

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 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 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]