

6.1 Buying-In Transactions

- 6.1.1 Buying-in is the process of buying shares by Bursa Malaysia for settlement for failed trades on behalf of defaulters. Bursa Malaysia shall institute buying-in against the relevant selling POs on the settlement day of the contract, in event that the selling clients' CDS accounts do not have sufficient securities for settlement on due date.
- 6.1.2 Buying-in is only applicable for failed board lot transactions; there is no buying-in for odd lots.
- 6.1.3 POs must ensure that clients who sell to the Buying-in Board have sufficient shares to deliver after the buying-in transaction. In case of any default, both the PO and client will be subjected to enforcement actions by the Exchange.
- 6.1.4 POs may also request for a manual buying-in before the automatic buying-in is undertaken by the Exchange when there is:
- Failure in delivery of securities from direct business transactions i.e. married or crossing.
 - Failure by the seller in returning the entitlements arising from Rights and Bonus, to be passed to the purchaser.
 - Failure in delivery of securities arising from error trades.
 - Any other reasons as approved by the Head, Securities Market Operations.
- 6.1.5 The bidding price for buying-in of any securities by the Exchange shall be ten (10) ticks above:
- the Closing Price on the previous trading day; or
 - the Last Done Price for the previous trading session; or
 - the last 'cum' price in respect of buying-in for 'cum' contract on or after the Ex-date up to the close of business on the lodgement date;

- in the case of untraded Structured Warrants, the Upper Limit Price at previous trading session close, if there is an order to buy at the Upper Limit Price at the close of the session.

- of such securities, whichever is higher.

The buying-in price will be based on a different tick structure and tick sizes to ensure that the buying-in price is attractive to potential sellers.

6.1.6 Below are the tick sizes for the securities, where buying-in prices shall be based on:

Market Price of Securities (incl. ETBS, ABFMY1 and Equity based ETF (RM))	Tick Size (Sen)
Less than 1.00	0.5
1.00 to 2.99	1
3.00 to 4.98	2
5.00 to 9.95	5
10.00 to 24.90	10
25.00 to 99.75	25
100.00 and above	50

In computing the buying-in price, the buying-in price will be rounded up to the next tick size if the closing price falls between two tick sizes. For example if the closing price is between RM10.02 and RM10.08, the buying in price will be rounded up to RM11.10 as illustrated below:

Computation of Buying-In Price:

Closing price (Based on current tick size)	Buying-in Computation (Based on the old tick size)	Buying in price
RM 10.00	10.00+1.00 (10x0.10=1.00) =RM 11.00	RM11.00
RM10.02	10.02+1.00 (10x0.10=1.00) =RM11.02	RM11.10 (rounded up to RM11.10)
RM 10.04	10.04+1.00 (10x0.10=1.00) =RM 11.04	RM11.10 (rounded up to RM11.10)
RM 10.06	10.06+1.00 (10x0.10=1.00) =RM 11.06	RM11.10 (rounded up to RM11.10)
RM 10.08	10.08+1.00 (10x0.10=1.00) =RM 11.08	RM11.10 (rounded up to RM11.10)
RM 10.10	10.10+1.00 (10x0.10=1.00) =RM 11.10	RM11.10

6.1.7 For the purpose of buying-in of ETFs and ETBS, the same buying-in structure for stocks shall apply:

For example in the case of FBMKLCI-EA if it is traded in the range of RM5.77, the buying-in tick will be of the range of RM5.00 to RM9.95 which is 0.05. Therefore the buying-in price premium will be (10 ticks X 5sen) 50sen.

For ETBS stocks, if it is traded in the range of RM100.03, the buying-in tick will be of the range of RM100.00 and above, which is RM0.50. Therefore the buying-in price premium will be (10 ticks X 50sen) RM5.00.

The above is to ensure that the buying-in price will remain attractive for the ETFs and ETBS which have small minimum tick sizes.

6.1.8 Any buying-in securities which are not taken up on the first day (T+1), shall continue to subsequent trading days. The bid prices for each succeeding trading day shall be raised by five (5) ticks daily until the securities are bought or until: ~~T+8.~~

i. T+8, for securities listed on Main or ACE Market; or

ii. T+3, for securities listed on LEAP Market.

6.1.9 Bursa may suspend the daily increase in the bidding price or revise the bid so that the bidding price shall not be more than 25% above the last recorded sales or the last buying price bid of the previous market day, whichever is higher.

6.1.10 ~~At the end of T+8, if the buying-in is still not done, the~~The Exchange will perform cash settlement on the defaulting trades on:-

i. T+9, for securities listed on Main or ACE Market; or

ii. T+4, for securities listed on LEAP Market.

6.2 Procedures to Request for Manual Buying-in/ Withdrawal of Manual Buying-in

POs must provide Securities Market Operations with the latest list of its personnel who are authorised to request for manual buying-in/ withdrawal of manual buying-in request.

All requests for manual buying-in should be made using the *Request To Buying-In Under Manual* form (*Appendix 9*). Requests for withdrawal of buying-in should be made using the *Request for Withdrawal of Buying-In* form (*Appendix 10*).

All requests must be submitted and confirmed with SMO by 5pm every trading day.

Responsibility	Action
POs	1. Send duly authorised Manual Buying-In/Withdrawal of Manual Buying-In request forms by fax.

2. The authorised signatory to contact SMO via phone to confirm the request has been received by SMO.
- SMO personnel 3. When POs call, verify the particulars in the request form such as securities, quantity and the CDS account number.
4. Update system with Buying-in particulars.

6.3 Fee on Buying-in

Pursuant to paragraph 4.4 of Directive 3-001 of the Exchange (Directives on Applications to the Exchange and Fees pursuant to Chapter 3 of the Rules), a fee of 1% of the buying-in contract value in the currency in which the securities are traded will be charged by the Exchange against the defaulting POs and the POs have the right to recover such fee from the defaulting client and is entitled to a rebate of 50% from that fee. This fee has to be settled by the defaulting selling PO on T+1 of the buying-in transaction date. The collection of fee will be part of the daily settlement amount.