

## PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 23 June 2017

No : R/R 8 of 2017

### AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD ("RULES OF BURSA SECURITIES") PURSUANT TO THE INTRODUCTION OF THE MARKETING REPRESENTATIVE FRAMEWORK BY SECURITIES COMMISSION MALAYSIA ("COMMISSION")

#### 1. INTRODUCTION

- 1.1 The Commission has issued the new Guidelines for Marketing Representatives to introduce a Marketing Representative framework. The new guidelines will supersede the Guidelines for Registered Person (Registered Representative). The Commission has also made amendments to the Licensing Handbook to remove the provisions relating to referral agent activities and to insert provisions relating to Trading Representatives (previously set out in the Guidelines for Registered Person (Registered Representative)). These amendments and the new guidelines take effect on 23 June 2017. Bursa Malaysia Securities Berhad ("**the Exchange**") has accordingly amended the Rules of Bursa Securities and the Directives to reflect the changes made by the Commission.
- 1.2 The amendments are detailed in paragraphs 2 and 3 below.

#### 2. RULE AMENDMENTS

- 2.1 The key amendments to the Rules of Bursa Securities are as follows:
- (a) inserting a new definition for "Marketing Representative" and deleting the definitions for "Introducing Representative", "Guidelines for Registered Person (Registered Representative)" and "Registered Representative"; and
  - (c) replacing the term "Registered Representative" with "Marketing Representative" and "Trading Representative".
- 2.2 The amendments to the Rules of Bursa Securities are set out in **Annexure 1**.

#### 3. AMENDMENTS TO DIRECTIVES

- 3.1 The key amendments to the Directives are as follows:
- (a) Directive 5-001 (Directives on Conduct of Business) – clarifying the Participating Organisation's obligations to have adequate and effective written policies and procedures in relation to supervising the opening of accounts for Clients to also include the policies and procedures to assist its Marketing Representatives and Trading Representatives in learning essential

information about the applicant as required under Rule 5.15(1)(a). Directive 5-001 is also amended to replace the term “Registered Representative” with “Marketing Representative” and “Trading Representative” in relation to the authentication of account opening application.

- (b) Directive 5.13(1)-001 (Directives on Referral Agents) – deleting Directive 5.13(1)-001 consequential to the removal of the provisions on referral agents from the Commission’s Licensing Handbook.

3.2 The amendments to the Directives are set out in **Annexure 2**.

#### 4. EFFECTIVE DATE

The amendments to the Rules of Bursa Securities and the Directives as set out in paragraphs 2 and 3 take effect on **23 June 2017**.

#### 5. CONTACT PERSON

In the event of any queries in relation to this circular, please contact the following persons:

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