

BURSA MALAYSIA DERIVATIVES BERHAD

Date: 27 November 2023

Trading Participant Circular: 18/2023

AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD (“BMD RULES AND DIRECTIVES”) IN RELATION TO THE INTRODUCTION OF THE MINI UNITED STATES DOLLAR/CHINESE RENMINBI (HK) (“USD/CNH”) FUTURES CONTRACT (“FCNH”)**1. INTRODUCTION**

- 1.1 Bursa Malaysia Derivatives Berhad (“**BMD**” or the “**Exchange**”) is launching the FCNH, the first exchange-traded currency futures contract in Malaysia, to complement the foreign exchange market currently operated by Malaysian financial institutions. The FCNH will provide market participants with a transparent, regulated and easily accessible option for mitigating counterparty credit risks and hedging against fluctuating currency exchange rates.
- 1.2 The amendments have been approved by the Securities Commission Malaysia pursuant to section 9 of the Capital Markets and Services Act 2007 and are further explained in paragraphs 2 to 4 below.

2. AMENDMENTS TO THE BMD RULES

- 2.1 The salient amendments made to the BMD Rules are the addition of the contract specifications for the FCNH in item 5.01, Schedule 5 of the BMD Rules, by setting out, among others, the following:
- (a) contract unit is USD20,000.00;
 - (b) minimum price fluctuation is RMB 0.0001 per USD (RMB 2 per tick);
 - (c) settlement is by cash settlement in RMB based on the final settlement price; and
 - (d) final settlement price is derived from the settlement price of the expiring month contract for the Mini USD/CNH Futures traded on Hong Kong Futures Exchange Limited (“**HKFE**”) on HKFE’s last trading day, as determined by HKFE.
- 2.2 The detailed amendments to the BMD Rules are as set out in **Annexure 1**.

3. AMENDMENTS TO THE BMD DIRECTIVES

- 3.1 The salient amendments made to the BMD Directives are to include the position limit of 2,500 contracts for all contract months combined for FCNH.
- 3.2 The detailed amendments to the BMD Directives are set out in **Annexure 2**.

4. AMENDMENTS TO THE TRADING PARTICIPANTS’ TRADING MANUAL (“TRADING MANUAL”)

- 4.1 The Trading Manual has also been amended to reflect the FCNH contract specifications and related fees.
- 4.2 The updated version of the Trading Manual is attached as **Annexure 3**.

5. EFFECTIVE DATE

The amendments to the BMD Rules and Directives, as well as to the Trading Manual, set out in paragraphs 2 to 4 above, will take effect from **11 December 2023**.

6. CONTACT PERSON

In the event of any queries in relation to the above matter, kindly contact us at the following:

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Regulation