

MEMORANDUM
FOR YOUR FEEDBACK



Ref No : 0026 of 2018/PO

Date : 10 July 2018

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

From : The Secretariat, ASCM

By Email

No. of pages : As per attachment

RE : **CONSULTATION ON PROPOSED REVIEW OF THE MAIN MARKET LISTING
REQUIREMENTS AND RULES AND DIRECTIVES OF BURSA MALAYSIA
SECURITIES BERHAD IN RELATION TO EXCHANGE-TRADED FUNDS**

Dear Members,

Bursa is seeking public feedback on their proposed rule amendments to reflect various enhancements to the framework for exchange traded-funds ("ETFs") aimed at spurring innovation and growth of the ETF industry.

The proposed amendments for consultation relate to the Main Market Listing Requirements ("Main LR") and the Rules and Directives of Bursa Malaysia Securities Berhad ("BMS Rules and Directives") as summarised below:

1. **Main LR**

- i. liberalising the interim reporting frequency of ETF from quarterly basis to semi-annual basis to be in line with most of the benchmarked international practices;
- ii. enhancing the contents of ETF interim and annual report arising from various new ETF products and their specific requirements for greater investor protection and transparency;
and
- iii. enhancing the immediate announcement requirements to promote greater transparency in relation to the index or benchmarked tracked by the ETF.

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2. BMS Rules and Directives

- i. introducing conditions for investors trading in leveraged and inverse ETFs, including qualifying criteria and the requirement to execute a risk disclosure statement;
- ii. enhancing the Permitted Short Selling framework to allow for Market Makers to short sell all types of ETFs, as opposed to limiting it to Equity-based ETFs only presently.

We believe your input is crucial and valuable in order to achieve a balanced and sound regulatory framework. Hence, we would like to invite your feedback and comments on the proposals set out in the attached Consultation Paper (including the annexures). Please provide your comments by completing and submitting the attached Table of Comments to us at saifulazmi@ascm.org.my on or before 19 July 2018 to allow ample time for ASCM to finalize the industry feedback to Bursa.

Thank you

Yours sincerely,



Lim Boon Hang
Executive Director, ASCM Secretariat