

PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 15 November 2010

No : R/R 9 of 2010

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD ("RULES OF BURSA SECURITIES") IN RELATION TO FULLY LIBERALISING COMMISSION SHARING BETWEEN PARTICIPATING ORGANISATIONS AND COMMISSIONED DEALER'S REPRESENTATIVES

1. INTRODUCTION

Kindly be advised that amendments have been made to the Rules of Bursa Securities to fully liberalise the sharing of commission between Participating Organisations ("POs") and Commissioned Dealer's Representatives ("**Remisiers**") as set out in **Annexure 1** ("**the Rule Amendment**").

2. AMENDMENTS TO THE RULES

Rule 310.2(5) of the Rules of Bursa Securities has been amended to provide that the commission of a Remisier shall be fully negotiable between a PO and the Remisier.

3. EFFECTIVE DATE OF RULE AMENDMENT

The Rule Amendment shall take effect from 1 January 2011 ("**Effective Date**").

All rules, directives, circulars in force which make reference or contain provisions relating to the above matters shall have effect from the Effective Date as if such reference or provisions relate to the Rule Amendment.

4. REVOCATION OF DIRECTIVES

Further to the Rule Amendment, POs' Circular No. R/R 17 of 2009 on sharing of commission between POs and Remisiers for transactions in securities executed by Remisiers is revoked with effect from the Effective Date.

5. VARIATION TO THE STANDARD REMISIERS' AGREEMENT

In addition, the Exchange has varied the Standard Remisiers' Agreement provided for in Rule 310.2(8) of the Rules of Bursa Securities and stated in R/R No.1 and 17 of 1999 in the manner set out in **Annexure 2**.

Every PO must ensure that all Standard Remisiers' Agreements entered into with its Remisiers on or after the Effective Date shall be on such terms as varied in the manner set out in **Annexure 2**. In relation to Standard Remisiers' Agreements entered into prior to the Effective Date, the PO must ensure that they are varied in the manner set out in **Annexure 2** on or before **1 January 2011**. The PO must ensure that such variations take effect on the Effective Date.

6. CONTACT PERSONS

In the event of any queries in relation to the Rule Amendment, kindly contact the following persons:

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Please be informed that this circular is available on Bursa Malaysia's website at:
http://www.bursamalaysia.com/website/bm/regulation/rules/bursa_rules/bm_securities.html

REGULATION

**RULES OF BURSA MALAYSIA SECURITIES BERHAD
RULE AMENDMENTS IN RELATION TO FULLY LIBERALISING
COMMISSION SHARING**

The following sets out the rule amendments in relation to fully liberalising the sharing of commission between Participating Organisations and Commissioned Dealer's Representatives.

1.0 RULE 310.2

Rule 310.2(5)

1.1 Rule 310.2(5) be amended as follows:

- (5) Commission: The commission of a Commissioned Dealer's Representative shall be ~~at least forty per cent (40%)~~ fully negotiable between ~~of the brokerage charged by~~ the Participating Organisation ~~to the clients introduced by~~ and him.

[End of Rule Amendments]

VARIATIONS TO THE STANDARD REMISIERS' AGREEMENT

Clause	Current Provision	Amended Provision
3.1	The Company shall pay the Remisier a commission in accordance with Rule 310.2(5) of the Exchange's Rules out of the brokerage charged to the Client(s) on transactions that are dealt by or through the Remisier in the name of the Company.	The Company shall pay the Remisier commission as provided for in Schedule 1 on transactions that are dealt by or through the Remisier in the name of the Company a commission in accordance with Rule 310.2(5) of the Exchange's Rules out of the brokerage charged to the Client(s) on transactions that are dealt by or through the Remisier in the name of the Company.
9.1	The levy imposed by the Securities Commission shall be borne proportionately to the commission rate accorded to the Remisier in accordance with Clause 3.1 provided always that the Company may at its absolute discretion, pay the entire levy imposed by the Securities Commission.	The levy imposed by the Securities Commission shall be borne proportionately to the commission rate accorded to the Remisier in accordance with Clause 3.1 provided always that the Company may at its absolute discretion, pay the entire levy imposed by the Securities Commission.
13.3	<p>In the event the said amount is Ringgit Malaysia Fifty Thousand (RM50,000.00) or less the Remisier shall have undertaken to pay the same on the terms and subject to the conditions below: -</p> <p>13.3.1 the Transferee undertake to deduct and remit such amount earned being at least 40% of the Remisier's gross turnover to the Company every calendar month provided always that the commission earned by the Remisier for the relevant month exceeds Ringgit Malaysia One Thousand (RM1,000.00) only; and</p>	<p>In the event the said amount is Ringgit Malaysia Fifty Thousand (RM50,000.00) or less the Remisier shall have undertaken to pay the same on the terms and subject to the conditions below: -</p> <p>13.3.1 the Transferee undertake to deduct and remit such amount earned being at least 40% of the Remisier's gross turnover to the Company as commission by the Remisier under Clause 3.1 every calendar month provided always that the commission earned by the Remisier for the relevant month exceeds Ringgit Malaysia One Thousand (RM1,000.00) only; and</p>
Schedule 1	New provision	Schedule 1 [Clause 3.1] Commission



[End of Variations to the Standard Remisiers' Agreement]