

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 26/1/2006

No.: R/R 2 of 2006

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD PERTAINING TO BROKERAGE FEES FOR ABFMY1 TRADES AND TO PROVIDE CLARITY IN RELATION TO EXISTING RULES ON BROKERAGE FEES

In respect of the above matter, please be informed that pursuant to Section 9(3) of the Securities Industry Act 1983, the following shall apply, with effect from 13 February 2006:

- (a) A new Rule 1001.1(7) has been inserted to provide for the brokerage rates chargeable for ABFMY1 trades as per Annexure 1 herein, which replaces the existing brokerage rates for ABFMY1 trades in Rule 1001.1(6)(b)(i)(cc) read together Rule 1001.1(8).
- (b) The following Rules of Bursa Malaysia Securities Berhad have been amended or clauses inserted for purposes of enhancing clarity only in relation to the existing brokerage fees chargeable by brokers and to include references to ABFMY1 trades where relevant:
 - (i) Rule 702.2(5) Transactions by Employees
 - (ii) Rule 1001.1(4) Rates
 - (iii) Rule 1001.1(5) Rates
 - (iv) Rule 1001.1(6) Rates
 - (v) Rule 1001.1(8) Rates
 - (vi) Schedule 4 Minimum Bid

All the above amendments are attached herein as **Annexure 1**.

Please direct any queries you may have in relation to the above matter to the following persons at the following contact numbers:

- 1. Ng G-Ming 2034 7364
- 2. Shohbana Vythy 2034 7312

All rules, directives or circulars in force which make references to or contain provisions relating to the above matters shall have effect from 13 February 2006 as if such reference or provisions relate to the amended provision/s aforesaid.

Please be informed that the above amendments are available on Bursa Malaysia's website at: http://www.bursamalaysia.com/website/aboutus/biz_rules.htm

Date: 26 January 2006

ANNEXURE 1

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD IN RELATION TO BROKERAGE FEES FOR ABFMY1 TRADES AND TO PROVIDE CLARITY IN RELATION TO EXISTING RULES ON BROKERAGE FEES

Existing Rule		Amended Rule	
Rule 702.2	<p>RULE 702.2 TRANSACTIONS BY EMPLOYEES</p> <p>(5) Brokerage: Brokerage payable by employees shall not be less than one-half (1/2) of the rates set out in Chapter 10.</p>	Rule 702.2	<p>RULE 702.2 TRANSACTIONS BY EMPLOYEES</p> <p>(5) Brokerage: Brokerage payable by employees shall be as provided in Rule 1001.1(8)(b).</p>
Rule 1001.1(4)(a)	<p>RULE 1001.1 RATES</p> <p>(4) Brokerage rates chargeable shall be as follows -</p> <p>(a) Stocks, ordinary shares, preference shares and other listed securities</p> <p>For all trades in stocks, ordinary shares, preference shares and other securities listed and traded on the stock market of the Exchange, but excluding the instruments described in Rule 1001.1(4)(b), the brokerage payable shall be the minimum brokerage as prescribed in Rule 1001.1(6) or such brokerage on a fully negotiated basis between the Participating Organisation and its client subject to a maximum of 0.70% of the contract value, whichever is the higher.</p>	Rule 1001.1(4)(a)	<p>RULE 1001.1 RATES</p> <p>(4) Brokerage rates chargeable shall be as follows -</p> <p>(a) Stocks, ordinary shares, preference shares and other listed securities</p> <p>For all trades (excluding Direct Business transactions) in stocks, ordinary shares, preference shares and other securities listed and traded on the stock market of the Exchange, but excluding the instruments described in Rule 1001.1(4)(b) and Rule 1001.1(7), the brokerage payable shall be the minimum brokerage as prescribed in Rule 1001.1(6) or such brokerage on a fully negotiated basis between the Participating Organisation and its client subject to a maximum of 0.70% of the contract value, whichever is the higher.</p>

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Existing Rule		Amended Rule	
Rule 1001.1(5)	<p>RULE 1001.1 RATES</p> <p>(5) Direct Business: The brokerage payable in respect of any Direct Business transactions shall be on a fully negotiated basis between the Participating Organisations and its clients Provided Always for all Direct Business transactions in respect of retail trades (as hereinafter defined), the brokerage payable shall not be less than half of the minimum brokerage calculated at the rates prescribed in Rule 1001.1(6).</p>	Rule 1001.1(5)	<p>RULE 1001.1 RATES</p> <p>(5) Direct Business: The brokerage payable in respect of any Direct Business transactions except for ABFMY1 trades shall be on a fully negotiated basis between the Participating Organisations and its clients but shall not be less than the Minimum Fixed Brokerage prescribed in Rule 1001.1(6)(a) Provided Always for all Direct Business transactions in respect of retail trades (as hereinafter defined), the brokerage payable shall not be less than the Minimum Fixed Brokerage prescribed in Rule 1001.1(6)(a), or less than half of the Minimum Retail Brokerage prescribed in Rule 1001.1(6)(b), whichever is the higher.</p>
Rule 1001.1 (6)	<p>RULE 1001.1 RATES</p> <p>(6) Minimum brokerage:</p> <p>(a) Subject to Rule 1001.1(4)(a) and unless otherwise provided, Participating Organisations are entitled to, and shall at all times ensure that, a minimum fixed brokerage is payable by both the buyer and the seller as follows –</p> <p style="padding-left: 40px;">(i) on transactions of loan instruments RM2.00</p> <p style="padding-left: 40px;">(ii) on any other transaction RM12.00</p> <p>(b) Notwithstanding the foregoing rule, Participating</p>	Rule 1001.1(6)	<p>RULE 1001.1 RATES</p> <p>(6) Minimum brokerage:</p> <p>(a) Subject to Rule 1001.1(4)(a) and unless otherwise provided, Participating Organisations are entitled to, and shall at all times ensure that, a minimum fixed brokerage (“Minimum Fixed Brokerage”) is payable by both the buyer and the seller as follows –</p> <p style="padding-left: 40px;">(i) on transactions of loan instruments RM2.00</p> <p style="padding-left: 40px;">(ii) on any other transaction RM12.00</p> <p>(b) Notwithstanding the foregoing rule, Participating Organisations</p>

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Existing Rule		Amended Rule	
	<p>Organisations are entitled to, and shall at all times ensure that, a minimum brokerage calculated as follows is payable by both the buyer and seller –</p> <p>(i) for retail trades:</p> <p style="padding-left: 20px;">(aa) where the contract value is RM100,000 or below, the minimum brokerage payable shall be calculated at 0.6% of the contract value or the fixed brokerage above, whichever is the higher;</p> <p style="padding-left: 20px;">(bb) where the contract value exceeds RM100,000, the minimum brokerage payable shall be calculated at 0.3% of the contract value or the fixed brokerage above, whichever is the higher;</p> <p style="padding-left: 20px;">(cc) where trades are in relation to ABFMY1; the minimum brokerage payable shall be calculated at 0.3% of the contract value or the fixed brokerage above, whichever is higher.</p> <p>(ii) for trades of a particular securities where the outstanding purchase positions are settled against sale positions of the same securities when</p>		<p>are entitled to, and shall at all times ensure that, a minimum brokerage (“Minimum Retail Brokerage”) calculated as follows is payable by both the buyer and seller for retail trades –</p> <p>(i) where the contract value is RM100,000 or below, the minimum brokerage payable shall be calculated at 0.6% of the contract value or the Minimum Fixed Brokerage, whichever is the higher;</p> <p>(ii) where the contract value exceeds RM100,000, the minimum brokerage payable shall be calculated at 0.3% of the contract value or the Minimum Fixed Brokerage, whichever is the higher;</p> <p>(iii) for trades of a particular securities where the outstanding purchase positions are settled against sale positions of the same securities when the purchase and sale transactions are transacted on the same contract date, the minimum brokerage payable shall be calculated at 0.15% of the contract value or the Minimum Fixed Brokerage, whichever is the higher.</p>

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Existing Rule		Amended Rule	
	<p>the purchase and sale transactions are transacted on the same contract date, the minimum brokerage payable shall be calculated at 0.15% of the contract value or the fixed brokerage above, whichever is the higher.</p> <p>(c) Participating Organisations shall be permitted to give discounts on retail trades of an amount up to the equivalent of thirty per cent (30%) of the minimum brokerage prescribed in the foregoing rule where such retail trades are online routed trades, except where the fixed brokerage is payable, subject to payment upfront Provided Always Participating Organisations shall formulate and implement adequate internal policies with regard to the manner in which the discount can be accorded to their clients as long as risk exposures in relation to online routed trades are addressed.</p>		

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Existing Rule		Amended Rule	
Rule 1001.1(7)		Rule 1001.1(7)	<p>(7) Brokerage rates chargeable for ABFMY1 trades:</p> <p>Participating Organisations shall at all times ensure that the following brokerage is payable by both the buyer and the seller as follows-</p> <p>(a) For all retail trades or otherwise (excluding Direct Business transactions), the brokerage payable shall be calculated at a rate of up to a maximum of 0.3% of the contract value or RM 12.00, whichever is the higher ("Brokerage Payable").</p> <p>(b) For the avoidance of doubt, the Brokerage Payable shall also apply to all retail trades or otherwise (excluding Direct business transactions), where the outstanding purchase positions for ABFMY1 are settled against sale positions of ABFMY1 when the purchase and sale transactions are transacted on the same contract date; and</p> <p>(c) Direct Business: The brokerage payable in respect of any Direct Business transactions in respect of retail trades or otherwise, shall be on a fully negotiated basis between the Participating Organisations and its clients but shall not be less than RM 12.00.</p>

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Existing Rule	Amended Rule
<p>RULE 1001.1 RATES</p> <p>(6) Minimum Brokerage:</p> <p>(c) Participating Organisations shall be permitted to give discounts on retail trades of an amount up to the equivalent of thirty per cent (30%) of the minimum brokerage prescribed in the foregoing rule where such retail trades are online routed trades, except where the fixed brokerage is payable, subject to payment upfront Provided Always Participating Organisations shall formulate and implement adequate internal policies with regard to the manner in which the discount can be accorded to their clients as long as risk exposures in relation to online routed trades are addressed.</p>	<p>RULE 1001.1 RATES</p> <p>(8) Discounts:</p> <p>(a) Online trades</p> <p>Participating Organisations shall be permitted to give discounts on retail trades (excluding trades under Rule 1001.1(6)(b)(iii) and Rule 1001.1(7)(b)) of an amount up to the equivalent of thirty per cent (30%) of the brokerage prescribed under Rule 1001.1(4)(a) or Rule 1001.1(7)(a) where such retail trades are online routed trades, subject to the following:</p> <p>(i) that the amount of brokerage after the abovementioned discount shall not less the Minimum Fixed Brokerage or in the case of ABFMY1, RM12.</p> <p>(ii) that the Participating Organisations formulate and implement adequate internal policies with regard to the manner in which the discount can be accorded to their clients as long as risk exposures in relation to online routed trades are addressed.</p> <p>(b) Transactions by employees:</p> <p>Without derogation to Rule 1001.1(8)(a), Participating Organisations shall be permitted to give discounts of an amount up to the equivalent to fifty percent (50%) of the brokerage payable in this Rule 1001.1 to their employees, provided that, the amount of brokerage after the abovementioned discount shall not less the Minimum Fixed Brokerage or in the case of ABFMY1, RM12.</p>

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Existing Rule			Amended Rule		
Schd 4	Market Price of Securities	Minimum Bid <u>(Sen)</u>	Schd 4	Market Price of Securities	Minimum Bid <u>(Sen)</u>
	Less than 1.00	½		Less than 1.00	<u>0.5</u>
	Between 1.00 to 2.99	1		Between 1.00 to 2.99	1
	Between 3.00 to 4.98	2		Between 3.00 to 4.98	2
	Between 5.00 to 9.95	5		Between 5.00 to 9.95	5
	Between 10.00 to 24.90	10		Between 10.00 to 24.90	10
	Between 25.00 to 99.75	25		Between 25.00 to 99.75	25
	100.00 and above	50		100.00 and above	50