

PARTICIPATING ORGANISATIONS' DIRECTIVES AND GUIDANCE
PROPOSED AMENDMENTS CONSEQUENTIAL TO THE COMPANIES ACT 2016

DIRECTIVES

(1) DIRECTIVES ON APPLICATIONS TO THE EXCHANGE AND FEES PURSUANT TO CHAPTER 3 OF THE RULES NO. 3-001

PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
1.1	<p>Participating Organisation</p> <p>An applicant must complete and submit an application to the Exchange in the form set out in Appendix 1A of this Directive, accompanied by:</p> <p>(a) copies of the applicant's memorandum and articles of association or other constituent documents evidencing the applicant's:</p> <p style="padding-left: 40px;">(i) directors and shareholders; and</p> <p style="padding-left: 40px;">(ii) authorised and paid-up capital;</p>	1.1	<p>Participating Organisation</p> <p>An applicant must complete and submit an application to the Exchange in the form set out in Appendix 1A of this Directive, accompanied by:</p> <p>(a) copies of the applicant's memorandum and articles of association <u>constitution, if any</u> or other constituent documents evidencing the applicant's:</p> <p style="padding-left: 40px;">(i) directors and shareholders; and</p> <p style="padding-left: 40px;">(iii) authorised and paid-up capital;</p>
2.1	<p>Change of status to Investment Bank</p> <p>(3) A Participating Organisation must submit to the Exchange, the following documents together with the above notice:</p> <p>(a) copies of the applicant's memorandum and articles of association or other constituent documents evidencing the applicant's:</p> <p style="padding-left: 40px;">(i) directors and shareholders; and</p>	2.1	<p>Change of status to Investment Bank</p> <p>(3) A Participating Organisation must submit to the Exchange, the following documents together with the above notice:</p> <p>(a) copies of the applicant's memorandum and articles of association <u>constitution, if any</u> or other constituent documents evidencing the applicant's:</p>

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	(ii) authorised and paid-up capital;		(i) directors and shareholders; and (ii) authorised and paid-up capital;
Appendix 1A	Appendix 1A Form of application – Participating Organisation In support of our application, we enclose: (1) a duly completed application form together with the required supporting documents; (2) the non-refundable application fee of RM[<i>specify amount</i>]; (3) the memorandum and articles of association of [<i>name of Applicant</i>]; (4) evidence that the applicant's application for a Capital Markets and Services Licence for dealing in securities has been approved; and (5) an undertaking in the form the Exchange stipulates.	Appendix 1A	Appendix 1A Form of application – Participating Organisation In support of our application, we enclose: (1) a duly completed application form together with the required supporting documents; (2) the non-refundable application fee of RM[<i>specify amount</i>]; (3) the memorandum and articles of association <u>constitution</u> of [<i>name of Applicant</i>] <u>(if any)</u> ; (4) evidence that the applicant's application for a Capital Markets and Services Licence for dealing in securities has been approved; and (5) an undertaking in the form the Exchange stipulates.

(2) DIRECTIVES ON MARKET MAKING AND SPECIFIED SECURITIES NO. 4-001

PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
Appendix 2	APPLICATION FOR REGISTRATION AS MARKET MAKERS PURSUANT TO RULE 4.02 OF THE RULES OF BURSA MALAYSIA SECURITIES BERHAD	Appendix 2	APPLICATION FOR REGISTRATION AS MARKET MAKERS PURSUANT TO RULE 4.02 OF THE RULES OF BURSA MALAYSIA SECURITIES BERHAD

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PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
Appendix 2	10. Declaration	Appendix 2	109. Declaration
Appendix 2	11. Undertaking from Director and Company Secretary of the Applicant	Appendix 2	110. Undertaking from Director and Company Secretary of the Applicant
Appendix 2	<p>Guidance Note</p> <p>Note 2: Qualification Criteria</p> <p>(1) An applicant who intends to apply to be a Market Marker for a Specified Security must fulfill any one of the following requirements:</p> <p style="margin-left: 40px;">(a) a Participating Organisation;</p> <p style="margin-left: 40px;">(b) a licensed bank or licensed merchant bank as defined in the BAFIA;</p> <p style="margin-left: 40px;">(c) a Related Corporation of (a) or (b) above, incorporated under the Companies Act 1965 and has:</p> <p style="margin-left: 80px;">(i) a minimum paid up capital of RM 2 million; and</p> <p style="margin-left: 80px;">(ii) at least 2 personnel with at least 5 years experience in the following:</p> <p style="margin-left: 120px;">(aa) trading in securities as a Dealer's Representative or trading in derivatives as a Futures Broker's Representative;</p> <p style="margin-left: 120px;">(bb) trading in treasury related instruments of a financial institution;</p>	Appendix 2	<p>Guidance Note</p> <p>Note 2: Qualification Criteria</p> <p>(1) An applicant who intends to apply to be a Market Marker for a Specified Security must fulfill any one of the following requirements:</p> <p style="margin-left: 40px;">(a) a Participating Organisation;</p> <p style="margin-left: 40px;">(b) a licensed bank or licensed merchant bank as defined in the BAFIA;</p> <p style="margin-left: 40px;">(c) a Related Corporation of (a) or (b) above, incorporated under the Companies Act 1965 and has:</p> <p style="margin-left: 80px;">(i) a minimum paid up capital of RM 2 million; and</p> <p style="margin-left: 80px;">(iii) at least 2 personnel with at least 5 years experience in the following:</p> <p style="margin-left: 120px;">(aa) trading in securities as a Dealer's Representative or trading in derivatives as a Futures Broker's Representative;</p> <p style="margin-left: 120px;">(bb) trading in treasury related instruments of a financial institution;</p>

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	<p>(cc) trading in securities as a dealer on a recognised stock exchange; or</p> <p>(dd) trading in derivatives as a dealer on a Specified Exchange as defined in the Derivatives Exchange Rules;</p> <p>(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 it fulfills the following:</p> <p>(i) has a minimum paid up capital of equivalent RM 2,000,000.00; and</p> <p>(ii) has the following experience:</p> <p>(aa) at least 3 years market making experience; or</p> <p>(bb) at least 2 personnel with at least 3 years experience in Market Making experience and is related to a company who is also a Foreign Broker which has at least 3 years Market Making experience; or</p>		<p>(cc) trading in securities as a dealer on a recognised stock exchange; or</p> <p>(dd) trading in derivatives as a dealer on a Specified Exchange as defined in the Derivatives Exchange Rules.</p> <p>(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 it fulfills the following:</p> <p>(i) has a minimum paid up capital of equivalent RM 2,000,000.00; and</p> <p>(ii) has the following experience:</p> <p>(aa) at least 3 years market making experience; or</p> <p>(bb) at least 2 personnel with at least 3 years experience in Market Making experience and is related to a company who is also a Foreign Broker which has at least 3 years Market Making experience; or</p> <p>(e) a Related Corporation of (d) above, incorporated under the Companies Act 1965 and it fulfills the following:</p>

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	<p>(e) a Related Corporation of (d) above, incorporated under the Companies Act 1965 and it fulfills the following:</p> <p>(i) has a minimum paid up capital of RM 2,000,000.00;</p> <p>(ii) has at least 2 personnel with at least 3 years' experience in Market Making; and</p> <p>(iii) the Foreign Broker which is its Related Corporation has at least 3 years experience in Market Making.</p>		<p>(i) has a minimum paid up capital of RM 2,000,000.00;</p> <p>(ii) has at least 2 personnel with at least 3 years' experience in Market Making; and</p> <p>(iii) the Foreign Broker which is its Related Corporation has at least 3 years experience in Market Making.</p>
Appendix 2	<p>Note 4: Application to the Exchange</p> <p>iii) For applicant which is not a Participating Organisation or a financial institution licensed under BAFIA, the application shall be accompanied with:</p> <p>a) certified true copies of the memorandum and articles of association or any other constituent documents, of the applicant company and if any, its corporate shareholders;</p> <p>b) such documents and information as may be appropriate in respect of its financial standing such as:</p> <ul style="list-style-type: none"> - Auditor's Certification; - Balance Sheet; and <p>c) Form 9, 49, 13, 24 and 44 or similar documents of its nature.</p>	Appendix 2	<p>Note 4: Application to the Exchange</p> <p>iii) For applicant which is not a Participating Organisation or a financial institution licensed under BAFIA, the application shall be accompanied with:</p> <p>a) certified true copies of the memorandum and articles of association constitution, if any, or any other constituent documents, of the applicant company and if any, its corporate shareholders <u>(if any)</u>;</p> <p>b) such documents and information as may be appropriate in respect of its financial standing such as:</p> <ul style="list-style-type: none"> - Auditor's Certification; - Balance Sheet; and <p>c) Form 9, 49, 13, 24 and 44 <u>(i) Notice of registration;</u> <u>(ii) Notification of change in the Register of Directors, Managers and Secretaries;</u> <u>(iii) Notice of registration of the new name;</u></p>

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			<p><u>(iv) Return of allotment of shares;</u> <u>(v) Notification for change in the registered address (if relevant);</u> <u>(vi) Particulars of change or alteration relating to foreign company (if relevant);</u> or similar documents of its nature.</p>

[End of Amendments to Directives]

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BEST PRACTICES

(1) BEST PRACTICES IN THE ISLAMIC STOCKBROKING SERVICES UNDERTAKEN BY PARTICIPATING ORGANISATIONS NO. 7.16-001

PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
Appendix 1	CONTENTS 11. Memorandum & Articles of Association	Appendix 1	CONTENTS 11. Memorandum & Articles of Association [Deleted]
Appendix 1	11. Memorandum & Articles of Association 11.1 The Memorandum and Articles of Association of an Islamic Participating Organisation which provides Islamic stockbroking services on a full-fledged basis or 'window' basis should stipulate amongst others that it is providing the Islamic stockbroking services and that its corporate mission is amongst others to achieve its commercial objectives within the confines of Shariah principles.	Appendix 1	11. Memorandum & Articles of Association [Deleted] 11.1 The Memorandum and Articles of Association of an Islamic Participating Organisation which provides Islamic stockbroking services on a full-fledged basis or 'window' basis should stipulate amongst others that it is providing the Islamic stockbroking services and that its corporate mission is amongst others to achieve its commercial objectives within the confines of Shariah principles.

(2) DIRECT MARKET ACCESS HANDBOOK No. 8.16-001

PARA	EXISTING PROVISION	PARA	AMENDED PROVISION											
1.2.3	DMA Client Due Diligence – Know Your Client (“KYC”) Requirements	1.2.3	DMA Client Due Diligence – Know Your Client (“KYC”) Requirements											
	<table border="1"> <thead> <tr> <th>Client Type</th> <th>Simplified CDD</th> <th>Enhanced CDD</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td> <ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different </td> <td> <ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different </td> </tr> </tbody> </table>	Client Type	Simplified CDD	Enhanced CDD	Individual	<ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different 	<ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different 	<table border="1"> <thead> <tr> <th>Client Type</th> <th>Simplified CDD</th> <th>Enhanced CDD</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td> <ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different </td> <td> <ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different Occupation </td> </tr> </tbody> </table>	Client Type	Simplified CDD	Enhanced CDD	Individual	<ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different 	<ul style="list-style-type: none"> IC or passport Address – residential and permanent address, if different Occupation
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PARA	EXISTING PROVISION			PARA	AMENDED PROVISION		
			<ul style="list-style-type: none"> • Occupation • Latest 3 months' payslip or latest income tax statement or bank statement 				<ul style="list-style-type: none"> • Latest 3 months' payslip or latest income tax statement or bank statement
	Corporation	<ul style="list-style-type: none"> • Certification of Incorporation • Memorandum & Articles of Association • Board Resolution on opening of account • Specimen signature of authorised signatories 	<ul style="list-style-type: none"> • Certification of Incorporation • Memorandum & Articles of Association • Board Resolution on opening of account • Specimen signature of authorised signatories • Information on the nature of business and its corporate structure • Latest audited financial statement and/or management financial statements • Latest 3 month bank statement • Power of Attorney (if applicable) 	Corporation	<ul style="list-style-type: none"> • Certification of Incorporation <u>Notice of registration</u> • Memorandum & Articles of Association <u>Constitution (if any)</u> • Board Resolution on opening of account • Specimen signature of authorised signatories 	<ul style="list-style-type: none"> • Certification of Incorporation <u>Notice of registration</u> • Memorandum & Articles of Association <u>Constitution (if any)</u> • Board Resolution on opening of account • Specimen signature of authorised signatories • Information on the nature of business and its corporate structure • Latest audited financial statement and/or management financial statements • Latest 3 month bank statement • Power of Attorney (if applicable) 	

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(3) RECOMMENDATIONS ON COMPLIANCE REPORTING No. 3.39(2)-001

PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
Para 1.1 of Appendix 1	COMPLIANCE PROGRAM FOR PARTICIPATING ORGANISATIONS 1.1 Opening Of Trading Accounts <div style="border: 1px solid black; padding: 5px;"> Compliance Procedures 3. Ensure that all clients have properly disclose the information as required in the manner according to Rules 503.1(8) and 503.1(9). </div>	Para 1.1 of Appendix 1	COMPLIANCE PROGRAM FOR PARTICIPATING ORGANISATIONS 1.1 Opening Of Trading Accounts <div style="border: 1px solid black; padding: 5px;"> Compliance Procedures 3. Ensure that all clients have properly disclose the information as required in the manner according to Rules 503.15.15(8) and 503.15.15(9). </div>
Para 1.1 of Appendix 1	Compliance Procedures 6. Check the accounts opened against the respective application forms to ensure that all accounts opened are duly supported. Peruse application forms and ensure that: <ul style="list-style-type: none"> • Application forms are duly completed by the applicant and signed by the approving authorities as evidence of approval. • Approval on the application is granted before the client's first transaction. • Application forms are supported by at least the following documents: <p style="margin-left: 20px;"><u>Individual</u></p> <ul style="list-style-type: none"> • Clear and legible photocopy identity card attached to the application form. <p style="margin-left: 20px;"><u>Corporate</u></p> <ul style="list-style-type: none"> • Board Resolution to open trading account, trade in securities, appointment of signatories to open trading account and deal in securities. 	Para 1.1 of Appendix 1	Compliance Procedures 6. Check the accounts opened against the respective application forms to ensure that all accounts opened are duly supported. Peruse application forms and ensure that: <ul style="list-style-type: none"> • Application forms are duly completed by the applicant and signed by the approving authorities as evidence of approval. • Approval on the application is granted before the client's first transaction. • Application forms are supported by at least the following documents: <p style="margin-left: 20px;"><u>Individual</u></p> <ul style="list-style-type: none"> • Clear and legible photocopy identity card attached to the application form. <p style="margin-left: 20px;"><u>Corporate</u></p> <ul style="list-style-type: none"> • Board Resolution to open trading account, trade in securities, appointment of signatories to open trading account and deal in securities.

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PARA	EXISTING PROVISION	PARA	AMENDED PROVISION
	<ul style="list-style-type: none"> • Copy of Memorandum and Articles of Association (M&A). The M&A must incorporate with the clause which allows the client to deal in securities. • Certified copies of Form 9, 24 and 44. 		<ul style="list-style-type: none"> • Copy of Memorandum and Articles of Association (M&A) constitution (if any). The M&A constitution must incorporate with the include a clause which allows the client to deal in securities. • Certified copies of Form 9, 24 and 44 <u>Notice of registration, Return of allotment of shares and Notification for change in the registered address/ Particulars of change or alteration relating to foreign company.</u>

[End of Amendments to Best Practices]