

ANNEXURE 1

RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD

RULE AMENDMENTS IN RELATION TO THE ENHANCEMENTS TO THE CENTRAL MATCHING FACILITY

EXISTING PROVISIONS		AMENDED PROVISIONS
Interpretation	<p>INTERPRETATION</p> <p>Buy Transaction</p> <p>In relation to the ISS, a transaction, being an agreement for the purchase of Securities by:</p> <p>(a) a Non Trading Clearing Participant acting as a principal; or</p> <p>(b) a Client,</p> <p>through a Trading Clearing Participant on the Exchange as a buyer to a Market Contract.</p>	<p>INTERPRETATION</p> <p>Buy Transaction</p> <p>In relation to the ISS, a transaction, being an agreement for the purchase of Securities by:</p> <p>(a) a Non Trading Clearing Participant acting as a principal; or</p> <p>(b) a Client,</p> <p>through a Trading Clearing Participant on the Exchange as a buyer to a Market Contract.</p>
Interpretation	<p>Client</p> <p>A person on whose behalf the Non Trading Clearing Participant acts in relation to an ISS Transaction.</p>	<p>Client</p> <p>A person on whose behalf the Non Trading Clearing Participant acts in relation to an ISS Transaction.</p>
Interpretation	<p>ISS Affirmation</p> <p>A written input from a Non Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Non Trading Clearing Participant for which an ISS Confirmation is to be or has been issued.</p>	<p>ISS Affirmation</p> <p>A written input from a Non Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Non Trading Clearing Participant for which an ISS Confirmation is to be or has been issued.</p>

EXISTING PROVISIONS		AMENDED PROVISIONS
Interpretation	<p>ISS Confirmation</p> <p>One or more written input from a Non Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Non Trading Clearing Participant for which an ISS Instruction is to be or has been issued and includes an input to redeliver the said ISS Instruction to another Non Trading Clearing Participant for settlement of the said ISS Transaction.</p>	<p>ISS Confirmation</p> <p>One or more written input from a Non-Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Non-Trading Clearing Participant for which an ISS Instruction is to be or has been issued and includes an input to redeliver the said ISS Instruction to another Non-Trading Clearing Participant for settlement of the said ISS Transaction.</p>
Interpretation	<p>ISS Instruction</p> <p>A written input from a Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Trading Clearing Participant.</p>	<p>ISS Instruction</p> <p>A written input from a Trading Clearing Participant in such form as determined by the Clearing House and submitted to the Clearing House to instruct the Clearing House to act in relation to an ISS Transaction involving such Trading Clearing Participant.</p>
	<p>ISS Transaction</p> <p>A Buy Transaction or Sell Transaction in respect of which a Trading Clearing Participant and/or one or more Non Trading Clearing Participants have issued ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, to the Clearing House for clearance and settlement of the transaction under the ISS.</p>	<p>ISS Transaction</p> <p>A Buy Transaction or Sell Transaction in respect of which a Trading Clearing Participant and/or one or more Non-Trading Clearing Participants have issued ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, to the Clearing House for clearance and settlement of the transaction under the ISS.</p>
Interpretation	<p>Sell Transaction</p> <p>In relation to ISS, a transaction, being an agreement for the sale of Securities by:</p> <p>(a) a Non Trading Clearing Participant acting as a principal, or</p> <p>(b) a Client,</p>	<p>Sell Transaction</p> <p>In relation to ISS, a transaction, being an agreement for the sale of Securities by:</p> <p>(a) a Non-Trading Clearing Participant acting as a principal, or</p> <p>(b) a Client,</p>

EXISTING PROVISIONS		AMENDED PROVISIONS
	through a Trading Clearing Participant on the Exchange as a seller to a Market Contract.	through a Trading Clearing Participant on the Exchange as a seller to a Market Contract.
Rule A5.1	<p>Rule A5.1 CONDITION PRERCEDENT FOR USE OF ISS</p> <p>Use of the ISS is conditional upon the Non Trading Clearing Participant and other Clearing Participants agreeing in writing, in the prescribed form, to be bound by and observe the Rules, Operational Procedures, directives and other regulations of the Clearing House for the time being in force, any decision or directives of the Clearing House and the obligations imposed on the Non Trading Clearing Participant upon admission, the continuing obligations, including without limitation, to uphold the highest standards of competence and integrity, as the case may be.</p> <p>For avoidance of doubt, this Chapter shall apply to all ISS Transaction resulting either from Novated Contract or Direct Business Contract.</p>	<p>Rule A5.1 CONDITION PRECEDENT FOR USE OF ISS</p> <p>Use of the ISS is conditional upon the Non Trading Clearing Participant and other Clearing Participants agreeing in writing, in the prescribed form, to be bound by and observe the Rules, Operational Procedures, directives and other regulations of the Clearing House for the time being in force, any decision or directives of the Clearing House and the obligations imposed on the Non Trading Clearing Participant upon admission, the continuing obligations, including without limitation, to uphold the highest standards of competence and integrity, as the case may be.</p> <p>For avoidance of doubt, this Chapter shall apply to all ISS Transaction resulting either from Novated Contract or Direct Business Contract.</p>
Rule A5.3	<p>Rule A5.3 CLEARANCE OF BUY AND SELL TRANSACTIONS</p> <p>(a) The clearance of any ISS Transaction to be settled under the ISS shall only be effected if the transacting Trading Clearing Participant and Non Trading Clearing Participant(s), input an ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, containing the Relevant Details as specified by the Clearing House in accordance with the Operational Procedures.</p>	<p>Rule A5.3 CLEARANCE OF BUY AND SELL TRANSACTIONS</p> <p>(a) The clearance of any ISS Transaction to be settled under the ISS shall only be effected if the transacting Trading Clearing Participant and the other relevant parties to the ISS Transaction Non Trading Clearing Participant(s), input an ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, containing the Relevant Details as specified by the Clearing House in accordance with the Operational Procedures.</p>
Rule A5.3	<p>(c) An ISS Transaction shall be subject to matching in accordance with the procedures laid down by the Clearing House based on the input of the ISS Instruction</p>	<p>(c) An ISS Transaction shall be subject to matching in accordance with the procedures laid down by the Clearing House based on the input of the ISS Instruction and the corresponding ISS</p>

EXISTING PROVISIONS		AMENDED PROVISIONS
	and the corresponding ISS Confirmation and/or ISS Affirmation, as the case may be.	Confirmation and/or ISS Affirmation, as the case may be.
	(ca) At any time prior to matching of the Relevant Details, the relevant Trading Clearing Participant and/or Non Trading Clearing Participant may delete or 'revert' an ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, in the manner as prescribed in the Operational Procedures.	(ca) At any time prior to matching of the Relevant Details, the relevant Trading -Clearing Participant and/or Non-Trading Clearing-Participant may delete or 'revert' an ISS Instruction, ISS Confirmation or ISS Affirmation, as the case may be, in the manner as prescribed in the Operational Procedures.
	(cb) At any time after matching of the Relevant Details but prior to settlement of the said ISS Transaction under the ISS, the said ISS Transaction may be cancelled by the relevant Clearing Participants in the manner as prescribed in the Operational Procedures.	(cb) At any time after matching of the Relevant Details but prior to settlement of the said ISS Transaction under the ISS, the said ISS Transaction may be cancelled by the relevant Clearing Participants in the manner as prescribed in the Operational Procedures.
	(cc) Upon matching of the Relevant Details, the said ISS Transaction shall, unless rejected by the Clearing House or where the said ISS Transaction is cancelled by the relevant Clearing Participants in the manner as prescribed in the Operational Procedures, be subject to settlement under the ISS in accordance with the Rules and Operational Procedures.	(cc) Upon matching of the Relevant Details, the said ISS Transaction shall, unless rejected by the Clearing House or where the said ISS Transaction is cancelled by the relevant Clearing Participants in the manner as prescribed in the Operational Procedures, be subject to settlement under the ISS in accordance with the Rules and Operational Procedures.
Rule A5.3	(e) For the avoidance of doubt, the Clearing House shall accept responsibility for the clearance and settlement of an ISS Transaction for Novated Contracts subject to the following:	(e) For the avoidance of doubt, the Clearing House shall accept responsibility for the clearance and settlement of an ISS Transaction for Novated Contracts subject to the following:
	(i) Where the ISS Transaction results from a Sell Transaction, the Clearing House shall accept the responsibility for settlement of the ISS	(i) Where the ISS Transaction results from a Sell Transaction, the Clearing House shall accept the responsibility for settlement of the ISS Transaction, if the

EXISTING PROVISIONS		AMENDED PROVISIONS
	Transaction, if the Non Trading Clearing Participant, who is due to deliver, delivers the relevant quantity of Securities to the designated securities account on the due settlement day, as prescribed by the Clearing House. Where any partial delivery is effected, the Clearing House' responsibility for settlement shall only relate to such partial delivery of Securities made by the Non Trading Clearing Participant.	Non Trading Clearing Participant, who is due to deliver, delivers the relevant quantity of Securities to the designated securities account on the due settlement day, as prescribed by the Clearing House. Where any partial delivery is effected, the Clearing House' responsibility for settlement shall only relate to such partial delivery of Securities made by the Non Trading Clearing Participant.
(ii)	Where the ISS Transaction results from a Buy Transaction, the Clearing House shall accept responsibility for settlement of the ISS Transaction if the Securities have been delivered to the designated securities account of the Non Trading Clearing Participant, who is due to receive, on the due settlement day. Where only partial delivery is effected to the recipient Non Trading Clearing Participant, the recipient Non Trading Clearing Participant concerned shall effect money payment to the Clearing House on the due settlement day on a pro-rated basis. The Clearing House' responsibility to effect settlement, where partial delivery is effected, shall relate only to such partial delivery of Securities to the relevant Non Trading Clearing Participant.	(ii) Where the ISS Transaction results from a Buy Transaction, the Clearing House shall accept responsibility for settlement of the ISS Transaction if the Securities have been delivered to the designated securities account of the Non Trading Clearing Participant, who is due to receive, on the due settlement day. Where only partial delivery is effected to the recipient Non Trading Clearing Participant, the recipient Non Trading Clearing Participant concerned shall effect money payment to the Clearing House on the due settlement day on a pro-rated basis. The Clearing House' responsibility to effect settlement, where partial delivery is effected, shall relate only to such partial delivery of Securities to the relevant Non Trading Clearing Participant.
(iii)	The Clearing House shall not accept responsibility in any way for any failure or partial failure of a Clearing Participant to settle an ISS Transaction relating to a Buy Transaction, if such failure or a partial failure results from the failure or partial failure of a Novated Contract or the failure of the recipient Non Trading Clearing Participant to effect payment for Securities	(iii) The Clearing House shall not accept responsibility in any way for any failure or partial failure of a Clearing Participant to settle an ISS Transaction relating to a Buy Transaction, if such failure or a partial failure results from the failure or partial failure of a Novated Contract or the failure of the recipient Non Trading Clearing Participant to effect payment for Securities delivered to it on the due settlement day.

EXISTING PROVISIONS		AMENDED PROVISIONS
	delivered to it on the due settlement day.	
	(iv) [Deleted]	(iv) [Deleted]
Rule A5.3	<p>(f) For the avoidance of doubt, the clearance and settlement of an ISS Transaction which results from a Direct Business Contract shall be subject to the following:</p> <p>(i) Where the ISS Transaction results from a Sell Transaction, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8 if the Party who is due to deliver Securities, delivers the relevant quantity of the Securities to the designated securities account in the manner prescribed under the Operational Procedures on the due settlement day. Where partial delivery is effected, the Clearing House shall proceed with the settlement only in relation to the partial delivery of Securities.</p> <p>(ii) Where the ISS Transaction results from a Buy Transaction, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8 in relation to the Delivered Securities. Where only partial delivery is effected, the Party who is due to receive the Delivered Securities may effect money payment to the Clearing House on a pro-rated basis in accordance with the Operational Procedures on the due settlement day. Where full payment is made for the Delivered Securities, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8. In the event of failure to settle the full amount due for the Delivered Securities, Rule 5.8(b)(iii) shall</p>	<p>(f) For the avoidance of doubt, the clearance and settlement of an ISS Transaction which results from a Direct Business Contract shall be subject to the following:</p> <p>(i) Where the ISS Transaction results from a Sell Transaction, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8 if the PartyClearing Participant who is due to deliver Securities, delivers the relevant quantity of the Securities to the designated securities account in the manner prescribed under the Operational Procedures on the due settlement day. Where partial delivery is effected, the Clearing House shall proceed with the settlement only in relation to the partial delivery of Securities.</p> <p>(ii) Where the ISS Transaction results from a Buy Transaction, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8 in relation to the Delivered Securities. Where only partial delivery is effected, the PartyClearing Participant who is due to receive the Delivered Securities may effect money payment to the Clearing House on a pro-rated basis in accordance with the Operational Procedures on the due settlement day. Where full payment is made for the Delivered Securities, the Clearing House shall proceed with settlement of the ISS Transaction in accordance with Rule 5.8. In the event of failure to settle the full amount due for the Delivered Securities, Rule 5.8(b)(iii) shall apply.</p>

EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>apply.</p> <p>(iii) The Clearing House shall not be responsible in any way for any failure or partial failure of a Clearing Participant to settle an ISS Transaction due to the failure of the Clearing Participant to make delivery or effect the necessary payment, as the case may be.</p> <p>(iv) For the purpose of this Rule, unless the context otherwise requires, "Party" means the Trading Clearing Participant, the Non-Trading Clearing Participant or both.</p>	<p>(iii) The Clearing House shall not be responsible in any way for any failure or partial failure of a Clearing Participant to settle an ISS Transaction due to the failure of the Clearing Participant to make delivery or effect the necessary payment, as the case may be.</p> <p>(iv) For the purpose of this Rule, unless the context otherwise requires, "Party" means the Trading Clearing Participant, the Non-Trading Clearing Participant or both. [Deleted]</p>
Rule A5.7	Rule A5.7 SEQUENCE OF SETTLEMENT/DELIVERIES	Rule A5.7 SEQUENCE OF SETTLEMENT/DELIVERIES
	<p>(b) The Clearing House shall, in relation to the settlement of ISS Transactions relating to the same Non Trading Clearing Participant, give priority first to the settlement of obligations to deliver Securities (Sell Transaction) and thereafter the right to receive Securities (Buy Transaction), unless otherwise specified by the Clearing House.</p>	<p>(b) The Clearing House shall, in relation to the settlement of ISS Transactions relating to the same Non-Trading Clearing Participant, give priority first to the settlement of obligations to deliver Securities (Sell Transaction) and thereafter the right to receive Securities (Buy Transaction), unless otherwise specified by the Clearing House.</p>
	<p>(c) A Non Trading Clearing Participant, with obligation to deliver Securities (Sell Transaction) in settlement of ISS Transaction, shall be required to have the required quantity of Securities in its designated securities accounts by such day as specified in the Operational Procedures, unless otherwise specified by the Clearing House.</p>	<p>(c) A Non-Trading Clearing Participant, with obligation to deliver Securities (Sell Transaction) in settlement of ISS Transaction, shall be required to have the required quantity of Securities in its designated securities accounts by such day as specified in the Operational Procedures, unless otherwise specified by the Clearing House.</p>
	<p>(d) A Non Trading Clearing Participant shall not be permitted to rely on the receipt of Securities where it is due to receive Securities in settlement of an ISS Transaction</p>	<p>(d) A Non-Trading Clearing Participant shall not be permitted to rely on the receipt of Securities where it is due to receive Securities in settlement of an ISS Transaction (Buy Transaction) on the same</p>

EXISTING PROVISIONS		AMENDED PROVISIONS
	(Buy Transaction) on the same settlement day to effect delivery of Securities where it has an obligation to deliver Securities in settlement with respect to another ISS Transaction (Sell Transaction), unless otherwise permitted by the Clearing House.	settlement day to effect delivery of Securities where it has an obligation to deliver Securities in settlement with respect to another ISS Transaction (Sell Transaction), unless otherwise permitted by the Clearing House.
Rule A5.11	<p>Rule A5.11 LIABILITY FOR MARKET CONTRACTS</p> <p>(a) Without prejudice to any rights and liabilities that the Clearing Participant may have against each other, a Non Trading Clearing Participant shall be under no liability for any failure of a Trading Clearing Participant to settle a Novated Contract that results from a Buy Transaction or Sell Transaction, as the case may be.</p>	<p>Rule A5.11 LIABILITY FOR MARKET CONTRACTS</p> <p>(a) Without prejudice to any rights and liabilities that the Clearing Participant may have against each other, a Non-Trading Clearing Participant <u>who is a party to the ISS Transaction but not a party to the Novated Contract</u> shall be under no liability for any failure of a Trading Clearing Participant to settle a Novated Contract that results from a Buy Transaction or Sell Transaction, as the case may be.</p>

[End of Rule Amendments]