

Bursa Malaysia Derivatives Berhad

Date : 29 June 2009

Trading Participant Circular : 26/2009

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BHD
("RULES OF BURSA DERIVATIVES") PERTAINING TO THE CHANGE IN THE
NAME OF KUALA LUMPUR COMPOSITE INDEX ("KLCI") TO FTSE BURSA
MALAYSIA KUALA LUMPUR COMPOSITE INDEX ("FBM KLCI")**

Kindly be informed that pursuant to the change in the name of KLCI to FBM KLCI with effect from 6 July 2009, the Rules of Bursa Derivatives have been amended as contained in Annexure 1 and Annexure 2 attached here ("the said Amendments").

The said Amendments are effective from 6 July 2009.

This circular must be read together with Trading Participant Circular No. 3 of 2009.

Please direct any queries you may have in relation to the Rules of Bursa Derivatives to the following persons:

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Please be informed that this circular is available on Bursa Malaysia's website at:
http://www.klse.com.my/website/bm/regulation/rules/bursa_rules/bm_derivatives.html

REGULATORY POLICY & ADVISORY



**RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
RULE AMENDMENTS IN RELATION TO FKLI AND OKLI CONTRACTS**

The following sets out the rule amendments in relation to FKLI and OKLI Contracts.

1.0 RULE 907

1.1 Rule 907 be amended as follows.

Rule 907 Final Settlement Value

On the Final Settlement Day for a Stock Index Futures Contract, all Open Positions for that Contract are marked to the final settlement value, which is announced by the Exchange.

The final settlement value as declared by the Exchange for each Final Settlement Day is calculated based on the methodology set by the Exchange and shall ~~(safe for manifest error)~~ be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.

2.0 RULE 1008.1

Rule 1008.1

2.1 Rule 1008.1 be amended as follows.

Rule 1008.1 Final Settlement Value

After the close of trading on the Final Trading Day for a Stock Index Option Contract, the final settlement value shall be announced by the Exchange.

The final settlement value as declared by the Exchange for each Expiration Date is calculated based on the methodology set by the Exchange and shall ~~(save for manifest error)~~ be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.



3.0 SCHEDULE 6

Schedule 6

3.1 Schedule 6 be amended by inserting the following.

UNDERLYING STOCK INDEX	Kuala Lumpur Composite Index <u>FTSE Bursa Malaysia Kuala Lumpur Composite Index</u>
CONTRACT UNIT	Kuala Lumpur Composite Index <u>FTSE Bursa Malaysia Kuala Lumpur Composite Index</u> multiplied by RM50.00.

3.2 Schedule 6 be amended by inserting the following.

<u>FINAL SETTLEMENT VALUE</u>	<u>As declared by the Exchange</u>
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3.3 Schedule 6 be amended by including the following clause at the end of the Contract specification therein:

ATTRIBUTION/DISCLAIMER	<p><u>FTSE Bursa Malaysia Kuala Lumpur Composite Index ('FBM KLCI') is calculated by FTSE International Limited ("FTSE").</u></p> <p><u>All intellectual property rights in the FBM KLCI vests in FTSE and Bursa Malaysia Berhad ("BURSA MALAYSIA"). "FTSE®", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc (the "LSE") and The Financial Times Limited ("FT") and are used by FTSE under licence. "BURSA MALAYSIA", "Kuala Lumpur Composite Index" and "KLCI" are trade marks of BURSA MALAYSIA.</u></p> <p><u>FTSE nor BURSA MALAYSIA nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FBM KLCI and/or the figure at which the FBM KLCI stands at any particular time on any particular day or otherwise.</u></p> <p><u>Neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the FBM KLCI and neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be under any obligation to advise any person of any error therein.</u></p>
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4.0 SCHEDULE 7

Schedule 7

4.1 Schedule 7 be amended by inserting the following.

UNDERLYING STOCK INDEX

~~KUALA LUMPUR COMPOSITE INDEX~~ FTSE Bursa Malaysia Kuala Lumpur Composite Index

CONTRACT UNIT

~~Kuala Lumpur Composite Index~~ FTSE Bursa Malaysia Kuala Lumpur Composite Index
multiplied by RM100.00

4.2 Schedule 7 be amended as follows.

FINAL SETTLEMENT VALUE

As declared by the Exchange

4.3 Schedule 7 be amended by including the following clause at the end of the Contract specification therein:

ATTRIBUTION/DISCLAIMER

FTSE Bursa Malaysia Kuala Lumpur Composite Index ('FBM KLCI') is calculated by FTSE International Limited ('FTSE').

All intellectual property rights in the FBM KLCI vests in FTSE and Bursa Malaysia Berhad ("BURSA MALAYSIA"). "FTSE®", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc (the "LSE") and The Financial Times Limited ("FT") and are used by FTSE under licence. "BURSA MALAYSIA", "Kuala Lumpur Composite Index" and "KLCI" are trade marks of BURSA MALAYSIA.

FTSE nor BURSA MALAYSIA nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FBM KLCI and/or the figure at which the FBM KLCI stands at any particular time on any particular day or otherwise.

Neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the FBM KLCI and neither FTSE nor BURSA MALAYSIA nor LSE nor FT shall be under any obligation to advise any person of any error therein.

**RULE AMENDMENTS
in relation to futures contracts other than FKLI and OKLI Contracts**



**RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
RULE AMENDMENTS IN RELATION TO FUTURES CONTRACTS OTHER THAN FKLI AND OKLI**

The following sets out the rule amendments in relation to all futures contracts other than those set out for FKLI and OKLI contracts in **Annexure 1**.

1.0 RULE 808.3

1.1 Rule 808.3 be amended as follows.

Rule 808.3

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a Final Closing Price, the Exchange may take such steps (if any) as it deems necessary in the circumstances to correct such situation so as to enable it to declare a Final Closing Price and may give directions to Participants accordingly. Any decisions taken by the Exchange in this regard shall be final and binding. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the Final Closing Price based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the Final Closing Price.~~ Any decisions taken by the Exchange in this regard shall be final and binding.

2.0 RULE 1106

2.1 Rule 1106 be amended as follows.

Rule 1106

On the Final Trading Day for a Single Stock Futures Contract, all Open Positions for that Contract are marked to the final settlement value, which is announced by the Exchange.

The final settlement value shall be the Weighted Average Price of the underlying stocks prices traded for all trading sessions on the Underlying Market on the Final Trading Day, rounded to two decimal points or in the event the final settlement value is equidistant between two minimum price fluctuations, the value shall be rounded to the higher minimum price fluctuation.

If the underlying stocks, the subject of the Single Stock Futures Contract are suspended or not permitted in the Underlying Market to trade, and if no reference price is available on the Final Trading Day, the Exchange, in its absolute discretion, shall determine/fix the final settlement value for such contract.

The Exchange can determine the final settlement value of the stock by calculating:

- (1) The weighted average price of the stock concerned traded for the morning session (or part of), when the stock is suspended/not permitted to trade in the afternoon session;
- (2) The weighted average price of the stock concerned traded for the afternoon session (or part of), when the stock is suspended/not permitted to trade in the morning session; or

RULE AMENDMENTS
in relation to futures contracts other than FKLI and OKLI Contracts



- (3) Where (1) and (2) above are inapplicable, and if the stock concerned is suspended or not permitted to trade on the Final Trading Day, the weighted average price of the stock's previous trading day (or session or part of).

The final settlement value as declared by the Exchange on the Final Trading Day is calculated based on the methodology set by the Exchange and shall ~~(safe for manifest error)~~ be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule, or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.

3.0 RULE 1206

- 3.1 Rule 1206 be amended as follows.

Rule 1206

On the Final Settlement Day for the Three-Month KLIBOR Futures Contract, all Open Positions for the Contract are marked to the final settlement value which is announced by the Exchange.

The final settlement value as declared by the Exchange for each Final Settlement Day is calculated based on the methodology set by the Exchange and shall be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule, or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.

4.0 RULE 1404

- 4.1 Rule 1404 be amended as follows.

Rule 1404

On the Final Trading Day for the 5-Year MGS Futures Contract, all Open Positions for the Contract are marked to the final settlement value which is announced by the Exchange.

RULE AMENDMENTS
in relation to futures contracts other than FKLI and OKLI Contracts



The final settlement value as declared by the Exchange for each Final Settlement Day is calculated based on the methodology set by the Exchange and shall be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule, or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.

5.0 RULE 1504

5.1 Rule 1504 be amended as follows.

Rule 1504

On the Final Trading Day for the 3-Year MGS Futures Contract, all Open Positions for the Contract are marked to the final settlement value which is announced by the Exchange.

The final settlement value as declared by the Exchange for each Final Settlement Day is calculated based on the methodology set by the Exchange and shall be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule, or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.

6.0 RULE 1604

6.1 Rule 1604 be amended as follows.

Rule 1604

On the Final Trading Day for the 10-Year MGS Futures Contract, all Open Positions for the Contract are marked to the final settlement value which is announced by the Exchange.

RULE AMENDMENTS
in relation to futures contracts other than FKLI and OKLI Contracts



The final settlement value as declared by the Exchange for each Final Settlement Day is calculated based on the methodology set by the Exchange and shall be accepted as final and binding.

~~If in the opinion of the Exchange, a situation is developing or has developed which is capable of preventing the Exchange from declaring a final settlement value in accordance with this Rule, or it is in the interest of the Market to do so, the Exchange may take such steps (if any) as it considers necessary or desirable in the circumstances to correct the situation so as to enable it to declare a final settlement value for cash settlement purposes and may give directions to Participants accordingly. If an event has occurred or will likely to occur that will affect the ability of the Exchange to compute the final settlement value based on the methodology set by the Exchange, the Exchange may use any other methodology it deems fit to compute and declare the final settlement value.~~ Any decision taken by the Exchange in this regard shall be final and binding.