

**FREQUENTLY ASKED QUESTIONS IN RELATION TO THE REQUIREMENTS ON  
ACCOUNT OPENING AND CLIENT ONBOARDING**

(1) Issue : Knowledge about client

Relevant Rule : Rule 4.12(1)(a) and Paragraph 5 of Directive 4-001

Question : Any guideline(s) or benchmarks(s) from the Exchange on how this Rule be implemented?

Answer : Trading Participants should start with the account opening forms where adequate questionnaires be provided for new clients to fill up. For existing clients, the same questionnaires should be filled up by clients as to the requirements of the said Rule. Thereon Trading Participant's Registered Representative should categorize their clients as to their creditworthiness, background, investment objectives and knowledge in investment management. This will assist the Trading Participant's Registered Representative to know which clients need detailed guidance and which clients can be left to their own complete judgment.

Trading Participants may also obtain essential information about a client through the usage of reliable electronic know-your-client database services.

(2) Issue : Account opening through electronic means.

Relevant Rule : Rule 4.12(1)(b)

Question : Can a Trading Participant allow a Client to submit an application form to open a trading account through electronic means?

Answer : A Trading Participant may allow the submission of an account opening application through an online or paperless account opening submission, which may include the use of digital signature or electronic signature complying with the relevant laws such as Digital Signature Act 1997 and Electronic Commerce Act 2006.

(3) Issue: New Technology to on-board client

Relevant Rule : Para 6.1(4)(f) of Directive 4-001

Question : What are the standards that Trading Participants need to adhere to in using new technology, such as biometric technology, to on-board a client?

Answer : Trading Participants that rely on new technology solutions to perform a non face-to-face verification method should ensure that these solutions must be able to effectively identify and verify the identity of the client. For example, the solution should be able to, amongst others:

<b>FREQUENTLY ASKED QUESTIONS ON THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD</b>	
---	--

- a) perform facial recognition and match against the photo on the client's identification document;
- b) detect any manipulation or alteration made to a video or photo, if any; or
- c) verify the biometric or information of the client against a government database.

[End of Frequently Asked Questions]