

**ANNEXURE 1**

**RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD.**

**RULE AMENDMENTS PURSUANT TO A REVIEW OF THE INSPECTION, INVESTIGATION AND ENFORCEMENT PROVISIONS  
AND CONSEQUENTIAL TO THE SECURITIES COMMISSION (AMENDMENT) ACT 2015**

<b>RULE</b>	<b>EXISTING PROVISIONS</b>	<b>RULE</b>	<b>AMENDED PROVISIONS</b>
<b>1.01</b>	<b>Definition:</b>  New definition	<b>1.01</b>	<b>Definition:</b>  <u>"books" has the meaning given under the Capital Markets and Services Act 2007;</u>
<b>1.01</b>	New definition	<b>1.01</b>	<u>"document" has the meaning given under the Capital Markets and Services Act 2007;</u>
<b>1.01</b>	New definition	<b>1.01</b>	<u>"Relevant Person", in relation to an authorised depository agent, authorised direct member, issuer, other user or authorised nominee means the agents, directors and employees of the authorised depository agent, authorised direct member, issuer, other user or authorised nominee, as the case may be;</u>
<b>1.01</b>	New definition	<b>1.01</b>	<u>"securities laws" shall have the same meaning as is assigned to it under the Securities Commission Malaysia Act 1993;</u>
<b>1.02(1)</b>	Definitions under the Act: The following words and expressions shall have the meaning assigned to them respectively under section 2(1) of the Act, unless the context otherwise requires, namely-  "access" "bearer security" "Commission" "computer system" "debt securities" "depositor" "deposited security"	<b>1.02(1)</b>	Definitions under the Act: The following words and expressions shall have the meaning assigned to them respectively under section 2(1) of the Act, unless the context otherwise requires, namely-  "access" "bearer security" "Commission" "computer system" "debt securities" "depositor" "deposited security"

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	“information” “Investigating Officer” “Minister” “participating organisation” “record” “Rules” “scrip” “security” “securities account” “securities laws”		“information” “Investigating Officer” “Minister” “participating organisation” “record” “Rules” “scrip” “security” “securities account” <del>“securities laws”</del>
<b>2.10</b>	<b>Right to audit/inspection:</b>  The Depository shall, from time to time and at any time with or without notice, require an authorised depository agent to produce to the Depository’s auditors (internal or external auditors) or duly authorised person or person authorised in writing by the Depository such documents or records in respect of any securities transaction or pertaining to any securities account and to provide them with unobstructed access to its terminals and other computer peripherals situated at the agent’s premises and any data, record or information in respect thereof as may, in the opinion of the auditors or authorised officers, be necessary for the purposes of enabling such auditors or authorised person to perform their functions. Any authorised depository agent who intentionally obstructs or hinders any auditor or authorised person of the Depository to perform such aforesaid functions or fails without reasonable excuse to give the auditor or authorised person such assistance as he may reasonably require may be guilty of an offence under Part V of the Act and may also give cause to the Depository to immediately suspend any deposited security in a securities account or any securities account maintained by such agent pursuant to the powers of the Depository under chapter 36.0 of these Rules.	<b>2.10</b>	<b><u>Inspection</u></b>  <b><u>(1) Depository’s Right to audit/inspection:</u></b>  <u>(a) The Depository may conduct an inspection on an authorised depository agent at any time in the following circumstances:</u>  <u>(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</u>  <u>(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.</u>  <u>(b) An authorised depository agent and its Relevant Person must:</u>  <u>(i) The Depository shall, from time to time and at any time with or without notice, require an authorised depository agent to produce to the Depository’s</u>

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			<p><del>auditors (internal or external auditors) or duly authorised person or person authorised in writing by the Depository give or procure for the Depository all information, such documents, books and records in respect of any securities transaction or pertaining to any securities account the Depository requests for and allow the Depository to take copies and extracts of such documents, books and records; and</del></p> <p><del>(ii) to provide them with unobstructed give the Depository access to the relevant premises, including its terminals and other computer peripherals situated at the authorised depository agent's premises, and any data, record or information in respect thereof as may, in the opinion of the auditors or authorised officers, be necessary for the purposes of enabling such auditors or authorised person to perform their functions for the Depository to conduct an inspection under Rule 2.10.</del></p> <p><del>(c) Any authorised depository agent and its Relevant Person must:</del></p> <p><del>(i) not who intentionally obstructs or hinders or obstruct any auditor or authorised person of the Depository during the inspection; and</del></p> <p><del>(ii) give the Depository all assistance the Depository reasonably requires to conduct the inspection, to perform such aforesaid functions or fails without reasonable excuse to give the auditor or authorised person such assistance as he may reasonably require may be guilty of an offence under Part V of the Act and may also give cause to the Depository to immediately suspend any</del></p>

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			<p><del>deposited security in a securities account or any securities account maintained by such agent pursuant to the powers of the Depository under chapter 36.0 of these Rules.</del></p>
-	New provision.	<b>2.10(2)</b>	<p><b><u>Inspection cost:</u></b></p> <p><u>The Depository may require the authorised depository agent concerned to pay the Depository a fee for carrying out the inspection.</u></p>
-	New provision.	<b>2.10(3)</b>	<p><b><u>Reporting:</u></b></p> <p><u>(a) The Depository will notify the authorised depository agent concerned of the findings of the Depository's inspection.</u></p> <p><u>(b) An authorised depository agent must table the Depository's findings to the authorised depository agent's board of directors as soon as possible.</u></p> <p><u>(c) An authorised depository agent must within such time as may be stipulated by the Depository:</u></p> <p><u>(i) take corrective measures to address the Depository's findings; and</u></p> <p><u>(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.</u></p>
-	New provision.	<b>2.10(4)</b>	<p><b><u>Provision of audit report to the Depository:</u></b></p> <p><u>(a) The Depository may, by notice to the authorised depository agent, require the authorised depository agent to provide a report from an independent auditor</u></p>

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			<p><u>or other expert approved by the Depository expressing an opinion as to:</u></p> <p><u>(i) the performance by the authorised depository agent of its obligations under these Rules;</u></p> <p><u>(ii) the authorised depository agent's capacity to continue to meet the conditions for appointment as an authorised depository agent;</u></p> <p><u>(iii) any other matter necessary to assist the Depository in the discharge of the Depository's functions under these Rules.</u></p> <p><u>(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.</u></p>
3.06	<p><b>ADA to give assistance:</b></p> <p>The authorised depository agent, its servants or agents shall render all such assistance as is required by the Depository where any one or more of the actions set out in Rule 3.01(2) is or are taken by the Depository and not in any way obstruct or hinder the Depository in the exercise of its powers under this chapter.</p>	3.06	<p><del><b>ADA to give assistance:</b></del></p> <p><del>The authorised depository agent, its servants or agents shall render all such assistance as is required by the Depository where any one or more of the actions set out in Rule 3.01(2) is or are taken by the Depository and not in any way obstruct or hinder the Depository in the exercise of its powers under this chapter.</del></p>
5.02A(5)	<p>In the event of any wilful act, omission, neglect, fraud or error on the part of any third party referred to in Rule 5.02A(4)(b), the authorised depository agent shall be deemed to have committed a breach of the provision of this Rule as if the wilful act, omission, neglect, fraud or error had been committed by the authorised depository agent and be subject to the powers of the Depository pursuant to Rule 38.02.</p>	5.02A(5)	<p>In the event of any wilful act, omission, neglect, fraud or error on the part of any third party referred to in Rule 5.02A(4)(b), the authorised depository agent shall be deemed to have committed a breach of the provision of this Rule as if the wilful act, omission, neglect, fraud or error had been committed by the authorised depository agent and be subject to the powers of the Depository pursuant to Rule <del>38.02</del><u>39.02</u>.</p>
5.06(4)	<p><b>Fine or suspension:</b> Failure of an authorised depository agent to adhere to this Rule shall be treated by the</p>	5.06(4)	<p><del><b>Fine or suspension:</b> Failure of an authorised depository agent to adhere to this Rule shall be treated by the</del></p>

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	<p>Depository as a serious breach of these Rules which may invoke a fine not exceeding two hundred and fifty thousand ringgit or result in the suspension of such agent.</p>		<p><del>the Depository as a serious breach of these Rules which may invoke a fine not exceeding two hundred and fifty thousand ringgit or result in the suspension of such agent.</del></p>
<p><b>14.13(5)</b></p>	<p><b>Access to books:</b> The authorised direct member must ensure that the Depository or its agent shall at all times have access to and be allowed to make copies of the books (as defined in the Capital Markets and Services Act 2007) of the authorised direct member or the Service Provider. The authorised direct member shall procure a written consent through a letter of undertaking from the Service Provider to allow the Depository or its agent to exercise its powers as stated above.</p>	<p><b>14.13(5)</b></p>	<p><b>Access to books:</b> The authorised direct member must ensure that the Depository or its agent shall at all times have access to and be allowed to make copies of the books <del>(as defined in the Capital Markets and Services Act 2007)</del> of the authorised direct member or the Service Provider. The authorised direct member shall procure a written consent through a letter of undertaking from the Service Provider to allow the Depository or its agent to exercise its powers as stated above.</p>
<p><b>18.06</b></p>	<p><b>Issuers to provide assistance to the Depository in the event of investigations:</b></p> <p>Notwithstanding anything in this chapter, where -</p> <p>(a) a complaint has been lodged by a member (or debenture/interest holder) to the Depository in accordance with Rule 18.02(c), and</p> <p>(b) <i>prima facie</i>, it appears to the Depository that a scrip may have been incorrectly or wrongfully ascertained as capable of being transferred in accordance with Rule 18.03,</p> <p>the issuer hereby agrees to provide such assistance as may be necessary to the Depository in order to conduct a proper investigation into the matter.</p>	<p><b>18.06</b></p>	<p><del><b>Issuers to provide assistance to the Depository in the event of investigations:</b></del></p> <p><del>Notwithstanding anything in this chapter, where -</del></p> <p><del>(a) a complaint has been lodged by a member (or debenture/interest holder) to the Depository in accordance with Rule 18.02(c), and</del></p> <p><del>(b) <i>prima facie</i>, it appears to the Depository that a scrip may have been incorrectly or wrongfully ascertained as capable of being transferred in accordance with Rule 18.03,</del></p> <p><del>the issuer hereby agrees to provide such assistance as may be necessary to the Depository in order to conduct a proper investigation into the matter.</del></p>
<p><b>36.02(p)</b></p>	<p>where the Depository receives instructions from the Commission to suspend pursuant to any provisions in the Act; and</p>	<p><b>36.02(p)</b></p>	<p>where the Depository receives instructions from the Commission to suspend pursuant to any <del>provisions in the Act</del> <u>securities laws</u>; and</p>

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36.05(3)	<b>Penalty:</b> Failure on the part of the agent to inform the Depository under Rule 36.05(1) or to comply with its instructions under Rule 36.05(2) may result in a fine up to twenty five thousand ringgit or the suspension of such agent.	36.05(3)	<del><b>DeletedPenalty:</b> Failure on the part of the agent to inform the Depository under Rule 36.05(1) or to comply with its instructions under Rule 36.05(2) may result in a fine up to twenty five thousand ringgit or the suspension of such agent.</del>
37.01(4)	<b>Duty to assist:</b> It shall be the duty of every authorised depository agent, authorised direct member, issuer against whom the complaint is made to submit to the jurisdiction of the Depository and to provide the officers, accountants or solicitors for or engaged by the Depository with such information, access to records and other assistance as the Depository may reasonably require for to investigate the accounts and affairs of such authorised depository agent, authorised direct member or issuer whenever in the view of the Depository such action appears warranted.	37.01(4)	<del><b>DeletedDuty to assist:</b> It shall be the duty of every authorised depository agent, authorised direct member, issuer against whom the complaint is made to submit to the jurisdiction of the Depository and to provide the officers, accountants or solicitors for or engaged by the Depository with such information, access to records and other assistance as the Depository may reasonably require for to investigate the accounts and affairs of such authorised depository agent, authorised direct member or issuer whenever in the view of the Depository such action appears warranted.</del>
37.06	<b>Supply of Information to the Depository and power of investigations:</b>  (1) Where the Depository has reason to suspect that –  (a) there has been non-compliance with or breach of any of the Rules by any person; or  (b) the authorised depository agent or authorised direct member has breached any of the Rules or engaged in activity that has affected or may affect the integrity of the system or the orderly handling of deposited securities,  and irrespective of whether a complaint has been received by the Depository pursuant to chapter 37.0, the Depository may make investigations through duly authorised person or person authorised in writing by the Depository as the Depository shall think fit and expedient.	37.06	<b>Supply of Information to the Depository and power of investigations:</b>  (1) <u>Investigation:</u> 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:  (a) <u>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</u>  (b) <del>Where</del> where the Depository has reason to suspect that –  <del>(a) there has been non-compliance with or breach of</del>

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			<p><del>any of the Rules by any person; or</del></p> <p><del>(b) the authorised depository agent, or authorised direct member, issuer, other user or authorised nominee</del> has <del>breached any of the Rules or</del> engaged in <u>an</u> activity that has affected or may affect the integrity of the <u>Depository's computer system</u> or the orderly handling of deposited securities;</p> <p><del>and irrespective of whether a complaint has been received by the Depository pursuant to chapter 37.0, the Depository may make investigations through duly authorised person or person authorised in writing by the Depository as the Depository shall think fit and expedient.</del></p>
37.06(2)	<p>The Depository shall be empowered at any time to :-</p> <p>(a) require or compel any authorised depository agent, its dealer representatives, authorised direct member or issuer to deliver, cause to be delivered, produce or cause to be produced to the Depository any document as may be in such person's possession or control relating to any matter under investigation conducted by the Depository and such authorised depository agent, authorised direct member, issuer or user as the case may be, shall thereupon ensure that all such relevant document is made available or produced promptly and expeditiously to the Depository;</p>	37.06(2)	<p><b>Power of the Depository:</b> The Depository <u>is shall be</u> empowered <del>at any time</del> to :-</p> <p>(a) require or compel any authorised depository agent, its dealer's representatives, authorised direct member, <del>or</del> issuer, <u>other user or authorised nominee</u> to deliver, cause to be delivered, produce or cause to be produced to the Depository any <u>information, document, book or record</u> as may be in such person's possession or control <u>that may be relevant relating to any matter under the investigation conducted by the Depository including requiring such person to make copies or the Depository taking extracts of the same and such</u> <del>authorised depository agent, authorised direct member, issuer, or user as the case may be,</del> shall thereupon ensure that all such relevant document is made available or produced promptly and expeditiously to the Depository;</p>



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37.06(2)	(b) be allowed reasonable and unobstructed access to terminals and other peripherals situated at the premises of the authorised depository agent and obtain print-outs from such terminals or peripherals and where the Depository has reason to believe that any document in the possession or control of the authorised depository agent, its dealer representatives, authorised direct member, issuer or user, may be lost or destroyed, be allowed reasonable and unobstructed access to such documents and to make copies from such documents, all for the purpose of procuring information relating to any matter under investigation by the Depository;	37.06(2)	<p>(b) <u>enter the premises of the authorised depository agent or its Relevant Persons for any of the following purposes:</u></p> <p><u>(i) to be allowed reasonable and unobstructed access to the terminals and/or other peripherals situated at the premises of the authorised depository agent and to obtain print-outs from such terminals or peripherals; or</u></p> <p><u>(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;</u></p> <p><u>(c) and</u> where the Depository has reason to believe that any document in the possession or control of the <u>authorised depository agent, its dealer representatives, authorised direct member, issuer, or user or authorised nominee or their Relevant Persons, are relevant to the investigation may be lost or destroyed</u>, be allowed <u>reasonable and unobstructed</u> access to such documents <u>and to make copies from such documents, all for the purpose of procuring information relating to any matter under investigation by the Depository;</u></p>
37.06(2)	(c) require a depositor to provide or produce for inspection such documents as may be required by the Depository in relation to his securities accounts or any other matters under investigation conducted by the Depository; or	37.06(2)	(ed) require a depositor to provide or produce for inspection such <u>information, documents, book or record</u> as may be required by the Depository in relation to his securities accounts or any other matters under investigation conducted by the Depository; <del>or</del>
37.06(2)	(d) retain all such documents delivered or produced to, or obtained by the Depository pursuant to paragraphs (a), (b) or (c) above for as long as the Depository may consider necessary and/or to make copies thereof where possible and necessary.	37.06(2)	(ed) retain all such documents delivered or produced to, or obtained by the Depository pursuant to paragraphs (a), (b), <del>or</del> (c) <u>or (d)</u> above for as long as the Depository may consider necessary and/or to make copies thereof where possible and necessary.;

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37.06(4)	The Depository may by notice in writing 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 appear before the authorised officer(s) of the Depository to be interviewed.	37.06(2)	<del>(f) The Depository may by notice in writing</del> 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 <u>attend before the Depository at any time and to give such information that is relevant to the investigation</u> <del>appear before the authorised officer(s) of the Depository to be interviewed.;</del>
37.06(2)	New provision.	37.06(2)	<del>(g)</del> <u>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);</u>
37.06(2)	New provision.	37.06(2)	<del>(h)</del> <u>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 or procure such information relevant to the investigation; or</u>
37.06(2)	New provision.	37.06(2)	<del>(i)</del> <u>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.</u>
37.06(3)	For the purpose of this Rule, the documents referred to in Rule 37.06(2)(a),(b),(c) and (d) shall include records, books, minute books, registers, reports, letters, documents, facsimiles and any matter expressed, described or howsoever represented on any substance, material, thing or article by means of -  (a) writing;	37.06(3)	<u><b>Cooperation:</b> An authorised depository agent, authorised direct member, issuer, other user or authorised nominee must:</u>  <u>(a) not hinder or obstruct the Depository during the investigation;</u>  <u>(b) give the Depository all assistance the Depository reasonably requires to conduct the investigation; and</u>

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	<p>(b) a visual recording (whether stills or moving images);</p> <p>(c) sound recordings; or</p> <p>(d) any electronic, magnetic, mechanical or other recording whatsoever.</p>		<p><u>(c) comply and give effect to any directions the Depository issues in exercising the powers under Rule 37.06(2).</u></p> <p><del>For the purpose of this Rule, the documents referred to in Rule 37.06(2)(a),(b),(c) and (d) shall include records, books, minute books, registers, reports, letters, documents, facsimiles and any matter expressed, described or howsoever represented on any substance, material, thing or article by means of-</del></p> <p><del>(a) writing;</del></p> <p><del>(b) a visual recording (whether stills or moving images);</del></p> <p><del>(c) sound recordings; or</del></p> <p><del>(d) any electronic, magnetic, mechanical or other recording whatsoever.</del></p>
37.06(4)	<p>The Depository may by notice in writing 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 appear before the authorised officer(s) of the Depository to be interviewed.</p>	37.06(4)	<p><u>Investigation cost:</u> <del>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. The Depository may by notice in writing 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 appear before the authorised officer(s) of the Depository to be interviewed.</del></p>
38.02	<p><b>General Penalty:</b></p> <p>(1) <b>Breach of these Rules:</b> Notwithstanding any other powers conferred on the Depository in these Rules or in the Act, the Depository may take any one or more of the following actions in the event of any breach of any of the</p>	38.02	<p><u>Deleted General Penalty:</u></p> <p><del>(1) <b>Breach of these Rules:</b> Notwithstanding any other powers conferred on the Depository in these Rules or in the Act, the Depository may take any one or more of the following actions in the event of any breach of any of the</del></p>

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	provisions of these Rules or any undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository by the following persons:		<del>provisions of these Rules or any undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository by the following persons:</del>
<b>38.02(1)</b>	(a) in relation to an issuer:  (i) reprimand the issuer;	<b>38.02(1)</b>	<del>(a) in relation to an issuer:  (i) reprimand the issuer;</del>
<b>38.02(1)(a)</b>	(ii) impose a fine not exceeding the sum of two hundred and fifty thousand ringgit;	<b>38.02(1)(a)</b>	<del>(ii) impose a fine not exceeding the sum of two hundred and fifty thousand ringgit;</del>
<b>38.02(1)(a)</b>	(iii) withdraw the authority given to such person to act as an authorised nominee or exempt authorised nominee as the case may be; or	<b>38.02(1)(a)</b>	<del>(iii) withdraw the authority given to such person to act as an authorised nominee or exempt authorised nominee as the case may be; or</del>
<b>38.02(1)(a)</b>	(iv) disallow the issuer's access to any of the services or facilities provided by the Depository for any period as may be determined by the Depository at its absolute discretion; and	<b>38.02(1)(a)</b>	<del>(iv) disallow the issuer's access to any of the services or facilities provided by the Depository for any period as may be determined by the Depository at its absolute discretion; and</del>
<b>38.02(1)</b>	(b) in relation to any authorised depository agent, authorised direct member or other users;  (i) reprimand such person;	<b>38.02(1)</b>	<del>(b) in relation to any authorised depository agent, authorised direct member or other users;  (i) reprimand such person;</del>
<b>38.02(1)(b)</b>	(ii) impose a fine not exceeding the sum of two hundred and fifty thousand ringgit;	<b>38.02(1)(b)</b>	<del>(ii) impose a fine not exceeding the sum of two hundred and fifty thousand ringgit;</del>
<b>38.02(1)(b)</b>	(iii) withdraw the authority given to such person to act as an authorised nominee or exempt authorised nominee as the case may be; or	<b>38.02(1)(b)</b>	<del>(iii) withdraw the authority given to such person to act as an authorised nominee or exempt authorised nominee as the case may be; or</del>
<b>38.02(1)(b)</b>	(iv) in respect of a breach of these Rules that relate to a function that has been outsourced, impose any restriction or condition in relation to the breach committed or on the activities	<b>38.02(1)(b)</b>	<del>(iv) in respect of a breach of these Rules that relate to a function that has been outsourced, impose any restriction or condition in relation to the breach committed or on the activities that such</del>

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	that such person undertakes.		<del>person undertakes.</del>
38.02	(2) <b>Continuing breach:</b> In the case of a continuing breach the authorised depository agent, authorised direct member, issuer or other users as the case may be, in addition to the penalties under subsection (1) is liable to a fine not exceeding five thousand ringgit for every day or part of a day during which the breach continues.	38.02	<del>(2) <b>Continuing breach:</b> In the case of a continuing breach the authorised depository agent, authorised direct member, issuer or other users as the case may be, in addition to the penalties under subsection (1) is liable to a fine not exceeding five thousand ringgit for every day or part of a day during which the breach continues.</del>
38.02	(2A) <b>Authorisation:</b> The Depository shall appoint a committee, a sub-committee or officer(s) of the Depository or Exchange Holding Company to discharge the exercise of its powers under subsection (1) and	38.02	<del>(2A) <b>Authorisation:</b> The Depository shall appoint a committee, a sub-committee or officer(s) of the Depository or Exchange Holding Company to discharge the exercise of its powers under subsection (1) and</del>
38.02	(3) <b>Interpretation:</b> For the purpose of this Rule, the term authorised depository agent or authorised direct member includes it wholly owned nominee company.	38.02	<del>(3) <b>Interpretation:</b> For the purpose of this Rule, the term authorised depository agent or authorised direct member includes it wholly owned nominee company.</del>
-	New provision.	38.03A	<b><u>Additional action that may be taken by the Depository pursuant to an inspection or investigation:</u></b> Pursuant to a finding from any inspection or investigation on an authorised depository agent, authorised direct member, issuer, other user or authorised nominee, the Depository may require the authorised depository agent, authorised direct member, issuer, other user or authorised nominee to take appropriate action against any of its employees or agents if such person caused the authorised depository agent, authorised direct member, issuer, other user or authorised nominee to violate these Rules.
38.05	<b>Appeals against the decision of the Depository:</b>  (1) The Depository shall establish a Committee to determine appeals provided in these Rules from a party against whom a decision has been made by the	38.05	<b>Appeals against <del>the decisions</del> of the Depository:</b>  (1) <b><u>Right of appeal:</u></b> <del>The Depository shall establish a Committee to determine appeals provided in these Rules from a party against whom a decision has been</del>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	Depository.		<del>made by the Depository.</del> Any decision of the Depository is final and binding and a person may only appeal against any action or decision taken or made by the Depository under these Rules if the right of appeal is expressly provided for under the relevant provision of these Rules.
38.05	(2) A person against whom a decision has been made by the Depository may, where provided under these rules, appeal against such decision by notifying the Depository of its/his intention to appeal within fourteen (14) days from the receipt of the notification of the decision	38.05	<del>(2) Decision on appeal: A person against whom a decision has been made by the Depository may, where provided under these rules, appeal against such decision by notifying the Depository of its/his intention to appeal within fourteen (14) days from the receipt of the notification of the decision.</del> The decision of the Depository on appeal is final and binding on the person appealing.
38.05	(3) The Committee referred to herein shall comprise such person as may be appointed by the Depository all of whom must not have been involved in any other Committee of the Depository that made the decision appeal against.	38.05	<del>(3) The Committee referred to herein shall comprise such person as may be appointed by the Depository all of whom must not have been involved in any other Committee of the Depository that made the decision appeal against.</del>
38.05	(4) The Committee referred to herein may affirm, vary or set aside the decision appeals against or penalty imposed.	38.05	<del>(4) The Committee referred to herein may affirm, vary or set aside the decision appeals against or penalty imposed.</del>
38.05	(5) The decision of the Depository on appeal shall be final and binding on the appellants.	38.05	<del>(5) The decision of the Depository on appeal shall be final and binding on the appellants.</del>
38.07	<b>Conduct:</b>  Any act or omission by a person includes an act or omission caused directly or indirectly by the said person. For the avoidance of doubt, an act or omission caused directly or indirectly by the person includes an act or omission of its employee or agent.	38.07	<b>Conduct:</b>  Any act or omission by a person includes an act or omission caused directly or indirectly by the said person. <del>For the avoidance of doubt, an act or omission caused directly or indirectly by the person includes an act or omission of its employee or agent.</del>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	38.09	<p><b><u>Disclosure of actions:</u></b></p> <p><u>The Depository may disclose any action taken by the Depository against any person under these Rules to the public or any other persons in any manner as the Depository deems fit or expedient.</u></p>
-	New provision.	38.10	<p><b><u>Referral of conduct to other authorities:</u></b> <u>The Depository may, at any time refer the conduct of any person who is subject to these Rules, to any relevant authority or professional body, without giving notice to such person.</u></p>
38.02(2A)	<p><b>Authorisation:</b> The Depository shall appoint a committee, a sub-committee or officer(s) of the Depository or Exchange Holding Company to discharge the exercise of its powers under subsection (1) and</p>	38.11	<p><b><u>AuthorisationAppointment of committee, sub-committee or officers:</u></b> <u>The Depository shall may appoint a committee, a sub-committee or officer(s) of the Depository or Exchange Holding Company or an agent to discharge the exercise the Depository's of its powers under these Rules, where appropriate subsection (1) and</u></p>
-	New provision.	38.12	<p><b><u>Confidentiality:</u></b></p> <p><u>(1) <b>Obligation to keep confidential:</b> If a finding or result of any inspection or investigation, or testimony or documentation in connection with an enforcement proceeding or appeal under these Rules is disclosed to an authorised depository agent, authorised direct member, issuer, other user or authorised nominee or their employees or agents, such person must keep the findings and results of such inspection or investigation, or testimony or documentation in connection with an enforcement proceeding or appeal confidential and must not disclose the findings or results to any person except:</u></p> <p><u>(a) the Commission, any authorised officer of the Commission or any investigating governmental authority or agency; or</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<p><u>(b) where necessary, for the procurement of legal or expert advice in relation to the inspection, investigation, enforcement proceeding or appeal, provided that the disclosure is restricted to the relevant persons and strictest confidentiality is maintained.</u></p> <p><u>(2) <b>Disclosure by Depository:</b> The Depository may release the findings and results of any inspection or investigation, or testimony or documentation in connection with an enforcement proceeding or appeal to the Commission, Stock Exchange, Clearing House or any other relevant body or authority (in Malaysia or outside of Malaysia) as the Depository considers fit, or to such parties as the Depository considers fit for the purposes of the Depository's investigation, enforcement or both.</u></p>
-	New chapter.	<b>39.0</b>	<b><u>Enforcement</u></b>
<b>38.02(3)</b>	<b>Interpretation:</b> For the purpose of this Rule, the term authorised depository agent or authorised direct member includes its wholly owned nominee company.	<b>39.01</b>	<p><b>Interpretation:</b> <u>In this Chapter, For the purpose of this Rule, the term</u></p> <p><u>(a) “authorised depository agent” or “authorised direct member” includes its wholly owned nominee company;</u></p> <p><u>(b) “enforcement proceedings” where the context permits includes appeal proceedings under Rules 39.13 to 39.16; and</u></p> <p><u>(c) “Person” means an authorised depository agent, authorised direct member, any other user, an issuer or authorised nominee.</u></p>



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	<b>39.02</b>	<b><u>Enforcement powers:</u></b>  <u>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:</u>
-	New provision.	<b>39.02</b>	<u>(a) terminate or suspend the appointment of an authorised depository agent or authorised direct member in accordance with the terms prescribed by the Depository;</u>
<b>38.02(1)(a)(iv)</b>	disallow the issuer’s access to any of the services or facilities provided by the Depository for any period as may be determined by the Depository at its absolute discretion; and	<b>39.02</b>	<u>(b) limit or disallow the issuer’s access of the Defaulting Person to any of the services or facilities provided by of the Depository or suspend the Defaulting Person’s privileges or activities on such terms and for any such period as may be determined by the Depository may in at its absolute sole discretion determine, including in relation to any function that has been outsourced; and</u>
<b>38.02(1)(a)(ii) and 38.02(1)(b)(ii)</b>	impose a fine not exceeding the sum of two hundred and fifty thousand ringgit;	<b>39.02</b>	<u>(c) impose a fine not exceeding the sum of two hundred and fifty thousand ringgit RM1 million on the Defaulting Person;</u>
<b>38.02(1)(a)(i); and 38.02(1)(b)(i)</b>	reprimand the issuer;  reprimand such person;	<b>39.02</b>	<u>(d) reprimand (publicly or privately) such the Defaulting pPerson;</u>
<b>38.02(1)(a)(iii) and (b)(iii)</b>	withdraw the authority given to such person to act as an authorised nominee or exempt authorised nominee as the case may be; or	<b>39.02</b>	<u>(e) withdraw the authority given to such the Defaulting pPerson 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</u>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<u>Person; or</u>
<b>38.02(1)(b)(iv)</b>	in respect of a breach of these Rules that relates to a function that has been outsourced, impose any restriction or condition in relation to the breach committed or on the activities that such person undertakes.	<b>39.02</b>	<del>(f) in respect of a breach of these Rules that relates to a function that has been outsourced,</del> impose any restriction or condition in relation to the breach committed or on the activities that <del>such the Defaulting P</del> erson undertakes;
-	New provision.	<b>39.02</b>	<del>(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;</del>
-	New provision.	<b>39.02</b>	<del>(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;</del>
-	New provision.	<b>39.02</b>	<del>(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;</del>
-	New provision.	<b>39.02</b>	<del>(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;</del>
-	New provision.	<b>39.02</b>	<del>(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;</del>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	39.02	<u>(l) prohibiting the defaulting authorised nominee, defaulting authorised depository agent or defaulting authorised direct member from maintaining any securities account whether for itself or for any other person; or</u>
-	New provision.	39.02	<u>(m) any other action the Depository considers appropriate, subject to consultation with the Commission.</u>
-	New provision.	39.03	<b><u>Procedures:</u></b>  <u>(1) The Depository will determine the procedures applicable to any enforcement proceedings taken under this Chapter. Such procedures may vary to adapt to the circumstances of any particular case.</u>
-	New provision.	39.03	<u>(2) The Depository is not bound by legal rules of evidence and procedure in any enforcement proceedings under this Chapter.</u>
-	New provision.	39.04	<b><u>Agreed settlement:</u></b>  <u>(1) A Person may, at any time before the Depository makes a decision, propose a settlement of the enforcement action by agreeing to a set of facts, liability or penalty with the Depository.</u>  <u>(2) The Depository may reject, accept or vary the proposed settlement based on terms that the Depository deems fit.</u>  <u>(3) Where the Depository accepts the proposed settlement, the agreed settlement will be recorded as a decision of the Depository.</u>  <u>(4) If the Depository is not agreeable to the proposed settlement, the proceedings under Rule 39.09 will</u>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<u>apply.</u>
-	New provision.	<b>39.05</b>	<p><b><u>Request for oral representations:</u></b></p> <p>(1) <u>A Person may request for an oral representation to make submissions or to procure the attendance of witnesses or legal representation at such oral representation for proceedings commenced against the Person.</u></p> <p>(2) <u>A request under Rule 39.05(1) must be submitted with:</u></p> <p>(a) <u>a Response as provided under Rule 39.09(2); or</u></p> <p>(b) <u>a Notice of Appeal as provided under Rule 39.14.</u></p> <p>(3) <u>The Depository may, in its absolute discretion, allow or disallow any request made pursuant to Rule 39.05(1), upon such terms and conditions as the Depository deems appropriate.</u></p>
-	New provision.	<b>39.06</b>	<p><b><u>Standard of proof:</u></b></p> <p><u>The Depository will not find an allegation proven unless the Depository is satisfied that the allegation is proven on the balance of probabilities.</u></p>
-	New provision.	<b>39.07</b>	<p><b><u>Other rights:</u></b></p> <p><u>The exercise of powers in Rule 39.02 does not in any way prejudice the other rights of the Depository against a Person or any other person to whom these Rules are directed.</u></p>
-	New provision.	<b>39.08</b>	<p><b><u>Acts or omissions of employees, agents or directors:</u></b></p> <p><u>Where the acts or omissions of an employee, agent or director of a Person would have been subject to these Rules</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			had such acts or omissions been committed by the Person, then such acts or omissions are deemed to be committed by that Person and enforcement action may be taken against it.
-	New provision.	39.09	<p><b><u>Enforcement proceedings:</u></b></p> <p>(1) <b><u>Requisite notice:</u></b> The Depository will serve on a Defaulting Person against whom the enforcement action is proposed to be taken, a written notice specifying the nature and particulars of the breach the Defaulting Person is alleged to have committed ("Requisite Notice").</p>
-	New provision.	39.09	<p>(2) <b><u>Response to requisite notice:</u></b> The Defaulting Person may submit to the Depository a written response to the Requisite Notice ("Response") within the time stipulated in the Requisite Notice.</p>
-	New provision.	39.09	<p>(3) <b><u>Notification of decision:</u></b> After the conclusion of an enforcement proceeding, the Depository will notify the Defaulting Person in writing of the decision including the penalty imposed (if any).</p>
-	New provision.	39.10	<p><b><u>Scope of expedited proceedings:</u></b></p> <p>The Depository may initiate expedited proceedings against a Defaulting Person against whom enforcement action is proposed to be taken instead of the proceedings under Rule 39.09 in circumstances the Depository deems fit, such as in respect of a breach of the Rules which does not typically attract a penalty beyond:</p> <p>(1) a reprimand; or</p> <p>(2) a fine of RM10,000.00; or</p> <p>(3) both the above.</p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	39.11	<p><b><u>Procedures for expedited proceedings:</u></b></p> <p>(1) <u>The Depository will notify the Defaulting Person in writing that the matter will be proceeded with by way of expedited proceedings. The notice will specify the breach and penalty imposed for the breach ("Determination").</u></p>
-	New provision.	39.11	<p>(2) <u>The Defaulting Person must, within the time specified in the Determination, inform the Depository in writing whether or not the Defaulting Person agrees with the Determination. A Defaulting Person is deemed to have agreed with the Determination if the Defaulting Person does not respond within the specified time.</u></p>
-	New provision.	39.11	<p>(3) <u>If the Defaulting Person agrees or is deemed to have agreed with the Determination, enforcement action will be recorded as having been taken against the Defaulting Person on the date of the Defaulting Person's agreement or upon expiry of the specified time.</u></p>
-	New provision.	39.11	<p>(4) <u>If the Defaulting Person agrees or is deemed to have agreed with the Determination, any fine imposed as a penalty for the breach must be paid:</u></p> <p style="padding-left: 40px;">(i) <u>upon the Defaulting Person informing the Depository in writing of his agreement with the Determination; or</u></p> <p style="padding-left: 40px;">(ii) <u>within the time specified in the Determination;</u></p> <p style="padding-left: 40px;"><u>as the case may be.</u></p>
-	New provision.	39.11	<p>(5) <u>If the Defaulting Person does not agree with the Determination, the matter will proceed under Rule 39.09. The Defaulting Person may, within the time</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<p><u>specified in the Determination, submit a written response to the Determination as if the Determination is a Requisite Notice under Rule 39.09(1). In deliberating the matter under Rule 39.09, the Depository is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceedings under Rule 39.09.</u></p>
-	New provision.	<b>39.12</b>	<p><b><u>No Limitation:</u></b></p> <p><u>Nothing in Rules 39.10 and 39.11 prevent the Depository from proceeding with enforcement proceedings under Rule 39.09 for any breach of a Rule, direction, undertaking, representation or warranty given to the Depository or any other term or condition agreed upon with the Depository.</u></p>
-	New provision.	<b>39.13</b>	<p><b><u>Right of appeal:</u></b></p> <p><u>(1) In amplification of Rule 38.05, any party to the enforcement proceedings taken under Rule 39.09 and Rule 39.11(5) who is dissatisfied with a decision resulting from the enforcement proceedings may appeal against such decision in the manner specified in Rule 39.14 unless the decision was recorded pursuant to an agreed settlement under Rule 39.04 (“the Appellant”).</u></p>
-	New provision.	<b>39.13</b>	<p><u>(2) The Depository may suspend the enforcement of any action taken under Rule 39.02 that is the subject of the appeal until the disposal of the appeal.</u></p>
-	New provision.	<b>39.14</b>	<p><b><u>Notice of appeal:</u></b></p> <p><u>The Appellant must, within the time stated in the notification of decision given under Rule 39.09(3), give to the Depository a notice (“Notice of Appeal”) that:</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			<p><u>(1) identifies the decision against which the appeal is made; and</u></p> <p><u>(2) sets out the ground(s) of the appeal together with the representations to justify the ground(s) relied upon.</u></p>
-	New provision.	<b>39.15</b>	<p><b><u>Deliberation of appeal:</u></b></p> <p><u>(1) An Appellant may produce evidence that was not presented at the initial enforcement proceedings if:</u></p> <p style="padding-left: 40px;"><u>(a) the evidence was not available at the time of the initial enforcement proceedings; and</u></p> <p style="padding-left: 40px;"><u>(b) the evidence would have been likely to have had a determining influence upon the decision appealed against.</u></p>
-	New provision.	<b>39.15</b>	<p><u>(2) The Appellant must produce the new evidence as stated in Rule 39.15(1) when submitting the Notice of Appeal.</u></p>
-	New provision.	<b>39.15</b>	<p><u>(3) The Depository may exercise its powers under Rule 37.06 and produce new evidence arising from the Notice of Appeal submitted by a Defaulting Person.</u></p>
-	New provision.	<b>39.15</b>	<p><u>(4) The Depository may affirm, vary or set aside the decision appealed against.</u></p>
-	New provision.	<b>39.16</b>	<p><b><u>Notification of decision on appeal:</u></b></p> <p><u>After the conclusion of an appeal, the Depository will notify the Defaulting Person in writing of the decision of the appeal and such decision is final.</u></p>



RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	39.17	<p><b><u>Effect of an enforcement action:</u></b></p> <p>(1) <u>A Defaulting Person must give effect to a decision made under Rule 39.09 or Rule 39.11 or an enforcement action affirmed or varied under Rule 39.15 within the time stipulated by the Depository.</u></p>
-	New provision.	39.17	<p>(2) <u>If a Defaulting Person fails to give effect to or comply with such decision made, affirmed or varied, the Defaulting Person is deemed to have committed a breach of these Rules and the Depository may take further action as stated in Rule 39.02.</u></p>
-	New provision.	39.18	<p><b><u>Period of payment and effect of non-payment of fine:</u></b></p> <p>(1) <u>Without prejudice to Rule 39.17(2), a fine imposed by the Depository must be paid by the Defaulting Person within the time stipulated in the notice under Rule 39.09(3) or Rule 39.16.</u></p> <p>(2) <u>Pursuant to Rule 39.18(1) and Rule 39.11(4), a Defaulting Person who fails to make payment within the stipulated time frame will be summarily suspended from its functions and activities.</u></p> <p>(3) <u>Where the fine remains unpaid 7 days after the suspension under Rule 39.18(2), the Depository may at any time thereafter summarily terminate the Defaulting Person's appointment, if relevant, by notice in writing.</u></p> <p>(4) <u>A fine or any portion of a fine remaining unpaid by a Defaulting Person is a debt owing by the Defaulting Person to the Depository.</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	<b>39.19</b>	<p><b><u>Effect of suspension:</u></b></p> <p>(1) <u>A suspension imposed by the Depository upon the Defaulting Person:</u></p> <p style="padding-left: 40px;">(a) <u>takes effect on the date notified in the notice under Rule 39.09(3) or Rule 39.16 (“the said notice”); and</u></p> <p style="padding-left: 40px;">(b) <u>remains for such period as specified in the said notice but the period may be extended by the Depository for such period as it considers appropriate.</u></p>
-	New provision.	<b>39.19</b>	<p>(2) <u>Nothing in this Rule 39.19 is to be construed as releasing or discharging such Defaulting Person from remaining liable in all respects to fulfill all its obligations pursuant to or under these Rules, directions, undertakings, representations or warranties given to the Depository or any other terms and conditions agreed upon with the Depository.</u></p>
-	New provision.	<b>39.20</b>	<p><b><u>Enforcement action initiated prior to the Effective Date:</u></b></p> <p>(1) <u>Unless these Rules or the Depository provides otherwise, the Depository will apply the penalties, rules and procedures on enforcement actions applicable prior to the effective date of these new provisions on enforcement actions (“Effective Date”) to an enforcement action instituted by the Depository against a Person prior to the Effective Date.</u></p> <p>(2) <u>The previous penalties, enforcement rules and procedures will also apply to an appeal against a decision on an enforcement action instituted prior to the Effective Date.</u></p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
-	New provision.	39.21	<p><b><u>Enforcement action initiated on or after the Effective Date:</u></b></p> <p><u>Unless these Rules or the Depository provides otherwise, the Depository may on or after the Effective Date, institute enforcement action against a Person for acts or omissions committed prior to the Effective Date if no enforcement action has been instituted. In doing so, the Depository may apply the new penalties, rules and procedures on enforcement actions applicable from the Effective Date.</u></p>

[End of Rule Amendments]