

**PARTICIPATING ORGANISATIONS' CIRCULAR**
**Date: 7 June 2023**
**No: R/R 3 of 2023**
**AMENDMENTS TO THE DIRECTIVES ON REGULATED SHORT SELLING - APPROVED SECURITIES ("DIRECTIVE NO. 8.22(5)-001") IN RELATION TO EXPANSION OF THE APPROVED SECURITIES CRITERIA**
**1. AMENDMENTS TO DIRECTIVE**

- 1.1 As part of Bursa Malaysia Securities Berhad's ("**BMS**" or "**the Exchange**") on-going initiatives to spur liquidity and vibrancy in the capital market, and to better facilitate investors in executing their trading strategies, the Exchange has amended Directive No. 8.22(5)-001 to expand the criteria for Approved Securities<sup>1</sup>.
- 1.2 The key amendments made to the criteria set out in Directive No. 8.22(5)-001 are as follows:
- (a) revising the daily market capitalisation criterion of an Approved Securities for the preceding 3 months from RM 500 million to RM 200 million ("**Market Capitalisation Criterion**"); and
  - (b) declaring all listed Exchange Traded Funds ("**ETFs**") as Approved Securities, with the exception of Inverse ETF ("**ETF as Approved Securities**").
- 1.3 The amendments to Directive No. 8.22(5)-001 have been approved by the Securities Commission Malaysia and are as set out in **Annexure 1**.

**2. FREQUENTLY ASKED QUESTIONS ("FAQs")**

The Exchange has also updated the current FAQs on short selling to facilitate an investor's better understanding of the updated short selling frameworks and the amendments to Directive No. 8.22(5)-001. The FAQs can be accessed at the following link:

[https://www.bursamalaysia.com/regulation/faqs\\_relating\\_to\\_bursa\\_malaysia\\_rules](https://www.bursamalaysia.com/regulation/faqs_relating_to_bursa_malaysia_rules)

**3. EFFECTIVE DATE**

- 3.1 The amendments to Directive No. 8.22(5)-001 will be implemented in stages as follows:

<b>No.</b>	<b>Relevant amendments</b>	<b>Effective date</b>
(a)	Market Capitalisation Criterion <i>[Paragraph 1.1(1) of Directive 8.22(5)-001]</i>	12 June 2023
(b)	ETF as Approved Securities <i>[Paragraph 1.2 of Directive 8.22(5)-001]</i>	Will be announced by the Exchange in due course.

<sup>1</sup> These are securities that meet the prescribed criteria and are declared by the Exchange as Approved Securities for the purposes of short selling pursuant to Rule 8.22(5) of the BMS Rules.

- 3.2 Following the implementation of the amendments set out in paragraph 3.1(a) above, the Exchange will issue the list of the updated Approved Securities in July 2023.

#### 4. CONTACT PERSONS

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

	Contact Details
Origination & Listing	<a href="mailto:pmd@bursamalaysia.com">pmd@bursamalaysia.com</a>
Regulatory Policy & Advisory (Rule Amendments)	<a href="mailto:rpa@bursamalaysia.com">rpa@bursamalaysia.com</a>

**This Circular is available at:**

[https://www.bursamalaysia.com/regulation/securities/rules\\_of\\_bursa\\_malaysia\\_securities](https://www.bursamalaysia.com/regulation/securities/rules_of_bursa_malaysia_securities)

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