

BURSA MALAYSIA SECURITIES CLEARING SDN BHD

Date: 17 June 2013	No : SBL 4/2013
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1. SECURITIES ACCOUNTS FOR LENDING IN A SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (SBLNT); AND

2. AMENDMENTS TO THE SBLNT OPERATIONAL GUIDELINES

1. SECURITIES ACCOUNTS FOR LENDING IN A SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (SBLNT)

Currently, the following securities accounts are permitted to be used in respect of lending in an SBLNT:

- (a) securities accounts held in the name of the Approved SBLNT Lender; and
- (b) securities accounts held in the name of an authorised nominee holding on behalf of the Approved SBLNT Lender.

Lending Representatives are hereby notified that in addition to the securities accounts mentioned above, Bursa Malaysia Securities Clearing Sdn Bhd (Bursa Clearing (S)) will be permitting the following securities accounts to be used in respect of lending in an SBLNT:

- (i) securities accounts held in the name of the Approved SBLNT Lender's clients; and
- (ii) securities accounts held in the name of the Approved SBLNT Lender's client's authorised nominee holding on behalf of the Approved SBLNT Lender's client.

Approved SBLNT Lenders who intend to use the securities accounts referred to above for lending purposes must obtain consent/authorisation from the Approved SBLNT Lender's clients or the relevant authorised nominee prior to using the securities accounts.

2. AMENDMENTS TO THE SBLNT OPERATIONAL GUIDELINES

With reference to Item 1 above, consequential amendments have been made to the SBLNT's Operational Guidelines.

The Operational Guidelines have also been updated to inform that the Loan Quantity Adjustment process for corporate actions will have to be carried out no later than 5 business days from the debiting or crediting of the relevant securities account arising from the corporate actions.

A) SBLNT - Operational Guidelines for Lenders and Borrowers

Attached are the revised pages of the Operational Guidelines for Lenders and Borrowers. Please remove, replace or insert the enclosed documents into the Operational Guidelines for Lenders and Borrowers based on the following:

No.	Document Name	Remark
1.	Section 2 – Application Procedures	To remove section 2 and replace with the new document enclosed.
2.	Section 7 – Corporate Action	To remove section 7 and replace with the new document enclosed.
3.	Appendix 2 - Appointment of Lending Representative/Borrowing Representative form	To remove Appendix 2 and replace with the new document enclosed.
4.	Appendix 7 – Letter of Authorisation/Consent By Holder Of Securities Account	To insert Appendix 7.

The amended document for the SBLNT - Operational Guidelines for Lenders and Borrowers in relation to the above is attached as “**ANNEXURE 1**”.

Amendments to the Operational Guidelines as set out in **Annexure 1** are denoted with track changes.

All directives as set out in this circular shall take immediate effect.

For further information or enquiries kindly contact the following person:

Kunalan Sivapragasam (03-20347255)

Clearing and Settlement Operations

“ANNEXURE 1”

SBLNT – OPERATIONAL GUIDELINES FOR LENDERS AND BORROWERS

CSO/SSO SBLNT OPERATIONAL GUIDELINES FOR LENDERS & BORROWERS

Section: 2. APPLICATION PROCEDURES

2.1 How to apply to be a Lender or Borrower

2.1.1 In the SBLNT rules, Lenders and Borrowers apply to become Approved SBLNT Lenders or Approved SBLNT Borrowers.

2.1.2 The following are the qualifying criteria for Approved SBLNT Lenders and Approved SBLNT Borrowers:

Approved SBLNT Lender

- Individuals or corporate bodies who hold a valid account with the depository i.e. Bursa Malaysia Depository Sdn Bhd.

Approved SBLNT Borrower

- Please refer to Schedule 1 of the **Application To Be Approved SBLNT Lender / Approved SBLNT Borrower Form (Appendix 1)**.

2.1.3 Approved SBLNT Lender / Approved SBLNT Borrower will have to identify and appoint a Lending Representative for Approved SBLNT Lender and a Borrowing Representative for Approved SBLNT Borrower who will then be the liaison between the Approved SBLNT Lender / Approved SBLNT Borrower and Bursa Clearing.

2.1.4 The appointed Lending Representative/Borrowing Representative shall advise and submit the relevant forms and documents to Bursa Clearing on behalf of the Approved SBLNT Lender / Approved SBLNT Borrower.

2.1.5 Bursa Clearing shall reserve the right to reject applications to be an Approved SBLNT Lender / Approved SBLNT Borrower.

2.1.6 The following are the forms and documents which Bursa Clearing should receive from the Lending Representative / Borrowing Representative on behalf of the Approved SBLNT Lender / Approved SBLNT Borrower:-

Approved SBLNT Lender

Where the Approved SBLNT Lender is a:

a. Resident Individual

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of NRIC or other forms of acceptable identification documents issued by Jabatan Pendaftaran Negara / Passport (for foreigner) / Authority Card (for Armed Forces / Police Personnel).

b. Non-Resident Individual Living In Malaysia

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of the front page of passport.

c. Non-Resident Individual Living In Their Home Country

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender/ Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of any of the following:
 - National Registration Identity Card, or
 - National Health Insurance Card / Social Security Card, or
 - Any other documents subject to Bursa Clearing (S)'s approval on a case-by-case basis.

d. Corporate

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form;
- iii. An original, certified true copy of Certificate Of Incorporation / Certificate Of Registration (for registration number, name and place of incorporation); and
- iv. An original, certified true copy of document evidencing the appointment of Authorised Signatory(ies) with specimen signatures.

CSO/SSO SBLNT OPERATIONAL GUIDELINES FOR LENDERS & BORROWERS

Section: 2. APPLICATION PROCEDURES

Approved SBLNT Borrower:

(applies to any category of Approved SBLNT Borrower)

- a. The Approved SBLNT Borrower must first meet the qualifying criteria as mentioned in Item 2.1.2 above.
- b. Complete the following:
 - i. Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
 - ii. Appointment Of Lending Representative / Borrowing Representative Form; and
 - iii. Submit original, certified true copy of the following or its equivalent:-
 - Certificate Of Incorporation / Certificate Of Registration (for registration number, name and place of incorporation);
 - Document evidencing the appointment of Authorised Signatory(ies) with specimen signatures;
 - Supporting documents to evidence that the company is classified under the eligible list of Approved SBLNT Borrower;
 - Latest audited accounts and related documents to evidence the Effective Shareholders' Funds; and
 - Approval Letter by Bursa Malaysia Securities Berhad for Registration of Market Maker (only applicable to Market Makers.)

Note:

Please refer to:-

*i. **Appendix 1:** Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;*

*ii. **Appendix 2:** Appointment Of Lending Representative / Borrowing Representative Form;*

If the holder of the Securities Account stated in the Appointment Of Lending Representative / Borrowing Representative Form does not belong to the Approved SBLNT Lender then the Approved SBLNT Lender will have to provide the following:

Appendix 7 - Letter Of Authorisation/Consent By Holder Of Securities Account In Relation To The Bursa Securities Borrowing And Lending – Negotiated Transaction (“THE SBLNT”)

*iii. **Appendix 3:** Diagram which illustrates the Application process.*



7.1 Corporate Actions

- 7.1.1 Bursa Clearing will not perform any adjustment to the loan quantity or loan value pursuant to any corporate action undertaken by an issuer.
- 7.1.2 The Approved SBLNT Lender and Approved SBLNT Borrower will have to agree on the loan quantity to be adjusted.
- 7.1.3 The SBLNT system provides the facility to adjust the loan quantity arising from a corporate action.
- 7.1.4 To have the Loan Quantity Adjustment done, Approved SBLNT Lender and Approved SBLNT Borrower must do the following:
 - a. Approved SBLNT Borrower to instruct its Borrowing Representative to Initiate the Loan Quantity Adjustment; and
 - b. Approved SBLNT Lender to instruct its Lending Representative to Accept the Loan Quantity Adjustment.

Note:

The loan quantity adjustment process for corporate actions will have to be carried out no later than 5 business days from the debiting or crediting of the relevant securities account arising from the corporate actions.



**APPOINTMENT OF LENDING REPRESENTATIVE / BORROWING REPRESENTATIVE
SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (“SBLNT”)**

Please complete all sections of the form by typing in black or using black ink pen as the form will be photocopied.

For office use only

Bursa Malaysia Securities Clearing Sdn Bhd's reference number

1. Particulars of the Applicant – *Approved SBLNT Lender / Approved SBLNT Borrower

Applicant's name in full

Company Registration No. or NRIC

Securities Account (CDS) Number To Be Linked

(To link more than 1 securities account, fill the attachment for subsequent accounts)

Account Purpose

(Refer attachment for code details)

Account Qualifier of the CDS account above

2. Particulars of the Lending Representative / Borrowing Representative

Corporation's name in full

Company No. (if any)

Please tick the relevant:

Borrowing Representative

Lending Representative

Acknowledgement by Approved SBLNT Lender / Approved SBLNT Borrower

I/We, *the Approved SBLNT Lender / the Approved SBLNT Borrower / both Approved SBLNT Lender and the Approved SBLNT Borrower hereby wish to appoint the corporation as stated in item 2 above as our *Lending Representative / Borrowing Representative / both Borrowing Representative and Lending Representative to carry out SBLNT.

..... Signature of Individual / Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

3. Acknowledgement by SBLNT Lending Representative / SBLNT Borrowing Representative

I/We hereby agree to act as the *Lending Representative / Borrowing Representative / both Lending Representative and Borrowing Representative to carry out SBLNT for the *Approved SBLNT Lender / Approved SBLNT Borrower as stated in item 1 above.

..... Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

Dated thisof

* Delete whichever is not applicable

Kindly submit the duly completed application form to:-

Head, Participants Supervision Division
Regulations
Bursa Malaysia Berhad
12th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

**LETTER OF AUTHORISATION/CONSENT BY HOLDER OF SECURITIES ACCOUNT
IN RELATION TO THE BURSA SECURITIES BORROWING AND LENDING –
NEGOTIATED TRANSACTION (“THE SBLNT”)**

[On letterhead of Approved SBLNT Lender’s client/authorised nominee]

To :

Bursa Malaysia Securities Clearing Sdn Bhd and
Bursa Malaysia Depository Sdn Bhd
10th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

**Authorisation/Consent by Approved SBLNT Lender’s client/authorised nominee in relation
to the SBLNT**

I/We, _____ [name of the Approved SBLNT Lender’s client/authorised nominee] am/are the account holder of the Securities Account No. _____ (hereinafter referred to as “the Securities Account”) stated in the Appointment Of Lending Representative/Borrowing Representative Form submitted by _____ [name of the Approved SBLNT Lender] (hereinafter referred to as “the Approved SBLNT Lender”) to Bursa Malaysia Securities Clearing Sdn Bhd (hereinafter referred to as “the Clearing House”) on [date of Form] pursuant to the SBLNT related rules prescribed in the Rules of Bursa Clearing (S) (“hereinafter referred to as the SBLNT Rules”).

In consideration of the Clearing House approving the Approved SBLNT Lender’s application to become an Approved SBLNT Lender in relation to the SBLNT and continuing to allow the Approved SBLNT Lender to enter into new SBL Negotiated Transactions or transactions contemplated under any directives, circulars or instructions issued by the Clearing House in relation to SBL Negotiated Transactions, **I/WE HEREBY GIVE OUR AUTHORISATION AND CONSENT** to the following:-

- (i) the Clearing House instructing Bursa Malaysia Depository Sdn Bhd (“the Depository”) to debit from the Securities Account and for the Depository to debit the eligible securities specified by the Approved SBLNT Lender which are available for lending to the Approved SBLNT Borrower (“the Loaned Securities”) for the purpose of the delivery of the Loaned Securities by the Approved SBLNT Lender to the Approved SBLNT Borrower and for the Clearing House instructing the Depository to credit into the Securities Account and for the Depository to credit the equivalent Loaned Securities for purpose of the redelivery of the equivalent Loaned Securities by the Approved SBLNT Borrower to the Approved SBLNT Lender, pursuant to the SBLNT Rules; and
- (ii) the Clearing House or the Depository disclosing any information or producing any documents in its possession or control which relate to the Securities Account or the securities held therein where the Clearing House or the Depository is bound by law or the requirements of any relevant authority in Malaysia so to do.

I/We hereby undertake that for so long as the loan transactions entered into between the Approved SBLNT Lender and the Approved SBLNT Borrower pursuant to the SBLNT Rules shall remain outstanding:

- (a) this authorisation and consent shall be irrevocable; and
- (b) I/we shall not close and shall ensure no closure of the Securities Account stated herein.

We hereby confirm that [name of authorised signatory of authorised nominee] has been duly authorised by resolution of our board of directors dated [date of resolution] to give this authorisation/consent (this is applicable only to authorised nominee).

Yours faithfully

.....

Name : [Approved SBLNT's Lender's client/Authorised signatory of authorised nominee]

Designation : [applicable if authorised nominee]

Date :

Signature authentication by SBLNT Lending Representative

We hereby confirm that we have checked and verified that the signature of the Approved SBLNT Lender's client corresponds with the signature on the specimen signature card / the signature of the authorised signatory of the authorised nominee corresponds with our records.

..... Authorised Signatory(ies) Name: Company Stamp
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Dated thisof