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CHAPTER 1

DEFINITION AND INTERPRETATION

RULE 101

DEFINITION

RULE 101.1 DEFINITION

(1) In these Rules, unless the context otherwise requires or the contrary intention appears-

“automated matching” means the process referred to in Rule 501.1(1).

“Advertisement” means the process referred to in Rule 601.1(1).

“Announcements” means the process referred to in Rule 801.1.

“Band” means a group of stocks wherein delivery and settlement may be in relation to any one of the stocks in the group based on the agreement between counterparties.

“Bank Negara Malaysia” means Bank Negara Malaysia, a body corporate established under the Central Bank of Malaysia Act 1958.

“Bursa Bonds” means Bursa Malaysia Bonds Sdn Bhd, a company established under the Companies Act 1965 which operates ETP.

“Bursa Malaysia” means Bursa Malaysia Berhad which is the holding company of Bursa Bonds.

“buying TPM” in the context of these Rules, includes a borrowing TPM.

“buying EPM” in the context of these Rules, includes a borrowing EPM.

“Capital Markets and Services Act” means the Capital Markets and Services Act 2007.

“Capital Markets Services Licence” has the same meaning as is assigned to that

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	expression in the Capital Markets and Services Act .
Capital Markets and Services Representative's Licence	has the same meaning as is assigned to that expression in the Capital Markets and Services Act .
"Client"	means the person on whose behalf a TPM or an EPM carries out Trading Functions or any person with whom the TPM or EPM as principal enters or will enter into transactions in financial instruments.
"Client Information"	means Client name, resident or non resident indicator, account number and any other information as prescribed in the Directives.
"close out"	means delivering a stock purchased by the TPM or EPM to cover a borrowing done for a short sale.
"Commission"	means the Securities Commission.
"Directives"	means directives issued from time to time by Bursa Bonds in relation to any matters governed by these Rules, including any manual, notification, terms and conditions attached to any approval or action taken by Bursa Bonds.
"ETP"	means the Electronic Trading Platform established by Bursa Bonds and approved as a Registered Electronic Facility under the Capital Markets and Services Act, which provides the facilities detailed in Rule 401.1.
"Executing Participating Member"	means a person who has been admitted as an Executing Participating Member in accordance with these Rules and has not ceased for any reason to be an Executing Participating Member.
"FAST"	means the Fully Automated System for Issuing/ Tendering operated by Bank Negara Malaysia.
"financial instruments"	means all debt instruments issued in FAST.
"General Participating Member"	means a person who has been admitted as a General Participating Member in accordance

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with these Rules and has not ceased for any reason to be a General Participating Member.

“Government Investment Issue”	means long-term non interest-bearing bonds issued based on Islamic principles by the Government of Malaysia.
“I”	means the issue date of a stock in FAST.
“Limit Order”	means an order which is to be executed at the entered price or yield or better.
“Malaysian Government Securities”	means interest-bearing long-term bonds issued by the Government of Malaysia.
“market day”	means a day on which Bursa Bonds is open for trading in financial instruments, which may include a Surprise Holiday.
“Member Representative”	means a holder of a Capital Markets and Services Representative’s Licence for dealing in unlisted debt securities and a member of Persatuan Pasaran Kewangan Malaysia, who is employed or engaged by either a TPM or an EPM to undertake dealings in financial instruments on behalf of the TPM or EPM.
“Negotiation”	means the process in Rule 602.1(1).
“Off ETP transaction”	means any types of transaction in any financial instruments executed by TPMs or EPMs outside ETP.
“Outright Buy and Sell trade”	means an agreement whereby one party offers to sell a financial instrument to another party which agrees to buy the said financial instrument.
“Participants”	means Trading Participating Members, Executing Participating Members and General Participating Members either collectively or singly where the context permits.
“Persatuan Pasaran Kewangan Malaysia”	means an association which is currently established under the Societies Act 1966 for the registration of all Members Representatives.

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“Private Debt Securities”	Means all debt securities of corporations issued in FAST based on conventional or Syariah principles whether listed or otherwise.
“Registered Electronic Facility”	Refers to an electronic facility which is registered with the Commission under Section 34 of the Capital Markets and Services Act.
“Registered Person”	has the same meaning as is assigned to that expression in the Capital Markets and Services Act.
“RENTAS”	means the Real Time Electronic Transfer of Funds and Securities System operated by Bank Negara Malaysia.
“RENTAS Member”	means a person approved or designated by Bank Negara to be a member of RENTAS.
RENTAS Rules	means ‘Rules on the Scripless Securities Under the Real Time Electronic Transfer of Funds and Securities (RENTAS) System’ issued by Bank Negara Malaysia.
“Repo ”	means a repurchase agreement involving the sale of financial instruments by one party to another with a promise to repurchase the financial instruments at a specified price on a specified date.
Reporting	means the process referred to in Rule 701.
“Rules”	means Rules of Bursa Malaysia Bonds Berhad issued in relation to the operations of ETP.
“SBBA”	means a sell and buy back agreement which is an Islamic money market transaction entered into by two parties in which a seller sells Islamic financial instruments to a buyer at an agreed price, and subsequently both parties enter into a separate agreement in which the buyer promises to sell back the said financial instrument to the seller at an agreed price.
“SBL”	means securities borrowing and lending transaction of financial instruments between two parties for an agreed period of time.

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“selling TPM”	In the context of these Rules, includes a lending TPM in a SBL transaction.
“selling EPM”	In the context of these Rules, includes a lending EPM in a SBL transaction.
“stock”	means a specific issue in FAST of a financial instrument.
“Surprise Holiday”	means a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year.
“Trading Functions”	means the functions referred to in Rule 402.1 (1).
“Trading Participating Member (TPM)”	means a person who has been admitted as a Trading Participating Member in accordance with these Rules and has not ceased for any reason to be a Trading Participating Member.
“T”	means the day that a trade is done on ETP.
“trading basis”	means either price, yield or discount rate as indicated on ETP.
“View Facilities”	means the facilities referred to in Rule 401.2(1).
“When-Issued ”	means transactions made upon or after formal announcement and creation of a stock in FAST but before the stock is issued in FAST.

RULE 102 INTERPRETATION

Rule 102.1 INTERPRETATION

- (1) In these Rules, unless otherwise expressed to the contrary or the context otherwise requires-
- (a) Words in the singular include the plural, and words in the plural include the singular.
 - (b) Words importing the masculine gender include the feminine and neuter gender.
 - (c) References to record, information or list shall be deemed to include any disc, tape or other device in which sound 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 therefrom 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.
 - (d) A reference to writing shall be deemed to include any mode of representing or reproducing letters, figures or marks in a visible form.
 - (e) The headings and sub-headings in these Rules are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.
 - (f) Any reference in these Rules to a rule, directive or guidelines of either Bursa Malaysia, Bank Negara or the Commission shall be deemed to include all modifications, variation, amendments, supplements thereto or substitutions therefor.

[End of Chapter]

CHAPTER 2 ADMINISTRATION

RULE 201 EXERCISE OF POWERS

RULE 201.1 EXERCISE OF POWERS

- (1) **Description of powers:** Bursa Bonds may exercise the following powers in operating and administering ETP: –
- (a) in relation to these Rules:
 - (i) to amend these Rules and make new Rules;
 - (ii) to vary or waive any of these Rules;
 - (iii) to issue Directives, in relation to any matters governed by these Rules; and
 - (iv) to interpret conclusively any provision in these Rules in the event of any dispute over such Rules. In interpreting the Rules, regard will be held to the spirit, intention and purpose of the Rules and also, the substance over form of the rules will prevail;
 - (b) to release information in its possession concerning any Participant and all activities of the Participant on ETP to persons authorised in law to request for such information;
 - (c) to exercise all such other powers as may be necessary for purposes of monitoring compliance with and enforcement of these Rules;
 - (d) to exercise any powers and take any actions for the purpose of maintaining an orderly and fair market on ETP;
 - (e) to impose fees in relation to the use of the facilities available on ETP; and
 - (f) to exercise all such powers for the purpose of operating and administering ETP.

RULE 201.2 APPOINTMENT OF COMMITTEES ETC.

- (1) Bursa Bonds may appoint a committee, sub-committee or officers of Bursa Bonds or Bursa Malaysia to discharge any of its functions or to exercise any of its powers under these Rules or Directives.

RULE 201.3 FEES AND CHARGES

- (1) All fees and charges payable for the use of the facilities available in ETP are as stipulated under Schedule 1.

RULE 202 POWERS OF BURSA BONDS IN AN EMERGENCY SITUATION

RULE 202.1 POWERS IN AN EMERGENCY SITUATION

(1) Bursa Bonds may, upon the occurrence of any of the emergency situation stipulated in Rule 202.1(2), take any of the following actions upon notification to the Commission:

- (a) suspend or restrict any facilities available on ETP;
- (b) modify market day or operating hours of ETP; and
- (c) any other actions Bursa Bonds deems fit.

(2) **Emergency Situation:** An emergency situation with regard to ETP are as follows:-

- (a) fire, power failure, natural disasters and any other events which are disruptive in nature;
- (b) any errors, malfunction or breakdown in relation to information technology or communication systems of ETP or of substantial number of Participants; or
- (c) any other situations;

which have or is likely to have an adverse impact on the operations of ETP or of substantial number of Participants or both.

RULE 203 BURSA MALAYSIA AS HOLDING COMPANY

RULE 203.1 POWERS OF BURSA MALAYSIA AS HOLDING COMPANY

- (1) Where any provision in these Rules confers a right or power on Bursa Bonds to do any act or thing, such provision also is taken to confer the right or power on Bursa Malaysia to do such act or thing on behalf of Bursa Bonds.
- (2) Participants to whom these Rules are directed must comply with, observe or give effect to any action of Bursa Malaysia pursuant to Rule 203.1(1).

RULE 204 LIABILITY

RULE 204.1 LIABILITY OF BURSA BONDS

- (1) Bursa Bonds or Bursa Malaysia is not liable in respect of anything done or omitted to be done by it in good faith in connection with the discharge or performance of any function or duty, or the exercise of any power under these Rules or any applicable law or in respect of any decision made or enforcement action taken, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise to any Participant or to any person.

RULE 205 NOTICES OR COMMUNICATIONS

RULE 205.1 NOTICES OR COMMUNICATIONS ISSUED

- (1) Any written notices or communications to be issued by Bursa Bonds or the Participants pursuant to these Rules or otherwise may be issued electronically or otherwise unless a specific mode of issuance is stated in any of these Rules or Directives.
- (2) Notices or communications issued pursuant to the Rule 205.1(1) will be deemed received by the recipient as follows:
 - (a) if sent by post within Peninsula Malaysia, on 3rd market day after posting;
 - (b) if sent by air mail to Sabah, Sarawak or outside Malaysia, on the 5th market day after posting;
 - (c) if sent by courier, on the 2nd market day after dispatch;
 - (d) if sent by facsimile, immediately upon generation of a report indicating that the transmission was successful; and
 - (e) if sent by electronic means other than facsimile, on the date of transmission.

RULE 206 DISPUTES

RULE 206.1 DISPUTES BETWEEN PARTICIPANTS AND BURSA BONDS

- (1) Where there is a dispute between a Participant and Bursa Bonds with reference to any matter governed under these Rules or Directives, parties must attempt to resolve the dispute within ten (10) market days failing which the matter will be settled by way of arbitration in accordance with Rule 206.2.

RULE 206.2 ARBITRATION

- (1) **Arbitration agreement:** This Rule forms the basis of an arbitration agreement binding upon Participants and Bursa Bonds made in accordance with the Arbitration Act 2005 and any amendments thereto.
- (2) **One or three arbitrators:** All disputes under Bursa Bonds and a Participant under this Rule shall be referred to a single arbitrator, if the parties can agree on one, but otherwise to three arbitrators, one to be appointed by each party with the third arbitrator 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 in accordance with the Arbitration Act 2005.
- (3) **Status of award:** Any award of the arbitrator or the majority of the arbitrators shall be final and binding upon the parties to such dispute.
- (4) **Bursa Bonds right of enforcement:** Nothing in this chapter shall be construed as enabling any Participant to prevent, obstruct or delay Bursa Bonds to exercise its right or power to enforce any provisions of these Rules or Directives upon such Participant.

Rule 207 PERSONAL DATA NOTICE

RULE 207.1 PERSONAL DATA NOTICE

- (a) Any person who provides or has provided personal data to Bursa Bonds or Bursa Malaysia 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 Bursa Malaysia’s website at www.bursamalaysia.com (“Personal Data Notice”).
- (b) 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:
 - (i) section 41 of the PDPA applies; or
 - (ii) Bursa Bonds otherwise specifies in connection with the PDPA.
- (c) For the purposes of Rule 207.1, ‘personal data’ shall have the same meaning given in section 4 of the PDPA.

Rule 208 SURPRISE HOLIDAY

RULE 208.1 SURPRISE HOLIDAY

- (a) Bursa Bonds may decide to open for trading in financial instruments on a Surprise Holiday.
- (b) If Bursa Bonds is open for trading in financial instruments on a Surprise Holiday, all Participants and any other person to whom these Rules and the Directives are directed must comply with and give effect to these Rules and the Directives on such day.

[End of Chapter]

CHAPTER 3 PARTICIPANTSHIP

RULE 301 GENERAL

RULE 301.1 PARTICIPANTSHIP CLASSES

- (1) The following are classes of participantship that are available on ETP:
 - (a) Trading Participating Members (TPM);
 - (b) Executing Participating Members (EPM); and
 - (c) General Participating Members (GPM).
- (2) No person can hold more than one class of participantship stated under Rule 301.1(1) at any one time.
- (3) No person can describe himself or itself as a Participant of ETP unless that person is registered as a Participant in accordance with these Rules.
- (4) Bursa Bonds will maintain a register of all Participants containing all relevant particulars of each Participant.
- (5) Once a person is registered as a Participant, the Participant must pay to Bursa Bonds fees in relation to the use and maintenance of the ETP system.

RULE 301.2 CONDUCT

- (1) All Participants must comply with these Rules, Directives and the Capital Markets and Services Act when performing their functions on ETP.
- (2) All Participants must maintain the highest standards of professionalism when performing their functions on ETP.
- (3) All Participants must when performing their functions on ETP, adhere to any code of conduct that may be issued by Bank Negara Malaysia, Commission or Persatuan Pasaran Kewangan Malaysia in relation to its business of dealing in financial instruments.
- (4) All Participants must provide true and correct information, when any information is required to be given in these Rules or Directives.

RULE 302

TRADING PARTICIPATING MEMBER (TPM)

RULE 302.1 REQUIREMENTS FOR PARTICIPANTSHIP AS TPM

- (1) An applicant to be a TPM must satisfy the following requirements:
 - (a) the applicant must be registered or licensed pursuant to the Capital Markets and Services Act for the purposes of dealing in debt securities for itself and Clients; and
 - (b) the applicant must be a RENTAS member.

RULE 302.2 ACCESS

- (1) Upon registration as a TPM, a TPM has access to all facilities available on ETP for the purpose of carrying out its business of dealing in securities for itself and Clients.
- (2) A TPM's access as provided under Rule 302.2(1) ceases when the participantship of that TPM is suspended or when the participantship of that TPM is terminated, as provided in these Rules.

RULE 302.3 REGISTRATION

- (1) An application for registration as a TPM must be made in the following manner:
 - (a) the applicant must lodge with Bursa Bonds an application in such form prescribed by Bursa Bonds; and
 - (b) the applicant must provide the following information or documents together with the application form:
 - (i) a copy of the applicant's Memorandum and Articles of Association;
 - (ii) a copy of the applicant's board resolution authorising the making of the application;
 - (iii) an undertaking to comply with these Rules and Directives as in Appendix 1; and
 - (iv) any other information or document that may be required by Bursa Bonds.
- (2) Bursa Bonds will notify the applicant as to whether its application for participantship is approved or rejected.
- (3) Where the application for participantship is approved by Bursa Bonds, it may impose terms and conditions on the approval.
- (4) Where the application for participantship is rejected by Bursa Bonds, the applicant may appeal against the decision within seven (7) days from receipt of notice of rejection of the application. Any decision on the appeal is final and binding.

RULE 302.4 TRANSFER

- (1) A TPM is not allowed to transfer its participantship to any other Participant or a third party.

RULE 302.5 RESIGNATION

- (1) If a TPM wishes to resign from being a TPM, it must give a notice in writing to Bursa Bonds at least thirty (30) days prior to the proposed date of resignation.
- (2) If Bursa Bonds accepts the TPM's resignation, such acceptance is subject to the following terms:
 - (a) the TPM must settle all outstanding fees before the proposed date of resignation; and
 - (b) the TPM must comply with any other terms and conditions imposed by Bursa Bonds.
- (3) Bursa Bonds will notify the TPM and all other Participants of its acceptance of the TPM's resignation and the TPM's effective date of resignation.
- (4) Any liability which the TPM may have to Bursa Bonds or any other TPMs or EPMs arising out of its participantship prior to the date of its resignation will continue to subsist until satisfied or discharged.

RULE 302.6 SUSPENSION OR TERMINATION OF ACCESS

- (1) Bursa Bonds may suspend or terminate a TPM from having access to all or any facilities available on ETP except for reporting in ETP in the following circumstances:
 - (a) where the TPM has been wound up whether on a voluntary basis or otherwise;
 - (b) where a receiver and manager, provisional liquidator or liquidator has been appointed for the TPM; or
 - (c) in any other circumstances deemed fit by Bursa Bonds, upon consultation with or direction of the Commission or Bank Negara Malaysia.
- (2) Bursa Bonds will automatically suspend or terminate a TPM from having access to all facilities available in ETP in the following circumstances:
 - (a) where the TPM is suspended or terminated from carrying out trading in financial instruments by the Commission or Bank Negara Malaysia;
 - (b) where the TPM is suspended or terminated as a member of RENTAS by Bank Negara Malaysia; or
 - (c) where the TPM's approval or licence as stated in Rule 302.1 is suspended or the TPM fails to fulfill the requirements in Rule 302.1.
- (3) Bursa Bonds will inform the TPM in writing of any suspension or termination under Rule 302.6.
- (4) Any liability which the TPM may have to Bursa Bonds or any other TPMs or EPMs prior to the suspension or termination continues to subsist until fully satisfied or discharged.

RULE 303

**EXECUTING PARTICIPATING MEMBER
(EPM)**

RULE 303.1 REQUIREMENTS FOR PARTICIPANTSHIP AS AN EPM

- (1) An applicant, to be an EPM must satisfy the following requirements:
 - (a) the applicant must be a money broker as defined in the Banking and Financial Institutions Act 1989; and
 - (b) the applicant must be a Registered Person for the purposes of carrying on the business of dealing in debt securities.

RULE 303.2 ACCESS

- (1) Upon registration as an EPM, an EPM has access to all facilities available on ETP for the purpose of carrying out its business of dealing in securities for its Clients only. Clients of EPMs are TPMs only.
- (2) An EPM's access as provided under Rule 303.2(1) ceases when the participantship of that EPM is suspended or when the participantship of that EPM is terminated, as provided in these Rules.

RULE 303.3 REGISTRATION

- (1) An application for registration as an EPM must be made in the following manner:
 - (a) the applicant must lodge with Bursa Bonds an application in such form prescribed by Bursa Bonds; and
 - (b) the applicant must provide the following information and document together with the application form:
 - (i) a copy of the applicant's Memorandum and Articles of Association;
 - (ii) a copy of the applicant's board resolution authorising the making of the application;
 - (iii) an undertaking to comply with these Rules and Directives as in Appendix 1; and
 - (iv) any other information that may be required by Bursa Bonds.
- (2) Bursa Bonds will notify the applicant as to whether its application for participantship is approved or rejected.
- (3) Where the applicant's application for participantship is approved by Bursa Bonds, it may impose terms and conditions on the approval.
- (4) Where the application for participantship is rejected by Bursa Bonds, the applicant may appeal against the decision. Any decision on the appeal is final and binding.

RULE 303.4 TRANSFER

- (1) An EPM is not allowed to transfer its participantship to any other Participant or a third party.

RULE 303.5 RESIGNATION

- (1) If an EPM wishes to resign from being an EPM, it must give a notice in writing to Bursa Bonds at least thirty (30) days prior to the proposed date of resignation.
- (2) If Bursa Bonds accepts the EPM's resignation, such acceptance is subject to the following terms:
 - (a) the EPM must settle all outstanding fees before the proposed date of resignation; and
 - (b) the EPM must comply with any other terms and conditions imposed by Bursa Bonds.
- (3) Bursa Bonds will notify the EPM and all other Participants of its acceptance of the EPM's resignation and the EPM's effective date of resignation.
- (4) Any liability which the EPM may have to Bursa Bonds or any other TPMs or EPMs arising out of its participantship prior to the date of its resignation will continue to subsist until satisfied or discharged.

RULE 303.6 SUSPENSION OR TERMINATION OF ACCESS

- (1) Bursa Bonds may suspend or terminate an EPM from having access to all or any facilities available on ETP except for Reporting in the following circumstances:
 - (a) where the EPM has been wound up whether on a voluntary basis or otherwise;
 - (b) where a receiver and manager, provisional liquidator or liquidator has been appointed for the EPM; or
 - (c) in any other circumstances deemed fit by Bursa Bonds, upon consultation with or direction of the Commission or Bank Negara Malaysia.
- (2) Bursa Bonds will automatically suspend or terminate an EPM from having access to all facilities available in ETP in the following circumstances:
 - (a) where the EPM is suspended or terminated from carrying out trading in financial instruments by the Commission or Bank Negara Malaysia; or
 - (b) where the EPM fails to fulfill the requirements in Rule 303.1.
- (3) Bursa Bonds will inform the EPM in writing of any suspension or termination under Rule 303.6.
- (4) Any liability which the TPM may have to Bursa Bonds or any other TPMs or EPMs prior to the suspension or termination continues to subsist until fully satisfied or discharged.

RULE 304

GENERAL PARTICIPATING MEMBER (GPM)

RULE 304.1 REQUIREMENTS FOR PARTICIPANTSHIP AS GPM

- (1) Any person or corporation is eligible to apply as GPM.

RULE 304.2 ACCESS

- (1) Upon registration as a GPM, a GPM has access to View Facilities and, where permitted by Bursa Bonds, to make Announcements.
- (2) A GPM's access as provided under Rule 304.2(1) ceases when the participantship of that GPM is suspended or when the participantship of that GPM is terminated, as provided in these Rules.

RULE 304.3 REGISTRATION

- (1) Application for registration as a GPM must be made by lodging with Bursa Bonds an application in such form prescribed by Bursa Bonds and an undertaking to comply with these Rules and Directives as in Appendix 1.
- (2) Bursa Bonds will notify the applicant as to whether its application for participantship is approved or rejected.
- (3) Where the application for participantship is approved by Bursa Bonds, it may impose terms and conditions on the approval.
- (4) Where the application for participantship is rejected by Bursa Bonds, the applicant may appeal against the decision. Any decision on the appeal is final and binding.

RULE 304.4 TRANSFER

- (1) A GPM is not allowed to transfer its participantship to any other Participant or third party.

RULE 304.5 RESIGNATION

- (1) If a GPM wishes to resign from being a GPM, it must give a notice in writing to Bursa Bonds at least fourteen (14) days prior to the proposed date of resignation.
- (2) If Bursa Bonds accepts the GPM's resignation, such acceptance is on condition that all outstanding fees must be settled before the proposed date of resignation.
- (3) Any liability which the GPM may have to Bursa Bonds arising out of its participantship prior to the date of its resignation will continue to subsist until satisfied or discharged.

RULE 304.6 SUSPENSION OR TERMINATION OF PARTICIPANTSHIP

- (1) Bursa Bonds may automatically suspend or terminate a GPM's access to View Facilities for non-payment of fees to Bursa Bonds.
- (2) Bursa Bonds will inform the GPM in writing of any suspension or termination under Rule 304.6(1).

- (3) Any liability which the GPM may have to Bursa Bonds arising out of its participantship prior to the date of its suspension or termination will continue to subsist until satisfied or discharged.

RULE 305 DISTRIBUTION OF INFORMATION FROM ETP

RULE 305.1 DISTRIBUTION OF INFORMATION

- (1) All Participants are prohibited from distributing any information from ETP for a fee whether in its original form or modified in any mode to third parties and Clients, unless prior written approval of Bursa Bonds is obtained. Bursa Bonds has the right to determine whether any act constitutes 'distributing of information' obtained from ETP to a third party or a Client and its decision is final.

[End of Chapter]

CHAPTER 4 FACILITIES AVAILABLE IN ETP

RULE 401 FACILITIES AVAILABLE IN ETP

RULE 401.1 FACILITIES AVAILABLE IN ETP

- (1) The following facilities are available in ETP:
 - (a) View Facilities as provided under Rule 401.2;
 - (b) Automated matching as provided under Chapter 5;
 - (c) Advertisement as provided under Chapter 6;
 - (d) Negotiation as provided under Chapter 6;
 - (e) Reporting as provided under Chapter 7; and
 - (f) Announcements as provided under Chapter 8.
- (2) All Participants must when using any of the facilities in ETP enter such information as specified in the Directives into ETP. Such information entered must be accurate and correct.

RULE 401.2 VIEW FACILITIES

- (1) All Participants can view in ETP, information as stated in the Directives. This viewing is referred to as 'View Facilities'.
- (2) Information referred to in Rule 401.2(1) can be viewed at any time on any day.

RULE 402 GENERAL RULES ON TRADING FUNCTIONS

RULE 402.1 TRADING FUNCTIONS

- (1) This rule will apply to the facilities stated in Rule 401.1(1)(b) to (e) and are collectively referred to in this Rule as 'Trading Functions'.
- (2) Only TPMs and EPMs can carry out Trading Functions in ETP.
- (3) Trading Functions are executed based on stock. Trading is only available as provided under Rule 402.5.
- (4) All trades done in ETP are cleared and settled in accordance with RENTAS Rules.

RULE 402.2 TRADING FUNCTIONS BY TPM

- (1) The following are applicable in relation to a TPM carrying out Trading Functions:
 - (a) A TPM may carry out Trading Functions either for itself or on behalf of a Client;
 - (b) A TPM will be treated as the principal in relation to all entries made into ETP and any transactions concluded in ETP by the TPM even if the entries are made on behalf of a Client. Bursa Bond will not recognise the rights of any Clients or third parties in relation to the entries or transactions concluded in ETP by a TPM;
 - (c) A TPM will be treated as the principal in relation to all entries made by an EPM on behalf of the TPM into ETP and any transactions concluded in ETP by the EPM. As such, in these Rules the TPM and not the EPM will be referred to as the party to any transaction concluded in ETP; and
 - (d) A TPM will be responsible for all entries made into ETP by the TPM.

RULE 402.3 TRADING FUNCTIONS BY EPM

- (1) The following are applicable in relation to an EPM carrying out Trading Functions:
 - (a) An EPM may carry out Trading Functions on behalf of a TPM only if it is authorised to do so by the TPM;
 - (b) An EPM will be treated as the agent of the TPM in relation to all entries made into ETP and any transactions concluded in ETP by the EPM;
 - (c) Any fees payable for the use of the facilities available in ETP must be paid by the EPM; and
 - (d) An EPM will be responsible for all entries made into ETP.

RULE 402.4 TRADING FUNCTIONS BY MEMBER REPRESENTATIVES

- (1) The following are applicable in relation to Member Representatives:
 - (a) Only a Member Representative is authorised to make entries into ETP on behalf of a TPM or an EPM. However, in relation to Reporting only, a TPM or

EPM can authorise its employees to report Off ETP Transactions on its behalf and this employee need not be a Member Representative; and

- (b) A Member Representative of a TPM or an EPM is considered to be an agent of the TPM or EPM. As such, a TPM or an EPM is liable for all acts of its Member Representative as if the act had been done by the TPM or EPM itself.

RULE 402.5 BAND TRADING

- (1) Trading Functions are based on Band for the financial instruments stipulated in Schedule 2.
- (2) The range of Bands that are available for trading and the types of financial instruments under each Band will be as stipulated in the Directives.
- (3) Financial instruments that are traded based on Band cannot be traded based on stock except for a Negotiation.

RULE 403 SUSPENSION OR CESSATION OF TRADING FUNCTIONS

RULE 403.1 CIRCUMSTANCES FOR SUSPENSION OF A STOCK

- (1) All Trading Functions in relation to a particular stock will be immediately suspended in the following circumstances:
 - (a) where a stock is suspended in FAST by Bank Negara Malaysia;
 - (b) where the delivery and settlement of the stock is suspended in RENTAS or where RENTAS itself is suspended; or
 - (c) in any other circumstances deemed fit by Bursa Bonds, upon consultation with or direction of the Commission or Bank Negara Malaysia.
- (2) All Trading Functions in relation to a stock may be suspended in circumstances stated in Rule 201.1(d). However Reporting will continue in the manner stated in Rule 703.2(1).

RULE 403.2 CIRCUMSTANCES FOR SUSPENSION OR CESSATION OF TRADING FUNCTIONS

- (1) Bursa Bonds may suspend or cease the Trading Functions in circumstances stated in Rule 201.1(d) and Rule 202.
- (2) Where the Trading Functions are suspended or ceased in circumstances mentioned in Rule 403.2(1), Reporting will continue in the manner stated in Rule 703.3(1).

RULE 404 CANCELLATION OF TRADES

RULE 404.1 CIRCUMSTANCES

- (1) A trade matched in ETP whether through automated matching or Negotiation may be cancelled in the following circumstances only:
- (a) where a stock in relation to which a When Issued trade is executed, is not issued for any reason in FAST;
 - (b) where orders are matched erroneously due to a system malfunction in ETP; or
 - (c) where both parties to a trade agree to cancel the trade and the approval of Bursa Bonds has been obtained for the cancellation.

[End of Chapter]

CHAPTER 5 AUTOMATED MATCHING

RULE 501 AUTOMATED MATCHING

RULE 501.1 GENERAL

- (1) A TPM or an EPM may post a firm bid or ask quote into ETP for possible matching with any other firm ask or bid quotes entered into ETP by any other TPMs or EPMs, in accordance with the matching priority stated in Rule 503.3. This process is referred to as automated matching.
- (2) Automated matching will be available for execution of Outright Buy and Sell and When Issued trades for all financial instruments stipulated under Schedule 3 whether the same is traded on a stock or Bond based on the terms set out in Schedule 3.
- (3) Trades done through automated matching will either be based on price yield or discount as indicated in ETP.

**RULE 502 TRADING HOURS FOR AUTOMATED
MATCHING**

RULE 502.1 TRADING HOURS

(1) **Trading Hours:** The trading hours for automated matching are on any market day, from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows: –

- (a) Morning session : 9.00 am to 12.30pm
- (b) Afternoon session : 2.30 pm to 5.00 pm

RULE 503

**ENTRY OF ORDERS FOR AUTOMATED
MATCHING**

RULE 503.1 TYPE OF ORDERS

- (1) Only Limit Orders can be entered into ETP for automated matching.
- (2) A TPM or an EPM must specify any one type of the Limit Order stated below when entering an order into ETP for execution:

(a) Normal

A Limit Order specified as Normal means that the order will remain in ETP for matching until the end of the market day that the order was entered. If it is not matched by the end of the market day the order will be cancelled.

If a Normal order is partially matched, the remaining unmatched amount of the order will remain in the ETP for matching until the end of the market day. If the remaining amount of the Normal order is not matched by the end of the market day, the order will be cancelled.

(b) Immediate or Cancel

A Limit Order specified as Immediate or Cancel (IOC) means that the order will be matched to the fullest extent possible of the amount of the order, immediately upon entry of the order for automated matching in ETP. An IOC order which cannot be matched immediately upon the entry of the order into ETP as stipulated above will be cancelled. Where the IOC order is partially matched upon entry into ETP, the remaining unmatched amount of the IOC order will be cancelled.

(c) All or Nothing

A Limit Order specified as All or Nothing (AON) means that the order must be matched in the full amount of the order, immediately upon entry of the order for automated matching in ETP. An AON order which cannot be matched immediately upon the entry of the order into the ETP as stipulated above will be cancelled.

(d) Time In Force

A Limit Order specified as Time In Force (TIF) means that the order will remain in ETP for matching in full or partially by the end of the trading session.

A TIF order which is not matched by the end of the session will be cancelled. If the TIF order is partially matched, the remaining unmatched amount of the TIF order will remain in the ETP until the end of the trading session following which it will be cancelled.

- (3) In the event a TPM or an EPM does not specify the type of Limit Order when entering an order into ETP, the order will be taken to be a Normal order.

RULE 503.2 ENTRY OF ORDERS FOR AUTOMATED MATCHING

- (1) A TPM or an EPM must in relation to each order entered into ETP specify the following:
- (a) the stock (if it is not traded on Band) or Band and amount to be bought or sold at the point of entering the order;
 - (b) the rate at which the sale or purchase is to be made;
 - (c) the type of Limit Order as stated under 503.1(2) at the point of entering the order;
 - (d) whether the order is a proprietary or an agency order at the point of entering the order, in accordance with Rule 503.2(2);
 - (e) details of Client Information, in accordance with Rule 503.2(3);
 - (f) where the order is a short sale as provided under Rule 505:
 - (i) that the order is a short sale; or where the order is partially a short sale, the amount of the order which is a short sale;
 - (ii) the details of the borrowing carried out to cover a short sale as prescribed in the Directives; and
 - (iii) details of the closing out of the short sale position as prescribed in the Directives,
 after the order is matched, in accordance with Rule 503.2(4); and
 - (g) any other particulars stated in these Rules or Directives.
- (2) A TPM or an EPM must specify whether an order entered into ETP is a proprietary or agency order in the following manner:
- (a) a TPM must, at the point of entering an order into the ETP, specify whether the trade is a proprietary or agency trade. If there is no indication, the trade will be taken as a proprietary trade;
 - (b) once a trade is indicated as a proprietary trade pursuant to Rule 503.2(2)(a), the TPM cannot subsequently amend the trade as an agency trade; and
 - (c) all orders entered into ETP by an EPM will be taken as an agency trade. As such an EPM need not specify that the order is an agency trade when entering an order into ETP.
- (3) A TPM or an EPM must specify Client Information in the following manner:
- (a) a TPM must specify Client Information either at the point of entering the order into ETP or after the order is matched on ETP. In the event that the Client Information is entered into ETP after the order is matched, then the same must be done by 6.00 pm on the same market day that the order is matched; and
 - (b) an EPM must provide Client Information at the point of entering the order into the ETP.

- (4) A TPM or an EPM must in relation to an order for short sale specify the information in Rule 503.2(1)(f) on the same market day that the order is matched. Once an order is specified as a short sale, the TPM or EPM cannot amend the order to specify otherwise.
- (5) Once an order is entered into ETP for automated matching but prior to being matched, a TPM or an EPM may carry out the following action:
 - (a) cancel or amend the amount, price, yield or discount of a Normal or TIF order or of the remaining unmatched amount of a partially matched Normal or TIF order; or
 - (b) withdraw a Normal or TIF order or the remaining unmatched amount of a partially matched Normal or TIF order.

RULE 503.3 MATCHING PRIORITY

- (1) All orders entered into ETP for automated matching are matched in priority of price, yield or discount depending on the trading basis as stated in Rule 501.1(3) and then time.
- (2) Price, Yield or Discount and Time priority
 - (a) Best price or yield or discount:
 - (i) A buy order at the highest price and a sell order at the lowest price has priority over other orders entered for the same stock.
 - (ii) A buy order at the lowest yield and a sell order at the highest yield has priority over other orders entered for the same stock.
 - (iii) A buy order at the lowest discount and a sell order at the highest discount has priority over other orders entered for the same Band.
 - (b) Earliest time-stamp:
Each order entered into ETP receives a time stamp. In the event there are identical price, yield or discount entered for the orders, the orders are then matched in the order of time the orders were entered into ETP. The time-stamp given to an order entered into ETP will change to the time when the following occurs:
 - (i) when the amount of the order is increased;
 - (ii) when a change is made to the price, yield or discount of the order; or
 - (iii) when both (i) and (ii) take place.

RULE 503.4 FIRM AND BINDING CONTRACT

- (1) Once orders entered by TPMs or EPMs are matched, the matched orders are taken as a firm and binding contract between the TPMs.
- (2) No cancellation of matched orders is allowed under automated matching, except in circumstances stated in Rule 404 or 503.5(3).

RULE 503.5 STOCK INFORMATION UNDER BAND TRADING

- (1) Once a Band trade is matched in accordance with Rule 503.3(2)(iii) the selling TPM or EPM must enter into ETP particulars of the stocks in the Band which will be delivered and settled to the buying TPM or EPM. The number of stocks that can be entered and the time within which the entry must be made will be as stipulated by Bursa Bonds.
- (2) The buying TPM or EPM will need to indicate acceptance of the stocks that is proposed to be delivered and settled by the selling TPM or EPM.
- (3) If the buying TPM or EPM does not accept the stocks proposed to be delivered and settled by the selling TPM or EPM, the buying TPM or EPM must still proceed with the contract but only for an amount of RM 5 million instead of the full amount matched, if the amount matched is more than RM 5 million. The remaining amount if any will be cancelled.

RULE 503.6 PROHIBITION OF SAME PARTY TRADING

- (1) In relation to Participants proprietary position, if the said Participant is both the buyer and seller in a same trade, the said trade will not be matched under Rule 503.3.

RULE 504

TRADE AMENDMENTS

RULE 504.1 CIRCUMSTANCES

- (1) TPMS and EPMS can amend any of the following details of an order that has been matched to correct any errors but only on the day that the order was matched:
 - (a) from non short selling status to short selling status;
 - (b) if the sale is specified as a short sale, amend the amount that is short sold;
 - (c) Client Information; or
 - (d) proceeds from Outright Buy and Sell or When Issued trades which have been calculated in ETP, with the consent of the counterparty TPM to the trade.
 - (e) if the financial instrument is traded based on Band, the stocks to be delivered and settled in the Band

- (2) The above amendments can be made at any time during the following sessions:
 - (a) Morning session : 9.00 am to 12.30 pm
 - (b) Afternoon session : 2.30 pm to 6.00 pm

RULE 505

SHORTSELLING ON ETP

RULE 505.1 SHORTSELLING

- (1) TPMS and EPMS can only short sell a stock in ETP where such short selling is permitted by:
 - (a) Bank Negara Malaysia under Section 98(4)(d) of the Capital Markets and Services Act; or
 - (b) the Commission under its relevant guidelines issued under the Capital Markets and Services Act.
- (2) All short selling pursuant to Rule 505.1(1) must be in accordance with the terms set by Bank Negara Malaysia or the Commission as the case may be.

RULE 506**NAME SWITCHING****RULE 506.1 NAME SWITCHING**

- (1) Upon matching of an order through automated matching, the TPM or EPM who entered the order will receive the details of the counterparty TPM and EPM.
- (2) Where a TPM has exhausted its settlement limit or has no settlement limit with its counterparty TPM, the TPM or EPM which executed the trade on behalf of the TPM, may replace the counterparty TPM under the original trade with another counterparty who has the appropriate settlement limit, on the same market day.
- (3) The arrangement to replace the counterparty TPM under an original trade as described in Rule 506.1(2) is termed as Name Switching. The party who is replacing the counterparty TPM under the original trade as referred to in Rule 506.1(2) is termed as the Replacement Counterparty. A Replacement Counterparty must be a TPM.
- (4) A TPM or EPM must notify Bursa Bonds of the Name Switching and must at the time of such notification, either provide Bursa Bonds with a Replacement Counterparty or request that Bursa Bonds assist in obtaining a Replacement Counterparty.
- (5) Bursa Bonds will inform the counterparty TPM and EPM under the original trade, of the TPM's or EPM's intention to carry out Name Switching, prior to the Name Switching.
- (6) Where there is a Replacement Counterparty, Bursa Bonds will execute the Name Switching which will result in the following arrangement between parties:
 - (a) where the TPM who has the settlement issue as described in Rule 506.1(2) is a seller under the original trade:
 - (i) a contract between the selling TPM under the original contract, to sell and the Replacement Counterparty to buy the stock under the original trade ; and
 - (ii) a contract between the buying TPM or EPM under the original contract, to buy and the Replacement Counterparty to sell the stock under the original trade.
 - (b) where the TPM who has the settlement issue as described in Rule 506.1(2) is a buyer under the original trade:
 - (i) a contract between the buying TPM under the original contract, to buy and the Replacement Counterparty to sell the stock under the original trade ; and
 - (ii) a contract between the selling TPM or EPM under the original contract, to sell and the Replacement Counterparty to buy the stock under the original trade.

RULE 506.2 NO CANCELLATION OF ORIGINAL TRADE

- (1) If an appropriate Replacement Counterparty cannot be found, no cancellation of the original trade can be made by the TPM on ETP except under Rule 404.1(1)(c).

RULE 507

TRADING FEES

RULE 507.1 TRADING FEES

(1) [Deleted]

(2) [Deleted]

[End of Chapter]

CHAPTER 6

ADVERTISEMENT AND NEGOTIATION

RULE 601

ADVERTISEMENT

RULE 601.1 GENERAL

- (1) A TPM or an EPM may post an indicative bid or ask quote on any stock issued in FAST or band as provided in ETP with a view of soliciting a firm bid or ask quote from any TPM or EPM. This process is referred to as placing an Advertisement into ETP and can be done for any of the following transactions:
 - (a) When Issued;
 - (b) Outright Buy and Sell;
 - (c) Repo;
 - (d) SBBA; and
 - (e) SBL.
- (2) The indicative bid or ask quotes must be in the trading basis as specified in ETP.
- (3) An indicative bid or ask quote in an Advertisement may be withdrawn or modified within the same market day that the Advertisement was posted.
- (4) An Advertisement will be cancelled at the end of the market day that the Advertisement was posted.
- (5) A firm bid or ask quote may be made in response to an Advertisement either through Negotiation in accordance with Rule 602 or off ETP.
- (6) Advertisement can be posted on any market day from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows:
 - (a) Morning session : 9.00 am to 12.30pm
 - (b) Afternoon session : 2.30 pm to 5.00 pm

RULE 601.2 MINIMUM AMOUNT

- (1) The minimum amount that can be placed in an Advertisement is as follows:
 - (a) for all transactions stated in Rule 601.1(1) excluding Repo, in a minimum of one thousand Ringgit Malaysia (RM1000) or its multiples or if the stock is denominated in a currency other than Ringgit Malaysia, in the value of one thousand (1000) in that currency or its multiples; or
 - (b) in the case of Repo, in accordance with the 'Guidance Notes on Repurchase Agreements' issued by Bank Negara Malaysia.

RULE 601.3 DELIVERY AND SETTLEMENT

- (1) The delivery and settlement date for trade that may be concluded from an Advertisement are as stated in Schedule 3 unless the TPM or EPM specifies another date in the Advertisement

RULE 602

NEGOTIATION

RULE 602.1 GENERAL

- (1) A TPM or an EPM may post a firm bid or ask quote on any stock issued in FAST or Band as provided in ETP to an identified TPM or EPM. The TPM or EPM who receives the firm bid or ask quote may respond in the following manner:
 - (a) Accept the firm bid or ask quote; or
 - (b) Post another firm bid or ask quote.
- (2) The process described in Rule 602.1(1) is referred to as Negotiation and can be done for any of the following transactions:
 - (a) When Issued;
 - (b) Outright Buy and Sell;
 - (c) Repo; and
 - (d) SBBA.
- (3) The firm bid or ask quote posted in a Negotiation must be in the trading basis as specified in ETP.
- (4) The firm bid or ask quote posted in a Negotiation can be cancelled or modified prior to the acceptance of the quote, on the market day that the quote is posted.
- (5) A firm bid or ask quote in a Negotiation, if not cancelled or accepted by a TPM or an EPM, will be cancelled at the end of the market day.

RULE 602.2 ENTRY OF QUOTES

- (1) The minimum amount that can be placed in by a TPM or an EPM in a Negotiation is as follows:
 - (a) for all transactions stated in Rule 602.1(2) excluding Repo, in a minimum of one thousand Ringgit Malaysia (RM1000) or its multiples or if the stock or Band is denominated in a currency other than Ringgit Malaysia (RM), in the value of 1000 in that currency or its multiples; or
 - (b) in the case of Repo, in accordance with the "Guidance Notes on Repurchase Agreements" issued by Bank Negara Malaysia.
- (2) A TPM or an EPM must specify all information as stated in Rule 503.2, when posting a firm bid or ask quote in a Negotiation except for information stated in Rule 503.2(1)(c).

RULE 602.3 DELIVERY AND SETTLEMENT

- (1) The delivery and settlement date for trades that may be concluded through a Negotiation are as stated in Schedule 3 unless the TPM or EPM specifies another date in the Negotiation.

RULE 602.4 CONCLUSION OF TRADES THROUGH NEGOTIATION

- (1) Once a firm bid or ask quote is posted by a TPM or an EPM in a Negotiation, the following may happen:
 - (a) The TPM or EPM who receives the firm bid or ask quote may accept the quote. When accepted, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs; or
 - (b) The TPM or EPM who receives the firm bid or ask quote, may post another firm bid or ask quote to the TPM or EPM. That TPM or EPM may respond by either accepting or posting another firm bid or ask quote. When accepted, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs.
- (2) The following applies when posting another firm bid or ask quote in response to a firm bid or ask quote received:
 - (a) The posting of another firm bid or ask quote in response to a firm bid or ask quote received, may be made by either party until the end of the market day when the Negotiation commenced;
 - (b) There is no limit to the posting of another firm bid or ask quote in response to a firm bid or ask quote received from either party;
 - (c) The posting of another firm bid or ask quote in response to a firm bid or ask quote received, will remain in ETP until the end of the market day when the Negotiation commenced;
 - (d) Where the posting of another firm bid or ask quote in response to a firm bid or ask quote received, is accepted by the counter party, the quotes are then matched and immediately a firm and binding contract is formed between the TPMs; and
 - (e) Any firm bid or ask quote posted in the Negotiation by either party if not accepted by either party will be cancelled at the end of the market day.
- (3) Once a Band trade is matched in accordance with Rule 602.4 the selling TPM or EPM must enter in ETP particulars of the stocks in the Band which will be delivered and settled to the buying TPM or EPM. The number of stocks that can be entered and the time within which the entry must be made will be as stipulated by Bursa Bonds.
- (4) The Buying TPM or EPM upon receipt of the information on the stocks as stipulated in Rule 602.4(3) must enter into ETP the acceptance of that stocks for delivery and settlement within the timeframe stipulated by Bursa Bonds.
- (5) Failure by the TPM or EPM to enter the input as required under Rule 602.4(3) or 602.4(4) will result in the cancellation of the trade by Bursa Bonds.

RULE 602.5 NO CANCELLATION

- (1) A TPM or an EPM cannot cancel any contract formed from the Negotiation as described in Rule 602.4 except pursuant to Rule 404 or 602.4(5).

RULE 603

TRADE AMENDMENTS

RULE 603.1 CIRCUMSTANCES

- (1) A TPM or an EPM can amend any of the following details of a bid or ask quote that has matched in a Negotiation, to correct any errors, but only on the day that the quote was matched and if the contract is not delivered or settled yet on that day in RENTAS:
- (a) from non short selling status to short selling status;
 - (b) if the sale is specified as a short sale, amend the amount that is short sold;
 - (c) Client Information; or
 - (d) proceeds from the transactions specified in Rule 602.1(2) which have already been calculated in ETP, with the consent of the counterparty TPM to the trade.
 - (e) if the financial instrument is traded on Band, the stocks to be delivered and settled in the Band.
- (2) The above amendments can be made at any time during the following sessions:
- (a) Morning session : 9.00 am to 12.30 pm
 - (b) Afternoon session : 2.30 pm to 6.00 pm

RULE 604

FEES

RULE 604.1 FEES

(1) [Deleted]

(2) [Deleted]

RULE 605

NEGOTIATION HOURS

RULE 605.1 NEGOTIATION HOURS

(1) **Hours:** Negotiations can be executed on ETP on any market day from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows: –

(a) Morning session : 9.00 am to 12.30pm

(b) Afternoon session : 2.30 pm to 5.00 pm

[End of Chapter]

**CHAPTER 7 REPORTING AND CONFIRMING OFF ETP
TRANSACTIONS**

**RULE 701 REPORTING AND CONFIRMING OFF ETP
TRANSACTIONS**

RULE 701.1 GENERAL

- (1) [Deleted]
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) [Deleted]
- (1) All reporting and confirmation of Off ETP transactions must either be made based on stock or Band.
- (2) A TPM or an EPM must specify all information as stated in Rule 503.2 when reporting and confirming except for information stated in Rule 503.2(1)(c).

RULE 701.2 REPORTING BY TPM

- (1) A selling TPM in an Off ETP transaction, selling on its own or through an EPM, for its own proprietary position or for its Clients must report the Off ETP transaction in ETP in the manner stated in these Rules and Directives.
- (2) The selling TPM can delegate its function of reporting an Off ETP transaction to an EPM, where the Off ETP transaction was done through the EPM. However a TPM remains responsible for the reporting done by the EPM.
- (3) A buying TPM in an Off ETP transaction, buying on its own or through an EPM, for its own proprietary position or for its Clients, must confirm in ETP the reporting of an Off ETP transaction done, in the manner prescribed in these Rules and Directives.
- (4) The buying TPM can delegate its function of confirming an Off ETP transaction to an EPM, where the Off ETP transaction was done through the EPM. However a TPM remains responsible for the confirmation done by the EPM.
- (5) TPMs are responsible to ensure that only valid and genuine Off ETP transactions are reported and confirmed in ETP.

RULE 701.3 REPORTING BY EPM

- (1) An EPM must report all Off ETP transactions, which are transacted through the EPM for a Client other than a TPM, in the manner stated in these Rules or Directives.
- (2) An EPM will only report Off ETP transactions for a TPM if that function has been delegated by the TPM to the EPM as stipulated under 701.2(2) and (4).

RULE 702

REPORTING AND CONFIRMATION HOURS

RULE 702.1 TIMING FOR TRADE REPORTING AND TRADE CONFIRMATION

- (1) Trade reporting and trade confirmation for Off ETP transactions will be carried out during such hours as prescribed by Bursa Bonds.

RULE 703

**REPORTING AND CONFIRMING OFF ETP
TRANSACTIONS**

RULE 703.1 REPORTING AND CONFIRMATION OF OFF ETP TRANSACTIONS

- (1) A selling TPM or EPM must initiate the report of an Off ETP transaction in ETP within such timeframe as may be prescribed by Bursa Bonds.
- (2) The buying TPM or EPM must confirm the Off ETP transaction within such timeframe as may be prescribed by Bursa Bonds after the buying TPM or EPM receives the request for confirmation generated in ETP.
- (3) Selling TPMs and EPMs must, where an Off ETP transaction is concluded after the trade reporting hours prescribed under Rule 702.1, initiate a report of the Off ETP transaction within such timeframe as may be prescribed by Bursa Bonds after the commencement of the next reporting hours.
- (4) Where the TPM or EPM is both the selling and the buying TPM or EPM, the selling and buying TPM or EPM will only need to initiate a report of the Off ETP transaction in ETP.
- (5) Where a report of an Off ETP transaction initiated by a selling TPM or EPM in ETP pursuant to these Rules, remains unconfirmed by the buying TPM or EPM by the end of the market day in which the report was initiated, the report will lapse at the end of that market day. However this does not preclude Bursa Bonds from taking any appropriate action against the buyer who failed to confirm the trade within the time frame prescribed under Rule 703.1(2).
- (6) In a situation where the Name Switching referred to in Rule 506.1 has taken place, the Replacement Counterparty referred to in Rule 506.1 must initiate the report of an Off ETP transaction resulting from the Name Switching regardless of whether the Replacement Counterparty is the selling or buying TPM in the Name Switching process. The party in the original trade who is subjected to the Name Switching, must confirm the Off ETP transaction reported by the Replacement Counterparty. All rules applicable to a selling TPM or EPM herein is applicable to the Replacement Counterparty who is initiating the reporting and all rules applicable to a buying TPM or EPM herein is applicable to the party in the original trade who is confirming.

**RULE 703.2 REPORTING OF AN OFF ETP TRANSACTION WHERE THE STOCK IS
SUSPENDED IN ETP**

- (1) Where the selling TPM or EPM is not able to initiate a report of an Off ETP transaction or the buying TPM or EPM is not able to confirm the reporting done by a selling TPM or EPM because the stock is suspended in ETP pursuant to Rule 403.1(2), the TPMs and EPMs must manually report or confirm the Off ETP transaction to Bursa Bonds by sending the details of the Off ETP Transaction to Bursa Bonds by facsimile so that the same may be keyed into ETP by Bursa Bonds on their behalf.

**RULE 703.3 REPORTING OF AN OFF ETP TRANSACTION DURING SUSPENSION OR
CESSATION OF FACILITIES AND SYSTEM FAILURE**

- (1) Where a TPM or an EPM is not able to initiate a report of or confirm an Off ETP transaction into ETP because of suspension or cessation of the facilities in ETP in circumstances stated in Rules 201.1(1)(d) and 202.1, the TPM and EPM must

Chapter 7 –Reporting And Confirming Off ETP Transactions
manually report or confirm the Off ETP transactions to Bursa Bonds in accordance
with the Directives issued by Bursa Bonds.

- (2) Where a TPM and an EPM is not able to initiate a report of or confirm an Off ETP transaction into ETP, because of a failure in the TPM's or EPM's connection to the ETP system, the TPM and EPM must manually report the Off ETP transaction to Bursa Bonds by sending the details of the Off ETP transaction to Bursa Bonds by facsimile as prescribed by Bursa Bonds so that the same may be keyed into ETP by Bursa Bonds on their behalf.

**RULE 703.4 REPORTING OF OFF ETP TRANSACTIONS WHERE A TPM'S OR AN
EPM'S ACCESS TO FACILITIES IN ETP IS SUSPENDED OR
TERMINATED.**

- (1) Where a TPM or an EPM's access to all facilities in ETP is suspended or terminated pursuant to Rule 302.6(1) and Rule 303.6(1) respectively, the TPM or EPM must manually report or confirm the Off ETP transaction to Bursa Bonds by sending the details of the Off ETP transaction to Bursa Bonds by facsimile so that the same may be keyed into ETP by Bursa Bonds on their behalf.

RULE 704

**AMENDMENT AND CANCELLATION OF
OFF ETP TRANSACTION REPORTS ON ETP**

RULE 704.1 AMENDMENT OF OFF ETP TRANSACTION REPORTS

- (1) A TPM or an EPM can amend any of the following details of an Off ETP transaction reported or confirmed, to correct any errors but only on the day that the reporting or confirmation was made and if the transaction is not delivered or settled yet in RENTAS:
 - (a) from non short selling status to short selling status;
 - (b) if the sale is specified as a short sale, amend the amount that is short sold;
 - (c) Client Information; or
 - (d) proceeds from Off ETP transactions which have already been calculated in ETP, with the consent of the counterparty TPM to the trade.
- (2) The above amendments can be made at any time on the day which the trade was concluded during the following sessions:
 - (a) Morning session : 9.00 am to 12.30 pm
 - (b) Afternoon session : 2.30 pm to 6.00 pm
- (3) Where errors in relation to any information in the Off ETP transaction report were only detected after the market day that the Off ETP transaction was reported and confirmed, the TPM or EPM must write to Bursa Bonds to request for such amendments before 5.00 pm on a market day. Bursa Bonds will make the amendments between 5.00 pm to 6.00 pm on the date of request, if the request for amendments is made within six (6) months from the date the Off ETP transaction was reported on ETP.

RULE 704.2 CANCELLATION OF OFF ETP TRANSACTION REPORTS

- (1) A TPM or an EPM may cancel any Off ETP transaction which has been reported and confirmed, on the same day that the reporting and confirmation were made and if the transaction is not delivered or settled yet in RENTAS, by specifying the reason for such cancellation but only in the following circumstances:
 - (a) where both the selling and the buying TPM or EPM have agreed to cancel the Off ETP transaction; or
 - (b) where both the buying and selling TPM or EPM consent to the cancellation because of an error done in the reporting in relation to information other than the information in Rule 704.1(1). In this case the parties must report the Off ETP transaction again in accordance with Rule 703.1.
- (2) All reporting or confirmation of When Issued trades of a stock will be cancelled immediately, when the stock is not issued on the issue date for any reason in FAST. In such a case, Bursa Bond is not responsible for any loss or damage suffered by any parties arising from the cancellation.

[End of Chapter]

CHAPTER 8 ANNOUNCEMENTS ON ETP

CHAPTER 801 ANNOUNCEMENTS

RULE 801.1 GENERAL

- (1) All TPMs and EPMs may post information relating to a stock or Band that are available on any of the facilities stipulated in Rule 401.1(1), as provided in the Directives. In relation to GPMs, only GPMs which are expressly permitted by Bursa Bonds to post such information may do so.
- (2) The above posting of information into ETP is referred to as making an Announcement.
- (3) All Announcements are accessible to all Participants of ETP during the Announcement Hours stated in Rule 801.3.

RULE 801.2 VALIDITY PERIOD OF ANNOUNCEMENTS

- (1) A Participant must specify the expiry date of the Announcement when it posts the Announcement in ETP. If an expiry date is not specified, the expiry date for the Announcement will be taken as 30 calendar days from the day on which the Announcement was made.
- (2) A Participant can before the expiry date of the Announcement cancel or modify the Announcement made.
- (3) An Announcement will be cancelled on its expiry date from the system at the end of the market day.

RULE 801.3 ANNOUNCEMENT HOURS

- (1) Announcements can be posted on market days from Mondays to Fridays (subject to public and other holidays as declared by Bursa Bonds) in two (2) sessions as follows:
 - (a) Morning session : 9.00 am to 12.30pm
 - (b) Afternoon session : 2.30 pm to 5.00 pm

RULE 801.4 SYSTEM FAILURE

- (1) Where there is a failure in the TPM's or EPM's connection to the ETP system resulting in the TPMs or EPMs being unable to make Announcements in ETP, TPMs and EPMs must manually send the Announcements to Bursa Bonds by facsimile as prescribed by Bursa Bonds so that the same may be keyed into the ETP by Bursa Bonds on their behalf.

RULE 802 OBLIGATIONS RELATING TO ANNOUNCEMENTS

RULE 802.1 OBLIGATIONS

- (1) A Participant making an Announcement must ensure that the information posted is as follows:
 - (a) is factual, clear, unambiguous and accurate; and
 - (b) is not false, misleading or deceptive.
- (2) Bursa Bonds may direct a Participant to withdraw or modify or change the expiry date of the Announcement where it deems necessary.
- (3) Bursa Bonds, by allowing a Participant to post Announcements in ETP, does not verify the accuracy or correctness of the information posted. As such Bursa Bonds is not responsible for any loss or damage suffered by any party arising from relying on any Announcements posted in ETP.
- (4) A Participant is responsible for all Announcements made by the Participant in ETP. In this respect a Participant will indemnify Bursa Bonds against all losses or damages suffered by Bursa Bonds arising from the Participant's Announcements even if the Announcements were made by the Participant on behalf of another party.

RULE 803 SUSPENSION OF ANNOUNCEMENT

RULE 803.1 CIRCUMSTANCES

- (1) Bursa Bonds may suspend Participants from making Announcements in the following circumstances:
 - (a) in relation to a particular stock, where the stock has been suspended in FAST;
or
 - (b) in circumstances stated in Rule 201.1(d) and Rule 202.

[End of Chapter]

CHAPTER 9

ACTIONS FOR BREACHES

RULE 901

POWERS

RULE 901.1 POWERS

- (1) Where a Participant commits any breach of these Rules or Directives Bursa Bonds may, upon consultation with the Commission, take any of the following actions against the Participant:
 - (a) direct any action to be taken to remedy the breach;
 - (b) caution;
 - (c) private reprimand;
 - (d) impose restrictions on or suspend or terminate the access to the facilities in ETP except Reporting on such terms as Bursa Bonds deems fit; or
 - (e) impose any other action as Bursa Bonds deems fit.

RULE 901.2 NOTIFICATION

- (1) Bursa Bonds will prior to taking any action under Rule 901.1, notify the Participant in writing of the breach alleged and provide the Participant with the opportunity to explain within the time frame stated in the notice.
- (2) After consideration of the explanation given, where Bursa Bonds finds that a breach has been committed by the Participant, Bursa Bonds will notify the Participant in writing of the action taken against the Participant.
- (3) Any non compliance with the action taken under Rule 901.1 and any terms imposed in the notice of decision, by the Participant will be treated as a breach of these Rules and further action may be taken.

RULE 902 APPEAL

RULE 902.1 RIGHT OF APPEAL

- (1) A Participant may appeal against any action taken under Rule 901.1 within fourteen (14) days from receipt of the notice under Rule 901.2.
- (2) The enforcement of action against the Participant will be suspended pending the decision of the appeal.
- (3) Where Bursa Bonds dismisses the appeal, the action taken under Rule 901.1 will be effective against the Participant.

[End of Chapter]

APPENDIX 1

LETTER OF UNDERTAKING

To

Bursa Malaysia Bonds Sdn Bhd
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Compliance with the Rules and Directives

In consideration of Bursa Malaysia Bonds Sdn Bhd approving the application for registration of [insert the name of the applicant] as a[insert the category of participantship], *I/WE HEREBY UNDERTAKE AND AGREE to comply with the Rules of Bursa Malaysia Bonds Sdn Bhd and any directives issued thereunder, which shall be in force from time to time.

**The above Undertaking has been signed by me as [title] of[name of applicant company] pursuant to authority granted to me by resolution of the board of directors of the Company on

Date:

Signature:

Name:

*Delete where inapplicable

**to be inserted if the applicant is a company

[End of Schedule]

SCHEDULE 1 (Chapter 2)

**SCHEDULE 1 (Chapter 2)
[Rule 201.3(1)]**

FEES AND CHARGES

RULE	TRANSACTION	FEES
501.1	Automatic Matching	A TPM or an EPM must pay Bursa Bonds Ten Ringgit Malaysia (RM10) for every One Million Ringgit Malaysia (RM1 million) buy or sell order matched in ETP.
602.1	Negotiation	A TPM or an EPM must pay Bursa Bonds ten Ringgit Malaysia (RM10) for every one million Ringgit Malaysia (RM1 million) or less, buy or sell order matched through Negotiation.

SCHEDULE 2 (Chapter 4)

**SCHEDULE 2 (Chapter 4)
[Rule 402.5(1)]**

FINANCIAL INSTRUMENTS FOR BAND TRADING

MALAYSIA TREASURY BILLS
MALAYSIA ISLAMIC TREASURY BILLS
BANK NEGARA MONETARY NOTES
BANK NEGARA ISLAMIC MONETARY NOTES

SCHEDULE 3 (Chapter 5)

SCHEDULE 3 (Chapter 5)

**FINANCIAL INSTRUMENTS FOR
OUTRIGHT BUY AND SELL WHEN ISSUED TRADES**

[Rule 501.1(2)]

Government Investment Issues	RM 5 million or its multiples	Outright Buy and Sell trades	T + 2 in RENTAS
		When Issued trades	I + 2 in RENTAS
Malaysia Treasury Bills	RM 5 million or its multiples	Outright Buy and Sell trades	T + 1 in RENTAS
		When Issued trades	I + 1 in RENTAS
Malaysia Islamic Treasury Bills	RM 5 million or its multiples	Outright Buy and Sell trades	T + 1 in RENTAS
		When Issued trades	I + 1 in RENTAS
Bank Negara Monetary Notes	RM 5 million or its multiples	Outright Buy and Sell trades	T + 1 in RENTAS
		When Issued trades	I + 1 in RENTAS
Bank Negara Islamic Monetary Notes	RM 5 million or its multiples	Outright Buy and Sell trades	T + 1 in RENTAS
		When Issued trades	I + 1 in RENTAS

Private Debt Securities	RM1 million	Outright Buy and Sell trades	T + 2 in RENTAS
		When Issued trades	I + 2 in RENTAS