

MEMORANDUM
FOR FEEDBACK

Ref No : 0048 of 2017/PO

Date : 21 December 2017

To : Executive Director/ Head of Dealing
Executive Director/ Head of Operations

From : The Secretariat, ASCM

By Email

No. of pages : As per attachment

RE : Dealing in Securities not listed in Bursa's Recognized Stock Exchanges

Dear Members,

References are made to our Memo 0047 of 2016/PO and Memo 0009 of 2017/PO on Bursa's initiative to revamp their rules in order to promote market growth and ease of doing business.

One of the feedback provided was to include Dealing in Securities that is not listed in Bursa's Recognized Stock Exchange. This includes OTC markets which are not members of the World Federation of Exchanges. The rationale of this suggestion is that there were instances where the listing status of some companies listed on NYSE or NASDAQ (which are members of the World Federation of Exchanges) are transferred to OTC markets due to various reasons for example, low price or low liquidity. ASCM had proposed that clients who bought this type of counters are to be allowed to sell through the OTC markets and not be considered as breaching the Bursa's rules.

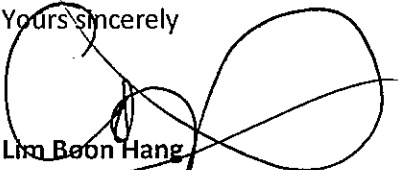
We understand from Bursa that this proposal was rejected by SC. Recently, at an industry dialogue with Bursa's Market Participants Committee (MPC), ASCM has engaged Bursa to re-evaluate this matter as it may have implications in not allowing investors who has taken positions on the above OTC counters to close off their holdings. Bursa has agreed to engage SC on the issue and requested ASCM to provide further information on the impact or volume of securities involved.

To support the application for a waiver, ASCM would like to collate data from members on the total positions held by your clients of securities that are not recognized by Bursa as a recognized stock exchange. This data should exclude securities traded in London Stock Exchange (LSE) as these securities are allowed to be traded pursuant to the waiver issued by SC earlier.

Kindly revert to us using the attached reply form at saifulazmi@ascm.org.my by 12th January 2018.

Thank you

Yours sincerely



Lim Boon Hang

Executive Director, ASCM Secretariat