

# BURSA MALAYSIA SECURITIES BERHAD (635998 W)

## PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 27 January 2006

No: R/R 3 of 2006

1. **AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD PERTAINING TO BRANCHING BY THE ELIGIBLE NON-UNIVERSAL BROKERS**
2. **ESTABLISHMENT OF ELECTRONIC ACCESS FACILITIES (“EAF”) AND ELECTRONIC ACCESS FACILITIES-PERMITTED ACTIVITIES (“EAF-PA”) BY THE ELIGIBLE NON-UNIVERSAL BROKERS**

Please be informed that pursuant to Section 9(3) of the Securities Industry Act 1983 and in line with the Securities Commission’s “Guidelines on Permitted Activities For Stockbroking Companies” issued on 26 October 2005, the Participating Organisations’ Circular R/R 2 of 2005 is hereby revoked and the following shall apply, with effect from **3 January 2006**:

1. **Amendments to the Rules of Bursa Malaysia Securities Berhad pertaining to Branching by the Eligible Non-Universal Brokers**

Rule 504.2A(1) of the Rules of Bursa Malaysia Securities Berhad (“Rules of Bursa Securities”) has been amended to provide that Non-Universal Brokers, which has acquired and surrendered to the Securities Commission the licence of at least one other Participating Organisation (“the Eligible Non-Universal Broker”), shall be allowed to establish and maintain unlimited number of branch offices (the “said Amendment”). A copy of the said Amendment is attached herein as **ANNEXURE 1**.

2. **Establishment of EAF and EAF-PA by the Eligible Non-Universal Brokers**

2.1 The Eligible Non-Universal Broker shall be allowed at its discretion to establish and maintain unlimited number of EAFs and/or EAF-PAs defined under Members’ Circular No. R/R 7 of 2001 and Members’ Circular No. R/R 10 of 2002.

2.2 All provisions stipulated under Members’ Circular No. R/R 7 of 2001 and Members’ Circular No. R/R 10 of 2002 in relation to the establishment of EAF and establishment of EAF-PA by Universal Brokers shall equally apply to all Eligible Non-Universal Brokers with the following modifications:

- (a) All references to “Executive Director Compliance” in Members’ Circular No. R/R 7 of 2001 and Members’ Circular No. R/R 10 of

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2002 shall be construed, in the case of Eligible Non-Universal Brokers, as the person in charge of the compliance function for the Eligible Non-Universal Brokers.

- (b) References to the Securities Commission's "Guidelines On the Establishment of Electronic Access Facilities By A Universal Broker" in Members' Circular No. R/R 7 of 2001 and Members' Circular No. R/R 10 of 2002 shall be read to include "Guidelines On the Establishment of Electronic Access Facilities By A Universal Broker and Eligible Non Universal Broker".

All rules, directives or circulars in force which make references to or contain provisions relating to the above matters shall have effect from **3 January 2006** as if such reference or provisions relate to the amended provisions aforesaid.

Please be informed that the said Amendment is available on Bursa Malaysia's website at: [http://www.bursamalaysia.com/website/aboutus/biz\\_rules.htm](http://www.bursamalaysia.com/website/aboutus/biz_rules.htm)

For further information or inquiries on the abovesaid matter, kindly contact the following persons at telephone no. 03-2034 7000:-

- i. Ms. Azrina Abd Rashid (Ext 7326)
  - ii. Mr. Ng G-Ming (Ext 7364)
  - iii. Mr. Pasupathy s/o Velauthah (Ext 7141)
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“ANNEXURE 1”

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD PERTAINING TO BRANCH OFFICES OF NON-UNIVERSAL BROKERS**

Existing Rules		Amended Rules	
<b>504.2A</b>	<b>ADDITIONAL BRANCH OFFICES BY A NON-UNIVERSAL BROKER</b>  (1) Where a Participating Organisation which is a Non-Universal Broker has merged with or acquired and surrendered to the Securities Commission the licence of at least one other Participating Organisation, that Participating Organisation shall be granted the right to establish and maintain a maximum of four (4) branch offices in addition to the right granted under Rule 504.1(1)(c), unless directed otherwise by the Exchange.	<b>504.2A</b>	<b>BRANCH OFFICES BY A NON-UNIVERSAL BROKER</b>  (1) <b>With effect from 3 January 2006</b> , where a Participating Organisation which is a Non-Universal Broker has merged with or acquired and surrendered to the Securities Commission the licence of at least one other Participating Organisation, that Participating Organisation shall be permitted to establish and maintain branch office(s) <b>Subject Always to the Commission’s criteria and guidelines in respect thereof.</b>