

## BURSA MALAYSIA DERIVATIVES BERHAD

Date: 29 November 2022

Trading Participant Circular: 23/2022

### AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA DERIVATIVES BERHAD (“BMD RULES AND DIRECTIVES”) IN RELATION TO THE INTRODUCTION OF FTSE4GOOD BURSA MALAYSIA INDEX FUTURES CONTRACT (“F4GM”)

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#### 1. INTRODUCTION

- 1.1 The F4GM, which is based on the FTSE4Good Bursa Malaysia Index (“**F4GBM**”), is a futures contract designed to cater to a range of investment mandates including a mandate to invest towards companies with clearly defined social considerations. As Malaysia’s first Environmental, Social and Governance (“**ESG**”) equity index futures, the F4GM is intended to enhance the price discovery of ESG assets as well as to provide another investment option for portfolio management and diversification. In addition, investors may use the contract to hedge their positions in the underlying stocks of the index.
- 1.2 The amendments have been approved by the Securities Commission Malaysia and are further detailed in paragraph 2 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 F4GM in item 2.05 of Schedule 2 of the BMD Rules, which are essentially the same as the FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures’ (FKLI) contract specifications, save that the underlying instrument is F4GBM.
- 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 to include the position limit for F4GM, which is aligned with the position limit for the FKLI contract.
- 3.2 The detailed amendments to the BMD Rules 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 amendment to reflect the trading procedures in relation to the introduction of F4GM.
- 4.2 The updated version of the Trading Manual is attached as **Annexure 3**.

#### 5. EFFECTIVE DATE

The amendments to the BMD Rules and Directives will take effect from **12 December 2022**.

**6. CONTACT PERSON**

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

	Contact Details
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Regulatory Policy & Advisory (Rule Amendments)	<a href="mailto:rpa@bursamalaysia.com">rpa@bursamalaysia.com</a>
Securities, Derivatives & Bond Trading Operations (Trading Manual)	<a href="mailto:bmdcustomersupport@bursamalaysia.com">bmdcustomersupport@bursamalaysia.com</a>

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