

PARTICIPATING ORGANISATIONS' CIRCULAR

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AMENDMENTS TO THE RULES AND DIRECTIVES OF BURSA MALAYSIA SECURITIES BERHAD (“BMS RULES AND DIRECTIVES”) PURSUANT TO THE EXPANSION OF THE MARKET MAKING FRAMEWORK

1.0 INTRODUCTION

- 1.1 Bursa Malaysia Securities Berhad (“**the Exchange**”) has made amendments in relation to the expansion of the market making framework.
- 1.2 The amendments are detailed in paragraph 2 below.

2.0 EXPANSION OF THE MARKET MAKING FRAMEWORK

- 2.1 The amendments seek to ensure efficiency in market making, by according market makers with greater flexibility to quote prices and respond to market demands. It is also crucial for market makers to manage risk by hedging their exposure to price volatility in the underlying securities.
- 2.2 The amendments pursuant to the Expansion of the Market Making framework have been approved by the Securities Commission Malaysia.

Amendments to the Rules

- 2.3 The salient amendments made to the Rules are as follows:
- (a) expanding the qualification criteria of Market Makers to a foreign corporation which fulfils the following criteria;
 - (i) has a minimum paid up capital equivalent to RM2,000,000.00;
 - (ii) has the relevant market making experience in securities or derivatives markets for at least 3 years; and
 - (iii) is regulated by either of the following:
 - (aa) a securities or derivatives exchange in a jurisdiction which regulator is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding (“**IOSCO MMOU**”) or the Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organisations (“**BOCA Declaration**”) respectively; or

- (bb) a regulator who is a signatory to the IOSCO MMOU or the BOCA Declaration respectively;
- (b) registering market makers of single stock futures contract (“**SSF**”) and stock option contract (“**SSO**”) from Bursa Malaysia Derivatives Bhd (“**BMD**”) as Derivatives Specialists on the Exchange, and allowing such Derivatives Specialists to carry out Permitted Short Selling (“**PSS**”) on the underlying securities of SSF and SSO which are Approved Securities on the securities market. The key requirements for a Derivatives Specialist are as follows:
 - (i) the Derivatives Specialist is appointed by BMD to do market making for SSF or SSO;
 - (ii) if the Derivatives Specialist is a foreign corporation, it must be regulated by either of the following:
 - (aa) a securities or derivatives exchange in a jurisdiction which regulator is a signatory to the IOSCO MMOU or the BOCA Declaration respectively; or
 - (bb) a regulator who is a signatory to the IOSCO MMOU or the BOCA Declaration respectively; and
 - (iii) the Derivatives Specialist must open a designated trading account and securities account, in the manner prescribed by the Exchange and Bursa Malaysia Depository Sdn Bhd respectively.

Similar to the requirements placed on Market Makers, a Derivatives Specialist must comply with the applicable rules on conduct as a Derivatives Specialist. The existing rules in Chapter 4 of the BMS Rules relating to resignation, termination, suspension or restriction of market making activity, continuing liability and action by the Exchange will also apply to Derivatives Specialists;

- (c) expanding the PSS framework to allow short selling by the market makers of structured warrants (“**SW**”), SSF and SSO in respect of the underlying securities of SW, SSF and SSO which are Approved Securities. Prior to the execution of an order to short sell the underlying securities of a SW, SSF or SSO, under the PSS framework, a Market Maker or a Derivatives Specialist must have either:
 - (i) borrowed the underlying securities through Securities Borrowing and Lending (“**SBL**”) or purchased them through Islamic Securities Selling and Buying-Negotiated Transaction (“**ISSBNT**”), as the case may be; or
 - (ii) obtained a confirmation from an Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the underlying securities are available for the Market Maker or the Derivatives Specialist to settle the sale;
- (d) liberalising the PSS of ETF and Constituent Securities by:

- (i) removing the requirement that ETF market makers must borrow the ETF units or Constituent Securities prior to executing the PSS order (or obtain confirmation that the same are available for settlement). Instead, ETF market makers are only required to have entered into an agreement to borrow the ETF units or Constituent Securities for the settlement of a short sale prior to commencing PSS; and
- (ii) removing the requirement that an ETF market maker must always hedge a short sale within the same market day;
- (e) replacing the current PSS limits with a 10% net short position limit on the combined RSS and PSS net short aggregated positions; and
- (f) clarifying that the disciplinary proceedings in Chapter 15 of the BMS Rules apply to a Market Maker and a Derivatives Specialist in view of their roles in the enhanced market making and PSS frameworks.

Amendments to the Directives

2.4 The salient amendments made to the Directives are as follows:

(a) Directives in relation to Market Makers and Derivatives Specialists (No. 4-001)

Amendments in relation to an application as a Derivatives Specialist.

(b) Directives on the Use of Day Trading Activities Account (No. 7.05(1)-001)

Amendments to clarify that if the securities eligible for day trading under the Directive are also securities eligible for PSS and a suspension on PSS is imposed on the said securities, the short selling under the Directive will be suspended as well.

(c) Directives on Regulated Short Selling (No. 8-002)

Amendments to clarify that the 10% total net short positions limit imposed on the RSS applies to PSS as well. Hence, RSS and PSS have a combined net short aggregated positions limit.

2.5 The amendments pursuant to the Expansion of Market Making framework are set out in detail in **Annexures 1 (Rules) and 2 (Directives)**.

Amendments to the Participating Organisations' Trading Manual ("Trading Manual")

2.6 The relevant provisions on short selling have been amended under Chapter 2 and Chapter 7 of the Trading Manual in relation to Permitted Short Selling.

2.7 The updated version of the Trading Manual is attached as **Annexure 3**.

Frequently Asked Questions (FAQs")

- 2.8 The FAQs in relation to the Expansion of the Market Making Framework can be accessed at the following link:
https://www.bursamalaysia.com/regulation/faqs_relating_to_bursa_malaysia_rules

3.0 EFFECTIVE DATE

- 3.1 The amendments to the BMS Rules, Directives and Trading Manual as set out in paragraph 2 above will take effect from 7 December 2020.

4.0 CONTACT PERSON

- 4.1 In the event of any queries in relation to the above matter, kindly contact the Exchange as follows:

Name	Contact
Product & Market Development, Securities Market (Market Making framework)	pmd@bursamalaysia.com 03-2034 7183
Market Operations (Trading related matters)	smo@bursamalaysia.com 03-2034 7777
Participants Supervision (Compliance and registration)	isd2@bursamalaysia.com 03-2034 7364 pa@bursamalaysia.com 03-2034 7242
Regulatory Policy & Advisory (Rules and Directives)	rpa@bursamalaysia.com 03-2034 7585

This Circular is available at:

https://www.bursamalaysia.com/regulation/securities/rules_of_bursa_malaysia_securities

Regulation

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AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
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RULES OF BURSA MALAYSIA SECURITIES BERHAD (“BMS RULES”)

AMENDMENTS TO THE RULES IN RELATION TO THE EXPANSION OF THE MARKET MAKING FRAMEWORK

RULE	CURRENT PROVISION	RULE	PROPOSED AMENDMENTS
1.01	Admission Guidelines The admission guidelines for the registration of Participating Organisation, Registered Person, or Market Maker which are made available on the Exchange Holding Company's website.	1.01	Admission Guidelines The admission guidelines for the registration of Participating Organisation, Registered Person, or Market Maker <u>or Derivatives Specialist</u> which are made available on the Exchange Holding Company's website.
1.01	NEW	1.01	<u>BOCA Declaration</u> The Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organisations.
1.01	NEW	1.01	<u>Derivatives Specialist</u> A person prescribed under Part C of Chapter 4, who is registered with the Exchange.
1.01	Internal Guidelines for Permitted Short Selling Written guidelines formulated by a Market Maker setting out the Market Maker's internal policies, procedures, controls and requirements on compliance with laws and these Rules in relation to Permitted Short Selling activities.	1.01	Internal Guidelines for Permitted Short Selling Written guidelines formulated by a Market Maker <u>or a Derivatives Specialist</u> setting out the Market Maker's <u>or the Derivatives Specialist's</u> internal policies, procedures, controls and requirements on compliance with laws and these

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			Rules in relation to Permitted Short Selling activities.
1.01	NEW	1.01	<u>IOSCO</u> <u>MMOU</u> The International Organisation of Securities Commissions Multilateral Memorandum of Understanding
1.01	Permitted Short Selling The short selling of units of an ETF or constituent securities carried out in accordance with Part D of Chapter 4.	1.01	Permitted Short Selling The short selling of units of an ETF or constituent securities <u>PSS Securities</u> carried out in accordance with Part DE of Chapter 4.
1.01	NEW	1.01	<u>PSS Securities</u> Any of the securities traded on the stock market of the Exchange that is prescribed by the Exchange for the purposes of Permitted Short Selling under Rule 4.15(1).
1.01	Securities Borrowing and Lending The borrowing or lending of securities pursuant to Part F of Chapter 7.	1.01	Securities Borrowing and Lending <u>or</u> <u>SBL</u> The borrowing or lending of securities pursuant to Part F of Chapter 7.
1.01	NEW	1.01	<u>Single Stock Futures Contract</u> A single stock futures contract traded on the Derivatives Exchange.

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1.01	NEW	1.01	<u>Stock Option Contract</u> <u>A stock option contract traded on the Derivatives Exchange.</u>
CHAPTE R 4	Please refer to Annexure 1(A) below.	CHAPTE R 4	Please refer to Annexure 1(A) below.
8.31	Suspension of regulated short selling Without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if the quantity of the total short position of an Approved Securities or a class of Approved Securities triggers such thresholds as may be prescribed by the Exchange. <i>[Refer to Directive No. 8-002]</i>	8.31	Suspension of regulated short selling Without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if the quantity of the total short position of an Approved Securities or a class of Approved Securities triggers such thresholds as may be prescribed by the Exchange. <i>[Refer to Directive No. 8-002]</i>
15.01	General (1) In this Chapter, (a) “Participant” includes a Participating Organisation and Registered Person(s) of the Participating Organisation.; (b) “disciplinary proceedings” where the context permits includes appeal proceedings under Part E of this Chapter 15; and (2) Where the acts or omissions of a Registered Person(s), employee or agent of a Participating Organisation would have been subject to these Rules had such acts or omissions been committed by the Participating Organisation, then such acts or omissions are deemed to be committed by that Participating Organisation and disciplinary action may be taken against it.	15.01	General (1) In this Chapter, (a) “Participant” includes a Participating Organisation and Registered Person(s) of the Participating Organisation, <u>Market Maker and Derivatives Specialist</u> ; (b) “disciplinary proceedings” where the context permits includes appeal proceedings under Part E of this Chapter 15; and (2) Where the acts or omissions of a Registered Person(s), employee or agent of a Participating Organisation, <u>Market Maker or Derivatives Specialist</u> would have been subject to these Rules had such acts or omissions been committed by the Participating Organisation, <u>Market Maker or Derivatives Specialist, as the case may be,</u> then

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			such acts or omissions are deemed to be committed by that Participating Organisation, <u>Market Maker or Derivatives Specialist, as the case may be</u> , and disciplinary action may be taken against it.
Appendix 5	NOTIFICATION REQUIRED IN ORDER TO CARRY OUT MARKET MAKING AND PERMITTED SHORT SELLING AND DECLARATION REQUIRED FOR PERMITTED SHORT SELLING Please refer to Annexure 1(B) below.	Appendix 5	NOTIFICATION REQUIRED IN ORDER TO CARRY OUT MARKET MAKING AND PERMITTED SHORT SELLING AND DECLARATION REQUIRED FOR PERMITTED SHORT SELLING Please refer to Annexure 1(B) below.

[End of Amendments to BMS Rules]

CHAPTER 4 MARKET MAKERS AND DERIVATIVES SPECIALISTS

PART A REGISTRATION OF A MARKET MAKER

4.01 Qualification Criteria

- (1) An applicant who intends to apply to be a Market Maker for a Specified Security must be an entity that fulfils any one of the following requirements:
- (a) a Participating Organisation;
 - (b) a licensed bank, or licensed investment bank under the FSA, in which the licensed investment bank is not also a Participating Organisation;
 - (c) a Related Corporation of (a) or (b) above, incorporated under the Companies Act and has:
 - (i) a minimum shareholders' fund of RM2,000,000.00; and
 - (ii) at least 2 personnel with at least 5 years' experience in the following:
 - (aa) trading in securities as a Dealer's Representative or dealing in derivatives as a Registered Representative;
 - (bb) trading in treasury related instruments of a financial institution;
 - (cc) trading in securities as a dealer on a Recognised Stock Exchange; or
 - (dd) trading in derivatives as a dealer on a Specified Exchange as defined in the Derivatives Exchange Rules;
 - ~~(d) a foreign securities broker or foreign derivatives broker in a jurisdiction where the broker is regulated by a regulator who is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding ("IOSCO MMOU") or the Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organisations ("BOCA Declaration") respectively ("Foreign Broker") and fulfils the following:~~
 - ~~(i) has a minimum paid up capital of equivalent RM2,000,000.00; and~~
 - ~~(ii) has the following experience:~~
 - ~~(aa) at least 3 years' Market Making experience; or~~
 - ~~(bb) at least 2 personnel with at least 3 years' experience in Market Making and is related to a company who is also a Foreign Broker which has at least 3 years Market Making experience; or~~
 - (d) a foreign corporation which fulfils the following:
 - (i) has a minimum paid up capital equivalent to RM2,000,000.00;
 - (ii) has the relevant market making experience in securities or derivatives markets for at least 3 years; and
 - (iii) is regulated by either of the following:

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- (aa) a securities or derivatives exchange in a jurisdiction which regulator is a signatory to the IOSCO MMOU or the BOCA Declaration respectively; or
- (bb) a regulator who is a signatory to the IOSCO MMOU or the BOCA Declaration respectively;

- (e) a Related Corporation of (d) above, incorporated under the Companies Act and fulfils the following:
- (i) has a minimum paid up capital equivalent to of RM2,000,000.00;
 - (ii) has at least 2 personnel with at least 3 years' experience in Mmarket Mmaking; and
 - (iii) the ~~Foreign Broker~~foreign corporation which is its Related Corporation has at least 3 years' experience in Mmarket Mmaking.
- (2) In addition to the requirements in Rule 4.01(1), an applicant to be a Market Maker must also fulfil the following requirements:
- (a) has in place facilities and personnel adequate for the expeditious and orderly carrying out of its business of Market Making; and
 - (b) has in place a supervisory programme and system of internal controls in respect of:
 - (i) the business of Market Making;
 - (ii) undertaking of risk management;
 - (iii) management of conflict of interest; and
 - (iv) compliance with these Rules.

4.02 Application Procedure

- (1) An applicant who intends to apply to be a Market Maker for a Specified Security must apply to the Exchange in accordance with the Exchange's requirements and comply with any requirements as may be imposed by the Exchange.

[Refer to Directive No. 4-001]

- (2) Notwithstanding the applicant meeting the qualification criteria set out in Part A of this Chapter 4, the Exchange may reject an application to register as a Market Maker in circumstances the Exchange deems fit.

4.03 Continuing Obligations

Throughout the term of its registration as a Market Maker, it must:

- (a) continuously comply with the qualification criteria stated under Part A of this Chapter 4;
- (b) immediately notify the Exchange ~~in writing~~ of:
 - (i) any change that will disqualify it as a Market Maker based on Part A of this Chapter 4 or upon becoming aware of any of the circumstances stated in Rule 4.13(2);
 - (ii) any change in the place of business of the Market Maker; and

- (iii) change in name of the Market Maker; and
- (c) comply with and give effect to these Rules and Directives ~~whether or not the provisions are directed at the Market Maker specifically where relevant.~~

4.04 General

~~Where the Exchange issues directives to modify the application of these Rules, in so doing, the Exchange may impose terms and conditions for compliance by Market Makers of certain types of securities specified by the Exchange, where deemed necessary or appropriate.~~

PART B OBLIGATIONS OF A MARKET MAKER

4.054 Bid and Offer Prices

- (1) A Market Maker for a Specified Security must enter bid and offer prices into the order book in the ATS for the purpose of buying and selling of the Specified Security as follows:
 - (a) with a minimum presence as stipulated by the Exchange;
 - (b) within the maximum spread allowed by the Exchange; and
 - (c) in not less than the minimum quantity allowed by the Exchange.
- (2) A Market Maker may be exempted from entering bid and offer prices as required under Rule 4.054(1) in circumstances deemed fit or allowed by the Exchange.

[Refer to Directive No. 4-001]

4.065 Designated Trading Account and Designated Securities Account

A Market Maker must undertake all Market Making activities through trading accounts and Securities Accounts designated specifically for Market Making activities based on the terms ~~stipulated~~prescribed by the Exchange and the Depository respectively.

[Refer to Directive No. 4-001]

4.076 Conduct by Market Maker

- (1) A Market Maker may only carry out its Market Making activities for its proprietary position and not for Clients or its Related Corporations.
- (2) A Market Maker may carry out Permitted Short Selling as ~~stipulated~~prescribed under Part ~~DE~~ of this Chapter 4 in the course of fulfilling its obligations under Rule 4.054(1).
- (3) If a Market Maker is not a Participating Organisation, the Market Maker must enter the bid and offer prices into the order book in the ATS through a Participating Organisation.
- (4) A Market Maker must notify the Exchange immediately if it is unable to fulfil its Market Making obligations for any reason whatsoever and later when it is able to resume its Market Making obligations under Rule 4.054(1).

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- (5) A Market Maker must avoid any act or practice which is likely to:
- (a) lead to a false or misleading appearance of active trading in any securities on the stock market of the Exchange or a false or misleading appearance with respect to the market for, or the price of, any such securities; or
 - (b) directly or indirectly be tantamount to stock market manipulations,
- and must not participate in any operation by others which might have the same result.

PART C **DERIVATIVES SPECIALIST**

4.07 General

- (1) A market maker appointed by the Derivatives Exchange in respect of Single Stock Futures Contract or Stock Option Contract may apply to the Exchange to be a Derivatives Specialist.
- (2) If the market maker in Rule 4.07(1) is a foreign corporation, it must be regulated by either of the following:
- (a) a securities or derivatives exchange in a jurisdiction which regulator is a signatory to the IOSCO MMOU or the BOCA Declaration respectively; or
 - (b) a regulator who is a signatory to the IOSCO MMOU or the BOCA Declaration respectively.
- (3) A Derivatives Specialist may carry out Permitted Short Selling on the underlying securities of the Single Stock Futures Contract or Stock Option Contract which are Approved Securities as prescribed under Part E of this Chapter 4, as part of its market making activities.

4.08 Application Procedure

- (1) An applicant who intends to be a Derivatives Specialist must apply to the Exchange in accordance with the Exchange's requirements and comply with any requirements as may be imposed by the Exchange.
- [Refer to Directive No. 4-001]*
- (2) The Exchange may reject an application to register as a Derivatives Specialist in circumstances the Exchange deems fit.

4.09 Continuing Obligations

Throughout the term of its registration as a Derivatives Specialist, it must:

- (a) remain as a market maker with the Derivatives Exchange in respect of Single Stock Futures Contract or Stock Option Contract
- (b) immediately notify the Exchange of:
 - (i) upon becoming aware of any of the circumstances stated in Rule 4.13(2);
 - (ii) any change in the place of business of the Derivatives Specialist; and
 - (iii) change in name of the Derivatives Specialist; and

(c) comply with and give effect to these Rules and Directives, where relevant.

4.10 Designated trading account and Securities Account

A Derivatives Specialist must open a designated trading account and Securities Account based on the terms prescribed by the Exchange and the Depository respectively.

[Refer to Directive No. 4-001]

4.11 Conduct by Derivatives Specialist

(1) If a Derivatives Specialist is not a Participating Organisation, the Derivatives Specialist must execute Permitted Short Selling through a Participating Organisation.

(2) A Derivatives Specialist must avoid any act or practice which is likely to:

(a) lead to a false or misleading appearance of active trading in any securities on the stock market of the Exchange or a false or misleading appearance with respect to the market for, or the price of, any such securities; or

(b) directly or indirectly be tantamount to stock market manipulations,

and must not participate in any operation by others which might have the same result.

PART ~~CD~~ RESIGNATION

4.0812 Resignation

(1) If a Market Maker ~~wishes to resign as a Market Maker of a Specified Security or a Derivatives Specialist~~ wishes to resign, it must give a written notice to the Exchange of its intention to resign not less than 30 days prior to the proposed date of resignation.

(2) The Exchange may accept the Market Maker's or the Derivatives Specialist's resignation subject to any conditions.

4.0913 Termination, Suspension or Restriction of ~~Market Making Activity~~ the Activities of a Market Maker or a Derivatives Specialist

(1) The Exchange may summarily suspend, or terminate a Market Maker or restrict its Market Making activities the activities of a Market Maker or a Derivatives Specialist if:

(a) ~~the Market Maker has been wound up whether on a voluntary basis or otherwise;~~

(b) ~~a receiver and manager, provisional liquidator or liquidator has been appointed for the Market Maker;~~

(c)(a) ~~the Market Maker or the Derivatives Specialist~~ the Market Maker or the Derivatives Specialist fails to fulfil any of the requirements in Part A or Part C respectively of this Chapter 4; ~~or~~

(d) ~~the Market Maker is convicted of any offence in or outside of Malaysia involving dishonesty or fraud or had disciplinary action taken against it for breaches involving dishonesty or fraud; or~~

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~~(e)~~(b) the Market Maker continuously breaches its obligations under Rule 4.054(1) for a period determined by the Exchange.

(2) A Market Maker or a Derivatives Specialist will summarily cease to be registered under these Rules if:

(a) the Market Maker or the Derivatives Specialist has been wound up whether on a voluntary basis or otherwise;

(b) a nominee of a corporate voluntary arrangement, a judicial manager, a receiver and manager, or a liquidator (including interim liquidator) has been appointed for the Market Maker or the Derivatives Specialist;

(c) the Derivatives Specialist no longer fulfils the requirement in Rule 4.09(a); or

(d) the Market Maker or the Derivatives Specialist is convicted of any offence in or outside of Malaysia involving dishonesty or fraud or had disciplinary action taken against it for breaches involving dishonesty or fraud.

4.4014 Continuing Liability

(1) A Market Maker or a Derivatives Specialist who has resigned or whose registration is terminated by the Exchange, remains liable to disciplinary action for any breach of these Rules or Directives committed during the period while it was a Market Maker or a Derivatives Specialist.

(2) All provisions in these Rules will continue to apply in respect of the former Market Maker or the former Derivatives Specialist to the extent required to give effect to Rule 4.4014(1).

PART ~~D~~E PERMITTED SHORTSELLING

4.4115 General

(1) A Market Maker or a Derivatives Specialist may ~~execute short selling for an ETF for which it is registered as a Market Maker,~~ carry out Permitted Short Selling on the following securities in the manner set out in Part ~~D~~E of this Chapter 4:-

(a) a Market Maker for an ETF – the ETF and its Constituent Securities;

(b) a Market Maker for a structured warrant – the underlying securities of the structured warrant which are Approved Securities,

(c) a Derivatives Specialist – the underlying securities of the Single Stock Futures Contract or Stock Option Contract which are Approved Securities.

(2) A Market Maker or Derivatives Specialist must execute a Permitted Short Selling pursuant to Rule 4.15(1) above by way of On-Market Transaction only.

~~(2)~~(3) Unless it is otherwise provided in Part ~~D~~E of this Chapter 4, all other provisions in these Rules apply to Permitted Short Selling, as if they were normal sales of securities.

4.4216 Commencement of Permitted Short Selling

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- (1) A Market Maker or a Derivatives Specialist may commence Permitted Short Selling only if the Market Maker or the Derivatives Specialist has:
- (a) established Internal Guidelines for Permitted Short Selling;
 - (b) put in place systems and infrastructure that include front office and back office systems which are operative and have all the relevant functionalities, requirements and controls in place for the carrying out of Permitted Short Selling in accordance with Part D E of this Chapter 4; and
 - (c) notified the Exchange that it intends to carry out Permitted Short Selling and ~~provided to the Exchange the form stipulated in Appendix 5~~ submitted a written declaration in the form as prescribed by the Exchange, 2 Market Days prior to the commencement of Permitted Short Selling.

[Refer to Directive No. 4-001]

- (2) In relation to an ETF Market Maker intending to short sell ETF units or Constituent Securities pursuant to Permitted Short Selling, the ETF Market Maker must have entered into an agreement to borrow the ETF units or Constituent Securities for the settlement of Permitted Short Selling.

4.1317 Execution

- (1) A Market Maker or a Derivatives Specialist intending to shortsell ~~ETF units~~ PSS Securities pursuant to Permitted Short Selling must comply with either of the following prior to execution of the order to shortsell –
- (a) ~~it has borrowed through SBL or purchased through ISSBNT, the ETF units or the Constituent Securities needed for the creation of the ETF units to settle the sale the PSS Securities to be short sold have been borrowed through SBL or purchased through ISSBNT, as the case may be; or~~
 - (b) ~~it has obtained a confirmation from the~~ has been obtained from an Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the ~~above ETF units or Constituent Securities, PSS Securities to be short sold~~ are available for the Market Maker or the Derivatives Specialist to use to settle the sale.
- ~~(2) A Market Maker intending to shortsell the Constituent Securities pursuant to Permitted Short Selling, must comply with either of the following prior to execution of the order to shortsell –~~
- ~~(a) it has borrowed through SBL or purchased through ISSBNT, the Constituent Securities or the ETF units needed to redeem the units of Constituent Securities to settle the sale; or~~
 - ~~(b) it has obtained a confirmation from the Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the above Constituent Securities or ETF units, are available for the Market Maker to use to settle the sale.~~
- (2) Rule 4.17(1) does not apply to an order to shortsell ETF units or Constituent Securities pursuant to Permitted Short Selling.
- (3) All Permitted Short Selling must be executed in the designated trading accounts and Securities Accounts ~~stipulated prescribed~~ in Rule 4.065 or Rule 4.10.

[Refer to Directive No. 4-001]

- ~~(4) A Market Maker must not execute Permitted Short Selling by way of a Direct Business Transaction.~~

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- ~~(5) — A Market Maker must execute the following purchases through the designated trading accounts and Securities Accounts as stipulated by the Exchange after a shortsale for ETF units or Constituent Securities is executed:~~
- ~~(a) — a purchase of any of the Constituent Securities or derivatives for the purposes of hedging of the short sale of ETF units within the same Market Day, if the short sale is in relation to ETF units; or~~
 - ~~(b) — a purchase of ETF units or derivatives for the purposes of hedging of the short sale of the Constituent Securities within the same Market Day, if the short sale is in relation to Constituent Securities.~~

~~[Refer to Directive No. 4-001]~~

- ~~(64) A Market Maker or a Derivatives Specialist must procure and retain proper documents for at least 7 years for the purpose of satisfying the Exchange when requested, that the Market Maker or Derivatives Specialist has complied with the requirements of Rules 4.16(2), 4.1317(1) and Rule 4.1317(3). The documents must be either in writing, tape recording or electronic form.~~
- ~~(75) A Market Maker or a Derivatives Specialist must not execute Permitted Short Selling when expressly directed by the Exchange, during the period where the ETF₁ or its Constituent PSS Securities has been declared, and remains, as Designated Securities under Part C of Chapter 7.~~
- ~~(6) Unless otherwise specified by the Exchange, in the event the underlying securities of a structured warrant, Single Stock Futures Contract or Stock Option Contract are no longer declared as Approved Securities, a Market Maker or Derivatives Specialist may continue to conduct Permitted Short Selling on the said underlying securities until the expiry date of the structured warrant, or until the last contract month listed for the trading of the Single Stock Futures Contract or Stock Option Contract, as the case may be.~~

4.14 — Limits for Permitted Short Selling

A Market Maker must comply with the following limits in relation to Permitted Short Selling:

- ~~(a) — the total value of short positions of ETF units must not exceed the total value of the purchase positions for the Constituent Securities and derivatives purchased for purposes of hedging the shortsale of ETF units, by 10%, when calculated at the end of the Market Day;~~
- ~~(b) — the total value of short positions of Constituent Securities must not exceed the total value of the purchase positions for ETF units and the derivatives purchased for purposes of hedging the shortsale of Constituent Securities by 10%, when calculated at the end of the Market Day; and~~
- ~~(c) — the total quantity of short positions for each Constituent Securities must not exceed the quantity of each Constituent Securities required for the creation of the ETF units by 15%, when calculated at the end of the Market Day.~~

4.15 — Disapplication of requirements on hedging and limits relating to Permitted Short Selling

Rules 4.13(5) and 4.14 do not apply to such types of ETFs as may be prescribed by the Exchange.

~~[Refer to Directive No. 4-001]~~

4.18 — Suspension of Permitted Short Selling

Without affecting Rule 4.20, the Exchange may suspend any order entry into the order book in the ATS for any further Permitted Short Selling of PSS Securities if the quantity of the total short position of a PSS Securities triggers such thresholds as may be prescribed by the Exchange.

[Refer to Directive No. 8-002]

4.1619 Delivery and Settlement

The Rules relating to delivery and settlement under Chapter 9 apply to Permitted Short Selling in the same manner as they apply to normal sales.

4.1720 Action by the Exchange

- (1) The Exchange may take any of the actions enumerated under Rule 4.1720(2) summarily against a Market Maker, Derivatives Specialist or ~~its~~ a Registered Person in relation to Permitted Short Selling if:
 - (a) there is a breach or likelihood of breach of any provisions in Part ~~D~~ E of this Chapter 4; or
 - (b) the execution of Permitted Short Selling is likely to lead to the commission of any of the offences under the Capital Markets and Services Act.
- (2) Pursuant to Rule 4.1720(1) the Exchange may take any one or more of the following actions:
 - (a) ~~direct further Permitted Short Selling by suspend or direct~~ the Market Maker, Derivatives Specialist, or ~~its~~ Registered Person ~~to be suspended or ceased~~ to cease ~~further Permitted Short Selling whether in relation to all, some or a particular ETF or Constituent Securities for which the Market Maker is authorised to carry out Market Making activities;~~
 - (b) impose limits on the total short positions that may be held by the Market Maker, Derivatives Specialist or Registered Person;
 - ~~(b)(c)~~ (c) impose restrictions or conditions on Permitted Short Selling carried out by the Market Maker, or the Derivatives Specialist, or ~~its~~ Registered Person; or
 - ~~(c)(d)~~ (d) any other action deemed fit by the Exchange.

4.21 General

Where the Exchange issues directives to modify the application of ~~these~~ Rules in Chapter 4, in so doing, the Exchange may impose terms and conditions for compliance by Market Makers or Derivatives Specialists ~~of certain types of securities specified by the Exchange~~, where deemed necessary or appropriate.

[End of Chapter]

ANNEXURE 1B

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD
Expansion of the Market Making Framework

**~~APPENDIX 5 – NOTIFICATION REQUIRED IN ORDER TO CARRY OUT MARKET MAKING AND
PERMITTED SHORT SELLING AND DECLARATION REQUIRED FOR PERMITTED SHORT SELLING~~**

~~[RULE 4.06, RULE 4.12 AND RULE 4.13(5)]~~

~~To: Bursa Malaysia Securities Berhad~~

~~PART A~~

~~NOTIFICATION REQUIRED FOR MARKET MAKING~~

~~Pursuant to the requirements of Rule 4.06, we [name of Market Maker] provide notification as follows:~~

Name of Market Maker	
Designated trading account/s	
Designated Securities Account numbers:	
The date of opening of accounts:	

~~Dated this [] day of [] [year].~~

~~Signed : [Authorised Signatory]~~

~~Date :~~

~~PART B~~

~~Pursuant to the requirements of Rule 4.13(5), we [name of Market Maker] provide notification as follows:~~

Derivatives accounts numbers:	
The date of opening of accounts:	

~~DECLARATION ON COMPLIANCE~~

~~Pursuant to the requirements of Rule 4.12, we [name of Market Maker] provide notification as follows:~~

- ~~1. that we have formulated the internal guidelines for permitted short selling which have been approved by the board of directors; and~~
- ~~2. that all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out permitted short selling activities in accordance with these Rules.~~

~~Signed : _____~~

~~_____ [Authorised Signatory]~~

~~Date : _____~~

ANNEXURE 2
AMENDMENTS TO THE PARTICIPATING ORGANISATIONS' DIRECTIVES
Expansion of the Market Making Framework

PARTICIPATING ORGANISATIONS' DIRECTIVES ISSUED UNDER THE RULES OF BURSA MALAYSIA SECURITIES BERHAD

AMENDMENTS TO THE DIRECTIVES IN RELATION TO THE EXPANSION OF THE MARKET MAKING FRAMEWORK

(a) Directives in relation to Market ~~Making and Specified Securities~~ Makers and Derivatives Specialists (No. 4-001)

PARA GRAPH	CURRENT PROVISION	PARA GRAPH	PROPOSED AMENDMENTS
	Please refer to Annexure 2(A) below.		Please refer to Annexure 2(A) below.

(b) Directives on the Use of Day Trading Activities Account (No. 7.05(1)-001)

PARA GRAPH	CURRENT PROVISION	PARA GRAPH	PROPOSED AMENDMENTS
3.2	Suspension on Day Trading (1) Without prejudice to any other powers that may be conferred on the Exchange in these Rules and these directives, the Exchange may suspend any order entry into the order book in the ATS for any further short sale of the Day Trading Eligible Securities of an Issuer, where the Day Trading Eligible Securities is also an Approved Securities, if a suspension is imposed against the carrying out of Regulated Short Selling on an Approved Securities in accordance with Part C of Chapter 8 of these Rules or Intraday Short Selling on an Approved Securities in accordance with Part D of Chapter 8 of these Rules. (2) Where the Day Trading Eligible Securities in paragraph 3.2(1) are shares of an Issuer, the suspension imposed on the Day Trading Eligible Securities pursuant to paragraph 3.2(1) is also applicable to the following:	3.2	Suspension on Day Trading (1) Without prejudice to any other powers that may be conferred on the Exchange in these Rules and these directives, the Exchange may suspend any order entry into the order book in the ATS for any further short sale of the Day Trading Eligible Securities of an Issuer, where the Day Trading Eligible Securities is also an Approved Securities <u>or a PSS Securities, as the case may be,</u> if a suspension is imposed against the carrying out of: <u>(a) Permitted Short Selling on a PSS Securities in accordance with Part E of Chapter 4 of these Rules;</u> <u>(b) Regulated Short Selling on an Approved Securities in accordance with Part C of Chapter 8 of these Rules;</u> or

ANNEXURE 2
AMENDMENTS TO THE PARTICIPATING ORGANISATIONS' DIRECTIVES
Expansion of the Market Making Framework

	<p>(a) all classes of securities other than the shares issued by the Issuer; and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued comprise solely the shares of an Issuer in relation to which the suspension pursuant to paragraph 3.2(1) has been imposed.</p> <p>(3) Unless directed otherwise by the Exchange, the suspension imposed on the Day Trading Eligible Securities pursuant to paragraph 3.2(1) will be removed concurrently when the suspension imposed against the carrying out of Regulated Short Selling or Intraday Short Selling as stipulated in paragraph 3.2(1) is uplifted.</p>		<p>(a)(c) Intraday Short Selling on an Approved Securities in accordance with Part D of Chapter 8 of these Rules.</p> <p>(2) Where the Day Trading Eligible Securities in paragraph 3.2(1) are shares of an Issuer, the suspension imposed on the Day Trading Eligible Securities pursuant to paragraph 3.2(1) is also applicable to the following:</p> <p>(b) all classes of securities other than the shares issued by the Issuer; and</p> <p>(b) all securities issued by any Issuer where the underlying instrument of the securities issued comprise solely the shares of an Issuer in relation to which the suspension pursuant to paragraph 3.2(1) has been imposed.</p> <p>(3) Unless directed otherwise by the Exchange, the suspension imposed on the Day Trading Eligible Securities pursuant to paragraph 3.2(1) will be removed concurrently when the suspension imposed against the carrying out of <u>Permitted Short Selling</u>, Regulated Short Selling or Intraday Short Selling as stipulated in paragraph 3.2(1) is uplifted.</p>
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(c) Directives on Regulated Short Selling (No. 8-002)

PARA GRAPH	CURRENT PROVISION	PARA GRAPH	PROPOSED AMENDMENTS
	Please refer to Annexure 2(B) below.		Please refer to Annexure 2(B) below.

[End of Amendments to BMS Directives]

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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Relevant to : Rules 1.01, 4.02, 4.05, 4.06, 4.12(c), 4.13(5), and 5.16(1)
Introduced with effect from : 2 May 2013
Amended : 29 May 2017 vide R/R 5 of 2017, 1 March 2018 vide R/R 3 of 2018, 19 December 2018 vide R/R 16 of 2018, ~~and~~ 2 January 2019 vide R/R 15 of 2018, ~~and~~ 21 August 2020 vide R/R 11 of 2020 and 7 December 2020 vide R/R 13 of 2020
POs' Circular No(s). : R/R 3 of 2009 and R/R 10 of 2012
Refer also to Directive No(s). : CDS Circular ADA/DOD/033/2012, CDS Circular ADM/DOD/032/2012 and Bursa Malaysia Clearing Circular G1/2013

MARKET MAKER

1. Introduction

Chapter 4 of the Rules sets out the provisions relating to a Market Maker. This Directive sets out the minimum requirements in relation to those requirements.

2. Rule 1.01

- (1) Rule 1.01 sets out the definition of Specified Securities as securities specified by the Exchange as available for Market Making.
- (2) Pursuant to the above Rule, the Exchange prescribes the list of Specified Securities as set out in **Appendix 1** of this Directive.

3. Rule 4.02(1)

- (1) Rule 4.02(1) provides that an applicant who intends to apply to be a Market Maker for a Specified Security must apply to the Exchange in accordance with the Exchange's requirements and comply with any requirements as may be imposed by the Exchange.
- (2) Pursuant to the above Rule, an applicant must comply with the following requirements.

3.1 Application Form and Undertaking

An applicant for Market Maker must complete and submit to the Exchange, an application form together with a duly executed undertaking to comply with these Rules and Directives, in accordance with the requirements relating to admission of a Market Maker as set out in the Admission Guidelines.

3.2 Notification of Specified Security

An applicant approved to be a Market Maker must notify the Securities Trading Operations department of the Exchange of each Specified Security for which it will be undertaking Market Making activities prior to commencement of such activities.

4. Rule 4.0~~5~~4

- (1) Rule 4.0~~5~~4(1) requires a Market Maker for a Specified Security to enter bid and offer prices into the order book in the ATS for the purpose of buying and selling of the Specified Security as follows:

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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- (a) with a minimum presence as stipulated by the Exchange;
 - (b) within the maximum spread allowed by the Exchange; and
 - (c) not be less than the minimum quantity allowed by the Exchange.
- (2) Rule 4.0~~54~~(2) goes on to state that a Market Maker is exempted from entering bid and offer prices as required under Rule 4.0~~54~~(1) in circumstances deemed fit or allowed by the Exchange.
- (3) Pursuant to these Rules, the Market Maker must, amongst others, comply with the requirements set out below.

4.1 Market Making Obligations

The Market Making obligations imposed on Market Makers pursuant to Rule 4.0~~54~~(1) and the circumstances in which a Market Maker is exempted from fulfilling the same pursuant to Rule 4.0~~54~~(2) are as detailed in **Appendix 3** to this Directive.

5. Rule 4.0~~65~~

- (1) Rule 4.0~~65~~ requires a Market Maker to undertake all Market Making activities through trading accounts and Securities Accounts designated specifically for Market Making activities based on the terms ~~stipulated~~prescribed by the Exchange and the Depository respectively.
- (2) Pursuant to the above Rule, a Market Maker must, amongst others, comply with the requirements set out below.

~~5.1 Designated Accounts for Market Making~~

~~Designated accounts for Market Making must be maintained and operated as follows:~~

~~(a) In relation to Market Making for each ETF:~~

- ~~(i) Only one Securities Account can be opened for each ETF that the Market Maker is Market Making for.~~
- ~~(ii) A Market Maker can maintain one or more trading accounts for the purposes of Market Making for a particular ETF, all of which must be tagged to the Securities Account for each ETF. A Market Maker cannot co-mingle more than one ETF in a particular trading account.~~
- ~~(iii) The Securities Account referred to above must be designated in the manner prescribed by the Depository.~~

~~(b) In relation to Market Making for each structured warrant:~~

- ~~(i) A Market Maker can maintain one or more trading accounts for the purposes of market making for a structured warrant.~~

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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- (ii) ~~———— A Market Maker can maintain more than one Securities Account for the Market Making of a structured warrant. A Market Maker may also carry out Market Making for more than one structured warrant in a particular Securities Account or a trading account.~~
- (iii) ~~———— All Securities Accounts opened for the Market Making of a structured warrant must be designated in the manner prescribed by the Depository.~~
- (c) ~~———— In relation to Market Making for each ETB:~~
 - (i) ~~———— A Market Maker can maintain one or more trading accounts for the purposes of market making for ETB.~~
 - (ii) ~~———— A Market Maker can maintain more than one Securities Account for the Market Making of ETB. A Market Maker may also carry out Market Making for more than one ETB in a particular Securities Account or a trading account.~~
 - (iii) ~~———— All Securities Accounts opened for the Market Making of ETB must be designated in the manner prescribed by the Depository.~~

5.21 Notification ~~for Market Making of Designated Accounts~~

Market Makers for ETFs, structured warrants and ETB must submit to the Exchange information as required under Part A of Appendix ~~5 of these Rules~~ 4 of this Directive, setting out the particulars of the trading and Securities Accounts opened for the purposes of Market Making for a particular ETF, structured warrant or ETB, 2 days before the commencement of Market Making.

6. Rule 5.16(1)

- (1) ~~Rule 5.16(1) requires a the Participating Organisation and Registered Person to act with due skill, care and diligence, honestly and fairly, and in the best interests of the Participating Organisation's Clients.~~
- (2) ~~Pursuant to the above Rule, a Market Maker must comply with, amongst others, the requirements set out below.~~

6.1 POs to Pass Incentives on to Market Maker Clients

~~Where incentives are attributable to a Market Maker which is not a Participating Organisation, the Participating Organisation must pass those incentives on to its their clients who is the are Market Makers.~~

DERIVATIVES SPECIALIST

7. Rule 4.08(1)

- (1) ~~Rule 4.08(1) provides that an applicant who intends to apply to be a Derivatives Specialist, must apply to the Exchange in accordance with the Exchange's requirements and comply with any requirements as may be imposed by the Exchange.~~
- (2) ~~Pursuant to the above Rule, an applicant must comply with the following requirements.~~

**DIRECTIVES IN RELATION TO MARKET ~~MAKING AND SPECIFIED~~
SECURITIES MAKERS AND DERIVATIVES SPECIALISTS**

No.4-001

7.1 Application Form and Undertaking

An applicant for Derivatives Specialist must complete and submit to the Exchange, an application form together with a duly executed undertaking to comply with these Rules and Directives, in accordance with the requirements relating to admission of a Derivatives Specialist as set out in the Admission Guidelines.

7.2 Notification of PSS Securities

An applicant approved to be a Derivatives Specialist must notify the Securities Trading Operations department of the Exchange of each PSS Securities for which it will be carrying out Permitted Short Selling prior to commencement of such activities.

8. Rule 4.10

- (1) Rule 4.10 requires a Derivatives Specialist to open a designated trading account and Securities Account based on the terms prescribed by the Exchange and the Depository respectively.
- (2) Pursuant to the above Rule, a Derivatives Specialist must, amongst others, comply with the requirements set out below.

8.1 Notification of Designated Accounts

Derivatives Specialists must submit to the Exchange information on the designated accounts as required under Part B of **Appendix 4** of this Directive, 2 days before the commencement of Permitted Short Selling.

PERMITTED SHORT SELLING

6.9. Rule 4.126(c)

- (1) Rule 4.126(c) ~~stipulates~~ provides that a Market Maker or a Derivatives Specialist may commence Permitted Short Selling only if the Market Maker or the Derivatives Specialist has notified the Exchange that it intends to carry out Permitted Short Selling and has ~~provided to the Exchange the form stipulated in Appendix 5 of these Rules~~ submitted a written declaration in the form as prescribed by the Exchange, 2 Market Days prior to the commencement of Permitted Short Selling.
- (2) Pursuant to the above Rule, a Market Maker or Derivatives Specialist must comply with, amongst others, the requirements set out below.

69.1 Notification for Permitted Short Selling

- (1) Market Makers ~~of ETFs or Derivatives Specialists~~ which intend to commence Permitted Short Selling must ~~also~~ submit to the Exchange a declaration of compliance with the requirements in the format as set out in Part ~~BC~~ of **Appendix-5 4** of this Directive.
- (2) This declaration must be submitted to the Exchange 2 days before commencement of Permitted Short Selling.

**DIRECTIVES IN RELATION TO MARKET ~~MAKING AND SPECIFIED~~
SECURITIES MAKERS AND DERIVATIVES SPECIALISTS**

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7. ~~Rule 4.13(5)~~

- (1) ~~Rule 4.13(5) requires the Market Maker to execute the following purchases through the designated trading accounts and Securities Accounts as stipulated by the Exchange after a shortsale for ETF units or Constituent Securities is executed:~~
- (a) ~~a purchase of any of the Constituent Securities or derivatives for the purposes of hedging of the short sale of ETF units within the same Market Day, if the short sale is in relation to ETF units; or~~
 - (b) ~~a purchase of ETF units or derivatives for the purposes of hedging of the short sale of the Constituent Securities within the same Market Day, if the short sale is in relation to Constituent Securities.~~
- (2) ~~Pursuant to the above Rule, a Market Maker must, amongst others, comply with the requirements set out below.~~

7.1 ~~Designated Accounts for Permitted Short Selling~~

~~Purchases of the ETF units, Constituent Securities and derivatives must be executed in the following accounts:~~

- (a) ~~In relation to purchases of ETF units and Constituent Securities, in the Securities Account and trading account as stipulated under paragraph 5.1(a) above for Market Making of ETFs.~~
- (b) ~~In relation to purchases of derivatives, in a designated trading account opened specifically for purposes stipulated under Rule 4.13(5).~~

7.2 ~~Notification of derivatives account~~

~~Market Makers of ETFs must provide the particulars of the derivatives account used in carrying out transactions related to a Permitted Short Selling, if any, in the format prescribed in Part B of Appendix 5 of these Rules, to be submitted to the Exchange 2 days before commencement of Permitted Short Selling.~~

8. ~~Rule 5.16(1)~~

- (1) ~~Rule 5.16(1) requires the Participating Organisation and Registered Person to act with due skill, care and diligence, honestly and fairly, and in the best interests of the Participating Organisation's Clients.~~
- (2) ~~Pursuant to the above Rule, a Market Maker must comply with, amongst others, the requirements set out below.~~

8.1 ~~POs to Pass Incentives on to Market Maker Clients~~

~~Where incentives are attributable to a Market Maker which is not a Participating Organisation, the Participating Organisation must pass those incentives on to their clients who are Market Makers.~~

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

**DIRECTIVES IN RELATION TO MARKET ~~MAKING AND SPECIFIED~~
SECURITIES MAKERS AND DERIVATIVES SPECIALISTS**

No.4-001

9. ~~Submission of Appendix 5~~

- (1) ~~In relation to paragraphs 5.2, 6.1 and 7.2 above, any updates or changes to the particulars provided in the format prescribed under Appendix 5 of these Rules must be communicated to the Exchange by using the format in Appendix 5.~~
- (2) ~~The submission of the information prescribed under Appendix 5 is by way of email to the following address:~~
- ~~MSD-reporting@bursamalaysia.com~~
- (3) ~~The Market Maker must specify the subject matter of the email as "Notification of Market Making".~~

10. ~~Rule 4.15~~

- (1) ~~Rule 4.15 provides that Rules 4.13(5) and 4.14 do not apply to such types of ETFs as may be prescribed by the Exchange.~~
- (2) ~~Pursuant to the above Rule, the Exchange prescribes that Rules 4.13(5) and 4.14 do not apply to the following ETFs:~~
- (a) ~~futures-based ETFs;~~
- (b) ~~synthetic ETFs;~~
- (c) ~~commodity ETFs; and~~
- (d) ~~feeder ETFs.~~

[End of Directive]

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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Appendix 1

LIST OF SPECIFIED SECURITIES

1. All Structured Warrants
2. All Exchange Traded Funds
3. All Exchange Traded Bonds

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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Appendix 2

[Deleted]

[End of Appendix 2]

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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Appendix 3

1. MARKET MAKING OBLIGATIONS IN RELATION TO STRUCTURED WARRANTS (SW), EXCHANGE TRADED FUNDS (ETF) AND EXCHANGE TRADED BONDS (ETB) PURSUANT TO RULE 4.05(1)

No.	Market Making Obligations	Market Maker for SW	Market Maker for ETF	Market Maker for ETB									
1.	The minimum presence of a Market Maker in providing 2-way quotes during the ‘main trading phase’ as referred to in the Trading Manual –on each day that Bursa Securities is open for trading in a SW/ETF/ETB issue	70%	70%*	70%*									
2.	The maximum spread of two-sided market making quotes entered by a Market Maker into the ATS.	25 bids	25 bids	<table><tr><th>Tenure of ETB</th><th>Maximum Spread*</th></tr><tr><td>5 years and below</td><td>up to RM0.50</td></tr><tr><td>5 years and up to 10 years</td><td>up to RM1.00</td></tr><tr><td>More than 10 years</td><td>up to RM2.00</td></tr></table>	Tenure of ETB	Maximum Spread*	5 years and below	up to RM0.50	5 years and up to 10 years	up to RM1.00	More than 10 years	up to RM2.00	
Tenure of ETB	Maximum Spread*												
5 years and below	up to RM0.50												
5 years and up to 10 years	up to RM1.00												
More than 10 years	up to RM2.00												
3.	The minimum quantity on each of the two-sided market making quotes that a Market Maker enters into the ATS	10 board lots (1,000 units of SW)	10 board lots (1,000 units of ETF)*	10 board lots (100 units of ETB)*									

* Notes:

- (1) The market making obligations which are to be fulfilled by a Market Maker for ETF and ETB may vary from one Market Maker to another as allowed by Bursa Securities.
- (2) The Exchange may vary the market making obligations in relation to ETB under market conditions as determined by the Exchange. This could include providing the Market Maker with the discretion to widen the maximum spread under distressed market conditions (eg. if the Issuer is put under negative outlook and rating watch (ie. for possible downgrade by credit rating agency).

2. CIRCUMSTANCES IN WHICH MARKET MAKERS ARE EXEMPTED FROM PERFORMING THEIR OBLIGATIONS IN RELATION TO STRUCTURED WARRANTS (SW), EXCHANGE TRADED FUNDS (ETF) AND EXCHANGE TRADED BONDS (ETB) PURSUANT TO RULE 4.05(2)

Market Makers for SW, ETF and ETB	(i) if trading in the Specified Security is suspended; (ii) if the market is suspended or closed;
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ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES IN RELATION TO MARKET MAKING AND SPECIFIED SECURITIES <u>MAKERS AND DERIVATIVES SPECIALISTS</u>	No.4-001
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	<p>(iii) if there is a malfunction of the system of the Participating Organisation through which the Market Maker undertakes its market making; or</p> <p>(iv) if market is not feasible based on the market condition as determined by the Exchange.</p>
Market Makers for SW (in addition to the above circumstances)	Circumstances stated in the prospectus of the issuer for whom the Market Maker provides liquidity for the issuance of SWs, as being circumstances in which the Market Maker is exempted from performing its market making obligations under the Rules of Bursa Securities unless decided otherwise by the Exchange.

[End of Appendix 3]

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

**DIRECTIVES IN RELATION TO MARKET ~~MAKING AND SPECIFIED~~
~~SECURITIES MAKERS AND DERIVATIVES SPECIALISTS~~**

No.4-001

Appendix 4

**~~APPENDIX 5—NOTIFICATION REQUIRED IN ORDER TO CARRY OUT MARKET MAKING AND
PERMITTED SHORT SELLING OF DESIGNATED ACCOUNTS BY MARKET MAKER AND
DERIVATIVES SPECIALIST~~ AND DECLARATION REQUIRED FOR PERMITTED SHORT
SELLING**

[RULE 4.0~~65~~, RULE 4.1~~20~~ AND RULE ~~4.13(5)~~ 4.16]

To: Bursa Malaysia Securities Berhad

PART A

**NOTIFICATION ~~REQUIRED FOR MARKET MAKING OF DESIGNATED ACCOUNTS BY MARKET
MAKER~~**

Pursuant to the requirements of Rule 4.0~~65~~, we [name of Market Maker] provide notification as follows:

Name of Market Maker	
Designated trading account/s	
Designated Securities Account numbers:	
The date of opening of accounts:	

Dated this [] day of [] [year].

Signed : [Authorised Signatory]

Date :

PART B

NOTIFICATION OF DESIGNATED ACCOUNTS BY DERIVATIVES SPECIALIST

Pursuant to the requirements of Rule 4.10, we [name of Derivatives Specialist] provide notification as follows:

<u>Name of Derivatives Market Maker</u>	
<u>Designated trading account/s</u>	
<u>Designated Securities Account numbers:</u>	
<u>The date of opening of accounts:</u>	

Dated this [] day of [] [year].

Signed : [Authorised Signatory]

ANNEXURE 2(A)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

**DIRECTIVES IN RELATION TO MARKET ~~MAKING AND SPECIFIED~~
SECURITIES MAKERS AND DERIVATIVES SPECIALISTS**

No.4-001

Date _____:

Notes:

Any changes to the particulars submitted in Part A or Part B of Appendix 4 must be notified to the Exchange promptly.

PART ~~BC~~

~~Pursuant to the requirements of Rule 4.13(5), we [name of Market Maker] provide notification as follows:~~

Derivatives accounts numbers:	
The date of opening of accounts:	

DECLARATION ON COMPLIANCE WITH THE REQUIREMENTS ON PERMITTED SHORT SELLING

Pursuant to the requirements of Rule 4.1~~26~~, we [name of Market Maker / Derivatives Specialist] provide notification as follows:

1. that we have formulated the internal guidelines for ~~p~~Permitted ~~s~~Short ~~s~~Selling which have been approved by the board of directors; and
2. that all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out ~~p~~Permitted ~~s~~Short ~~s~~Selling activities in accordance with these Rules and Directives.

Signed : _____
[Authorised Signatory]

Date : _____

[End of Appendix 4]

ANNEXURE 2(B)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES ON REGULATED SHORT SELLING	No. 8-002
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Relevant to : Rules 8.23(c), 8.25(5) and 8.30
Introduced with effect from : 2 May 2013
Amended : 12 December 2017 vide R/R 11 of 2017, 16 April 2018 vide R/R 5 of 2018, ~~and~~ 29 April 2019 vide R/R 1 of 2019 and 7 December 2020 vide R/R 13 of 2020
POs' Circular No(s). : R/R 16 of 2006
Refer also to Directive No(s). : N/A

1. Introduction

Part C of Chapter 8 requires a Participating Organisation to comply with the requirements in relation to Regulated Short Selling. This Directive clarifies the obligations to be complied with in relation to those requirements.

2. Rule 8.23(c)

- (1) Rule 8.23(c) provides that a Participating Organisation may only commence its Regulated Short Selling activities if it submits a written declaration in the form as prescribed by the Exchange of its compliance with Rules 8.23(a) and 8.23(b) at least 2 Market Days before commencing its Regulated Short Selling activities.
- (2) The declaration must be made in the form set out in **Appendix 1**.

3. Rule 8.25(5)

- (1) Rule 8.25(5) provides that a Participating Organisation may execute purchases or make use of the purchases of securities in the RSS Account only for the following purposes:
 - (a) to contra in full or in part any Regulated Short Sale of an Approved Securities executed in the RSS Account;
 - (b) for redelivery under a SBL Agreement or an ISSBNT Agreement ("Approved Securities for Redelivery"); or
 - (c) to use the Approved Securities for Redelivery:
 - (i) to execute another Regulated Short Sale; or
 - (ii) for lending under a SBL Agreement or sale under an ISSBNT Agreement.
- (2) The application of Rule 8.25(5) in relation to the purchase of securities permitted to be executed in the RSS Account is illustrated in Examples 1 and 2 in **Appendix 2**.

4. Rule 8.30

- (1) Rule 8.30 requires a Participating Organisation to report to the Exchange daily or in such other frequency as may be determined by the Exchange, in the format prescribed by the Exchange, the Net Short Position and any other information in relation to the Net Short Position as may be required by the Exchange from time to time.

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- (2) The application of Rule 8.30 in relation to the reporting requirement on the Net Short Position is illustrated in Example 3 in **Appendix 2**.

5.4 Rules 4.18 and 8.31

- (1) Rule 4.18 provides that without affecting Rule 4.20, the Exchange may suspend any order entry into the order book in the ATS for any further Permitted Short Selling of PSS Securities, if the quantity of the total short position of a PSS Securities triggers such thresholds as may be prescribed by the Exchange.
- ~~(+)(2)~~ Rule 8.31 provides that without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if the quantity of the total short position of an Approved Securities ~~or a class of Approved Securities~~ triggers such thresholds as may be prescribed by the Exchange.

5.1 Thresholds for suspension

- ~~(2) The thresholds for suspension prescribed by the Exchange pursuant to Rule 8.31 are as follows:~~
- ~~(a) The quantity of the total short position of an Approved Securities on a particular Market Day is 3% of the outstanding shares of the Issuer of the Approved Securities on that Market Day;~~
 - ~~(b) The quantity of the total short position of a class of Approved Securities on a particular Market Day is 3% of the quantity of the outstanding securities of the class of Approved Securities on that Market Day; and~~
 - ~~(c) The aggregated quantity of the total short position of an Approved Securities referred to in paragraph 5.1(2)(a) and paragraph 5.1(2)(b) above is at 10% of the quantity of outstanding shares or securities of the Approved Securities.~~

Total Gross Short Position threshold

- (1) The daily limit threshold for suspension prescribed by the Exchange pursuant to Rule 8.31 is triggered when the quantity of the total gross short position of an Approved Securities on a particular Market Day is 3% of the outstanding securities of the Approved Securities on that Market Day.

Total Net Short Position threshold

- (2) In addition to the limit in paragraph 5.1(1), the aggregate limit threshold for suspension prescribed by the Exchange pursuant to Rule 4.18 and Rule 8.31 is triggered when the aggregated quantity of the total net short position of an Approved Securities, PSS Securities or Dual List Securities, as the case may be, is at 10% of the quantity of the outstanding securities of such Approved Securities, PSS Securities or Dual List Securities, as the case may be.
- (3) For the purpose of paragraph 5.1(2) above, the following applies:
- ~~(a) "Outstanding shares" means the total number of issued shares of the Issuer including the treasury shares;~~

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~~(b) — “Outstanding securities” means total quantity of securities held by the holders of the securities;~~

~~(c) — “total short position” in paragraphs 5.1(2)(a) and 5.1(2)(b) means the total gross short position pursuant to Regulated Short Selling, Intraday Short Selling and short selling under Day Trading; and~~

~~(d) — “total short position” in paragraph 5.1(2)(c) means the total net short position pursuant to Regulated Short Selling only.~~

5.2 Suspension

~~(4)(1)~~ The suspension in relation to the circumstances described in paragraphs ~~5.1(1)(2)(a) and 5.1(2)(b)~~, may be for the remaining Market Day from the time the suspension was instituted on that Market Day.

~~(5)(2)~~ The suspension in relation to the circumstance described in paragraph 5.1(2)(~~e~~), may be for the period until the aggregated quantity falls below 10% of the quantity of outstanding ~~shares or securities, which can only occur when there is a redelivery of Eligible Securities under a SBL Agreement or of ISSBNT Eligible Securities under a ISSBNT Agreement.~~

~~(6) — If a suspension for Regulated Short Selling is imposed on the shares of an Issuer pursuant to paragraphs 5.1(2)(a) or 5.1(2)(c), such suspension would also apply to:~~

~~(a) — all securities referred to in paragraph 5.1(2)(b), although the total short position of the securities is not in breach of the limit referred to in paragraph 5.1(2)(b); and~~

~~(b) — all securities issued by any Issuer if the underlying instrument of the securities issued, comprises solely the shares of an Issuer in relation to which suspension under paragraphs 5.1(2)(a) or 5.1(2)(c) has been imposed.~~

~~(3) — If a suspension for short selling is imposed under paragraph 5.1(1) on the shares of an Issuer or securities of a listed Collective Investment Scheme, which are Approved Securities (“Principal Securities of the total gross short position”), such suspension would also apply to:~~

~~(a) — such other Approved Securities where its underlying instrument comprises the Principal Securities of the total gross short position, notwithstanding such securities has not triggered the limit as set out in paragraph 5.1(1); and~~

~~(b) — such Day Trading Eligible Securities where its underlying instrument comprises solely the Principal Securities of the total gross short position.~~

~~(4) — If a suspension for short selling is imposed under paragraph 5.1(2) on the shares of an Issuer or securities of a listed Collective Investment Scheme, which are Approved Securities, PSS Securities or Dual List Securities, as the case may be (“Principal Securities of the total net short position”), such suspension would also apply to:~~

~~(a) — such other Approved Securities, PSS Securities or Dual List Securities, as the case may be, where its underlying instrument comprises the Principal Securities of the total net short position, notwithstanding such securities has not triggered the limit as set out in paragraph 5.1(2); and~~

ANNEXURE 2(B)
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DIRECTIVES ON REGULATED SHORT SELLING	No. 8-002
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(b) such Day Trading Eligible Securities where its underlying instrument comprises solely the Principal Securities of the total net short position.

(5) For the purposes of paragraphs 5.1 and 5.2 above, the following applies:

(a) "Collective Investment Scheme" has the same meaning assigned to that expression in the Main Market Listing Requirements;

(b) "Day Trading Eligible Securities" has the same meaning assigned to that expression in the Directives on the Use of Day Trading Activities Account (Directive No. 7.05(1)-001);

(c) "Dual List Securities" means a PSS Securities which is also an Approved Securities;

(d) "outstanding securities" means:

(i) in respect of shares, the total number of issued shares of the Issuer including the treasury shares, and

(ii) in respect of securities other than shares,- the total quantity of securities held by the holders of the securities;

(e) "the aggregated quantity of the total net short position of an Approved Securities" in paragraph 5.1(2) means the total net short position pursuant to Regulated Short Selling only;

(f) "the aggregated quantity of the total net short position of a Dual List Securities" in paragraph 5.1(2) means the total net short position pursuant to Regulated Short Selling and Permitted Short Selling; and

(g) "total gross short position" in paragraph 5.1(1) means the total gross short position pursuant to Regulated Short Selling, Intraday Short Selling and short selling under Day Trading.

[End of Directive]

ANNEXURE 2(B)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

DIRECTIVES ON REGULATED SHORT SELLING	No. 8-002
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APPENDIX 1

DECLARATION ON COMPLIANCE FOR REGULATED SHORT SELLING
[Rules 8.23(c)]

To: Bursa Malaysia Securities Berhad

DECLARATION ON COMPLIANCE

Pursuant to the requirements of Rule 8.23(c), we [name of Participating Organisation] declare as follows:

1. that we have formulated a set of the internal guidelines for Regulated Short Selling which have been approved by the board of Directors;
2. the internal guidelines for Regulated Short Selling have been brought to the notice of the relevant employees and registered persons who have read and understood the contents;
3. that the internal guidelines for Regulated Short Selling comply with the requirements set out in Rule 8.23; and
4. that all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out Regulated Short Selling activities in accordance with these Rules.

Signed : _____
 [Authorised signatory]

Date : _____

[End of Appendix 1]

ANNEXURE 2(B)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK AND APPROVED SECURITIES LIST

APPENDIX 2

Example 1

Clarification in relation to application and operation of condition set out in Rule 8.25(5)

						Remarks
		SBL/ ISSBNT	100	Transaction Positions		
Transaction Date	Transaction Sequence	Type of Trade (1)	Quantity (unit) (2)	Net Short (units) (S-B) (3)	Long (units) (4)	I
T	1	S	100	100	0	
	2	B	100	0	0	PO is permitted to execute a purchase of securities in the RSS account at any time after the execution of any RSS of an approved securities on the same market day
	3	S	100	100	0	Subsequent RSS of 100 is permitted because the net short position prior to the RSS transaction is 0 and there is a borrowing / purchase pursuant to ISSBNT of 100.
	4	B	80	20	0	This purchase is permitted because it is within the net short position of 100.
	5	S	80	100	0	PO must ensure that the total RSS executed at any one time shall not exceed the amount of borrowing / amount of purchase pursuant to ISSBNT, i.e. PO cannot do an RSS of 100 notwithstanding a borrowing / purchase pursuant to ISSBNT of 100 at this point because the net short position plus the subsequent RSS cannot be greater than the borrowing / purchase pursuant to ISSBNT of 100.
	6	B	140	0	40	The purchase of 40 is an over-purchase. PO must limit purchases to not more than the total quantity of net short position.
T+1	7	S	100	100	40	1. T+1 short is permitted provided the SBL / ISSBNT of 100 on T is still valid 2. The RSS of 100 must be reported as a net short of 100 and not a net short of 60 because the 40 is an over-purchase which should be reported under the long position.

S = Sell B = Buy

Example 2

ANNEXURE 2(B)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK AND APPROVED SECURITIES LIST

Options for Squaring-Off Over-Purchase Positions

						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)	
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. Option 1 Amend to normal a/c; or if PO forgot to amend, go to Option 2;
T+2	7(a)	S Or	40	40	40	Option 2 The total securities balance on T+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
	7(b)	S	40	40	40	Option 3 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 2(B)
AMENDMENTS TO THE DIRECTIVES
EXPANSION OF THE MARKET MAKING FRAMEWORK

Example 3

Computation of Net Short (by Broker) of stock 1818 for reporting purposes

Trades:

Record No.	Stock No.	Matched Qty	Trx_type Transaction type	Buyer CDS	Seller CDS
1	1818	1000	06RSS	1111	2222
2	2323	2000	06RSS	3333	4444
3	1818	3000	06RSS	5555	6666
4	1818	4000	00Normal buy	2222	7777
5	1818	5000	06RSS	6666	9999
6	1818	6000	06RSS	8888	0000

Net Short for RSS stock 1818:

Seller CDS	Short Sell	Buy Back	Net Short	Value
2222	1000	4000	0	xxx
6666	3000	5000	0	xxx
9999	5000	0	5000	xxx
0000	6000	0	6000	xxx
		Total	11,000	xxx

[End of Appendix 2]



**BURSA MALAYSIA SECURITIES BHD
(BMSB)**

BURSA TRADE SECURITIES II

**PARTICIPATING ORGANISATIONS'
TRADING MANUAL**

(MKT/SBT/PO/027)

Effective: 7 December 2020

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DOCUMENT RELEASE NOTE

REVISION HISTORY

Release No.	Revision Details	Date
EO/SBT/PO/001	Establish new policy and procedures	10 November 2008
EO/SBT/PO/002	Updates on: (i) On Market Married Transaction (OMMT) (ii) Tick Size (iii) Change of Trading Phases (iv) New Trading Halt Conditions & Period (v) Trade Cancellation Arising from Participant's Error	26 October 2009
EO/SBT/PO/003	Updates on: <u>Chap 2.5.1 (Page 6)</u> Market Order During Pre-Opening & Pre-Closing - Already implemented. <u>Chap 2.5.2 (Page 7)</u> Order Characteristics - Day Order - Due to implementation of Day Order. <u>Chap 2.4 (Pages 4-5)</u> Trading Phases of Securities Groups - Due to implementation of Day Order. <u>Chap 3.3 (Page 10)</u> Theoretical Opening Price (TOP) Calculation - Due to implementation of Day Order. <u>Chap 4.1 (Page 11)</u> Price Thresholds - Due to implementation of Day Order. <u>Chap 4.2 (Page 12)</u> Reference Price - Due to implementation of Day Order.	18 April 2011



DOCUMENT RELEASE NOTE

Release No.	Revision Details	Date
	<p><u>Chap 5.1 (Pages 13-14)</u> Trading Status - Further clarification.</p> <p><u>Chap 5.4 (Page 18)</u> Freezing of Price - Due to implementation of Day Order.</p> <p><u>Chap 7.2 (Page 24)</u> RSS Trade Limit - Change of trade limit percentage from 10% to 3%.</p> <p><u>Chaps 8.3, 8.6 & 8.7 (Page 27, Page 29)</u> Circuit Breaker timing and Market Order upon resumption from trading halt - Implementation of new Circuit Breaker Time. Bring forward the trigger timing of afternoon session by 15 minutes as the Main Trading Phase ends at 4:45pm compared to 5:00pm in SCORE.</p> <p><u>Chap 11.4 (Page 46 & Appendix 10)</u> Trade Cancellation Arising from Participants Error - Enhancement to procedure - POs to establish controls or measures to prevent recurrence of erroneous trades</p> <p>(Participants Error - Error Trade Cancellation form)</p>	
EO/SBT/PO/004	<p>Updates on:</p> <p>(i) New orders & validities</p>	27 June 2012
EO/SBT/PO/005	<p>Updates on:</p> <p>(i) Chap 2.6 - Tick Size (ETB and Multicurrency)</p> <p>(ii) Chap 4.1 - Price Thresholds (ETB and Multicurrency)</p> <p>(ii) Chap 11.2 - Trade cancellation</p> <p>(iii) Exchange Traded Bond (ETB) updates on</p> <ul style="list-style-type: none"> • Chap 2.2 - Market Segment • Chap 6.1 - Buying-In 	10 September 2012
EO/SBT/PO/006	<p>Updates due to revamp of Rules of Bursa Securities</p>	1 April 2013



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
EO/SBT/PO/007	As below:		2 December 2013
Topic	Type Of Change	Summary	
Chapter 2 : Trading Phases & market Timing	Update	To update on conversion of unfilled market order to limit order at the last done price.	
	New	To introduce Stop Limit Order and Stop Market Order.	
	Update	To update the behaviour of orders and matching during Trading at Last.	
	New	To introduce order tagging requirement.	
	Update	To include behaviour of order priority in modification and cancellation of orders for clarity.	
Chapter 4 : Reference Price & Price Thresholds	Update	To change the chapter title from “PRICE THRESHOLD” to “REFERENCE PRICE AND PRICE THRESHOLDS” to better reflect the content.	
	Update	To reorganise the topic of reference price for clarity.	
	Update	To rephrase “Price Threshold” to “Static Price Threshold” to differentiate it from “Dynamic Price Threshold”.	
	New	To introduce “Dynamic Price Threshold”, application and requirement.	



DOCUMENT RELEASE NOTE

Topic	Type Of Change	Summary																						
Chapter 5 : Trading Status	Update	<div>To indicate changes in terminology:<table><tr><th colspan="2">Board (previously known as Securities Group)</th></tr><tr><th>Old</th><th>New</th></tr><tr><td>Authorised</td><td>Active</td></tr><tr><td>Interrupted</td><td>Halt or Circuit Breaker Halt</td></tr><tr><td>Forbidden</td><td>Suspend or Circuit Breaker Suspend</td></tr><tr><th colspan="2">Securities</th></tr><tr><th>Old</th><th>New</th></tr><tr><td>Open</td><td>Active</td></tr><tr><td>Reserved</td><td>NA</td></tr><tr><td>Suspended</td><td>Suspend</td></tr><tr><td>Halt</td><td>Halt</td></tr></table></div>	Board (previously known as Securities Group)		Old	New	Authorised	Active	Interrupted	Halt or Circuit Breaker Halt	Forbidden	Suspend or Circuit Breaker Suspend	Securities		Old	New	Open	Active	Reserved	NA	Suspended	Suspend	Halt	Halt
	Board (previously known as Securities Group)																							
Old	New																							
Authorised	Active																							
Interrupted	Halt or Circuit Breaker Halt																							
Forbidden	Suspend or Circuit Breaker Suspend																							
Securities																								
Old	New																							
Open	Active																							
Reserved	NA																							
Suspended	Suspend																							
Halt	Halt																							
	Remove	Trading Status of “Reserved” is no longer applicable due to the changes in market order.																						
Chapter 6 : Buying-in Transaction	Update	To include PO and its client’s duty to ensure share delivery for selling to buying in board transactions.																						
	Update	<ul style="list-style-type: none">To emphasize the cut off time of 5pm for manual buy in request.To include new version of <i>Request For Manual Buy In</i> and <i>Request For Withdrawal of Manual Buy In</i>																						
Chapter 7 : Short Selling	Update	To include treatment of erroneous trades in RSS account for non RSS securities and / or crediting of non-RSS securities in the RSS designated account arising from corporate action.																						
	Update	To include the RSS Aggregate Trade Limit and suspension thereafter to reflect the trading rules in clarity.																						



DOCUMENT RELEASE NOTE

Topic	Type Of Change	Summary
Chapter 9 : Direct Business Transaction	Remove	To remove the requirement of initiation and confirmation of DBTs within 15 minutes.
	Remove	To remove the clause where POs are allowed to key in DBTs at any price not more or not less than 99% of the current VWAP of the securities. POs are now able to key DBTs at all price subject to rules and regulations of Bursa Malaysia Securities.
	Remove	To remove the clause where PO can request Bursa to key in DBTs on behalf of the PO. Bursa is no longer able to key in on behalf of POs of any DBTs.
	New	To include selling counterparty to be the party initiating the DBT, and buying party to confirm.
Chapter 11 : Contingency Measures	Remove	To remove the section on “Client Amendment During Intraday Disaster”.
Chapter 12 : Market Emergency	Remove	To remove the factors used in deciding the circumstances to suspend trading based on 1/3 rule.
Appendix 4	New	Request for Dynamic Price Threshold Upliftment.
Appendix 5	New	The Workings of Dynamic Price Threshold.
Appendix 6a	Update	Removed screen views.
Appendix 7	Remove	Request for Direct Business Transaction.
Appendix 9	New	Request for Cancellation of Direct Business Transaction.



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
EO/SBT/PO/008	As below:		17 November 2014
Topic	Type Of Change	Summary	
Chapter 2 : Trading Phases & market Timing	Update	To update orders types and validation.	
	New	To introduce Bursa Good-Till-Orders (GTD) & Fill OR Kill (FOK).	
	New	Contract Amendments	
Chapter 3 : Market Opening & Closing	New	Theoretical Opening Value (TOV)	
Chapter 4 : Reference Price & Price Limits	Update	Request for Dynamic Limits Upliftment cut off time	
	New	Last Price Limits (LPL)	
Chapter 6 : Buying-in	Updated	Clarity on Buying-in process	
Chapter 9 : Direct Business Transactions	Update	Notification of DBT amendment and cancellation	
Appendix 6	New	The Calculation of TCP During Pre-Closing Phase	
Appendix 11	New	DBT Amendment & Cancellation Report	
Appendices	Update	Updates to Appendices numbers	



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
Topic	Type Of Change	Summary	
EO/SBT/PO/009	As below:		1 April 2015
Chapter 1.5: <u>“Price payable is exclusive of GST”</u>	New	New section on Goods & Services Tax	
Chapter 6 : Buying-in	New	New section on Fee on Buying-In imposed by the Exchange	
EO/SBT/PO/010	As below:		1 June 2015
Chapter 11: Error Trade Policy	Update	New policy on Error Trade, replacing current Chapter 11.2 Trade Cancellation	
Chapter 12: Order Cancellation	Update	Existing Chapter 11.1 moved and renamed as Chapter 12	
Chapter 13: Market Emergency	Update	Existing Chapter 12 moved and renamed as Chapter 13	
Appendix 13	New	Request for Error Trade Price Adjustment	
Appendix 14	New	Request for Withdrawal of Manual Buying-in and Early Cash Settlement	
Appendix 15	Update	Request for Error Trade Cancellation	
Appendix 16	Update	Request for Error Trade Mutual Cancellation	
Appendix 17	Update	Request for Order Cancellation (update to Appendix number)	
EO/SBT/PO/011	As below:		26 October 2015
Chapter 4.3: Dynamic Price Limits	Update	Updates of Dynamic Price Limits control on Structured Warrants	



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
EO/STO/PO/012	As below:		27 February 2017
Topic	Type Of Change	Summary	
Chapter 2 : Trading Phases & Market Timing	Update	Updates of permissible combination of order type, order validity and order qualification due to Revision of Uptick Rules for RSS	
Chapter 7 : Short Selling	Update	Updates of RSS rules where RSS orders can only be entered at a price at or above the best prevailing sell price and RSS order cannot be entered during Pre-Opening, Pre-Closing and Halt. However, RSS order can be entered during TAL.	
MKT/STO/PO/013	As below:		19 June 2017
Chapter 2: Trading Phases and Market Timing	Update	Included definition for Market Day, Trading Day and Trading Session	
Chapter 4: Reference Price & Price Limits	Update	Updates on Reference Price definition and Static Price Limits due to reference prices by trading sessions for Structured Warrants	
Chapter 6: Buying-in	Update	Updates on Buying-in Price due to reference prices by trading sessions for Structured Warrants	
MKT/STO/PO/014	As below:		19 June 2017
Chapter 6: Buying-in	Update	Updates on Buying-in carry forward orders due to LEAP Market	



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
MKT/STO/PO/015	As below:		11 December 2017
Topic	Type Of Change	Summary	
Chapter 2: Trading Phases and Market Timing	Update	Updates on descriptions of order types - Stop Limit Order, Stop Market Order and Bursa Good-Till-Cancel	
	Update	Updates on the matrix table of permissible combination of Order Type, Order Validity and Order Qualification	
	Update	Included GTC in descriptions of Contract Amendment	
	Update	Updates on tick size table and included a new tick size for Commodity-based ETF	
Chapter 4: Reference Price and Price Limits	Update	Updates on the table of Upper and Lower Limit Price	
MKT/STO/PO/016	As below:		12 December 2017
Topic	Type Of Change	Summary	
Chapter 7 : Short Selling	Update	Updates of RSS definition to include Islamic Securities Selling and Buying – Negotiated Transactions (ISSBNT).	



DOCUMENT RELEASE NOTE

Release No.	Revision Details		Date
MKT/STO/PO/017	As below:		16 April 2018
Topic	Type Of Change	Summary	
Chapter 2: Trading Phases and Market Timing	Update	<ul style="list-style-type: none"> Update on permissible order types and trading phases for IDSS Update on PDT (Short sell) Updates on order tagging for IDSS 	
Chapter 7: Short Selling	Update	<ul style="list-style-type: none"> Updates on RSS, IDSS and short selling under PDT New sub-chapter on IDSS New sub-chapter on RSS, PDT and IDSS trade and price limits. 	
MKT/SBT/PO/018	As below:		1 June 2018
Topic	Type Of Change	Summary	
Chapter 1: Introduction	Update	Update on GST payable on prevailing rate	
MKT/SBT/PO/019	As below:		1 September 2018
Topic	Type Of Change	Summary	
Chapter 1.5: “Price payable is exclusive of GST”	Remove	Deletion due to the abolishment of GST	
MKT/SBT/PO/020	As below:		17 December 2018
Topic	Type Of Change	Summary	
Chapter 2: Trading Phases and Market Timing	Update	Update on order entry for short selling (sub-chapter 2.4)	



DOCUMENT RELEASE NOTE

Chapter 7: Short Selling		Update	Update on order enter for IDSS and short selling under PDT (sub-chapters 7.3.5 and 7.4.3)
Chapter 2: Trading Phases and Market Timing		Update	Update on new and/or revised order types, order validities and order qualifiers.
MKT/SBT/PO/021	As below:		29 April 2019
Topic	Type Of Change	Summary	
Chapter 6: Buying-in Transaction	Update	Update on buying-in bidding price (point 6.1.5-6.1.7)	
MKT/SBT/PO/022	As below:		29 April 2019
Topic	Type Of Change	Summary	
Chapter 6: Buying-in Transaction	Update	Further update on chapter 6 of Buying In Transactions points 6.1-6.3	
MKT/SBT/PO/023	As below:		June 2019
Topic	Type Of Change	Summary	
Chapter 12: Order Cancellation Appendix 18: Order Cancellation Request Form	Update	Updates due to inclusion of cancellation of orders by trader id/fix channel id	
MKT/SBT/PO/024	As below:		29 November 2019
Topic	Type Of Change	Summary	
Chapter 4: Reference Price and Price Limits	Update	Update on Leverage and Inverse ETF	



DOCUMENT RELEASE NOTE

MKT/SBT/PO/025	As below:	20 July 2020
Topic	Type Of Change	Summary
Chapter 2: Order Validity Chapter 4: Reference Price and Price Limits Chapter 5: Trading Status Chapter 8: Circuit Breaker	Update	Updates due to Temporary Market Control and Safeguard Measures in BTS2 (PO Circular No. G19 of 2020 dated 10/07/2020)
MKT/SBT/PO/026	As below:	21 August 2020
Topic	Type Of Change	Summary
Chapter 2: Trading Phases and Market Timing	Update	Removal of latest time for Buying-in trades to be broadcasted.
Chapter 6: Buying -in timing and buying in prices under T+2 Settlement Cycle & Fee on Buying-in	Update	Update time for Buying-in counters to be on Buying-in Board. The changes are due to Simplification of the BMS Rules and Directives (R/R 11 of 2020 dated 07/08/2020).
MKT/SBT/PO/027	As below:	7 December 2020
Topic	Type Of Change	Summary
Chapter 2: Trading Phases and Market Timing	Update	Update on 2.4 - Trading Phases Characteristics for Short Selling Update on 2.5.7 - Short-Selling and Trading Phases
Chapter 7: Short Selling	Update	Update to Short Selling due to new Permitted Short Selling Framework

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1.1 Scope of Coverage

- 1.1.1 This manual provides Participating Organisations (POs) with the following information relating to the operations of the Bursa Malaysia Securities Berhad (“BMSB” or “the Exchange”) and pertinent procedures on dealing with Bursa Malaysia Securities.
- 1.1.2 The guidelines and procedures in this manual are intended for general usage. Where exceptions are to be made, POs should exercise discretion and good judgment accordingly. In case of doubt, POs should check with the Securities and Bond Trading (SBT) - Market Operations of Bursa Malaysia Bhd.

1.2 Intended Audience

- 1.2.1 The primary audience of this manual is the POs of Bursa Malaysia who are involved in the related operational aspects of securities trading.

1.3 Ownership and Custody of Manual

- 1.3.1 The owner of this manual is Securities and Bond Trading (SBT). It shall be responsible for incorporating into this manual, any changes or amendments in line with policy and procedures changes and distributing the updates to the relevant parties.
- 1.3.2 No part of this manual is to be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or any information storage and retrieval system, without the permission in writing from the EVP, Exchange Operations.

1.4 Responsibility of the Recipient

- 1.4.1 Recipients of the copy of this manual shall have the responsibility for its safe custody and controlled disclosure to authorised staff only.

2.1 General

All buy and sell orders will be keyed in by the market participants via Participating Organisations' Order Management System (OMS) into Bursa's Automated Trading System (ATS) as per the prescribed trading Phases and Market Timing.

A Market Day is the day on which the Exchange's stock market is open for trading in securities. In the Trading Manual, Market Day is also known as Trading Day.

A Trading Session is the session at which the Exchange's stock market is open for trading in securities within a Trading Day. Currently, there are two trading sessions on Bursa Malaysia Securities Berhad, i.e. from 8.30 a.m. – 12.30 p.m. and 2.00 pm – 5.00 pm.

2.2 Market Segments

Trading of Securities is conducted in the following 4 market segments:

- **Normal Lot Market**

Refers to securities traded in Board Lot (100 unit per lot) size except for ETBS securities which are traded in Board Lot (10 unit per lot) size.

Type of securities	Traded board lot (unit)
All securities	100
ETBS securities	10

- **Odd Lot Market**

Refers to securities traded in a quantity of between 1 to 99 units except for ETBS securities which are traded in a quantity of between 1 to 9 units.

Type of securities	Traded Quantity (unit)
All securities	1 to 99
ETBS securities	1 to 9

- **Buying-in Normal Market**

Where a PO, having sold securities in board lots, fails by the Scheduled Delivery Time to make available in the relevant securities account, the securities in board lots as tradeable balance the Exchange shall upon being advised by the Clearing House of the failed contract, automatically buy-in against the defaulting PO concerned without notice, on the settlement day.

- **Direct Business Transaction (DBT) Market**

Refers to any share transactions effected outside Bursa Malaysia, i.e. crossing (transaction between two POs), or married (transaction between two clients within the same PO).

2.3 **Trading Phases and Market Timing**

Each market segments will typically go through the following trading phases and market timing, and in the sequence as shown below:

Trading Phases	Market Timing			
	Normal Lot Market	Odd Lot Market	Buying-in Market	DBT Market
Pre-Opening (1 st session)	8:30am	8:30am	-	-
<i>* Opening Auction / Main Trading Phase</i> (1 st session)	9:00am	9:00am	8:30am	8:30am
End of Session	12.30pm	12.30pm	12.30pm	-
Pre-Opening (2 nd session)	2:00pm	2:00pm	-	-
<i>* Opening Auction / Main Trading Phase</i> (2 nd session)	2:30pm	2:30pm	2:00pm	-
Pre-Closing (2 nd session)	4.45pm	4:45pm	-	-
<i>* Closing Auction / Trading At Last</i>	4:50pm	4:50pm	-	-
End of Trading Day	5:00pm	5:00pm	5:00pm	5:15pm
* Switch over to next phase is instantaneous upon completion of this phase				

2.3.1 Changes to Trading Phases and Market Timing

The trading phases for all securities will follow Bursa Malaysia pre-set trading phases. However, Bursa Malaysia reserves the right to effect any changes at any time and POs will be informed accordingly either through POs' Circular or through system broadcast messages.

2.4 Trading Phases Characteristics

The table below describes the characteristic of each trading phase for both the Normal Lot and Odd Lot markets.

Trading Phases	Functions/Activities
Pre-Opening	<ul style="list-style-type: none"> a) New order entry, order modification and order cancellation are permitted. b) No orders are matched. c) Theoretical Opening Price (TOP) and Theoretical Opening Volume (TOV) of each securities are calculated and recalculated for every new order entry, order modification or order cancellation. d) TOP, TOV and the order book for each securities are broadcasted. e) Regulated Short Selling (RSS) orders are not allowed, but short selling under Proprietary Day Trading (PDT), Intraday Short Selling (IDSS) and Permitted Short Selling (PSS) are allowed.
Opening Auction	<ul style="list-style-type: none"> • Orders are matched, if any, at Opening price. Opening price is the last TOP calculated during pre-opening phase. • Matching of orders will be based on Price and Time Priority. Matching priority is in the following order: <ul style="list-style-type: none"> i) Price: Buy-side orders with higher prices and sell-side orders with the lower prices have higher matching priority ii) Time: Where orders having the same price, then orders with earlier submission timestamps will have higher matching priority • Opening price and quantity of contract matched are broadcasted. • Once Opening Auction is completed, system will automatically move to Main Trading Phase, carrying forward all outstanding and unmatched orders. • If there is no TOP computed for any reason whatsoever, or no matching can be done at Opening Auction, the price of first trade occurring in main trading phase is designated as the opening price.

Trading Phases	Functions/Activities
Main Trading Phase	<ul style="list-style-type: none"> a) New order entry, order modification and order cancellation are permitted. b) Trading/Matching of orders take place on a continuous basis where each incoming and modification of order is checked immediately for possible execution. Unexecuted portion of such order is added to the order book if the characteristic of the order permits. c) Orders already in the order book are queued for matching based on Price and Time Priority. d) Every change in the order book and every trade for each securities is broadcasted immediately. e) RSS, short selling under PDT, IDSS and PSS are allowed.
Pre-Closing	<ul style="list-style-type: none"> a) Starts immediately after the end of main trading phase. b) All outstanding and unmatched orders from main trading phase are carried into pre-closing phase. c) New order entry, order modification and order cancellation are permitted. However, new orders and modified orders for a securities, must have prices at or within the Last Price Limit (LPL) of that securities, otherwise, the new order or order modification will be rejected by the ATS. d) No orders are matched. e) Theoretical Closing Price (TCP) and Theoretical Closing Volume (TCV) of each securities are calculated and recalculated for every new order entry, order modification or order cancellation. f) TCPs for each securities is always at or within the LPL of that securities. g) TCP, TCV and the order book for each securities are broadcasted. h) RSS orders are not allowed, but short selling under PDT, IDSS and PSS are allowed.
Closing Auction	<ul style="list-style-type: none"> a) Orders will be matched, if any, at Closing price. Closing price is the last TCP calculated during pre-closing phase. b) Matching of orders will be based on Price and Time Priority. c) Closing price and quantity of contract matched are broadcasted. d) Once Closing Auction completed, system will automatically move to Trading At Last (TAL) phase, carrying forward all outstanding and unmatched orders. e) If there is no TCP computed for any reason whatsoever, or no matching can be done at Closing Auction, the price of last trade occurred in main trading phase is designated as the closing price.

Trading Phases	Functions/Activities
Trading At Last	<p>a) New order entry, order modification and order cancellation are permitted. However, new orders and modified orders for a securities, must have prices equivalent to the closing price, otherwise, the new order or order modification will be rejected by the ATS.</p> <p>b) If closing price is not available then, new orders and modified orders for a securities, must have prices equivalent to the reference price.</p> <p>c) Intraday Short Selling (IDSS) and Short Selling under PDT orders are not allowed.</p> <p>d) IDSS and short selling under PDT are not allowed, but RSS and PSS are allowed at Close Price.</p>
End of Session/ Trading Day	<p>a) No new order entry, order modification or order cancellation is permitted.</p> <p>b) No orders are matched.</p>

2.5 Order Entry

All orders entered into the ATS shall contain such particulars or information as may be prescribed by Bursa Malaysia. The quantity for a single order of securities entered into the ATS shall not exceed 5,000 board lots for normal lots and 99 units for odd lots. This rule is also applicable to Buying-in transactions.

In general, the characteristic of an order is a combination of its type (“Order Type”) and the duration (“Order Validity”) the order stays in the order book. However, the behaviour of an order is determined in the following order:

- a. Order Type
- b. Order Validity
- c. Order Qualification

2.5.1 Order Types

The most basic order type is the Limit order type (“Limit Order”) and the Market order type (“Market Order”)

(i) **Limit Order**

A limit order is an order to buy or sell, and has a specified limit price at the time of entry. A limit order can be executed at the limit price or at better prices.

A buy limit order can only be matched at the limit price or lower; and a sell limit order can only be matched at the limit price or higher.

An incoming limit order can match with multiple orders on the opposite side of the order book at prices up to the limit price specified.

If the limit order validity permits; an unmatched or partially matched limit order can be placed in the queue within the order book, at the limit price.

Please refer to Appendix 1 for Examples on Limit Order Matching Rules

(ii) **Market Order**

A market order is an order to buy or sell, and has no price limit specified at the time of entry. A market order is executed at the best prices available on the opposite side of the order book.

A market order can match with as many orders as possible on the opposite side of the order book, up to the quantity carried by the market order.

At the point of order entry during Main Trading phase, a market order will be immediately rejected if there is no order queuing on the opposite side of the order book.

If the market order validity permits; a partially matched market order can be converted to a limit order and placed in the queue within the order book, at the price equivalent to the last matched price of the market order.

Please refer to Appendix 2 for Examples on Market Order Matching Rules

(iii) **Market-to-Limit Order (MTL)**

Similarly to market order, a market to limit order is an order to buy or sell, and has no price limit specified at the time of entry. However, an MTL order is executed ONLY at the best price (only the top price) available on the opposite side of the order book.

At the point of order entry during Main Trading phase, an MTL order will be immediately rejected if there is no order queuing on the opposite side of the order book.

If the order is partially matched, the outstanding order is converted to a limit order, with a limit price equivalent to the last executed price. Depending on the order validity of the MTL order, the converted limit order can be placed in the queue within the order book, at the limit price.

(iv) **Stop Limit Order**

A stop limit order is an order to buy or sell, and carries TWO prices, a trigger price and a limit price. The stop limit order remains inactive (not visible to the market and thus ineligible for matching) in the order book and only becomes active (eligible for matching) once the trigger price is reached (triggered).

Once triggered, a stop limit order is converted to a limit order with a limit price equivalent to the limit price specified by the stop limit order.

Subsequent to the conversion, the characteristic of the order is that of a limit order.

The trigger price can be set at \leq or \geq of bid, ask and last done price.

This order can be used in combination with Day, Good Till Date and Good Till Cancel type validity.

Stop Limit order can be accepted by the trading engine during Pre-Opening, Main Trading, Pre-Closing and Trading-At-Last phases.

Inactive Stop Limit orders will not participate in the calculation of Theoretical Opening Price (TOP) and Theoretical Opening Volume (TOV) during Pre-Opening, Trading Halt and Circuit Breaker Halt; and Theoretical Closing Price (TCP) and Theoretical Closing Volume (TCV) during Pre-Closing.

Inactive Stop Limit orders are orders which are not triggered yet.

(v) Stop Market Order

A stop market order is an order to buy or sell, and carries a trigger price but NOT a limit price. The stop market order remains inactive (not visible to the market and thus ineligible for matching) in the order book and only becomes active (eligible for matching) once the trigger price is reached (triggered).

Once triggered, a stop market order is converted to a market order and subsequent to the conversion; the characteristic of the order is that of a market order.

The trigger price can be set at \leq or \geq of bid, ask and last done price. This order can be used in combination with Day, Good Till Date and Good Till Cancel type validity. Stop Market order can be accepted by the trading engine during Pre-Opening, Main Trading, Pre-Closing and Trading-At-Last phases.

Inactive Stop Market order will not participate in the calculation of Theoretical Opening Price (TOP) and Theoretical Opening Volume (TOV) during Pre-Opening, Trading Halt and Circuit Breaker Halt; and Theoretical Closing Price (TCP) and Theoretical Closing Volume (TCV) during Pre-Closing.

Inactive Stop Market orders are orders which are not triggered yet.

(vi) On-Open Order

Limit-On-Open (LOO) and Market-On-Open (MOO) orders can only be submitted during the first Pre-Opening phase of the day and remain inactive. LOO and MOO orders are triggered at Post-Opening and before Main Trading phase starts.

Once triggered, MOO orders will match only at Opening Price, if possible and if not, they will be expired immediately. However, if they are matched partially, they will be converted to Limit Orders with Opening Price, and expired automatically at the end of the first Main Trading phase.

LOO orders, when triggered, will be converted to Limit Orders and expired automatically at the end of the first Main Trading phase.

(vii) On-Close Order

Limit-On-Close (LOC) and Market-On-Close (MOC) orders can be submitted during Pre-Opening and Main Trading phases only and remain inactive. LOC and MOC orders are triggered during Pre-Closing phase.

Once triggered, Market-On-Close orders will be converted to Market orders and if they are not fully matched at Closing, they will be expired automatically.

When triggered, Limit-On-Close orders will be converted to Limit orders and if they are not fully matched at Closing, they will be expired automatically. In addition, triggered LOC orders are checked against Last Price Limits and Static Price Limits.

(viii) On Market Married Transaction (OMMT) Order

OMMT is a limit order that has both buy and sell side; and a limit price.

OMMT can be entered with order validity Fill-And-Kill only.

An OMMT order matches itself and does not match with other orders in the order book.

For more information on OMMT, refer to Chapter 10 of this manual.

(ix) One-Cancel-Other (OCO) Order

An OCO order consists of TWO orders linked together:

- One Limit order, and
- One Stop order (Market or Limit)

If the Limit order is partially or fully matched, the STOP order will be automatically expired. If the Stop order is triggered, the Limit order will be automatically expired.

If one of the orders is cancelled by the trader or the Exchange, the other is cancel as well automatically.

Both the LIMIT and STOP orders can be modified.

Both LIMIT and STOP orders must be for the same:

- Stock
- Side, BUY or SELL
- Order Validity, which is DAY only

However, the Limit and Stop orders can differ in Order Quantity.

For OCO BUY order entry, the Order Price of the Limit order must be lower than the Trigger Price of the Stop order. For OCO SELL order entry, the Order Price of the Limit order must be higher than the Trigger Price of the Stop order.

2.5.2 Order Validity

The most basic order validity is the Day order validity (“Day Order”) and the Fill-And-Kill order validity (“FAK Order”).

In general, the order validity of an order determines the following TWO behaviours:

- a. The unmatched or partially matched order is placed in the queue within the order book.
- b. The duration where the order remains in the queue before it is canceled or expired by the ATS.

(i) Day Order

At the time of entry, an unmatched or partially matched day order will be placed in the queue within the order book; and remain in the order book until the “End of Trading Day”.

Market and MTL orders with day validity are converted to limit order of the same validity if these orders are matched partially upon entry; and subsequently placed in the queue within the order book.

(ii) Fill-And-Kill (FAK)

At the time of entry, an FAK order is to be matched immediately, either partially or fully; otherwise the order will be cancelled by the ATS. The remaining unmatched quantity will be cancelled by the ATS.

An FAK order will not be placed in the queue within the order book.

(iii) Fill-Or-Kill (FOK)

At the time of entry, an FOK order is to be matched immediately AND fully; otherwise the order will be cancelled by the ATS.

An FOK order will not be placed in the queue within the order book.

(iv) Bursa Good-Till-Date

Bursa Good-Till-Date (Bursa GTD) order is an order that remain in the order book if it is not fully matched, from the time it is entered till it

reaches its specified expiry date, cancelled by the PO or withdrawn by the exchange.

An expiry date must be specified at the point of order entry for Bursa GTD orders and the date must not exceed 30 calendar days not including the day of order entry.

All Bursa GTD orders with remaining unmatched quantities are carried forward to following trading day; and the status of these orders are disseminated before the start of every trading day.

However, modification or cancellation of the orders can only be performed upon start of Pre-Opening phase at 8:30AM.

The following are the circumstances where the Exchange withdraws Bursa GTD orders for a securities:

a) The securities go through Corporate Exercise

At the end of trading on the last cum day, the Exchange will withdraw Bursa GTD orders for any securities that has undergone corporate exercise(s), regardless of any price adjustment.

b) The Designation of the securities

GTD orders are not allowed for designated securities. At the point the Exchange's operator flags a securities as "Designated", all Bursa GTD orders for that securities will be withdrawn.

c) The prices of the orders fall outside of the Static Price Limits

Bursa GTD orders with prices falling outside of the Static Price Limits, will be withdrawn by the system automatically, except for Stop Limit and Stop Market order whereby the static price limits will only be validated when the order is triggered during Main Trading or Trading-At-Last phases.

d) The securities is Suspended for one session or more

When a securities is Suspended, all orders in the order book including Bursa GTD orders will be withdrawn from the ATS.

Suspension by way “Halt” will not eliminate any order. Similar to current order entry, Bursa GTD orders can be entered for securities that are under Halt.

e) Trading Suspension due to Circuit Breaker Halt Level 1 and 2

Circuit Breaker Halt Level 1 will not eliminate any orders from the ATS. Bursa GTD orders can be entered for securities that are under Circuit Breaker Halt Level 1. Suspension of trading due to Circuit Breaker Halt Level 2 will withdraw all orders (Bursa GTD and normal).

f) The securities is delisted or expired

When securities are delisted or matured, all associated Bursa GTD orders will be eliminated by the ATS.

g) The securities is marked from ready to immediate basis

Similar to designated securities, all buy and sell Bursa GTD orders for immediate basis securities will be eliminated and no new Bursa GTD orders will be allowed.

(v) **Bursa Good-Till-Cancel**

Bursa Good-Till-Cancel (Bursa GTC) order is an order that remains in the order book if it is not fully matched, from the time it is entered till it reaches the maximum expiry day specified by the Exchange, cancelled by the PO or withdrawn by the Exchange.

The maximum expiry day has been pre-set by the Exchange to 30 calendar days.

All Bursa GTC orders with remaining unmatched quantities are carried forward to following trading day; and the status of these orders are disseminated before the start of every trading day.

However, modification or cancellation of the orders can only be performed upon start of Pre-Opening phase at 8:30AM.

The following are the circumstances where the Exchange withdraws Bursa GTC orders for a securities:

a) The securities go through Corporate Exercise

At the end of trading on the last cum day, the Exchange will withdraw Bursa GTC orders for any securities that has undergone corporate exercise(s), regardless of any price adjustment.

b) The Designation of the securities

GTC orders are not allowed for designated securities. At the point the Exchange's operator flags a securities as "Designated", all Bursa GTC orders for that securities will be withdrawn.

c) The prices of the orders fall outside of the Static Price Limits

Bursa GTC orders with prices falling outside of the Static Price Limits, will be withdrawn by the system automatically, except for Stop Limit and Stop Market order whereby the static price limits will only be validated when the order is triggered during Main Trading or Trading-At-Last phases.

d) The securities is Suspended for one session or more

When a securities is Suspended, all orders in the order book including Bursa GTC orders will be withdrawn from the ATS.

Suspension by way "Halt" will not eliminate any order. Similar to current order entry, Bursa GTC orders can be entered for securities that are under Halt.

e) Trading Suspension due to Circuit Breaker Halt Level 1 and 2

Circuit Breaker Halt Level 1 will not eliminate any orders from the ATS. Bursa GTC orders can be entered for securities that are under Circuit Breaker Halt Level 1. Suspension of trading due to Circuit Breaker Halt Level 2 will withdraw all orders (Bursa GTC and normal).

f) The securities is delisted or expired

When securities are delisted or matured, all associated Bursa GTC orders will be eliminated by the ATS.

g) The securities is marked from ready to immediate basis

Similar to designated securities, all buy and sell Bursa GTC orders for immediate basis securities will be eliminated and no new Bursa GTC orders will be allowed.

2.5.3 Order Qualifier

(i) **Minimum quantity**

Orders used in combination with minimum quantity type will be immediately executed at the minimum quantity the least otherwise the order will be eliminated. Minimum quantity is used in order to control the minimum size to be traded.

(ii) **Iceberg**

An Iceberg order is an order with a portion of its total quantity shown to the market. An Iceberg order has 2 quantities, an Order Quantity and a Visible Quantity.

Each time the Visible Quantity is fully matched, it be replenished until the total Order Quantity is fully matched. Each time the Visible Quantity is replenished, the order will lose its priority and gain a new one based on the latest replenishment's date and time.

During auction phases (Pre-Opening, Pre-Closing and Halt), the entire Order Quantity of an Iceberg order will participate in the calculation of the Theoretical Price.

2.5.4 Order Types and Trading Phases

The following table describes the permissible submission of order types in different trading phases of the Normal Lot market.

Order Type	Trading Phase				
	Pre-Opening	Main Trading	Pre-Closing	Trading-At-Last	Trading Halt
Limit ¹	✓	✓	✓	✓	✓
Limit-On-Open	✓*				
Limit-On-Close	✓	✓			✓
Market ¹		✓	✓		
Market-On-Open	✓*				
Market-On-Close	✓	✓			✓
Market-To-Limit ¹		✓			
Stop Market ¹	✓	✓	✓	✓	✓
Stop Limit ¹	✓	✓	✓	✓	✓
OMMT		✓		✓	
One-Cancel-Other	✓	✓	✓		✓

*Limit-On-Open and Market-On-Open order types can only be submitted during the first Pre-Opening phase.

¹These order types are permissible in the Odd Lot market.

2.5.5 Order Validities and Trading Phases

The following table describes the permissible submission of order validities in different trading phases of both the Normal Lot and Odd Lot market.

Order Validity	Trading Phase				
	Pre-Opening	Main Trading	Pre-Closing	Trading-At-Last	Trading Halt
Day	✓	✓	✓	✓	✓
Fill-And-Kill		✓		✓	
Fill-Or-Kill		✓		✓	
Bursa Good-Till-Date	✓	✓	✓	✓	✓
Bursa Good-Till-Cancel	✓	✓	✓	✓	✓

2.5.5 Order Qualifiers and Trading Phases

The following table describes the permissible submission of order qualifiers in different trading phases of the Normal Lot.

Order Qualifier	Trading Phase				
	Pre-Opening	Main Trading	Pre-Closing	Trading-At-Last	Trading Halt
Iceberg	✓	✓	✓		✓
Minimum Quantity		✓		✓	

2.5.6 Short-Selling and Trading Phases

The following table describes the permissible submission of short-selling orders in different trading phases of the Normal Lot.

Short Selling	Trading Phase				
	Pre-Opening	Main Trading	Pre-Closing	Trading-At-Last	Trading Halt
Regulated Short-Selling (RSS)		✓		✓	
Proprietary Day Trading Short Selling (PDT)	✓	✓	✓		✓
Intraday Short-Selling (IDSS)	✓	✓	✓		✓
Permitted Short Selling (PSS)	✓	✓	✓	✓	✓

2.5.7 Permissible Combination of Order Types and Order Validities

The following table describes the permissible combination of order types and order validities.

Order Type	Order Validity
Limit	Day, FAK, FOK, Bursa GTD and Bursa GTC
Limit-On-Open	Day
Limit-On-Close	Day
Market	Day, FAK, FOK, Bursa GTD and Bursa GTC
Market-On-Open	Day
Market-On-Close	Day
Market-To-Limit	Day, FAK, FOK, Bursa GTD and Bursa GTC
Stop Market	Day, Bursa GTD and Bursa GTC
Stop Limit	Day, Bursa GTD and Bursa GTC
OMMT	FAK
One-Cancel-Other	Day

2.6 Order Priority (Matching Priority)

Every order that is queuing in the order book has its matching priority, based on Price (the price of the order) and Time (the timestamp of the order). Two or more orders may have the same order price but NOT the same timestamp, which comprises of both date and time.

The matching priorities for the orders in the order book are as follow:

(i) Buy-side Order Book

The matching priorities for buy orders are arrange from orders with the highest prices to orders with the lowest prices.

Orders queuing at the same price are arrange from the order with the oldest timestamp to the order with the latest timestamp.

During Pre-Closing phase, Market orders have higher priority than Limit Orders.

(ii) Sell-side Order Book

The matching priorities for sell orders are arrange from orders with the lowest prices to orders with the highest prices.

Orders queuing at the same price are arrange from the order with the oldest timestamp to the order with the latest timestamp.

During Pre-Closing phase, Market orders have higher priority than Limit Orders.

2.7 Order Modification and Cancellation

Orders queuing in the order book may be modified or cancelled by the PO, subject always to the rights of Bursa Malaysia not to allow for such modification or cancellation in circumstances it deems fit.

2.7.1 Order Modification on Price and/or Quantity

Order modification on price and/or quantity may or may not change the matching priority for an order queuing in the order book. Below describe the result of order modification:

- a. Price change. If the order modification is accepted by the ATS, the modified order will queue at the new price and its timestamp is taken from the ATS's timestamp when accepts the order modification.

- b. Increase Order Quantity. If the order modification is accepted by the ATS, the modified order will queue at the same price and its timestamp is taken from the date and time the ATS accepts the order modification.

Decrease Order Quantity. If the order modification is accepted by the ATS, the modified order will queue at the same price and its timestamp remain unchanged.

2.8 Trading at Last Orders

During Trading At Last (TAL) phase, orders can be entered and matched at the closing price only. The last Theoretical Closing Price (TCP) calculated during the Pre-Closing phase will be the closing price. In the absence of TCP, the last done price will be the closing price; and in the absence of TCP and last done price, the reference price will be the closing price.

When there is an order queuing in the order book during the trading at last which is better than the closing price, any incoming order will match at the closing price.

Example:

- The closing price for counter ABC is RM0.70
- The best sell price is RM0.60 (carried forward from Main Trading/Pre-Opening/Pre-Closing phase) but no TCP calculated during Pre-Closing
- During the Trading At Last phase, if a dealer enters a BUY order at RM0.70, the orders will match at RM0.70. If a dealer enters a SELL order at RM0.70, the order will be accepted and queue in the order book.

2.9 Tick Size

A tick size is the permissible change on the offer to buy/sell price over the previous done or quoted price. When trading on Bursa Malaysia, buy/sell of shares within different price ranges follow different ticks.

The following are the tick sizes for the securities:

Type of Securities	Price of Securities	Tick Size
Tick Sizes for Securities Quoted in RM		
All securities except for Bond-based Exchange Traded Fund , Equity-based Exchange Traded Fund, Exchanged Traded Bond and Sukuk (ETBS) and Commodity-based Exchange Traded Fund	<u>RM</u> Less than 1.00	<u>Sen</u> 0.5
	1.00 to 9.99	1
	10.00 to 99.98	2
	100.00 and above	10
Bond-based Exchange Traded Fund	At any price	0.1
Equity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1
Exchanged Traded Bond and Sukuk (ETBS)	At any price	1
Commodity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1
Tick Sizes for Securities Quoted in USD, EURO, AUD and SGD		
All securities except for Bond-based Exchange Traded Fund, Equity-based Exchange Traded Fund and Exchanged Traded Bond and Sukuk (ETBS) and Commodity-based Exchange Traded Fund	<u>Dollar</u> Less than 1.00	<u>Cent</u> 0.5
	1.00 to 9.99	1
	10.00 to 99.98	2
	100.00 and above	10

Type of Securities	Price of Securities	Tick Size
Tick Sizes for Securities Quoted in USD, EURO, AUD and SGD		
Bond-based Exchange Traded Fund	At any price	0.1
Equity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1
Exchanged Traded Bond and Sukuk (ETBS)	At any price	1
Commodity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1
Tick Sizes for Securities Quoted in GBP		
All Securities except for Bond-based Exchange Traded Fund, Equity based Exchange Traded Fund and Exchanged Traded Bond and Sukuk (ETBS) and Commodity-based Exchange Traded Fund	<u>Pound</u>	<u>Pence</u>
	Less than 1.00	0.5
	1.00 to 9.99	1
	10.00 to 99.98	2
	100.00 and above	10
Bond-based Exchange Traded Fund	At any price	0.1
Equity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1
Exchanged Traded Bond and Sukuk (ETBS)	At any price	1
Commodity-based Exchange Traded Fund	Less than 1.00	0.1
	1.00 to 2.995	0.5
	3.00 and above	1

For bonds, debentures, loan securities, warrants and call warrants, the minimum bid structure will have the same minimum trading spreads as for shares.

2.10 Contract Amendments

Bursa Malaysia Securities Rule 8.09 permits contract amendment and stipulates the conditions for such amendment. The PO can make such amendment up till 8pm on the transaction date. However, Contract Amendments are only valid for trades of the same day; trades from previous trading days are not affected (in the case of Bursa GTD and Bursa GTC orders being matched on more than one day).

2.11 Tagging of Orders

POs must ensure that all the following order categories and order sources are tagged according to the order category codes and order source codes specified in the FIX Technical Specification document:

1st Level

- i. Regulated Short Selling (RSS)
- ii. Permitted Short Selling (PSS)
- iii. Proprietary Day Trading (PDT)
- iv. Intraday Short Selling (IDSS)

2nd Level

- i. Direct Market Access (DMA)
- ii. Algorithm trading
- iii. Broker Assisted
- iv. Internet trading

Any changes to the order category codes and order source codes will be updated in the FIX Technical Specification document and published to POs accordingly.

3.1 General

This chapter describes the market opening/closing process for securities trading. This process includes determining the opening/closing price and the matching and execution of buy and sell orders during Opening/Closing Auction. The same algorithm is used for all securities traded on the system.

3.2 Market Opening and Closing Process

Each trading session will start/end with Pre-Opening/Pre-Closing phase. During the Pre-Opening and Pre-Closing phases, all orders can be entered and maintained by dealers, but no matching takes place. “**Theoretical Opening Price**” (TOP) and “**Theoretical Opening Volume**” (TOV) for each securities is calculated by ATS and disseminated accordingly during the Pre-Opening phase. While in Pre-Closing phase, “**Theoretical Closing Price**” (TCP) and “**Theoretical Closing Volume**” (TCV) are calculated for each securities.

Dealers can continue to enter, modify and delete orders during Pre-Opening/Pre-Closing phases. Order entries, modification and deletion may change the TOP/TCP. Changes of TOP/TCP for each securities will be disseminated to the market along with TOV/TCV.

Upon completion of the Pre-Opening phase, the last calculated TOP will be the opening price. At the Opening Auction, orders are matched at the opening price. Upon entering Main Trading Phase, the remaining unmatched orders will be carried forward into Main Trading Phase.

The last TCP calculated during the Pre-Closing phase will be the closing price. At Closing Auction, orders are matched at the closing price. In the absence of TCP, the last done price will be the closing price; and in the absence of TCP and last done price, the reference price will be the closing price. In the Trading-At-Last phase, all unmatched orders are carried from Closing Auction and can only be matched at closing price.

3.3 Theoretical Opening Price/Theoretical Closing Price (TOP/TCP) Calculation

3.3.1 The TOP and TCP is calculated realtime in pre-opening and pre-closing phases respectively, with the following occurings:

- Limit orders.
- The total quantity is taken into account;
- Each time an order is entered, modified or deleted, the processing of TOP calculation is triggered;
- The order price must range between and include the lower and upper of the Price Thresholds, otherwise the order is rejected.

3.4 4 Basic Rules In Calculating TOP/TCP:

R1 : Maximization of matching quantity (TOV/TCV) at the selected price.

R2 : Minimization of non-matching quantity.

R3 (i) : When several prices are used to respect R1 & R2, and imbalance of unfilled quantity is on the buy side, then the TOP used is the highest price.

R3 (ii) : When several prices are used to respect R1 & R2 , and imbalance of unfilled quantity is on the sell side, then the TOP/TCP used is the lowest price.

R4 : Closest price to the Reference Price i.e. the settlement price.

Please refer to Appendix 3 for examples on Theoretical Opening Price (TOP) Calculation.

4.1 General

- (a) Each securities in the Normal and Odd Lot market segment has a Reference Price and Static Price Limits, i.e. Upper Limit Price and Lower Limit Price, as defined in Rules of Bursa Malaysia Securities Berhad, Chapter 1 – Definitions and Related Provisions.
- (b) The values for the Static Price Limits of a securities are calculated based on a specified range of percentage or absolute value from its Reference Price.
- (c) The values of Reference Price, Upper Limit Price and Lower Limit Price remain unchanged throughout the trading day, with the exception to Structured Warrants and Leverage and Inverse Exchange Traded Funds (LI ETFs). The reference price, Upper Limit Price and Lower Limit Price of a structured warrant and Leverage and Inverse ETFs may change from trading session to trading session subsequent to first day of quotation.

4.2 Reference Price

All securities traded in Bursa Malaysia have a Reference Price that is valid for the trading day, except for Structured Warrants and Leverage and Inverse ETFs where reference price is valid for the trading session during a trading day:

Reference price is:

4.2.1 For all securities except for Structured Warrants and Leverage and Inverse ETFs:

- (a) except for the situations stipulated in paragraph (b) below, the Last Done Price of securities:
 - (i) in the previous trading day; or
 - (ii) if no trade of such securities was effected on the previous trading day, the last trading day in which trades were effected; or
- (b) if for two (2) consecutive trading sessions of one (1) trading day no trading has been done for a particular securities –
 - (i) the Upper Limit Price at market close, if there is an order to buy at the Upper Limit Price at the close of both the trading sessions and it is greater than the last Reference Price; or

- (ii) the Lower Limit Price at market close, if there is an order to sell at the Lower Limit Price at the close of both the trading sessions and it is less than the last Reference Price.

4.2.2 For Structured Warrants and Leverage and Inverse ETFs only:

- (a) the Last Done Price of the previous trading session; or
- (b) if no trade of such securities was effected on the previous trading session:
 - (i) the Upper Limit Price at previous session close, if there is an order to buy at the Upper Limit Price at the close of the previous trading session; or
 - (ii) the Lower Limit Price at previous session close, if there is an order to sell at the Lower Limit Price at the close of the previous trading session; or
- (iii) the Reference Price of the previous trading session.

4.2.3 for securities quoted ex-entitlement, as determined by the Exchange; or

4.2.4 for securities which have been approved by the Exchange for listing and quotation on the Official List, on the first day of their listing and quotation, the issue or offer price of such securities; or

4.2.5 in any other circumstances, as determined by the Exchange.

4.3 Freezing of Price

Where an Upper Limit Price or Lower Limit Price is reached on a market day and is followed by another Upper Limit Price or Lower Limit Price, as the case may be on the next market day, the Exchange may maintain the trading price at the Last Done Price of the previous market day (“the said Last Done Price”) for such period as specified by the Exchange.

4.4 Static Price Limits

- (a) Bursa Malaysia enforces Static Price Limits for all securities traded on BMSB. Accordingly, Bursa Malaysia may stipulate the maximum price ('Upper Limit Price') and the minimum price ('Lower Limit Price') at which an order in respect of a securities may be entered.

- (b) Upon calculation of limit prices, the Upper Limit Price, will be adjusted downward to the nearest bid; while Lower Limit Price will be adjusted upward to the nearest bid. Both Upper and Lower Limit Prices are valid for the whole trading day for all securities with the exception of Structured Warrants and Leverage and Inverse ETFs, where Upper and Lower Limit prices will change according to the Reference Price changes for each session, when applicable.

- (c) No orders shall be entered above the Upper Limit Price or below the Lower Limit Price defined by Bursa Malaysia during the trading day or session. Bursa Malaysia may from time to time change these prices for a securities at its discretion. The Exchange may take necessary action it deems appropriate if a matching on an order for board lots or odd lots result in a breach of the Upper Limit Price or Lower Limit Price.

(d) The Static Price Limits set for securities traded on BMSB are as follows:

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in RM			
All securities on the first day of listing or quotation except for ETF Bond and ETBS	Equal to or above RM1.00	In a trading day, 30% below the Reference Price rounded to the higher bid.	In a trading day, 400% above the Reference Price rounded to the lower bid.
	Below RM1.00	In a trading day, 30 sen below the Reference Price rounded to the higher bid.	In a trading day, 400% or 30 sen above the Reference Price, whichever is higher, rounded to the lower bid.
ETF Bond on the first day of listing or quotation	At any price	In a trading day, 30 sen below the Reference Price rounded to the higher bid.	In a trading day, 30 sen above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS) on the first day of listing or quotation	Equal to or above RM1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above Reference Price rounded to the lower bid.
	Below RM1.00	In a trading day, 10 sen below the Reference Price rounded to the higher bid.	In a trading day, 10 sen above Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in RM (cont'd)			
All securities except for FBMKLCI counters, ETF Bond, ETBS, Structured Warrants and Leverage and Inverse ETFs	Equal or above RM1.00	In a trading day, 30% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid.
	Below RM1.00	In a trading day, 30 sen below the Reference Price rounded to the higher bid.	In a trading day, 30 sen above the Reference Price rounded to the lower bid.
FBMKLCI counters	Equal to or above RM1.00	In a trading day, 15% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid.
	Below RM1.00	In a trading day, 15 sen below the Reference Price rounded to the higher bid.	In a trading day, 30 sen above the Reference Price rounded to the lower bid.
ETF Bond	At any price	In a trading day, 30 sen below the Reference Price rounded to the higher bid.	In a trading day, 30 sen above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS)	Equal or above RM1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above Reference Price rounded to the lower bid.
	Below RM1.00	In a trading day, 10 sen below the Reference Price rounded to the higher bid.	In a trading day, 10 sen above Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in RM (cont'd)			
Structured Warrants and Leverage and Inverse ETFs	Equal or above RM1.00	In a trading session, 30% below the Reference Price rounded to the higher bid.	In a trading session, 30% above the Reference Price rounded to the lower bid.
	Below RM1.00	In a trading session, 30 sen below the Reference Price rounded to the higher bid.	In a trading session, 30 sen above the Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in USD, EURO, AUD and SGD			
All securities except for ETF Bond and ETBS on the first day of listing or quotation	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading day, 30% below the Reference Price rounded to the higher bid.	In a trading day, 400% (5 times) above the Reference Price rounded to the lower bid.
	Below USD/EURO/AUD/SGD 1.00	In a trading day, 30 cents below the Reference Price rounded to the higher bid.	In a trading day, 400% (5 times) or 30 cents above the Reference Price, whichever is higher, rounded to the lower bid.
ETF Bond on the first day of listing or quotation	At any price	In a trading day, 30 cents below the Reference Price rounded to the higher bid.	In a trading day, 30 cents above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS) on the first day of listing or quotation	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above the Reference Price rounded to the lower bid.
	Below USD/EURO/AUD/SGD 1.00	In a trading day, 10 cents below the Reference Price rounded to the higher bid.	In a trading day, 10 cents above the Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in USD, EURO, AUD and SGD (cont'd)			
All securities except for FBMKLCI counters, ETF Bond, ETBS, Structured Warrants and Leverage and Inverse ETFs	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading day, 30% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid
	Below USD/EURO/AUD/SGD 1.00	In a trading day, 30 cents below Reference Price rounded to the higher bid.	In a trading day, 30 cents above the Reference Price rounded to the lower bid
FBMKLCI counters	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading day, 15% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid.
	Below USD/EURO/AUD/SGD 1.00	In a trading day, 15 cents below the Reference Price rounded to the higher bid.	In a trading day, 30 cents above the Reference Price rounded to the lower bid.
ETF Bond	At any price	In a trading day, 30 cents below the Reference Price rounded to the higher bid.	In a trading day, 30 cents above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS)	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above the Reference Price rounded to the lower bid.
	Below USD/EURO/AUD/SGD 1.00	In a trading day, 10 cents below the Reference Price rounded to the higher bid.	In a trading day, 10 cents above the Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in USD, EURO, AUD and SGD (cont'd)			
Structured Warrants and Leverage and Inverse ETFs	Equal to or above USD/EURO/AUD/SGD 1.00	In a trading session, 30% below the Reference Price rounded to the higher bid.	In a trading session, 30% above the Reference Price rounded to the lower bid
	Below USD/EURO/AUD/SGD 1.00	In a trading session, 30 cents below the Reference Price rounded to the higher bid.	In a trading session, 30 cents above the Reference Price rounded to the lower bid

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in GBP			
All securities on the first day of listing or quotation except for ETF Bond and ETBS	Equal to or above GBP1.00	In a trading day, 30% below the Reference price rounded to the higher bid.	In a trading day, 400% (5 times) above the Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading day, 30 pence below the Reference Price rounded to the higher bid.	In a trading day, 400% (5 times) or 30 pence above the Reference Price, whichever is higher, rounded to the lower bid.
ETF Bond	At any price	In a trading day, 30 pence below the Reference Price rounded to the higher bid.	In a trading day, 30 pence above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS) on the first day of listing or quotation	Equal to or above GBP1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading day, 10 pence below the Reference Price rounded to the higher bid.	In a trading day, 10 pence above Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in GBP (cont'd)			
All securities except for FBMKLCI counters, ETF Bond, ETBS, Structured Warrants and Leverage and Inverse ETFs	Equal to or above GBP1.00	In a trading day, 30% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading day, 30 pence below the Reference Price rounded to the higher bid.	In a trading day, 30 pence above the Reference Price rounded to the lower bid.
FBMKLCI counters	Equal to or above GBP1.00	In a trading day, 15% below the Reference Price rounded to the higher bid.	In a trading day, 30% above the Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading day, 15 pence below the Reference Price rounded to the higher bid.	In a trading day, 30 pence above the Reference Price rounded to the lower bid.
ETF Bond	At any price	In a trading day, 30 pence below the Reference Price rounded to the higher bid.	In a trading day, 30 pence above the Reference Price rounded to the lower bid.
Exchange Traded Bond and Sukuk (ETBS)	Equal to or above GBP1.00	In a trading day, 10% below the Reference Price rounded to the higher bid.	In a trading day, 10% above the Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading day, 10 pence below the Reference Price rounded to the higher bid.	In a trading day, 10 pence above the Reference Price rounded to the lower bid.

Type of Securities	Reference Price	Lower Limit Price	Upper Limit Price
Securities Quoted in GBP (cont'd)			
Structured Warrants and Leverage and Inverse ETFs	Equal to or above GBP1.00	In a trading session, 30% below the Reference Price rounded to the higher bid.	In a trading session, 30% above the Reference Price rounded to the lower bid.
	Below GBP1.00	In a trading session, 30 pence below the Reference Price rounded to the higher bid.	In a trading session, 30 pence above the Reference Price rounded to the lower bid.

4.5 Dynamic Price Limits

- 4.5.1 In addition to the Static Price Limits, the Exchange has additional measure to prevent sudden fluctuation in price movement due to trade aberration. This security measure, known as Dynamic Price Limits or Dynamic Limits will apply to all securities except new listings.
- 4.5.2 Dynamic Price Limits applies only to normal market orders and is not applicable for orders in Odd Lot, Buying-in and DBT markets. It is not applicable during pre-open, pre-close and trading at last phase. It is also not applicable during securities halt and Circuit Breaker Halt periods.
- 4.5.3 The Dynamic Price Limits comprises of upper and lower thresholds and is continually updated based on a deviation of a percentage / absolute value from the last done prices of securities during the main trading phase throughout the day.
- 4.5.4 If there is no last done price, the Reference Price will be used as the base to calculate Dynamic Price Limits for all securities with the exception to Structured Warrant and Leverage and Inverse ETFs.

In circumstances where there is no trading for a particular securities for two (2) consecutive trading sessions of one (1) market day (refer section 4.2.1 of this chapter), the computation of Dynamic Price Limits, for the next trading day, shall be based on Static Price Limits:

- (i) the upper limit price at market close, if there is an order to buy at the upper limit price at the close of both the trading sessions and it is greater than the last Reference Price; or

- (ii) the lower limit price at market close, if there is an order to sell at the lower limit price at the close of both the trading sessions and it is less than the last Reference Price.

4.5.5 In the case of Structured Warrant and Leverage and Inverse ETFs, the Dynamic Price Limits (“DPL”) mechanism will ONLY be applicable upon the availability of last done price. In the absence of last done price, orders can be matched beyond the Dynamic Price Limits mechanism band, and only static limit will be in effect.

Refer to the examples below for the illustration of Section 4.5.4 and 4.5.5.

Exchange Order Book			
Reference Price = RM 1.00			
Last Done Price = Not Available			
- DPL Lower Limit = RM 0.92*			
- DPL Upper Limit = RM 1.08*			
(* In the case of structured Warrant and LI ETFs, DPL will be NIL when Last Done Price is not available)			
BUY		SELL	
Qty	Price	Price	Qty
300	1.14	1.25	500
300	1.10	1.33	500
400	1.08	1.35	600
		1.37	600

Example for Section 4.5.4	Example for Section 4.5.5
Securities Type = All Types except Structured Warrant & LI -ETF	Securities Type = Structured Warrant & LI -ETF
Side = SELL	Side = SELL
Price = RM 1.14	Price = RM 1.14
Qty = 1000	Qty = 1000
<u>Behaviour</u> Based on the Exchange Order Book and this Incoming Order: This Incoming Order will be purged by the Exchange without any matching as it attempts to match the best BUY price of RM1.14, which is above the DPL Upper Limit (RM1.08). For this order to match the resting orders, DPL upliftment is required.	<u>Behaviour</u> Based on the Exchange Order Book and this Incoming Order: This Incoming Order will match resting orders queueing at price RM1.14 for total quantity of 300. The remaining quantity of this Incoming Order, which is 700, will be queued in the Exchange Order Book at RM1.14. At the same time, last done price will be updated to RM1.14

4.5.6 The Dynamic Price Limits are set as below:

Price Range	Limit / Price Band
<u>For FBMKLCI counters</u>	
Below RM1.00	+RM0.08/ -RM0.05
RM 1.00 and above	+8%/ -5%
<u>For all other counters</u>	
Below RM1.00	± RM0.08
RM 1.00 and above	± 8%

4.5.7 When an incoming order attempts to match with a resting order i.e. an existing order in the order book at a price outside of the Dynamic Price Limits, the incoming order will be purged by the system without any disruptions to the trading/matching of other orderly transactions. The resting orders will remain in the order book. Similarly, if the order is to partially match and the balance of the order breach the Dynamic Price Limits, the balance of the order will be purged by the trading system.

4.5.8 If the Dynamic Price Limits of a security is triggered, POs can request to the Exchange to facilitate trading of the said securities for a period of time. The request must be signed and confirmed by the Designated Trading Manager to the Securities & Bonds Trading (SBT) using the Dynamic Price Limits Upliftment Request form. *Please refer to Appendix 4 for the form.*

The Exchange will issue a Special Announcement to inform the market on the temporary upliftment of the Dynamic Price Limits mechanism on that securities and its resumption time. The upliftment period for Dynamic Price Limits mechanism upon request is ten (10) minutes.

The cut-off time for POs to request for the upliftment of Dynamic Price Limits mechanism must be made **before** 12:15pm for the 1st trading session and 4:30pm for the 2nd trading session. The Exchange will then be able to make the necessary market announcement for at least 5 minutes before facilitating the temporary upliftment of the Dynamic Price Limits mechanism of 10 minutes.

4.5.9 During the upliftment of Dynamic Price Limits mechanism of the securities, orders can be matched beyond the Dynamic Price Limits mechanism band, and only static limit will be in effect.

4.5.10 Bursa retains the rights to review and change the Dynamic Price Limits and upliftment period at any time. Changes will be communicated to the marketplace.

Please refer to Appendix 5 for the workings of Dynamic Price Limits.

4.6 Last Price Limits

4.6.1 While Dynamic Price Limits prevents sudden fluctuation in price movement during main trading phase, Last Price Limits (LPL) achieves the same objective on the closing price, by affecting the Theoretical Closing Price and orders entered during the pre-closing phase.

4.6.2 The LPL is applicable only to the pre-closing phase of the Normal Lot market and it is not applicable to Odd Lot, Buying-in and DBT markets. However, it applies to all listed securities inclusive of IPO / new listings.

4.6.3 The LPL comprises of upper and lower limits and is calculated based on a deviation of a percentage / absolute value from the last done prices of securities during the main trading phase. If there is no last done price for securities, the Reference Price will be used as the base to calculate LPL.

4.6.4 The LPL is set as below:

Last Done Price Range	Last Price Limits
Below RM1.00	± RM0.08
RM 1.00 and above	± 8%

4.6.5 All outstanding orders from main trading phase will be carried into pre-closing phase. However, every new order entered during the pre-closing phase must be at or within the LPL range. Any order entered at a price which is outside of the LPL range will be rejected by the ATS.

4.6.6 There is no change to the TOP/TCP calculation algorithm. All orders in the order book during pre-closing phase are eligible for the calculation of TCP. However, calculated TCP at any point of time during pre-closing phase would only be at or within the LPL.

4.6.7 Unlike Dynamic Price Limits, there is no upliftment of LPL.

4.6.8 Bursa retains the rights to review and change the LPL at any time in a trading day, before the pre-closing phase. Changes will be communicated to the marketplace.

Please refer to Appendix 6 for the calculation of TCP during pre-closing phase.

5.1 Trading Status

The Trading Status of securities shall be specified by Bursa Malaysia in any one of the following manner:

- **Active**

When Securities are specified as 'Active', orders in relation to the Securities may be entered, modified, cancelled and matched.

- **Circuit Breaker Halt (Level 1)**

When Index Circuit Breaker Level 1 is triggered, securities will be under Circuit Breaker Halt ("CBH"); orders may be entered, modified and cancelled but shall not be matched.

Circuit Breaker Suspension (Level 2)

When Index Circuit Breaker Level 2 is triggered, securities will be under Circuit Breaker Halt ("CBH") and orders shall not be allowed to be entered, modified, cancelled or matched.

- **Suspension**

When securities are specified as '**Suspend**', orders in respect of the securities shall not be entered, modified, cancelled or matched.

- **Halt**

When securities are specified as '**Halt**', orders in respect of the securities can be entered, modified or cancelled. However, no matching will take place.

5.2 The trading status of Normal and Odd-Lot Board will display 'Circuit Breaker Halt'(CBH), when the circuit breaker:

- **Is triggered at the first level (1) (10 % and more but less than 15%)**

During this CBH level 1, order entry, modification and cancellation of orders is allowed with no matching for Normal and Odd Lot. TOP may be calculated, Direct Business Transactions (DBT) will be suspended but buying-in shall proceed as normal.

or,

- **Is triggered at the second level (2) (15% or more)**

When circuit breaker level 2 is triggered, the Normal and Odd Lot is in a 'Circuit Breaker Halt' (CBH) state, orders cannot be entered, modified, cancelled or matched. Direct Business Transactions (DBT) will be suspended but buying-in shall proceed as normal.

5.3 Suspended (Halt/Suspend)

Bursa Malaysia's Listing Requirements (LR) states that the Exchange may at any time suspend the trading of listed securities under certain circumstances (please refer to the LR for the circumstances).

The following is a clarification on how trading halts will be implemented and which trading activities will be allowed during the trading halts for Normal and Odd Lot Markets:

- Where the material announcement is released during trading hours, the trading halt imposed will be for 1 hour or until the end of that trading session, whichever is earlier.
- Where the material announcement is released before the commencement of trading at 9:00 am, a trading halt will be imposed for 1 hour from 9:00 am. Order entry and

modification will be allowed during this time and Theoretical Opening Price (TOP) will be calculated, but no matching of trades will take place.

- Where the material announcement is released between 9:00 am and 11:00 am, a trading halt will be imposed for 1 hour from the time the material announcement is made. Order entry and modification will be allowed during this time and TOP will be calculated, but no matching of trades will take place.
- Where the material announcement is released after 11:00 am, then the trading halt will be until the end of the trading session at 12:30 pm. Similarly, where the material announcement is released after 3:30 pm, the trading halt will be until the end of the trading session at 5:00 pm. Order entry and modification is NOT allowed during this time, and TOP will NOT be calculated.
- Where the material announcement is released between 1:30 pm to 2:30 pm, the trading halt imposed will be for 1 hour from 2:30 pm. Order entry and modification will be allowed during this time and TOP will be calculated, but no matching of trades will take place.
- Where the material announcement is released between 2:30 pm and 3:30 pm, a trading halt will be imposed for 1 hour from the time the material announcement is made. Order entry and modification will be allowed during this time and TOP will be calculated, but no matching of trades will take place.
- A trading halt will not be imposed where the material announcement is released during the window period from 12:30 pm to 1:30 pm.

For DBTs, the principle is that DBTs can only be effected after 1 hour of trading under the Main Trading Phase. The rationale for the 1 hour is for the determination of the VWAP for the DBT.

Please refer to Appendices 7 and 8 for Securities Status and a summary of trading halts time and period with the impact of the trading halts for Normal market, Odd lot market and Direct Business Transactions.

6.1 Buying-In Transactions

- 6.1.1 Buying-in is the process of buying shares by the Exchange for settlement of failed trades on behalf of defaulters.
- 6.1.2 The Exchange shall institute buying-in against the relevant selling Participating Organisations on the 2nd market day (T+2) following the date of contract under the T+2 settlement cycle from 2:00 pm to 5:00 pm, in event that the selling clients' CDS accounts do not have sufficient securities for settlement on due date. All unsuccessful buying-in will be cash settled to expedite the resolution of outstanding failed contracts under the T+2 settlement cycle.
- 6.1.3 Buying-in is only applicable for failed board lot transactions; there is no buying-in for odd lots.
- 6.1.4 POs must ensure that clients who sell to the Buying-in Board have sufficient shares. In case of any default, both the PO and client will be subjected to enforcement actions by the Exchange.

6.2 Buying -in timing and buying in prices under T+2 Settlement Cycle 6.2.1 All automatic buying-in takes place in the second (2nd) session in a trading day from 2:00pm to 5:00pm.

- 6.2.2 Manual buying-in will take place in both the trading sessions as follows:
- i) 1st session buying-in: 8:30am to 12:30pm
 - ii) 2nd session buying-in: 2:00pm to 5:00pm
- 6.2.3 The Exchange will publish the name, quantity and bidding price of the securities for buying-in in the ATS half an hour before the commencement of the buying-in. However, Bursa Malaysia reserves the right to effect any changes at any time and the changes will be communicated to the marketplace.

- 6.2.4 The bidding price for buying-in of any securities by the Exchange shall be ten (10) ticks above the following prices, rounded up, where necessary to the higher tick:
- i) The closing price on the previous market day; or
 - ii) The last done price for the previous trading session, of such securities, whichever is the higher.
- 6.2.5 For example, buying-in price of manual buying-in price will be as follows:
- a) 1st trading session: Buy in Price= Previous Day's Close Price + 10 ticks
 - b) 2nd Trading session: Buy in Price = Previous Day's Close Price + 10 ticks
OR Last Done Price + 10 ticks, whichever higher.
- 6.2.6 The bidding price for buying-in by the Exchange of any securities officially quoted as "cum entitlement" shall be ten (10) ticks above the last "cum entitlement" price or the Last Done Price, whichever is the higher, depending on the type of corporate action, from the date the securities were quoted 'ex entitlement' up to the close of the business on the lodgment date.
- 6.2.7 The bidding price shall be as follows for securities under corporate action (except for Share Consolidation):
- a) 1st trading session: Buy in Price = Cum Price + 10 ticks
 - b) 2nd trading session: Buy in Price = Cum Price + 10 ticks OR Last Done Price + 10 ticks, whichever higher.
- 6.2.8 For share consolidation corporate action type, the bidding price is Cum Price +10 ticks.
- 6.2.9 In the case of untraded Structured Warrants if there is an order to buy at the Upper Limit Price at the close of the session, the buying in price will equal to Upper Limit +10 ticks.

6.2.10 The buying-in price will be based on a different tick structure and tick sizes to ensure that the buying-in price is attractive to potential sellers. Below are the tick sizes for the securities, where buying-in prices shall be based on:

Market Price of Securities (incl. ETBS, Bond-based ETF, Equity based ETF and Commodity-based ETF (RM))	Tick Size (Sen)
Less than 1.00	0.5
1.00 to 2.99	1
3.00 to 4.98	2
5.00 to 9.95	5
10.00 to 24.90	10
25.00 to 99.75	25
100.00 and above	50

In computing the buying-in price, the buying-in price will be rounded up to the next tick size if the closing price falls between two tick sizes. For example if the closing price is between RM10.02 and RM10.08, the buying in price will be rounded up to RM11.10 as illustrated below:

Computation of Buying-In Price:

Closing price (Based on current tick size)	Buying-in Computation (Based on the old tick size)	Buying in price
RM 10.00	10.00+1.00 (10x0.10=1.00) =RM 11.00	RM11.00
RM10.02	10.02+1.00 (10x0.10=1.00) =RM11.02	RM11.10 (rounded up to RM11.10)
RM 10.04	10.04+1.00 (10x0.10=1.00) =RM 11.04	RM11.10 (rounded up to RM11.10)
RM 10.06	10.06+1.00 (10x0.10=1.00) =RM 11.06	RM11.10 (rounded up to RM11.10)
RM 10.08	10.08+1.00 (10x0.10=1.00) =RM 11.08	RM11.10 (rounded up to RM11.10)
RM 10.10	10.10+1.00 (10x0.10=1.00) =RM 11.10	RM11.10

6.2.11 For buying-in of ETFs and ETBS, the same buying-in structure for stocks shall apply:

For example in the case of FBMKLCI-EA if it is traded in the range of RM5.77, the buying-in tick will be of the range of RM5.00 to RM9.95 which is 0.05. Therefore the buying-in price premium will be (10 ticks X 5sen) 50sen.

For ETBS stocks, if it is traded in the range of RM100.03, the buying-in tick will be of the range of RM100.00 and above, which is RM0.50. Therefore the buying-in price premium will be (10 ticks X 50sen) RM5.00.

The above is to ensure that the buying-in price will remain attractive for the ETFs and ETBS which have small minimum tick sizes.

6.3 Procedures to Request for Manual Buying-in/ Withdrawal of Manual Buying-in

6.3.1 There are 2 cut off times for manual buying-in under the T+2 settlement cycle. The table below provides the buying in market timing and the submission cut-off time for manual buying-in/withdrawal:

Buying in Market Timing	1st session buying in: 8:30 am – 12:30 pm	2nd session buying in: 2:00pm to 5:00pm
Submission of Manual buying-in request cut-off time	Manual buying-in request form must be submitted to Securities & Bond Trading (SBT) by 5:00 pm one day earlier before the manual buying-in commences. The manual buying-in order will be valid for 1 trading day.	For the 2 nd session manual buying-in requests, POs are to email to securitiesclearing@bursamalaysia.com the indicative securities as potential buying-in by 7:30 pm one day earlier before the manual buying-in commences. To proceed with the Manual Buying-In, “Request to Buying In Under Manual” form must reach SBT by 11:45am to enable the securities to be reflected on the buying-in board on the same day at 2:00pm.

- 6.3.2 All manual buying-in orders are valid for 1 trading day. If the manual buying is not done for the trading day, it will be automatically withdrawn from BTS2 after 5pm.
- 6.3.3 POs must provide Securities & Bond Trading (SBT) with the latest list of its personnel who are authorised to request for manual buying-in/ withdrawal of manual buying-in request.
- 6.3.4 All requests for manual buying-in should be made using the “Request To Buying-In Under Manual” form (Appendix 9). Requests for withdrawal of buying-in should be made using the “Request for Withdrawal of Buying-In form (Appendix 10).” All requests/withdrawal of the manual/withdrawal buying-in requests must be signed by the authorised signatory of the PO.
- 6.3.5 POs must submit and confirm all requests/withdrawal of manual buying-in with SBT. **It is the responsibility of the PO to call and confirm the requests/withdrawal of the manual buying-ins.**
- 6.3.6 If the manual buying-in is not done in the 1st session and the PO wishes to withdraw the manual buying - in, the PO must call SBT followed with the fax/email of the Withdrawal of Buying -In form (Appendix 10) to SBT before 12:30pm.

**Manual buying-in request made one day earlier for next trading day for
1st trading session (8:30am-12:30pm)**

Responsibility	Action
POs	<ol style="list-style-type: none"> 1. Send duly authorised Manual Buying-In of Manual Buying-In request forms by fax or email by 5pm. 2. The authorised signatory to contact SBT via phone to confirm the request/withdrawal has been received by SBT.

Manual buying-in request before 11:45am (2nd trading session 2:00pm-5:00pm)
Only for the indicative securities for potential Buying-in

- | | |
|-----|--|
| POs | <ol style="list-style-type: none"> 1. Send duly authorised Manual Buying-In of Manual Buying-In request forms by fax or email before 11:45am. 2. The authorised signatory to contact SBT via phone to confirm the request/withdrawal has been received by SBT. |
|-----|--|

Manual buying-in withdrawal requests (before 12:30pm)

- | | |
|-----|---|
| POs | <ol style="list-style-type: none"> 1. Send duly authorised Manual Buying-In Withdrawal request forms by fax or email before 12:30pm. 2. The authorised signatory to contact SBT via phone to confirm the withdrawal has been received by SBT. |
|-----|---|

6.4 Fee on Buying-in

Pursuant to paragraph 4.4 of Directive 3-001 of the Exchange (Directives on Applications to the Exchange and Fees pursuant to Chapter 3 of the Rules), a fee of 1% of the buying-in contract value in the currency in which the securities are traded will be charged by the Exchange against the defaulting POs and the POs have the right to recover such fee from the defaulting client and is entitled to a rebate of 50% from that fee. This fee has to be settled by the defaulting selling PO on T+1 of the buying-in transaction date. The collection of fee will be part of the daily settlement amount.

7.1 General

7.1.1 The following short selling on securities are available on Bursa Malaysia Securities Berhad:

- (a) Regulated Short Selling (RSS)
- (b) Proprietary Day Trading (PDT)
- (c) Intraday Short Selling (IDSS)
- (d) Permitted Short Selling (PSS)

7.1.2 Short sell orders must be entered during the Trading Phases stipulated in Paragraph 2.5.7 of this document.

7.1.3 Short selling is only applicable to Normal Market, and not allowed for Odd lot, Buying-in and DBT markets.

7.2 Regulated Short Selling

7.2.1 Regulated Short Selling (RSS) means the selling of securities approved by Bursa Malaysia where the seller does not own such securities but has, prior to the execution of the sale, borrowed the Approved Securities or obtained confirmation from an Authorised Participant that the Authorised Participant has the Approved Securities available to lend.

RSS can only be conducted on securities that are on the Approved List.

A Participating Organisation must ensure the following conditions are met before entering an order for a RSS, whether for itself or a Client:

- (a) the Approved Securities to be short sold have been borrowed through Securities Borrowing and Lending (SBL) or purchased through Islamic Securities Selling and Buying – Negotiated Transactions (ISSBNT), as the case may be; or

- (b) a confirmation has been obtained from an Authorised SBL Participant or Authorised ISSBNT Participant, as the case may be, that the Approved Securities to be short sold are available to settle the sale;
- (c) the order price of the Approved Securities to be entered into the ATS is in compliance with all requirements as may be prescribed by the Exchange; and
- (d) the order is entered into ATS through the screen designated in the ATS for Regulated Short Selling.

7.2.2 POs must open and use a designated trading account (RSS trading accounts) for RSS orders. Normal orders and Direct Business Transactions (DBTs) are not allowed in RSS trading account. With the exception of :

- a) erroneous trades on non-RSS approved securities and shares of non-RSS approved securities credited into the designated RSS account arising from corporate action. To facilitate rectification, normal buy and sell would be allowed to close off such positions. The PO is required to report such cases if any in the Monthly Compliance Report.
- b) normal buy transactions of RSS approved securities in the RSS account are for return only.

7.2.3 RSS orders must comply to the tick rules stipulated by Bursa Malaysia. There are two (2) tick rules applicable to RSS orders as below:

Tick Rule	Requirement
At-Tick Rule	Order price must be at prevailing best ask / selling price or higher
Uptick Rule	Order price must be higher than the Last Done Price or Reference Price

7.2.4 RSS orders must be entered in compliance to At-Tick Rule during normal trading. In the event of a Circuit Breaker, upon resumption of trading, the execution of RSS orders must comply to the Uptick rule.

7.2.5 RSS order execution summary can be viewed below:

TRADING STATUS	RSS ORDERS			
	NEW ORDER	PRICE	MODIFY ORDER	CANCEL ORDER
NORMAL TRADING				
PRE-OPENING	X	-	Reduce quantity only (Second session)	√
MAIN TRADING	√	At-Tick	√	√
PRE-CLOSING	X	-	Reduce quantity only	√
TRADING AT LAST	√	Close Price	√	√
SECURITY TRADING HALT	X	-	Reduce quantity only	√
CIRCUIT BREAKER HALT	X	-	Reduce quantity only	√
CIRCUIT BREAKER RESUME	√	Uptick	√	√

7.2.6 During main trading phase, RSS orders can only be entered at a price in compliance to At-Tick Rule except when FBMKLCI Index declines by 10% or more from the previous trading day's closing index. In such case, the Uptick Rule will apply till the end of the following trading day. RSS order will be rejected if there is no existing sell order in the orderbook.

7.2.7 During Pre-Opening and Pre-Closing trading phases, no new RSS order can be entered. Existing RSS orders entered during main trading phase will be carried forward to these trading phases, and such orders will be allowed to be cancelled or modified for reduction of quantity only.

7.2.8 During Securities Trading Halt, no new RSS order can be entered. Existing RSS orders entered during main trading phase will remain in the orderbook during

the securities trading halt, and such orders will be allowed to be cancelled and modified for reduction of quantity only.

- 7.2.9 During Trading At Last phase, existing RSS orders entered during the preceding phase(s) will be carried forward into this trading phase. New RSS orders can be entered at the Closing Price only. RSS orders can be cancelled and modified on price to closing price only and quantity. If the revised price of the modification is not the Closing Price, the order modification will be rejected by the ATS.

7.3 Proprietary Day Trading (PDT)

- 7.3.1 Proprietary Day Trading (PDT) dealers are allowed to enter short selling orders (PDT orders) on PDT eligible securities. Currently, all securities admitted to the Official List of Bursa Malaysia Securities Berhad, excluding securities listed on the ACE Market and the LEAP Market are prescribed as PDT eligible securities.
- 7.3.2 POs must open and use a designated trading account (PDT trading accounts) for PDT orders in the Normal market.
- 7.3.3 An SBL or ISSBNT agreement is not required for a Proprietary Day Trader to conduct PDT.
- 7.3.4 Unlike RSS trades, there is no tick rule requirement for PDT, trades can be conducted at any price within the existing price limits.
- 7.3.5 PDT orders can be entered at all trading phases except for Trading at Last. Orders from all trading phases will be carried forward to next trading phase when entered as Day order. However, at Trading at Last unmatched PDT orders will be purged and no new orders will be allowed to be entered.
- 7.3.6 POs must close off any short positions on T day itself and close off any buy positions not later than T+1.

7.4 Intraday Short Selling (IDSS)

- 7.4.1 Intraday Short Selling (IDSS) allows eligible investors to engage in short selling of RSS Approved Securities.
- 7.4.2 Similar to PDT, eligible investors can sell first and buy later the same securities, however they must ensure that all short positions have been closed off within the same trading day.
- 7.4.3 Similar to PDT, there is no tick rule requirement for IDSS and orders can be entered at all trading phases except for Trading at Last. Orders from all trading phases will be carried forward to next trading phase when entered as Day order. However, at Trading at Last unmatched IDSS orders will be purged and no new orders will be allowed to be entered.
- 7.4.4 Unlike PDT, eligible investors do not have to open a designated trading account to conduct IDSS, however, the eligible investors must have entered into an agreement to borrow Eligible Securities or purchase ISSBNT Eligible Securities to settle all potential failed trades which may occur in the event any Intraday Short Selling executed for the eligible investors are not closed out by the end of the day.

7.5 Permitted Short Selling (PSS)

- 7.5.1 Permitted Short Selling (PSS) can only be conducted by Market Makers or Derivatives Specialists as per the following:
- (a) Market Marker for ETFs – the ETF and its Constituent Securities;
 - (b) Market Maker for structured warrants – the underlying securities of the structured warrants which is Approved Securities;
 - (c) Derivatives Specialists – the underlying securities of the Single Stock Futures Contract or Stock Option Contract which are Approved Securities.

7.5.2 There is no tick rule requirement for PSS and orders can be entered at all trading phases, subject to the existing price limits and controls.

7.6 Short Selling Price and Trade Limit

7.6.1 When the last traded price of the RSS Approved Securities, drops more than 15 Sen (for securities with reference price <RM 1.00) or 15% (for securities with reference price \geq RM 1.00) from the reference price, IDSS and short selling under PDT activities for the Approved Securities will be suspended and all existing IDSS and short selling under PDT orders will be eliminated by the system.

New IDSS and short selling under PDT orders will be rejected by the system and the IDSS and short selling under PDT activities will remain suspended for the rest of the trading day even after the price has recovered.

7.6.2 The daily short selling trade limit for a particular **Approved Securities** is set at 3% based on the total gross short selling (RSS + short selling under PDT + IDSS) volume for the day against the issued number of shares of the said securities.

7.6.3 Once the daily short selling trade limit for a particular **Approved Securities** is reached, Bursa Malaysia will suspend RSS, IDSS and short selling under PDT for the securities for the rest of the day. All existing RSS, IDSS and short selling under PDT orders will be cancelled by the system and no new RSS, IDSS and short selling under PDT orders will be allowed for the securities. **This suspension will also be imposed on the short selling of the child securities of the Approved Securities, where applicable.**

7.6.4 The aggregate limit threshold for suspension prescribed by the Exchange pursuant to Rule 4.18 and Rule 8.31 of the BMS Rules is triggered when the aggregated quantity of the total net short position of an **Approved Securities, PSS Securities or Dual List Securities, as the case may be, is at 10% of the**

quantity of the outstanding securities of such Approved Securities, PSS Securities or Dual List Securities, as the case may be.

Dual List Securities are PSS securities which are also in the Approved List.

- 7.6.5 Once the aggregated quantity reaches 10%, Bursa Malaysia will suspend all RSS, PSS, IDSS and short selling under PDT activities for the particular securities. All existing RSS, PSS, IDSS and short selling under PDT orders will be cancelled by the trading system and no new RSS, PSS, IDSS and short selling under PDT orders will be allowed until the suspension is removed. This suspension will also be imposed on the short selling of the child securities of the Approved Securities, where applicable.

The suspension will only be removed when the aggregated quantity falls below 10% of the quantity of outstanding securities, which can only occur when there is a redelivery of Eligible Securities under an SBL Agreement or of ISSBNT Eligible Securities under an ISSBNT Agreement.

- 7.6.6 When any of the short selling is suspended, the Exchange will issue a special announcement informing the market of the suspension with the reason(s). For suspension of short selling due to 10% aggregate limit, the Exchange will issue another special announcement once the suspension of short selling is removed.

8.1. General

A Circuit Breaker is a mechanism implemented to moderate excessive volatility in the stock market of the Bursa Malaysia Securities Bhd.

A Circuit Breaker is a market-wide approach to managing downward movement of the barometer index. It does this by temporarily halting trading in the entire market during normal trading hours. Announcement on the trading halt will be immediately disseminated to the public.

When the Circuit Breaker is triggered, it is intended that investors should continue to keep themselves updated and informed by continuing to access all possible sources of information available. In this manner, investors will be able to assess and review prevailing conditions based more on information and less on market trends and speculation, in order to make well-considered investment decisions upon resumption of trading.

The Circuit Breaker mechanism as implemented at Bursa Malaysia Securities Bhd is only for monitoring downward movement (not upward) of the FBMKLCI.

8.2 Trading Suspension (Bursa Malaysia Securities Rule 8.42)

The Exchange may suspend trading of all or any of the securities quoted on the stock market of the Exchange if:

- (a) there is a significant drop in the Exchange's benchmark composite index; or
- (b) a suspension from trading is imposed pursuant to these Rules or the Listing Requirements.

8.3 Bursa Malaysia Circuit Breaker Trigger Limits

Bursa Malaysia Circuit Breaker Trigger Levels/ Conditions And Trading Halt Duration					
Trigger Level	FBMKLCI Decline	From 9:00 am – before 11:15 am	From 11:15 am to 12:30 pm	From 2:30 pm – before 3:30 pm	From 3:30 pm to 5:00 pm
1	FBMKLCI falls by an aggregate of 10% or more but less than 15% of the previous market day's closing index.	1 Hour	Rest of Trading Session	1 Hour	Rest of Trading Session
2	FBMKLCI falls by an aggregate of or more than 15% of the previous market day's closing index.	9.00 a.m. - 12.30 p.m.		2.30 p.m. - 5.00 p.m.	
		Rest of Trading Day		Rest of Trading Day	

A fall in the FBMKLCI may or may not be in a sequential manner i.e. down to 1st level, then to 2nd level, the fall may be abrupt and steep right down to the 2nd level.

A trading halt at any of the 2 trigger levels will occur only once during the trading day in Bursa Malaysia Securities market.

8.4. Trading Halts Due to Circuit Breaker Triggered

8.4.1 **Level 1:** If the FBMKLCI at any time during a trading session reaches Circuit Breaker Level 1 below its closing value on the previous trading day, trading in securities shall immediately halt on the stock market of Bursa Malaysia and shall not resume for a continuous period of not less than one (1) hour or until the close of the trading session, whichever is the earlier.

8.4.2 **Level 2:** If the FBMKLCI at any time during a trading session reaches Circuit Breaker Level 2 below its closing value on the previous trading day, trading in securities shall immediately halt on the stock market of Bursa Malaysia and shall not resume for the remainder of the trading day.

8.4.3 Without derogation to any of the foregoing provisions, in the event a halt in trading in respect of Circuit Breaker Level 1 is effected when there is equal or

less than one (1) hour and fifteen (15) minutes to the end of the trading session, trading in securities on the stock market of Bursa Malaysia shall halt for the remainder of the trading session and resume at the start of the following trading session.

8.5 Calculation of Circuit Breaker Trigger

- 8.5.1 The Circuit Breaker Levels will be calculated by Bursa Malaysia before the beginning of each market day using the prescribed percentages based on the closing value of the FBMKLCI of the previous market day.
- 8.5.2 Each percentage calculation will be rounded to the nearest integer to create the Circuit Breaker Levels' trigger points and will remain in effect until the next calculation.
- 8.5.3 These directives shall apply whenever the FBMKLCI reaches the Circuit Breaker Levels' values calculated in accordance with these directives as may be implemented by Bursa Malaysia notwithstanding the fact that there may be orders being entered into ATS contemporaneously with the calculation of the FBMKLCI, which orders may, if taken into account, impact the FBMKLCI.
- 8.5.4 These directives shall apply whenever the FBMKLCI reaches the Circuit Breaker Levels' values calculated herein notwithstanding the fact that, at any given time, the calculation of the Circuit Breaker Levels' values may be based on the prices of less than all of the stocks included in the FBMKLCI.

8.6 Trading Status During Circuit Breaker

During Circuit Breaker Trading Halt of Level 1 (10 % or more but less than 15%), the Trading phase status will be “**CIRCUIT BREAKER HALT**” (CBH). During this phase orders can be entered, modified or withdrawn.

During Circuit Breaker Trading Halt of Level 2 (equal or more than 15%), orders cannot be entered, modified, cancelled and matched.

8.7 Resumption of Trading

The resumption in trading following a halt shall be conducted in accordance with such procedures and processes as may be determined by Bursa Malaysia to be necessary or expedient by way of any circulars, directives or guidelines issued by Bursa Malaysia from time to time.

9.1 Direct Business Transaction

9.1.1 Direct Business Transaction (DBT) encompasses any trades transacted outside Bursa Malaysia's ATS but reported in ATS. Such transactions include:-

- crossing; transaction between two POs,
- married; transaction between two clients within a PO.

9.1.2 The transaction price for DBT report is the Previous Volume Weighted Average Price (PVWAP) of the securities. POs can report DBT trades at any price subject to the Rules of Bursa Securities on DBT.

9.1.3 The PVWAP of securities will not be provided by the Exchange, thus, POs must ensure that they have a procedure/system available to provide them with PVWAP should they need to carry out their DBT based on PVWAP.

9.1.4 Securities which fall under the following categories, DBT cannot be performed for the first one (1) hour of the trading session:

1. Securities under New listing
2. Securities under Corporate exercise
3. Securities Re-quoted from Suspension

9.1.5 Upon one (1) hour of the Opening Auction phase, POs can perform the DBT using the VWAP of the first hour of trading. However, if there is no VWAP available (due to no trades), the securities' reference price for the particular session shall be used as the basis for DBT.

9.1.6 Bursa will inform POs via Special Announcement on the securities that fall under the above categories as stipulated in Section 9.1.4 to ensure POs are aware of what price to refer to for their DBT.

- 9.1.7 In entering the DBT trades, the seller of a said transaction must key-in first in the system the DBT information. Once satisfied that the DBT information is in order, the buyer will have to confirm acceptance of the trade to complete the transaction,
- 9.1.8 For DBT of a quantity of less than 50,000 units and at a price which is 15% higher or lower than the effective price (PVWAP/VWAP/Reference Price depending on the situation), POs must obtain approval from Bursa Regulation, three (3) days prior to the said transaction. For DBT of a quantity of more than 50,000 units and at a price which is 15% higher or lower than the effective price, POs must report the said transaction to Bursa Regulation the latest by 12.30 pm of the following trading day. All DBTs within the 15% of the effective price need not be reported to Bursa.
- 9.1.9 Cancellation of the DBT trades is not allowed.
- 9.1.10 To perform client amendment on a DBT trade, the respective PO(s) must cancel the trade and replace the said trade with a new trade. Both parties involved in the DBT must cancel the trade together and replace it with a new one accordingly. POs to note that the trades are allowed to be cancelled for “client amendment purpose” only and all cancelled trades **MUST** be replaced with a new trade. A pure trade cancellation is not allowed.
- 9.1.11 POs (both buyer and seller) whom have cancelled and replaced a DBT trade must submit a form (*Appendix 11*) using PO’s letterhead and the duly signed form must reach the Exchange before the commencement of trading on the next market day. Please refer to *Appendix 11- Direct Business Transactions Amendments & Cancellation Report*. All forms must be signed by either Head of Operations/Dealing and faxed OR emailed to 03-2026 3659/60 or SMO@bursamalaysia.com and call at 03-20347777.

9.1.12 POs may request to SBT for DBT Cancellation if they are not able to cancel due to system problem. All requests must be made using *Request for Cancellation Direct Business Transaction (DBT)* form. The form must be signed by authorised signatory and fax to SBT. *Please refer to Appendix 12 - Request for Cancellation of Direct Business Transaction.*

10.1 General

On-Market Married Transaction (OMMT) is a trade transaction whereby a PO can key-in a buy and sell order to match directly on-market without going through the order book under the following conditions:

- OMMT is available for "married" transactions i.e. matching of trades between the same PO's buying and selling clients and not for "crossings" i.e. matching between 2 different POs;
- The PO can act on behalf of a client on one side of the trade and as principal (i.e. trading for themselves) on the other;
- The transaction has to be within the same branch of the PO;
- The bid and ask orders must be of the same price and same quantity;
- The price for OMMT is:
 - (i) at or within the best buy and best sell limit prices at the time of execution.
 - (ii) if there is no best buy price, at or within the Lower Limit Price and the best sell price in the ATS at the time of execution;
 - (iii) if there is no best sell price, at or within the best buy price in the ATS at the time of execution and the Upper Limit Price; or
 - (iv) if there is no best buy price and no best sell price, at or within the Lower Limit Price and the Upper Limit Price.
- If an OMMT is executed during the TAL phase, a PO must effect the OMMT at the closing price.

10.2 OMMT Features

10.2.1 OMMT orders are only to be allowed during Main Trading Phase and Trading At Last phases only.

-
- 10.2.2 During Main Trading Phase, only limit order types are allowed. Order price must be at or within the best buy and best sell limit prices.
- 10.2.3 OMMT is provided for normal market only and is not available for odd lot and buying-in markets.
- 10.2.4 OMMT executed trades will impact the Last Done prices of the normal market.
- 10.2.5 If there is no buy order, the lower limit is the lower threshold and if there is no sell order, the upper limit is the upper threshold.
- 10.2.6 No Regulated Short Selling (RSS) and Proprietary Day Trading (PDT) are allowed.
- 10.2.7 Total quantity of single order OMMT must range between the minimum quantity and the maximum quantity defined by the system (e.g. minimum of 1 lot maximum of 5000 lots per order entry). The default board lot is 1 board lot i.e. 100 shares.
- 10.2.8 The OMMT transactions between different buyer and seller client account from different dealer/remisiers can only be accepted if both dealer/remisiers are associated. For example, a dealer of a PO is able to key in for another dealer's clients of the same PO only if they have already been associated by the PO Order Management System's Administrator.

10.3 OMMT Trade Information

- 10.3.1 Once an OMMT is effected, the quantity of the OMMT will be included as part of Normal volume computation.
- 10.3.2 OMMT transaction will impact the Last Done Prices of the Normal Market.

10.3.3 The OMMT trades will not be included in the calculation of VWAP.

10.4 OMMT Order Administration

10.4.1 PO is authorised to allow selected dealers/remisiers to have access for OMMT order entry function.

10.4.2 OMMT is allowed for DMA, internet trading and algorithm trading.

10.4.3 The rule for the client amendment would be the same rule as that for the normal buy and sell transaction. The OMMT trades can subsequently be amended individually to a different client account.

10.4.4 The credit limit check and earmark on the OMMT order will also follow the same rule as that of the normal buy and sell transaction.

11.1 General

All trades matched on Bursa Malaysia Securities Berhad (“the Exchange”) are deemed as good and must be honoured by both the buying and selling parties. However, there are circumstances where an error in a trade could not be avoided which may impact the functioning of a fair and orderly market. Under these circumstances, the Exchange’s Error Trade Policy shall be invoked to minimize the impact of such error trades to the market.

11.2 The Error Trade Policy covers:

11.2.1 Price Adjustment for error trades by Participating Organisations (“POs”).

11.2.2 Trade Cancellation for error trades arising from the following circumstances:

1. Upon a request made by a PO to the Exchange to cancel an error trade, where the buying and selling PO and their respective clients (where applicable) agree to the cancellation.
2. Erroneous execution of a Contract arising from:
 - a) a system failure or malfunction in the ATS or in any other system, service or facility of the Exchange; or
 - b) a mistake in the entries made by the Exchange in the ATS.
3. Erroneous execution of a Contract arising from:
 - a) a system failure or malfunction in the trading system, service or facility of the PO; or
 - b) the unauthorised entry of an order
4. If in the opinion of the Exchange, there is an erroneous execution of a Contract which may pose a systemic risk to the Clearing House if it is not cancelled by the Exchange.

11.3 A PO can only make a request for a Price Adjustment on error trades under Rule 8.12A, if the error trade is matched outside the No Adjustment Range (“NAR”) and has a Potential Trading Loss of not less than RM50,000.00.

11.4 The NAR is the price range at which if a trade is matched, the trade would not be allowed to be price adjusted. The NAR set by the Exchange is as stated below:

Prevailing Price (RM)	No Adjustment Range
Below 1.00	At or within the price which is RM0.10 below the Prevailing Price and the price which is RM0.10 above the Prevailing Price.
1.00 and above	At or within the price which is 10% below the Prevailing Price and the price which is 10% above the Prevailing Price.

In relation to securities denominated in foreign currency, the range of prices stated will equally apply but denominated in the foreign currency in which the securities are quoted and traded in.

11.5 Prevailing Price refers to the Last Done Price or any other price the Exchange deems fit, prior to and/or on the same trading session that an error trade occurs.

For example, an error trade occurs at 2.30 p.m. with prices ranging from RM2.30 to RM2.50 and the last done price traded prior to the erroneous trade was RM2.10. The Prevailing Price will be RM2.10, which was the Last Done Price for the securities and the NAR will be from RM1.89 to RM2.31. Erroneous trades that were done above the NAR RM2.31, can be adjusted, i.e. trades done at RM2.32 to RM2.50.

11.6 The Error Trade Policy is applicable to Board lots only. It is not applicable to Buying-in, Odd-lots and DBTs.

- 11.7 Trades from the following trading phases are eligible for Price Adjustment/ Trade Cancellation request:

Pre-Opening	Opening Auction	Main Trading	Pre-Closing	Closing Auction	Trading at Last (TAL)
No	Yes	Yes	No	Yes	Yes

As there is no matching during Pre-Opening and Pre-Closing phases, there would not be matched trades for consideration. However, orders entered during Pre-Opening and Pre-Closing phases that are matched during other trading phases are eligible for price adjustment/trade cancellation request.

- 11.8 Erroneous On Market Married Transaction (“OMMT”) are eligible to be considered for trade cancellation arising from Mutual Agreement stipulated in Rule 8.10(1)(a) only by virtue that OMMT can only be executed by one PO for both the buying and selling transactions.
- 11.9 The Exchange will impose a fee of RM1,000.00 on all approved requests for price adjustment and trade cancellation. Any trade cancelled is irrevocable.
- 11.10 Subsequent to the price adjustment or trade cancellation, the Exchange may request the POs to submit detailed incident reports on the error trade.
- 11.11 Upon identifying an error trade, apart from carrying out a trade cancellation or a price adjustment, the Exchange may take any other appropriate action it deems fit, such as suspension of trading to minimise the impact to the market and ensure that a fair and orderly market is maintained.
- 11.12 POs should take note that any price adjustment or trade cancellation is without prejudice to the Exchange’s rights to take enforcement action against the POs and/or its client(s).

11.13 Price Adjustment Arising from Participants' Error (Rule 8.12A)

11.13.1 Erroneous trades must be reported to SBT within 15 minutes of the error trade execution. A verbal report must be followed with a written request for price adjustment by submission of the *Request for Error Trade Price Adjustment (Appendix 13)* within 30 minutes after the first verbal communication.

11.13.2 Prior to a request, the PO must ensure that:

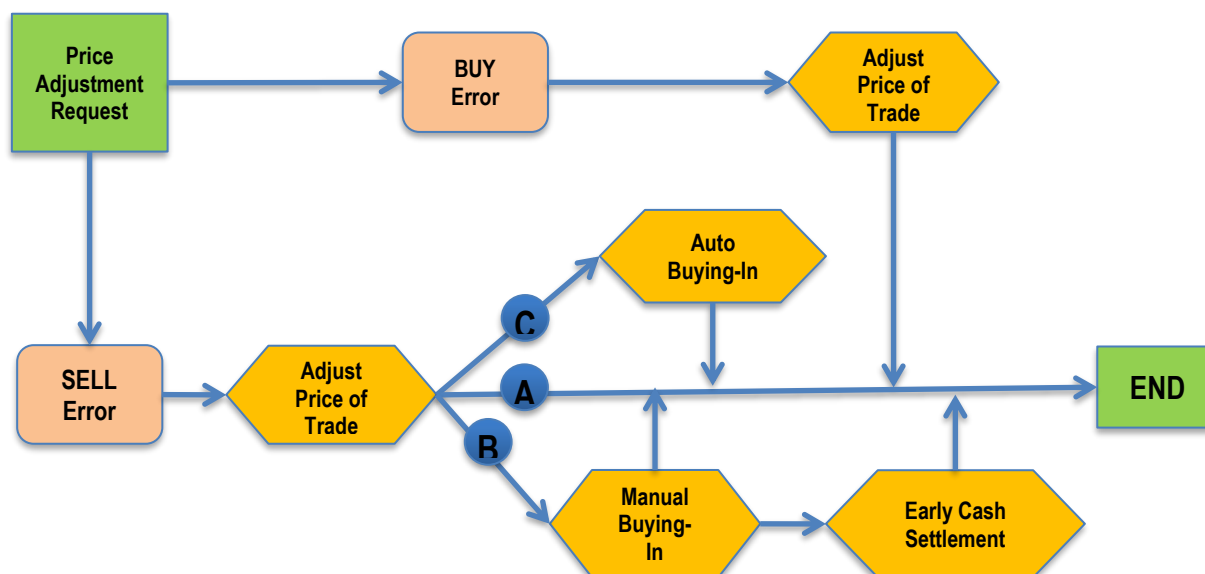
1. The error trade price is outside the NAR; and
2. The Potential Trading Loss if the Contract is not price adjusted is not less than RM50,000.00. Trading Loss refers to the difference between the value of the trade if executed based on the Prevailing Price and the value of the error trade.

11.13.3 The Exchange will notify the counterparty PO of the error trade and the Clearing House once it receives a written request for price adjustment.

11.13.4 A decision by the Exchange on whether to adjust the price of the Contract will be made on the day of which the Contract is executed. The Exchange will inform the affected POs and the Clearing House of its decision with the details of the price adjustment (if any).

The Exchange may also notify the market of a price adjustment when appropriate, for example, price adjustment of trades which constitute the last traded price of a securities.

11.13.5 The Exchange may adjust the price of an error trade to the nearest price within the NAR. Please see below the flowchart illustrating the process involved in the price adjustment of an error trade.



- A** Requester is able to deliver the securities
- B** Requester is NOT able to deliver the securities and submitted a request for manual buying-in
- C** Requester is NOT able to deliver the securities and DID NOT submit a request for manual buying-in

11.13.6 The price adjustment of the error trade will only involve the immediate sale and purchase transactions of the error trade and would not affect any subsequent sale and purchase that may have arisen from the initial error trade.

11.13.7 The price to be adjusted for the price adjustment of the error trade will be determined on the day of the error trade. Below is an example of the calculation of price adjustment.

		Scenario 1	Scenario 2
Prevailing Price (PP)		RM0.30 (last traded price before error trade occurs)	RM20.00 (last traded price before error trade occurs)
Contract price (Error trade)		RM0.45 buy order	RM16.00 sell order
NAR	Up	RM0.40 (RM0.30 + RM0.10)	RM22.00 (RM20.00 + 10% of PP)
	Down	RM0.20 (RM0.30 - RM0.10)	RM18.00 (RM20.00 - 10% of PP)
Adjusted Price (RM)		RM0.40 (RM0.30 + RM0.10)	RM18.00 (RM20.00 - 10% of RP)

11.13.8 The Exchange may also at its discretion, take any other actions it deems fit in lieu of adjusting the price of the error trade upon a request by POs.

11.13.9 The settlement for contracts following a price adjustment is on T+2, similar to the normal settlement of contracts that follow the Fixed Delivery and Settlement System ("FDSS") for the delivery and settlement of securities on the Exchange.

The adjusted price will be determined on T day, the settlement will be done on T+2 based on the determined price on T day. This will ensure the settlement is in line with FDSS.

11.13.10 The PO shall indemnify and hold indemnified the Exchange for or against any loss, damage, cost, expense, liability or claim suffered or incurred by the Exchange, whether directly or otherwise arising from or in connection with a request for cancellation or price adjustment made under Rule 8.12 and Rule 8.12A, respectively.

11.13.11 Manual Buying-in Arising from Error Trade

1. POs can request for manual buying-in if they foresee a default in delivery of shares due to their error trade which has not been cancelled, partially cancelled or price adjusted, upon reporting to the Exchange.
2. The request for manual buying-in must be submitted and confirmed with SBT personnel by 5pm, one trading day prior to the intended trading day for buying in to take place.
3. If the buying-in is not completed by the end of first trading session, the PO may request for an Early Cash Settlement.
4. The request for Early Cash Settlement must be submitted using the *Error Trade - Request for Withdrawal of Manual Buying-in and Early Cash Settlement (Appendix 14)* and confirmed with SBT personnel by 5pm on the day of submission.

11.14 Trade Cancellation of Error Trade

- 11.14.1 Trade Cancellation for error trades can be originated from:
- a) The Exchange, or
 - b) The PO(s)
- 11.14.2 As part of managing the process of error trade cancellation, the Exchange may immediately “Halt” or “Suspend” the entire market or a specified stock or group of stocks to ensure a fair and orderly market. A Special Announcement will be issued.
- 11.14.3 No trades will be matched during “Halt” and “Suspend” period, however, order entries, modification and withdrawal are allowed during “Halt” period. The “Halt” period is to give dealer’s representatives the necessary time to contact their clients and to make modification to their orders, if necessary.
- 11.14.4 The market will be duly informed with notice prior to the resumption of trading.
- 11.14.5 Upon resumption from “Halt”, the market (or a specified stock or group of stocks) will open and continue at the continuous trading phase, whereas upon resumption from “Suspend”, the market (or a specified stock or group of stocks) will undergo a specific period of pre-opening before the market opens and goes into continuous trading phase.
- 11.14.6 In ensuring a fair and orderly market, the Exchange may extend its trading hour to accommodate the resumption of trading if it is necessary to do so.

**11.14.7 Trade Cancellation of Error Trade Arising from System
Failure/Malfunction/Mistake by the Exchange (Rule 8.10(1)(b))**

1. Once the error trade is confirmed, the Exchange will issue a Special Announcement to inform the market of the affected trades which are to be cancelled, and the reasons for the cancellation.
2. In addition to the Special Announcement, the Designated Trading Managers at the affected POs will also be given the details of the affected trades via email.
3. Subsequent trades arising from error trades will be subject to “no onward sell” restriction.
4. The Exchange may cancel any subsequent trades arising from the original error trade, to ensure a fair and orderly market.

11.14.8 Trade Cancellation of Error Trade Arising from a System Failure/Malfunction in the PO's Trading System, Service or Facility, or Unauthorised Entry of Orders (Rule 8.10(1)(c))

1. A system failure or malfunction in the trading system, service or facility of the PO refers to any one or more of the following circumstances:
 - a) Power outage that caused the order management system to be down.
 - b) Hardware failure of the order management system (including application server, database server and network equipment).
 - c) Computer virus or malware being introduced to the order management system that incapacitates the order management system or a denial of service attack (DDOS) that floods the network traffic.
2. An unauthorised entry of order refers to an order entered or caused to be entered into the PO's order management system by a person who had secured unauthorised access to that system through compromising its security features, or such other circumstances as the Exchange may prescribe.

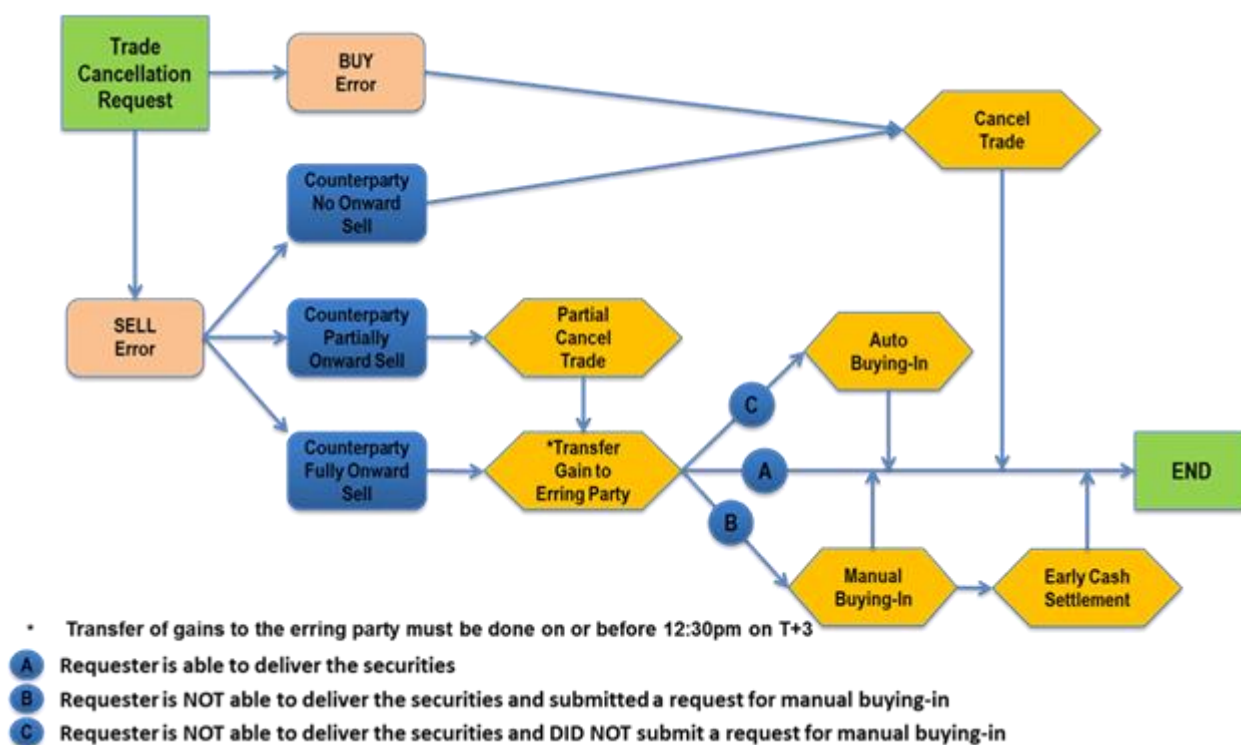
Some examples of unauthorised entry of orders are:

- a) Order(s) entered via illegal access to the PO's application server, database server and network equipment.
- b) Order(s) entered without the knowledge or proper authorisation from the PO. However, this does not include orders which are

entered due to an individual's or a PO's negligence in handling the password security to access the order management system.

3. Erroneous trades must be reported to SBT within 15 minutes of the error trade execution. A verbal report must be followed with written request by submission of the *Request for Error Trade Cancellation (Appendix 15)* within 30 minutes after the first verbal communication.
4. An error trade cancellation may only be requested when the Potential Trading Loss is not less than RM50,000.00.
5. The PO shall indemnify and hold indemnified the Exchange for or against any loss, damage, cost, expense, liability or claim suffered or incurred by the Exchange, whether directly or otherwise arising from or in connection with a request for cancellation or price adjustment made under Rule 8.12 and Rule 8.12A respectively.
6. Upon receipt of the trade cancellation written request, the Exchange may notify the counterparty POs of the erroneous trade and the Clearing House of such request. The Exchange may impose restriction on the counterparty POs from onward selling of their bought shares obtained from the erroneous trade.
7. Upon evaluation of the request, the Exchange may, within the same day, inform the affected POs, the Clearing House and the market of its decision with the details of the error trade to be cancelled (if any).
8. The affected POs must respond to the Exchange with confirmation of the details of the trades within 15 minutes of receiving the notification. Counterparty POs must ensure that their clients have been duly informed on any restriction of onward selling and inform the Exchange if their clients have onward sold the shares from the error trades prior to receiving the notification.

Please see below a flowchart to illustrate the processes involved in trade cancellation or error trades arising from a system failure or malfunction in the PO's trading system, service or facility, or unauthorised entry of orders.



9. The Exchange will only cancel the first level of the error trades.

10. If an error trade occurs and the counterparty POs have not onward sold the securities, the Exchange will cancel the error trade. For any of the onward sold portion, the Exchange will not cancel such onward sold trade and the counterparty POs are required to return the gain of the onward selling to the erring PO. For clarity of treatment, it is deliberated below.

If the counterparty POs have fully onward sold the securities, the Exchange will not cancel the error trade. Similarly, if the counterparty POs have partially onward sold the securities, the Exchange will not cancel the error trade in relation to that portion which the counterparty

POs have onward sold. In these circumstances, the counterparty POs who have onward sold the securities must forward the net gains made from the onward selling to the erring PO. The transfer of gains to the erring party must be performed on or before 12:30 pm on T+2. Transfer of gains may be undertaken by way of either issuance of cheque or fund transfer in favour of the erring PO. The payment details will be provided by SBT and the counterparty POs must furnish the confirmation of successful payment to SBT by 12:30pm on the day of payment.

In cases where an error trade occurs and the counterparty POs have fully onward sold the securities, the erring PO must ensure the delivery of the shares to the counterparty POs. Where the counterparty POs have only partially onward sold the securities, the erring PO must ensure delivery of such portion which was onward sold.

Delivery of the securities may be done through one or more of the methods set out in paragraph 11 below.

11. The delivery of the shares by the erring PO may be from:
 - a) The shares in the account where the error trade took place;
 - b) A request for manual buying – if the buying-in is unsuccessful, the erring PO can request for early cash settlement;
 - c) Auto buying-in on T+2.
12. The Exchange may also at its discretion take any other actions it deems fit in lieu of cancelling the error trade upon a request by PO.
13. The Exchange may also notify the market of a trade cancellation when appropriate, for example, cancellation of trades which constitute the last traded price of a securities.

14. Manual Buying-in Arising from Error Trade

- a) POs can request for manual buying-in if they foresee a default in delivery of shares due to their error trade which has not been cancelled, partially cancelled or price adjusted, upon reporting to the Exchange.
- b) The request for manual buying-in must be submitted and confirmed with SBT personnel by 5pm, one trading day prior to the intended trading day for buying in to take place.
- c) If the buying-in is not completed by the end of first trading session, the PO may request for an Early Cash Settlement.
- d) The request for Early Cash Settlement must be submitted using the *Error Trade - Request for Withdrawal of Manual Buying-in and Early Cash Settlement (Appendix 14)* and confirmed with SBT personnel by 5pm on the day of submission.

11.14.9 Trade Cancellation Arising from Mutual Agreement by Buying and Selling POs (Mutual Cancellation) (Rule 8.10(1)(a))

1. For mutual trade cancellation, both buying and selling POs and their respective clients must agree to the cancellation of an error trade. Both the buying and selling PO must submit a request to the Exchange to cancel the error trade by 5p.m. of the same trading day.
2. Only the first level of the error trade transaction will be cancelled by the Exchange. POs involved will be responsible for any failed settlement of onward trades contingent to the error trades after cancellation.
3. POs must specify the reasons for requesting the trade cancellation.
4. All trade cancellations are subject to the final approval of the Exchange.
5. The procedures at the PO's end are as below:

Requesting PO

- a) The designated personnel of the requesting PO is to notify the Securities and Bond Trading (SBT) staff by phone on an intended mutual cancellation of trade(s).
- b) The authorised signatory must then complete the *Request for Error Trade Mutual Cancellation* and fax it immediately to the Head of SBT. Please refer to *Appendix 16* for an example.

Responding PO

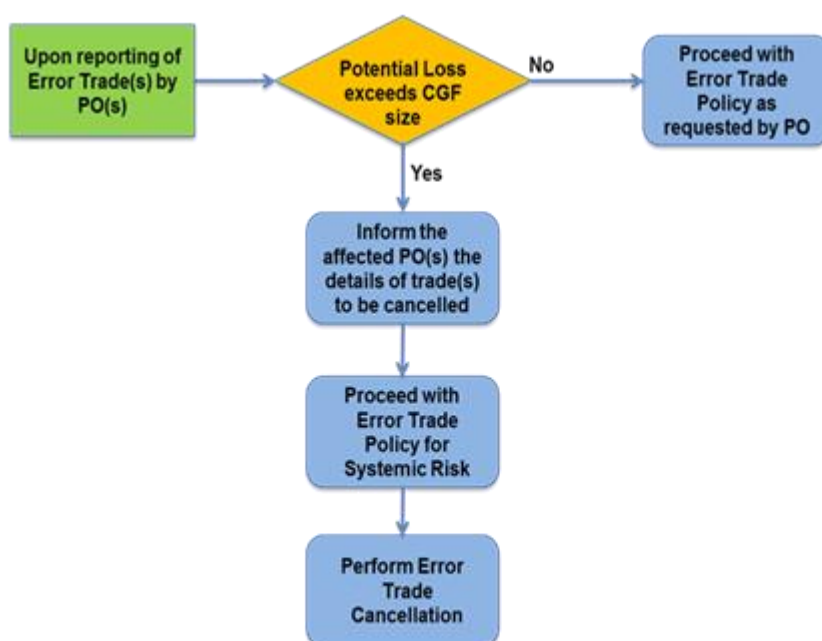
- a) The designated personnel of the responding PO is to notify the SBT staff by phone, upon agreement with the requesting PO on a mutual cancellation.

 - b) This must be followed immediately by another duly completed *Request for Error Trade Mutual Cancellation* which has to be faxed to the Head of SBT.
6. A decision by the Exchange on whether to cancel the trade will be made on the same day of receipt of the request. The Exchange will inform the affected POs of its decision with the details of the error trade to be cancelled (if any). If the Exchange decides to cancel the trade, the market may be notified of such decision.

11.14.10 Trade Cancellation Due to Systemic Risk (Rule 8.10(1)(d))

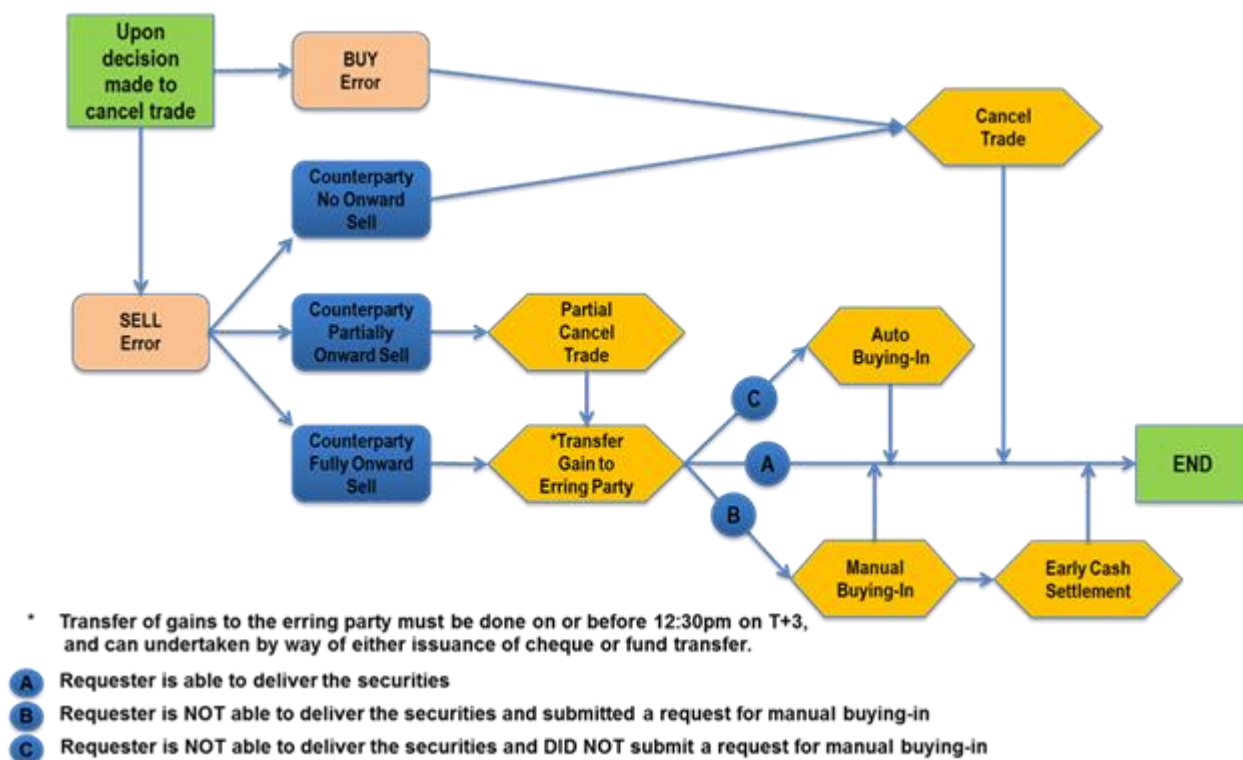
1. The Exchange may cancel an error trade that causes erring PO/TCP to be unable to meet its obligation to the Clearing House (“CH”), and the Clearing Guarantee Fund has to be utilized fully in the course of default management. In such circumstances, preventing the default by cancelling the error trade would preserve the operability of the CH which is recognized as a systemic important financial market infrastructure.
2. Any error trades that have a potential loss that may exceed the CGF size at the point of occurrence, may be subject to trade cancellation under Systemic Risk.

Below is the process flowchart to illustrate the steps involved for trade cancellation on systemic risk.



Note:(i) The Exchange may Suspend/Halt trading for the effected counter(s), if the need arise
(ii) The Exchange may notify the market upon cancellation of the erroneous trade(s)

Process flowchart on systemic risk trade cancellation (cont'd).



3. Subsequent to the trade cancellation, the Exchange will notify the market on the trade cancellation within the same day.

4. Manual Buying-in Arising from Error Trade

- a) POs can request for manual buying-in if they foresee a default in delivery of shares due to their error trade which has not been cancelled, partially cancelled or price adjusted, upon reporting to the Exchange.
- b) The request for manual buying-in must be submitted and confirmed with SBT personnel by 5pm, one trading day prior to the intended trading day for buying in to take place.

- c) If the buying-in is not completed by the end of first trading session, the PO may request for an Early Cash Settlement.
- d) The request for Early Cash Settlement must be submitted using the *Error Trade - Request for Withdrawal of Manual Buying-in and Early Cash Settlement (Appendix 14)* and confirmed with SBT personnel by 5pm on the day of submission.

11.14.11 Review of trade cancellation

1. Where a PO is not satisfied with the trade cancellation, the PO may apply to the Exchange for a review of the cancelled contract on the same market day.
2. The application for review with relevant supporting documents and/or particulars should be submitted to the Securities and Bond Trading before 6 pm, within the same day. Submission by fax must be followed with the original hard copy of the application by the next trading day.
3. All applications for review must be provided with clear justification and the action that the PO is seeking from the Exchange. The action sought must not include a revocation of the cancelled contract as the cancellation is irrevocable pursuant to Rule 8.10(3).

12.1 Order Cancellation

- 12.1.1 In an occasion, where a PO needs to cancel an order but their OMS is down, the said PO can submit a request to SBT of Bursa to cancel the said order.
- 12.1.2 All requests must be made using Request for Order Cancellation form and faxed/emailed and confirmed by the PO's authorised signatory. Please refer to Appendix 18 for the sample form.
- 12.1.3 All requests must be made using Request for Order Cancellation form and faxed and confirmed by the PO's authorised signatory. Please refer to Appendix 18 for the sample form.
- 12.1.4 A PO under an emergency will be given only an option to do a **'Cancel all orders'** or **'Cancel orders by a security'**. The Exchange will carry out this function as soon as possible upon receiving the instruction from the PO. An order which is not matched will be cancelled by Bursa. For orders which are partially matched, POs must accept the trade as good. The order cancellation will clear all outstanding orders in the PO's order book.
- 12.1.5 Requests made under the **'Cancel all orders'**, POs can request cancelling of orders by providing the details of the following options:
- i) The firm /broker code for example, 010 in which all orders of the firm 010 will be cancelled, or
 - ii) By Broker Trader id / Fix Channel Id for example 010901 in which orders of the specific fix channel 010901 will be cancelled, or
 - iii) By firm/ broker code and security for example for firm 010 and security 0001, or
 - iv) By Trader Id/ Fix Channel Id and security and for both buy and sell or either buy / sell side.

12.1.6 Procedures to Request for Order Cancellation

Similar to requests for manual buying-in and DBTs, only POs' authorised signatory are allowed to request for orders cancellation.

Responsibility	Action
POs	<ol style="list-style-type: none"> 1. Send duly authorised <i>Request to Cancel Orders</i> form by fax/email 2. The authorised signatory to contact SBT via phone to confirm the request has been received by SBT.
SBT personnel	<ol style="list-style-type: none"> 3. When POs call, verify the particulars in the request form. 4. Perform cancellation in the system.

13.1 Trade Suspension

- 13.1.1 The Exchange may suspend a securities group or a few securities groups or the entire market in the event of an emergency situation that is likely to severely and adversely affect the operation of the Exchange and/or POs which threatens the market from operating in a fair and orderly manner.
- 13.1.2 Such emergencies include but not limited to fire, computer malfunctions, system errors/program bugs, technical glitches or other hazard, power failure, communication or similar disruptive events affecting Bursa and/or the POs.
- 13.1.3 Disastrous incidents like the 11 September 2001 aerial attack on the World Trade Centre in New York resulted in the suspension of the Securities and Derivatives market in Bursa Malaysia Bhd.

1. Enter Limit Order - Partially Executed

INITIAL ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
001	LMT	7.0	20	003	LMT	7.1	5
002	LMT	6.5	10	004	LMT	7.2	10
				005	LMT	7.5	5

TRANSACTION ENTERED: Buy Limit Order #006 for price 7.20 and size 20

EXECUTED: Order #006 is executed with #003 at price 7.10, size 5
Order #006 is executed with #004 at price 7.20, size 10

NOTE: Orders in the book match at the price limit. The incoming order will only match up to the price limit specified.

REMAINING ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
006	LIM	7.2	5	005	LIM	7.5	5
001	LIM	7.0	20				
002	LIM	6.5	10				

2. Enter Limit Order - Fully Executed

INITIAL ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
001	LMT	6.5	20	003	LMT	9.0	5
002	LMT	6.0	10	004	LMT	9.5	10

TRANSACTION ENTERED: Sell Limit Order #005 for price 6.00 and size 30

EXECUTED: Order #005 is executed with #001 at price 6.50, size 20

Order #005 is executed with #002 at price 6.00, size 10

REMAINING ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
				003	LMT	9.0	5
				004	LMT	9.5	10

1. Market Order Matching during Main Trading Phase

1.1 Main Trading Phase

Last Done Price = 5.25

INITIAL ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
001	LMT	5.20	32				
002	LMT	5.15	19				

TRANSACTION ENTERED: Sell Market Order # 003 size 70

EXECUTED: Order #003 is executed with #001 at price 5.20, size 32
Order #003 is executed with #002 at price 5.15, size 19

The balance 19 lots of the market order will be converted into Limit Order with a price of RM5.15 by the system.

REMAINING ORDER BOOKS:

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
				003	LMT	5.15	19

Note: The Market Order takes priority over all other order types.

1. **Rule 1 - Maximize the number of quantity traded**

1.1 **Case 1**

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	100	10	102	LMT	80	20
101	LMT	90	50	103	LMT	90	30

Theoretical Opening Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty
100	10	50	10	40
90	60	50	50	10
80	60	20	20	40

The TOP is the price that maximizes the number of quantity to be traded = 90

1.2 **Case 2**

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	100	50	103	LMT	80	50
101	LMT	90	50	104	LMT	90	50
102	LMT	80	50	105	LMT	100	50

Theoretical Opening Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty
100	50	150	50	100
90	100	100	100	0
80	150	50	50	100

The TOP is the price that maximizes the number of quantity to be traded = 90

2. **Rule 2 - Minimize the number of quantity unfilled**

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	100	50	103	LMT	80	50
101	LMT	90	10	104	LMT	100	40
102	LMT	80	20				

Theoretical Opening Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty
100	50	90	50	40
90	60	50	50	10
80	80	50	50	30

The TOP is the price that minimizes the number of quantity unfilled = 90

3. Several prices are used to minimize the number of unfilled quantity

3.1 Case 1 (Rule 3i)

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	100	40	102	LMT	80	40
101	LMT	90	10	103	LMT	100	20

Theoretical Opening Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty	Side	Rule
100	40	60	40	20		
90	50	40	40	10	B	R1, R2,R3
80	50	40	40	10	B	

Prices 80 and 90 comply with Rule 2. At these two prices, the imbalance is on the buy side; the highest price is taken = 90

3.2 Case 2 (Rule 3ii)

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	90	50	102	LMT	70	50
101	LMT	70	50	103	LMT	80	10

Theoretical Opening Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty	Side	Rule
90	50	60	50	10	S	
80	50	60	50	10	S	R1, R2,R4
70	100	50	50	50		

Prices 80 and 90 comply with Rule 2. At these two prices, the imbalance is on the sell side; the lowest price is taken = 80

4. **Rule 4 - TOP price is closest to the reference price**

BUY ORDER BOOK				SELL ORDER BOOK			
#	Type	Price	Qty	#	Type	Price	Qty
100	LMT	100	20	102	LMT	70	20
101	LMT	80	10	103	LMT	90	10

Theoretical Price	Qty (Bid)	Qty (Sell)	Traded Qty	Unfilled Qty	Side
100	20	30	20	10	S
90	20	30	20	10	S
80	30	20	20	10	B
70	30	20	20	10	B

The TOP prices lies between the highest price showing an imbalance on the buy side i.e. price = 80; and the lowest price showing an imbalance on the sell side i.e. 90

The TOP used is the nearest value to the reference price i.e. settlement price, in between the price range of 80 and 90.

DYNAMIC PRICE LIMITS UPLIFTMENT REQUEST ON <DATE>

I, _____ (DTM's name) from _____ (PO's Name),
Broker Code: _____ would like to request for the upliftment of Dynamic Price
Threshold mechanism for the following securities:

STOCK CODE	STOCK NAME	LDP/ REF PRICE

AUTHORISED BY: _____
(DESIGNATED TRADING MANAGER)

CONTACT NO.: _____

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

Last Done Price	Dynamic Limit 8%		Static Limit 30%	
	High	Low	High	Low
RM8.00	RM8.64	RM7.36	RM10.40	RM5.60

Reference Price = RM8.00, Last Done Price = RM8.00

Scoreboard after Matching:

Type	With Dynamic Limit	Without Dynamic Limit
Quantity Matched	85,000 shares	92,000 shares
Quantity Expired	15,000 shares	NIL
Last Done Price	RM 7.80 *	RM 6.50

* At RM7.80, the dynamic limit will be revised to High/Low of RM 8.42 and RM 7.17 ($\pm 8\%$ from LDP), respectively.

Order Book:

Buy Qty (units)	Buy Price	Sell Price	Sell Qty (units)
10,000 (1)	8.00	6.00	100,000 (10)
10,000 (2)	7.99		
10,000 (3)	7.98		
50,000 (4)	7.97		
5,000 (5)	7.80		
5,000 (6)	7.20		
1,000 (7)	7.10		
1,000 (8)	6.50		
5,000 (9)	5.90		

Continue to remain in the order book

Selling order 100,000 @ 6.00 will match with the buying order sequence no 1 to 5 at the various prices and quantity.

The trading engine will purge the balance Sell order of 15,000 after the last match of 5,000 units at RM7.80.

Example 1

Both BUY and SELL Orders from Main Trading Phase have higher prices compare to the LPL Range

Time	Event
8:30AM	Ref Price = 5.00
4:30PM	Buy 100@4.80
4:31PM	Sell 100@4.80 Matched at 4.80 LDP = 4.80
1 4:35PM	Buy 1000@6.00
2 4:36PM	Buy 200@5.90
3 4:37PM	Sell 300@6.10
4:45PM	Pre-Closing LPL 8%: 4.42-5.18
4 4:46PM	Sell 100@4.80
5 4:47PM	Sell 100@4.79
4:50PM	Last TCP = 4.80 Closing Price = 4.80

Acronym

TCP – Theoretical Closing Price

LDP – Last Done Price

LPL – Last Price Limits

BUY	ORDER BOOK		SELL
Qty	Price	Price	Qty
1 1000	6.00	4.79	100 5
2 200	5.90	4.80	100 4
		6.10	300 3

Prices in the order book which fall outside of the LPL range will not be included in the list of TCP price-points. In this scenario, only 4.79 and 4.80 are within the LPL range.

PRICES	ACCUMULATED QTY		MATCH QTY	UNMATCHED QTY
	BUY	SELL		
✗ 6.10				
✗ 6.00				
✗ 5.90				
4.80	1200	200	200	1000
4.79	1200	100	100	1100

There are 4 basic rules in the calculation of TCP. In the first rule, the price with the highest matching quantity is the TCP. And in this scenario, 4.80 is the TCP.

1 match 5 for Qty 100 @ 4.80

1 match 4 for Qty 100 @ 4.80

Example 2

Both BUY and SELL Orders from Main Trading Phase have lower prices compare to the LPL Range

Time	Event
8:30AM	Ref Price = 5.00
4:30PM	Buy 100@4.80
4:31PM	Sell 100@4.80 Matched at 4.80 LDP = 4.80
1 4:35PM	Sell 1000@4.00
2 4:36PM	Sell 200@3.90
3 4:37PM	Buy 300@3.80
4:45PM	Pre-Closing LPL 8%: 4.42-5.18
4 4:46PM	Buy 100@4.80
5 4:47PM	Buy 100@4.79
4:50PM	Last TCP = 4.79 Closing Price = 4.79

Acronym

TCP – Theoretical Closing Price

LDP – Last Done Price

LPL – Last Price Limits

BUY	ORDER BOOK		SELL
Qty	Price	Price	Qty
4 100	4.80	3.90	200 2
5 100	4.79	4.00	1000 1
3 300	3.80		

Prices in the orderbook which fall outside of the LPL range will not be included in the list of TCP price-points. In this scenario, only 4.79 and 4.80 are within the LPL range.

PRICES	ACCUMULATED QTY		MATCH QTY	UNMATCHED QTY
	BUY	SELL		
4.80	100	1200	100	1100
4.79	200	1200	200	1000

There are 4 basic rules in the calculation of TCP. In the first rule, the price with the highest matching quantity is the TCP. And in this scenario, 4.79 is the TCP.

2 match 4 for Qty 100 @ 4.79

2 match 5 for Qty 100 @ 4.79

Securities States	Description
Authorised/ Open/Active	Order entry, modification, and cancellation are allowed for the securities.
Suspended	Order entry, modification, and cancellation are not permitted for the securities. Bursa Malaysia can manually suspend a securities because of corporate actions or other corporate news on the securities.
Halt	Order entry, modification, and cancellation are allowed for the securities, however, no matching will take place.

NORMAL AND ODD LOT MARKETS: TRADING HALT

NO.	TIME OF RELEASE OF MATERIAL ANNOUNCEMENT	TRADING HALT PERIOD	ORDER STATUS	FEATURES
1.	Before the commencement of trading at 9:00am	9:00am to 10:00am	Halt	<ul style="list-style-type: none"> • Order entry and modification will be allowed • Theoretical Opening Price (TOP) will be calculated.
2.	9:00am until 11:00am	1 hour from the time of trading halt	Halt	<ul style="list-style-type: none"> • Order entry and modification will be allowed • TOP will be calculated.
3.	11:01am and before 12:30pm	From the time of trading halt until 12:30pm	Halt	<ul style="list-style-type: none"> • Order entry will be forbidden • TOP will not be calculated during the trading halt
4.	12:30 pm to 1:30 pm	NO HALT	N/A	<ul style="list-style-type: none"> • Release of announcements during this period will NOT impact trading.
5.	1:31pm until 2:30pm	2:30pm to 3:30pm	Halt	<ul style="list-style-type: none"> • Order entry and modification will be allowed • TOP will be calculated from 2:00 pm to 2:30 pm.

NORMAL AND ODD LOT MARKETS: TRADING HALT (CONT'D)

NO.	TIME OF RELEASE OF MATERIAL ANNOUNCEMENT	TRADING HALT PERIOD	ORDER STATUS	FEATURES
6.	2:31pm until 3:30pm	1 hour from the time of trading halt	Halt	<ul style="list-style-type: none"> Order entry and modification will be allowed TOP will be calculated.
7.	3:31pm and before 5:00pm	From the time of trading halt until 5:00pm	Halt	<ul style="list-style-type: none"> Order entry will be forbidden TOP will not be calculated during the trading halt

NORMAL AND ODD LOT MARKETS: TRADING SUSPENSION

NO.	TIME OF RELEASE OF MATERIAL ANNOUNCEMENT	TRADING HALT PERIOD	ORDER STATUS	FEATURES
1.	Anytime before, during or after trading	Prolonged suspension	Forbid	<ul style="list-style-type: none"> Order entry will be forbidden TOP will not be calculated during the trading halt

TRADING HALT: COMMENCEMENT OF DBTs

NO.	TIME OF RELEASE OF MATERIAL ANNOUNCEMENT	TRADING HALT PERIOD FOR NORMAL AND ODD LOT MARKET	WHEN DIRECT BUSINESS TRANSACTIONS CAN BE REPORTED UNDER RULE 10.06	VWAP TO BE USED TO DISCHARGE THE OBLIGATIONS UNDER RULE 10.10(4)
1.	Before the commencement of trading at 9.00am	9.00am to 10.00am	After 11.00am	VWAP of On-Market Trading (“OMT”) session from 10.00am to 11.00am
2.	9.00am until 10.30am	1 hour from the time of trading halt	1 hour after OMT session commences	VWAP of 1 hour OMT session
3.	10.31am until 11.00am	1 hour from the time of trading halt	} After 3.30pm	} VWAP of OMT session from 2.30pm to 3.30pm
4.	11:01am and before 12.30 pm	From the time of trading halt until 12.30 pm		
5.	12.30pm until 1.30pm	No trading halt will be imposed for normal /odd lot markets, but DBT will be forbidden		
6.	1.31pm until 2.30pm	2.30pm to 3.30pm	After 4.30pm	VWAP of OMT session from 3.30pm to 4.30pm

TRADING HALT: COMMENCEMENT OF DBTs (CONT'D)

NO.	TIME OF RELEASE OF MATERIAL ANNOUNCEMENT	TRADING HALT PERIOD FOR NORMAL AND ODD LOT MARKET	WHEN DIRECT BUSINESS TRANSACTIONS CAN BE REPORTED UNDER RULE 10.06	VWAP TO BE USED TO DISCHARGE THE OBLIGATIONS UNDER RULE 10.10(4)
7.	2:31pm until 3.00pm	1 hour from the time of trading halt	1 hour after OMT session commences	VWAP 1 hour OMT session
8.	3.01pm until 3.30pm	1 hour from the time of trading halt	} Next market day 1 hour after OMT session commences	} Next market day VWAP of OMT session from 9.00am to 10.00am
9.	3.31pm and before 5.00pm	From the time of trading halt until 5.00pm		

REQUEST TO BUYING-IN UNDER MANUAL ON <DATE>

PARTICIPATING ORGANISATION :

BROKER CODE :

STOCK NAME	STOCK CODE	QUANTITY	CDS A/C NO	REMARKS

REQUESTED BY : _____
(AUTHORISED SIGNATURE)

NAME OF CONTACT
PERSON: _____
(AUTHORISED PERSON)
<DESIGNATION>

CONTACT NO. : _____

* All requests must be submitted using the PO's Letterhead.

** Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.

REQUEST FOR WITHDRAWAL OF BUYING-IN UNDER MANUAL ON <DATE>

PARTICIPATING ORGANISATION :

BROKER CODE :

STOCK NAME	STOCK CODE	QUANTITY	CDS A/C NO	REASON

REQUESTED BY : _____
(AUTHORISED SIGNATURE)

NAME OF CONTACT
PERSON: _____
(AUTHORISED PERSON)
<DESIGNATION>

CONTACT NO. : _____

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

**Attention to: Securities and Bond Trading,
Bursa Malaysia Berhad**

Fax number: 03-2026 3659/60

Email: SMO@bursamalaysia.com

DIRECT BUSINESS TRANSACTIONS AMENDMENTS & CANCELLATION REPORT- Rule 10.11(3)

	Cancelled DBT trade	Amended DBT trade
Broker Code		
Dealer id		
Buyer/Seller		
Trade No.		
Stock code		
Stock short name		
Quantity		
Price		
Cancel/Amend Time		

Reason for the DBT cancellation & amendment: -

Authorised by: -----
Head of Operations/Head of Dealing

Date :

- * All requests must be submitted using the Participating Organisation's letterhead.
- ** Please fax the duly signed form to 03-2026 3659/60 or email SMO@bursamalaysia.com and call at 03-2034 7777.
- *** Report of the amendments to be submitted to the Exchange before the commencement of trading on the next Market day.

REQUEST FOR CANCELLATION OF DIRECT BUSINESS TRANSACTION

Stock Code:

VWAP Price:

Transaction price per unit:

Transaction date:

Buying broker	Dealer ID*	Dealer Code	Buying Client	Client ID*	CDS Account Number	Quantity of securities (units)	Selling Broker	Dealer ID*	Dealer Code	Selling Client	Client ID*	CDS Account Number	Quantity of securities (units)
					Total Buying							Total Selling	

Prepared By : (Authorised Signatory)

Date :

Reason for the transaction:-

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

REQUEST FOR ERROR TRADE PRICE ADJUSTMENT

REQUESTER : REQUEST DATE:

BROKER CODE :

Please be advised that we would like to request for Price Adjustment on our trade(s) done on << date >>. Details of the said request are as follows:

STOCK CODE	STOCK NAME	ORDER ENTRY TIME	MATCHED TIME	TRS NO.	QUANTITY	PRICE	REMARKS

Reason for Price Adjustment: _____

PART A (To be filled up by PO)

We understand and acknowledge that Bursa Malaysia Berhad is not liable for any loss whatsoever that may arise out of this request.

REQUESTED BY : _____
(AUTHORISED SIGNATORY)

NAME : _____ CONTACT NO. : _____
(DESIGNATION)

* All requests must be submitted using the PO's Letterhead.

** Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777

PART B (To be filled up by Bursa SBT personnel)

Conditions:

Yes No

- Price error outside the NAR ☐ ☐
- Request made within 15 minutes of the execution ☐ ☐
- Potential trading loss of not less than RM50,000.00 ☐ ☐
- If Seller – any shares in hand ☐ ☐
- Name of Remisier : _____
- Number of shares Onward Sold / % -----/ ----- %
- Others : _____

APPROVE	
REJECT	
ADJUSTED PRICE	

RECOMMENDED BY : _____
(VP, SECURITIES AND BOND TRADING)

APPROVED BY : _____
(EVP, MARKET OPERATIONS)

**ERROR TRADE - REQUEST FOR WITHDRAWAL OF MANUAL BUYING-
IN AND EARLY CASH SETTLEMENT ON <DATE>**

PARTICIPATING ORGANISATION :

BROKER CODE :

STOCK NAME	STOCK CODE	QUANTITY	CDS A/C NO	REASON

☐ Please proceed with Cash Settlement

We understand and acknowledge that Bursa Malaysia Berhad is not liable for any loss whatsoever that may arise out of this request.

REQUESTED BY : _____
(AUTHORISED SIGNATURE)

NAME OF CONTACT PERSON: _____
(AUTHORISED PERSON)
<DESIGNATION>

CONTACT NO. : _____

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777*

REQUEST FOR ERROR TRADE CANCELLATION

REQUESTER :

DATE REQUEST:

BROKER CODE :

Please be advised that we would like to cancel our trade done(s) on << date >>. Details of the said request are as follows:

STOCK CODE	STOCK NAME	ORDER ENTRY TIME	MATCHED TIME	TRS NO.	QUANTITY	PRICE	REMARKS

Reason for cancellation: _____

PART A (To be filled up by PO)

We understand and acknowledge that Bursa Malaysia Berhad is not liable for any loss whatsoever that may arise out of this request.

REQUESTED BY : _____
(AUTHORISED SIGNATORY)

NAME : _____
(DESIGNATION)

CONTACT NO. :

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

PART B (To be filled up by Bursa SBT personnel)

Conditions:

Yes No

- Request made within 15 minutes of the execution
- Potential trading loss of not less than RM50,000.00
- If Seller – any shares in hand

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

APPROVE	
REJECT	

• Name of Remisier : _____

• Number of shares Onward Sold / % -----/ ----- %

• Others : _____

RECOMMENDED BY : _____
(VP, SECURITIES AND BOND TRADING)

APPROVED BY : _____
(EVP, MARKET OPERATIONS)

REQUEST FOR ERROR TRADE MUTUAL CANCELLATION

REQUESTING PO :

DATE REQUEST:

BROKER CODE :

Please be advised that we would like to cancel our trade done on << date >>. We have obtained the agreement of all affected clients of both counterparties and all counterparty POs take full responsibility for any failed settlement of contingent trades to the error trades after cancellation. Below are the details of the error trade(s) to be cancelled:

STOCK NAME	STOCK CODE	QUANTITY	TRS NO.	REASON FOR CANCELLATION

Reason for cancellation: _____

We understand and acknowledge that Bursa Malaysia Berhad is not liable for any loss whatsoever that may arise out of this request.

REQUESTED BY : _____
(AUTHORISED SIGNATORY)

NAME : _____
(DESIGNATION)

CONTACT NO. :

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

REQUEST FOR ERROR TRADE MUTUAL CANCELLATION

RESPONDING PO :

DATE REQUEST:

BROKER CODE :

Please be advised that we would like to cancel our trade done on \leq date \geq . We have obtained the agreement of all affected clients of both counterparties and all counterparty POs take full responsibility for any failed settlement of contingent trades to the error trades after cancellation. Below are the details of the error trade(s) to be cancelled:

STOCK NAME	STOCK CODE	QUANTITY	TRS NO.	REASON FOR CANCELLATION

Reason for cancellation: _____

We acknowledge and understand that Bursa Malaysia Berhad is not liable for any loss whatsoever that may arise out of this request.

REQUESTED BY : _____
(AUTHORISED SIGNATORY)

NAME : _____
(DESIGNATION)

CONTACT NO. :

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 and call SBT at 03-2034 7777.*

ORDER CANCELLATION REQUEST ON <DATE>

I, _____ PO's Name & Branch _____, Firm/Broker Code: _____
 hereby authorize Bursa Malaysia to cancel the following:

1. Cancel All Orders - please check the right box:

No.	Order Cancellation by	Check (✓)
1	Firm/Broker Code: _____	All securities / open orders <input type="checkbox"/>
2	Firm/Broker code: _____	Security code: _____ <input type="checkbox"/>
3	Broker Trader Id / Fix Channel: _____	All securities / open orders <input type="checkbox"/>
4	Broker Trader Id / Fix Channel Id: _____	Security Code _____ <input type="checkbox"/> Buy & Sell <input type="checkbox"/> Buy Side <input type="checkbox"/> Sell Side <input type="checkbox"/>

2. Cancel Orders by Security

Security (Stock) Code	
Security Short Stock Name	

Attached is the list of orders for your reference.

AUTHORISED BY: _____ (AUTHORISED SIGNATURE)

NAME OF CONTACT PERSON: _____
 (AUTHORISED PERSON)
 <DESIGNATION>

CONTACT NO.: _____

* *All requests must be submitted using the PO's Letterhead.*

** *Please fax the form to 03-2026 3659/60 or email and call SBT at 03-2034 7777.*

Note:

- Example of trader id/fix channel id is the 3 digits PO code plus the virtual code (in total 6 digits, e.g. 010907).*
- POs are to note that, all orders including Good Till orders will be cancelled, and, if a PO's OMS /server is not able to connect to the Exchange within the same day, orders cancellation message will not be disseminated again by the Exchange the next day*