

MEMORANDUM
FOR INFORMATION



Ref No : 0058 of 2018/PO

Date : 11 December 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 : **Bursa's Rules Amendments in relation to Exchange-Traded Funds**

Dear Members,

Kindly be informed that Bursa has amended the Main Market Listing Requirements ("Main LR") and Rules and Directives of Bursa Malaysia Securities Berhad ("BMS Rules and Directives") in relation to Exchange-Traded Funds ("ETF") [collectively the "ETF Amendments"].

The ETF Amendments as well as the revised Guidelines on Exchange-Traded Funds issued by SC on 26th November 2018 form part of the efforts by Bursa and SC in growing the potential of the Malaysian ETF market.

Through the ETF Amendments, Bursa has enhanced the post listing and trading framework of ETFs with the aim of achieving the following objectives:

- i. promote greater business efficacy and reduce cost of compliance by ETF by liberalizing the interim reporting framework from quarterly to semi-annual basis;
- ii. facilitate growth of ETF industry whilst enhancing investor protection and transparency through enhanced disclosures in immediate announcements and periodic reports, as well as imposition of qualifying criteria for investors trading in L&I ETFs;
- iii. facilitate market making activities for all ETFs through the enhanced Permitted Short Selling framework; and
- iv. streamline the ETF framework under the Main LR with the SC's revised Guidelines on ETF, where necessary for consistency.

The ETF Amendments will take effect from 2nd January 2019 onwards.

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In view of the above, attached herewith are the following documents for your reference:

(1) Main LR

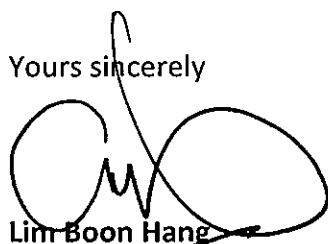
- Bursa's circular dated 7th December 2018.
- Appendix 1 setting out the full text of the Main LR Amendments in relation to ETF.
- Appendix 2 setting out the Questions and Answers in relation to Main LR Amendments.
- Appendix 3 setting out the full text of the BMS Rules Amendments in relation to ETF.
- Appendix 4 setting out the full text of the BMS Directives Amendments in relation to ETF.
- Appendix 5 setting out the Circular Issued to Participating Organizations.

(2) BMS Rules and Directives

- Participating Organizations's Circular R/R 15 of 2018.
- Annexure 1 setting out the BMS Rules Amendments in relation to ETF
- Annexure 2 setting out the BMS Directives Amendments in relation to ETF.

Thank you

Yours sincerely



Lin Boon Hang

Executive Director, ASCM Secretariat