, has confirmed that the security is capable of being registered into the name of the Depository or its nominee company in accordance with Rule 18.03;
 - (b) such deposited non-equity security is not withdrawn from the Depository within such time frame prescribed by the Depository;
 - (c) such deposited non-equity security has been bought on the stock market of the Stock Exchange before trading on such non-equity security is suspended by the Stock Exchange in relation to the maturity of the same; or
 - (d) the transfer of such deposited security into the depositor's securities account had been entered into the computer system by such time prescribed by the Depository from time to time.

- (7) **Issuer to send information for crediting:** Where there is issuance of new securities upon the maturity of the deposited non-equity security, the issuer shall, upon receipt of the certificates pursuant to Rule 20A.08(5), send or cause to be sent to the Depository information pertaining to, inter alia, the names of the depositors, their national registration identity card numbers or passport numbers (or in the case of companies, the company numbers, etc), their securities account numbers and the quantity of new securities allotted to each depositor (hereinafter in this chapter referred to as “the Allottees’ List”), together with the appropriate share certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd
- (8) **Depository to process Credit List:** The Depository shall, upon receipt of the Allottees’ List and the share certificates pursuant to Rule 20A.08(7), and after verification, credit the securities accounts of the depositors with the number of new securities specified therein prior to the listing of the new securities.

Rule 20A.09 Payment in cash:

- (1) Any payment in cash which may be due to the depositor in connection with the deposited non-equity securities shall be the responsibility of the issuer.
- (2) An issuer of deposited non-equity securities must instruct the Depository on the manner in which the cash payments received by the Depository under Rule 31A.06(2) on behalf of depositors, are to be made to the depositors.

Rule 20A.09A Issuer to ensure information is correct and accurate:

The Depository shall in handling the exercise of rights for non-equity securities rely solely on the information provided by the issuer in particular when debiting the non-equity securities or

crediting the securities from or into the depositor's securities account. As such it shall be the responsibility of the issuer to ensure that the information contained in the Debit List, Credit List and the Allottees' List is correct, accurate and is in accordance with the application form received from the depositor.

Rule 20A.09B Procedures for handling creation of new exchange traded fund units:

- (1) **Application of this Rule:** This Rule applies to the creation of new exchange traded fund units by an issuer.
- (2) **Trustee to send information and certificate for crediting:** The trustee of an exchange traded fund, upon receiving the request for the creation of new exchange traded fund units from the issuer, shall send or cause to be sent to the Depository information containing, *inter alia*, the names of the depositors, their national registration identity card numbers or passport numbers (or in the case of companies, the company numbers, etc), their securities account numbers and the quantity of new exchange traded fund units created by the issuer (herein after in this chapter referred to as "ETF Credit List"), together with the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd.
- (3) **Entries:** The Depository shall, upon receipt of the ETF Credit List and the certificates pursuant to Rule 20A.09B(2) and after verification, credit the respective securities accounts of the depositors with the number of new exchange traded fund units specified therein in the manner determined from time to time in the directions issued by the Depository.
- (4) **Notices:** Every issuer shall send to each depositor a notice or notices informing him of the crediting of new exchange traded fund units into the depositor's securities account.

Rule 20A.09C Procedures for handling redemption of exchange traded fund units

- (1) **Application of this Rule:** This Rule applies to the redemption of exchange traded fund units by an issuer.
- (2) **Trustee to send information for debiting:** The trustee of an exchange traded fund, upon receiving the request for the redemption of exchange traded fund units from the issuer, shall send or cause to be sent to the Depository information containing, *inter alia*, the names of the depositors, their national registration identity card numbers or passport numbers (or in the case of companies, the company numbers, etc), their securities account numbers and the quantity of deposited exchange traded fund units redeemed by the issuer (herein after in this chapter referred to as "ETF Debit List").
- (3) **Entries:** The Depository shall, upon receipt of the ETF Debit List and after verification, debit the respective securities accounts of the depositors with the number of redeemed exchange traded fund units in accordance with the ETF Debit List and deliver the appropriate certificates representing such securities to the trustee, in the manner determined from time to time in the directions issued by the Depository.
- (4) **Notices:** Every issuer shall send to each depositor a notice or notices informing him of the debiting of the redeemed exchange traded fund units from the depositor's securities account.

Rule 20A.09D Trustee to ensure information is accurate and complete:

The Depository shall rely solely on the information provided by the trustee of an exchange traded fund, when crediting or debiting the exchange traded fund units into or from the depositor's securities account, pursuant to a creation or redemption of exchange traded fund units. As such, it shall be

the responsibility of the trustee of an exchange traded fund to ensure that the information contained in the ETF Credit List and the ETF Debit List is accurate, complete and all conditions, if any, which are required to be met in relation to the creation or redemption of the exchange traded funds, have been met.

Rule 20A.10 Indemnity:

Every issuer and in the case of an exchange traded fund, both the issuer and the trustee, shall fully indemnify and hold indemnified the Depository against any loss, damage liability, cost or expense (including legal costs) suffered or incurred by the Depository as a result of any demands, actions and proceedings made by any depositor in respect of or arising from the debiting or crediting of securities from or into such depositor's account, by the Depository in reliance of the Credit List, Debit List, Allottees' List, ETF Debit List, ETF Credit List respectively or any instruction by the issuer or trustee of an exchange traded fund to debit or credit the securities accounts of the depositor given by the issuer or trustee of an exchange traded fund provided always that the demand, action or proceeding did not arise as a result of negligence on the part of the Depository in providing inaccurate or incomplete information in the Record of Depositors under Rule 20A.08(4).

Rule 20A.11 Construction:

- (1) **“Issuer”**: Reference to “issuer” in this chapter shall be deemed to include a reference to the company registrar of such issuer.
- (2) **“Verification”**: In this chapter the expression “Verification”, in relation to an act by the Depository, means the process whereby the information stored in the computer system of the Depository in the manner and to extent determined under the Procedures Manual.

Chapter 21.0**Bonus Issue, Rights Issue and
other Rights or Options****Rule 21.01 Application of this chapter:**

- (1) **Application:** This chapter applies to every issuer or offeror who, in relation to any deposited security –
 - (a) makes a bonus issue, or issues securities pursuant to a rights issue;
 - (b) issues securities pursuant to an exercise of any right or option to acquire securities in the share capital of the issuer;
 - (c) makes an offer for sale of securities; or
 - (d) pays any form of cash distributions or other cash payments.

- (2) **Compliance with section 38 of the Act:** Every issuer in relation to any prescribed security who issues securities enumerated in Rule 21.01 shall do all such acts and things as may be necessary in order to comply with section 38 of the Act unless such issuer is exempted by virtue of an exemption order made under section 62A of the Act.

Rule 21.01A No physical securities and crediting in third parties' names:

Where the issuance of new securities by the issuer pursuant to Rule 21.01 is in relation to deposited securities, the issuer shall reject any requests by a depositor 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.

Rule 21.02 No rights or bonus upon given notice:

Where notice has been given by the Depository to an issuer pursuant to Rule 18.02 to prescribe a security, the issuer shall not fix any date for the closing of books in respect of the making of dividends or a rights issue or bonus issue or any other rights or options for such security whereby such date shall fall during the period commencing from the deposit date and ending on the ninth market day after the prescribed date.

Rule 21.03 Entitlement for depositors:

- (1) **Qualification for entitlement:** Subject to the Foreign Ownership Regulations, no depositor shall be entitled to any dividends or rights issues or bonus issues or any other rights or options by virtue of any deposited security standing to the credit of his securities account unless-
 - (a) the scrip representing such deposited security has been “deposited cum entitlement” with the Depository or its authorised depository agent and the issuer or its company registrar, as the case may be, has confirmed that the security is capable of being registered into the name of the Depository or its nominee company in accordance with Rule 18.03;
 - (b) Deleted
 - (c) such deposited security has been “bought cum entitlement” on the stock market of the Stock Exchange; or
 - (d) such deposited security has been “transferred cum entitlement” into his securities account.
- (2) **Interpretation:** For the purposes of these Rules, a security is -
 - (a) “deposited cum entitlement” if the scrip in respect thereof was deposited within such time frame prescribed by the Depository;

- (b) Deleted
 - (c) “bought cum entitlement” if the date for delivery by way of book-entry process in respect of such security bought is on or before the books closing date;
 - (d) “transferred cum entitlement” if the transfer into a depositor’s account is entered into the computer system by such time prescribed by Depository from time to time.
- (3) **Fractional entitlement:** For the purposes of allotting or allocating any deposited securities pursuant to this chapter (hereinafter such securities shall be referred to as “the allotted securities”) fractional entitlement shall be determined by the issuer in accordance with such procedures as may be stated in the relevant prospectus, if any.

Rule 21.04 Notification and request for Record of Depositors:

- (1) **ROD Request:** Every issuer of deposited security who intends to make any distribution of any dividends or rights issue or bonus issue or any other rights or options to its shareholders shall request, within such time frame prescribed by the Depository for an entire Record of Depositors as at the proposed books closing date for such entitlement, except in relation to the corporate actions undertaken under SPEEDS as stated below:
- (a) a Specified Bonus Issue under Rule 21.11A;
 - (b) the crediting of Provisional Letters of Allotment or Provisional Letters of Offer under Rules 21.11B and 21.11C respectively; or
 - (c) such other corporate action as prescribed under Rule 21.11A.

- (2) **Notification:** Every issuer of prescribed security in addition to the requirement under Rule 21.04(1) shall immediately upon making an announcement in accordance with the Listing Requirements of the Stock Exchange extend a copy of such announcement to the Depository.

Rule 21.05 Depositors Entitlement List:

- (1) Pursuant to Rule 21.04, a Record of Depositors shall be issued by the Depository to the issuer for the purposes of any distributions of dividends, or rights issues or bonus issues or any other rights or options as at the books closing date specified by such issuer.
- (2) The issuer shall prepare a Depositors Entitlement List and such list may exclude any depositor whose name may appear in the Record of Depositors having a deposited security which is in suspense, pursuant to Section 41 of the Act.

Rule 21.06 Provisional Letters of Allotment:

- (1) This Rule shall apply to the rights issues only.
- (2) Any draft provisional letter of allotment shall contain a statement that-
- (a) the principal security underlying the rights issue is a deposited security;
 - (b) where such provisional letter of allotment has been issued to any person who is entitled to the rights issue by virtue of the relevant deposited security held by that person, the acceptance of the rights shares by the depositor shall mean that such person consents to receive such rights by way of crediting directly into his securities account; and

- (c) where such provisional letter of allotment has been issued to any person who is entitled to the rights issue by virtue of the relevant deposited securities held by that person, any person who intends to purchase such rights as a renounee shall have to state his securities account number whereupon such rights shall be credited directly into his securities account.

Rule 21.06A Provisional Letters of Offer:

- (1) This Rule shall apply to an offer for sale only.
- (2) Any draft provisional letter of offer shall contain a statement that-
 - (a) the security offered for sale is a deposited security;
 - (b) where such provisional letter of offer has been issued to any depositor who is entitled to such offer by virtue of the relevant deposited security held by that person the acceptance of the offer for sale by the person shall mean that the person consents to receive such offer as a deposited security credited directly into his securities account; and
 - (c) where such provisional letter of offer has been issued to any person who is entitled to such offer by virtue of the relevant deposited security which is standing to the credit of his securities account, any person who intends to accept such offer as a renounee shall have to state his securities account number whereupon such securities shall be credited directly as a deposited security into his securities account.

Rule 21.07 List of allottees:

- (1) Subject to any exemptions made pursuant to any securities laws, an issuer or offeror shall, upon issuing or the making of an offer for sale by an offeror of any securities pursuant to Rule 21.01, provide to the Depository a list specifying the names of the allottees or entitled persons, their national registration identity card numbers or passport numbers (or in the case of companies, company registration number, etc), their securities account numbers and the quantity of securities allotted to them, respectively (hereinafter referred to as "List of Allottees") together with the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. In respect of bonus issues, unless otherwise instructed directly by a depositor to the contrary, the issuer shall, where the depositor has more than one securities account, allocate such securities into the depositor's securities accounts in such proportion as may be determined on the Record of Depositors.
- (2) In the case of an exchange traded fund, the trustee shall be responsible to provide to the Depository, the List of Allottees as referred to in sub-Rule (1) above, together with the requisite certificates.

Rule 21.08 Entries:

The Depository shall, upon receipt of the List of Allottees and the shares certificates pursuant to Rule 21.07, credit the respective securities accounts with the allotted securities specified therein prior to the listing of the securities pursuant to a rights or bonus issue or an offer for sale where the allotted securities are prescribed securities or within the time frame specified in the directions issued by the Depository where the allotted securities are unlisted securities.

Rule 21.09 Indemnity:

Every issuer and in the case of an exchange traded fund, both the issuer and the trustee shall fully indemnify and hold indemnified the Depository from all demands, actions and proceedings made by any depositor for any loss suffered by such depositor in respect of or arising from any error in the List of Allottees provided always that such error did not arise as a result of negligence on the part of the Depository in providing inaccurate or incomplete information in the Record of Depositors under Rule 21.04

Rule 21.10 Cash Distributions:

- (1) An issuer who is required under the Stock Exchange's Listing Requirements to pay all cash distributions to its securities holders by directly crediting payments into the securities holders' bank accounts as provided to the Depository from time to time must request for the bank account information of its securities holders from the Depository.
- (2) Any other issuer may request for such bank account information to directly credit cash distributions into the securities holders' bank accounts.
- (3) The requests for the bank account information referred to above must be in the manner prescribed by the Depository.

Rule 21.10A Other Cash Payments:

- (1) **Bank Account Information:** An issuer intending to make cash payments other than cash distributions to securities holders may, subject to Rule 21.10A(2), request for the bank account information of the securities holders from the Depository in the manner prescribed by the Depository.
- (2) **Issuer to obtain depositors' consent:** Before making the request referred to in Rule 21.10A(1), the issuer must have obtained the relevant depositors' irrevocable consent to:

- (a) the receipt of the relevant cash payments via direct credit into the depositor's bank account; and
 - (b) the disclosure by 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 the relevant cash payments via direct credit into the depositor's bank account or for any other purpose in connection with the payment of the cash payments via direct credit into the depositor's bank account.
- (3) **Depositors' consent:** The Depository may require the issuer to satisfy the Depository that the issuer has obtained the consent referred to in Rule 21.10A(2). If the issuer fails to satisfy the Depository that the relevant consents have been obtained, the Depository reserves the right not to provide the bank account information to the issuer.

Rule 21.10B General Rules on Bank Account Information

- (1) **Bank account information does not form part of the Record of Depositors:** For the avoidance of doubt, the bank account information provided under Rules 21.10 and 21.10A will not form part of the Record of Depositors.
- (2) **Purpose of bank account information:** The issuer must take all reasonable measures to ensure that the bank account information is used solely for the purpose of or in connection with paying cash distributions or other cash payments.
- (3) **Issuer unable to credit:** If the issuer is unable to credit a depositor's entitlement into the depositor's bank account based on the bank account information received from the Depository, the issuer must immediately notify the Depository of this in the manner prescribed by the Depository.

- (4) **Indemnity:** The issuer must fully indemnify the Depository for any loss, damage, liability or cost incurred by the Depository as a result of or in connection with:
- (a) the unauthorised access, alteration, disclosure, dissemination or misuse of the bank account information by the issuer or any of the issuer's agents, servants, service providers, sub-contractors; or
 - (b) the issuer's breach of Rule 21.10A(2).
- (5) Deleted

Rule 21.10C "Issuer" to include offeror in a take-over:

Reference to "issuer" in Rules 21.10A and 21.10B includes a reference to an offeror who makes a take-over offer for the acquisition of deposited securities.

Rule 21.11 Renounee, etc to open securities account:

An issuer or offeror shall not allot or allocate any allotted securities pursuant to a rights issue or an offer for sale, respectively, in relation to deposited security to -

- (a) a renounee of any rights or options; and
- (b) an applicant of excess securities arising from the rights or options,

unless such person has a securities account and the securities are credited into such securities account.

Rule 21.11A Specified Bonus Issue:

- (1) **SPEEDS processing:** A Specified Bonus Issue will be processed by the Depository under SPEEDS. The Depository may accept any other corporate action involving a bonus issue for processing under SPEEDS, subject to consultation with the Stock Exchange, where required. Where a corporate action is accepted by the Depository for processing under SPEEDS, the provisions of this Rule will apply with necessary modifications.
- (2) **Notification:** The issuer shall notify the Depository of the information pertaining to the Specified Bonus Issue, including particulars of a designated account to be used for crediting of fractional entitlements arising from the Specified Bonus Issue, if any, in the form prescribed by the Depository and within such time frame prescribed by the Depository, for the purpose of making the appropriate entries in the securities accounts of the respective allottees.
- (3) **Certificates:** The issuer shall deliver to the Depository, within such time frame prescribed by the Depository, the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. for the securities to be allotted under the Specified Bonus Issue.
- (4) **Entries:** The Depository shall, upon receipt of the issuer's notification and certificates, credit the respective securities accounts with the allotted securities in accordance with the said notification.
- (5) **Fractional entitlements:** The fractional entitlements arising from the Specified Bonus Issue, if any, shall be credited into the designated securities account provided by the issuer.
- (6) **Notices:** The issuer shall send to each allottee a notice of allotment informing the allottee of the crediting of the allotted securities.

- (7) **Consequential securities:** Any issue of non-equity securities including any fractional non-equity securities arising from adjustments due to the Specified Bonus Issue shall be handled in the same manner as provided in this rule and concurrently with the Specified Bonus Issue.
- (8) **Non-application:** The provisions in Rules 21.05, 21.07(1) and 21.08 do not apply to Specified Bonus Issue.

Rule 21.11B SPEEDS Processing for Provisional Letter of Allotment

- (1) **Application:** The provisional letter of allotment for renounceable rights issues will be processed by the Depository under SPEEDS.
- (2) **Notification:** The issuer shall notify the Depository of the information pertaining to the provisional letter of allotment for renounceable rights issues in the form prescribed by the Depository and within such time frame prescribed by the Depository, for the purpose of making appropriate entries in the securities accounts of the respective allottees. The issuer shall also notify the Depository on the treatment for fractional entitlements arising from the provisional letter of allotment for renounceable rights issues, if any.
- (3) **Certificates:** The issuer shall deliver to the Depository, within such time frame prescribed by the Depository, the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. for the provisional letter of allotment for renounceable rights issues to be allotted.
- (4) **Entries:** The Depository shall, upon receipt of the issuer's notification and certificates, credit the respective securities accounts with the allotted provisional letter of allotment for renounceable rights issues in accordance with the said notification.

- (5) **Fractional entitlements:** The Depository shall act in accordance with the issuer's instructions under Rule 21.11B(2) above in relation to the fractional entitlements, if any.
- (6) **Non-application:** The provisions in Rules 21.05, 21.07(1) and 21.08 do not apply to provisional letters of allotment for renounceable rights issues processed under this Rule.

Rule 21.11C SPEEDS Processing for Provisional Letter of Offer

- (1) **Application:** The provisional letters of offer for a renounceable offer for sale of deposited securities will be processed by the Depository under SPEEDS.
- (2) **Notification:** The issuer shall notify the Depository of the information pertaining to the provisional letter of offer for renounceable offer for sale of deposited securities in the form prescribed by the Depository and within such time frame prescribed by the Depository, for the purpose of making appropriate entries in the securities accounts of the respective allottees. The issuer shall also notify the Depository on the treatment for fractional entitlements, if any, arising from the provisional letter of offer for renounceable offer for sale of deposited securities, if any.
- (3) **Certificates:** The issuer shall deliver to the Depository, within such time frame prescribed by the Depository, the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. for the provisional letters of offer for renounceable offer for sale of deposited securities to be allotted.
- (4) **Entries:** The Depository shall, upon receipt of the issuer's notification and certificates, credit the respective securities accounts with the allotted provisional letters of offer for renounceable offer for sale of deposited securities in accordance with the said notification.

- (5) **Fractional entitlements:** The Depository shall act in accordance with the issuer's instructions under Rule 21.11C(2) above in relation to the fractional entitlements, if any.
- (6) **Non-application:** The provisions in Rules 21.05, 21.07(1) and 21.08 do not apply to provisional letters of offer for renounceable offer for sale of deposited securities processed under this Rule.

Rule 21.12 Deleted

Rule 21.13 Construction:

(1) **"Issuer":**

Reference to "issuer" in this chapter shall be deemed to include a reference to the company registrar or the agent of such issuer.

(2) **"Offeror" and "Entitled persons":**

In this chapter the expressions "offeror" and "entitled persons" shall have the same meaning as is assigned to them respectively under subsection 38(3) of the Act.

**Chapter 22.0 Subdivision of Shares, Share
Consolidation and
Capital Restructuring****Rule 22.01 Application of this chapter:**

This chapter applies to every issuer of any deposited security who -

- (a) conducts a capital restructuring exercise which affects the issued share capital of the issuing company;
- (b) conducts a share consolidation exercise; or
- (c) exercises a reorganisation in the total amount of shares within the issued share capital of the issuing company or units of an exchange traded fund (referred to in these Rules as “subdivision of shares”).

Rule 22.02 No subdivision of shares, share consolidation or capital restructuring upon given notice:

Where notice has been given by the Depository to an issuer pursuant to Rule 18.02 to prescribe a security, the issuer shall not fix any date for the closing of books for the purpose of conducting a subdivision of shares, share consolidation or capital restructuring exercise for such security whereby such date shall fall within the period commencing from the deposit date and ending on the ninth market day after the prescribed date.

Rule 22.03 Scope of exercise:

- (1) **Coverage of exercise:** Subject to the Foreign Ownership Regulations, no depositor, by virtue of his deposited securities standing to the credit of his securities account, shall be affected by a subdivision of shares, share consolidation or capital restructuring exercise under this chapter unless-

- (a) the scrip representing such security has been deposited within such time frame prescribed by the Depository and the issuer or its company registrar, as the case may be, has confirmed that the security is capable of being registered into the name of the Depository or its nominee company in accordance with Rule 18.03;
 - (b) Deleted
 - (c) the date for delivery by book-entry process of the deposited security which was bought on the stock market of the Stock Exchange is on or before the books closing date;
 - (d) Deleted
 - (e) the transfer of such deposited security into the depositor's security account had been entered into the computer system by such time prescribed by the Depository from time to time.
- (2) **Fractional entitlement:** For the purposes of allotting or allocating any deposited securities pursuant to this chapter (hereinafter such securities shall be referred to as "the allotted securities") fractional entitlement, if any, shall be determined by the issuer in accordance with such procedures as may be stated in the relevant prospectus or announcements.

Rule 22.03A Notification and request for Record of Depositors:

- (1) **ROD Request:** Every issuer of deposited security who intends to undertake any of the corporate actions under Rule 22.01 shall request, within such time frame prescribed by the Depository for an entire Record of Depositors as at the proposed books closing date, except in relation to the corporate actions undertaken under SPEEDS as stated below:

- (a) a Specified Subdivision or Specified Consolidation under Rule 22.06A; or
 - (b) a Specified Capital Restructuring under Rule 22.06B.
- (2) **Notification:** Every issuer of prescribed security in addition to the requirement under Rule 22.03A(1) shall immediately upon making an announcement in accordance with the Listing Requirements of the Stock Exchange extend a copy of such announcement to the Depository.

Rule 22.04 Record of Depositors and return of scrips:

Within three clear market days after the books closing date, the Depository shall issue the relevant Record of Depositors as at the books closing date together with the appropriate certificates representing the deposited securities portion of the issued share capital of the issuer provided that the request for the Record of Depositors is received by the Depository within such time frame prescribed by the Depository.

Rule 22.05 List of Allottees:

- (1) An issuer shall, upon finalisation of the capital restructuring, share consolidation or subdivision of shares exercise, prepare and deliver to the Depository a list specifying the names of the allottees, their national registration identity card numbers, passport numbers (in the case of non-residents) or company or business registration numbers (in the case of companies or businesses), their securities account numbers and the quantity of deposited securities allotted to their securities account respectively (hereinafter referred to as “List of Allottees”) together with the appropriate shares certificates, if any, (in such denominations as may be specified by the Depository) registered in the name of the Depository or its nominee company. Unless otherwise instructed directly by a depositor, the issuer shall, where the depositor has more than one securities account, allocate the allotted securities in such proportion as determined from the Record of Depositors.

- (2) In the case of an exchange traded fund, the trustee shall be responsible to provide to the Depository, the List of Allottees as referred to in sub-Rule (1) above, together with the requisite certificates.

Rule 22.06 Entries:

The Depository shall, upon receipt of the List of Allottees and the shares certificate, credit or debit, as the case may be, the respective securities accounts specified therein provided however in relation to prescribed security the receipt thereof is at least four market days before the day of listing on the stock market

Rule 22.06A Specified Subdivision or Specified Consolidation:

- (1) **SPEEDS processing:** A Specified Subdivision or Specified Consolidation will be processed by the Depository under SPEEDS.
- (2) **Notification:** The issuer shall notify the Depository of the information pertaining to the Specified Subdivision or Specified Consolidation, including particulars of a designated account to be used for crediting of fractional entitlements arising from the Specified Subdivision or Specified Consolidation, if any, in the form prescribed by the Depository and within such time frame prescribed by the Depository, for the purpose of making the appropriate entries in the securities accounts of the respective depositors.
- (3) **Certificates:** The issuer shall deliver to the Depository, within such time frame prescribed by the Depository, the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. for the securities to be credited under the Specified Subdivision or Specified Consolidation.

- (4) **Entries:** The Depository shall, upon receipt of the issuer's notification and certificates, debit the respective securities accounts with the relevant securities and credit the respective securities accounts with the subdivided or consolidated securities, as the case may be, in accordance with the said notification and return the appropriate share certificates to the issuer.
- (5) **Fractional entitlements:** The fractional shares arising from the Specified Subdivision or Specified Consolidation, if any, shall be credited into the designated securities account provided by the issuer.
- (6) **Notices:** The issuer shall send to each depositor a notice informing the depositor of the crediting of the relevant securities.
- (7) **Consequential securities:** Any issue of non-equity securities including any fractional non-equity securities arising from adjustments due to the Specified Subdivision or Specified Consolidation shall be handled in the same manner as provided in this rule and concurrently with the Specified Subdivision or Specified Consolidation.
- (8) **Non-application:** The provisions in Rules 22.04, 22.05(1) and 22.06 do not apply to Specified Subdivision or Specified Consolidation.

Rule 22.06B Specified Capital Restructuring

- (1) **SPEEDS processing:** Capital restructuring involving share cancellation and the reduction in the number of shares held by each shareholder of an issuer will be processed by the Depository under SPEEDS (referred to in these Rules as "the Specified Capital Restructuring").

- (2) **Notification:** The issuer shall notify the Depository of the information pertaining to the Specified Capital Restructuring including particulars of a designated account to be used for crediting of fractional entitlements arising from the Specified Capital Restructuring, if any, in the form prescribed by the Depository and within such time frame prescribed by the Depository, for the purpose of making appropriate entries in the securities accounts of the respective shareholders.
- (3) **Certificates:** The issuer shall deliver to the Depository, within such time frame prescribed by the Depository, the appropriate certificates (in such denominations as may be specified by the Depository) registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. for the purpose of making appropriate entries in the securities accounts of the respective shareholders.
- (4) **Entries:** The Depository shall, upon receipt of the issuer's notification and certificates, debit the respective securities account with the relevant securities and credit the respective securities accounts with the respective securities in accordance with the said notification and return the appropriate share certificates to the issuer.
- (5) **Fractional entitlements:** Where there are fractional entitlements arising from the Specified Capital Restructuring, the issuer may request the Depository to credit such fractional entitlements to a designated account provided by the issuer.
- (6) **Notices:** The issuer shall send to each depositor a notice informing the depositor of the crediting of the relevant securities.
- (7) **Consequential securities:** Any issue of non-equity securities including any fractional non-equity securities arising from adjustments due to the Specified Subdivision or Specified Consolidation shall be handled in the same manner as provided in this rule and concurrently with the Specified Subdivision or Specified Consolidation.

- (8) **Non-application:** The provisions in Rules 22.04, 22.05(1) and 22.06 do not apply to the Specified Capital Restructuring.

Rule 22.07 Construction:

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

Chapter 23.0**Jumbo Certificates****Rule 23.01 Definition:**

In this chapter, “jumbo certificate”, in relation to a deposited security, means a certificate comprising not less than fifty thousand units of securities of an issuer which is registered in the name of the Depository or its nominee company, as nominee for depositors.

Rule 23.02 Issuance:

The Depository may, from time to time, upon lodging with an issuer scrips representing deposited securities issued by the issuer together with relevant instruments of transfers duly executed by the depositors and the Depository or certificated as the case may be in accordance with the provisions of subsection 18(7) of the Act, require the issuer to issue jumbo certificates.

Rule 23.03 Denomination:

The denominations of any jumbo certificate to be issued by an issuer pursuant to Rule 23.02 shall be subject to such direction as may be given by the Depository.

Rule 23.04 Completion and delivery of certificates:

- (1) **Period:** Subject to Rule 18.03, where the Depository requires an issuer to issue jumbo certificates, the issuer shall complete and deliver such certificates within seven market days after the scrips and instruments of transfers in respect thereof have been lodged with the issuer or its company registrar.

- (2) **Extension:** Notwithstanding Rule 23.04(1), the Depository may extend the period for completion and delivery by an issuer of the jumbo certificates provided that the issuer has informed the Depository of its inability to do so not less than two market days before expiry of the period and the reasons given in respect thereof are acceptable to the Depository.

Rule 23.05 Rejections:

Where an issuer refuses registration of any instrument of transfer in respect of any scrip lodged with it on any of the grounds stated in Rule 18.03, the issuer shall immediately serve on the transferor and the Depository a written notice in accordance with Rule 18.03(5).

Rule 23.06 Splitting and consolidation:

- (1) **Requirement:** The Depository may, from time to time, require an issuer to -
- (a) split a jumbo certificate, or any other certificate of a lesser denomination, into smaller denominations;
 - (b) consolidate any certificate kept by it, including jumbo certificates issued pursuant to this chapter, into larger denominations.
- (2) **Interpretation:** In this Rule the expression “splitting” and “consolidation” shall be construed as a reference only in respect to reducing or enlarging respectively such denominations of jumbo certificates as may be required by the Depository.

Chapter 23A.0 Bearer Securities**Rule 23A.01 Deposit of bearer securities:**

Bearer securities may be deposited with the Depository in the manner and in such denominations as may be prescribed by the Depository.

Rule 23A.02 Modification of provisions:

In relation to bearer securities deposited or to be deposited with the Depository, the relevant provisions in these Rules apply with such modifications as may be prescribed by the Depository.

Chapter 24.0**Record of Depositors****Rule 24.01 Request:**

- (1) **Security for Payment:** An issuer of any deposited security must:
 - (a) provide a security for payment of fees for a Record of Depositors (hereinafter in this chapter referred to as “security for payment”) in the manner prescribed by the Depository; and
 - (b) ensure the security for payment is maintained in the manner prescribed by the Depository as long as its deposited securities are deposited with the Depository.

- (2) **Request for Record of Depositors:**
 - (a) An issuer of any deposited security may request the Depository to issue a Record of Depositors:
 - (i) as at the date of the request; or
 - (ii) such other date which is not earlier than one year from the date of the request,provided a security for payment has been provided and maintained in Rule 24.01(1).
 - (b) Every request for Record of Depositors must be made in the manner prescribed by the Depository, and will be subject to the fees prescribed by the Depository for a Record of Depositors (hereinafter in this chapter referred to as “the ROD Fees”).

- (3) **Utilisation of Security for Payment for Settlement of ROD Fees:** The Depository may utilise the security for payment for the settlement of ROD Fees where the payment of ROD Fees has not been made pursuant to Rule 24.01(2)(b).

Rule 24.01A Deleted**Rule 24.01B Rejection of ROD Request:**

The Depository reserves the right to reject any request made pursuant to Rule 24.01(1) where the request for a Record of Depositors is not made in accordance with Rule 24.01(2)

Rule 24.02 Books closing date:

- (1) **Announcement of Book Closure:** Where an issuer intends to request for a Record of Depositors for the purposes of -
- (a) Deleted
 - (b) Deleted
 - (c) a dividend (including bonuses, if any);
 - (d) a rights issue;
 - (e) an issuance of bonds, debentures, loan stock, unsecured notes or other loan arrangements;
 - (f) payment of interest, if any;
 - (g) a subdivision of shares exercise;
 - (h) a capital restructuring exercise;
 - (i) a share consolidation exercise; or
 - (j) a corporate exercise other than the above stated,

the issuer shall notify the Depository within such time frame prescribed by the Depository of the date of the Record of Depositors to enable the Depository to prepare the appropriate Record of Depositors.

- (2) Deleted

Rule 24.03 Deleted**Rule 24.04 Deposits pending:**

- (1) Where a request for a Record of Depositors has been made pursuant to this chapter, the Depository shall, for the purposes of enabling the issuer to complete the verification of scrips lodged up to the books closing date, promptly deliver a "Pending Deposits Report" to the issuer.
- (2) It shall be the responsibility of the issuer to process any deposit pending verification and to inform the Depository of the results of such verification in order to enable the Depository to provide an accurate updated version of the Record of Depositors, if necessary.

Rule 24.05 Retention of copy of Record of Depositors:

- (1) **Retention of copy:** For the purposes of preventing any disputes or discrepancies in data content or loss of information by the process of corruption, contamination or falsification of any data contained in a Record of Depositors, the Depository shall, for every copy of a Record of Depositors issued out to an issuer, maintain a copy of the Record of Depositors in the computer system at the offices of the Depository for a period of seven years from the date of issuance to an issuer for record purposes.
- (2) Deleted

Chapter 24A.0 Foreign Ownership**Rule 24A.01 Application of this chapter**

This chapter applies in relation to restricted shares only.

Rule 24A.02 Classification of issuer:

- (1) **Representation by issuer:** The Depository shall classify an issuer as being imposed with the prescribed limit based solely on the representation as to the existence of the prescribed limit made by the issuer to the Depository.
- (2) **Suspension of restricted shares:** In reliance of the representation made by an issuer pursuant to Rule 24A.02(1), the Depository shall place restricted shares issued by such issuer and standing to the credit of the securities account of a foreign depositor as being in suspense in accordance with the Foreign Ownership Regulations.
- (3) **Disclaimer of liability:** The representation made by the issuer to the Depository pursuant to Rule 24A.02(1) 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 issuer as a result of the classification made by the Depository in reliance of the said representation.
- (4) **Indemnity by issuer:** The issuer 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 or incurred by such person in respect of or arising from the classification made on the issuer by the Depository in reliance of the said representation.

Rule 24A.03 Foreign Limitation Summary Report:

- (1) **Request:** Every issuer who, in relation to the restricted shares, needs to determine whether the prescribed limit has been reached, may request the Depository to issue a Foreign Limitation Summary Report as at the date of request or such other date as may be specified by it in such request, but in any event not being a date earlier than ninety days from the date of such request.
- (2) **Notification of request:** The issuer shall ensure that the request is received by the Depository at least one market day prior to the date of request unless as otherwise provided in the Procedures Manual.
- (3) **Issuance of Foreign Limitation Summary Report:** The Foreign Limitation Summary Report shall be issued by the Depository within three market days from the date of request.
- (4) **Contents:** A Foreign Limitation Summary Report shall contain-
 - (a) total number of securities accounts;
 - (b) total quantity of shares deposited with the Depository;
 - (c) total number of securities accounts held by foreign depositors;
 - (d) total quantity of shares held by foreign depositors;
 - (e) percentage of shares held by foreign depositors as against total quantity of shares listed on the official list of the Stock Exchange;

all in relation to the issuer who requested for the report as at the date requested by the issuer in accordance with Rule 24A.03(1).

Rule 24A.04 Foreign Shares Transaction Report:

- (1) **Request:** Every issuer who, in relation to restricted shares, needs to ascertain which are the foreign depositors who have restricted shares standing to the credit of their securities accounts at a particular time, for the express purpose of determining whether the foreigners are entitled to the rights and obligations may request the Depository to issue a Foreign Shares Transaction Report for a period to be specified by the issuer which in any event shall not be a period earlier than ninety days from the date of the request.
- (2) **Contents:** A Foreign Shares Transaction Report shall contain details of credit transactions during a period specified by the issuer, which make up the credit balance of the respective foreign depositors who have restricted shares standing to the credit of their securities account at the date of the Record of Depositors.
- (3) **Interpretation:** For the purposes of this chapter "transactions" means-
 - (a) deposit of scrips representing restricted shares into the securities account of the foreign depositor;
 - (b) transfer of restricted shares into the securities account of the foreign depositor;
 - (c) purchase of restricted shares on the Stock Exchange by the foreign depositor; and
 - (d) allotment of restricted shares to the foreign depositor pursuant to a conversion of debt securities or the exercise of any right or option as provided under section 38 of the Act.
- (4) **Time of transactions:** The time and dates of the transactions which will be reflected in the Foreign Shares Transaction Report shall be the respective time and dates that-

- (a) the deposit or transfer is entered into the computer system by the authorised depository agent; or
- (b) the trade is contracted on the Stock Exchange; or
- (c) the allotment of restricted shares pursuant to a conversion of debt securities or exercise of right or option is processed by the Depository which in the Foreign Shares Transaction Report shall in all circumstances be reflected as the first transaction for the day of the said processing;

as the case may be.

- (5) Deleted

Rule 24A.05 Determination of entitlement to rights and obligations:

- (1) **Compliance with Regulation 6 of Foreign Ownership Regulations:** Every issuer shall do all such acts and things as may be necessary in order to comply with Regulation 6 of the Foreign Ownership Regulations.
- (2) **Transfer:** Every issuer of restricted shares shall ensure that instruments of transfers lodged with it by foreigners in respect of restricted shares (hereinafter in this chapter referred to as “the Transfer”) shall be stamped with the time and date of receipt of the Transfer by the issuer.
- (3) **Foreign Entitlement List:** Every issuer shall prepare a Foreign Entitlement List in accordance with sub-Regulations 6(9) of the Foreign Ownership Regulations after determination of the foreign depositors entitled to rights and obligations.

- (4) **Indemnity by issuer:** The issuer shall fully indemnify and hold indemnified the Depository from all demands, actions and proceedings made by any depositor for any loss, damage, cost, expense, liability or claim suffered or incurred by any depositor in respect of or arising from the Foreign Entitlement List made pursuant to Rule 24A.05(3).

Rule 24A.06 Deleted

Rule 24A.07 Cross transfers:

- (1) **Application of this Rule:** This Rule applies to every issuer of local shares and foreign shares separately quoted on the Official List of the Stock Exchange only.
- (2) **Regulation 9 of the Foreign Ownership Regulations:** No cross transfers shall be allowed by the issuer unless Regulation 9 of the Foreign Ownership Regulation is complied with (such cross transfers in this chapter shall hereinafter be referred to as “the cross transfers”) and the local shares intended for cross transfers are designated as “free securities” at the time of verification by the Depository pursuant to Rule 24A.07(6).
- (3) **Applications for cross transfers:** Any application for cross transfers made by a foreign depositor shall be made in the form prescribed by the issuer.
- (4) **Time stamp for applications:** The issuer shall ensure that the time and date of receipt of the application by the issuer for cross transfers is stamped on the application.

- (5) **Information:** Upon determination of a list of foreign depositors who are entitled to cross transfers, the issuer shall send or cause to be sent to the Depository information pertaining to, inter alia, the names of the foreign depositors entitled to cross transfers, their passport numbers or Certificate of Incorporation numbers, as the case may be, their securities account numbers and the quantity of local shares transferred (hereinafter in this chapter referred to as “the cross transfer list”).
- (6) **Credit of foreign shares:** The local shares which are intended for cross transfer shall, after verification of the cross transfers list received by the Depository pursuant to Rule 24A.07(5), be redesignated to the credit of the foreign depositor’s securities account as foreign shares. All cross transfers which are rejected by the Depository after verification by the computer system shall be reported to the issuer.
- (7) **Delivery to the issuer:** Upon confirmation of the cross transfers pursuant to Rule 24A.07(6), the Depository shall deliver or cause to be delivered to the issuer certificates of local shares for the quantity confirmed for the cross transfers (in this chapter hereinafter referred to as “the Withdrawn Certificates”).
- (8) **Delivery to Depository:** Upon receipt of the documents from the Depository pursuant to Rule 24A.07(7), the issuer shall complete and deliver to the Depository certificates of foreign shares in the same number as the Withdrawn Certificates duly registered in the name of the Depository or that of its nominee company.
- (9) **Splitting:** Where in connection with the issuance of the certificates of foreign shares under this chapter, the original certificates of local shares delivered by the Depository were split into smaller denominations, the issuer shall register the remaining certificates underlying such local shares not withdrawn from the Depository in the name of the Depository or that of its nominee company and such certificates shall be delivered or caused to be delivered by the issuer to the Depository.

- (10) **Indemnity:** Every issuer shall fully indemnify and hold indemnified the Depository from all demands, actions and proceedings made by any foreign depositor for any loss, damage, cost, expense, liability or claim suffered or incurred by such foreign depositor in respect of or arising from any error in the cross transfer list provided always that such error did not arise as a result of negligence on the part of the Depository in providing inaccurate or incomplete information in the Record of Depositors.
- (11) **Notice:** Every issuer shall send to each successful foreign depositor a notice confirming that he has been successful in his application for cross transfers and advise him that the foreign shares applied for have been credited into his securities account by the Depository. Any cross transfers rejected by the Depository and reported to the issuer shall be notified to the foreign depositor by the issuer.

Rule 24A.08 Conversion of shares:

- (1) **Application of this Rule:** This Rule applies to every issuer of restricted shares which are not separately quoted on the Official List of the Stock Exchange (hereinafter in this chapter referred to as "singly quoted restricted shares").
- (2) **Conversion of shares:** Where the approval from the relevant authorities have been obtained and subject to compliance with these Rules, every issuer of singly quoted restricted shares may undergo a conversion of shares provided that the singly quoted restricted shares intended for the conversion of shares are designated as "free securities" at the time of verification by the Depository pursuant to Rule 24A.08(9).

- (3) **Suspension of trading:** To facilitate the conversion of shares, the Stock Exchange may in accordance with the Rules of the Stock Exchange suspend trading of the singly quoted restricted share for a period to be determined by the Stock Exchange after consultation with the Depository (the last day of suspension shall hereinafter in this chapter be referred to as “the Conversion Date”).
- (4) **No corporate action upon given notice:** An issuer who intends to undergo a conversion of shares pursuant to Rule 24A.08(2) shall not fix any date for the closing of books for the purposes of any corporate action for a period of eighteen (18) market days prior to the date fixed by the issuer for the determination of the entitlement to rights and obligations to foreign depositors (hereinafter in this chapter referred to as “Effective Date”) until the Conversion Date.
- (5) **No deposits:** For the purpose of the conversion of shares, the Depository may not accept any deposits in respect of the singly quoted restricted shares for such period of time prescribed by the Depository.
- (6) **No transfers:** For the purpose of the conversion of shares, the Depository may not accept any transfer of securities in such circumstances prescribed by the Depository from time to time.
- (7) **Determination of entitlement to rights and obligations by issuer:** The issuer of singly quoted restricted shares shall determine the foreign depositors who are entitled to rights and obligations as at the Effective Date in accordance with the Foreign Ownership Regulations.
- (8) **Information:** The issuer shall send or cause to be sent to the Depository information pertaining to, inter alia, the names of the foreign depositors entitled to rights and obligations, their passport numbers or Certificates of Incorporation numbers, as the case may be, their securities account numbers and the quantity of foreign shares they are entitled to (hereinafter in this chapter referred to as “the Conversion List”).

- (9) **Credit of foreign shares:** The singly quoted restricted shares which are to be converted into foreign shares in the conversion of shares shall, after verification of the Conversion List received by the Depository pursuant to Rule 24A.08(8), be redesignated to the credit of the foreign depositor's securities account as foreign shares.
- (10) **Delivery to the issuer:** Upon confirmation of the conversion of shares pursuant to Rule 24A.08(9), the Depository shall deliver or cause to be delivered to the issuer certificates of singly quoted restricted shares for the quantity confirmed to be converted to foreign shares (in this chapter hereinafter referred to as "the Withdrawn Certificates").
- (11) **Delivery to Depository:** Upon receipt of the documents from the Depository pursuant to Rule 24A.08(10), the issuer shall complete and deliver to the Depository certificates of foreign shares in the same number as the Withdrawn Certificates duly registered in the name of the Depository or that of its nominee company. The issuer shall comply with Rule 24A.07(9) in dealing with the original certificates of singly quoted restricted shares delivered by the Depository to the issuer.
- (12) **Lifting of suspension and prohibition:** Upon completion of the conversion of shares, the Stock Exchange shall uplift the suspension on trading of the separately quoted local and foreign shares on the day after the Conversion Date, and the Depository shall permit deposits, withdrawals and transfers to be conducted in respect of the same on the same day.
- (13) **Indemnity:** Every issuer shall fully indemnify and hold indemnified the Depository from all demands, actions and proceedings made by any foreign depositor for any loss, damage, cost, expense, liability or claim suffered or incurred by such foreign depositor in respect of or arising from any error in the Conversion List provided always that such error did not arise as a result of negligence on the part of the Depository in providing inaccurate or incomplete information in the Record of Depositors.

- (14) **Notices:** Every issuer shall -
- (a) send to each foreign depositor whose singly quoted restricted shares have been successfully converted to foreign shares, a notice advising him that the said foreign shares have been credited into his securities account; and
 - (b) give notice to the public by advertisement in the newspapers on the Conversion Date of the completion of the conversion of shares.

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.

PART VI

GENERAL RULES OF THE
DEPOSITORY

Chapter 33.0

Types of Securities Accounts

Rule 33.01 Classification of securities accounts:

- (1) **Types of accounts opened by the Depository:** Pursuant to the powers conferred under section 25(3) of the Act, the Depository may open the following accounts -
- (a) principal accounts for every authorised depository agent or authorised direct member;
 - (b) a clearing account for every authorised depository agent who is a member company of the Stock Exchange; and
 - (c) non-principal accounts for depositors or authorised direct members.
- (2) **Types of accounts opened and maintained by an authorised depository agent:** Subject to Rule 2.05A, an authorised depository agent shall be allowed to open, operate and maintain the following types of accounts in the manner prescribed by the Depository-
- (a) its principal accounts;
 - (b) non-principal accounts for its clients; and
 - (c) subject to rule 33.09(1A), nominee accounts for its locally incorporated nominee companies which are wholly owned.

For the purposes of this rule, the account other than a principal account shall be construed as a non-principal account.

- (3) **Types of accounts opened and maintained by authorised direct members:** Subject to Rule 15.01, an authorised direct member shall be allowed to open, operate and maintain the following types of accounts in the manner prescribed by the Depository-
- (a) its principal accounts; and
 - (b) subject to Rule 33.09(1A), nominee accounts for its locally-incorporated nominee companies which are wholly owned by the authorised direct member.
 - (c) Deleted

Rule 33.02 Principal and pledged accounts:

- (1) **Principal accounts:** Subject to Rule 15.01 and Rule 2.05A respectively, an authorised depository agent or authorised direct member may open its own principal accounts in the manner prescribed by the Depository. Once an authorised depository agent's or an authorised direct member's principal accounts are opened the authorised depository agent or authorised direct member shall maintain and operate such accounts.
- (2) **Pledged securities accounts:** For the purposes of these Rules, principal accounts do not include accounts which are designated as pledged securities accounts under section 40(3) of the Act.
- (3) **Deleted**
- (4) **Register of securities:** Every authorised depository agent shall ensure compliance with section 83 of the Capital Markets and Services Act 2007.
- (5) **Deleted**

Rule 33.03 Non-principal accounts:

Subject to Rule 33.05, an authorised depository agent may, on behalf of the Depository, open for its own client a securities account and any account maintained by such agent for such client, whether retail or institutional, (notwithstanding whether such client is another authorised depository agent or otherwise) shall be construed as a non-principal account.

Rule 33.04 Mechanics of pledged securities accounts:

- (1) **Establishment of accounts:** Accounts which have been designated as pledged securities accounts may subject to Rule 33.09(1A) be established or opened –
 - (a) subject to Rule 33.05, by an authorised depository agent on behalf of the Depository for its clients; or
 - (b) by an authorised depository agent or an authorised direct member, as the case may be, in the name of its wholly owned nominee or company for itself.
- (2) **Operation of accounts:** A pledged securities account shall be credited with any deposited securities pledged, charged, mortgaged or otherwise encumbered (hereinafter referred to as “pledged deposited securities”) by any person (hereinafter referred to as “the pledgor”) in favour of another person (hereinafter referred to as “the pledgee”) and shall be debited with such securities upon any of the following circumstances -
 - (a) a release or discharge of the said, pledge, charge, mortgage or encumbrance; or
 - (b) a sale or disposal of such securities by the pledgee.
- (3) **Release and discharge:** Where a pledge, charge, mortgage or an encumbrance over any pledged deposited securities has been released or discharged, the Depository or the authorised depository agent, as

the case may be, shall upon request by the pledged securities account holder transfer such securities into a securities account held by or for the pledgor.

- (4) **Sale of pledged securities:** Notwithstanding anything contained in these Rules, the Depository shall not be liable in respect of any sale by a pledgee of the pledged deposited securities pursuant to an exercise of any right or power of sale, disposal or otherwise. The Depository shall not be bound to inquire into the existence of any such right or power or on whether or not any right or power exercised or purported to be exercised by a pledgee has become exercisable or otherwise whatsoever.

Rule 33.05 Responsibility and accountability:

An authorised depository agent shall, unless expressly restricted by the Depository on its appointment, be responsible and accountable -

- (a) to open, maintain and close securities account for its own clients;
- (b) to make entries in such accounts;
- (c) to make enquiries into the status of such accounts for the benefit of its own clients; and
- (d) to collect such fees and charges prescribed by the Depository with respect to such accounts.

Rule 33.06 “One person one account” Rule for individual clients:
(see Rule 26.02)

Rule 33.07 Body corporate clients:
(see Rule 26.03)

Rule 33.08 Deleted

Rule 33.09 Nominee accounts:

- (1) **Authorised depository agents:** Subject to Rule 33.09(1A), authorised depository agents may open nominee accounts for their own locally-incorporated nominee companies or for their clients who are locally-incorporated nominee companies if, in respect of deposited securities, each nominee company -
- (a) acts as nominee, agent, trustee or attorney, either for Malaysians or for foreigners, but not for both; and
 - (b) states in its constitution -
 - (i) as to whether it is acting solely for Malaysians or otherwise; and
 - (ii) subject to any exemptions made pursuant to any securities laws, it only holds deposited securities for one beneficial owner in respect of each securities account opened by the nominee company with the Depository and that the nominee company shall furnish to the Depository the names of the beneficial owners of the deposited securities.

An authorised depository agent must ensure that amendments have been made to the constitution of such company so as to comply with the above stated conditions before opening the nominee account with the Depository.

(1A) **Beneficial owner:**

- (a) **One beneficial owner for one securities account:** Subject to any exemptions made pursuant to any securities laws, an authorised depository agent shall ensure that all deposited securities held in each securities account of an authorised nominee shall only be for one beneficial owner.

- (b) **Name of beneficial owner:** Subject to any exemptions made pursuant to any securities laws, an authorised depository agent shall in respect of an authorised nominee who intends to open securities accounts with the Depository, make entries of the names of the beneficial owners of the securities as furnished by the authorised nominee.
- (c) **Deleted**
- (d) **Nominee account to be opened by an authorised nominee only:** An authorised depository agent shall only open nominee accounts for authorised nominees.

(2) **Authorised direct members:**

- (a) Subject to Rule 33.01(3)(b) the provisions of Rule 33.09(1)(a) and (b) and (1A) apply to every authorised direct member.
- (b) An authorised direct member must ensure that amendments have been made to the constitution of its nominee company, so as to comply with the conditions stated in Rule 33.09(1)(a) and (b) before opening a nominee account with the Depository.

(3) **Nominee company:**

- (a) **Definition:** For the purposes of this Rule, “nominee company” means a company as defined under the Companies Act 2016 whose principal function is to hold securities for or on behalf of the beneficial owners of securities.
- (b) **Presumption:** Where the word “nominee” appears in the name of a nominee company, it shall be presumed, unless proven otherwise, that the nominee company is a nominee company as defined under Rule 33.09(3)(a).

- (4) **Disclosure of information:** An authorised depository agent or authorised direct member, as the case may be, is required to procure and furnish to the Depository the name and other particulars of the beneficial owner of the securities deposited in the securities account opened in the name of an authorised nominee maintained with such authorised depository agent or authorised direct member, in such manner and within such period as may be specified by the Depository.
- (5) **Conditions imposed on exempt authorised nominees:** All exempt authorised nominees shall comply with such terms and conditions as may be specified by the Depository by way of directions.
- (6) **Conditions imposed on exempt authorised nominees which are nominee companies:** In respect of a nominee company as provided in Items 1 to 7 of the Schedule of the Securities Industry (Central Depositories) (Exemption) Order 2005, such nominee company shall, unless otherwise permitted by the Depository, hold securities for only one instructing client in respect of each securities account held by the authorised nominee, in the manner prescribed by the Depository.

Rule 33.10 Share buy-back accounts:

Accounts which have been designated as share buy back accounts may be established or opened by authorised depository agents on behalf of the Depository for its clients who are-

- (a) issuers for the purchase of their own securities in a share buy-back; or
- (b) persons to be given financial assistance for the purchase of securities issued by one particular issuer,

under the relevant laws, regulations or rules.

Rule 33.11 Dormant account:

- (1) **Application of Rule 26.10:** Save and except for Rule 26.10(5) and Rule 26.10(6), the provisions stated in Rule 26.10 shall apply *mutatis mutandis* to all authorised depository agents and authorised direct members.
- (2) **Reactivation:** Every authorised depository agent or authorised direct member may reactivate its principal or nominee account which has been designated by the Depository as dormant that has not been closed pursuant to Rule 26.06A(2), in the manner prescribed by the Depository.
- (3) **Construction:** Where reference is made to the following terms in Rule 26.10, it shall be construed respectively as follows:-
 - (a) “depositor” shall be construed as authorised depository agent or authorised direct member as the case may be and its wholly-owned nominee companies respectively;
 - (b) “securities account” shall be construed as the principal or nominee account of the authorised depository agent or authorised direct member as the case may be, opened pursuant to Rule 33.01.

Rule 33.12 Inactive account:

- (1) **Application of Rule 26.11:** Save and except for Rule 26.11(5) the provisions stated in Rule 26.11 shall apply *mutatis mutandis* to all authorised depository agents and authorised direct members.
- (2) **Reactivation:** Every authorised depository agent or authorised direct member may reactivate its principal or nominee account which has been designated by the Central Depository as inactive, in the manner prescribed by the Central Depository.

- (3) **Construction:** Where reference is made to the following terms in Rule 26.11, it shall be construed respectively as follows:-
- (a) depositor shall be construed as authorised depository agent or authorised direct member as the case may be and its wholly owned nominee companies respectively.
 - (b) securities account shall be construed as the principal or nominee account of the authorised depository agent or authorised direct member as the case may be, opened pursuant to Rule 33.01.

Chapter 34.0**Compensation Scheme****Rule 34.01 Depository to maintain a compensation scheme:**

It shall be the duty of the Depository to maintain at all times after the commencement of operations a compensation scheme which shall cover loss or damage incurred by depositors arising from, *inter alia*-

- (a) computer crimes involving theft or criminal damage to the Depository's computer system;
- (b) theft, damage, falsification or alteration of any record or data kept within the Depository's computer system;
- (c) stolen or missing scrips which are under the physical control of the Depository itself, whether such scrips are kept in its premises or are in transit;
- (d) fire or theft of any records in any vault, premise or warehouse of the Depository where such records are to be kept pursuant to section 59 of the Act;
- (e) professional negligence of its employees or servants;
- (f) public liability; and
- (g) infidelity of employees through dishonest or fraudulent acts committed by such employees with intent to cause or sustain loss or to obtain financial gain for themselves, wherever committed and whether committed alone or in collusion with others.

Rule 34.02 Details to be freely available:

Details of the compensation scheme, in particular, relating to the circumstances and procedures in which claims may be submitted by any aggrieved person shall be made available free of charge to any depositor, authorised depository agent, authorised direct member or issuer who requests for such details.

Rule 34.03 *Force Majeure:*

The Depository shall not be held liable to indemnify any aggrieved party for any delay, loss, damage or failure of performance in the event of any act of God, act of public enemy, war, insurgency, riot, labour disputes or any other civil disturbance beyond its reasonable control.

Rule 34.04 *Quantum of claim:*

In respect of any claim made by an aggrieved depositor in respect of any transaction pertaining to his securities account or in connection with any securities held in such account, the maximum value of compensation per claim allowable under such compensation scheme shall be one hundred thousand ringgit.

Chapter 35.0 Security Measures and Controls

Rule 35.01 Security measures:

It shall be the duty of the Depository and every authorised depository agent or authorised direct member to take all reasonable security measures, including to establish and maintain such procedures as may be reasonably necessary or expedient, to protect information, data, records and other documents relating to the affairs of the depositors, and in particular, relating to their securities accounts, against any unauthorised access, alteration, destruction, disclosure or dissemination, and against any accidental loss or destruction.

Rule 35.02 Data Entry Supervisors:

Every authorised depository agent or authorised direct member shall appoint such number of persons as may be necessary (but subject nevertheless to any direction by the Depository) to be its Data Entry Supervisors. A Data Entry Supervisor shall be responsible for the following matters -

- (a) administration of and monitoring access to the terminals maintained by the authorised depository agent;
- (b) supervising data entry at such terminals;
- (c) reporting erroneous entries to the Depository;
- (d) monitoring communications with the Depository through the terminals;
- (e) perform such other functions as may be directed by the Depository from time to time, for the purpose of ensuring adequate protection for depositors.

It is the duty of every authorised depository agent or authorised direct member to submit to the Depository particulars of Data Entry Supervisors appointed by such agent or direct member, whenever there are any changes to such appointment.

Rule 35.03 System Auditors:

- (1) **Appointment of System Auditors:** The Depository shall appoint an officer, manager or any person authorised by the Depository to be the System Auditor whose responsibility shall include, *inter alia*,
- (a) reviewing the security measures of the Depository as may be written in the Procedures Manual;
 - (b) recommending any improvements on any security features to the Depository as the administrator may deem fit;
 - (c) supervising any internal auditor of the Depository;
 - (d) liaising with the Data Entry Supervisors appointed under Rule 35.02 to monitor the adequacy of the security features at the premises of the authorised depository agents or authorised direct members, as the case may be;
 - (e) conducting any internal audit on the Depository;
 - (f) conducting any audit on the authorised depository agent or authorised direct member to such extent as may be necessary upon the instructions of the Depository;
 - (g) providing assistance to any external auditors in the course of expediting the audit function or other related work of such external auditors; and
 - (h) generally recommending work practices or directives such that the directors, officers, managers and staff of the Depository and all other persons having access to the computer system shall comply with section 42 of the Act and any Regulations which may be prescribed

on the extent to which any user or class of users may have, or should be prohibited from having, access to the computer system.

- (2) **Accountability:** The System Auditor shall be accountable and shall report his findings to the Depository.

Rule 35.04 Vault security:

- (1) **Vault for the safe-keeping of scrips:** The Depository shall maintain a vault for the safe-keeping of any or all scrips registered in the name of Bursa Malaysia Depository Nominees Sdn. Bhd.
- (2) **No entry for unauthorised persons:** The premises of the vault, together with any surrounding areas in which scrips may be temporarily stored pending appropriate processing or sorting by authorised vault operations staff (hereinafter the said premises and surround areas shall be collectively referred to as “the cordoned area”), shall be physically separated from all other departments of the Depository. No person, whether a director, manager, officer, staff or otherwise, shall be allowed to enter the cordoned area without proper reasons or explanations in writing.
- (3) **Keeping of record of all persons entering the cordoned area:** A record of all persons entering the cordoned area shall be maintained by the vault operations, manager or the person for the time being in charge of vault operations indicating each and every entry made by any person, other than authorised vault operations staff.
- (4) **No dual control of access by same person:** No person who shall be responsible for maintaining control and recording over the movement of scrips entering the vault shall also be responsible for maintaining control and recording of scrips leaving the vault.

Rule 35.05 Statutory declarations:

Every employee of the Depository shall be required to execute a statutory declaration that they have not been convicted of any criminal offence (other than traffic offences) as may be prescribed by the Depository.

Chapter 36.0**Suspension of Securities****Rule 36.01 Securities in suspense:**

The Depository may specify that any deposited securities in a securities account as being in suspense in any of the following circumstances -

- (a) where the transfer of such security in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. has not been, or cannot be, registered by its issuer pursuant to section 18 of the Act;
- (b) where the Depository has reason to believe or is satisfied that there is a breach of the rules of the Depository, Stock Exchange or recognised Clearing House;
- (c) where the Depository has been served with a notice by the Commission that the Commission suspects or has reason to believe that a provision of a securities law has been contravened and that a securities account of a depositor is relevant to its investigations regarding the contravention;
- (d) where the Depository has been served with an order of a court of competent jurisdiction prohibiting any dealing in respect of a deposited security;
- (e) where an order under Regulation 8 of the Essential (Protection of Depositors) Regulations 1996 has been made by the Central Bank and published in the Gazette;
- (f) where the Depository receives instructions from the Commission to suspend pursuant to any provisions in the Act; and
- (g) such other circumstances as may be prescribed by the Minister by regulations made under the Act.

Rule 36.02 Securities under suspense:

Subject to Rule 36.04, the Depository may specify a deposited security held in any particular securities account or a particular securities account as under suspense, whether on a temporary basis or otherwise, in any of the following circumstances -

- (a) where the Stock Exchange in accordance with its Rules has suspended trading of a particular security or a particular class of securities in respect of such security;
- (b) in the case of an individual depositor, where it has been notified that the depositor has died;
- (c) where a request for suspension of such security has been received from the depositor;
- (d) where the Commission in exercising its powers under section 57 of the Act has decided that it is absolutely necessary to place such securities under suspension;
- (e) in consultation with the Stock Exchange and with the approval of the Commission to suspend such security in the public interests;
- (f) where it has been traced that the deposited security is at some point in time a deposited security which was obtained illegally into the account or is a security underlying a scrip which has been reported lost or stolen;
- (g) where the Depository in its absolute discretion is of the opinion that there is a need to place under suspense a transferred security pending further investigations by the relevant authorities;
- (h) where, subject to an indemnity given by the authorised depository agent, a request for suspension has been received from such agent where the account is maintained;

- (i) where the Depository has been served with an order of a court of competent jurisdiction prohibiting any dealing in respect of a deposited security;
- (j) where an order under regulation 8 of the Essential (Protection of Depositors) Regulation 1986 has been made by the Central Bank and published in the Gazette;
- (k) where an application for withdrawal of such security has been made by a depositor pursuant to the Rules;
- (l) in the case of an authorised depository agent that is under suspension, where a manager appointed in relation to the authorised depository agent pursuant to Rule 3.03 has recommended to the Depository that a particular securities account, a particular securities therein or a particular issue of securities thereof be put under suspension;
- (m) where the issuer purchases its own securities in a share buy-back in accordance with the relevant laws, regulations or rules;
- (n) where the Depository has been served with a written request by a person duly authorised to investigate into any offence under any law;
- (o) where the Depository receives instructions from the Clearing House to suspend securities held in the principal or nominee account of the authorised depository agent or the authorised direct member arising from the default of the authorised depository agent or authorised direct member in its obligations to the Clearing House as a clearing participant, pursuant to the Rules of the Clearing House;
- (p) where the Depository receives instructions from the Commission to suspend pursuant to any securities laws; and
- (q) in such other circumstances as the Depository may in its discretion deem fit, and the Depository shall notify the Commission of the suspension as soon as the decision to suspend is made by the Depository.

Rule 36.03 Discretion:

The Depository shall in its absolute discretion decide as to whether a deposited security is to be placed under suspense under Rule 36.02.

Rule 36.04 Interpretation:

In these Rules, unless otherwise expressed to the contrary -

- (a) under section 35(4) of the Act, a depositor of any deposited security in suspense shall not be treated for the purposes of section 35 of the Act as being -
 - (i) a member registered in the register of members;
 - (ii) a holder registered in the register of debenture holders;
 - (iii) a holder registered in the register of interest holders maintained by a management company under the Interest Schemes Act 2016;
 - (iv) a holder registered in the register of unit holders maintained by the management company under section 308 of the Capital Markets and Services Act 2007; or
 - (v) a person included in any other register maintained by the issuer in respect of or arising from any other securities issued by the issuer.
- (b) A depositor of any deposited security under suspense shall, for the purposes of section 35 of the Act, be treated as a member but nonetheless such security is under suspense by virtue of the Depository placing a computerised “freeze” or “hold”, whether temporary or otherwise, on such security resulting in any of the following forms of suspension-

- (i) where a “freeze” or “hold” has been placed upon a particular counter in such manner whereby no entries whatsoever may be made in respect of all securities of such counter in all securities accounts held by the Depository or a particular authorised depository agent or authorised direct member;
- (ii) where a “freeze” or “hold” has been placed on a particular securities account in such manner whereby no entries whatsoever may be made in respect of all deposited securities whatsoever held in such account;
- (iii) where a “freeze” or “hold” has been placed on a particular counter and only in respect of a particular depositor’s account in such manner whereby no entries may be made whatsoever in respect of all deposited securities of that counter held under such securities account; or
- (iv) where a “freeze” or “hold” has been placed on a particular quantum and type of security held under a particular securities account in such manner that no entries may be made in respect to such quantum and type of security held under such account,

provided that entries may still be made for all the above forms of suspension for the purpose of settling a sale of the deposited securities contracted on the stock market prior to the suspension and provided further that the suspension referred to in paragraph (iii) above shall not prevent any trades in respect of the deposited securities from being settled.

Rule 36.05 Self imposed suspension by authorised depository agents by refusing to act:

- (1) **Duty to notify:** When an authorised depository agent who is a participating organisation refuses to act on the instructions of any of its depositors in carrying out any of the depositor’s transactions specified under Rule 25.04(2) relating to any deposited security by

reason that the depositor has defaulted (or is about to default) in his obligations relating to any trade order or otherwise, it shall be the duty of the authorised depository agent to notify the Depository immediately stating the reason for such refusal. Nothing in this Rule shall however be construed so as to authorise any participating organisation to be in breach of any rule relating to participating organisations in respect of participating organisations' lien on securities.

- (2) **Depository may instruct agent to lift suspension:** Where the Depository, after investigating the matter, is not satisfied with the reason given by the agent for its refusal to act, the Depository may instruct such agent to carry out the depositor's instructions or direct the agent to act appropriately to resolve the matter.
- (3) **Deleted**

Chapter 37.0**Complaints, Investigations and Arbitration****Rule 37.01 Complaints procedures:**

- (1) **Complaints:** Where a person who alleges to have suffered loss or inconvenience as a consequence of a failure by any person to perform his duties or functions under these Rules, lodges a written complaint to the Depository against that person, the Depository shall look into the complaint with a view of assessing whether an investigation into the complaint is necessary. Where the Depository decides that an investigation is necessary, the Depository shall cause an investigation to be carried out.
- (2) **Particulars of complaint:** Every complaint under this Rule shall be accompanied by a payment of sum of one hundred ringgit to the Depository and shall state in writing that the complaint is one made pursuant to this Rule and, although it need not identify the person alleged to have caused the loss or inconvenience, it must contain sufficient particulars for the Depository to form a view as to whether there is sufficient likelihood that any loss or inconvenience was in consequence of such failure or inefficiency as is referred to in Rule 37.01(1) to warrant investigation under this chapter. The sum of one hundred ringgit may be refunded in full or part thereof entirely at the discretion of the Depository.
- (3) **Depository may decline:** The Depository may decline to carry out an investigation without any reason whatsoever if in its discretion it appears that the matter should be more properly resolved by other appropriate bodies or channels.
- (4) **Deleted**
- (5) **Delegation of powers:** The Depository may delegate all or any of its powers under this Rule to a qualified accountant and/or solicitor and the qualified accountant and/or solicitor, as the case may be, who

shall report the results of any investigation to the Depository.

- (6) **Opportunity to be heard:** The Depository shall provide any person against whom allegations are made in the complaint, and any other person whom the Depository concludes may have been at fault, an opportunity to comment on the allegations or, as the case may be, the conclusion the Depository is disposed to reach.
- (7) **Investigation:** Subject to Rule 37.01(3), the Depository shall after carrying out its investigation and ensure that a report, whether interim or otherwise, shall be sent to the complainant (or any person on whose behalf the complaint was made), no longer than thirty days from the date of lodgement of complaint. Where the complaint is in respect of an authorised depository agent, authorised direct member or an issuer, a copy of the report shall also be sent to the Advisory Committee.

Rule 37.02 Findings of the report:

Where the report pertaining to the complaint is stated to be the final report no further action shall be required on the part of the Depository but such final report shall-

- (a) where further action, if any, has been taken by the Depository, describe in a summarised way the action taken; or
- (b) where the Depository is unable to take any further action, make recommendations as may be appropriate.

Rule 37.03 Complaints directed at the Depository:

Where a complaint has been lodged by any person against the Depository in respect of any transaction directly or indirectly handled by the Depository or where upon subsequent investigation, it has been ascertained that the Depository itself

has been the sole or partial cause of the complaint, the Depository shall refer the matter to person(s) for the time being in charge of internal audit who shall then be empowered to do the necessary investigations and, where necessary, submit a report to the Depository on the matter for their consideration.

Rule 37.04 Disputes between authorised depository agents, authorised direct members and issuers:

Subject to Rule 37.05(4), any complaint arising from a dispute between parties who are authorised depository agents, authorised direct members or issuers with reference to any function or transaction to be performed in accordance with these Rules or under the Procedures Manual, shall be settled by way of arbitration in accordance with Rule 37.05 and the parties involved in such dispute shall not resort to any outside tribunal or Court of Law for determination of the dispute, unless the Depository for any reason whatsoever fails to state within thirty days upon receipt of such complaint whether or not it is willing to act on the dispute.

Rule 37.05 Arbitration:

- (1) **Arbitration agreement:** This Rule forms the basis of an arbitration agreement binding upon the Depository, authorised depository agents, authorised direct members and issuers made in accordance with the Arbitration Act 2005 and any amendments thereto. It shall also bind any depositor who elects to settle any dispute involving any transaction or entry in respect of his securities account by way of arbitration.
- (2) **One or three arbitrators:** All disputes under these Rules shall be referred to a single arbitrator, if the parties can agree on one, but otherwise to two arbitrators, one to be appointed by each party with the third arbitrator/umpire to act as the presiding arbitrator to be-
 - (a) appointed by the two arbitrators if an agreement can be reached; or

- (b) where the first two arbitrators cannot agree on the choice of the presiding arbitrator, appointed by the advisory committee.
- (3) **Status of award:** Where the dispute has been brought up-
 - (a) by a depositor against the Depository, an authorised depository agent, an issuer or another depositor, any award of the arbitrator or the majority of the arbitrators shall be final and binding upon the parties to such dispute unless a legal objection has been raised by such depositor within fourteen days from the date of the award;
 - (b) by an authorised depository agent, authorised direct member or issuer against any other party (other than the Depository), award of the arbitrator or the majority of the arbitrators shall be final and binding upon the parties to such dispute.
- (4) **Depository's right of enforcement:** Nothing in this chapter shall be construed as enabling any authorised depository agent, authorised direct member, issuer or depositor to prevent, obstruct or delay the Depository from exercising its right or power to enforce any provisions of these Rules, the Procedures Manual or the Act upon such authorised depository agent, authorised direct member, issuer or depositor.
- (5) **Disputes must involve financial loss:** Any dispute which may be brought up for arbitration pursuant to this Rule must involve a financial loss or damage of not less than five thousand ringgit on the part of the aggrieved party.

Rule 37.06 Supply of information to the Depository and power of investigation:

- (1) **Investigation:** The Depository may conduct an investigation on an authorised depository agent, an authorised direct member, an issuer, other user or

authorised nominee at any time in the following circumstances:

- (a) where such investigation is on any matter in relation to these Rules, the relevant internal policies and procedures of such persons and any other rules and regulations related to such person's functions as governed under these Rules; or
- (b) where the Depository has reason to suspect that the authorised depository agent, authorised direct member, issuer, other user or authorised nominee has engaged in an activity that has affected or may affect the integrity of the Depository's computer system or the orderly handling of deposited securities.

(2) **Power of the Depository:** The Depository is empowered to :-

- (a) require or compel any authorised depository agent, its dealer's representatives, authorised direct member, issuer, other user or authorised nominee to deliver, cause to be delivered, produce or cause to be produced to the Depository any information, document, book or record as may be in such person's possession or control that may be relevant to the investigation including requiring such person to make copies or the Depository taking extracts of the same;
- (b) enter the premises of the authorised depository agent or its Relevant Persons for any of the following purposes:
 - (i) to access the terminals or other peripherals situated at the premises of the authorised depository agent and to obtain print-outs from such terminals or peripherals; or

- (ii) to seize, detain or take possession of any property, document, book or record found at the premises or in the possession, custody or control of a Relevant Person;
- (c) where the Depository has reason to believe that any document in the possession or control of the authorised direct member, issuer, user or authorised nominee or their Relevant Persons are relevant to the investigation, be allowed access to such documents;
- (d) require a depositor to provide or produce for inspection such information, document, book or record as may be required by the Depository in relation to his securities accounts or any other matters under investigation conducted by the Depository;
- (e) retain all such documents delivered or produced to, or obtained by the Depository pursuant to paragraphs (a), (b), (c) or (d) above for as long as the Depository may consider necessary and/or to make copies thereof where possible and necessary;
- (f) require any employee, servant, agent, contractor or director of an authorised depository agent, authorised direct member, issuer, depositor or any other user or dealer representatives to attend before the Depository at any time and to give such information that is relevant to the investigation;
- (g) record statements from the persons referred to in Rule 37.06(2)(f). A recorded statement may be used in enforcement proceedings against an authorised depository agent, authorised direct member, issuer, other user or authorised nominee (including the person making such statement);

- (h) require an authorised depository agent, authorised direct member, issuer, other user or authorised nominee to procure the attendance of any Relevant Person or consultant before the Depository and to give or procure such information relevant to the investigation; or
 - (i) impose such requirement on the authorised depository agent, authorised direct member, issuer, other user or authorised nominee that the Depository thinks reasonably necessary to facilitate the investigation.
- (3) **Cooperation:** An authorised depository agent, authorised direct member, issuer, other user or authorised nominee must:
 - (a) not hinder or obstruct the Depository during the investigation;
 - (b) give the Depository all assistance the Depository reasonably requires to conduct the investigation; and
 - (c) comply and give effect to any directions the Depository issues in exercising the powers under Rule 37.06(2).
- (4) **Deleted**
- (5) The powers conferred under this Rule are in addition to, and not in derogation, of any other powers conferred under the Rules or by any other written law.

Chapter 37A Exchange Holding Company**Rule 37A.01 Powers of the Exchange Holding Company:**

- (1) **Acting on behalf of the Depository:** Where any provision of these Rules confers a right or power on the Depository to do any act or thing such provision shall be deemed to confer the right or power on the Exchange Holding Company to do such act or thing on behalf of the Depository.
- (2) **Compliance:** Any person, who is an authorised depository agent, authorised direct member, depositor, issuer or user must comply with, observe or give effect to any action of the Exchange Holding Company pursuant to subrule (1) above.

Chapter 37B.0 Fees and charges

Rule 37B.01 Fees and charges payable:

- (1) An applicant under these Rules, authorised depository agent, authorised direct member, issuer and depositor must pay to the Depository such fees, charges, expenses and disbursements in respect of the operations, services and facilities provided by the Depository as may be specified by the Depository from time to time.
- (2) The Depository reserves the right to add to, vary or delete any of the fees, charges, expenses and disbursements from time to time, as it deems fit.
- (3) Unless otherwise specified in these Rules, Procedures Manual or any agreements entered into with the Depository, no refund of any fees paid will be allowed.

Rule 37B.02 Deduction:

- (1) **Right to deduct:** Where an authorised depository agent, authorised direct member or issuer fails to pay any fees and other charges payable to the Depository, the Depository reserves the right to deduct such sums from any payments owing by the Depository to such person.
- (2) **Written notice:** Where the Depository exercises its right to deduct under Rule 37B.02(1), it shall give such person a written notice of at least one month prior to the date of deduction.

Chapter 37C.0 Goods and Services Tax

Rule 37C.01 Deleted

Rule 37C.02 Deleted

Chapter 38.0 Miscellaneous**Rule 38.01 Forms:**

- (1) **Prescribed particulars:** Where a form prescribed by these Rules require completion by the insertion of, or the attachment to the form of a document containing particulars or other matters referred to in the form, those particulars or matters are prescribed as the particulars or other matters required under these Rules for the purposes of which the form or document is prescribed.
- (2) **Directions:** A form prescribed by these Rules containing any direction for its completion shall be completed in accordance with those directions. Where such form requires insertion of a name of an individual person, it shall be the name as it appears in, in the case of a Malaysian citizen, the identity card or, in the case of a non-Malaysian citizen, the passport of that person or any other identification document prescribed by the Depository.
- (3) **English version to prevail:** The forms prescribed by these Rules are written in English and should the forms be translated into a language other than English, the English version shall, save for any manifest error, prevail.
- (4) **Forms and supporting documents submitted through electronic means:** The Depository may prescribe the forms and supporting documents that may be submitted by the depositor to the authorised depository agent by electronic means.

Rule 38.02 Deleted**Rule 38.03 Power of waiver or modification:**

- (1) The Depository may, at any time, waive or modify compliance with a Rule or part of a Rule.

- (2) If the Depository waives or modifies compliance with a Rule or part of a Rule subject to a condition or conditions, such condition or conditions must be complied with for the waiver or modification of compliance to be effective.

Rule 38.03A Additional action that may be taken by the Depository pursuant to an inspection or investigation:

Pursuant to a finding from any inspection or investigation on an authorised depository agent, authorised direct member, issuer, other user or authorised nominee, the Depository may require the authorised depository agent, authorised direct member, issuer, other user or authorised nominee to take appropriate action against any of its employees or agents if such person caused the authorised depository agent, authorised direct member, issuer, other user or authorised nominee to violate these Rules.

Rule 38.04 Incidental powers etc. of the Depository:

Where any provision of these Rules empowers, authorises or enables the Depository to do or enforce the doing of any act or thing, the Depository shall have all such powers or rights as may be necessary or reasonably incidental to the Depository doing or enforcing the doing of the act or thing.

Rule 38.05 Appeals against decisions of the Depository:

- (1) **Right of appeal:** Any decision of the Depository is final and binding and a person may only appeal against any action or decision taken or made by the Depository under these Rules if the right of appeal is expressly provided for under the relevant provision of these Rules.
- (2) **Decision on appeal:** The decision of the Depository on appeal is final and binding on the person appealing.

Rule 38.06 Liability:

The Depository shall not be liable for any loss or damage that may be suffered, incurred or sustained by any depositor, issuer, trustee of an exchange traded fund, authorised depository agent, authorised direct member or other users as a result of or in connection with the Depository's performance or non-performance of its duties in good faith, or the Depository's failure to comply or delay in complying with any of its duties or obligations arising as a direct or indirect result of anything beyond its reasonable control including, but not limited to, failure or delay by the issuer in performing its functions under these Rules, natural disasters, act of God, industrial action, computer breakdown or sabotage, currency restrictions, war or terrorism or the failure, suspension or disruption of any relevant stock exchange, clearance system or market.

Rule 38.07 Conduct:

Any act or omission by a person includes an act or omission caused directly or indirectly by the said person.

Rule 38.08 Personal Data Notice:

- (1) Any person who provides or has provided personal data to the Depository 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 Depository otherwise specifies in connection with the PDPA.

- (3) For the purposes of this Rule 38.08, 'personal data' shall have the same meaning given in section 4 of the PDPA.

Rule 38.09 Disclosure of actions:

The Depository may disclose any action taken by the Depository against any person under these Rules to the public or any other persons in any manner as the Depository deems fit or expedient.

Rule 38.10 Referral of conduct to other authorities:

The Depository may, at any time refer the conduct of any person who is subject to these Rules, to any relevant authority or professional body, without giving notice to such person.

Rule 38.11 Appointment of committee, sub-committee or officers:

The Depository may appoint a committee, a sub-committee or officer(s) of the Depository or Exchange Holding Company or an agent to exercise the Depository's powers under these Rules, where appropriate.

Rule 38.12 Confidentiality:

- (1) **Obligation to keep confidential:** If a finding or result of any inspection or investigation, or testimony or documentation in connection with an enforcement proceeding or appeal under these Rules is disclosed to an authorised depository agent, authorised direct member, issuer, other user or authorised nominee or their employees or agents, such person must keep the findings and results of such inspection or investigation, or testimony or documentation in connection with an enforcement proceeding 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, enforcement proceeding or appeal, provided that the disclosure is restricted to the relevant persons and strictest confidentiality is maintained.
- (2) **Disclosure by Depository:** The Depository may release the findings and results of any inspection or investigation, or testimony or documentation in connection with an enforcement proceeding or appeal to the Commission, Stock Exchange, Clearing House or any other relevant body or authority (in Malaysia or outside Malaysia) as the Depository considers fit, or to such parties as the Depository considers fit for the purposes of the Depository's investigation, enforcement or both.

Rule 38.13 Partial invalidity:

If at any time any provisions of these Rules become illegal, invalid or inapplicable in any respect, the legality, validity or enforceability of the remaining provisions shall not in any way be affected or impaired.

Rule 38.14 Governing law and jurisdiction:

The interpretation, construction and operations of these Rules and the respective rights and obligations of the Depository and depositors, authorised depository agents, authorised direct members, issuers and users shall be determined under the laws of Malaysia and subject to these Rules, each depositor, authorised depository agent, authorised direct member, issuer and user agrees to submit to the jurisdiction of the courts of Malaysia.

Chapter 39.0 Enforcement

Rule 39.01 Interpretation:

In this Chapter,

- (a) “authorised depository agent” or “authorised direct member” includes its wholly owned nominee company;
- (b) “enforcement proceedings” where the context permits includes appeal proceedings under Rules 39.13 to 39.16; and
- (c) “Person” means an authorised depository agent, authorised direct member, any other user, an issuer or authorised nominee.

Rule 39.02 Enforcement powers:

The Depository may exercise its enforcement powers under Rules 39.02 to 39.08 against a Person if such Person is found to have breached any of these Rules, directions, undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository (“Defaulting Person”). The Depository’s enforcement powers include the taking of one or more of the following actions:

- (a) terminate or suspend the appointment of an authorised depository agent or authorised direct member in accordance with the terms prescribed by the Depository;
- (b) limit or disallow the access of the Defaulting Person to any of the services or facilities of the Depository or suspend the Defaulting Person’s privileges or activities on such terms and for such period as the Depository may in its sole discretion determine, including in relation to any function that has been outsourced; and
- (c) impose a fine not exceeding RM1 million on the Defaulting Person;

- (d) reprimand (publicly or privately) the Defaulting Person;
- (e) withdraw the authority given to the Defaulting Person to act as an authorised nominee or exempt authorised nominee as the case may be in respect of any or all securities accounts held by such Defaulting Person;
- (f) impose any restriction or condition in relation to the breach committed or on the activities that the Defaulting Person undertakes;
- (g) impose one or more conditions for compliance including issuing a direction to take such steps to remedy or mitigate the breach, other than a direction to make restitution;
- (h) direct a Defaulting Person to take appropriate action against any of the Defaulting Person's employees or agents if such person caused the Defaulting Person to commit the breach;
- (i) mandate education, training or such other types of programme as may be determined by the Depository, to be undertaken or implemented by the Defaulting Person for its employees;
- (j) Deleted
- (k) specifying any or all securities accounts held by the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member as under suspense for such period as may be specified by the Depository;
- (l) prohibiting the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member from maintaining any securities account whether for itself or for any other person; or
- (m) any other action the Depository considers appropriate, subject to consultation with the Commission.

Rule 39.03 Procedures:

- (1) The Depository will determine the procedures applicable to any enforcement proceedings taken under this Chapter. Such proceeding may vary to adapt to the circumstances of any particular case.
- (2) The Depository is not bound by legal rules of evidence and procedure in any enforcement proceedings under this Chapter.

Rule 39.04 Agreed settlement:

- (1) A Person may, at any time before the Depository makes a decision, propose a settlement of the enforcement action by agreeing to a set of facts, liability or penalty with the Depository.
- (2) The Depository may reject, accept or vary the proposed settlement based on terms that the Depository deems fit.
- (3) Where the Depository accepts the proposed settlement, the agreed settlement will be recorded as a decision of the Depository.
- (4) If the Depository is not agreeable to the proposed settlement, the proceedings under Rule 39.09 will apply.

Rule 39.05 Request for oral representations:

- (1) A Person may request for an oral representation to make submissions or to procure the attendance of witnesses or legal representation for proceedings commenced against the Person.
- (2) A request under Rule 39.05(1) must be submitted with:
 - (a) a Response as provided under Rule 39.09(2);
or

- (b) a Notice of Appeal as provided under Rule 39.14.
- (3) The Depository may, in its absolute discretion, allow or disallow any request made pursuant to Rule 39.05(1), upon such terms and conditions as the Depository deems appropriate.

Rule 39.06 Standard of proof:

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

Rule 39.07 Other rights:

The exercise of powers in Rule 39.02 does not in any way prejudice the other rights of the Depository against a Person or any other person to whom these Rules are directed.

Rule 39.08 Acts or omissions of employees, agents or directors:

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

Rule 39.09 Enforcement proceedings:

- (1) **Requisite notice:** The Depository will serve on a Defaulting Person against whom the enforcement action is proposed to be taken, a written notice specifying the nature and particulars of the breach the Defaulting Person is alleged to have committed (“Requisite Notice”).

- (2) **Response to Requisite Notice:** The Defaulting Person may submit to the Depository a written response to the Requisite Notice (“Response”) within the time stipulated in the Requisite Notice.
- (3) **Notification of decision:** After the conclusion of an enforcement proceeding, the Depository will notify the Defaulting Person in writing of the decision including the penalty imposed (if any).

Rule 39.10 Scope of expedited proceedings:

The Depository may initiate expedited proceedings against a Defaulting Person against whom enforcement action is proposed to be taken instead of the proceedings under Rule 39.09 in circumstances the Depository deems fit, such as in respect of a breach of the Rules which does not typically attract a penalty beyond:

- (1) a reprimand; or
- (2) a fine of RM10,000.00; or
- (3) both the above.

Rule 39.11 Procedures for expedited proceedings:

- (1) The Depository will notify the Defaulting 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”).
- (2) The Defaulting Person must, within the time specified in the Determination, inform the Depository in writing whether or not the Defaulting Person agrees with the Determination. A Defaulting Person is deemed to have agreed with the Determination if the Defaulting Person does not respond within the specified time.

- (3) If the Defaulting Person agrees or is deemed to have agreed with the Determination, enforcement action will be recorded as having been taken against the Defaulting Person on the date of the Defaulting Person's agreement or upon expiry of the specified time.
- (4) If the Defaulting Person agrees or is deemed to have agreed with the Determination, any fine imposed as a penalty for the breach must be paid:
 - (i) upon the Defaulting Person informing the Depository in writing of his agreement with the Determination; or
 - (ii) within the time specified in the Determination;as the case may be.
- (5) If the Defaulting Person does not agree with the Determination, the matter will proceed under Rule 39.09. The Defaulting Person may, within the time specified in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 39.09(1). In deliberating the matter under Rule 39.09, the Depository is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceedings under Rule 39.09.

Rule 39.12 No limitation:

Nothing in Rules 39.10 and 39.11 prevent the Depository from proceeding with enforcement proceedings under Rule 39.09 for any breach of a Rule, direction, undertaking, representation or warranty given to the Depository or any other term or condition agreed upon with the Depository.

Rule 39.13 Right of appeal:

- (1) In amplification of Rule 38.05, any party to the enforcement proceedings taken under Rule 39.09 and

Rule 39.11(5) who is dissatisfied with a decision resulting from the enforcement proceedings may appeal against such decision in the manner specified in Rule 39.14 unless the decision was recorded pursuant to an agreed settlement under Rule 39.04 (“the Appellant”).

- (2) The Depository may suspend the enforcement of any action taken under Rule 39.02 that is the subject of the appeal until the disposal of the appeal.

Rule 39.14 Notice of appeal:

The Appellant must, within the time stated in the notification of decision given under Rule 39.09(3), give to the Depository a notice (“Notice of Appeal”) that:

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

Rule 39.15 Deliberation of appeal:

- (1) An Appellant may produce evidence that was not presented at the initial enforcement proceedings if:
 - (a) the evidence was not available at the time of the initial enforcement proceedings; and
 - (b) the evidence would have been likely to have had a determining influence upon the decision appealed against.
- (2) The Appellant must produce the new evidence as stated in Rule 39.15(1) when submitting the Notice of Appeal.
- (3) The Depository may exercise its powers under Rule 37.06 and produce new evidence arising from the Notice of Appeal submitted by a Defaulting Person.

- (4) The Depository may affirm, vary or set aside the decision appealed against.

Rule 39.16 Notification of decision on appeal:

After the conclusion of an appeal, the Depository will notify the Defaulting Person in writing of the decision of the appeal and such decision is final.

Rule 39.17 Effect of an enforcement action:

- (1) A Defaulting Person must give effect to a decision made under Rule 39.09 or Rule 39.11 or an enforcement action affirmed or varied under Rule 39.15 within the time stipulated by the Depository.
- (2) If a Defaulting Person fails to give effect to or comply with such decision made, affirmed or varied, the Defaulting Person is deemed to have committed a breach of these Rules and the Depository may take further action as stated in Rule 39.02.

Rule 39.18 Period of payment and effect of non-payment of fine:

- (1) Without prejudice to Rule 39.17(2), a fine imposed by the Depository must be paid by the Defaulting Person within the time stipulated in the notice under Rule 39.09(3) or Rule 39.16.
- (2) Pursuant to Rule 39.18(1) and Rule 39.11(4), a Defaulting Person who fails to make payment within the stipulated time frame will be summarily suspended from its functions and activities.
- (3) Where the fine remains unpaid 7 days after the suspension under Rule 39.18(2), the Depository may at any time thereafter summarily terminate the Defaulting Person's appointment, if relevant, by notice in writing.

- (4) A fine or any portion of a fine remaining unpaid by a Defaulting Person is a debt owing by the Defaulting Person to the Depository.

Rule 39.19 Effect of suspension:

- (1) A suspension imposed by the Depository upon the Defaulting Person:
 - (a) takes effect on the date notified in the notice under Rule 39.09(3) or Rule 39.16 (“the said notice”); and
 - (b) remains for such period as specified in the said notice but the period may be extended by the Depository for such period as it considers appropriate.
- (2) Nothing in this Rule 39.19 is to be construed as releasing or discharging such Defaulting Person from remaining liable in all respects to fulfill all its obligations pursuant to or under these Rules, directions, undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository.

Rule 39.20 Enforcement action initiated prior to the Effective Date:

- (1) Unless these Rules or the Depository provides otherwise, the Depository will apply the penalties, rules and procedures on enforcement actions applicable prior to the effective date of these new provisions on enforcement actions (“Effective Date”) to an enforcement action instituted by the Depository against a Person prior to the Effective Date.
- (2) The previous penalties, enforcement rules and procedures will also apply to an appeal against a decision on an enforcement action instituted prior to the Effective Date.

**Rule 39.21 Enforcement action initiated on or after the
Effective Date:**

Unless these Rules or the Depository provides otherwise, the Depository may on or after the Effective Date, institute enforcement action against a Person for acts or omissions committed prior to the Effective Date if no enforcement action has been instituted. In doing so, the Depository may apply the new penalties, rules and procedures on enforcement actions applicable from the Effective Date.

PART VII FEES AND CHARGES

[DELETED]

PART VIII AUTHORISED NOMINEE**AUTHORISED NOMINEE
[Rule 1.01]**

- (1) A licensed bank or licensed investment bank and its wholly-owned subsidiary that is a nominee company.
- (2) A prescribed financial institution under the Financial Services Act 2013 which carries on leasing business as defined under the Financial Services Act 2013, and its wholly-owned subsidiary that is a nominee company.
- (3) A moneylender licensed under the Moneylenders Act 1951 and its wholly-owned subsidiary that is a nominee company.
- (4) A financial institution established under any Act of Parliament and its wholly-owned subsidiary that is a nominee company.
- (5) A licensed Islamic bank and its wholly-owned subsidiary that is a nominee company.
- (6) A prescribed institution as defined in the Development Financial Institutions Act 2002 and its wholly-owned subsidiary that is a nominee company.
- (7) A Labuan bank as defined under the Labuan Financial Services and Securities Act 2010 and its wholly-owned subsidiary that is a nominee company.
- (8) A holder of a Capital Markets Services Licence for the purposes of carrying on the business of dealing in securities and its wholly-owned subsidiary that is a nominee company.
- (9) A clearing house approved under section 38 of the Capital Markets and Services Act 2007.

- (10) Japan Securities Clearing Corporation and its custodian in relation to YTL Corporation Bhd shares.
- (11) Deleted
- (12) The Minister of Finance.
- (13) The Minister of Finance Incorporated established pursuant to the Minister of Finance (Incorporation) Act 1957.
- (14) The Accountant General.
- (15) The Registrar of Unclaimed Moneys as defined in the Unclaimed Moneys Act 1965.
- (16) A holder of a Capital Markets Services Licence for the purposes of carrying on the business of fund management, its wholly-owned subsidiary that is a nominee company and its appointed custodian as defined in section 121 of the Capital Markets and Services Act 2007.
- (17) A closed-end fund that is approved by the Commission under section 212 of the Capital Markets and Services Act 2007 and its custodian in relation to the closed-end fund's investments.
- (18) A liquidator or an official assignee appointed by a court.
- (19) Executors, administrators and trustees governed by any written law.
- (20) An issuing house licensed under subsection 58(1) of the Capital Markets and Services Act 2007.
- (21) Amanah Raya Berhad and its wholly-owned subsidiary that is a nominee company established under the Public Trust Corporation Act 1995.

- (22) The following foreign intermediaries:
- (a) a foreign fund manager;
 - (b) a stockbroking company who is a member of other recognised stock exchanges defined in the Rules of the Stock Exchange;
 - (c) a securities dealer who is not a member of other recognised stock exchanges but is authorised to carry out the business of dealing in securities by the relevant authorities in jurisdictions of the recognised stock exchanges defined in the Rules of the Stock Exchange; or
 - (d) a foreign financial institution.
- (23) A person appointed by the Depository to be an authorised depository agent and its wholly-owned subsidiary that is a nominee company.
- (24) A person appointed by the Depository to be an authorised direct member and its wholly-owned subsidiary that is a nominee company.

PRESCRIBED FORMS

[DELETED]

Appendix II

GUIDELINES FOR THE FORMATION OF NOMINEE COMPANIES TO COMPLY WITH FIC GUIDELINES

[DELETED]

APPENDIX III

UNDERTAKING BY [name of issuer of unlisted securities]

To :

Bursa Malaysia Depository Sdn. Bhd.
9th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Compliance with the Rules of Bursa Malaysia Depository Sdn. Bhd. (“the Rules of the Depository”)

In consideration of the Depository approving the application of [name of issuer of unlisted securities] (“the Company”) for the deposit of the Company’s securities [describe the securities] (“the unlisted securities”) with the Depository and for utilisation of the services and facilities made available by the Depository to the Company as an issuer of unlisted securities **WE HEREBY ACKNOWLEDGE** that the unlisted securities of the Company can remain deposited with the Depository and utilisation of any of such services and facilities by the Company as an issuer of unlisted securities can continue only during the pleasure of the Depository and **WE HEREBY UNDERTAKE AND AGREE** to comply with the Rules of the Depository which shall be in force from time to time, insofar as the same shall apply to the Company (“the Applicable Rules of the Depository”) and amend the constitution of the Company accordingly wherever necessary to ensure that the constitution gives effect to or are consistent with the Applicable Rules of the Depository.

The above Undertaking has been signed by me for and on behalf of the Company as [title] of the Company pursuant to authority granted to me by resolution of the board of directors of the Company on

Date :

Signature :

Name :

NRIC No. :

APPENDIX IV

**Undertaking by (name of the trustee of an exchange traded fund)
(Rule 17.01(2))**

To

Bursa Malaysia Depository Sdn. Bhd.
9th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur.

Compliance with the Rules of Bursa Malaysia Depository Sdn. Bhd. (“the Depository”)

In consideration of the Depository allowing the deposit of(name of the exchange traded fund) exchange traded fund (“ETF”) units with the Depository and for utilisation of the services and facilities made available by the Depository to the ETF, WE, [name of trustee] (“the Trustee”) HEREBY ACKNOWLEDGE that the ETF units shall remain deposited with the Depository and utilisation of any such services and facilities by the ETF shall continue only during the pleasure of the Depository and WE HEREBY UNDERTAKE AND AGREE to comply with the Rules of the Depository, the Procedures Manual, the provisions of the Securities Industry (Central Depositories) Act 1991 (“SICDA”), the regulations made under SICDA and any directions issued by the Depository, which shall be in force from time to time, insofar as the same shall apply to the ETF.

The above Undertaking has been signed by me for and on behalf of the Trustee as(title) of the Trustee pursuant to the authority granted to me by resolution of the board of directors of the Trustee on

Date:

Trustee:

Signature:

Name:

NRIC No.:

APPENDIX V

LETTER OF UNDERTAKING BY AN ISSUER WHICH IS A FOREIGN CORPORATION (Rule 17.01C(1)(a))

[To be transcribed onto the letterhead of [name of Issuer]]

To:

Bursa Malaysia Depository Sdn. Bhd.
9th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

LETTER OF UNDERTAKING

In consideration of Bursa Malaysia Depository Sdn. Bhd. ("**Depository**"), upon the request of *[name of Issuer]* ("**Company**"), agreeing to act as a depository for the central handling of the securities of the Company that are listed or proposed to be listed on Bursa Malaysia Securities Berhad ("**Securities**") in accordance with the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") and the Depository Rules,

1. WE ACKNOWLEDGE AND CONFIRM THAT:

- (a) the Depository is a bare trustee in relation to the Securities and the depositor having the Securities standing to the credit of the securities account maintained by such person with the Depository ("**Depositor**") is entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of or arising from the Securities;
- (b) the SICDA and the Depository Rules apply, where relevant, to the Securities and dealings in the Securities;
- (c) the Depository is not obliged to ensure that the Depositors comply with the ownership or transfer restrictions (if any) governing the issue, offering, sale or resale, pledge or other transfer of the Securities, and

2. WE IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE AND AGREE TO:

- (a) comply with the SICDA and the Depository Rules in force from time to time, insofar as the same applies to the Company ("**the Applicable Requirements**");
- (b) ensure that the constitution of the Company, including amendments if any, that may be made from time to time, give effect to and are consistent with the Applicable Requirements and this undertaking and in that regard, make such changes to the constitution as may be required by the Depository;
- (c) obtain and furnish to the Depository as soon as practicable, such advice or opinion from any lawyer, valuer, accountant, broker, banker or other expert, as may be required by the Depository, on any matter or issue in connection with the Securities or the Depository's position as a member of the Company, or reimburse the Depository in a timely manner, the costs of such advice or opinion, where the Depository seeks the advice or opinion on its own;

- (d) give to the Depository such information the Depository may reasonably require from time to time for the purpose of the discharge of the Depository's duties;
 - (e) not do or cause or permit to be done, or omit to do, any act that results or will result in the Depository breaching any applicable laws or the constitution of the Company;
 - (f) inform the Depository as soon as there are any changes in the law of incorporation of the Company that may affect or change the Depository's or Depositor's rights or obligations over the Securities, including without limitation:
 - (i) the Depository's status as a bare trustee in relation to the Securities;
 - (ii) the right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;
 - (iii) the right to receive rights offering and any other entitlements;
 - (iv) withholding taxes on the Securities;
 - (v) stamp duties on the Securities;
 - (vi) substantial shareholder reporting requirements for the Securities;
 - (vii) foreign shareholding limits on the Securities;
 - (viii) capital controls over cash dividend or other cash distribution payable in respect of the Securities; and
 - (ix) obligations to file documents or make declarations in respect of the Securities;
 - (g) in addition to the indemnity in Rule 17.01A of the Depository Rules, indemnify and keep the Depository indemnified against any loss, damage, liability, cost or expense (including legal costs) suffered or incurred by the Depository, whether directly or indirectly as a result of or in connection with the Depository being a member or as a result of any breach by us of our agreement, representations or undertakings contained in this undertaking;
 - (h) provide such undertaking or enter into such agreement as may be necessary or in such form as determined by the Depository, to reflect changes, if any, to the applicable laws, Depository Rules or Depository practices or requirements;
 - (i) bear all charges and expenses:
 - (i) for services performed, upon our request, by the Depository in its role as a depository for the Securities; and
 - (ii) that may be incurred by the Depository as a result of or in connection with the Depository acting as a depository for the Securities or the Depository being a member of the Company.
3. For the purpose of this undertaking:
- (i) "Depository Rules" means the rules of the Depository, any direction issued by the Depository as defined in the rules and any amendment to the rules or directions as may be made from time to time; and
 - (ii) "applicable laws" includes the laws of Malaysia and [*country of incorporation of the issuer*].
4. This undertaking is binding upon and will enure for the benefit of our successors-in-title and assigns.

5. If at any time any provision of this undertaking is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the same shall not affect or impair:
- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this undertaking; or
 - (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision in this undertaking.
6. This undertaking is to be governed by and construed in accordance with the laws of Malaysia and we irrevocably agree to submit to the exclusive jurisdiction of the Malaysian courts.

The above Undertaking has been signed by me for and on behalf of the Company as [title] of the Company pursuant to authority granted to me by resolution of the board of directors of the Company on

Date:

Signature:

Name:

NRIC No.: