

PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 27 June 2018

No : R/R 9 of 2018

AMENDMENTS TO DIRECTIVE NO. 13-001 (DIRECTIVES ON CAPITAL ADEQUACY REQUIREMENTS) CONSEQUENTIAL TO THE ISSUANCE OF THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON CONTRACTS FOR DIFFERENCE ("GUIDELINES")

1.0 INTRODUCTION

- 1.1 The Securities Commission Malaysia has on 6 April 2018 issued the Guidelines on Contracts for Difference. The Guidelines, which become effective on 1 July 2018, provide a regulatory framework for over-the-counter contracts for difference ("**CFD**") in Malaysia.
- 1.2 CFD may be offered by the Participating Organisations to their clients and hence, the capital adequacy ratios of the Participating Organisations, which indicate their overall business exposure, should include CFD to better reflect their financial position and level of risk.
- 1.3 Pursuant to the above, Bursa Malaysia Securities Berhad ("**the Exchange**") has amended Directive No. 13-001 (Directives on Capital Adequacy Requirements ("**CAR**")) to include information on CFD as part of the CAR submission.
- 1.4 The amendments are detailed in paragraph 2 below.

2.0 AMENDMENTS TO THE DIRECTIVE

- 2.1 The key amendments to Directive No. 13-001 are as follows:
- (a) amendments to Schedule 1 to set out the position risk requirement for CFDs to be reflected in the CAR submission; and
 - (b) amendment to Schedule 3 to include the position risk factors for CFDs to be reflected in the CAR submission.
- 2.2 The amendments to the Directives are set out in detail in **Annexure 1**.

3.0 EFFECTIVE DATE

- 3.1 The amendments to the Directives will take effect from **1 July 2018**.

4.0 CONTACT PERSON

- 4.1 In the event of any queries in relation to the above matter, kindly contact the following persons:

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