



SECURITIES CLEARING & SETTLEMENT

**ISLAMIC SECURITIES SELLING AND BUYING
NEGOTIATED TRANSACTION
("ISSBNT")**

**OPERATIONAL GUIDELINES
FOR
APPROVED SUPPLIERS &
APPROVED USERS**

(BMSC/CD/ISSBNT/004)

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**SCS ISSBNT OPERATIONAL GUIDELINES FOR APPROVED SUPPLIERS
& APPROVED USERS**

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**SCS ISSBNT OPERATIONAL GUIDELINES FOR APPROVED SUPPLIERS
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Section: 1. OVERVIEW OF ISSBNT

Bursa Malaysia Securities Clearing Sdn Bhd (“BMSC”) introduced an Islamic Securities Selling and Buying Negotiated Transaction herein referred to as “ISSBNT”. ISSBNT provides Approved Suppliers and Approved Users an option to agree to their own ISSBNT terms and conditions (ISSBNT agreement).

Under the ISSBNT Model, both Approved Supplier and Approved User would be given the option to agree to their ISSBNT agreement and input the transactions into the BMSC’s ISSBNT System via on-shore Supplier Representatives or User Representatives. The need to report via the ISSBNT System serves 2-fold:

- (i) It is a means of effecting finality to the ISSBNT as it is through such reporting that movement of the ISSBNT Securities is effected from the Approved Supplier's CDS account to the Approved User's CDS account; and
- (ii) Monitoring and statistical purposes by BMSC.



2.1 How to apply to be an Approved Supplier or Approved User

2.1.1 In the Rules of BMSC (Rule 9.1), suppliers and users apply to become Approved Suppliers or Approved Users.

2.1.2 The following are the qualifying criteria for an Approved Supplier and an Approved User:

Approved Supplier

- Individuals or corporate bodies who hold a valid account with the Bursa Depository.

Approved User

- Please refer to Schedule 1 of the **Application To Be Approved Supplier/ Approved User Form (Appendix 1)**.

2.1.3 Approved Supplier and Approved User will have to identify and appoint a Supplier Representative and a User Representative, who will then be the liaison between the Approved Supplier/ Approved User and BMSC.

2.1.4 The appointed Supplier Representative/ User Representative shall advise and submit the relevant forms and documents to BMSC on behalf of the Approved Supplier/ Approved User.

2.1.5 BMSC shall reserve the right to reject application to be an Approved Supplier/ Approved User.

2.1.6 The following are the forms and documents which BMSC should receive from the Supplier Representative/ User Representative on behalf of the Approved Supplier/ Approved User:-

Approved Supplier

Where the Approved Supplier is a:

a. Resident Individual

- i. A completed and duly signed Application To Be Approved As Approved Supplier/ Approved User Form;
 - ii. A completed and duly signed Appointment Of Supplier Representative/ User Representative Form; and
 - iii. Two (2) copies of original, certified true copy of NRIC or other forms of acceptable identification documents issued by Jabatan Pendaftaran Negara/ Passport (for foreigner)/ Authority Card (for Armed Forces/ Police Personnel).
-

b. Non-Resident Individual Living In Malaysia

- i. A completed and duly signed Application To Be Approved As Approved Supplier/ Approved User Form;
- ii. A completed and duly signed Appointment Of Supplier Representative/ User Representative Form; and
- iii. Two (2) copies of original, certified true copy of the front page of passport.

c. Non-Resident Individual Living In Their Home Country

- i. A completed and duly signed Application To Be Approved As Approved Supplier/ Approved User Form;
- ii. A completed and duly signed Appointment Of Supplier Representative/ User Representative Form; and
- iii. Two (2) copies of original, certified true copy of any of the following:
 - National Registration Identity Card, or
 - National Health Insurance Card/ Social Security Card, or
 - Any other documents subject to BMSC's approval on a case-by-case basis.

d. Corporate

- i. A completed and duly signed Application To Be Approved As Approved Supplier/ Approved User Form;
- ii. A completed and duly signed Appointment Of Supplier Representative/ User Representative Form;
- iii. An original, certified true copy of Certificate Of Incorporation/ Certificate Of Registration (for registration number, name and place of incorporation); and
- iv. An original, certified true copy of document evidencing the appointment of Authorised Signatory(ies) with specimen signatures.

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Section: 2. APPLICATION PROCEDURES

Approved User:

(applies to any category of Approved User)

- a. The Approved User must first meet the qualifying criteria as mentioned in Item 2.1.2 above.
- b. Complete the following:
 - i. Application To Be Approved As Approved Supplier/ Approved User Form;
 - ii. Appointment Of Supplier Representative/ User Representative Form; and
 - iii. Submit original, certified true copy of the following or its equivalent:-
 - Certificate Of Incorporation/ Certificate Of Registration (for registration number, name and place of incorporation);
 - Document evidencing the appointment of Authorised Signatory(ies) with specimen signatures;
 - Supporting documents to evidence that the company is classified under the eligible list of Approved User;
 - Latest audited accounts and related documents to evidence the Effective Shareholders' Funds; and
 - Approval Letter by Bursa Malaysia Securities Berhad for Registration of Market Maker (only applicable to Market Makers.)

Note:

Please refer to:-

*i. **Appendix 1:** Application To Be Approved As Approved Supplier/ Approved User Form;*

*ii. **Appendix 2:** Appointment Of Supplier Representative / User Representative Form;*

If the holder of the Securities Account stated in the Appointment Of Supplier Representative/ User Representative Form does not belong to the Approved Supplier then the Approved Supplier will have to provide the following:

Appendix 7 - Letter Of Authorisation/ Consent By Holder Of Securities Account In Relation To The Islamic Securities Selling And Buying – Negotiated Transaction (“THE ISSBNT”)

*iii. **Appendix 3:** Diagram which illustrates the Application process.*



3.1 How to create a Leg 1

- 3.1.1 An Approved Supplier and an Approved User must have a valid ISSBNT Agreement before any ISSBNT can be created.
- 3.1.2 Approved Supplier and Approved User agree on ISSBNT outside the ISSBNT System.
- 3.1.3 Once the ISSBNT has been agreed between the Approved Supplier and Approved User:
 - a. Approved User must ensure that it obtains a confirmation from an Approved Supplier. The minimum details in the confirmation issued by Approved Supplier to Approved User are as follows:
 - i. A clear statement that the confirmation relates to an order to buy or to an order to hold securities;
 - ii. Name of the Approved Supplier;
 - iii. Name of the Approved User;
 - iv. Name and security code of the securities transacted or to be held;
 - v. Quantity of the securities transacted or to be held;
 - vi. Settlement date of the transaction or number of days of the hold confirmation; and
 - vii. A date and time-stamp showing the date and time of receipt of the confirmation by the Approved User.

(Please refer Appendix 4: Directive on Maintenance of Confirmation Information by Approved User).

- b. Approved Supplier and Approved User must decide when ISSBNT Securities is to be moved from Approved Supplier to Approved User;
- c. Approved Supplier must report the Leg 1 transaction of the moved securities. This is achieved by the act of Accepting the Leg 1 via the ISSBNT System as stipulated in the following item 3.2.

3.2 How to move ISSBNT Securities

- 3.2.1 To move the ISSBNT Securities, the following instructions must be given:-
 - a. Approved User will have to instruct the User Representative to Initiate a Leg 1; and
 - b. Approved Supplier will have to instruct the Supplier Representative to Accept the Leg 1.
- 3.2.2 Upon successful acceptance of the Leg 1 by the Supplier Representative, securities transfer will be immediate from the Approved Supplier's CDS account to Approved User's CDS account.

3.3 Consequence of not reporting to ISSBNT System

3.3.1 The following are the consequences of not reporting to ISSBNT System:

- a. There will be no movement of securities from the Approved Supplier's CDS account to Approved User's CDS account;
- b. Breach of Rule 9.12(b) of the Rules of BMSC which mandates the notification of the agreed ISSBNT to BMSC.

Note:

Collateral arrangement is not handled via the ISSBNT System and as such will have to be dealt with between the Approved Supplier and Approved User. It is advisable for this issue to be included in the ISSBNT Agreement.

In relation to ISSBNT Securities bought under Rule 9.5(a)(ii) for the purpose of settling a potential failed trade, the quantity of ISSBNT Securities that is permitted to be transferred by the Approved User to the relevant securities account to fulfil the delivery obligation in respect of that potential failed trade must not be higher than the quantity of securities needed to fulfil such delivery obligation.

*Please refer to diagram in **Appendix 5** which illustrates the Leg 1 process.*



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Section: 4. CANCELLATION OF ISSBNT

4.1 Cancellation of ISSBNT (*Khiyar Syart*)

- 4.1.1 Approved Supplier and Approved User have the option to cancel an ISSBNT transaction on T day and T+1 day.

- 4.1.2 Upon the cancellation process, the ISSBNT Securities will be transferred in full from the Approved User’s account to the Approved Supplier’s account and the ISSBNT will be cancelled.

The following table gives an illustration of the ISSBNT (Khiyar Syart) Cancellation process:

T	T+1
① Approved Supplier and Approved User complete Leg 1 process	
② Permitted to perform ISSNT Cancellation process (<i>Khiyar Syart</i>)	

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Section: 5. ISSBNT EXTINGUISHMENT

5.1 Execution of Leg 2

- 5.1.1 The Approved Supplier and Approved User will have to agree on a date for Leg 2 of ISSBNT to take place.
- 5.1.2 Where the ISSBNT Securities are bought to facilitate the settlement of Potential Trade Failure (PTF), such ISSBNT Securities must be returned in full no later than 6 market days after the date of the execution of the potential failed trade (i.e. T+6).
- 5.1.3 Approved Supplier and Approved User must do the following:
 - a. Approved User to instruct its User Representative to Initiate the Leg 2; and
 - b. Approved Supplier to instruct its Supplier Representative to Accept the Leg 2.
- 5.1.4 Once both instructions are matched and confirmed by BMSC’s ISSBNT System, securities transfer will be immediate from the Approved User’s CDS account to Approved Supplier’s CDS account.

Note:

It is advisable (if item 5.2 does not apply) for an Approved Supplier to confirm the delivery of the recalled/Leg 2 securities from Approved User, prior to selling the securities. If the Approved User purchases the securities from the market to fulfil the recall, there will be a mismatch in the settlement timing.

The Approved Supplier will have to deliver the securities for the sale made by T+1 4:30pm but the delivery of securities from Approved User will only take effect on T+2. In this situation the Approved Supplier will be subject to the Buying-in rules and the relevant penalty applies.

The following table gives an illustration of this mismatch in timings:

	T	T+1	T+2
Approved Supplier	① Sells ISSBNT Securities	<i>Need to deliver ISSBNT securities for settlement (cut off by 4.30pm)</i>	⑦ Receive Recalled ISSBNT Securities after the settlement delivery deadline
	② Recalls Transaction		
Approved User	③ Receive Recall Notice	⑤ Received securities during settlement (after midnight)	⑥ Executes Leg 2 of the ISSBNT Securities to Approved Supplier
	④ Purchase Securities to execute Leg 2		

Please refer to Appendix 6 which illustrates the ISSBNT Extinguishment/Leg 2 process.

5.2 Withholding From Buying-in

5.2.1 This facility is provided to an Approved Supplier to facilitate the withholding of their sell trade from buying-in due to the mismatch in settlement time when the transaction is sold and recalled on the same day. The manner in which the Approved Supplier (seller) is required to notify BMSC of the relevant details in connection with the sale and the recalled securities is through the Supplier Representative initiating the withholding from buying-in process and confirming the same.

Note: The mismatch of timing is illustrated in Section 5.1

5.2.2 In order to withhold from buying-in, an Approved Supplier will have to furnish their respective Supplier Representative with the following details:

- ISSBNT ID from where a recall has been made against the Approved User;
- Contact Date of the sell trade;
- Selling CDS account number from where the sell trade was transacted; and
- Quantity requested to withhold from buying-in.

5.2.3 The withholding from buying-in facility will only be effective for one (1) business day only (T+2).

Note: A buying-in will be instituted against the Approved Supplier if the outstanding sell trade is not delivered within the Scheduled Delivery Time as set out under Exchange Rules. Please refer to the table below for an illustration of the allowable withholding from buying-in timing.

The following table gives an illustration of the process of withholding from buying-in timing:

	T	T+1	T+2	T+3
Approved Supplier (AS)	① Sells ISSBNT Securities	③ Supplier Representative to Initiate and Confirm the Withholding From Buying-in request <i>(8:30 am to 5:00pm)</i>	④ Withholding from buying-in effected	⑤ Approved Supplier will be subjected to buying-in if ISSBNT recalled securities is unsuccessfully delivered
	② Recalls Transaction			



6.1 ISSBNT Intermediary Fee

6.1.1 BMSC will charge an **ISSBNT Intermediary Fee** for the services provided. This fee is computed by the ISSBNT System on ISSBNT Eligible Securities and include non-Ringgit denominated securities. The following are the 2 types of fee structure :

- a. 0.02% (2 basis point) per annum of the outstanding ISSBNT (based on the daily closing price of the securities transacted) with a minimum of RM100 or a minimum of the equivalent in the respective foreign currency of RM100 levied on both User Representative and Supplier Representative

or

- b. 0.04% (4 basis point) per annum of the outstanding ISSBNT (based on the daily closing price of the securities transacted) with a minimum of RM200 or a minimum of the equivalent in the respective foreign currency of RM200 levied on User Representative only.

Note:

- *6.1.1(a) is on shared arrangement between the Supplier Representative and User Representative where else 6.1.1(b) is non-shared i.e. the entire intermediary fee is borne by the User Representative.*
- *For non-ringgit denominated securities, Intermediary Fee will be computed based on daily exchange rate (middle rate) published by Bank Negara Malaysia at 9.00am.*
- *Supplier Representative and User Representative are required to pay BMSC the Intermediary Fee on every 3rd business day of the month by 10am.*



7.1 Corporate Actions

- 7.1.1 BMSC will not perform any adjustment to the ISSBNT Securities quantity or buying value pursuant to any corporate action undertaken by an issuer.
- 7.1.2 The Approved Supplier and Approved User will have to agree on the ISSBNT Securities quantity to be adjusted.
- 7.1.3 The ISSBNT System provides the facility to adjust the ISSBNT Securities quantity arising from a corporate action.
- 7.1.4 To have the ISSBNT Securities Quantity Adjustment done, Approved Supplier and Approved User must do the following:
 - a. Approved User to instruct its User Representative to Initiate the ISSBNT Securities Quantity Adjustment; and
 - b. Approved Supplier to instruct its Supplier Representative to Accept the ISSBNT Securities Quantity Adjustment.

Note:
The ISSBNT Securities quantity adjustment process for corporate actions will have to be carried out prior to the ISSBNT Extinguishment.



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Section: 8. GLOSSARY

Text	Definition
Approved Supplier	means a person approved by BMSC to be a supplier in an ISSBNT.
Approved User	means a person approved by the BMSC to be a user in an ISSBNT.
Bursa Depository	Bursa Malaysia Depository Sdn Bhd
BMSC	known as BURSA MALAYSIA SECURITIES CLEARING SDN BHD, means the Clearing House.
CDS	Central Depository System.
CDS Account	means a securities account established by Bursa Depository or other central depository for an account holder.
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.
ISSB Negotiated Transaction or ISSBNT	means a securities selling and buying transaction entered into between an Approved Supplier and an Approved User based on the ISSBNT Model and facilitated by BMSC in accordance with the Rules.
ISSBNT Eligible Securities	means that portion of the Eligible Securities prescribed by BMSC as approved for an ISSBNT.
ISSBNT Model	means the prevailing Islamic Securities Selling and Buying – Negotiated Transaction model endorsed by the Shariah Advisory Council of Securities Commission Malaysia.
ISSBNT Securities	means the ISSBNT Eligible Securities that are sold or purchased in relation to an ISSBNT.
ISSBNT System	means the system operated by BMSC to facilitate ISSBNT.
Leg 1 of the ISSBNT	means the initial sale of the ISSBNT Eligible Securities by the Approved Supplier to the Approved User in accordance with the ISSBNT Model.
Leg 2 of the ISSBNT	means any subsequent sale by the Approved User to the Approved Supplier of similar or equivalent securities as that of Leg 1 of the relevant ISSBNT in accordance with the ISSBNT Model.
NTCP	Non Trading Clearing Participant.
Operational Procedure	means the Operational Procedure(s) of BMSC in relation to any of the services or facilities of BMSC containing the practices, procedures and requirements relating to the operations and functions of any such services or facilities of BMSC, issued from time to time.
Supplier Representative	means a person approved by BMSC to perform certain functions with respect transacting of securities by the Approved Supplier in an ISSBNT.
TCP	Trading Clearing Participants.
User Representative	means a person approved by BMSC to perform certain functions with respect to transacting of securities by the Approved User in an ISSBNT.

APPLICATION TO BE APPROVED SUPPLIER / APPROVED USER
ISLAMIC SECURITIES SELLING AND BUYING – NEGOTIATED TRANSACTION (“ISSBNT”)

This application is made pursuant to Rule 9.2 of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“BMSC”) in relation to be an Approved Supplier or Rule 9.3 of the Rules of BMSC in relation to be an Approved User.
 Please complete all sections of this form by typing in black or using black ink pen as the form will be photocopied.

For office use only

BMSC's reference number.....

New Application
 Updating Information
 (please complete only relevant information)

I/We hereby request BMSC to approve me/ us as any one or all of the following (Please tick accordingly):

Approved Supplier
 Approved User
 Both

1. Particulars of the applicant

Applicant's name in full

Date of incorporation (if applicable)

Place of incorporation (if applicable)

Company Registration Number or Identification Number

Registered address

(Change of address MUST be notified immediately)

Correspondence address (if different)

(Change of address MUST be notified immediately)

2. Details of Authorised Contact Person(s): -

Name	Designation	Tel. No./Fax/e-mail
		Tel. No : Fax. No : e-Mail :
		Tel. No : Fax. No : e-Mail :

Parts 3 and 4 to be completed by Approved User applicant only
3. Applicant's Category (Please refer Schedule 1 of this form for the Category Number)

Category Number

4. Financial Requirement

Effective Shareholders' Funds (RM equivalent) (Minimum of RM50 million or its equivalent in other currencies to qualify as Approved User)	RM
--	-----------

Note: Effective Shareholders' Funds means last audited shareholders' funds less unaudited losses (if any).

5. Supporting Documents

This application must be accompanied by all of the following documents. (Please tick the relevant documents which you have provided):-

5.1 If the application is for approval as an Approved Supplier:

i	Certificate of Incorporation / Identification Number / Passport	
ii	Document evidencing appointment of Authorised Signatory (ies).	

5.2 If application is for Approved User:

i	Certificate of Incorporation.	
ii	Document evidencing appointment of Authorised Signatory (ies).	
iii	Documents to evidence that the company is classified under the list of eligible persons to be an Approved User (Schedule 1 of this form).	
iv	Latest audited accounts and related documents to evidence the Effective Shareholders' Funds.	

Note: The documents submitted with this application shall be certified as true copies by an Authorised Signatory of the applicant.

6. Declaration and Undertaking

I / We:-

- undertake to ensure that all ISSBNT(s) including the agreements, procedures, and documentation, to the best of our knowledge, are compliant with the ISSBNT Model (as defined under the Rules of BMSC) and Shariah principles.
- Declare that, I/we, am/are properly authorised to carry out activities relating to ISSBNT in accordance with the Rules of BMSC
- Declare that all information given in this application and in the attached annexures is true and correct.
- Acknowledge that BMSC may in its absolute discretion, approve or reject this application, and shall not hold BMSC liable in any manner for its decision.
- agree, upon approval of this application, to at all times comply with all requirements prescribed by BMSC for an Approved User / Approved Supplier as contained in the Rules of BMSC or as prescribed by BMSC from time to time in relation to ISSBNT.
- in relation to our application to be an Approved User (if applicable), agree, upon approval of this application, to at all times comply with Rules 7.37 of the Rules of Bursa Malaysia Securities Berhad as may be amended, varied, modified, supplemented or substituted from time to time as if we were the Participating Organisation referred to in such Rule.

..... Signature of Individual / Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

Dated thisof

Kindly submit the duly completed application form to:-

Head, Participants Supervision Division
 Regulation, **Bursa Malaysia Berhad**
 2nd Floor, Exchange Square, Bukit Kewangan
 50200 Kuala Lumpur

Schedule 1
Persons eligible to be an Approved User

No.	Category Description
1	A licensed bank, licensed investment bank or approved money-broker institution as defined under the Financial Services Act 2013 and its wholly-owned subsidiary that is a nominee company.
2.	A financial institution established under any Act of Parliament and its wholly-owned subsidiary that is a nominee company.
3.	A licensed Islamic Bank as defined in the Islamic Financial and Services Act 2013 and its wholly-owned subsidiary that is a nominee company.
4.	A prescribed institution as defined in the Development Financial Institutions Act 2002 and its wholly-owned subsidiary that is a nominee company.
5.	A bank licensee as defined under the Labuan Financial Services and Securities Act 2010 and its wholly-owned subsidiary that is a nominee company.
6.	A holder of a Capital Markets Services Licence for the purpose of carrying on the business of fund management, its wholly-owned subsidiary that is a nominee company and its custodian appointed pursuant to section 121 of the Capital Markets and Services Act 2007.
7.	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 closed-end fund's investments.
8.	A foreign fund manager.
9.	A person appointed by the Depository to be an authorised depository agent and its wholly-owned subsidiary that is a nominee company.
10.	A person appointed by the Depository to be an authorised direct member and its wholly-owned subsidiary that is a nominee company.
11.	A clearing house approved under section 38 of the Capital Markets and Services Act 2007.
12.	A holder of a Capital Markets Services Licence for the purpose of carrying on the business of dealing in securities and its wholly-owned subsidiary that is a nominee company.

Acknowledgement by Approved Supplier / Approved User

I/We, *the Approved Supplier / the Approved User / both Approved Supplier and the Approved Supplier hereby wish to appoint the corporation as stated in item 2 above as our *Supplier Representative / User Representative / both Supplier Representative and User Representative to carry out ISSBNT.

..... Signature of Individual / Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

3. Acknowledgement by Supplier Representative / User Representative

I/We hereby agree to act as the *Supplier Representative / User Representative / both Supplier Representative and User Representative to carry out ISSBNT for the *Approved Supplier / Approved User as stated in item 1 above.

..... Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

Dated thisof

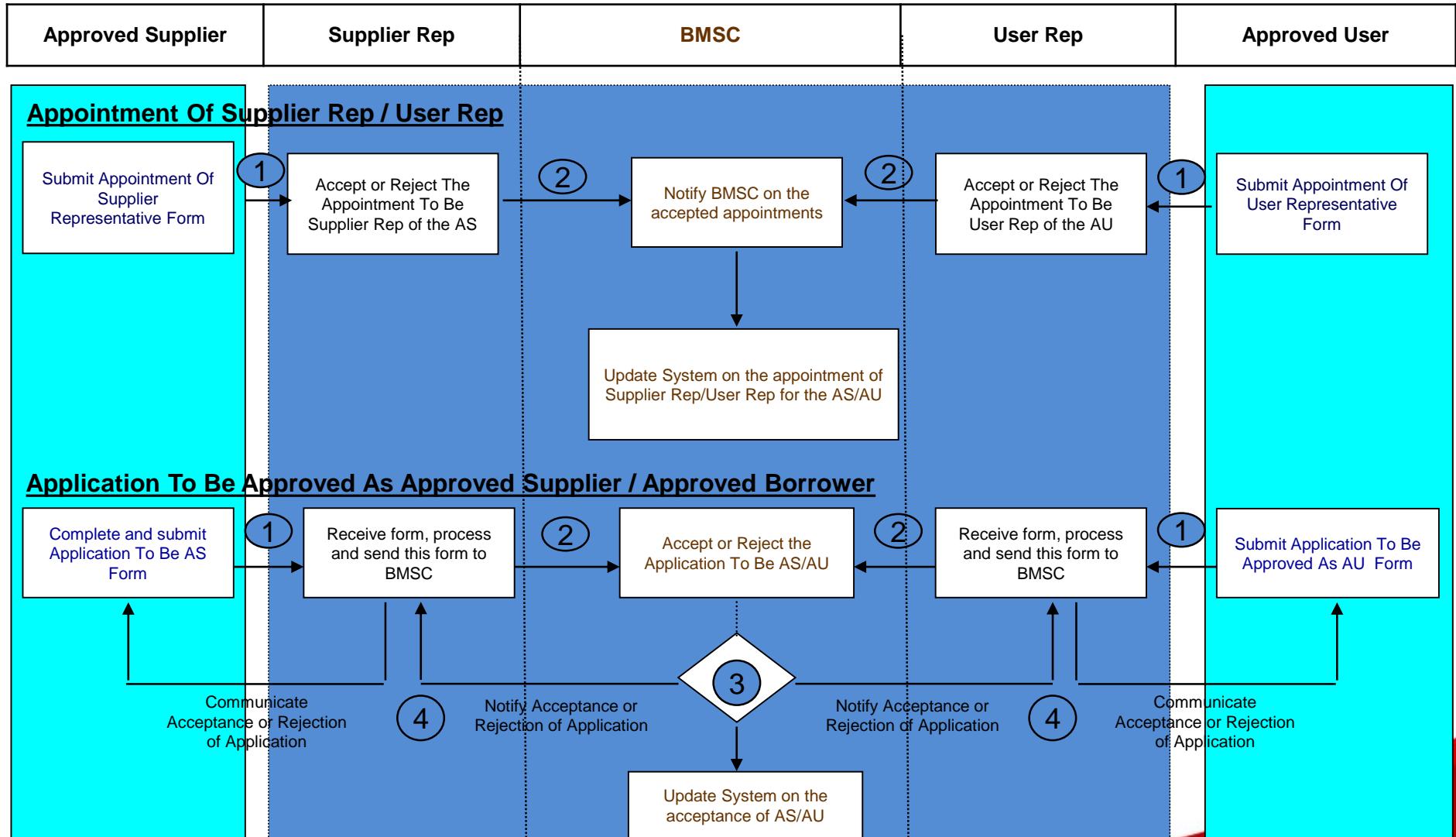
* Delete whichever is not applicable

Kindly submit the duly completed application form to:-

Head, Participants Supervision Division
Regulations
Bursa Malaysia Berhad
2nd Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

I. Appointment Of Supplier Representative / User Representative

II. Application To Be Approved Supplier (AS) / Approved User (AU)



DIRECTIVE ON MAINTENANCE OF CONFIRMATION INFORMATION BY APPROVED USER**MAINTENANCE OF CONFIRMATION**

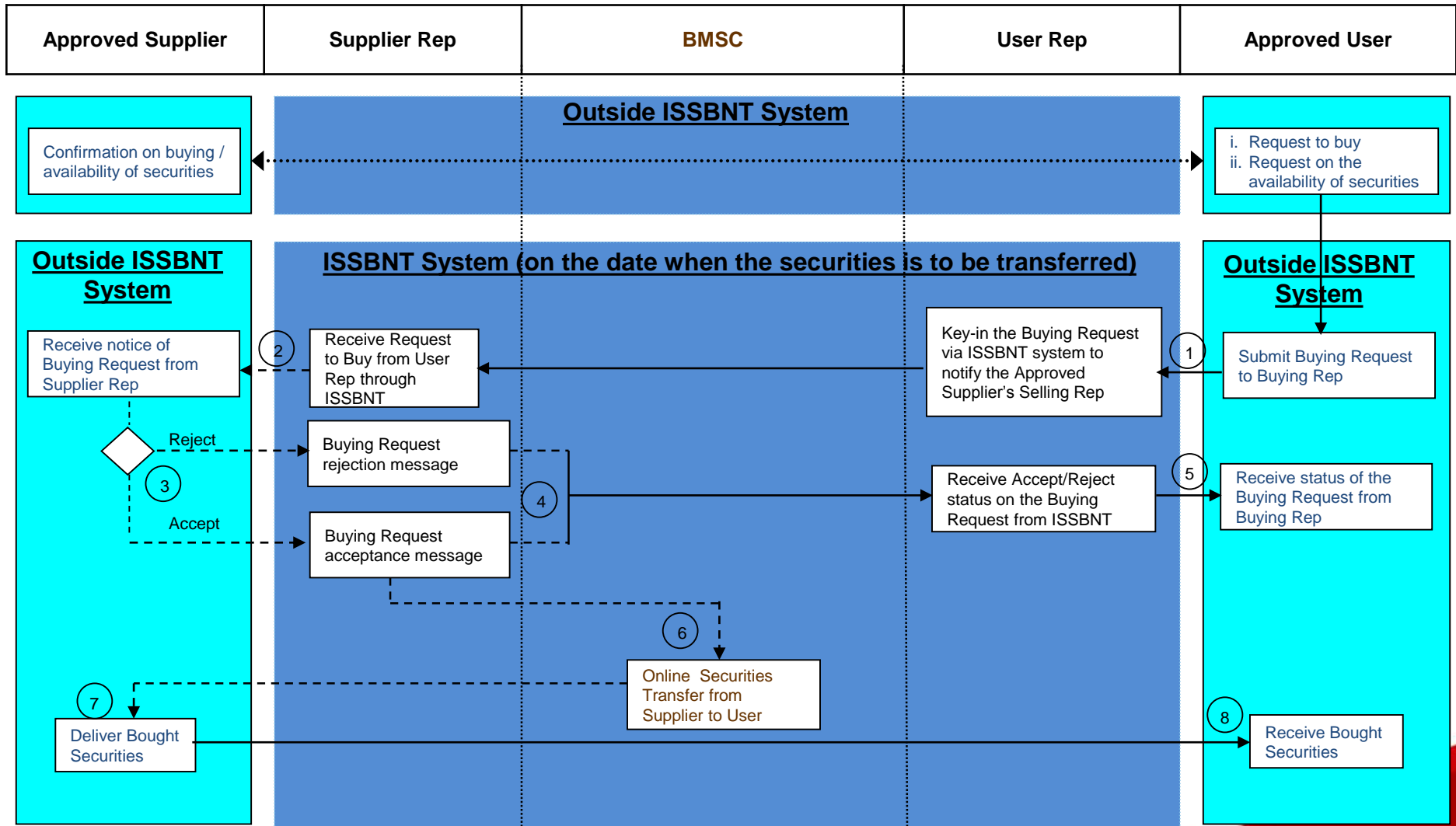
1. This Directive is issued pursuant to Rule 9.12(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd.
2. In accordance with Rule 9.12(a), an Approved User (“AU”) must ensure that it obtains a confirmation from an Approved Supplier (“AS”) that the AS has the ISSBNT Eligible Securities available to be sold to the AU.
3. The confirmation must contain, at the minimum, the following details:-
 - (a) A clear statement that the confirmation relates to an order to buy or to an order to hold securities;
 - (b) Name of the supplier;
 - (c) Name of the user;
 - (d) Name and security code of the securities bought or to be held;
 - (e) Quantity of the securities bought or to be held;
 - (f) Settlement date of the buying or number of days of the hold confirmation; and
 - (g) A date and time-stamp showing the date and time of receipt of the confirmation by the AU.
4. The confirmation must be maintained in writing or in electronic form capable of being reproduced in hard copy form or by way of a recording on any medium provided the minimum content of the confirmation required under Paragraph 3 above can be clearly ascertained.
5. An AU must maintain the confirmation for at least 2 years from the effective date of lending or the effective date of the hold confirmation (“Retention Period”) and must produce the confirmation upon request by the Exchange or the Securities Commission in accordance with Rule 9.15 of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd.
6. Failure to maintain the confirmation in the manner set out in Paragraph 2 above for the Retention Period or failure to produce the confirmation upon request will be a breach of this Directive for which action may be taken by the Clearing House.

Issue Date: [5 December 2017]

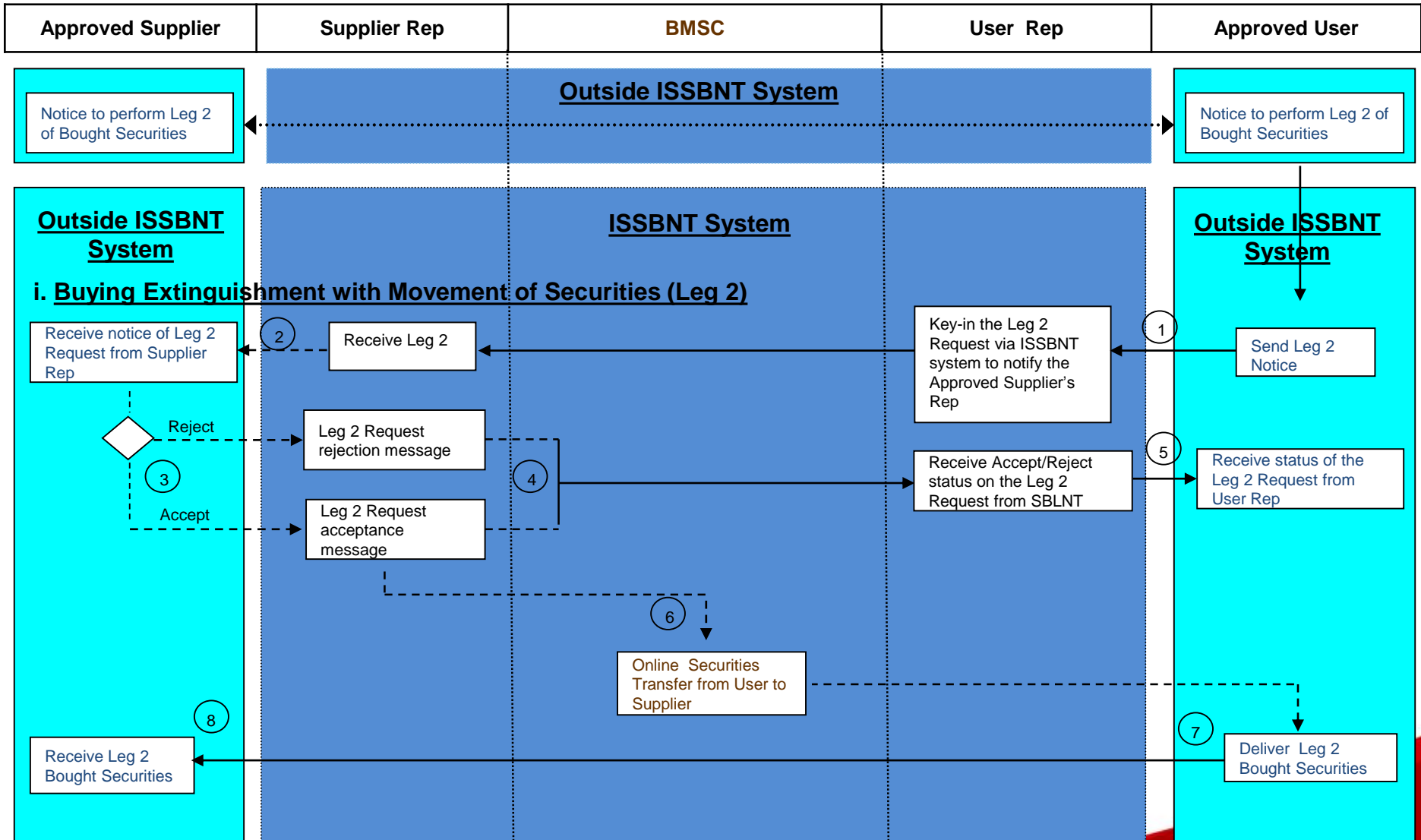
Effective Date: [12 December 2017]

Contact Person: Head, Intermediaries Supervision
Regulation

Leg 1 Process



ISSBNT Extinguishment / Leg 2 Process



LETTER OF AUTHORISATION / CONSENT BY HOLDER OF SECURITIES ACCOUNT IN RELATION TO THE ISLAMIC SECURITIES SELLING AND BUYING – NEGOTIATED TRANSACTION (“THE ISSBNT”)

[On letterhead of Approved Supplier’s client/ authorised nominee]

To :

Bursa Malaysia Securities Clearing Sdn Bhd and
Bursa Malaysia Depository Sdn Bhd
10th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Authorisation/ Consent by Approved Supplier’s client/ authorised nominee in relation to the ISSBNT

I/We, _____ [name of the Approved Supplier’s client/authorised nominee] am/are the account holder of the Securities Account No. _____ (hereinafter referred to as “the Securities Account”) stated in the Appointment Of Supplier Representative/ User Representative Form submitted by _____ [name of the Approved Supplier] (hereinafter referred to as “the Approved Supplier”) to Bursa Malaysia Securities Clearing Sdn Bhd (hereinafter referred to as “the Clearing House”) on [date of Form] pursuant to the ISSBNT related rules prescribed in the Rules of Bursa Clearing (S) (“hereinafter referred to as the ISSBNT Rules”).

In consideration of the Clearing House approving the Approved Supplier’s application to become an Approved Supplier in relation to the ISSBNT and continuing to allow the Approved Supplier to enter into new ISSB Negotiated Transactions or transactions contemplated under any directives, circulars or instructions issued by the Clearing House in relation to ISSB Negotiated Transactions, **I/ WE HEREBY GIVE OUR AUTHORISATION AND CONSENT** to the following:-

- (i) the Clearing House instructing Bursa Malaysia Depository Sdn Bhd (“the Depository”) to debit from the Securities Account and for the Depository to debit the eligible securities specified by the Approved Supplier which are available for selling to the Approved User (“the ISSBNT Securities”) for the purpose of the delivery of the ISSBNT Securities by the Approved Supplier to the Approved User and for the Clearing House instructing the Depository to credit into the Securities Account and for the Depository to credit the equivalent ISSBNT Securities for purpose of the redelivery of the equivalent ISSBNT Securities by the Approved User to the Approved Supplier, pursuant to the ISSBNT Rules; and
- (ii) the Clearing House or the Depository disclosing any information or producing any documents in its possession or control which relate to the Securities Account or the securities held therein where the Clearing House or the Depository is bound by law or the requirements of any relevant authority in Malaysia so to do.

I/ We hereby undertake that for so long as the transactions entered into between the Approved Supplier and the Approved User pursuant to the ISSBNT Rules shall remain outstanding:

- (a) this authorisation and consent shall be irrevocable; and
- (b) I/we shall not close and shall ensure no closure of the Securities Account stated herein.

We hereby confirm that [name of authorised signatory of authorised nominee] has been duly authorised by resolution of our board of directors dated [date of resolution] to give this authorisation/consent (this is applicable only to authorised nominee).

Yours faithfully

.....

Name: [Approved Supplier’s client/Authorised signatory of authorised nominee]

Designation: [applicable if authorised nominee]

Date:

Signature authentication by Supplier Representative

We hereby confirm that we have checked and verified that the signature of the Approved Supplier’s client corresponds with the signature on the specimen signature card / the signature of the authorised signatory of the authorised nominee corresponds with our records.

<p>..... Authorised Signatory(ies)</p> <p>Name:.....</p> <p>..... Company Stamp</p>
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Dated this of