

PARTICIPATING ORGANISATIONS' CIRCULAR

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AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES BERHAD ("RULES OF BURSA SECURITIES") TO EXPAND THE CATEGORIES OF PERSONS WHO MAY VERIFY AND ATTEST SECURITIES ACCOUNT OPENING DOCUMENTATION

1. INTRODUCTION

Currently, an individual opening a securities account with a Participating Organisation ("PO") is required to present himself personally before a Dealer's Representative to submit his account opening documentation. However, the PO may at its discretion, allow the individual's application for account opening to be authenticated by the persons mentioned in Rule 404.4(7)(b) of the Rules of Bursa Securities if the PO takes all steps necessary to ensure the genuineness and authenticity of the application.

Kindly be advised that amendments have been made to the Rules of Bursa Securities ("Rule Amendments") to expand the categories of persons who may verify and attest account opening document in the manner described below.

2. AMENDMENTS TO THE RULES OF BURSA SECURITIES

The Rule Amendments are contained in **Annexure 1**. The salient aspects of the Rule Amendments are as follows:

- (a) Rule 404.4(7)(b) has been amended to include authorised officers of banks licensed under the Banking and Financial Institutions Act 1989 or an Islamic Bank licensed under the Islamic Banking Act 1983; and
- (b) to clarify the current Rule 404.4(7)(b)(iv) for consistency of terminology.

3. EFFECTIVE DATE

Please be informed that the Rule Amendments are effective from **21st October 2009**.

4. CONTACT PERSONS

Please direct any queries you may have in relation to the above to the following persons:

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This Circular is available at:

http://www.bursamalaysia.com/website/bm/regulation/rules/bursa_rules/bm_securities.html

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**RULE AMENDMENT
in relation to verification and attestation of
account opening documentation**

**RULES OF BURSA MALAYSIA SECURITIES BHD
RULE AMENDMENTS IN RELATION TO VERIFICATION AND ATTESTATION OF ACCOUNT
OPENING DOCUMENTATION**

The following sets out the rule amendments to expand the categories of persons allowed to authenticate the securities account opening application.

1.0 Rule 404.4

Rule 404.4(7)

1.1 Rule 404.4(7) (b) is amended as follows:

(7) **Exception:** Notwithstanding Rule 404.4(6)(a), a Participating Organisation may at its discretion -

(b) in the case of an application by a client other than that specified in Rule 404.4(7)(a), allow the authentication of a client's application for account opening under Rule 404.4(6)(a) to be done by any of the following persons in place of a Dealer's Representative –

- (i) officers authorised by the Participating Organisation;
- (ii) authorised officers of a Malaysian Embassy or High Commission Consulate;
- (iii) Notary Public, or in countries that do not have a Notary Public, advocates and solicitors or officers authorised by a licenced stockbroking company with a recognised stock exchange;
- (iv) officer of a registered person referred to under the third column of Item 1(b) of Schedule 4 of the Capital Markets and Services Act, who is authorised by ~~the such~~ registered person to perform ~~pass-through activities~~ the activities referred to under the second column of the said Item 1(b) of Schedule 4 (pass through activities);

(v) authorised officer of:

(aa) a licensed bank as defined under BAFIA; or

(bb) an Islamic bank as licensed under the Islamic Banking Act 1983,

and with which the individual holds an account; or

(vi) such other person as may be approved by the Exchange from time to time- provided that notification of such approval is forwarded to the Commission within three market days from the date of such approval.

**RULE AMENDMENT
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1.2 Rule 404.4(7)(c) is deleted in its entirety.

- ~~(c) Where reference is made to the following terms in Rule 404.4(7), it shall be construed respectively as follows-~~
- ~~(i) "pass through activities" means the act of a registered person, soliciting and accepting orders from its clients to transact in securities and passing such orders to a participating organization for execution; as referred to in the context of the Guideline;~~
 - ~~(ii) "registered person" means:-~~
 - ~~(aa) banks licensed under the Islamic Banking Act 1983; and~~
 - ~~(bb) licensed institutions as defined under the BAFIA.~~

~~Which have been specified to be registered persons under the Capital Markets and Services Act; and~~
 - ~~(iii) "Guidelines" means Guidelines for Exempt Dealers on Pass Through Activities issued jointly by the Commission and Central Bank on 24 April 2003.~~

[End of Rule Amendments]