

**MEMORANDUM
FOR YOUR ATTENTION**

Ref No : 0060 of 2018/PO

Date : 21 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 : T+2 Settlement Cycle

Dear Members,

Reference is made to our Memo 0056 of 2018/PO dated 4th December 2018 inviting members to comment on Bursa's consultation paper on proposed T+2 settlement cycle and the related proposed rules amendments.

Bursa Malaysia has written to ASCM on the need to respond to the consultation paper within the timeframe specified.

At the time of writing this memo, only 4 members have provided feedback to ASCM on the consultation paper. The deadline set by ASCM for the feedback is by today. In view of this, we would appreciate members to respond by Monday, 24th December 2018 so that ASCM can collate and finalize the feedback for submission to Bursa in good time.

In providing your comments to the consultation paper, we would like to take this opportunity to bring to your attention on Bursa's T+2 Business Requirements Document dated 19th November 2018. For ease of reference we have attached a copy of this document to this memo.

We refer to the 2nd batch processing of the funds settlement timing for DBT trades stated in section 2.1.8 of Bursa's T+2 Business Requirements Document. It is stated that Clearing House to pay Selling Broker by 4pm. Cut-off time for Selling Broker to pay Selling Client is not stated (understandably after 4pm, whereas RENTAS cut off time is by 4pm). Under section 2.1.10 of Bursa's T+2 Business Requirements Document, it is stated that payment cut-off time for buying and selling clients will be subject to feedback from brokers on the consultation paper. The fund settlement timing is acceptable provided BNM and both the paying and receiving commercial banks extend the RENTAS payment cut off time to 5pm. Hence, we view that there is a need for Bursa to discuss with BNM and commercial banks to extend the cut off time. In replying to the consultation paper on T+2 settlement cycle, members are encouraged to raise this issue and make suggestion to Bursa in addressing it.

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Your feedback and comments to Bursa's consultation paper on T+2 settlement cycle are invaluable to the industry.

Thank you

Yours sincerely,



Lim Boon Hang
Executive Director, ASCM Secretariat