

BURSA MALAYSIA DERIVATIVES BERHAD

Date: 22 September 2021

Trading Participant Circular: 14/2021

AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BHD (“BMD RULES” AND “BMD DIRECTIVES”) IN RELATION TO THE INTRODUCTION OF THE EAST MALAYSIA CRUDE PALM OIL FUTURES (“FEPO”) CONTRACT

1. INTRODUCTION

- 1.1 Bursa Malaysia Derivatives Berhad (the “**Exchange**”) is introducing the FEPO Contract as the Exchange recognises the importance of the East Malaysian (“**EM**”) Crude Palm Oil (“**CPO**”) market that has grown continuously and significantly over the years. With the introduction of the FEPO Contract, the Exchange believes that it can further strengthen the Exchange’s palm complex and boost the overall CPO market in Malaysia.
- 1.2 The amendments have been approved by the Securities Commission Malaysia and are further detailed in paragraphs 2 and 3 below.

2. AMENDMENTS TO THE BMD RULES

- 2.1 The salient amendments made to the BMD Rules are the introduction of the contract specifications of the FEPO Contract in item 1.05 of Schedule 1 of the BMD Rules, which are essentially the same as the contract specifications for the Crude Palm Oil Futures (“**FCPO**”) Contract, except for the following differences:
- (a) trading hours for the FEPO Contract starts at 0900 hours (Malaysia time), compared to the trading hours for the FCPO Contract that starts at 1030 hours (Malaysia time); and
 - (b) there are 3 new designated delivery points, namely Lahad Datu, Sandakan and Bintulu, with no delivery points in Peninsular Malaysia.

- 2.2 The detailed amendments to the BMD Rules are as set out in **Annexure 1**.

3. AMENDMENTS TO THE BMD DIRECTIVES

- 3.1 The salient amendments made to the BMD Directives are as follows:
- (a) amending the Directive on Applications to the Exchange Pursuant to Chapter 3 of the Rules (No. 3-001), to insert the applicable trading fees and facility charges for the FEPO Contract, which is aligned with those for the FCPO Contract; and
 - (b) amending the Directive on Position Limits and Exercise Limits (No. 6.44-001), to insert the position limits for the FEPO Contract, which are half of the existing position limits for the FCPO contract, as follows:
 - (i) 800 contracts for the spot month;
 - (ii) 10,000 contracts for any one contract month except for spot month; and
 - (iii) 15,000 contracts for all contract months combined.

- 3.2 The detailed amendments to the BMD Directives are as set out in **Annexure 2**.

4. AMENDMENTS TO THE TRADING PARTICIPANTS' TRADING MANUAL ("TRADING MANUAL")

4.1 The Trading Manual has also been amended to reflect the trading procedures in relation to the introduction of the FEPO Contract.

4.2 The updated version of the Trading Manual is attached as **Annexure 3**.

5. EFFECTIVE DATE

The amendments to the BMD Rules and BMD Directives will take effect from **4 October 2021**.

6. CONTACT PERSON

In the event of any queries in relation to the above matter, kindly contact us at the following:

	Contact Details
Ryan Long Hian Yee (Contract Specifications)	ryanlong@bursamalaysia.com 03-20347506
Regulatory Policy & Advisory (Rule Amendments and Directives)	rpa@bursamalaysia.com
Edmund Koh Yee Loong	KohYeeLoong@bursamalaysia.com 03-20911662
Yeong Yee Vei (Trading Manual)	YeeVei@bursamalaysia.com 03-20347293

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