

DIRECTIVES ON MARGIN FINANCING FOR SUBSCRIPTION AND PURCHASE OF SECURITIES ON A RECOGNISED STOCK EXCHANGE	No. 7.30-002
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Relevant to : Rule 7.30(1)(a)
Introduced with effect from : 13 May 2016
Amended : N/A
POs' Circular No(s). : R/R 3 of 2016
Refer also to Directive No(s). : N/A

1. Rule 7.30(1)(a)

- (1) Rule 7.30(1)(a) provides that a Participating Organisation may extend Margin Financing to its Clients for the subscription and purchase of securities, including securities on a Recognised Stock Exchange.
- (2) In extending Margin Financing for the subscription or purchase of securities on a Recognised Stock Exchange, a Participating Organisation must, amongst others, comply with the requirements set out below.

1.1 Requirements for extending Margin Financing to Clients for subscription and purchase of securities on a Recognised Stock Exchange

- (1) In relation to Margin Financing extended by a Participating Organisation to a Client for subscription and purchase of securities on a Recognised Stock Exchange, the currency denomination for a Margin Account must be in ASEAN, USD, EURO, GBP, HKD or RMB currencies only.
- (2) Please note that a Margin Account in Ringgit Malaysia can be used for trading on the Exchange and on a Recognised Stock Exchange. Payment can be made by a Participating Organisation for purchase of securities on the Recognised Stock Exchange by converting the Ringgit Malaysia funds in the Margin Account into the relevant currency denomination for securities traded on the Recognised Stock Exchange.

[End of Directive]