

FREQUENTLY ASKED QUESTIONS (“FAQs”) ON THE REVAMP OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD
[Effective: 15 August 2019]

1. Who are the persons that a Trading Participant (“TP”) must register with Bursa Malaysia Derivatives Berhad (“BMD”)?

A new TP must register the following persons with BMD:

- (a) a Head of Dealing;
- (b) at least 1 Compliance Officer; and
- (c) all its Registered Representatives.

Existing TPs are required to ensure that a Head of Dealing is registered with BMD by 15 August 2019.

2. For a TP which is also a Clearing Participant of Bursa Malaysia Derivatives Clearing (“BMDC”), must there be separate submissions of the reports on early warning requirements for Adjusted Net Capital required under the Rules and Directives of BMD as well as the Rules and Directives of BMDC respectively?

No, in this case a TP can make a single submission of the relevant reports on early warning requirements for Adjusted Net Capital covering both trading and clearing activities by addressing the same report to both BMD and BMDC.

3. Rule 3.08(2) of the Rules of BMD provides that the acceptance of the resignation by a Participant is at the discretion of BMD. What would be the possible grounds for refusal to accept the resignation?

BMD may exercise its discretion to not accept the resignation of a Participant based on, amongst others, the following circumstances:

- (a) where investigation and enforcement proceedings have been commenced against the Participant;
- (b) where there has been non-compliance with the BMD rules, or the operational/procedures manual;
- (c) if the Participant still has open positions¹;
- (d) if there are outstanding obligations due from the Participant to BMD, BMDC or the Participants’ clients;
- (e) if the Participant fails to adhere to the conditions imposed by BMD or BMDC to ensure an orderly exit by the Participant, including the transfer of the TP’s clients and their accounts to another designated TP; and
- (f) as directed by the Securities Commission Malaysia or any other regulatory authorities.

In such circumstances, BMD will determine the effective date of resignation of a Participant, taking into consideration the time needed by the Participant to resolve the above circumstances.

[End of FAQs]

¹ “open position” means the position of a party under a contract whose rights or obligations have not expired or been discharged or where the rights and/or obligations under that contract are yet to be fulfilled.