



**AMENDMENTS TO THE CLEARING PARTICIPANTS' DIRECTIVE UNDER THE RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD
("BMDC RULES") TO UPDATE THE REQUIREMENTS ON ACCOUNT OPENING AND CLIENT ONBOARDING**

DIRECTIVE ON THE CONDUCT OF BUSINESS (NO. 4-001)

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
7.1(4)	<p>Authentication of account opening application</p> <p>(4) In conducting a Non Face-to-face Verification, a General Clearing Participant must verify the potential Client's identity and the authenticity of the application through 1 or more of the following methods:</p> <p>(a) obtain confirmation of the person's identity from an independent source, for example, by contacting the human resources department of the person's employer on a listed business number to confirm his employment;</p> <p>(b) receive and encash a personal cheque of the potential Client for an amount of not less than RM100, where the name appearing on the cheque and the signature of such person on the cheque must match the name and signature of such person in the account opening application form;</p> <p>(c) initiate face-to-face contact with the person through an electronic mode including a video conference facility; or</p> <p>(d) obtain confirmation of the person's identity and relevant details of the person from another entity within the General Clearing Participant's</p>	7.1(4)	<p>Authentication of account opening application <u>for individual Client</u></p> <p>(4) In conducting a Non Face-to-face Verification, a General Clearing Participant must verify the potential Client's identity and the authenticity of the application through 1 or more of the following methods:</p> <p>(a) obtain confirmation of the person's-potential <u>Client's</u> identity from an independent source, for example, by contacting the human resources department of the-such person's employer on a listed business number to confirm his employment;</p> <p>(b) receive and encash a personal cheque of the potential Client for an amount of not less than RM100, where the name appearing on the cheque and the signature of such person on the cheque must match the name and signature of such person in the account opening application form;</p> <p>(c) initiate face-to-face contact with the person <u>potential Client</u> through an-electronic-mode including a-video conference facility <u>or a video recording of the person</u>; or</p> <p>(d) obtain confirmation of the person's-potential <u>Client's</u> identity and relevant details of the-such</p>

Amendments to Update the Requirements on Account Opening and Client Onboarding



PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION
	<p>Group which has previously verified the person's identity in accordance with such entity's standard operating procedures and ensure that the details of the person obtained from such other entity match the information in the person's account opening application form.</p>		<p>person from another entity within the General Clearing Participant's Group which <u>is a reporting institution under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and</u> has previously verified the person's identity in accordance with such entity's standard operating procedures and ensure that the details of the person obtained from such other entity match the information in the person's account opening application form.;</p> <p><u>(e) request the potential Client to make a nominal payment to the General Clearing Participant from his own account with a licensed bank under the Financial Services Act 2013 or licensed Islamic bank under the Islamic Financial Services Act 2013 or the General Clearing Participant transfers a nominal sum into the potential Client's account; or</u></p> <p><u>(f) use any other technology solution to verify the identity of the potential Client including, but not limited to, biometric technologies, which is able to verify such person's identity effectively.</u></p>