

**PROPOSED RULE AMENDMENTS  
in relation to Facilitating eCash Payments**

**RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD**

**RULE AMENDMENTS IN RELATION TO FACILITATING eCASH PAYMENTS**

EXISTING PROVISIONS		AMENDED PROVISIONS	RATIONALE
<b>Rule 1.01</b>	<p><b>Rule 1.01 Definition:</b></p> <p>New provision</p>	<p><b>Rule 1.01 Definition:</b></p> <p><u>“cash distributions” means the cash payments required under the Stock Exchange’s Listing Requirements to be made by a listed issuer to its securities holders by directly crediting the payments into the securities holders’ bank accounts as provided to the Depository from time to time.</u></p>	<p>It is being proposed under the Main Market Listing Requirements (“MMLR”) and the ACE Market Listing Requirements (“ACE LR”) for issuers to be mandated to pay the cash distributions specified in the MMLR and ACE LR to those depositors who have provided their bank account details to Bursa Depository for the purposes of cash distributions.</p> <p>Under the proposed Rule 21.10 below, issuers are required to request for bank account information from Bursa Depository to make payment of these cash distributions. This provision is therefore to clarify that cash distributions will mean such cash payments made by a listed issuer to its securities holders as specified in the MMLR and ACE LR from time to time.</p> <p>The proposed list of cash distributions under the Listing Requirements include the following:</p> <ul style="list-style-type: none"> <li>a) cash dividends;</li> <li>b) interest payments on loan or debenture stock;</li> </ul>

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			c) coupon payment on bonds; d) income distributions made by collective investment schemes; e) capital repayment; and f) cash payment in lieu of odd lots from distribution in specie.
<b>Rule 1.01</b>	<b>Rule 1.01 Definition:</b> “bank account information” in relation to a depositor, means the information prescribed by the Depository relating to the depositor’s bank account that is to be used for crediting of cash dividends paid by the issuer.	<b>Rule 1.01 Definition:</b> “bank account information” in relation to a depositor, means the information prescribed by the Depository relating to the depositor’s bank account that is to be used for crediting of cash <del>dividends</del> <u>distributions</u> paid by the issuer.	The framework that is being proposed is for the bank account, the details of which been provided via the eDividend Form which covers both dividends and other cash distributions, to be provided to any person to facilitate the electronic payment of the cash distributions referred to above and other cash payments referred to in the proposed Rule 21.10A below.
<b>Rule 1.01</b>	<b>Rule 1.01 Definition:</b> “eDividend” means the payment of cash dividends to a depositor by directly crediting the depositor’s dividend entitlement into his bank account as provided to the Depository from time to time.	<b>Rule 1.01 Definition:</b> <del>“eDividend” means the payment of cash dividends to a depositor by directly crediting the depositor’s dividend entitlement into his bank account as provided to the Depository from time to time.</del>	Consequential to the deletion of this term in the current Rule 21.10(1) and Rule 31.03.

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<b>Rule 21.01</b>	<p><b>Rule 21.01 Application of this Chapter</b></p> <p>(1) Application: This chapter applies to every issuer or offeror who, in relation to any deposited security –</p> <p>(a) makes a bonus issue, or issues securities pursuant to a rights issue;</p> <p>(b) issues securities pursuant to an exercise of any right or option to acquire securities in the share capital of the issuer;</p> <p>(c) makes an offer for sale of securities; or</p> <p>(d) pays any form of cash dividends.</p>	<p><b>Rule 21.01 Application of this Chapter</b></p> <p>(1) Application: This chapter applies to every issuer or offeror who, in relation to any deposited security –</p> <p>(a) makes a bonus issue, or issues securities pursuant to a rights issue;</p> <p>(b) issues securities pursuant to an exercise of any right or option to acquire securities in the share capital of the issuer;</p> <p>(c) makes an offer for sale of securities; or</p> <p>(d) pays any form of cash <del>dividends</del><u>distributions or other cash payments</u>.</p>	<p>Consequential to the amendments made to the proposed cash distribution rule in Rule 21.10 and the introduction of the proposed Rule 21.10A.</p>
<b>Rule 21.10</b>	<p><b>Rule 21.10 Cash Dividends:</b></p> <p>(1) <b>Bank Account Information:</b> An issuer intending to pay cash dividends to its shareholders must request for the bank account information of its shareholders from the Depository in the manner prescribed by the Depository. For the avoidance of doubt, the bank account information provided under this rule will not form part of the Record of Depositors. The issuer must take all reasonable measures to ensure that the bank account information is used solely for the purpose of or in connection with paying cash dividends via eDividend.</p>	<p><b>Rule 21.10 Cash <del>Dividends</del><u>Distributions</u>:</b></p> <p><del>(1) <b>Bank Account Information:</b> An issuer intending who is required under the Stock Exchange's Listing Requirements to pay all cash dividends distributions to its shareholders—securities holders by directly crediting payments into the securities holders' bank accounts as provided to the Depository from time to time must request for the bank account information of its shareholders—securities holders from the Depository in the manner prescribed by the Depository. For the avoidance of doubt, the bank account information provided under this rule will not form part of the Record of</del></p>	<p>The framework for the Rules of Bursa Depository in relation to providing bank account information for the purposes of facilitating electronic payment of cash payments to depositors is as follows:</p> <p>(1) The MMLR, ACE LR and the Rules of Bursa Depository were amended in 2010 to facilitate the requirement for listed issuers to pay dividends directly into the depositors' bank account.</p> <p>(2) Since April 2010, depositors have been providing bank account details, via the eDividend Form, for cash</p>

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		<del>Depositors. The issuer must take all reasonable measures to ensure that the bank account information is used solely for the purpose of or in connection with paying cash dividends via eDividend.</del>	distributions to be credited directly into the depositors' bank account. The eDividend Form covers both cash dividends and other cash distributions and as such, would empower Bursa Depository to provide bank account information to issuers to facilitate payment of such cash distributions directly into the account of the depositor.
	(2) <b>Issuer unable to credit:</b> If the issuer is unable to credit a depositor's dividend entitlement into the depositor's bank account based on the bank account information received from the Depository, the issuer must immediately notify the Depository of this in the manner prescribed by the Depository.	<del>(2) <b>Issuer unable to credit:</b> If the issuer is unable to credit a depositor's dividend entitlement into the depositor's bank account based on the bank account information received from the Depository, the issuer must immediately notify the Depository of this in the manner prescribed by the Depository.</del>	(3) The MMLR, ACE LR and the Rules of Bursa Depository are now being amended to extend the requirement for issuers of listed securities to pay the specified cash distributions directly into the depositors' bank account, the details of which are in Bursa Depository's records. For the list of the proposed specified cash distributions, please see the rationale column in the first row of this table.
	(3) <b>Indemnity:</b> The issuer must fully indemnify the Depository for any loss, damage, liability or cost incurred by the Depository as a result of or in connection with the unauthorised access, alteration, disclosure, dissemination or misuse of the bank account information by the issuer or any of the issuer's agents or servants.	<del>(3) <b>Indemnity:</b> The issuer must fully indemnify the Depository for any loss, damage, liability or cost incurred by the Depository as a result of or in connection with the unauthorised access, alteration, disclosure, dissemination or misuse of the bank account information by the issuer or any of the issuer's agents or servants.</del>	(4) In addition to this, issuers may wish to obtain the bank information to pay other types of cash payments (other than cash dividends or cash distributions) electronically. As such, a new Rule 21.10A is being proposed to facilitate this and this is subject to the issuer obtaining the consent of the depositor for Bursa to disclose the bank account information to the
	(4) <b>Unlisted Securities:</b> An issuer of unlisted securities intending to pay cash distributions electronically may, but is not required pursuant to Rule 21.10(1) to, request for the bank account information of its shareholders from the Depository. If such issuer requests for its shareholders' bank account information, it must comply with this Rule 21.10.	<del>(4) <b>Unlisted Securities:</b> An issuer of unlisted securities intending to pay cash distributions electronically may, but is not required pursuant to Rule 21.10(1) to, request for the bank account information of its shareholders from the Depository. If such issuer requests for its shareholders' bank account information, it must comply with this Rule 21.10.</del>	

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			<p>issuer for this purpose.</p> <p>(5) In the meantime, we are deleting sub-rules (2), (3), (4) and the last 2 sentences of sub-rule (1) and including the same in a new general rule on bank account information (that applies to cash distributions and other cash payments) in the proposed Rule 21.10B.</p>
<b>Rule 21.10A</b>	New Provision	<p><b><u>Rule 21.10A Other Cash Payments:</u></b></p> <p><b><u>(1) Bank Account Information:</u></b> <u>An issuer intending to make cash payments to securities holders that do not fall within Rule 21.10 may, subject to Rule 21.10A(2), request for the bank account information of the securities holders from the Depository in the manner prescribed by the Depository.</u></p> <p><b><u>(2) Issuer to obtain depositors' consent:</u></b> <u>Before making the request referred to in Rule 21.10A(1), the issuer must have obtained the relevant depositors' irrevocable consent to:</u></p> <p><b><u>(a) the receipt of the relevant cash payments via direct credit into the depositor's bank account; and</u></b></p> <p><b><u>(b) the disclosure by Depository, the issuer or offeror or their respective agents to any</u></b></p>	<p>This amendment facilitates Bursa Depository in providing bank account details to an issuer or an offeror in a take-over situation, where the depositors' consent has been obtained. The format of the consent shall depend on the nature of the purpose of the request / corporate exercise in which cash payments are to be made to securities holders. The responsibility will be on the issuer or offeror (as applicable) to ensure that the depositors' consent has been properly obtained in relation to the purposes for which the information is used. For example, in the case of a refund of IPO subscription monies to an applicant, the consent could be contained as a term and condition in the IPO application form which is signed by the applicant.</p>

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		<p><u>person, of the depositor's bank account information or such other information, as may be necessary or expedient to facilitate the payment of the relevant cash payments via direct credit into the depositor's bank account or for any other purpose in connection with the payment of the cash payments via direct credit into the depositor's bank account.</u></p> <p>(3) <b>Depositors' consent:</b> <u>The Depository may require the issuer to satisfy the Depository that the issuer has obtained the consent referred to in Rule 21.10A(2). If the issuer fails to satisfy the Depository that the relevant consents have been obtained, the Depository reserves the right not to provide the bank account information to the issuer.</u></p>	
<b>Rule 21.10B</b>	New provision	<p><b><u>Rule 21.10B General Rules on Bank Account Information</u></b></p> <p>(1) <b><u>Does not form part of the Record of Depositors:</u></b> <u>For the avoidance of doubt, the bank account information provided under Rules 21.10 and 21.10A will not form part of the Record of Depositors.</u></p> <p>(2) <b><u>Purpose of bank account information:</u></b> <u>The issuer must take all reasonable measures to ensure that the bank account information is used solely for the purpose of or in connection with</u></p>	<p>Consequential to the fact that these rules would apply to the proposed Rule 21.10 (cash distributions) and Rule 21.10A (cash payments) and not just to cash dividends (currently in Rule 21.10).</p> <p>These rules are currently in Rule 21.10(2), (3), (4) and the last 2 sentences of Rule 21.10(1).</p>

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	<p><u>paying cash distributions or other cash payments.</u></p> <p>(3) <b>Issuer unable to credit:</b> <u>If the issuer is unable to credit a depositor's entitlement into the depositor's bank account based on the bank account information received from the Depository, the issuer must immediately notify the Depository of this in the manner prescribed by the Depository.</u></p> <p>(4) <b>Indemnity:</b> <u>The issuer must fully indemnify the Depository for any loss, damage, liability or cost incurred by the Depository as a result of or in connection with:</u></p> <p style="padding-left: 20px;">(a) <u>the unauthorised access, alteration, disclosure, dissemination or misuse of the bank account information by the issuer or any of the issuer's agents, servants, service providers, sub-contractors; or</u></p> <p style="padding-left: 20px;">(b) <u>the issuer's breach of Rule 21.10A(2).</u></p> <p>(5) <b>Unlisted Securities:</b> <u>An issuer of unlisted or delisted securities intending to pay cash distributions or other cash payments electronically may request for the bank account information of its securities holders from the Depository. If such issuer requests for its securities holders' bank account information, it must comply with this Rule 21.10B.</u></p>	

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<b>Rule 21.10C</b>	New provision	<b><u>Rule 21.10C “Issuer” to include offeror in a take-over:</u></b>  <u>Reference to “issuer” in Rules 21.10A and 21.10B includes a reference to an offeror who makes a take-over offer for the acquisition of deposited securities.</u>	To extend the application of the proposed Rule 21.10A and Rule 21.10B to offerors in a takeover situation.
<b>Rule 31.03</b>	<b>Rule 31.03 Cash Dividends:</b>  (1) A depositor must provide his bank account information to receive cash dividends from an issuer via eDividend by submitting, through an authorised depository agent, a duly completed prescribed form together with the relevant supporting documents in the manner prescribed by the Depository.	<b>Rule 31.03 Cash <del>Dividends</del>Distributions:</b>  (1) A depositor must provide his bank account information to receive cash <del>dividends</del> <u>distributions</u> from an issuer via <del>eDividend-direct credit into the depositor’s bank account</del> by submitting, through an authorised depository agent, a duly completed prescribed form together with the relevant supporting documents in the manner prescribed by the Depository.	This rule is being amended to expand the provisions of this rule to cash distributions. It should be noted that the eDividend Form extends to cash distributions, in that, it covers cash dividends and other cash distributions. This rule is also being amended for consistency with the eDividend Form.  It should be noted that with the deletion of the references of eDividend in this rule and also in Rule 21.10(1), we will be deleting the definition of “eDividend” in the Rules.
	(2) By complying with Rule 31.03(1):  (a) the depositor irrevocably consents to receiving all cash dividends that may accrue to the depositor in respect of the depositor’s deposited securities via eDividend; and  (b) the depositor irrevocably consents to the disclosure by the Depository, the issuer or their respective agents to any person,	(2) By complying with Rule 31.03(1), <u>the depositor irrevocably consents to:</u>  (a) <del>the depositor irrevocably consents to receiving the receipt of</del> all cash <del>dividends</del> <u>distributions</u> that may accrue to the depositor in respect of the depositor’s deposited securities via <u>direct credit into the depositor’s bank account</u> <del>eDividend</del> ; and  (b) <del>the depositor irrevocably consents to receiving</del> the disclosure by the Depository, the issuer or their respective agents to any person, of the depositor’s bank account	Sub-rules (3) and (4) have been moved to a new Rule 31.03(C), Rule 31.03(D) and Rule 31.03(B) respectively as these rules will be expanded to include the framework for cash payments referred to in Rule 21.10B.



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	<p>of the depositor's bank account information or such other information, as may be necessary or expedient to facilitate the payment of cash dividends that may accrue to the depositor via eDividend or for any other purpose in connection with the payment of cash dividends via eDividend.</p>	<p>information or such other information, as may be necessary or expedient to facilitate the payment of cash <u>dividends distributions</u> that may accrue to the depositor via <u>eDividend direct credit into the depositor's bank account</u> or for any other purpose in connection with the payment of cash <u>dividends distributions</u> via <u>eDividend direct credit into the depositor's bank account</u>.</p>	
	<p>(3) If the issuer is unable to credit the cash dividends into a depositor's bank account based on the bank account information provided by the depositor:</p> <p>(a) the Depository will issue a notice to the depositor to inform the depositor of the same; and</p> <p>(b) under such circumstances as may be prescribed by the Depository, the Depository shall be authorised to omit the depositor from the list of depositors who have provided their bank account information for purposes of receiving cash dividends via eDividend when providing such information pursuant to an issuer's request under Rule 21.10(1).</p>	<p><del>(3) If the issuer is unable to credit the cash dividends into a depositor's bank account based on the bank account information provided by the depositor:</del></p> <p><del>(a) the Depository will issue a notice to the depositor to inform the depositor of the same; and</del></p> <p><del>(b) under such circumstances as may be prescribed by the Depository, the Depository shall be authorised to omit the depositor from the list of depositors who have provided their bank account information for purposes of receiving cash dividends via eDividend when providing such information pursuant to an issuer's request under Rule 21.10(1).</del></p>	

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	(4) For the avoidance of doubt, it is the issuer's responsibility to make payment of the depositor's dividend entitlements.	<del>(4) For the avoidance of doubt, it is the issuer's responsibility to make payment of the depositor's dividend entitlements.</del>	
<b>Rule 31.03A</b>	New provision	<p><b><u>Rule 31.03A General Disclosure of Bank Account Information:</u></b></p> <p><u>For the avoidance of doubt, where the depositor's prior consent has been obtained by the issuer for the purposes of Rule 21.10A, the Depository may disclose the depositors' bank account information provided by the depositor under Rule 31.03 for purposes of payments being made to the depositor.</u></p>	To clarify that Bursa Depository may disclose the depositors' bank account information for the purposes of cash payments which do not fall within the ambit of cash distributions if the depositor's consent has been obtained for such cash payments.
<b>Rule 31.03B</b>	New provision	<p><b><u>Rule 31.03B Issuer's responsibility to make payment:</u></b></p> <p><u>For the avoidance of doubt, it is the issuer's responsibility to make payment of the depositor's cash distribution or cash payment entitlements.</u></p>	Currently, Rule 31.03(4).
<b>Rule 31.03C</b>	New provision	<p><b><u>Rule 31.03C Issuer unable to credit account</u></b></p> <p><u>The Depository will issue a notice to the depositor if the issuer is unable to credit the cash payments into a depositor's bank account based on the bank account information.</u></p>	Currently, Rule 31.03(3)(a).

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<b>Rule 31.03D</b>	New provision	<p><b><u>Rule 31.03D Omission of depositor from list</u></b></p> <p><u>The Depository may, in circumstances as may be prescribed by the Depository including where the issuer is unable to credit the cash payments into a depositor's bank account, omit such depositor from the list of depositors' bank account information that is provided for the purposes of payments being made to the depositor.</u></p>	Currently, Rule 31.03(3)(b).
<b>Rule 31.03E</b>	New provision	<p><b><u>Rule 31.03E "Issuer" to include offeror in a take-over</u></b></p> <p><u>Reference to "issuer" in Rules 31.03A to 31.03D includes a reference to an offeror who makes a take-over offer for the acquisition of deposited securities.</u></p>	To extend the application of the proposed Rule 31.03A to Rule 31.03D to offerors in a take-over offer situation.

[End of Rule Amendments]