



**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

**RULES OF BURSA MALAYSIA SECURITIES BHD**

**PROPOSED AMENDMENTS TO THE PARTICIPATING ORGANISATIONS' DIRECTIVES  
IN RELATION TO THE INTRODUCTION OF T+2 SETTLEMENT CYCLE  
(As at 3 December 2018)**

**(a) DIRECTIVES ON SUBMISSION OF PERIODIC REPORTS – NO. 2.01(2)-004**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
Schedule	Please refer to Annexure 1 below	Schedule	Please refer to Annexure 1 below	Rationale is stipulated in Annexure 1.
Appendix 1a	Please refer to Annexure 2 below	Appendix 1a	Please refer to Annexure 2 below	Rationale is stipulated in Annexure 2.

**(b) DIRECTIVES ON SECURITIES BORROWING AND LENDING AND ISSBNT – NO. 7-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
1.2(3)(b)	<b>Collateral</b>  (3) If the value of the collateral falls below 105% of the market value of the Borrowed Securities, a Participating Organisation must comply with the following:  (b) if the value of the collateral falls below 102%, the Participating Organisation must issue a notice to the Client for the return of the Borrowed Securities within 3 Market Days from the date of the notice. If the Client fails to return the Borrowed Securities, the Participating	1.2(3)(b)	<b>Collateral</b>  (3) If the value of the collateral falls below 105% of the market value of the Borrowed Securities, a Participating Organisation must comply with the following:  (b) if the value of the collateral falls below 102%, the Participating Organisation must issue a notice to the Client for the return of the Borrowed Securities within <del>3</del> 2 Market Days from the date of the notice. If the Client fails to return the Borrowed Securities, the Participating	To reflect the migration to a T+2 cycle in relation to the return of the Borrowed Securities if the value of the collateral falls below 102%.

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PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
	Organisation must liquidate the collateral. The proceeds from the liquidation must be utilised to purchase the relevant securities for the purpose of returning the Borrowed Securities to the Clearing House.		Organisation must liquidate the collateral. The proceeds from the liquidation must be utilised to purchase the relevant securities for the purpose of returning the Borrowed Securities to the Clearing House.	

**(c) DIRECTIVES ON THE USE OF DAY TRADING ACTIVITIES ACCOUNT – NO. 7.05(1)-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>3.1(1)(b)</b>	<b>Opening of Day Trading Activities Account</b> (1) A Participating Organisation may carry out Day Trading subject to the following conditions: (b) the Participating Organisation must close off any buy positions with sell positions not later than T+2;	<b>3.1(1)(b)</b>	<b>Opening of Day Trading Activities Account</b> (1) A Participating Organisation may carry out Day Trading subject to the following conditions: (b) the Participating Organisation must close off any buy positions with sell positions not later than <b>T+2T+1</b> ;	To reflect the migration to a T+2 cycle in relation to the cut-off time for the Participating Organisation to close off buy positions for Day Trading.
<b>3.4(3)(b)</b>	<b>Procedures and Controls</b> (3) A Participating Organisation must report to the Exchange the following: (b) the net buy positions which have not been closed off in accordance with the requirements of paragraph 3.1(1)(b) and the reasons by 9.00 am on T+3; and	<b>3.4(3)(b)</b>	<b>Procedures and Controls</b> (3) A Participating Organisation must report to the Exchange the following: (b) the net buy positions which have not been closed off in accordance with the requirements of paragraph 3.1(1)(b) and the reasons by 9.00 am on <b>T+3T+2</b> ; and	To reflect the migration to a T+2 cycle in relation to the cut-off time for the reporting of net buy positions which have not been closed off and the reasons.
<b>Appendix 1(b)</b>	<b>Please refer to Annexure 3 below</b>	<b>Appendix 1(b)</b>	<b>Please refer to Annexure 3 below</b>	Rationale is stipulated in Annexure 3.

**(d) DIRECTIVES ON THE USE OF CLEARING ACCOUNT, ERROR OR MISTAKE ACCOUNT AND INVESTMENT ACCOUNT – NO. 7.05(1)-002**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>1.1(4)</b>	<b>Clearing Account</b>  (4) Where the Participating Organisation is not able to fulfil the order given by a Client on T day itself, the order may be carried forward to not more than T+2. Such carrying forward must be properly reflected in the Clearing Account.	<b>1.1(4)</b>	<b>Clearing Account</b>  (4) Where the Participating Organisation is not able to fulfil the order given by a Client on T day itself, the order may be carried forward to not more than <del>T+2</del> <b>T+1</b> . Such carrying forward must be properly reflected in the Clearing Account.	To reflect the migration to a T+2 cycle in relation to the cut-off time for carrying forward of order given by a Client which the Participating Organisation is not able to fulfil the order on T day itself.

**(e) DIRECTIVES ON THE PROVISION OF DISCRETIONARY FINANCING – NO. 7.31-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>1(1)</b>	<b>Rule 7.31</b>  (1) Rule 7.31 sets out the provisions on discretionary financing which state that despite Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between T+4 and T+7 ("Discretionary Financing") if:  (d) the Client has notified the Participating Organisation not later than T+3 that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating Organisation accepts the utilisation of the Discretionary Financing for that transaction.	<b>1(1)</b>	<b>Rule 7.31</b>  (1) Rule 7.31 sets out the provisions on discretionary financing which state that despite Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between <del>T+4</del> <b>T+3</b> and T+7 ("Discretionary Financing") if:  (d) the Client has notified the Participating Organisation not later than <del>T+3</del> <b>T+2</b> that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating Organisation accepts the utilisation of the Discretionary Financing for that transaction.	To reflect the migration to a T+2 cycle in relation to the period allowed for Discretionary Financing.



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**(f) DIRECTIVES ON REGULATED SHORT SELLING – NO. 8-002**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
Appendix 2	Please refer to Annexure 4 below	Appendix 2	Please refer to Annexure 4 below	Rationale is stipulated in Annexure 4.

**(g) DIRECTIVES TO PRESCRIBE THE SCHEDULED DELIVERY TIME AND SCHEDULED SETTLEMENT TIME FOR RECALLED SECURITIES – NO. 9-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
3(1)	<p><b>Rule 9.09(1)</b></p> <p>(1) Rule 9.09(1) provides that if a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold by the day and time stipulated in Schedule 2 of the Rules of Bursa Securities.</p>	3(1)	<p><b>Rule 9.09(1)</b></p> <p>(1) Rule 9.09(1) provides that if a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold <del>by</del><u>on</u> the day and <del>by the</del><u>time</u> stipulated in Schedule 2 of the Rules of Bursa Securities.</p>	The cut-off time for payment to selling Client is proposed to be <del>on</del> <b>T+2 by 3pm</b> so as to have a single cut-off time to facilitate the Participating Organisations' back office operations and to create a level playing field amongst the Participating Organisations in relation to settlement of payment to selling clients.
Appendix 2	Please refer to Annexure 5 below	Appendix 2	Please refer to Annexure 5 below	Rationale is stipulated in Annexure 5.

**(h) DIRECTIVES ON SCHEDULED SETTLEMENT TIME OF SECURITIES IN RELATION TO THE ELECTRONIC SHARE PAYMENT ("e-SHARE PAYMENT") – NO. 9.09(1)-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>1(1)</b>	<b>Rule 9.09(1)</b>  (1) Rule 9.09(1) provides that if a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold by the day and time stipulated in Schedule 2 of the Rules of Bursa Securities.	<b>1(1)</b>	<b>Rule 9.09(1)</b>  (1) Rule 9.09(1) provides that if a Participating Organisation is a seller in a Contract, the Participating Organisation must pay the selling Client for the securities sold <del>by</del> <u>on</u> the day and <del>by the time</del> stipulated in Schedule 2 of the Rules of Bursa Securities.	The cut-off time for payment to selling Client is proposed to be <u>on T+2 by 3pm</u> so as to have a single cut-off time to facilitate the Participating Organisations' back office operations and to create a level playing field amongst the Participating Organisations.
<b>1.1(a)</b>	<b>Payment Made via e-Share Payment Facility</b>  For the purposes of payment made via e-Share Payment facility, a Participating Organisation and its client must make arrangements with the relevant licensed institution (as defined under BAFIA) who offers e-Share Payment facility to ensure that the payment is credited into the bank account of the client (where payment is made by the Participating Organisation to the client) or the bank account of the Participating Organisation (where payment is made by the client) as follows:  (a) For a Ready Basis Contract not later than the end of T+3;	<b>1.1(a)</b>	<b>Payment Made via e-Share Payment Facility</b>  For the purposes of payment made via e-Share Payment facility, a Participating Organisation and its client must make arrangements with the relevant licensed institution (as defined under BAFIA) who offers e-Share Payment facility to ensure that the payment is credited into the bank account of the client (where payment is made by the Participating Organisation to the client) or the bank account of the Participating Organisation (where payment is made by the client) as follows:  (a) For a Ready Basis Contract not later than the end of <del>T+3</del> <u>T+2</u> ; <del>and</del>	To reflect the migration to a T+2 cycle in relation to cut-off time for payments made via e-Share Payment facility to/by the clients to be credited.
<b>1.1(b)</b>	(b) For an Immediate Basis Contract not later than the end of T+2; and	<b>1.1(b)</b>	(b) <del>For an Immediate Basis Contract not later than the end of T+2; and</del> <u>[Deleted]</u>	To reflect the proposal to remove all references to Immediate Basis Contract.

**(i) DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS – NO. 13-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>5.13</b>	<b>Suspended securities</b>  A Participating Organisation must calculate the Position Risk Requirement for suspended securities by applying the applicable Position Risk factor stipulated in <b>Schedule 3</b> of this Directive to the Last Done Price. If the security has been suspended for a continuous period of more than 3 Market Days, the applicable Position Risk factor is 100%.	<b>5.13</b>	<b>Suspended securities</b>  A Participating Organisation must calculate the Position Risk Requirement for suspended securities by applying the applicable Position Risk factor stipulated in <b>Schedule 3</b> of this Directive to the Last Done Price. If the security has been suspended for a continuous period of more than <del>32</del> Market Days, the applicable Position Risk factor is 100%.	To reflect the migration to a T+2 cycle in relation to the maximum period of suspension of security for the applicable Position Risk factor to be calculated at 100%.
<b>Schedule 1</b>	<b>Please refer to Annexure 6 below</b>	<b>Schedule 1</b>	<b>Please refer to Annexure 6 below</b>	Rationale is stipulated in Annexure 6.
<b>Schedule 3</b>	<b>Please refer to Annexure 7 below</b>	<b>Schedule 3</b>	<b>Please refer to Annexure 7 below</b>	Rationale is stipulated in Annexure 7.
<b>Schedule 12</b>	<b>Please refer to Annexure 8 below</b>	<b>Schedule 12</b>	<b>Please refer to Annexure 8 below</b>	Rationale is stipulated in Annexure 8.
<b>Schedule 14</b>	<b>Please refer to Annexure 9 below</b>	<b>Schedule 14</b>	<b>Please refer to Annexure 9 below</b>	Rationale is stipulated in Annexure 9.

**(j) DIRECTIVES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK (“LRM FRAMEWORK”) – NO. 13.32-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
<b>1.3(1)</b>	<b>Please refer to Annexure 10 below</b>	<b>1.3(1)</b>	<b>Please refer to Annexure 10 below</b>	Rationale is stipulated in Annexure 10.
<b>Appendix 1</b>	<b>Please refer to Annexure 11 below</b>	<b>Appendix 1</b>	<b>Please refer to Annexure 11 below</b>	Rationale is stipulated in Annexure 11.

**(k) DIRECTIVES ON PROPRIETARY TRADING BY A PARTICIPATING ORGANISATION ON THE LEAP MARKET – NO. 16.02(3)-001**

PARAGRAPH	CURRENT PROVISION	PARAGRAPH	AMENDED PROVISION	RATIONALE
1(2)(d)	<p><b>Rule 16.02(3)</b></p> <p>(2) Pursuant to the above Rule, the Exchange prescribes that a Participating Organisation's proprietary trading in securities listed on the LEAP Market may only be carried out in the following circumstances:</p> <p>(d) investments which are not closed out within T+3;</p>	1(2)(d)	<p><b>Rule 16.02(3)</b></p> <p>(2) Pursuant to the above Rule, the Exchange prescribes that a Participating Organisation's proprietary trading in securities listed on the LEAP Market may only be carried out in the following circumstances:</p> <p>(d) investments which are not closed out within <del>T+3</del><u>T+2</u>;</p>	To reflect the migration to a T+2 cycle in relation to circumstances in which the Participating Organisation's proprietary trading in securities listed on the LEAP Market may be carried out.

[End of Proposed Amendments to Directives]

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

**ANNEXURE 1**

**DIRECTIVES ON SUBMISSION OF PERIODIC REPORTS – NO. 2.01(2)-004**  
**Schedule**

No.	Name of Report	Appendix	Frequency	Timing of submission of periodic reports [paragraph 1.1(1)]	Timing of re-submission of periodic reports [paragraphs 1.1(2) and 1.1(3)]
1.	Market Positions of Participating Organisations	Appendix 1a	Weekly	By 5.30 p.m., of the first Market Day of the week following the date of the report	By 8.30 p.m., of the first Market Day of the week following the date of the report
2.	Margin Account Positions of Participating Organisations	Appendix 1b			
3.	Clients' Trust Monies, Commissioned Dealer's Representatives/ Salaried Dealer's Representatives' Deposits and Overpledging of Shares	Appendix 1c			
4.	Investment, Proprietary Day Trader (PDT) & Error or Mistake Accounts of Participating Organisations	Appendix 1d			
5.	Securities Borrowing & Lending/ ISSBNT – List of Clients with collateral below 102%	Appendix 1e			
6.	[Deleted]	[Deleted]			
7.	Additional Explanatory Notes ( <i>for report item no. 1 to 5</i> )	Appendix 1f			
8.	Gearing Ratio and Shareholders' Funds	Appendix 2a	Monthly	By 5.30 p.m., not later than 10 Market Days from the last day of the reporting month	By 8.30 p.m., not later than 10 Market Days from the last day of the reporting month
9.	Maintenance of Margin Accounts – Equity Value <130% of the Outstanding Balance	Appendix 2b			
10.	Interest In Suspense and Provision for Bad & Doubtful Debts	Appendix 2c			



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No.	Name of Report	Appendix	Frequency	Timing of submission of periodic reports [paragraph 1.1(1)]	Timing of re-submission of periodic reports [paragraphs 1.1(2) and 1.1(3)]
11.	Additional Explanatory Notes ( <i>for report item no. 8 to 10</i> )	Appendix 2d			
12.	Profit & Loss Statement Of Participating Organisations	Appendix 3a	Quarterly	By 5.30 p.m., on the last Market Day of the fifth week, following the reporting quarter	By 8.30 p.m., on the last Market Day of the fifth week, following the reporting quarter
13.	Additional Explanatory Notes ( <i>for report item no. 12</i> )	Appendix 3b			
14.	Failure to Deliver (Buying-in without notice)	Appendix 4	As and when there is a buying-in without notice	By <del>12.30</del> <u>5.30</u> p.m. on the buying-in day ( <del>T+3</del> <u>T+2</u> )	By <del>3.30</del> <u>8.30</u> p.m. on the buying-in day ( <del>T+3</del> <u>T+2</u> )
15.	Failure to Deliver (Manual Buying-in)	Appendix 5	As and when there is a manual buying-in	By 5.30 p.m. on the buying-in day	By 8.30 p.m. on the buying-in day
16.	Securities Borrowing & Lending/ ISSBNT for potential failed trades	Appendix 6	As and when SBL/ISSBNT is utilised for potential failed trades	By 5.30 p.m. on the next Market Day	By 5.30 p.m. on the next Market Day

**Commented [BM2]:** To reflect the migration to a T+2 cycle in relation to timing of submission of the report for buying-in without notice (i.e. on T+2 from 2-5pm) which a Participating Organisation is not able to submit via electronic transmission or is re-submitted due to amendments. The cut-off time for the said submission is proposed to be at 8.30pm so as to cater for the circumstances where the Participating Organisations are unable to submit the report via electronic transmission by 5.30pm.

**Commented [BM1]:** To reflect the migration to a T+2 cycle in relation to timing of submission of the report for buying-in without notice (i.e. on T+2 from 2-5pm) via electronic transmission. The cut-off time for the said submission is proposed to be at 5.30pm so as to allow time for the Participating Organisations to prepare the report.

[End of Schedule]

# **AMENDMENTS TO THE DIRECTIVES In Relation to the T+2 Settlement Cycle**

## **ANNEXURE 2**

### **DIRECTIVES ON SUBMISSION OF PERIODIC REPORTS – NO. 2.01(2)-004**

#### **Appendix 1a**

#### **SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD ON MARKET POSITIONS OF PARTICIPATING ORGANISATIONS (Weekly Submission)**

Participating Organisation : <<insert name of Participating Organisation>> Position As At : month/date/year (last market day of the week)

#### **i) Clients' accounts (excluding Discretionary Financing & Margin Accounts)**

Transaction	Days Outstanding			Total at cost RM	Total at marked to market value RM
	T to T+3 +2 RM	T+4 to T+7 RM	T+8 and beyond RM		
Outstanding Purchases	0.00	0.00	0.00	0.00	0.00
Contra Losses	0.00	0.00	0.00	0.00	Not applicable
Outstanding Sales	0.00	0.00	0.00	0.00	Not applicable
Contra Gains	0.00	0.00	0.00	0.00	Not applicable
<b>Net Balance</b>	0.00	0.00	0.00	0.00	Not applicable

For the purpose of reporting, the above should include "Clearing Accounts" and "Short-Selling Position" for clients.

#### **ii) Clients' accounts classified under Discretionary Financing (excluding Margin Accounts)**

Transaction	Days Outstanding				Total at cost RM	Total at marked to market value RM
	T to T+3 +2 RM	T+4 to T+7 RM	T+8 to T+12 RM	T+13 and beyond RM		
Outstanding Purchases	0.00	0.00	0.00	0.00	0.00	0.00
Contra Losses	0.00	0.00	0.00	0.00	0.00	Not applicable
Outstanding Sales	0.00	0.00	0.00	0.00	0.00	Not applicable
Contra Gains	0.00	0.00	0.00	0.00	0.00	Not applicable
<b>Net Balance</b>	0.00	0.00	0.00	0.00	0.00	Not applicable

#### **iii) Margin Accounts, Clearing Accounts And Short-Selling Positions**

Transaction	Days Outstanding				Total at cost RM
	T RM	T+1 RM	T+2 and beyond RM	T+3 and beyond RM	
Outstanding Purchases In Clearing Accounts	0.00	0.00	0.00	0.00	0.00
Outstanding Sales In Clearing Accounts	0.00	0.00	0.00	0.00	0.00
Outstanding Net Short-Selling Position	0.00	0.00	0.00	0.00	0.00
Outstanding Purchases In Margin Accounts	0.00	Not applicable	Not applicable	Not applicable	Not applicable
Outstanding Sales In Margin Accounts	0.00	Not applicable	Not applicable	Not applicable	Not applicable

[End of Appendix 1a]

**Commented [BM3]:** To reflect the migration to a T+2 cycle in relation to the weekly report on market positions in respect of the Clients' accounts (excluding Discretionary Financing & Margin Accounts).

**Commented [BM4]:** This is no longer applicable in view of the proposal that the buying-in without notice takes place from 2-5pm on T+2, and if the buying-in is unsuccessful, the transaction will be cash settled on T+3.

**Commented [BM5]:** This is no longer applicable in view of the proposal that the buying-in without notice takes place from 2-5pm on T+2, and if the buying-in is unsuccessful, the transaction will be cash settled on T+3.

**Commented [BM6]:** To reflect the migration to a T+2 cycle in relation to the weekly report on market positions in respect of the Clients' accounts classified under Discretionary Financing (excluding Margin Accounts).

**Commented [BM7]:** To reflect the migration to a T+2 cycle in relation to the weekly report on market positions in respect of Margin Accounts, Clearing Accounts and Short-Selling Positions.

**Commented [BM8]:** These amendments are made for the Participating Organisations to reflect the actual amount of "Total at cost".



**AMENDMENTS TO THE DIRECTIVES  
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**AMENDMENTS TO THE DIRECTIVES  
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**ANNEXURE 3**

**DIRECTIVES ON THE USE OF DAY TRADING ACTIVITIES ACCOUNT – NO. 7.05(1)-001**

**Appendix 1(b)**

Form MSD/PDT  
Report Name PDT position reporting

**Part B Exceptional reporting – Long position carried forward (>T+2T+1)**

Submission by (PDT dealer) \_\_\_\_\_ (e.g Dealer ID - XYZ) \_\_\_\_\_ (e.g. Dealer Name - Tan Ah Kow)

PDT Account - - - - (e.g xxx-xxx-xxxxxxxxxx)

**Commented [BM9]:** To reflect the migration to a T+2 cycle in relation to long position carried forward.

#	Stock Code	Stock Name	Date (dd/mm/yy)	Quantity (in shares)			Reasons for not closing off positions	Mitigation/Action Plan
				Shorted	Bought Back	Long Positions		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

*(Kindly insert new rows if the above is insufficient)*

We hereby acknowledge that the above has been verified and accurately reported as stipulated in accordance with **paragraph 3.4(4)(b)**

Reported by  
**Signature** \_\_\_\_\_

Verified and reviewed by  
**Signature** \_\_\_\_\_



Name \_\_\_\_\_  
Position Authorised person  
Date \_\_\_\_\_  
Contact Number \_\_\_\_\_  
Email Address \_\_\_\_\_

**AMENDMENTS TO THE DIRECTIVES**  
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Name \_\_\_\_\_  
Position Authorised person  
Date \_\_\_\_\_  
Contact Number \_\_\_\_\_  
Email Address \_\_\_\_\_

[Appendix 1(b)]

ANNEXURE 4

DIRECTIVES ON REGULATED SHORT SELLING – NO. 8-002  
Appendix 2

Example 2

Options for Squaring-Off Over-Purchase Positions

						Remarks
100						
Transaction Date	Transaction Sequence	SBL/ISSBNT Type of Trade (1)	Quantity (unit) (2)	Transaction Positions		
				Net Short (units) (S-B) (3)	Long (units) (4)	
T	1	S	100	100	0	
	2	B	100	0	0	
	3	S	100	100	0	
	4	B	80	20	0	
	5	S	80	100	0	
	6	B	140	0	40	
	7	S	60	60	40	The purchase of 40 is an over-purchase and PO must limit purchases to not more than the total quantity of net short position. <b>Option 1</b> Amend to normal a/c; or if PO forgot to amend, go to Option 2;
T+3T+2	7(a)	S Or	40	40	40	<b>Option 2</b> The total securities balance on T+3T+2 will be 80 (i.e. 40 long + balance of 40 from borrowing / purchase pursuant to ISSBNT)  Client can do an RSS trade for 40, leaving a long position of 40 for partial return of the borrowing / purchase pursuant to ISSBNT (i.e. 80-40); or

**Commented [BM10]:** To reflect the migration to a T+2 cycle in relation to example illustrating the purchase of securities permitted to be executed in the RSS Account.

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						Remarks
		SBL/ ISSBNT	100			
Transaction Date	Transaction Sequence	Type of Trade (1)	Quantity (unit) (2)	Transaction Positions		
				Net Short (units) (S-B) (3)	Long (units) (4)	
	7(b)	S	40	40	40	<b>Option 3</b> Sell the over-purchase of 40 which is reportable by the PO as part of the sell is to square-off the over-purchase of 40.

**S = Sell   B = Buy**

**ANNEXURE 5**

**DIRECTIVES TO PRESCRIBE THE SCHEDULED DELIVERY TIME AND SCHEDULED  
SETTLEMENT TIME FOR RECALLED SECURITIES – NO. 9-001**

**Appendix 2**

**DELIVERY AND SETTLEMENT TIME FOR RECALLED SECURITIES**

Type of Contract	Tradeable Balance in seller's account	Payment to selling Client	Delivery to buyer	Payment by buying Client	Selling-out
Ready Basis	<del>T+3T+2</del> by <del>4.004.30</del> p.m.	<del>T+4T+3</del> , not later than <del>12.303.00</del> p.m.	By <del>T+3T+2</del>	<del>T+3T+2</del> , not later than <del>12.303.00</del> p.m.	<del>T+3T+2</del> from <del>12.303.00</del> p.m. until <del>T+4T+3</del>

**Commented [BM11]:** To reflect the migration to a T+2 cycle in relation to recalled securities.

**Commented [BM12]:** To reflect and to be consistent with the proposal to amend the selling-out period.

**Commented [BM16]:** To reflect and to be consistent with the proposal to amend the cut-off time for payments by buying Clients by T+2, 3pm.

**Commented [BM13]:** To reflect and to be consistent with the proposal to amend the cut-off time for the Participating Organisations to have the Tradeable Balance in the seller's account for the first settlement-run by T+1, 4.30pm.

**Commented [BM14]:** To reflect and to be consistent with the proposal to amend the cut-off time for payments to the selling Clients on T+2 by 3pm.

**Commented [BM15]:** To reflect and to be consistent with the proposal to amend the cut-off time for payments by buying Clients by T+2, 3pm.

[End of Appendix 2]



**AMENDMENTS TO THE DIRECTIVES  
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**ANNEXURE 6**

**DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS – NO. 13-001**

**Schedule 1**

**[Paragraphs 2(2), 3.1(1) and 3.1(3)]**

	RM Total	RM Ranking For Liquid Capital	RM Not Ranking For Liquid Capital
RETURN PRESCRIBED IN PARAGRAPH 2.1(1) OF THE EXCHANGE'S DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS			
<b>Participating Organisation</b> _____			
Balance Sheet as at _____			
<b>Capital Employed</b>			
Ordinary Share Capital	_____	_____	
Preference Share Capital - Non- Cumulative/Non-Redeemable	_____	_____	
Reserve Fund - Non distributable	_____	_____	
Share Premium Account	_____	_____	
Capital Reserves	_____	_____	
Audited Retained Earnings	_____	_____	
<b>CORE CAPITAL</b>			
Share Premium Account - Others	_____	_____	
Preference Share Capital – Others	_____	_____	
Approved Subordinated Loan	_____	_____	
Revaluation Reserves	_____	_____	(_____)
Unaudited Profits/Unaudited Losses	____/(____)	____/(____)	
<b>Unrealised Gains/Unrealised Losses</b> from principal positions	____/(____)	____/(____)	
Loans secured against Fixed Assets	_____	_____	_____
Term Loan	_____	_____	_____
Unsecured Loans	_____	_____	_____
Deferred Taxation	_____	_____	_____
Provision for Taxation	_____	_____	_____
Hire Purchase Creditors	_____	_____	_____
<b>Total</b>	_____	_____	_____
	Total	Not Ranking For Liquid Capital	Ranking For Liquid Capital
<b>Employment of Capital</b>			
Intangible Assets	_____	_____	
Fixed Assets	_____	_____	
Long Term Investments	_____	_____	
- Listed Investments	_____	_____	
- Unlisted Investments	_____	_____	
- Subsidiary/Related Companies	_____	_____	
Long-Term Receivables	_____	_____	
Other Non-current Assets/ Tax Assets	_____	_____	
<b>Total Fixed Assets</b>	_____	_____	

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

	<i>RM Total</i>	<i>RM Not Ranking For Liquid Capital</i>	<i>RM Ranking For Liquid Capital</i>
<b>Current Assets</b>			
Cash and Bank Balances			
- Trust	_____		_____
- Non-Trust	_____		_____
Deposits – approved banks & financial institutions			
- Trust	_____		_____
- Non-Trust	_____		_____
Deposits – others			
- Trust	_____	_____	
- Non-Trust	_____	_____	
<b>Marketable Securities -Listed Equities</b>	_____		_____
<b>Marketable Securities – FI Securities (corporate)</b>	_____		_____
<b>Marketable Securities – FI Securities (government)</b>	_____		_____
<b>Marketable Securities – Unit Trusts</b>	_____		_____
<b>Marketable Securities – Others</b>	_____		_____
Trade Debtors - Dealers (gross)	_____		_____
Less: Specific Provision for Bad and Doubtful Debts	( )		( )
Less: Provision for Interest In Suspense	( )		( )
Trade Debtors – Clients (gross)	_____		_____
Less: Specific Provision for Bad & Doubtful Debts	( )		( )
Less: Provision for Interest In Suspense	( )		( )
Clients MarginAccounts	_____		_____
Less: Specific Provision for Bad & Doubtful Debts	( )		( )
Less: Provision for Interest In Suspense	( )		( )
Less: General Provision	( )	( )	( )
Outstanding contracts < <b>[F+4I+3]</b>	_____		_____
Directors Account	_____	_____	
Loans & Advances	_____	_____	
Amount due from Holding Company	_____	_____	
Amount due from Subsidiary/Related Companies	_____	_____	
Prepayment	_____	_____	
Other Debtors	_____	_____	
Others/Charged Assets	_____	_____	
Other Assets	_____		_____
<b>Total Current Assets</b>	_____	_____	_____

**Commented [BM17]:** To reflect the migration to a T+2 cycle in relation to outstanding contracts.

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

	RM Total	RM Not Ranking For Liquid Capital	RM Ranking For Liquid Capital
<b>Current Liabilities</b>			
Bank Overdraft/Revolving Credits	_____		_____
Short Term Loans/Borrowings	_____		_____
Trust Accounts - Clients	_____		_____
- Others	_____		_____
Trade Creditors			
- Dealers	_____		_____
- Clients	_____		_____
Outstanding Contracts < <b>T+4T+3</b>	_____		_____
Directors Account	_____		_____
Other Creditors and Accruals	_____		_____
Remisiers' Accounts	_____		_____
Hire Purchase Creditors	_____		_____
Provision for Taxation	_____		_____
Proposed Dividends	_____		_____
Amount due to Holding Company	_____		_____
Amount due to Subsidiary/Related Companies	_____		_____
<b>Total Current Liabilities</b>	_____		_____
<b>TOTAL EMPLOYMENT OF CAPITAL</b>	_____		
Less Contingent Liabilities		_____	
Add: Collateral used to secure Deposit with Non-Approved Institution		_____	
Add: Collateral used to secure Other Debtors		_____	
Add: Collateral used to secure Other Assets		_____	
<b>LIQUID CAPITAL</b>		_____	
Total Risk Requirement		_____	
<b>LIQUID MARGIN</b>		_____	
<b>CAPITAL ADEQUACY RATIO</b>		_____	

**Commented [BM18]:** To reflect the migration to a T+2 cycle in relation to outstanding contracts.

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**



RETURN PRESCRIBED IN PARAGRAPH 2(2) OF THE EXCHANGE'S DIRECTIVES ON CAPITAL ADEQUACY RATIO

**Risk Components that form the Total Risk Requirement:**

Ref	Position Risk Requirement (PRR)	
	Total PRR – Standard Approach	
	Total PRR – Foreign Exchange Method	
	Total PRR – MFOPRR	
	Total PRR – Building Block Approach	
	Total PRR – Equity Index Arbitrage Difference	
	Total PRR – Debt Instrument quoted on the KLSE	
	Total PRR – FI Securities-not quoted on the KLSE	
	Total PRR – Loss on conversion	
	Total PRR – Basic Method	
	Total PRR – Margin Method	
	Total PRR – Hedging Method	
	Total PRR – Equity Index Arbitrage	
	Total PRR – Manual Derivatives	
	Total PRR – Manual Others	
	<b>Position Risk Requirement</b>	
	<b>Counterparty Risk Requirement (CRR)</b>	
	Total CRR – Debt, Contra Losses and Other Amounts Due	
	Total CRR – Unsettled Agency and Principal Trades	
	Total CRR – Free Deliveries	
	Total CRR – Securities Borrowing and Lending/ISSBNT	
	Total CRR – Exchange Traded Derivatives	
	Total CRR – OTC Derivative Contracts	
	Total CRR – Sub-Underwriting	
	Total CRR – Margin Financing	
	Total CRR – Fixed Income Securities	
	Total CRR – Potential Material Loss	
	Total CRR – Exceptional Instruments	
	Total CRR – Manual SBL/ISSBNT	
	Total CRR – Manual Derivatives	
	<b>Counterparty Risk Requirement</b>	
	<b>Large Exposure Risk Requirement (LERR)</b>	
	Total LERR to Single Client	
	Total LERR to Issuer of Debt	
	Total LERR to Single Equity	
	Total LERR – Manual Single Equity Others	
	Total LERR – Manual Single Client Others	
	<b>Large Exposure Risk Requirement</b>	
	<b>Underwriting Risk Requirement (URR)</b>	
	Total Underwriting Risk Requirement	
	<b>Underwriting Risk Requirement</b>	
	<b>Operational Risk Requirement</b>	
	Operational Risk Requirement	
	<b>Operational Risk Requirement</b>	
	<b>Total Risk Requirement</b>	
	<b>Effective Shareholders' Funds</b>	

[End of Schedule 1]

**ANNEXURE 7**

**DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS – NO. 13-001**

**Schedule 3**

**[Paragraph 5.3(2), 5.6(2), 5.13 and 8.1]**

**POSITION RISK FACTOR FOR STANDARD APPROACH**

<b>INSTRUMENT</b>	<b>POSITION RISK FACTOR</b>
<b>Bursa Malaysia Equities</b>	
▪ FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX stocks	15%
▪ Other stocks, including ACE Market	21%
▪ FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX futures	5%
▪ Suspended securities (more than <del>32</del> Market Days)	100%
<b>Bursa Malaysia Derivatives</b>	
▪ FKL Options	5%
▪ KLIBOR futures	5%
▪ Crude Palm Oil futures	5%
▪ Kernel Palm Oil futures	5%
▪ Any other futures contract	5%
▪ Any other option contract	5%
<b>Unit trust or Exchange Traded Fund</b>	
▪ Equity fund	15%
▪ Debt securities fund	5%
▪ Commodities/Metals	20%
▪ Any other underlying fund	25%

**Commented [BM19]:** To reflect the migration to a T+2 cycle in relation to the maximum period of suspension of security for the applicable Position Risk factor to be calculated at 100%.

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

<b>INSTRUMENT</b>	<b>POSITION RISK FACTOR</b>
International Equities <ul style="list-style-type: none"> <li>▪ Single stocks in Recognised Market Indices</li> <li>▪ Other single international stocks of Recognised Stock Exchanges</li> </ul>	12% 16%
Other Securities/Instruments Not being those categorised above	100%

[End of Schedule 3]

**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

**ANNEXURE 8**

**DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS – NO. 13-001**

**Schedule 12**

**[Paragraphs 6.3(a)(ii) and 6.3(e)(i)(bb)]**

**COUNTERPARTY RISK REQUIREMENT  
FOR UNSETTLED AGENCY TRADES**

Agency Transaction	Time period for application of Percentage	Counterparty Risk Requirement
1. Sales contract	T to <del>T+2</del> <u>T+1</u> of clients	0.5%
	From <del>T+3</del> <u>T+2</u> to T+30 of clients	<ul style="list-style-type: none"> <li>8% of the Mark to Market Difference of the Contract multiplied by the weighting, if the Mark to Market value less the sales contract value of the stock is positive</li> <li>0%, if the Mark to Market value less the sales contract value of the stock is zero or negative</li> </ul>
	Beyond T+30 of clients	<ul style="list-style-type: none"> <li>The Mark to Market Difference multiplied by the weighting, if the Mark to Market value less the sales contract value of the stock is positive</li> <li>0%, if the Mark to Market value less the sales contract value of the stock is zero or negative</li> </ul>
2. Purchase contracts (cash payments)	T to <del>T+3</del> <u>T+2</u> of clients	0.5%
	From <del>T+4</del> <u>T+3</u> to T+30 of clients	<ul style="list-style-type: none"> <li>8% of the Mark to Market Difference of the Contract multiplied by the weighting, if the purchase contract value less Mark to Market value of the stock is positive</li> <li>0%, if the purchase contract value less Mark to Market value of the stock is zero or negative</li> </ul>
	Beyond T+30 of clients	<ul style="list-style-type: none"> <li>The Mark to Market Difference multiplied by the weighting, if the purchase contract value less Mark to Market value of the stock is positive</li> <li>0%, if the purchase contract value less the Mark to Market value of the stock is zero or negative</li> </ul>

**Commented [BM20]:** To reflect the migration to a T+2 cycle in relation to counterparty risk requirement for unsettled agency trades.

[End of Schedule 12]

ANNEXURE 9

**DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS – NO. 13-001**

**Schedule 14**  
**[Paragraph 6.3(d)(ii)]**

**COUNTERPARTY RISK REQUIREMENT**  
**FOR SECURITIES BORROWING AND LENDING / ISSBNT TRANSACTIONS**

Securities Borrowing and Lending / ISSBNT Transaction		Time period for application of Percentage	Counterparty Risk Requirement
1. Borrowing / Purchase pursuant to ISSBNT	On borrowing / purchase pursuant to ISSBNT	Pre-Recall	CE x CW x 0%
	On Recall	From Recall to Recall + 32 days	CE x CW x 8%
	On Recall	Beyond Recall + 32 days	CE x CW x 100%
2. Lending / Sale pursuant to ISSBNT	On Lending / Sale pursuant to ISSBNT	Pre-Recall	CE x CW x 0%
	On Recall	From Recall to Recall + 32 days	CE x CW x 8%
	On Recall	Beyond Recall + 32 days	CE x CW x 100%

**Commented [BM21]:** To reflect the migration to a T+2 cycle in relation to the maximum period of time period for application of percentage for counterparty risk requirement for securities borrowing and lending / ISSBNT transactions.

**Where:**

CE = Counterparty exposure, as determined under Paragraph 6.3(d).

CW = Counterparty weighing, as specified in Schedule 11.

'On Borrowing' means upon crediting of the securities borrowed into the borrower's CDS Account.





**AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle**

'On Purchase pursuant to ISSBNT' means upon crediting of the securities purchased pursuant to ISSBNT into the user's CDS Account.

'On Lending' means upon debiting of the securities lent from the lender's CDS Account.

'On Sale pursuant to ISSBNT' means upon debiting of the securities sold pursuant to ISSBNT from the supplier's CDS Account.

[End of Schedule 14]

**ANNEXURE 10**

**DIRECTIVES ON ON LIQUIDITY RISK MANAGEMENT FRAMEWORK ("LRM FRAMEWORK") –  
NO. 13.32-001**  
**Paragraph 1.3(1)**

**1.3 Net Surplus Requirements Compliance**

- (1) The table below stipulates the Net Surplus Requirements ("NSR") minimum levels that the Participating Organisation must comply with according to the maturity buckets:

BUCKET	MATURITY BUCKETS	NET SURPLUS REQUIREMENTS ("NSR") - MINIMUM LEVELS
A	Up to <del>three (3)</del> 2 market days	3%
B	<del>Four (4)</del> 3 market days to <del>seven (7)</del> calendar days	5%
C	<del>Eight (8)</del> calendar days to 14 calendar days	7%
D	15 calendar days to 30 calendar days	9%

**Commented [BM22]:** To reflect the migration to a T+2 cycle in relation to the maturity buckets which determine the Net Surplus Requirements minimum level that the Participating Organisation must comply.



AMENDMENTS TO THE DIRECTIVES  
In Relation to the T+2 Settlement Cycle

ANNEXURE 11

**DIRECTIVES ON ON LIQUIDITY RISK MANAGEMENT FRAMEWORK ("LRM FRAMEWORK") –  
NO. 13.32-001**

**Appendix 1**

**User Guide and Reporting Forms**

**Commented [BM23]:** To reflect the migration to a T+2 cycle in relation to the User Guide and Reporting Forms for the LRM Framework.