

PARTICIPATING ORGANISATIONS' CIRCULAR

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INTRODUCTION OF LAST PRICE LIMITS AND NEW ORDER VALIDITY, AND CHANGES IN PROCEDURES RELATING TO AMENDMENTS AND CANCELLATION OF DIRECT BUSINESS TRANSACTIONS AND REQUESTS FOR UPLIFTMENT OF DYNAMIC PRICE LIMITS

1. AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD (“RULES OF BURSA SECURITIES”) (IN RELATION TO LAST PRICE LIMITS)
2. AMENDMENTS TO THE PARTICIPATING ORGANISATIONS' TRADING MANUAL

1. INTRODUCTION

1.1 Bursa Malaysia Securities Berhad (“**the Exchange**”) is introducing the following new features in the automated trading system:

- (a) Last Price Limits; and
- (b) New order validity, namely Bursa Good-Till-Date and Fill-Or-Kill

Last Price Limits

- 1.2 Last Price Limits will complement the current static price limits and the dynamic price limits under the Rules of Bursa Securities.
- 1.3 Last Price Limits refers to upper and lower price limits that are calculated based on a deviation of a percentage / absolute value from the last done price during the main trading phase. If there is no such last done price, the Reference Price will be used to calculate the Last Price Limits. Any order entered at a price which is outside of the Last Price Limits will be rejected by the automated trading system.
- 1.4 Pursuant to the introduction of Last Price Limits, the Exchange has amended the Rules of Bursa Securities. The amendments to the Rules of Bursa Securities are explained below at paragraph 2.

New order validity

- 1.5 Bursa Good-Till-Date order is an order that remain in the order book from the time it is entered until it reaches its specified expiry date provided it is not fully matched, cancelled by the Participating Organisation or withdrawn by the Exchange.
- 1.6 Fill-Or-Kill is an order to be matched immediately and fully at the time of entry. Otherwise, such order will be cancelled by the automated trading system.

- 1.7 The Participating Organisations' Trading Manual ("**Trading Manual**") is amended to reflect the changes made in relation to Last Price Limits and new order validity.
- 1.8 In addition to the above amendments, the Trading Manual is also amended to clarify the procedure for the amendment and cancellation of Direct Business Transactions and to set out the cut off time for a Participating Organisation to request for an upliftment of dynamic price limits.
- 1.9 The amendments to the Trading Manual are explained below at paragraph 3.

2. RULE AMENDMENTS

- 2.1 A new Rule 8.13B has been inserted to empower the Exchange to prescribe Last Price Limits. The salient amendments are as follows:
 - (a) the Exchange may prescribe Last Price Limits e.g. upper and lower price limits at and within which orders may be entered during the pre-closing phase to be applicable in such circumstances as may be stipulated by the Exchange;
 - (b) any order for a Board Lot entered at a price outside Last Price Limits during the pre-closing phase will not be accepted by the automated trading system;
 - (c) the theoretical closing price during the pre-closing phase will be at or within Last Price Limits; and
 - (d) the Exchange may take any action it deems appropriate if the theoretical closing price is erroneously calculated during the pre-closing phase due to any reason whatsoever including orders being entered in breach of Last Price Limits.
- 2.2 The amendments to the Rules of Bursa Securities are attached as **Annexure 1**. These amendments have been approved by the Securities Commission.

3. TRADING MANUAL AMENDMENTS

- 3.1 The salient amendments to the Trading Manual are as follows:
 - (a) to set out the application and requirements for Last Price Limits;
 - (b) to introduce new order validity, namely Bursa Good-Till-Date and Fill-Or-Kill;
 - (c) to set out the procedure for the amendments and cancellation of Direct Business Transactions; and
 - (d) to set out the cut off time for a Participating Organisation to request for an upliftment of dynamic price limits.
- 3.2 The amended Trading Manual is attached as **Annexure 2**.

4. EFFECTIVE DATE

The amendments to the Rules of Bursa Securities and the Trading Manual as set out in paragraphs 2 and 3 above take effect on **17 November 2014**.

5. CONTACT PERSONS

In the event of any queries in relation to the above matter, kindly contact the following persons:

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