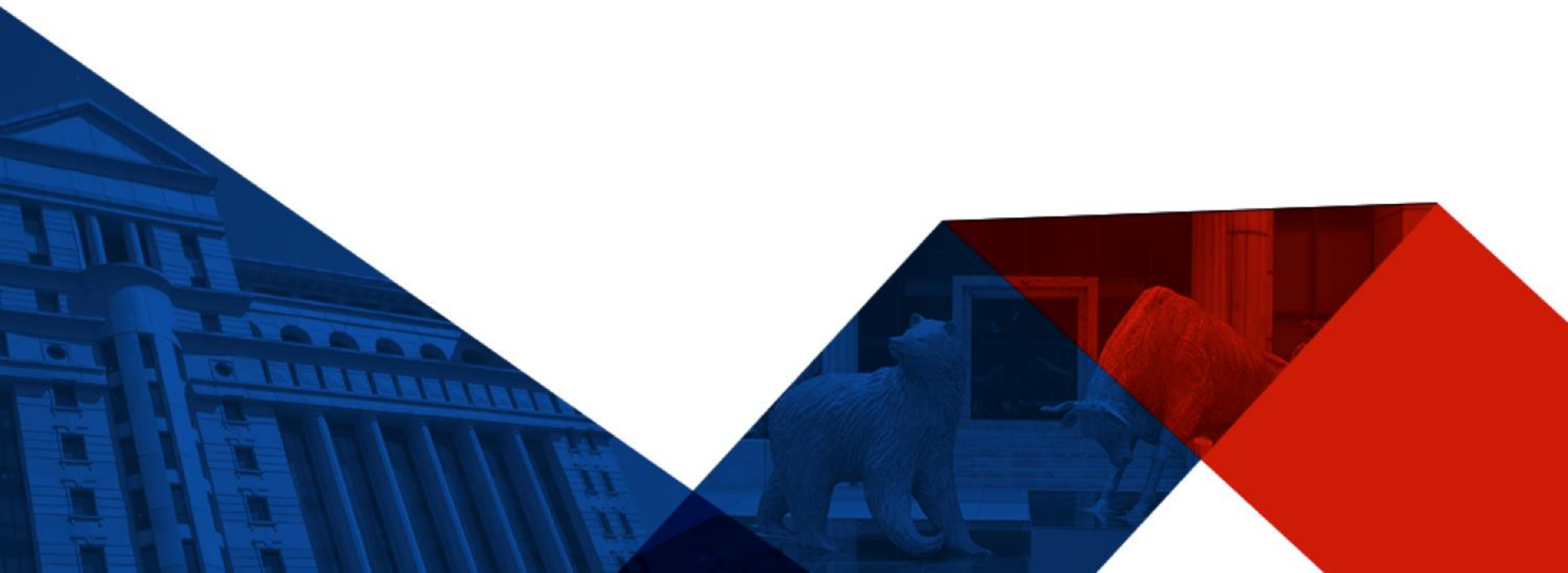


22 February 2018

Briefing to Participating Organisations - Measures to Stimulate Vibrancy in the Market



YAB PM's Announcement : Capital Market Related Items

Relevant Items Relating To Capital Market

1. Intraday short selling allowed for all investors
2. Trading Specialist & Volume-based incentive programme
3. Liberalisation of margin financing rules
4. Waiver of stamp duty of trading in mid and small cap companies on Bursa Malaysia for 3 years starting from March 2018
5. 6 months of trading and clearing fees waiver for new investors

Intraday Short Selling (IDSS)

BACKGROUND

1. Currently only Proprietary Day Traders (PDTs) are allowed to carry out IDSS (“Day Trading”). Bursa is introducing IDSS to a wider group of investors but with additional controls and measures put in place
2. Draft Rule industry consultation was carried out from 29 Dec 2017. A total of 55 responses were received
3. This is in line with Prime Minister’s announcement on 6 February 2018 on measures to add vibrancy and stimulate greater trading activity

KEY COMPARISONS BETWEEN IDSS, RSS AND SHORT SELLING UNDER PDT

SHORT SELL	Pre-borrowing of shares	Designated account	Eligible securities- approved RSS/SBL securities	At-Tick rule	Position to be closed by end of day
IDSS	x	x	✓	x	✓
RSS	✓	✓	✓	✓	x
Short Selling under PDT	x	✓	x All Main Market stocks	x	✓

INTRADAY SHORT SELLING & ELIGIBLE SECURITIES

INTRADAY SHORT SELLING

1. Allows investors to sell first and buy the securities later.
2. All sell positions must be closed off with buy positions on T-day itself.
3. IDSS is allowed during all trading phases except during Trading at Last (only buy order is allowed).

ELIGIBLE SECURITIES

1. IDSS can only be traded on RSS approved securities.
2. There is no need to have a confirmation of borrowing before every trade.
3. There are 280 Eligible Securities effective 5 February 2018 and the list is updated twice a year in January / early February; and July.

INVESTOR'S ELIGIBILITY FOR IDSS

1. IDSS is open to all investors, but is subject to the PO's discretion to allow their clients to trade in IDSS.
2. The investors shall need to complete the following:
 - a. Enter into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades.
 - b. Execute the IDSS risk disclosure statement (not applicable to institutional investors).

ORDER TAGGING & REPORTING

1. All IDSS sell orders must be tagged.
2. POs are required to monitor and ensure that the positions are covered by the end of the trading day.
3. PO must report to the exchange on the following:-
 - a. The net sell positions which have not been closed off.
 - b. Any positions which are carried for securities which are not Eligible Securities and the reasons.

TRADING & PRICE LIMITS

3 types of limits will be imposed where IDSS will be suspended:

- a. Gross short selling volume exceeds the daily maximum limit of 3% of outstanding shares per security.
- b. Stocks will be suspended / prohibited from IDSS for the rest of the day if stock price falls more than 15% / RM0.15 from the previous day closing price.
- c. Net short selling volume (RSS) aggregated over a period of time is 10% of the quantity of outstanding shares.

REQUIREMENT FOR SBL AGREEMENT

1. **Prior to being allowed to trade IDSS**, the investor must have entered into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades which may occur.
2. There is **no need to have a confirmation of borrowing before every trade**.
3. We allow **flexibility** to the POs to determine the form of written agreement that works best for the POs.

3 options are available to POs to help facilitate the SBL arrangement:

- a. Sign up for Bursa's SBLCLA.
- b. Register with Bursa as a SBLNT borrower
 - Register as a client with another PO who is an approved SBLNT borrower.

Currently 7 POs are registered as Approved Borrowers.

SUGGESTED MINIMUM CONTENTS FOR SBL AGREEMENT WITH INVESTORS

1. Purpose of Agreement
2. Fees
3. Collateral requirement if applicable
4. Treatment of Corporate Action during the loan period if applicable
5. Return of loan shares
6. Termination of loan

NEXT STEPS

EUAT Test
Plan to be
sent out on
Friday, 23 Feb
2018



IDSS
development
and
certification
starts on 26
Feb 2018 for
ISV, IVs and
POs (in-
house)



EUAT Testing
to start from
Monday, 12
March 2018 -
Friday 16
March 2018



EUAT sign off
to be sent to
Bursa on
Monday, 19
March 2018

POs' READINESS - CHECKLIST

All POs to participate in the EUAT

- PO IT Circular BURSA/PO IT 01 OF 2018 : BTS2 Fix Specification Change For Intraday Short Selling was sent out to the ISVs on 7th Feb 2018.
- EUAT Test Plan to be sent out on Friday, 23 Feb 2018.

Update internal process

- PO to look into the internal approvals, processes and procedures.

SBL arrangement

- Register as an approved borrower for SBLCLA or SBLNT
- Prepare a document for investor's agreement

VOLUME-BASED INCENTIVE PROGRAM

BACKGROUND

1. For the Securities Market, Bursa currently offers volume-based trading incentives for the following:
 - i. Proprietary Day Traders (PDTs)
 - ii. Registered Market Makers for Certain Products
Exchange Traded Funds and Bonds (ETF and ETB)
2. Bursa will now expand these incentive program to the following categories of investors:
 - i. PO's Proprietary Trading (other than PDTs and Product Market Making) i.e. IVT
 - ii. Proprietary Trading Firms (exclude intermediaries and fund managers)
 - iii. High volume Retail Investors
3. Letter to POs dated on 19 February 2018

OBJECTIVE OF THE PROGRAM

1. In line with Prime Minister's announcement on 6 February 2018 on measures to add vibrancy and stimulate greater trading activity
2. To reward and incentivise active investors participation in the Securities Markets
3. To grow new investor segments

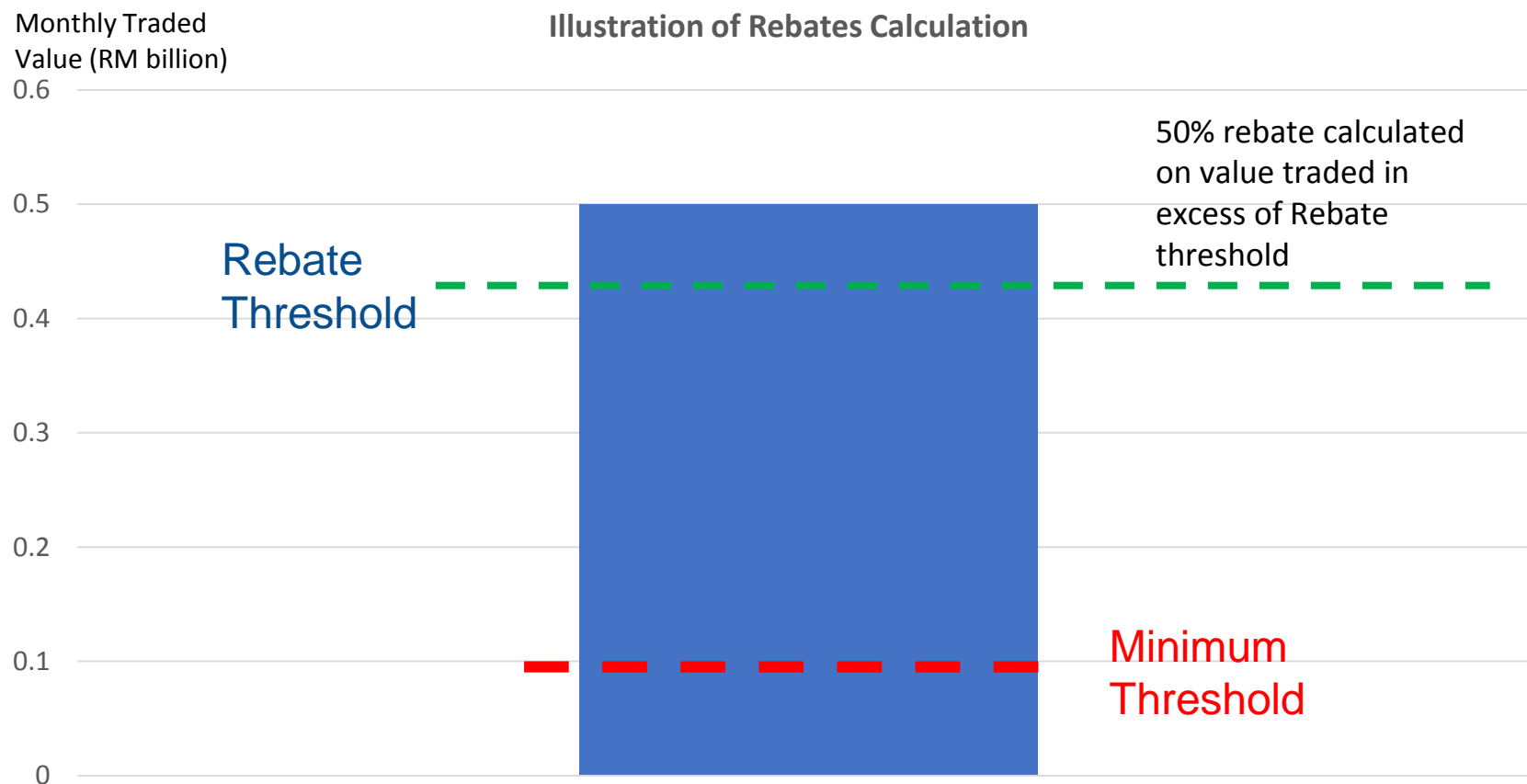
APPLICATION FOR THE INCENTIVE PROGRAM

1. To participate in the trading incentive program, POs will need to make an application to Bursa
2. **“Sponsoring PO”** concept for the proprietary trading firms and individual retail investors, where PO will apply on behalf for them
3. Application forms will be made available to POs
4. Approval is subject to the discretion of Bursa

REBATE PRINCIPLES

1. Rebate is calculated as a % of Bursa's Clearing Fee (excluding SC levy portion derived in part from the Clearing Fee)
2. Rebate is on monthly basis to Bursa
3. Participant is only entitled for rebate if his trading value for the month exceeds a prescribed monthly Minimum Threshold as determined by Bursa
4. The value of the rebate will be computed for trades in excess of a Rebate Threshold
5. Rebate Threshold is determined based on the Participant's average monthly traded value in 2017 or such value as determined by the Bursa.

ILLUSTRATION OF REBATE CALCULATION



- Min Threshold: RM100 million. Rebate threshold: RM420 million.
- Participant A traded RM500 million in X month of 2018. Value entitled for rebate is RM80 million in X month.
- * Rebate threshold was determined based on Participant A's trading average RM420 million a month in 2017

PO PROPRIETARY TRADING INCENTIVE

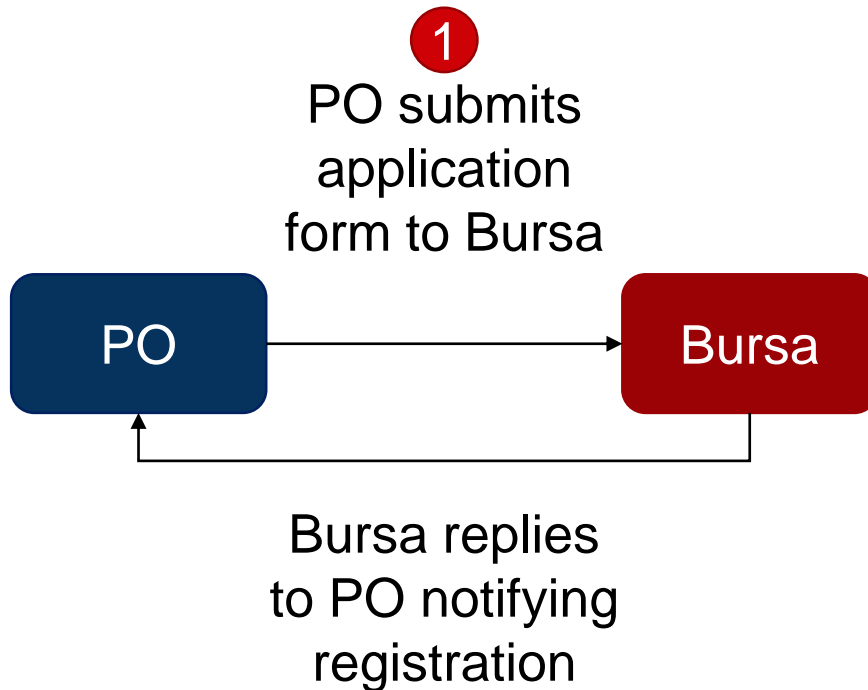
1. Eligibility

The participant must be a Participating Organisation of Bursa Malaysia Securities which currently has proprietary trading investment (“IVT”) accounts.

2. Rebate

Minimum Threshold	% Rebate for Trades Exceeding RT
Monthly traded value above RM 100 million	50% 70% (if exceeds RM1 billion)

PO PROPRIETARY TRADING INCENTIVE - APPLICATION PROCESS



Application Form



APPLICATION FOR REGISTRATION BURSA MALAYSIA TRADING INCENTIVE PROGRAM- PARTICIPATING ORGANISATIONS PROPRIETARY TRADING INCENTIVE

Please complete all sections of the form in full.
THIS FORM MUST BE COMPLETED IN CAPITAL LETTERS.
Read the Guidance Note carefully before completing the form.

APPLICATION FOR REGISTRATION UNDER THE PARTICIPATING ORGANISATIONS ("PO") PROPRIETARY TRADING INCENTIVE

1. Particulars of the PO ("Applicant") (See Note 1)

Corporation's name in full

2. Investment ("IVT") Accounts under the Applicant

Please fill in the required details of all IVT accounts under the Applicant in Appendix 1.

3. Contact Person(s) of the Applicant

Name	Designation	Tel. No.	E-mail address

4. Registration Process

- (a) Bursa Malaysia in its sole discretion reserves the right to refuse participation by the Applicant.
- (b) The PO Proprietary Trading Incentive is valid for one year from the date of registration as notified by Bursa Malaysia to the Applicant. Bursa Malaysia may extend the participation of the Applicant under the PO Proprietary Trading Incentive at its sole discretion.
- (c) Bursa Malaysia may, without prejudice to any rights herein, at any time terminate the participation of the Applicant under the PO Proprietary Trading Incentive.

NON-PO PROPRIETARY TRADING FIRM INCENTIVE

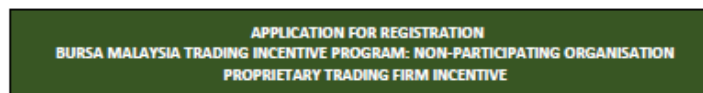
1. Eligibility

Participant must be a body corporate :

- that is in the business of trading on their own account and not for others (excluding POs, intermediaries and fund managers)
- Enters in a separate agreement with Bursa
- Must have a sponsoring PO

2. Rebate

Minimum Threshold	% Rebate for Trades Exceeding RT
Monthly traded value above RM 100 million	50%



APPLICATION FOR REGISTRATION UNDER THE NON-PARTICIPATING ORGANISATIONS ("PO") PROPRIETARY TRADING FIRM INCENTIVE

1. Name of Sponsoring PO ("Applicant") (See Note 1)

Corporation's name in full

2. **Particulars of the Proprietary Trading Firm ("Company")** (See Note 2)

Corporation's name in full

CTIS Account No.

--	--

Date of Incorporation:

[illegible]

Place of Incorporation

Company No.

Principal Numbers

Note: The Company must enter into a Liquidity Provider Agreement with Bursa Malaysia to be registered under the Non-PO Proprietary Trading Firm Incentive.

- ### 3. Address and contact details of the Company

Registered address (Please notify of any change of address immediately)

Business address (Please notify of any change of address, immediately)

Telephone no.

Telephone no.

Facsimile no.

Facsimile no.

NON-PO PROFESSIONAL RETAIL (INDIVIDUAL) TRADING INCENTIVE

1. Eligibility

To be eligible for this incentive, the participant must be an individual retail investor who fulfils the following requirements:-

- Must have a monthly average traded value of at least RM15 million in 2017
- Must have a Sponsoring PO

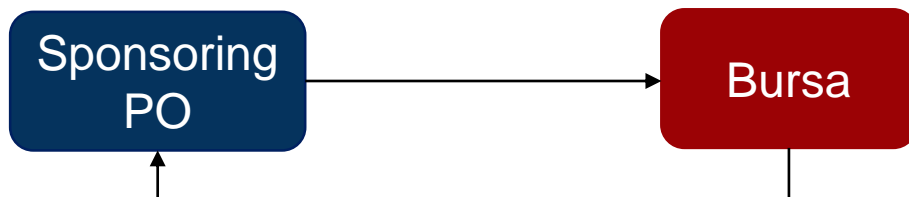
2. Rebate

Minimum Threshold	% Rebates for Trades Exceeding RT
Monthly traded value above RM 15 million	50%

NON-PO PROFESSIONAL RETAIL (INDIVIDUAL) TRADING INCENTIVE - APPLICATION PROCESS

1

- Sponsoring PO identifies retail traders with monthly traded value of at least RM15 mil
- Sponsoring PO submits application form to Bursa



2

Bursa replies to Sponsoring PO notifying registration of retail traders

Application Form



APPLICATION FOR REGISTRATION BURSA MALAYSIA TRADING INCENTIVE PROGRAM: NON-PARTICIPATING ORGANISATIONS PROFESSIONAL RETAIL (INDIVIDUAL) TRADING INCENTIVE

Please complete all sections of the form in full.
THIS FORM MUST BE COMPLETED IN CAPITAL LETTERS.
Read the Guidance Notes carefully before completing the form.

APPLICATION FOR REGISTRATION UNDER THE NON-PARTICIPATING ORGANISATIONS ("PO") PROFESSIONAL RETAIL (INDIVIDUAL) TRADING INCENTIVE

1. Name of Sponsoring PO ("Applicant") (See Note 1)

Corporation's name (in full)

2. List of Participating Retail Investors (See Note 2)

No.	Name	Average Monthly Value Traded in 2017 (RM)	Direct CDS Account No.
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

3. Contact Person(s) of Applicant

Name	Designation	Tel. No.	E-mail address

LIBERALISATION OF MARGIN FINANCING RULES

LIBERALISATION OF MARGIN FINANCING RULES

1. Deletion of Rule 7.30 (3) of the Rules of Bursa Malaysia Securities Berhad on Margin Financing requirements on 13 February 2018, i.e. limit of 200% of effective shareholders fund.
2. Issuance of notice of amendment together with the revised Rules of Bursa Malaysia Berhad was undertaken via a Participating Organisation Circular.

Amendment to take effect from 1 March 2018.

WAIVER OF STAMP DUTY OF TRADING IN MID AND SMALL CAP COMPANIES ON BURSA MALAYSIA

WAIVER OF STAMP DUTY ON TRADING IN MID AND SMALL CAP COMPANIES

Eligible stocks

- Please refer to Bursa MidS definition (i.e. RM200mil to RM2bil mkt cap).
- Eligibility of stocks will be based on market cap as at 31 December 2017.
- 361 companies are eligible pursuant to the screening.

The list of eligible stocks have been circulated to POs and published on Bursa's website.

WAIVER OF STAMP DUTY ON TRADING IN MID AND SMALL CAP COMPANIES

Eligible stocks (continued)

- On the eligibility for 2019 onwards, companies will be chosen based on their market cap as at 31 December of the previous year respectively. The list of companies will be static until the annual review.
- List will be published on Bursa website and distributed to POs in Excel/CSV files to facilitate POs' system requirement. The new list will be published in the first week of January for implementation on 15 January for the year. This is to facilitate POs to effect the required changes to their back office systems.

Effective date is 1 March 2018 to 28 February 2021.

6 MONTHS OF TRADING AND CLEARING FEES WAIVER FOR NEW INVESTORS

6 MONTHS OF TRADING AND CLEARING FEES WAIVER FOR NEW INVESTORS

1. Eligible to first time individual investors who open a CDS account with a PO (new investor) from 1 March 2018 to 31 August 2018 (waiver period).

No other CDS account has been opened (including closed account).

2. Applicable to new investor's trading within waiver period.
3. Eligible to direct individual accounts only (Nominees accounts will not be eligible).
4. The waiver will cover :
 - a. Clearing fee (including SC Levy); and
 - b. Trade Fee (Score & SC Levy).

Note : The trade fee is imposed on POs.

PROPOSED TECHNICAL FILES SPECIFICATION

Proposed Specs - Stamp Duty Exemption - Eligible Counters

Item	Description
Filename	smallmidcap.dat
Content	List of counters eligible for stamp duty exemption
Frequency	Yearly
Sender	Bursa Malaysia
Recipient	Participating Organisation
Method	eFix

Data Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "1" Determine the record type: 1 - Data record 0 - Control record
Counter Code	X(6)	2	Code for the counter traded e.g : "5170 "

Control Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "0" Determine the record type: 1 - Data record 0 - Control record
Effective Start Date	9(8)	2	Date in YYYYMMDD format
Effective End Date	9(8)	10	Date in YYYYMMDD format
Total Counter	9(4)	18	Total count of "Counter Code" field in data record

Sample

15170
 15584
 10101
 15105
02018030120181231**0004**

Proposed Specs - New Investor Trading & Clearing Fee Waiver

Item	Description
Filename	newinvestor.dat
Content	List of new investors' CDS accounts opened (cumulative) before 5pm daily.
Frequency	Daily - Before 7pm
Sender	Bursa Malaysia
Recipient	Clearing Participant
Method	eFix

Data Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "1" Determine the record type: 1 - Data record 0 - Control record
ID Participant	9(6)	2	Participant Code + Branch Code
CDS Account	9(9)	8	CDS account number

Control Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "0" Determine the record type: 1 - Data record 0 - Control record
File Process Date	9(8)	2	Date in YYYYMMDD format
Number Of CDS Accounts	9(8)	10	Total count of "CDS Account" field in data record

Sample

1073001062651468
 1073001062651789
 1073002062652228
 1073002062656686
 02018030100000004

Proposed Specs - Brokers' Contract File

Item	Description
Filename	YYYYMMDD-contracts.dat
Content	Contract information for the day's trade
Frequency	Daily - Before T+1 7am
Sender	Clearing Participant
Recipient	Bursa Malaysia
Method	eFix

Data Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "1" Determine the record type: 1 - Data record 0 - Control record
Broker Code	9(3)	2	Broker code
Contract Identifier	X(12)	5	Broker generated contract note identifier
Contract Date	9(8)	17	Date for the trade in YYYYMMDD format
TRS Number	9(8)	25	An unique sequence number for trades
CDS Account	9(9)	33	CDS account number
Direction	X(1)	42	B - Buy S - Sell
Counter Code	X(6)	43	Code for the counter traded e.g : "1818 ", "1562CM"
Quantity	9(9)	49	Quantity for the match trade
Matched Price	9(3).9(3)	58	Matched price with 3 decimal places e.g: "006320" = RM 6.320
Contract Value (MYR)	9(9).9(3)	64	Contract value with 3 decimal places e.g. "001234567890" = RM 1,234,567.890

Control Record

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "0" Determine the record type: 1 - Data record 0 - Control record
Number Of Contracts	9(12)	2	Total count of "Contract Identifier" field in data record
Sum Contract Quantity	9(12)	14	Sum of "Quantity" field in data record
Sum Contract Value	9(12).9(3)	28	Sum of "Contract value" field in data record e.g. "012345678912345" = RM 12,345,678,912.345

Sample

```

1073XXXXXXXXXX201803010000000111111111B1818
000000100011100000011040000
1073XXXXXXXXXX201803010000000211111111B1818
000000200011000000011040000
1073XXXXXXXXXX201803010000000311111111B1818
000000300011000000011040000
1073XXXXXXXXXX201803010000000411111111B1818
000000400011000000011040000
00000000000010000000010000000011040000
    
```

Item	Description
Filename	YYYYMMDD-rebateswaiver.dat
Content	Contract information for the day's trade
Frequency	1 st Business Day of the Month
Sender	Bursa Malaysia
Recipient	Clearing Participant
Method	eFix

Sample

1000000001000000010000000000000VY000500000000
100000002000000000040000000000VN000060000000
1000000000300000000100000000000IY000300000000
100000005000000000100000000000IN000300000000
00000000713000000115000000000000011600000000

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "1" Determine the record type: 1 - Data record 0 - Control record
Number Of Contracts Entitled for Rebate/ Waiver	9(12)	2	Total count of "Contract Identifier" entitled for Rebate/ Waiver (Capped/ Non Capped)
Sum Contract Value Entitled for Rebate/ Waiver	9(15).9(3)	24	Sum of "Contract value" field in data record entitled for Rebate/ Waiver (Capped/ Non Capped) e.g. "012345678912345" = RM 12,345,678,912.345
Rebate/ Waiver Type	X(1)	42	V-Volume Based Incentive Program I- New Investors
Capped Clearing Fee	X(1)	43	Y- Grouping of Contract Value Exceeding the Clearing Fee Cap Threshold N- Grouping of Contract Value Within the Clearing Fee Cap Threshold
Rebate/ Waiver Amount	9(9).9(3)	44	Sum of Rebate/ Waiver

Field Name	Type	Position	Description
Record Type	X(1)	1	Default to "0" Determine the record type: 1 - Data record 0 - Control record
Total Number Of Contracts Entitled for Rebate/ Waiver	9(12)	2	Total count of "Contract Identifier" entitled for Rebate/ Waiver
Sum Contract Value Entitled for Rebate/ Waiver	9(15).9(3)	24	Sum of "Contract value" field in data record entitled for Rebate/ Waiver e.g. "012345678912345" = RM 12,345,678,912.345
Rebate/ Waiver Amount	9(9).9(3)	42	Sum of Rebate/ Waiver

Thank You



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