

CONSULTATION ON THE PROPOSED SIMPLIFICATION OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD

NO.	RULE / PARAGRAPH NO.	COMMENTS FROM ASCM	BURSA' S RESPONSE								
1.	Rule 1.09(3)	<p>We would like to propose the following:-</p> <table border="1" data-bbox="638 339 1435 995"> <thead> <tr> <th data-bbox="638 339 999 411"><i>Bursa's Proposal</i></th> <th data-bbox="999 339 1435 411"><i>Our Proposal</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="638 411 999 608">All notices to the Exchange must be made in writing unless stated otherwise.</td> <td data-bbox="999 411 1435 608">All notices to the Exchange must be made in writing (letter, fax, electronic mail) unless stated otherwise.</td> </tr> <tr> <td data-bbox="638 608 999 804">"Bursa Securities" have been replaced by "the Exchange "</td> <td data-bbox="999 608 1435 804">To maintain the word Bursa Securities instead of the Exchange, in order to be more clear and precise.</td> </tr> <tr> <td data-bbox="638 804 999 995">"Securities Commission" have been replaced by "the Commission"</td> <td data-bbox="999 804 1435 995">To maintain the word Securities Commission instead of the Commission in order to be more clear and precise.</td> </tr> </tbody> </table>	<i>Bursa's Proposal</i>	<i>Our Proposal</i>	All notices to the Exchange must be made in writing unless stated otherwise.	All notices to the Exchange must be made in writing (letter, fax, electronic mail) unless stated otherwise.	"Bursa Securities" have been replaced by "the Exchange "	To maintain the word Bursa Securities instead of the Exchange, in order to be more clear and precise.	"Securities Commission" have been replaced by "the Commission"	To maintain the word Securities Commission instead of the Commission in order to be more clear and precise.	<ul style="list-style-type: none"> • Yes, notification to the Exchange can be vide email to the specified personnel/ department, unless the Exchange requires otherwise. For example, a formal letter is required for an application to register a participant. • The term "Exchange" is currently defined under Rule 1.01 of the BMS Rules as meaning "BURSA MALAYSIA SECURITIES BERHAD". Hence, the proposed amendments to replace reference to "Bursa Securities" with "Exchange" is for consistency with the defined term. • The term "Commission" is currently defined under Rule 1.01 of the BMS Rules as meaning "The Securities Commission Malaysia established under the Securities Commission Malaysia Act. Hence, the proposed amendments to replace reference to "Securities Commission" with "Commission" is for consistency with the defined term.
<i>Bursa's Proposal</i>	<i>Our Proposal</i>										
All notices to the Exchange must be made in writing unless stated otherwise.	All notices to the Exchange must be made in writing (letter, fax, electronic mail) unless stated otherwise.										
"Bursa Securities" have been replaced by "the Exchange "	To maintain the word Bursa Securities instead of the Exchange, in order to be more clear and precise.										
"Securities Commission" have been replaced by "the Commission"	To maintain the word Securities Commission instead of the Commission in order to be more clear and precise.										

CONSULTATION ON THE PROPOSED SIMPLIFICATION OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD

NO.	RULE / PARAGRAPH NO.	COMMENTS FROM ASCM	BURSA' S RESPONSE
2.	<p>Item no. 9 of the Consultation Paper:</p> <p>“In any emergency situation, the Exchange is empowered to suspend any provisions of the BMS Rules or make or impose new temporary rules or take any other actions it deems fit, to ensure the existence or continuance of an orderly and fair market.”</p>	<p>Bursa to ensure that the empowerment to suspend any provisions of the BMS Rules or impose new temporary rules or take any other actions it deems fit, will not adversely affect trading activities and the business interest of the POs.</p>	<ul style="list-style-type: none"> We take note of your comments and would like to assure that the power to take action in emergency situations is to ensure the maintenance or continuance of an orderly and fair market for investors and participants alike.
3.	<p>Rule 7.06 Breakdown or Malfunction</p>	<p>Does Rule 7.06 Breakdown or Malfunction cover the notification requirement where a PO must notify the Exchange when there is any significant impact to its trading system and/or clearing and settlement system (back office)? If no, Bursa should clarify which Rule is applicable for this type of notification.</p>	<ul style="list-style-type: none"> Participating Organisations (“PO”) currently notify the Exchange of incidents with their trading system/back office system* that affects their ability to provide services to Clients e.g. glitches in a PO’s trading system which resulted in its inability to receive Clients’ orders or to input orders into the Exchange trading system, even though there is no specific requirement for a PO to do so. We intend to codify the practice at the next opportunity. <p><i>*Bursa clarified that the back office system is the clearing and settlement system.</i></p>

CONSULTATION ON THE PROPOSED SIMPLIFICATION OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD

NO.	RULE / PARAGRAPH NO.	COMMENTS FROM ASCM	BURSA' S RESPONSE				
			<ul style="list-style-type: none"> Furthermore, pursuant to the Exchange's general powers, the Exchange may require a PO to provide information in relation to the impact to a PO's trading system and/or back office system, if need be. In the event of cyber incidents that affect a PO's business operations, the PO must report the cyber incident to the Exchange in accordance with the cyber incident reporting procedure and template (please refer to Bursa IT Circular No. Bursa/PO IT 03 of 2018 dated 28 June 2018). 				
4.	<p>Re: BEST PRACTICES No.7.16-001 - Best Practices in the Islamic Stockbroking Services Undertaken by PO Paragraph 8 on Shariah Confirmation</p> <p>8.1 A Shariah confirmation should be obtained by the Islamic Participating Organisation from the Shariah Adviser on an annual basis stating that it is providing Islamic stockbroking services and</p>	<p>We would like to suggest improvement for Annual Shariah Confirmation by PO.</p> <p>Concerns on the responsibility and accountability of the Shariah Adviser in the prescribed <u>Shariah confirmation</u> in Appendix 1 by Bursa amongst others the following paragraphs with our proposal:</p> <table border="1" data-bbox="638 1098 1417 1374"> <thead> <tr> <th data-bbox="638 1098 1039 1169"><i>Current</i></th> <th data-bbox="1039 1098 1417 1169"><i>Proposed</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="638 1169 1039 1374">We have assessed the work carried out by the internal auditor and compliance officer which included examining, on a test basis, each type of</td> <td data-bbox="1039 1169 1417 1374">We have assessed the Shariah compliance review and Shariah audit reports presented to us and have examined, on a test basis,</td> </tr> </tbody> </table>	<i>Current</i>	<i>Proposed</i>	We have assessed the work carried out by the internal auditor and compliance officer which included examining, on a test basis, each type of	We have assessed the Shariah compliance review and Shariah audit reports presented to us and have examined, on a test basis,	<ul style="list-style-type: none"> Thank you for your suggestions. We will take your suggestions into consideration when we review the Annual Shariah Confirmation template this year.
<i>Current</i>	<i>Proposed</i>						
We have assessed the work carried out by the internal auditor and compliance officer which included examining, on a test basis, each type of	We have assessed the Shariah compliance review and Shariah audit reports presented to us and have examined, on a test basis,						

CONSULTATION ON THE PROPOSED SIMPLIFICATION OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD

NO.	RULE / PARAGRAPH NO.	COMMENTS FROM ASCM		BURSA' S RESPONSE
	<p>that it complies with these Best Practices, and the Shariah principles, concepts and rulings issued by the SAC, as amended from time to time. The Shariah confirmation should adopt the format as provided in Appendix 1.</p>	<p>transaction, the relevant documentations and procedures adopted by [name of Islamic Participating Organisation].</p>	<p>the transactions, relevant documentations and procedures adopted by the Management of (NAME OF PO).</p>	
		<p>We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that [name of Islamic Participating Organisation] has not violated any Shariah principles.</p>	<p>The said Shariah compliance reviews and audits have been planned and performed to ensure that all the necessary information and explanation have been obtained to provide sufficient evidence that would give us reasonable assurance that (NAME OF PO) has not violated Shariah principles.</p> <p>We also confirm that every incident of Shariah non-compliance that has been brought to our attention has been properly noted and that the corrective as well as preventive measures have been taken by the</p>	

CONSULTATION ON THE PROPOSED SIMPLIFICATION OF THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD

NO.	RULE / PARAGRAPH NO.	COMMENTS FROM ASCM		BURSA' S RESPONSE
			<p>Management of (NAME OF PO) to avoid the same from occurring in the future. Any Shariah non-compliant income has also been disposed of to charitable causes upon approval by us.</p>	
		<p>In relation to the above, we, the Shariah Advisers of [name of Islamic Participating Organisation], do hereby confirm that the Islamic stockbroking services and operations of [name of Islamic Participating Organisation] for the financial year ended [date month year] have been conducted in conformity with the Shariah principles and our advice, as well as has no Shariah noncompliant income derived throughout the year.</p>	<p>In relation to the above, based on the information provided and disclosed to us, I, on behalf of the Shariah Adviser of (NAME OF PO) do hereby confirm that, the Islamic stockbroking services and operations of (NAME OF PO) for the financial year ended (date/month/year) have been conducted in conformity with Shariah.</p>	