

1. What is the clearing and settlement framework for trades executed on the LEAP Market?

Generally, the same clearing and settlement framework for trades executed on the Main and ACE markets will apply to trades executed on the LEAP Market and this includes:

- (a) the clearing and settlement of LEAP Market trades being performed by Bursa Malaysia Securities Clearing Sdn. Bhd. (“**BMSC**”) in accordance with the Rules of BMSC;
- (b) the relevant Trading Clearing Participants (“**TCPs**”) acting for their clients to clear and settle such trades;
- (c) the same timing for delivery of and payment for the LEAP Market securities as that currently applicable to Main and ACE Markets securities will apply to the LEAP Market trades; and
- (d) in the event of a default in the delivery of the LEAP Market securities, BMSC will among other things, instruct Bursa Malaysia Securities Berhad (“**BMS**”) to automatically buy-in against the selling TCP to make good the default.

2. How will the financial settlement for trades on the LEAP Market be effected?

The financial settlement for trades on all three markets i.e. the Main Market, ACE Market and the LEAP Market will be on a net basis with BMSC informing the TCPs of the net amounts payable or to be received by the TCPs.

3. How will the TCPs’ contributions to the Clearing Guarantee Fund and margin requirements for trades of LEAP Market securities be calculated by BMSC?

BMSC will calculate the TCPs’ contributions to the Clearing Guarantee Fund and margin requirements proportionate to the outstanding exposures of trades originating from the LEAP Market and settled through the BMSC. This is the same treatment currently applied to outstanding trades originating from the Main and ACE Markets and settled through BMSC.

4. Will the institutional settlement service currently available in respect of the clearing and settlement of securities traded on the Main and ACE Markets similarly be available in respect of the clearing and settlement of Leap Market securities?

Yes.

5. Is there any difference in the manner in which LEAP Market trades are cleared and settled compared to that of the Main and ACE Market trades?

There is no difference, except that in relation to a default in the delivery of the securities sold in board lots on the LEAP Market, the buying-in of such securities would be carried out on T+3 only and if the buying-in is not successful, the transaction will be cash settled from T+4 onwards. This is different from trades executed on the Main and ACE Markets where buying-in will be carried out from T+3 and if the securities are not obtained on T+3,

buying-in will continue each day until T+8 where the transaction will be cash settled from T+9 onwards. The reason for this difference is that it is anticipated that the liquidity for the securities traded on the LEAP Market would not be as high as that of the securities traded on the Main and ACE Markets.

**T refers to the day the trade was executed*

6. Will the securities of companies listed on the LEAP Market be considered eligible securities for the purposes of securities borrowing and lending?

No, the securities of the companies listed on the LEAP Market will not be eligible securities for the purposes of securities borrowing and lending at this stage.

[End of FAQs]