

BURSA MALAYSIA SECURITIES CLEARING SDN BHD

Date : 8 November 2006

No : G 36/2006

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD IN RELATION TO INVESTMENT BANKS

Kindly be advised that pursuant to section 9A of the Securities Industry Act 1983, the Rules of Bursa Malaysia Securities Clearing Sdn Bhd ("Bursa Clearing (S)") have been amended as set out in "**ANNEXURE 1**" appended herewith. The said amendments to the Rules of Bursa Clearing (S) in relation to Investment Banks ("the said Amendments") are consequential to the Guidelines on Investment Banks which were issued jointly by the Securities Commission and Bank Negara Malaysia on 1 July 2005.

In accordance with Rule 1.2 of the Rules of Bursa Clearing (S), all clearing participants shall give effect to the said Amendments which take effect from the date hereof.

Please be informed that the said Amendments are available on Bursa Malaysia's website at : <http://www.bursamalaysia.com>.

For further information or inquiries on the said Amendments, kindly contact the following persons at telephone no. 03-2034 7000 :-

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AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD IN RELATION TO INVESTMENT BANKS

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule		Rule	
Relevant Rules	All Rules that contain the term “membership”.	Relevant Rules	The term “membership” wherever it appears in these Rules shall be replaced with the term “ participantship ”.
Interpretation	New provision	Interpretation	<p>“Central Bank”</p> <p>means the Central Bank of Malaysia established under section 3 of the Central Bank of Malaysia Act 1958.</p>
Interpretation	New provision	Interpretation	<p>“Guidelines on Investment Banks”</p> <p>means the Guidelines on Investment Banks issued jointly by the Central Bank and the Commission, including subsequent amendments, modifications, variations, supplements or substitutes thereto and any directives or guidelines as may be issued thereunder.</p>
Interpretation	New provision	Interpretation	<p>“Investment Bank”</p> <p>means an Investment Bank as referred to in the Guidelines on Investment Banks.</p>
Interpretation	New provision	Interpretation	<p>“Investment Bank Capital Adequacy Framework”</p> <p>means the Investment Bank Capital Adequacy Framework referred to in the Guidelines on Investment Banks.</p>

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule		Rule	
2.1	<p>ADMISSION OF CLEARING PARTICIPANT</p> <p>(a) – (c) (No change)</p> <p>New provision</p>	2.1	<p>ADMISSION OF CLEARING PARTICIPANT</p> <p>(a) – (c) (No change)</p> <p>(d) The Clearing House may, in approving an application, impose on the applicant, such additional requirements or conditions as it considers necessary.</p>
A2.3	<p>OUTSOURCING OF BACK OFFICE FUNCTIONS</p> <p>(a) – (d) (No change)</p> <p>New provision</p>	A2.3	<p>OUTSOURCING OF BACK OFFICE FUNCTIONS</p> <p>(a) – (d) (No change)</p> <p>(e) This Rule shall not apply to a Trading Clearing Participant which is an Investment Bank. A Trading Clearing Participant which is an Investment Bank shall comply with the Guidelines on Investment Banks and such other requirements of the Central Bank relating to the outsourcing of back-office functions, if any, insofar as the same are applicable to an Investment Bank (“the Relevant Guidelines and Requirements”). The Relevant Guidelines and Requirements shall be regarded as part of these Rules and consequently any breach by a Trading Clearing Participant which is an Investment Bank of the Relevant Guidelines and Requirements shall be deemed to be a breach of these Rules.</p>
	New provision	A2.4	<p>INVESTMENT BANK</p> <p>In relation to a Trading Clearing Participant that has acquired the status of an Investment Bank after its admission as a Trading Clearing Participant under Chapter 2 of these Rules, the said Trading Clearing</p>

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule		Rule	
			Participant shall notify the Clearing House in writing of the same at least seven (7) days (or such other time as may be determined by the Clearing House) prior to the commencement of its business as an Investment Bank, which notification shall be accompanied with such information or documents as may be required by the Clearing House.