

ANNEXURE 1

RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD

**RULE AMENDMENTS IN RELATION TO REIMBURSEMENT OF COSTS FROM PARTICIPANTS ARISING FROM
INSPECTIONS, INVESTIGATIONS AND ENFORCEMENT PROCEEDINGS**

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
<p>Rule 2.10</p>	<p>Inspection</p> <p>(1) Depository’s right to inspection:</p> <p>(a) The Depository may conduct an inspection on an authorised depository agent at any time in the following circumstances:</p> <p>(i) on any matter in relation to these Rules, the authorised depository agent’s internal policies and procedures and any other rules and regulations related to its functions as an authorised depository agent; or</p> <p>(ii) where the Depository has reason to suspect that the authorised depository agent has engaged in an activity that has affected or may affect the integrity of the Depository’s computer system or the orderly handling of deposited securities.</p> <p>(b) An authorised depository agent and its Relevant Person must:</p> <p>(i) give or procure for the Depository all</p>	<p>Rule 2.10</p>	<p>Inspection</p> <p>(1) Depository’s right to inspection:</p> <p>(a) The Depository may conduct an inspection on an authorised depository agent at any time in the following circumstances:</p> <p>(i) on any matter in relation to these Rules, the authorised depository agent’s internal policies and procedures and any other rules and regulations related to its functions as an authorised depository agent; or</p> <p>(ii) where the Depository has reason to suspect that the authorised depository agent has engaged in an activity that has affected or may affect the integrity of the Depository’s computer system or the orderly handling of deposited securities.</p> <p>(b) An authorised depository agent and its Relevant Person must:</p> <p>(i) give or procure for the Depository all</p>

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	<p>information, documents, books and records the Depository requests for and allow the Depository to take copies and extracts of such documents, books and records; and</p> <p>(ii) give the Depository access to the relevant premises, including its terminals and other computer peripherals situated at the authorised depository agent's premises, for the Depository to conduct an inspection under Rule 2.10.</p> <p>(c) An authorised depository agent and its Relevant Person must:</p> <p>(i) not hinder or obstruct the Depository during the inspection; and</p> <p>(ii) give the Depository all assistance the Depository reasonably requires to conduct the inspection.</p> <p>(2) Inspection cost: The Depository may require the authorised depository agent concerned to pay the Depository a fee for carrying out the inspection.</p> <p>(3) Reporting:</p> <p>(a) The Depository will notify the authorised depository agent concerned of the findings of the Depository's inspection.</p> <p>(b) An authorised depository agent must table</p>		<p>information, documents, books and records the Depository requests for and allow the Depository to take copies and extracts of such documents, books and records; and</p> <p>(ii) give the Depository access to the relevant premises, including its terminals and other computer peripherals situated at the authorised depository agent's premises, for the Depository to conduct an inspection under Rule 2.10.</p> <p>(c) An authorised depository agent and its Relevant Person must:</p> <p>(i) not hinder or obstruct the Depository during the inspection; and</p> <p>(ii) give the Depository all assistance the Depository reasonably requires to conduct the inspection.</p> <p>(2) Inspection cost: The Depository may require the authorised depository agent concerned to pay the Depository a fee for carrying out the inspection. Deleted.</p> <p>(3) Reporting:</p> <p>(a) The Depository will notify the authorised depository agent concerned of the findings of the Depository's inspection.</p> <p>(b) An authorised depository agent must table</p>

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	<p>the Depository's findings to the authorised depository agent's board of directors as soon as possible.</p> <p>(c) An authorised depository agent must within such time as may be stipulated by the Depository:</p> <ul style="list-style-type: none"> (i) take corrective measures to address the Depository's findings; and (ii) notify the Depository in writing of the authorised depository agent's board of director's decided course of action and corrective measure taken (if any) to address the Depository's findings. <p>(4) Provision of audit report to the Depository:</p> <p>(a) The Depository may, by notice to the authorised depository agent, require the authorised depository agent to provide a report from an independent auditor or other expert approved by the Depository expressing an opinion as to:</p> <ul style="list-style-type: none"> (i) the performance by the authorised depository agent of its obligations under these Rules; (ii) the authorised depository agent's capacity to continue to meet the conditions for appointment as an authorised depository agent; (iii) any other matter necessary to assist 		<p>the Depository's findings to the authorised depository agent's board of directors as soon as possible.</p> <p>(c) An authorised depository agent must within such time as may be stipulated by the Depository:</p> <ul style="list-style-type: none"> (i) take corrective measures to address the Depository's findings; and (ii) notify the Depository in writing of the authorised depository agent's board of director's decided course of action and corrective measure taken (if any) to address the Depository's findings. <p>(4) Provision of audit report to the Depository:</p> <p>(a) The Depository may, by notice to the authorised depository agent, require the authorised depository agent to provide a report from an independent auditor or other expert approved by the Depository expressing an opinion as to:</p> <ul style="list-style-type: none"> (i) the performance by the authorised depository agent of its obligations under these Rules; (ii) the authorised depository agent's capacity to continue to meet the conditions for appointment as an authorised depository agent; (iii) any other matter necessary to assist

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	<p>the Depository in the discharge of the Depository's functions under these Rules.</p> <p>(b) The authorised depository agent that is required to provide the report referred to in Rule 2.10(4)(a) must bear the costs in connection with obtaining the report.</p>		<p>the Depository in the discharge of the Depository's functions under these Rules.</p> <p>(b) The authorised depository agent that is required to provide the report referred to in Rule 2.10(4)(a) must bear the costs in connection with obtaining the report.Deleted.</p>
<p>Rule 37.06</p>	<p>Supply of information to the Depository and power of investigation:</p> <p>(1) Investigation: The Depository may conduct an investigation on an authorised depository agent, an authorised direct member, an issuer, other user or authorised nominee at any time in the following circumstances:</p> <p>(a) where such investigation is on any matter in relation to these Rules, the relevant internal policies and procedures of such persons and any other rules and regulations related to such person's functions as governed under these Rules; or</p> <p>(b) where the Depository has reason to suspect that the authorised depository agent, authorised direct member, issuer, other user or authorised nominee has engaged in an activity that has affected or may affect the integrity of the Depository's computer system or the orderly handling of deposited securities.</p> <p>(2) Power of the Depository: The Depository is empowered to :-</p>	<p>Rule 37.06</p>	<p>Supply of information to the Depository and power of investigation:</p> <p>(1) Investigation: The Depository may conduct an investigation on an authorised depository agent, an authorised direct member, an issuer, other user or authorised nominee at any time in the following circumstances:</p> <p>(a) where such investigation is on any matter in relation to these Rules, the relevant internal policies and procedures of such persons and any other rules and regulations related to such person's functions as governed under these Rules; or</p> <p>(b) where the Depository has reason to suspect that the authorised depository agent, authorised direct member, issuer, other user or authorised nominee has engaged in an activity that has affected or may affect the integrity of the Depository's computer system or the orderly handling of deposited securities.</p> <p>(2) Power of the Depository: The Depository is empowered to :-</p>

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	<p>(a) require or compel any authorised depository agent, its dealer's representatives, authorised direct member, issuer, other user or authorised nominee to deliver, cause to be delivered, produce or cause to be produced to the Depository any information, document, book or record as may be in such person's possession or control that may be relevant to the investigation including requiring such person to make copies or the Depository taking extracts of the same;</p> <p>(b) enter the premises of the authorised depository agent or its Relevant Persons for any of the following purposes:</p> <p>(i) to access the terminals or other peripherals situated at the premises of the authorised depository agent and to obtain print-outs from such terminals or peripherals; or</p> <p>(ii) to seize, detain or take possession of any property, document, book or record found at the premises or in the possession, custody or control of a Relevant Person;</p> <p>(c) where the Depository has reason to believe that any document in the possession or control of the authorised direct member, issuer, user or authorised nominee or their Relevant Persons are relevant to the investigation, be allowed access to such documents;</p>		<p>(a) require or compel any authorised depository agent, its dealer's representatives, authorised direct member, issuer, other user or authorised nominee to deliver, cause to be delivered, produce or cause to be produced to the Depository any information, document, book or record as may be in such person's possession or control that may be relevant to the investigation including requiring such person to make copies or the Depository taking extracts of the same;</p> <p>(b) enter the premises of the authorised depository agent or its Relevant Persons for any of the following purposes:</p> <p>(i) to access the terminals or other peripherals situated at the premises of the authorised depository agent and to obtain print-outs from such terminals or peripherals; or</p> <p>(ii) to seize, detain or take possession of any property, document, book or record found at the premises or in the possession, custody or control of a Relevant Person;</p> <p>(c) where the Depository has reason to believe that any document in the possession or control of the authorised direct member, issuer, user or authorised nominee or their Relevant Persons are relevant to the investigation, be allowed access to such documents;</p>

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	<p>(d) require a depositor to provide or produce for inspection such information, document, book or record as may be required by the Depository in relation to his securities accounts or any other matters under investigation conducted by the Depository;</p> <p>(e) retain all such documents delivered or produced to, or obtained by the Depository pursuant to paragraphs (a), (b), (c) or (d) above for as long as the Depository may consider necessary and/or to make copies thereof where possible and necessary;</p> <p>(f) require any employee, servant, agent, contractor or director of an authorised depository agent, authorised direct member, issuer, depositor or any other user or dealer representatives to attend before the Depository at any time and to give such information that is relevant to the investigation;</p> <p>(g) record statements from the persons referred to in Rule 37.06(2)(f). A recorded statement may be used in enforcement proceedings against an authorised depository agent, authorised direct member, issuer, other user or authorised nominee (including the person making such statement);</p> <p>(h) require an authorised depository agent, authorised direct member, issuer, other user or authorised nominee to procure the attendance of any Relevant Person or consultant before the Depository and to give</p>		<p>(d) require a depositor to provide or produce for inspection such information, document, book or record as may be required by the Depository in relation to his securities accounts or any other matters under investigation conducted by the Depository;</p> <p>(e) retain all such documents delivered or produced to, or obtained by the Depository pursuant to paragraphs (a), (b), (c) or (d) above for as long as the Depository may consider necessary and/or to make copies thereof where possible and necessary;</p> <p>(f) require any employee, servant, agent, contractor or director of an authorised depository agent, authorised direct member, issuer, depositor or any other user or dealer representatives to attend before the Depository at any time and to give such information that is relevant to the investigation;</p> <p>(g) record statements from the persons referred to in Rule 37.06(2)(f). A recorded statement may be used in enforcement proceedings against an authorised depository agent, authorised direct member, issuer, other user or authorised nominee (including the person making such statement);</p> <p>(h) require an authorised depository agent, authorised direct member, issuer, other user or authorised nominee to procure the attendance of any Relevant Person or consultant before the Depository and to give</p>

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	<p>or procure such information relevant to the investigation; or</p> <p>(i) impose such requirement on the authorised depository agent, authorised direct member, issuer, other user or authorised nominee that the Depository thinks reasonably necessary to facilitate the investigation.</p> <p>(3) Cooperation: An authorised depository agent, authorised direct member, issuer, other user or authorised nominee must:</p> <p>(a) not hinder or obstruct the Depository during the investigation;</p> <p>(b) give the Depository all assistance the Depository reasonably requires to conduct the investigation; and</p> <p>(c) comply and give effect to any directions the Depository issues in exercising the powers under Rule 37.06(2).</p> <p>(4) Investigation cost: The Depository may require the authorised depository agent, authorised direct member, issuer, other user or authorised nominee concerned to reimburse the Depository all costs the Depository incurs in connection with an investigation.</p> <p>(5) The powers conferred under this Rule are in addition to, and not in derogation, of any other powers conferred under the Rules or by any other written law.</p>		<p>or procure such information relevant to the investigation; or</p> <p>(i) impose such requirement on the authorised depository agent, authorised direct member, issuer, other user or authorised nominee that the Depository thinks reasonably necessary to facilitate the investigation.</p> <p>(3) Cooperation: An authorised depository agent, authorised direct member, issuer, other user or authorised nominee must:</p> <p>(a) not hinder or obstruct the Depository during the investigation;</p> <p>(b) give the Depository all assistance the Depository reasonably requires to conduct the investigation; and</p> <p>(c) comply and give effect to any directions the Depository issues in exercising the powers under Rule 37.06(2).</p> <p>(4) Investigation cost: The Depository may require the authorised depository agent, authorised direct member, issuer, other user or authorised nominee concerned to reimburse the Depository all costs the Depository incurs in connection with an investigation. Deleted.</p> <p>(5) The powers conferred under this Rule are in addition to, and not in derogation, of any other powers conferred under the Rules or by any other written law.</p>

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<p>Rule 39.02</p>	<p>Enforcement powers:</p> <p>The Depository may exercise its enforcement powers under Rules 39.02 to 39.08 against a Person if such Person is found to have breached any of these Rules, directions, undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository (“Defaulting Person”). The Depository’s enforcement powers include the taking of one or more of the following actions:</p> <ul style="list-style-type: none"> (a) terminate or suspend the appointment of an authorised depository agent or authorised direct member in accordance with the terms prescribed by the Depository; (b) limit or disallow the access of the Defaulting Person to any of the services or facilities of the Depository or suspend the Defaulting Person’s privileges or activities on such terms and for such period as the Depository may in its sole discretion determine, including in relation to any function that has been outsourced; and (c) impose a fine not exceeding RM1 million on the Defaulting Person; (d) reprimand (publicly or privately) the Defaulting Person; (e) withdraw the authority given to the Defaulting Person to act as an authorised nominee or exempt authorised nominee as the case may be in respect of any or all securities accounts held by such Defaulting Person; 	<p>Rule 39.02</p>	<p>Enforcement powers:</p> <p>The Depository may exercise its enforcement powers under Rules 39.02 to 39.08 against a Person if such Person is found to have breached any of these Rules, directions, undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository (“Defaulting Person”). The Depository’s enforcement powers include the taking of one or more of the following actions:</p> <ul style="list-style-type: none"> (a) terminate or suspend the appointment of an authorised depository agent or authorised direct member in accordance with the terms prescribed by the Depository; (b) limit or disallow the access of the Defaulting Person to any of the services or facilities of the Depository or suspend the Defaulting Person’s privileges or activities on such terms and for such period as the Depository may in its sole discretion determine, including in relation to any function that has been outsourced; and (c) impose a fine not exceeding RM1 million on the Defaulting Person; (d) reprimand (publicly or privately) the Defaulting Person; (e) withdraw the authority given to the Defaulting Person to act as an authorised nominee or exempt authorised nominee as the case may be in respect of any or all securities accounts held by such Defaulting Person;

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	<p>(f) impose any restriction or condition in relation to the breach committed or on the activities that the Defaulting Person undertakes;</p> <p>(g) impose one or more conditions for compliance including issuing a direction to take such steps to remedy or mitigate the breach, other than a direction to make restitution;</p> <p>(h) direct a Defaulting Person to take appropriate action against any of the Defaulting Person's employees or agents if such person caused the Defaulting Person to commit the breach;</p> <p>(i) mandate education, training or such other types of programme as may be determined by the Depository, to be undertaken or implemented by the Defaulting Person for its employees;</p> <p>(j) direct payment of all or part of the costs incurred by the Depository in connection with the enforcement proceedings commenced against the Defaulting Person subject to an internal criteria as approved by the Commission;</p> <p>(k) specifying any or all securities accounts held by the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member as under suspense for such period as may be specified by the Depository;</p> <p>(l) prohibiting the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member from</p>		<p>(f) impose any restriction or condition in relation to the breach committed or on the activities that the Defaulting Person undertakes;</p> <p>(g) impose one or more conditions for compliance including issuing a direction to take such steps to remedy or mitigate the breach, other than a direction to make restitution;</p> <p>(h) direct a Defaulting Person to take appropriate action against any of the Defaulting Person's employees or agents if such person caused the Defaulting Person to commit the breach;</p> <p>(i) mandate education, training or such other types of programme as may be determined by the Depository, to be undertaken or implemented by the Defaulting Person for its employees;</p> <p>(j) direct payment of all or part of the costs incurred by the Depository in connection with the enforcement proceedings commenced against the Defaulting Person subject to an internal criteria as approved by the Commission<u>Deleted</u>;</p> <p>(k) specifying any or all securities accounts held by the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member as under suspense for such period as may be specified by the Depository;</p> <p>(l) prohibiting the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member from</p>

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	<p>maintaining any securities account whether for itself or for any other person; or</p> <p>(m) any other action the Depository considers appropriate, subject to consultation with the Commission.</p>		<p>maintaining any securities account whether for itself or for any other person; or</p> <p>(m) any other action the Depository considers appropriate, subject to consultation with the Commission.</p>

[End of Rule Amendments]