

**CHAPTER 9**

**DIRECT BUSINESS**

**RULE 901**

**GENERAL**

**RULE 901.1 PROHIBITION**

- (1) Save as expressly provided for in this Chapter or determined by the Exchange, a contract or transaction effected by Participating Organisations otherwise than in the normal course of trading on the stock market maintained by the Exchange shall be prohibited.
- (2) No Direct Business transaction shall be conducted in the securities where a trading halt or suspension from trading is imposed pursuant to these Rules or the Listing Requirements without the prior approval of the Exchange.
- (3) Notwithstanding the provisions contained in this Chapter, the Exchange may issue directives or guidelines in respect of the conduct of Direct Business as may be deemed fit including but not limited to the maximum or minimum price of securities on a Direct Business transaction.

**RULE 902      MODE OF DIRECT BUSINESS**

**RULE 902.1      CONDUCT OF DIRECT BUSINESS**

- (1) All Direct Business involving securities quoted on the Official List of the Exchange transacted outside the ATS shall be permitted provided always that the delivery and settlement of the securities shall be in accordance with the FDSS established by the Exchange through the Clearing House.
- (2) Any default by the Participating Organisation of any Direct Business transaction shall be dealt with in accordance with the Clearing House Rules.

**RULE 902.2      REPORTING**

- (1) All Direct Business transactions effected by or on behalf on Participating Organisations shall be reported to the Exchange and the Clearing House through SCORE or any equivalent facilities provided by the Exchange in the following manner or at such times and in such manner as determined by the Exchange from time to time -
  - (a) Direct Business transactions done in a trading session shall be reported to the Exchange within fifteen (15) minutes of completion of the transaction;
  - (b) Direct Business transactions done after 5.15 pm shall be reported on the following market day, within thirty (30) minutes before commencement of the morning trading session;
  - (c) The Participating Organisations for both parties to the Direct Business transaction shall input the exact details of the transaction, except for the buy or sell code, through SCORE or any equivalent facilities provided by the Exchange;
  - (d) The reporting of a Direct Business transaction shall not be accepted if one Participating Organisation fails to input the corresponding information on the transaction;
  - (e) The reporting of a Direct Business transaction shall be confirmed on SCORE, or any equivalent facilities provided by the Exchange, as soon as the second Participating Organisation inputs the corresponding information on the transaction.
- (2) The Exchange may after due investigation, impose a penalty or take such action as it deems appropriate against a Participating Organisation which fails to report under Rule 902.2(1).
- (3) In furtherance to and without derogation to any of the provisions herein, the Exchange may, at any time and from time to time require other additional reporting by Participating Organisations on Direct Business transactions and upon such circumstances as may be prescribed by way of directives, guidelines or circulars, including but not limited to –
  - (a) details of the buyer and seller;
  - (b) the number of securities involved and price;
  - (c) basis on which the price was transacted; and
  - (d) reason for such transaction.

**RULE 902.3 ACCURACY OF REPORTS**

- (1) Participating Organisations shall be responsible for the accuracy and correctness of all Direct Business transactions reported to the Exchange.

**RULE 902.4 PROHIBITION ON AMENDMENTS OR CANCELLATION**

- (1) All Direct Business transactions shall be firm and there shall be no amendment or cancellation of the same.
- (2) Notwithstanding Rule 902.4(1), Participating Organisations are permitted to amend the the securities account number which does not result in a change of the original parties to the contract in the manner and at such times stipulated in Rule 601.2(3) and (4).

**RULE 902.5 BROKERAGE**

The brokerage payable as commission in respect of Direct Business transactions shall be calculated in the manner prescribed in Rule 1001.

[End of Chapter]