

In relation to the removal of the Dealer's Representative's Full-time Requirement and other amendments

**RULES OF BURSA MALAYSIA SECURITIES BERHAD ("BMS RULES")  
AMENDMENTS TO THE BMS RULES IN RELATION TO THE REMOVAL OF THE DEALER'S REPRESENTATIVE'S FULL-TIME REQUIREMENT AND  
OTHER AMENDMENTS**

RULE	CURRENT PROVISION	RULE	AMENDED PROVISION
3.47	<p><b>Obligations of a Dealer's Representative</b></p> <p>(1) Throughout the term of a Dealer's Representative's registration with the Exchange, the Dealer's Representative must:</p> <p>(a) continuously satisfy the qualification criteria stated in Rule 3.46;</p> <p>(b) act for only 1 Participating Organisation;</p> <p>(c) be employed or engaged on a full-time basis by a Participating Organisation;</p> <p>(d) <i>[Deleted]</i></p> <p>(e) be of good character and act faithfully for and on behalf of the Participating Organisation in all the Dealer's Representative's dealings;</p> <p>(f) not accept payment from Clients or hold any Client's assets in the Dealer's Representative's name and must ensure that Clients make payments and lodgement of assets directly to the Participating Organisation;</p> <p><i>[Refer to Directive No. 3.47(1)-001]</i></p> <p>(g) not engage in or hold any interest in any other business unless:</p>	3.47	<p><b>Obligations of a Dealer's Representative</b></p> <p>(1) Throughout the term of a Dealer's Representative's registration with the Exchange, the Dealer's Representative must:</p> <p>(a) continuously satisfy the qualification criteria stated in Rule 3.46;</p> <p>(b) <del>be employed or engaged to</del> act for only 1 Participating Organisation;</p> <p>(c) <del>be employed or engaged on a full-time basis by a Participating Organisation;</del> <i>[Deleted]</i></p> <p>(d) <i>[Deleted]</i></p> <p>(e) be of good character and act faithfully for and on behalf of the Participating Organisation in all the Dealer's Representative's dealings;</p> <p>(f) not accept payment from Clients or hold any Client's assets in the Dealer's Representative's name and must ensure that Clients make payments and lodgement of assets directly to the Participating Organisation;</p> <p><i>[Refer to Directive No. 3.47(1)-001]</i></p> <p>(g) <del>not engage in or hold any interest in any other business unless:</del></p>

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<p>(i) the directorship or appointment is non-executive in nature;</p> <p>(ii) there is no conflict of interests or duty with being a Dealer's Representative of a Participating Organisation;</p> <p>(iii) the engagement or interest is not in breach of conditions of the Capital Market Services Representatives' license; and</p> <p>(iv) the Dealer's Representative has obtained the Participating Organisation's prior approval;</p> <p>(h) not carry on the business of dealing in securities outside the Principal Office or a Branch Office of the Participating Organisation unless the Dealer's Representative has obtained the Participating Organisation's prior approval;</p> <p><i>[Refer to Directive No. 3.47(1)-002]</i></p> <p>(i) if the Dealer's Representative trades on Client's behalf, properly verify the Client's identity and the authenticity of the application;</p> <p>(j) if the Dealer's Representative is a Proprietary Day Trader, only operate the Day Trading Activities Account and no other account, on such conditions as the Exchange may prescribe;</p> <p>(k) not undertake trading for the Participating Organisation's Client or a client of a holder a Capital Markets Services License for dealing in derivatives, if the Dealer's Representative undertakes proprietary trading for the Participating Organisation and vice versa;</p>		<p>(i) <del>the directorship or appointment is non-executive in nature; <i>[Deleted]</i></del></p> <p>(ii) <del>there is no conflict of interests or duty with being a Dealer's Representative of a Participating Organisation; <i>[Deleted]</i></del></p> <p>(iii) <del>the engagement or interest is not in breach of conditions of the Capital Market Services Representatives' license; and <i>[Deleted]</i></del></p> <p>(iv) <del>the Dealer's Representative has obtained the Participating Organisation's prior approval; <i>[Deleted]</i></del></p> <p>(h) not carry on the business of dealing in securities outside the Principal Office or a Branch Office of the Participating Organisation unless the Dealer's Representative has obtained the Participating Organisation's prior approval;</p> <p><i>[Refer to Directive No. 3.47(1)-002]</i></p> <p>(i) if the Dealer's Representative trades on Client's behalf, properly verify the Client's identity and the authenticity of the application;</p> <p>(j) if the Dealer's Representative is a Proprietary Day Trader, only operate the Day Trading Activities Account and no other account, on such conditions as the Exchange may prescribe;</p> <p>(k) not undertake trading for the Participating Organisation's Client or a client of a holder of a Capital Markets Services License for dealing in derivatives, if the Dealer's Representative undertakes proprietary trading for the Participating Organisation and vice versa;</p>
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<p>(l) not, without proper authority, make use of another person's account particulars; and</p> <p>(m) not apply any amount paid or securities deposited by a Client:</p> <p>(i) to any person not entitled; or</p> <p>(ii) for payment into an account other than the said Client's trading account.</p> <p>(2) In Rule 3.47(1):</p> <p>(a) "engaging in any business" includes being a director of or a debenture holder in any entity; and</p> <p>(b) "Day Trading Activities Account" refers to trading account opened in the name of a Participating Organisation and used by the Participating Organisation for Day Trading.</p> <p>(3) A Dealer's Representative is liable for any loss arising from the Dealer's Representative failing to properly verify the Client's identity and the authenticity of the application under Rule 3.47(1)(i).</p>		<p>(l) not, without proper authority, make use of another person's account particulars; and</p> <p>(m) not apply any amount paid or securities deposited by a Client:</p> <p>(i) to any person not entitled; or</p> <p>(ii) for payment into an account other than the said Client's trading account.</p> <p><u>(2) A Dealer's Representative may only be engaged in other business activities or hold interest in any other business if:</u></p> <p><u>(a) the Dealer's Representative has obtained the Participating Organisation's prior approval;</u></p> <p><u>(b) the engagement or interest of the Dealer's Representative is not in breach of any condition of the Capital Markets Services Representative's Licence;</u></p> <p><u>(c) the Dealer's Representative complies with the requirements for engaging in additional regulated activities as set out in the Commission's Licensing Handbook, if engaging in such additional regulated activities;</u></p> <p><u>(d) the Dealer's Representative's directorship or appointment is non-executive in nature; and</u></p> <p><u>(e) there is no conflict of duty with being a Dealer's Representative of a Participating Organisation.</u></p> <p><u>(3) A Participating Organisation may only approve the application of the Dealer's Representative to be engaged or hold interest in other activities or any other business if the Participating Organisation, upon assessing and evaluating the application, is</u></p>
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			<p><u>satisfied that the Dealer's Representative complies with the requirements in Rules 3.47(2)(b), (c), (d) and (e).</u></p> <p><del>(2)</del>(4) In Rule 3.47(1):</p> <p>(a) “engaging<del>ed</del> in <u>any other</u> business <u>activities or hold interest in any other business</u>” includes <u>engaging in any additional regulated activities in compliance with the requirements as set out in the Commission's Licensing Handbook, or</u> being a director of or a debenture holder in any entity; and</p> <p>(b) “Day Trading Activities Account” refers to trading account opened in the name of a Participating Organisation and used by the Participating Organisation for Day Trading.</p> <p><del>(3)</del>(5) A Dealer's Representative is liable for any loss arising from the Dealer's Representative failing to properly verify the Client's identity and the authenticity of the application under Rule 3.47(1)(i).</p>
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[End of Amendments to the BMS Rules]