

CHAPTER 2 ADMINISTRATION

RULE 201 POWERS OF BMIS

RULE 201.1 GENERAL POWERS

- (1) BMIS may exercise the following powers in operating and administering the Market:
 - (a) amend, suspend, vary, waive, add or repeal any of these Rules;
 - (b) require Participants to provide reports, information or documents to BMIS;
 - (c) granting, suspending, varying or revoking the rights of any Participants;
 - (d) restricting or terminating access to the BSAS System,
 - (e) suspending or halting trading in the Market;
 - (f) imposing terms and conditions in relation to any decision, approval or act done by BMIS in connection with these Rules and subsequently at any time revoking, waiving, varying or amending such terms and conditions
 - (g) appointing a committee, subcommittee, officers of BMIS or an agent to exercise BMIS' rights or powers under these Rules, where appropriate;
 - (h) determining all operational matters of the Market including the days, hours, manner of trading and the reference price in the Market;
 - (i) undertaking any further, ancillary or consequential action pursuant to an initial decision or action taken by BMIS in relation to a Participant;
 - (j) exercising any power and taking any action (including preventive or pre-emptive action) which in BMIS' opinion is necessary for the existence or maintenance of an orderly and fair Market; and
 - (k) according or granting privileges or prerogatives to classes of Participants at the absolute discretion of BMIS, which are not accorded or granted to all Participants.
 - (l) release information in BMIS' possession concerning a Participant and all activities of the Participant on the BSAS System to persons authorised in law to request for such information;
 - (m) Impose, vary or waive any fees or charges payable and subject to such terms and conditions as specified by BMIS;
 - (n) exercise all such powers for the purpose of operating and administering the BSAS System;
 - (o) issue guidelines, directives, notices, circulars and operational procedures from time to time;
 - (p) publish all trading information derived from the BSAS System;
 - (q) interpret conclusively any provision of these Rules in the event of a dispute over such Rules; and
 - (r) exercise all such other powers as may be necessary for purposes of ensuring compliance with and enforcement of these Rules.

RULE 201.2 SHARIAH AUDIT

- (1) BMIS may conduct Shariah Audit for the purposes set out under Rule 201.2(2) and Rule 201.2(3) on any transaction involving a CTP, CEP or CSP under these Rules.
- (2) The purpose of the Shariah Audit on CSP is, among others, to ascertain that the Approved Commodity is:
 - (a) a Shariah-compliant asset (as determined in accordance with Shariah Principles);
 - (b) an Unencumbered Approved Commodity; and
 - (c) deliverable at all times during the validity period of the e-Certificate.
- (3) The purpose of the Shariah Audit on CTP or CEP are, among others, to ascertain as follows:
 - (a) that the Islamic business activities of the CTP or CEP are in compliance with Shariah Principles;
 - (b) that the transactions executed on BSAS System are for the purpose of Shariah-compliant activities; and
 - (c) that the CTP or CEP are in compliance with laws and regulatory requirements.
- (4) Notwithstanding Rule 201.2(2) and Rule 201.2(3), the Shariah Audit conducted by BMIS may include other areas to ensure compliance with Shariah Principles.
- (5) BMIS may appoint any other party to conduct the Shariah Audit.
- (6) Where a CTP wishes to conduct Shariah Audit on a CSP, such Shariah Audit may only be conducted at most once in a financial year of BMIS on any of its transactions with a CSP and both the CTP and CSP must comply with the procedures as may be specified by BMIS in respect of the Shariah Audit.
- (7) A CSP must, for the purposes of the Shariah Audit, allow the following parties access to the relevant premises, databases and documents and provide the assistance necessary to these parties:
 - (a) BMIS;
 - (b) a CTP; and
 - (c) any other party appointed by BMIS or the CTP to perform the Shariah Audit.

RULE 201.3 APPOINTMENT OF COMMITTEES AND DELEGATION

- (1) BMIS may appoint committees, sub-committees or officers of BMIS or of Bursa Malaysia to discharge any of BMIS' or Bursa Malaysia's functions or to exercise any of BMIS' or Bursa Malaysia's powers under these Rules.
- (2) BMIS may delegate to any of the persons referred to in Rule 201.3(1) or to any other person, any function, including but not limited to the admission of Participants.

RULE 202 BURSA MALAYSIA AS HOLDING COMPANY

RULE 202.1 POWERS OF BURSA MALAYSIA AS HOLDING COMPANY

- (1) Where these Rules confer a right or power on BMIS to do an act or thing, such provision is also taken to confer the right or power on Bursa Malaysia to do such act or thing on behalf of BMIS.
- (2) A Participant to whom these Rules are directed must comply with and give effect to any action or direction of Bursa Malaysia pursuant to Rule 202.1(1).

RULE 203 PROHIBITION OR UNENFORCEABILITY

RULE 203.1 PROHIBITION OR UNENFORCEABILITY OF PROVISION

- (1) Any provision of these Rules which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. However, such unenforceability will not invalidate the remaining provisions of these Rules nor affect the validity or enforceability of that provision in any other jurisdiction.

RULE 204 LIABILITY

RULE 204.1 LIABILITY OF BMIS AND BURSA MALAYSIA

- (1) Without prejudice to any immunity or defence available to the following persons by statute or in law, none of such persons are liable to any Participant or any other person in respect of any act or omission done in good faith in connection with the discharge, exercise or performance of any duty, power or function under these Rules or any other applicable law:
 - (a) BMIS or Bursa Malaysia;
 - (b) any member of the board of BMIS or Bursa Malaysia or any member of any committee of BMIS or Bursa Malaysia;
 - (c) any officer of BMIS or Bursa Malaysia; or
 - (d) any agent of, or any person acting under the direction of, BMIS or Bursa Malaysia.
- (2) A Participant must indemnify any or all of such persons referred to in Rule 204.1(1)(a)-(d), for the full costs (including legal fees on a solicitors and client basis), expenses, losses, claims, damages or liability incurred by them as a result of any legal proceedings brought by or against them in relation to a violation of any laws or these Rules by such Participant.
- (3) BMIS and Bursa Malaysia are not liable for any losses incurred as a result of or in connection with a Participant's access to or use of, or inability to use or access the BSAS System, Market, or both as the case may be or otherwise in connection with:
 - (a) the Participant's use of or reliance on the BSAS System, the Market, or both as the case may be, including any technical problems, interruptions, blackouts, delay, glitches or malfunctions, interceptions in data transmission or the full or partial unavailability of the BSAS System;
 - (b) the timeliness, quality, correctness, accuracy, reliability, fitness or completeness of the information contained on the Market;
 - (c) any Force Majeure Event affecting the Market;
 - (d) the conduct of another Participant on the BSAS System, Market, or both as the case may be;
 - (e) any damage to or viruses which may infect the Participant's equipment or other property of the Participant or any other unauthorised access or use;
- (4) BMIS is not liable to any Participant for any indirect or consequential losses however caused.
- (5) The Market and the Approved Commodities that are traded on the Market, are provided on an "as is" basis at the Participant's sole risk. BMIS does not provide any representations or warranties, whether express or implied, with respect to these Rules, the operational procedures, any data, documentation or materials provided or the adequacy or performance of the Market, and BMIS disclaims to the extent permitted by law any warranties of merchantability, non-infringement or fitness for a particular purpose, or any implied warranties arising from any course of dealing, usage or trade practice.
- (6) Participants should obtain independent financial, taxation, legal and such other relevant advice before entering into any transaction on the Market.

RULE 205 EMERGENCY

RULE 205.1 ACTIONS IN EMERGENCY SITUATIONS

- (1) BMIS, immediately upon the occurrence of any of the emergency situations stipulated in Rule 205.1(2), may take any one or more of the following actions, without notice and with immediate effect:
 - (a) suspend or restrict any facilities available on the BSAS System;
 - (b) modify the Market Days or operating hours of the BSAS System; or
 - (c) any other action as BMIS deems fit.
- (2) An emergency situation with regard to the BSAS System is as follows:
 - (a) fire, power failure, natural disaster or any other event which is disruptive in nature;
 - (b) error, malfunction or breakdown in relation to the operations of the Market or of a substantial number of Participants;
 - (c) state of war or threatened hostilities;
 - (d) the breakdown or failure of any significant market infrastructure; or
 - (e) any other situation,

which is likely to have an adverse effect upon the operations of the Market or of a substantial number of Participants.
- (3) Rules 207.2 and 207.3 shall not apply to this Rule 205.

RULE 206 FEES, CHARGES ETC.

RULE 206.1 FEES PAYABLE BY APPLICANTS AND PARTICIPANTS

- (1) The fees and charges payable by an Applicant or a Participant for activities undertaken on the Market and via the BSAS System are as prescribed by BMIS.
- (2) An Applicant must promptly pay such fees as may be imposed by BMIS in relation to the admission of the Applicant as a Participant.
- (3) A Participant must promptly pay the trading fees, charges and any other fee imposed by BMIS in the manner specified by BMIS.
- (4) Unless expressly stated otherwise, any fees or charges payable in accordance with these Rules are exclusive of taxes and duties. A Participant is liable for all taxes and duties including stamp duty which may arise in respect of any transaction on the Market or any services provided by BMIS under these Rules. If any such taxes or duties are payable, BMIS may collect it from the Participant.
- (5) All payments made to BMIS are non-refundable, unless otherwise permitted by BMIS. Where refund of the fees, charges, costs, expenses, deposits or any amount paid is not allowed under these Rules, no refund of the tax amount paid on such amount will be allowed.
- (6) Where any payment due to BMIS is not made on the date when the payment falls due and payable, the Participant or Applicant (as the case may be) is liable to pay charges in the amount as may be specified by BMIS.
- (7) Any fees or charges payable by an Applicant or a Participant in accordance with these Rules must be paid in full, without any deduction or withholding.

RULE 207 DISCIPLINARY RULES

RULE 207.1 ACTIONS FOR BREACH

- (1) Where a Participant commits any breach of these Rules, BMIS may take any one or more of the following actions against the Participant:
 - (a) direct any action to be taken to remedy the breach;
 - (b) caution;
 - (c) private reprimand;
 - (d) impose restrictions on any activities of the Participants;
 - (e) impose restrictions on, suspend or terminate access to the BSAS System;
 - (f) direct payment of reasonable costs to BMIS;
 - (g) suspend or terminate participation; or
 - (h) any other action as BMIS considers appropriate.

RULE 207.2 NOTIFICATION

- (1) Prior to taking any action under Rule 207.1, BMIS will notify the Participant in writing of the breach alleged and provide the Participant with the opportunity to provide BMIS with a written explanation within the time frame as stated in the notice.
- (2) After consideration of the explanation given, where BMIS finds that a breach has been committed by the Participant, BMIS will notify the Participant in writing of the action to be taken against the Participant.
- (3) Any non-compliance by the Participant with the action taken under Rule 207.1 and with any terms imposed in the notice of decision will be treated as a breach of these Rules and further action may be taken against that Participant without any prior notice to the Participant.
- (4) If BMIS directs payment of reasonable costs to BMIS in accordance with this Rule 207, the Participant will remain liable to pay such costs or any portion remaining unpaid will constitute a debt owing to BMIS which will not be discharged until full payment is made.

RULE 207.3 RIGHT OF APPEAL

- (1) A Participant may appeal against any action taken by BMIS against the Participant for the Participant's breach of these Rules, within 14 days from the Participant's receipt of the written notification issued under Rule 207.2(2).
- (2) The appeal will be considered by a committee established by BMIS to hear the appeal and the decision of such committee shall be final. The members of the appeals committee will be appointed by BMIS and comprise of individuals who are free of any conflicts of interest. The decision of the appeals committee shall be final and binding. The appeal will be conducted in accordance with these Rules. BMIS may charge the Participant a fee to defray the reasonable costs and expenses of the appeals committee.

- (3) The written notice of appeal shall set out in writing the grounds of the appeal and shall contain a brief statement of all matters relied upon by the appellant. A written notice of appeal that fails to specify the grounds for the appeal and the specific error or impropriety of the original decision shall be dismissed.

- (4) BMIS may suspend the implementation of any decision appealed against pending the conclusion of the appeal process set out in this Rule 207 if BMIS deems fit.

RULE 208 NOTICES OR COMMUNICATIONS ISSUED

RULE 208.1 MODE OF ISSUANCE

- (1) A notice or communication to be issued by BMIS or a Participant, whether or not pursuant to these Rules, may be issued electronically or otherwise unless a specific mode of issuance is stated in these Rules.

RULE 208.2 RECEIPT

- (1) A notice or communication issued will be deemed to be received by the recipient, as follows:
 - (a) if sent by normal post within Peninsular Malaysia, on the 3rd Market Day after posting;
 - (b) if sent by air mail to Sabah, Sarawak or outside Malaysia, on the 5th Market Day after posting;
 - (c) if sent by courier, on the 2nd Market Day after dispatch;
 - (d) if sent by electronic means on the date and time of transmission.

RULE 209 DISPUTE RESOLUTION

RULE 209.1 OBLIGATION TO RESOLVE DISPUTE

- (1) If any claim, dispute or difference arises between a Participant and BMIS or between Participants under or in connection with these Rules (except for Rule 207 and except as otherwise stated in these Rules), whether in relation to the legal validity, enforceability or termination of the same, or otherwise, (a Dispute), the parties must promptly notify BMIS of such Dispute..

RULE 209.2 DISPUTE RESOLUTION

- (1) If BMIS is not a party to the Dispute:
 - (a) a director or other senior representatives of the parties with authority to settle the Dispute must, within 10 Market Days of notification of the Dispute under Rule 2.09.1(1), meet (whether in person or by telephone or other means of communication) in good faith to resolve the Dispute. BMIS may, in its absolute discretion, be present at such meeting; and
 - (b) if the Dispute is not resolved pursuant to the procedure set out in Rule 209.2(1)(a) the parties shall be free to refer such matter to any other dispute resolution forum.
- (2) If BMIS is a party to the Dispute:
 - (a) a director or other senior representatives of the parties with authority to settle the Dispute must, within 10 Market Days of notification of the Dispute under Rule 209.1(1) meet (whether in person or by telephone or other means of communication) in good faith to resolve the Dispute. No party may commence any arbitration under Rule 209.2(2)(b) in relation to a Dispute until the earlier of the occurrence of such a meeting or the expiry of the 10 Market Days period specified in this Rule; and
 - (b) if the Dispute is not resolved pursuant to the procedure set out in Rule 209.2(2)(a), the Dispute must be referred to arbitration administered by the Asian International Arbitration Centre ("**AIAC**") in accordance with the AIAC i-Arbitration Rules 2021 (Islamic Arbitration), which rules are deemed to be incorporated by reference in this Rule. The seat of the arbitration will be Malaysia. The tribunal will consist of one arbitrator to be jointly nominated by the parties, and failing agreement, such arbitrator shall be nominated by the Chairman of the AIAC. The language of the arbitration will be English and the place of arbitration shall be in Kuala Lumpur, Malaysia. The award of the arbitrator is final and binding upon the parties to such Dispute.

RULE 209.3 BMIS RIGHT OF ENFORCEMENT

- (1) Nothing in this Rule 209 will be construed as enabling any Participant to prevent, obstruct or delay BMIS to exercise its right or power to enforce any provisions of these Rules upon such Participant.

RULE 210 PERSONAL DATA

RULE 210.1 PERSONAL DATA NOTICE

- (1) Any person who provides or has provided personal data to BMIS pursuant to or in connection with these Rules should read and be aware of the relevant notification in relation to the Malaysian Personal Data Protection Act, 2010 [Act 709] (“PDPA”) available at the Bursa Malaysia’s website at www.bursamalaysia.com (“Personal Data Notice”).
- (2) Where the personal data provided is of another individual (“data subject”), the person providing such data must have notified the data subject in writing of the Personal Data Notice before providing the personal data unless: (a) section 41 of the PDPA applies; or (b) the BMIS otherwise specifies in connection with the PDPA.
- (3) For the purposes of this Rule, ‘personal data’ shall have the same meaning given in section 4 of the PDPA.

[End of Chapter 2]