

CHAPTER 1 DEFINITION AND RELATED PROVISIONS

RULE 101 DEFINITION AND INTERPRETATION

RULE 101.1 DEFINITION

(1) In these Rules, unless the context otherwise requires or the contrary intention appears –

ABFMY1	means the ABF Malaysia Bond Index Fund which is an Exchange Traded Fund listed and quoted on the Exchange and bears the stock short name ABFMY1.
Annual Report	in relation to a Participating Organisation, means the annual report of the Participating Organisation prepared and submitted to the Exchange by an approved company auditor under the Companies Act 1965.
ATS	means the automated and computerised securities trading system established by the Exchange which includes SCORE, Participants' front end operations and back office systems.
authorised nominee	shall have the same meaning as is assigned to it in the Securities Industry (Central Depositories) Act and the Depository Rules.
BAFIA	means the Banking and Financial Institutions Act 1989.
beneficial owner	shall have the same meaning as is assigned to it in the Securities Industry (Central Depositories) Act and the Depository Rules.
board lot	in relation to any securities quoted on the Official List, means a parcel of securities comprising 100 units or any other number of securities permitted by the Exchange to be traded on the stock market.
branch office	means the branch office approved and/or recognised by the Commission as a branch office of a Participating Organisation or in the case of an Investment Bank, the branch office approved and/or recognised by the Central Bank as a branch office of an Investment Bank.
business rules	shall have the same meaning as is ascribed thereto in paragraphs (b) and (e) (in so far as the same relates to an approved clearing house providing clearing house facilities in relation to futures contracts and an exchange holding company of a futures exchange) and (d) of the definition of 'rules' contained in Section 2(1) of the Capital Markets and Services Act.
Capital Markets and Services Act	means the Capital Markets and Services Act 2007.
Capital Markets Services Representative's Licence	shall have the meaning as is assigned to it in the Capital Markets and Services Act.
CDS Account	means a securities account established by Depository or other central depository for an account holder.

Chapter 1 – Definitions and Related Provisions

Central Bank	means the Central Bank of Malaysia established under the Central Bank of Malaysia Act 1958.
central depository	means a central depository established in accordance with the Securities Industry (Central Depositories) Act and includes any foreign central depository determined by the Exchange from time to time after prior consultation with the Commission.
Clearing House	means the clearing house known as BURSA MALAYSIA SECURITIES CLEARING SDN BHD and any other clearing house as may be designated by the Exchange from time to time in accordance with Rule 801.2.
Chief Executive Officer	in relation to an Investment Bank, means 'Chief Executive Officer' referred to in the Guidelines on Investment Banks and who is responsible for all activities of the Investment Bank in the manner envisaged in the Guidelines on Investment Banks and these Rules.
Clearing House Rules	in relation to a Clearing House, means the rules of the Clearing House.
client	means a person for whom a trading account has been opened by a Participating Organisation in accordance with these Rules and shall be a beneficial owner or an authorised nominee or an exempt authorised nominee, as the case may be.
Commission	means the Securities Commission established under the Securities Commission Act.
Commissioned Dealer's Representative	Means a remisier or any other person who is engaged by a Participating Organisation as its dealer's representative on a non-salaried basis.
Committee	means a committee formed by the Exchange for general or specific tasks pursuant to these Rules.
Companies Act	means the Companies Act 1965.
Compliance Officer	in relation to a Participating Organisation, means the compliance officer appointed by the Participating Organisation pursuant to and in accordance with Rule 309.
contract	means a contract for the sale or purchase transactions of securities entered into on the stock market of the Exchange.
contract date	in relation to a sale or buy contract, means the date of execution of the sale or buy order, as the case may be.
conversion date	shall have the same meaning as is assigned to it in the Demutualisation Act.
corporate finance activities	shall bear the same meaning as 'advising on corporate finance' as is ascribed thereto in the Capital Markets and Services Act.
crossings	means a Direct Business transaction in securities between two clients of different Participating Organisations.

dealer's licence	means a Capital Markets Services Licence to carry on the business of dealing in securities.
Dealer's Representative	means a holder of a dealer's representative's licence who is either a Commissioned Dealer's Representative or a Salaried Dealer's Representative.
dealer's representative's licence	means a Capital Markets Services Representative's Licence for the regulated activity of dealing in securities.
delivery	in relation to securities, means the deposit or transfer of such securities into a CDS Account in accordance with Depository Rules.
Demutualisation Act	means the Demutualisation (Kuala Lumpur Stock Exchange) Act 2003.
Depository	means the BURSA MALAYSIA DEPOSITORY SDN BHD, a company which has been approved by the Minister to act as a central depository under Section 5(1) of the Securities Industry (Central Depositories) Act.
Depository Rules	means the rules of Depository.
Direct Business	means – (a) crossings; or (b) married transactions; or (c) any other transaction in securities which shall be determined by the Exchange from time to time as being a Direct Business.
directives	means directives issued from time to time by the Exchange pursuant to these Rules.
Document	shall have the meaning as is assigned to it in the Capital Markets and Services Act.
Eligible Non-Universal Broker	means a Non-Universal Broker which has merged with or acquired, as the case may be, the assets or any interests and business of at least one (1) other Member Company(ies) and/or Participating Organisation(s).
Entity	shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions.
Exchange	means BURSA MALAYSIA SECURITIES BERHAD.
exchange company	means any body corporate approved as a futures exchange under Section 8(2) of the Capital Markets and Services Act and which approval is in force.
Exchange holding company	means BURSA MALAYSIA BERHAD.
Exchange Traded Fund	shall have the same meaning as assigned to it in the Commission's Guidelines on Exchange Traded Funds.
executive director	means a person who is an executive director and employee

of a Participating Organisation.

Exempt Authorised Nominee	shall have the same meaning as is assigned to that expression in the Depository Rules.
External Party	shall bear the same meaning as 'external party' as is ascribed thereto in the Guidelines on Supervisory Functions.
FDSS	means the Fixed Delivery and Settlement System established by the Exchange which fixes and regulates the day and time for the delivery and settlement of securities traded on the stock market maintained by the Exchange.
fund manager's representative	means a holder of a fund manager's representative's licence.
fund manager's representative's licence	means a Capital Markets Services Representative's Licence for the regulated activity of fund management.
futures broker	means a holder of a futures broker's licence.
futures broker's licence	means a Capital Markets Services Licence to carry on the business of trading in futures contracts.
futures broker's representative	means a holder of a futures broker's representative's licence.
futures broker's representative's licence	means a Capital Markets Services Representative's Licence for the regulated activity of trading in futures contracts.
futures broking business	shall bear the same meaning as 'trading in futures contracts' as is ascribed thereto in the Capital Markets and Services Act.
Group	shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions.
Guidelines	means guidelines issued from time to time by the Exchange pursuant to these Rules.
Guidelines on Exchange Traded Funds	means the Guidelines on Exchange Traded Funds issued by the Commission, including all modifications, re-issuance or consolidations thereof and directives thereto.
Guidelines on Investment Banks	means the Guidelines on Investment Banks issued by the Central Bank and the Commission, including all amendments, modifications, re-issuance or consolidations thereof and directives thereto.
Guidelines on Permitted Activities for Stockbroking Companies	means the Commission's policy on permitted activities for stockbroking companies set out in the Licensing Handbook and includes all amendments, modifications, variations, supplements or substitutes made thereto.
Guidelines on Supervisory Functions	means the "Guidelines on Performance of Supervisory Functions at Group Level for Capital Market Intermediaries" issued by the Commission on 29 June 2005, including subsequent amendments, modifications, variations, supplements or substitutes thereto and any directives or

Chapter 1 – Definitions and Related Provisions

	guidelines as may be issued thereunder.
Heads	means Head of Dealing, Head of Operations and Head of Compliance and a “Head” shall mean any one of the Heads.
Head Group Compliance	means ‘head of compliance’ referred to in the Guidelines on Supervisory Functions.
Head of Compliance	means the person who is responsible for all compliance matters of the Participating Organisation in the manner envisaged in these Rules and includes a Head of Compliance of an Investment Bank.
Head of Compliance of an Investment Bank	means the ‘Head of Compliance’ referred to in the Guidelines on Investment Banks and who is responsible for all compliance matters of the Participating Organisation in the manner envisaged in the Guidelines on Investment Banks and these Rules.
Head of Dealing	means a person who – (a) holds a dealer’s representative’s licence; and (b) is responsible for the activities of the Participating Organisation related to dealing in securities in the manner envisaged in these Rules, and includes a Head of Dealing of an Investment Bank.
Head of Dealing of an Investment Bank	means the ‘Head of Dealing’ referred to in the Guidelines on Investment Banks and who – (a) holds a dealer’s representative’s licence; and (b) is responsible for the activities of the Participating Organisation related to dealing in securities in the manner envisaged in the Guidelines on Investment Banks and these Rules.
Head of Operations	means a person who – (a) does not hold a dealer’s representative’s licence; and (b) is responsible for operational activities of the Participating Organisation in the manner envisaged in these Rules, and includes a Head of Operations of an Investment Bank.
Head of Operations of an Investment Bank	means a person who – (a) does not hold a dealer’s representative’s licence; and (b) is responsible for operational activities of the Participating Organisation in the manner envisaged in the Guidelines on Investment Banks and these Rules.
Immediate Basis Contract	means a contract where its Scheduled Delivery Time and Scheduled Settlement Time for buying and selling of securities are as stipulated at Schedule 2A.

Chapter 1 – Definitions and Related Provisions

interest in securities	shall have the same meaning as is assigned to it under Section 4 of the Capital Markets and Services Act.
Investment Bank	means an Investment Bank as referred to under the Guidelines on Investment Banks and which is registered as a Participating Organisation of the Exchange in accordance with Rule 302 unless the context otherwise permits.
Investment Bank Capital Adequacy Framework	means the Investment Bank Capital Adequacy Framework referred to in the Guidelines on Investment Banks.
Issuer	shall have the same meaning as is assigned to it under Section 2(1) of the Capital Markets and Services Act.
Licensing Handbook	means the licensing handbook issued by the Commission pursuant to Section 377 of the Capital Markets and Services Act including all modifications, re-issuance or consolidations thereof and directives thereto.
Listing Requirements	means the rules governing the listing and regulation of securities on the main board, second board and MESDAQ Market, as amended or consolidated and published by the Exchange from time to time.
market day	means a day on which the stock market maintained by the Exchange is open for trading in securities.
married transaction	means a Direct Business transaction in securities where a Participating Organisation acts on behalf of both the buying and selling clients.
MESDAQ and/or MESDAQ Market	means the market for high growth and technology based companies as is presently known, or howsoever known, or by whatsoever named called from time to time.
Minimum Paid Up Capital	means the minimum paid up capital specified in Rule 1101.1.
Minister	means the Minister for the time being charged with the responsibility for finance.
non-executive director	means a non-executive director of a Participating Organisation and who is not an employee of a Participating Organisation.
Non-Universal Broker	means a Participating Organisation which is not a Universal Broker and includes Eligible Non-Universal Broker and Special Scheme Broker.
Off-Balance Sheet Transactions	include uncalled amounts on securities, options, other contingent liabilities and capital commitments (whether secured or not) and all assets pledged as security, forward purchase/sale contracts (other than in securities, which is prohibited), futures contracts and other commitments that contractually oblige a Participating Organisation to perform certain actions which are transacted outside the ATS, but shall not include underwriting or sub-underwriting which are required to be reported under Capital Adequacy Requirements.
Official List	means the official list of securities which – (a) have been admitted by the Exchange and have not

Chapter 1 – Definitions and Related Provisions

	been removed from that list; and/or
	(b) are quoted and traded on the Exchange subject to the Listing Requirements and these Rules.
Participating Dealer	for the purposes of these Rules, has the same meaning as is assigned to that expression in the Guidelines on Exchange Traded Funds.
Participating Organisation	means a company which carries on the business of dealing in securities and for the time being recognised as a Participating Organisation of the Exchange in accordance with the provisions of Rule 302 and “participanship” shall be construed accordingly.
principal office	means the principal office approved and recognised by the Commission as a principal office of a Participating Organisation or in the case of an Investment Bank, the principal office approved and recognised by the Central Bank as the principal office of an Investment Bank.
proprietary accounts	means accounts which record transactions in securities by Participating Organisations trading as principals.
Ready Basis Contract	means a contract where its Scheduled Delivery Time and Scheduled Settlement Time for buying or selling of securities are as stipulated at Schedule 2A.
recognised stock exchange	means – (a) a body corporate which has been approved by the Minister under Section 8(2) of the Capital Markets and Services Act; or (b) a foreign stock exchange declared by the Exchange to be a recognised stock exchange.
Record of Depositors	shall have the meaning as is assigned to it in Depository Rules.
Register	means such list, register or roll of Participating Organisations and registered person(s) kept by the Exchange.
registered person(s)	means such person(s), other than a Participating Organisation, who are required to be registered by the Exchange pursuant to these Rules.
rulings	means rulings or decisions made from time to time by the Exchange in respect of any matters pursuant to these Rules.
Salaried Dealer's Representative	means a dealer's representative who is employed by a Participating Organisation on a salaried basis.
SCORE	means the System on Computerised Order Routing and Execution which includes WinSCORE, being part of the systems which form ATS.
Scheduled Delivery Time	in relation to delivery of securities by clients, Participating Organisations or the Clearing House, as the case may be, means such date and time on which contracts shall be due for delivery as prescribed by the Exchange from time to time in Schedule 2A.

Scheduled Settlement Time	in relation to any act or thing to be done by the Clearing House, a Participating Organisation or a client means the day and time as specified in Schedule 2A for such act or thing to be done by the client, the Clearing House or the Participating Organisation, as the case may be, prescribed by the Exchange from time to time.
Securities Commission Act	means the Securities Commission Act 1993.
Securities Industry (Central Depositories) Act	means the Securities Industry (Central Depositories) Act 1991.
Securities Laws	has the same meaning as is assigned to that expression in the Securities Commission Act.
special lot	in relation to any securities quoted on the Official List, means any number of such securities which is less than the number of securities prescribed by the Exchange as a board lot.
Special Scheme Broker	shall have the same meaning as is ascribed thereto in the Licensing Handbook.
supervisor(s)	means employee(s) of a Participating Organisation whose duties and responsibilities <i>inter-alia</i> includes overseeing and having control of the day to day activities of person(s) whose job function entails or relates to – <ul style="list-style-type: none"> (a) the financial activities of a Participating Organisation; (b) credit control matters; (c) clients' money and assets; (d) execution of clients' buy and sell orders; or (e) maintenance of the integrity of the back office and front office system.
Supervisory Functions	shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions.
these Rules	means these Rules of Bursa Malaysia Securities Berhad.
tradeable balance	means balances of securities in a CDS Account which are good for settlement of trade.
Universal Broker	means a Participating Organisation which has – <ul style="list-style-type: none"> (a) merged with or acquired, as the case may be, three (3) or more other former Member Company(ies) and/or Participating Organisations; (b) fulfilled the necessary qualifying criteria from time to time stipulated by the Commission and/or the Exchange to the satisfaction of the Commission and/or the Exchange; and (c) been approved in writing by the Commission to be a Universal Broker.

(2) In these Rules, unless the context otherwise requires, words and expressions defined in -

- (a) Capital Markets and Services Act;
- (b) Securities Industry (Central Depositories) Act;
- (c) Securities Commission Act; or
- (d) Companies Act,

shall, when used herein, bear the same meanings respectively.

- (3) A reference to "employee" in these Rules shall include executive directors of the Participating Organisation, unless such designation as to executive directors specifically stipulates otherwise.

RULE 101.2 INTERPRETATION

- (1) In these Rules, unless the context otherwise requires -
 - (a) words importing the singular number shall include the plural and vice versa;
 - (b) words importing the masculine gender shall include the feminine and neuter genders and vice versa;
 - (c) words importing persons shall include firms, partnerships, companies and corporations;
 - (d) a reference to writing shall be deemed to include any mode of representing or reproducing letters, figures or marks in a visible form.
- (2) A reference in these Rules to –
 - (a) a statute or a statutory provision shall be deemed to include all modifications, re-enactments or consolidation thereof and regulations, rules or other statutory instruments made pursuant thereto; and
 - (b) a rule, directive or guidelines of the Exchange, Exchange holding company, Depository, the Clearing House or such other relevant party shall be deemed to include all modifications, variations, amendments, supplements thereto or substitutions therefor.
- (3) In these Rules, the abbreviation "RM" or "Ringgit Malaysia" means the lawful currency of Malaysia.
- (4) Where a word or phrase is given a defined meaning in these Rules, any other grammatical form in respect of such word or phrase has a corresponding meaning.
- (5) Any reference in these Rules to a numbered Chapter shall be construed as a reference to the Chapter bearing that number in these Rules.
- (6) Any reference in these Rules to a numbered Schedule shall be construed as a reference to the Schedule bearing that number attached in Chapter 15.
- (7) The headings and sub-headings in these Rules are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.

RULE 102 RELATED PROVISIONS

RULE 102.1 TRANSITIONAL PROVISIONS

- (1) A Participating Organisation who has not been expelled from membership of Exchange holding company immediately prior to the conversion date shall be deemed to be a Participating Organisation until it ceases to be a Participating Organisation in accordance with these Rules and shall continue to be bound by these Rules and any rules, directives, guidelines and circulars made by the Exchange and the Exchange holding company for the time being in force and from time to time. All references to the Participating Organisation in its former capacity as a member of the Exchange holding company in any undertaking, declaration, indemnity or other document howsoever called, given or done by or to the Exchange holding company shall be construed as references to the Participating Organisation.
- (2) For the avoidance of doubt and without derogation to the generality of the Demutualisation Act:-
 - (a) these Rules;
 - (b) all privileges, obligations and liabilities accrued to or incurred by a person (including without limitation a Participating Organisation and/or Dealer's Representative) prior to the conversion date; and
 - (c) all registrations and approvals made or granted to a person (including without limitation a Participating Organisation and/or Dealer's Representative) which were valid immediately prior to the conversion date,shall continue to be valid and binding on that person subject to and upon these Rules.
- (3) Unless otherwise provided in these Rules or required by the Exchange, as the case may be:-
 - (a) the rules and procedures relating to disciplinary actions from time to time applicable and/or effective prior to the conversion date shall continue to apply to cases in which disciplinary action has been instituted against a Participating Organisation or registered person(s) in its/his capacity as a member of the Exchange holding company prior to the conversion date including that of the appeal and the appellate forum;
 - (b) breaches and/or defaults of the rules, directives, guidelines and circulars of the Exchange holding company from time to time applicable and/or effective, committed by a Participating Organisation or registered person(s) in its/his capacity as a member of the Exchange holding company prior to the conversion date for which disciplinary action has not been instituted prior to and as at the conversion date may be instituted, continued, enforced and adjudicated in accordance with the procedures made pursuant to these Rules.
- (4) Any act or thing done under or for the purposes of any provision of the rules, directives, guidelines and circulars of the Exchange holding company from time to time in force, applicable and/or effective in respect of a Participating Organisation or registered person(s) in its/his capacity as a member of the Exchange holding company prior to the conversion date shall have effect from the conversion date as if it had been done under or for the purposes of the corresponding provision of these Rules.
- (5) The reference to "any act or thing done" includes, but is not limited to, the making of a determination or the passing of a resolution, the granting or exercise of a power (including delegated power), the execution of a document or the appointment or removal of any person from any office or position.
- (6) Notwithstanding anything herein contained, all directives, regulations and guidelines issued by way of circulars by the Exchange holding company prior to the conversion date shall,

insofar as they are not inconsistent with these Rules, continue in force until expressly amended, revoked or replaced by these Rules, directives, rulings and guidelines issued by the Exchange on and after the conversion date.

RULE 102.2 NOTICES

- (1) All notices required to be sent under these Rules shall be in writing and sent to the address and/or facsimile number of the addressee as contained in the records of the Exchange.
- (2) The party giving any notice under these Rules shall regard such notice as having been received in the following circumstances-
 - (a) if sent by post within Peninsula Malaysia, on the 3rd market day after posting;
 - (b) if sent by air mail to Sabah, Sarawak or outside Malaysia, on the 5th market day after posting;
 - (c) if sent by courier, on the 2nd market day after despatch; and
 - (d) if sent by facsimile immediately upon generation of a report indicating that the transmission was successful.
- (3) The Exchange may at any time specify such other methods of giving notice as it deems fit, including electronic mail, other electronic means and advertisement in newspapers.

[End of Chapter]