

**BURSA MALAYSIA DERIVATIVES BERHAD**

Date : 5 February 2007

Trading Participant Circular : 5/2007

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BHD  
("RULES OF BURSA DERIVATIVES") AND DIRECTIVES PERTAINING TO THE  
PERFORMANCE OF SUPERVISORY FUNCTIONS AT GROUP LEVEL**

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Please be advised that pursuant to the issuance of the 'Guidelines on the Performance of Supervisory Functions At Group Level For Capital Market Intermediaries' by the Securities Commission, the Rules of Bursa Derivatives have been amended to provide for the performance of compliance functions at Group level.

A copy of the amendments made to the Rules of Bursa Derivatives is attached herewith as '**Annexure 1**' ("the said Amendments").

Please be further advised that the Exchange pursuant to Rule 610.1A of the Rules of Bursa Derivatives as contained in the said Amendments, hereby issues a set of directives captioned as 'Directives on the Performance of Supervisory Functions at Group Level for Capital Market Intermediaries' and a set of checklist captioned as 'Checklist for Performance of Supervisory Functions at Group Level' ("the said Directives") in relation to the operational and procedural aspects of the application to be made to the Exchange for approval to perform the compliance functions at Group level and in relation to the maintenance of compliance functions at Group level marked as '**Annexure 2**' and '**Annexure 3**' respectively.

The said Amendments and the said Directives shall take effect from 12 February 2007("the said Effective Date").

The said Amendments and the said Directives and are not only applicable to all future applications made from the said Effective Date for the performance of the compliance functions at Group level but also in relation to compliance functions already carried out by the Trading Participants at Group level as may have been permitted under the Rules of Bursa Derivatives prior to the said Effective Date ("Existing Cases").

As such in relation to the Existing Cases, the relevant Trading Participants shall be required to comply with the requirements set out in the said Amendments and the said Directives in relation to the performance of the Supervisory Functions and in this respect are given two (2) months from the effective date of the said Amendments and the said Directives to comply with the requirements therein. Kindly refer to paragraph 5.4 of the 'Directives on the Performance of Supervisory Functions at Group Level for Capital Market Intermediaries' for details on this requirement.

The said Amendments and the said Directives are available at [http://www.bursamalaysia.com/website/bm/rules\\_and\\_regulations/bursa\\_rules/bm\\_derivatives.html](http://www.bursamalaysia.com/website/bm/rules_and_regulations/bursa_rules/bm_derivatives.html).

In the event of any queries in relation to the said Amendments and the said Directives kindly contact the following persons:

1. Ng G- Ming (20347364)
2. Pasupathy (20347141)
3. Benothini Bascaran (20347317)

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**LEGAL ADVISORY AND CORPORATE LEGAL AFFAIRS**

**“ANNEXURE 1”**  
**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD PERTAINING TO  
PERFORMANCE OF COMPLIANCE FUNCTIONS AT GROUP LEVEL**

| Existing Rule   |   | Amended Rules |   |
|---|---|---------------|---|
|   |   | <b>101</b>    | <b>DEFINITION AND INTERPRETATION</b>  |
|   |   | <b>101.1</b>  | <p><b>DEFINITION</b></p> <p>“Compliance Officer” means a <b>person who</b> is registered with the Exchange as a ‘Compliance Officer’ of a Trading Participant <b>in accordance with the provisions in these Rules</b> ;</p> <p>“Entity” shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions;</p> <p>“Head of Compliance”; means ‘Head Of Compliance’ as referred to in the Guidelines on Supervisory Functions’</p> <p>“Group” shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions;</p> <p>“Guidelines on Supervisory Functions” means the “Guidelines on Performance of Supervisory Functions at Group Level for Capital Market Intermediaries” issued by the Commission on 29 June 2005, including any subsequent amendments, modifications, variations, supplements or substitutes thereto and any directives or guidelines as may be issued thereunder;</p> <p>“Supervisory Functions” shall bear the same meaning as is ascribed thereto in the Guidelines on Supervisory Functions;</p> |
| <p><b>Rule 601A.2 Compliance Functions</b></p> <p>(a) The Trading Participant shall designate one or more of its Compliance Officers to carry out the supervisory functions in relation to the futures trading activities being conducted at the Universal Broker’s, Eligible Non-Universal Broker’s, Special Scheme Broker’s and Investment Bank’s principal offices and/or any of its branch office(s). However, the Compliance Officer need not be</p> | <p><b>Rule 601A.2 Compliance Functions</b></p> <p>(a) <b>Every</b> Trading Participant shall designate one or more of its Compliance Officers <b>who shall be responsible to ensure that the compliance</b> functions in relation to the futures trading activities <b>are</b> being conducted at the Universal Broker’s, Eligible Non-Universal Broker’s, Special Scheme Broker’s and Investment Bank’s principal offices and/or any of its branch office(s). However, the Compliance Officer need not be physically present at the Universal Broker’s, Eligible Non-Universal Broker’s, Special Scheme Broker’s or Investment Bank’s principal offices and/or its branch office(s), unless otherwise required by the Exchange and/or Bursa Securities, in consultation with the Commission.</p> |               |   |

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD PERTAINING TO PERFORMANCE OF COMPLIANCE FUNCTIONS AT GROUP LEVEL**

| Existing Rule   | Amended Rules  |
|---|--|
| <p>physically present at the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's or Investment Bank's principal offices and/or its branch office(s), unless otherwise required by the Exchange and/or Bursa Securities, in consultation with the Commission.</p> <p>(b) Notwithstanding the Rule 601A.2(a) and unless otherwise required by the Exchange, Bursa Securities and/or the Commission, the Trading Participant may elect to have the Compliance Department of the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank undertake the supervisory responsibilities envisaged in these Rules, provided that:</p> <p>(i) the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officers' roles and responsibilities are not in any way whatsoever compromised or affected; and</p> <p>(ii) the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officer so acting shall have passed the relevant examination approved by the Exchange in consultation with the Commission,</p> <p>whereupon the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank shall submit all</p> | <p>(b) Notwithstanding the Rule 601A.2(a) and unless otherwise required by the Exchange, Bursa Securities and/or the Commission, the Trading Participant may elect to have the <b>department that is carrying out the compliance functions</b> for the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank undertake the supervisory responsibilities envisaged in these Rules, provided that:</p> <p>(i) the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officers' roles and responsibilities are not in any way whatsoever compromised or affected; and</p> <p>(ii) the Universal Broker's, Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's Compliance Officer so acting shall have passed the relevant examination approved by the Exchange in consultation with the Commission,</p> <p>whereupon the Universal Broker, Eligible Non-Universal Broker, Special Scheme Broker and Investment Bank shall submit all compliance reports pertaining to the futures trading activities to the Trading Participant's Compliance Officer.</p> <p>(c) Notwithstanding the provision in Rule 601A.2(b) above, the responsibility for supervisory activities in respect of futures trading activities at the Universal Broker's Eligible Non-Universal Broker's, Special Scheme Broker's and Investment Bank's principal office and/or branch office(s) shall at all times remain vested in the Trading Participant and its Compliance Officer.</p> |

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD PERTAINING TO PERFORMANCE OF COMPLIANCE FUNCTIONS AT GROUP LEVEL**

| Existing Rule  | Amended Rules   |
|--|---|
| <p>compliance reports pertaining to the futures trading activities to the Trading Participant's Compliance Officer.</p> <p>(c) Notwithstanding the provision in Rule 601A.2(b) above, the responsibility for supervisory activities in respect of futures trading activities at the Universal Broker's principal office and/or branch office(s) shall at all times remain vested in the Trading Participant and its Compliance Officer.</p>  |   |
| <p><b>Rule 610.1 Supervisory System</b></p> <p>Each Trading Participant shall establish and maintain a proper system to supervise the activities of each Registered Representative, agents and other personnel and that is reasonably designed to achieve compliance with the Rules and the Futures Industry Act. The final responsibility for proper supervision shall rest with the Trading Participant and its Board of Directors.</p> <p>Each Trading Participant shall designate and register with the Exchange one or more Compliance Officer(s) who have passed an examination approved by the Exchange. A copy of such registration shall be lodged with the Commission.</p> <p>The person acting in the capacity of a Compliance Officer shall not be allowed to solicit or execute any orders on behalf of a Client, shall carry out the supervisory</p> | <p><b>Rule 610.1 Supervisory System</b></p> <p>Each Trading Participant shall establish and maintain a proper system to supervise the activities of each Registered Representative, agents and other personnel and that is reasonably designed to achieve compliance with the Rules and the Futures Industry Act. The final responsibility for proper supervision shall rest with the Trading Participant and its Board of Directors.</p> <p>Each Trading Participant shall designate and register with the Exchange one or more Compliance Officer(s) who have passed an examination approved by the Exchange. A copy of such registration shall be lodged with the Commission.</p> <p>The person acting in the capacity of a Compliance Officer shall not be allowed to solicit or execute any orders on behalf of a Client, shall <b>be responsible to ensure that the</b> supervisory responsibilities in relation to compliance with these Rules <b>are carried out</b> and <b>to</b> report directly to the Board of Directors and audit committee of the Trading Participant.</p> <p>A Compliance Officer shall be a person equipped with authority to carry out the <b>above</b> responsibilities and senior enough to act independently and to effect decisions.</p> |

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD PERTAINING TO  
PERFORMANCE OF COMPLIANCE FUNCTIONS AT GROUP LEVEL**

| <b>Existing Rule</b> |  | <b>Amended Rules</b> |  |
|----------------------|--|----------------------|--|
|                      | <p>responsibilities in relation to compliance with these Rules and report directly to the Board of Directors and audit committee of the Trading Participant.</p> <p>A Compliance Officer shall be a person equipped with authority to carry out the supervisory responsibilities and senior enough to act independently and to effect decisions.</p> |                      |  |
|                      | <b>New Rule</b>  | <b>Rule 610.1A</b>   | <p><b>Compliance Functions at Group level</b></p> <p>(a) <b>Notwithstanding Rule 610.1, a Trading Participant may be permitted to have its compliance functions as envisaged under Rule 610.1 at its Group level provided it obtains the prior written approval of the Exchange pursuant to the Guidelines on Supervisory Functions and provided further that it is in compliance with, on a continuing basis, the Guidelines on Supervisory Functions in relation to the compliance functions mentioned therein and all rules, directives, rulings and guidelines issued by the Exchange pertaining to the same.</b></p> <p>(b) <b>The Guidelines on Supervisory Functions in relation to the compliance functions mentioned therein shall be regarded as part of the Rules and consequently any breach by the Trading Participant of the Guidelines on Supervisory Functions in relation to the compliance functions mentioned therein shall be deemed to be a breach of these Rules.</b></p> <p>(c) <b>The Exchange may issue any rules, directives, rulings and guidelines in relation to the performance of compliance functions at a Trading Participant’s Group level, as it deems fit, from time to time.</b></p> <p>(d) <b>The Trading Participant shall ensure that:-</b></p> <p style="padding-left: 20px;">(i) <b>the company within the Entity where the compliance functions are undertaken on behalf of the Trading Participant designates at least one (1) dedicated Compliance Officer who shall be responsible to ensure</b></p> |

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| Existing Rule |  | Amended Rules |   |
|---------------|--|---------------|---|
|               |  |               | <p>that the compliance functions of the Trading Participants as envisaged under Rule 610.1 are carried out;</p> <p>(ii) the dedicated Compliance Officer is registered with the Exchange in accordance with these Rules, the provisions of which shall mutatis mutandis apply to the dedicated Compliance Officer in all respects unless expressly provided to the contrary; and</p> <p>(iii) the Head of Compliance shall be registered with the Exchange who shall be responsible for all compliance matters as envisaged in these Rules.</p> <p>(4) The provisions in this Rule are not applicable to an Investment Bank and are substituted with the provisions in the Guidelines on Investment Bank and the requirements of Central Bank relating to the performance of the Supervisory Functions of an Investment Bank by an entity other than the Investment Bank (“the Relevant Guidelines and Requirements”). The Relevant Guidelines and Requirements are deemed to be part of these Rules.</p> |

**DIRECTIVES ON PERFORMANCE OF SUPERVISORY FUNCTIONS AT  
GROUP LEVEL FOR CAPITAL MARKET INTERMEDIARIES**

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1. **DEFINITION AND ACRONYMS**

1.1 In these directives, unless the context otherwise requires –

|                                 |   |
|---------------------------------|---|
| BURSA                           | means the following entities either collectively or individually as the context shall require. <ul style="list-style-type: none"><li>• Bursa Malaysia Securities Berhad;or</li><li>• Bursa Malaysia Derivatives Berhad.</li></ul> |
| Client(s)                       | means an entity, whether an individual or a body corporate, for whom relevant trading account(s), have been opened in accordance with the requirements of the Rules .   |
| Entity                          | shall have the same meaning as ascribed to it in the Guidelines   |
| External Party                  | shall have the same meaning as ascribed to it in the Guidelines   |
| Guidelines                      | means the “Guidelines on Performance of Supervisory Functions at Group Level for Capital Market Intermediaries” issued by the Securities Commission on 29 June 2005 and revised on 2 March 2006.                                  |
| Market Intermediary             | means the following : <ul style="list-style-type: none"><li>• Participating Organisation; and</li><li>• Trading Participant</li></ul> as defined in the Rules whether collectively or individually, as the context requires.      |
| Rules                           | shall have the same meaning as ascribed to it in the Guidelines.  |
| Service Level Agreement (“SLA”) | shall have the same meaning as ascribed to it in the Guidelines.  |
| Securities laws                 | shall have the same meaning as ascribed to it in the Guidelines.  |



## **2. OBLIGATIONS OF THE MARKET INTERMEDIARY**

### **2.1 Responsibility of the Market Intermediary**

Despite the supervisory functions being performed at group level or the internal audit function being performed by the External Party in accordance with the Rules, the Market Intermediary shall continue to retain accountability and responsibilities on compliance with the Rules and all other relevant securities laws, regulations and guidelines.

### **2.2 Service Level Agreement**

2.2.1 Where there is more than one Entity for the performance of the supervisory functions, the Market Intermediary shall enter into separate SLA with each of the Entity.

2.2.2 The Market Intermediary shall ensure that the salient contractual obligations and terms of the SLA in relation to the secrecy and confidentiality of the documents and information of clients imposed on the Entity/ External Party in the course of carrying out the supervisory functions shall be applicable not only for the duration of the SLA but also survives the termination of the SLA.

### **2.3 Confidentiality of Clients' Information**

2.3.1 The Market Intermediary shall comply with Section 43 and 45 of the Securities Industry (Central Depositories) Act 1991.

### **2.4 Interruption and Termination**

2.4.1 The Market Intermediary shall be liable for any non performance of the supervisory functions arising from any interruption in the carrying out of the supervisory functions and/or termination thereof by the Entity/ External Party and in this respect the Market Intermediary shall not be exonerated from its responsibilities and obligations under the Rules, directives and/or guidelines issued by BURSA.

### **2.5 Notification of Termination**

2.5.1 The Market Intermediary shall immediately notify BURSA in the event the Entity/ External Party is terminated from performing the supervisory functions.

### **2.6 Review and Reporting By the Market Intermediary**

2.6.1 The Market Intermediary shall undertake regular review of the functions performed by the Entity/ External Party and prepare

the necessary report at least once a year. The Market Intermediary shall ensure the report contains, inter alia, the following :-

- quality of the performance of the supervisory function by the Entity/ External Party;
- adherence of the Entity/ External Party to the quality standards agreed between the Market Intermediary and the Entity/ External Party;
- adherence of the Entity/ External Party with the obligations stipulated under the SLA;
- potential conflict of interest;
- adequacy of resources and ability of the Entity/ External Party to efficiently undertake the functions especially where the Entity/ External Party performs supervisory functions for multiple entities.

2.6.2 The Market Intermediary shall submit a copy of the report mentioned under 2.6.1 to the Intermediary Supervision Division of BURSA within 30 days after the same has been deliberated by its Board of Directors.

### **3. COMPLIANCE AND ENFORCEMENT**

3.1 The Market Intermediary shall ensure that the Entity/ External Party complies with the Rules, guidelines, rulings and directives issued, or as may be issued, from time to time, by BURSA.

3.2 In the event there is any breach or non compliance by the Entity/ External Party in relation to the Rules, guidelines, rulings and directives issued, or as may be issued, from time to time, by BURSA, whether the breach is discovered during the tenure of the SLA or otherwise, BURSA shall deem such breach to be a breach committed by the Market Intermediary and all provisions in the Rules in relation thereof shall apply.

### **4 COMMUNICATIONS**

4.1 All Rules, guidelines, rulings, directives, and all other types of communications, whether written or otherwise, in relation to the supervisory functions shall at all times be issued by BURSA to the Market Intermediary, notwithstanding that the same has been outsourced to the Entity/ External Party.

4.2 The Market Intermediary shall be responsible to ensure that the Entity/ External Party is informed of all Rules, guidelines, rulings, directives and all other types of communications,

whether written or otherwise, directed to the Market Intermediary in relation to the supervisory functions and BURSA shall deem that the same is communicated and within the knowledge of the Entity/ External Party.

## **5. APPLICATION TO BURSA**

5.1 The Market Intermediary shall submit an application in writing to BURSA at least 30 market days prior to the intended commencement of the carrying out of the supervisory functions by the Entity/ External Party. Such applications shall be addressed to:-

Intermediary Supervision Division  
Bursa Malaysia Berhad  
12th Floor, Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur.

5.2 The Market Intermediary shall ensure each application is accompanied by the following documents/ information:-

- i) Information on the objectives of the performance of the supervisory functions at group level or the internal audit function being performed by the External Party;
- ii) Information on the manner in which the Market Intermediary shall monitor the performance of the functions by the Entity / External Party;
- iii) A copy of the SLA;
- iv) A copy of the completed Checklist for Performance of Supervisory Functions at Group Level together with the necessary supporting documents;
- v) Letters of Undertaking and Confirmation as follows :
  - a) in respect of the existing clients of the Market Intermediary as at the date of this application, a confirmation that the Market Intermediary has complied with the requirements stipulated under item no. 2.3; and
  - b) in respect of future clients of the Intermediary, an undertaking that the Market Intermediary shall comply with the requirements stipulated under item no.2.3.

5.3 BURSA may, upon approval given to the Market Intermediary, impose, add or vary any terms or conditions, as it deems fit in relation to the approval given herein.

5.4 The provisions in the Rules pertaining to the performance of supervisory functions by the Entity / External Party and these Directives shall apply to all performance of supervisory functions of a Market Intermediary that have been performed by the Entity/ External Party prior to the effective date of these Directives and the Market Intermediary intends the Entity/ External Party to continue to perform the functions. In relation thereto, the Market Intermediary shall be required to submit within two (2) months from the effective date of these Directives, documents stipulated under item no. 5.2 to demonstrate compliance with the requirements of the Rules in relation to the performance of supervisory functions at group level and these Directives.

## **6. REVOCATION OF APPROVAL AND INDEMNITY**

6.1 BURSA shall have the right to revoke any approval given to an Market Intermediary in relation to the performance of supervisory functions by the Entity / External Party and/or to direct the Market Intermediary to discontinue the arrangement immediately, partly or wholly, for any reason whatsoever, including but not limited to, where there is a breach by the Market Intermediary of the requirements of the Rules and/or these Directives.

6.2 BURSA shall not be held liable either by the Market Intermediary and/or the Entity/ External Party for any claims arising from revocation of approvals granted in respect of the performance of supervisory functions. Consequent to the revocation, the Market Intermediary shall carry out the relevant supervisory functions by itself, until and unless a new Entity/ External Party has been appointed and approved by BURSA in accordance with the Rules and/or these Directives.

6.3 The Market Intermediary shall also keep BURSA indemnified and shall not hold BURSA liable to any claims made by any party howsoever arising from or in connection with the approval granted by BURSA to the Market Intermediary for the performance of supervisory functions by the Entity / External Party.

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**CHECKLIST FOR PERFORMANCE OF  
SUPERVISORY FUNCTIONS AT GROUP LEVEL**

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| DESCRIPTION |   |  |
|-------------|---|--|
| 1.          | Name of Intermediary :                                    |  |
| 2.          | Address :   |  |
| 3.          | Telephone Number :  |  |
| 4.          | Facsimile :   |  |
| 5.          | Primary Contact Person (include designation / position) : |  |
| 6.          | Date of Review :  |  |

**State the objective and the overview of the proposed supervisory functions at group level to be adopted :**

Objective :

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Overview of the proposed supervisory functions at group level :

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| PARTICULARS |  | YES | NO | N/A | REMARKS |
|-------------|--|-----|----|-----|---------|
| <b>1.</b>   | <b>APPLICATION PROCEDURE</b>   |     |    |     |         |
| 1.1         | <p>Has the Intermediary provided the following information / document(s) in its application ? :</p> <p>i. Objectives for placing Supervisory Functions at Group level / outsourcing of internal audit function to the External Party.</p> <p>ii. Proposed Group supervisory structure to be adopted.</p> <p>iii. State that the arrangement between the Intermediary and the Entity or the External Party is in compliance with the securities laws, regulations, guidelines, licensing conditions and Rules and measures are in place to ensure compliance on a continuous basis.</p> <p>iv. A copy of the executed Service Level Agreement</p> |     |    |     |         |
| <b>2.</b>   | <b>GENERAL REQUIREMENTS</b>  |     |    |     |         |
| 2.1         | <p><b><u>Legal and Regulatory Obligations</u></b></p> <p>Has the Intermediary prepared the policy and procedures to monitor the performance of the Entity carrying out the Supervisory Functions at Group Level or the External Party undertaking the internal audit function ?</p>  |     |    |     |         |
| 2.2         | <p><b><u>Confidentially of Clients' Information</u></b></p> <p>Has the Intermediary performed the following :-</p> <p>i. Obtained a written undertaking from the Entity and / or External Party to maintain the secrecy and confidentially of the documents and information of clients ? (Intermediary to provide a copy of the written undertaking)</p> <p>ii. Reviewed the Entity's and/or the External Party's security policies, procedures and controls to ensure that it enable the protection of confidentially and security of clients'</p>  |     |    |     |         |

| PARTICULARS |   | YES | NO | N/A | REMARKS |
|-------------|---|-----|----|-----|---------|
|             | information ?   |     |    |     |         |
| 2.3         | <p><b><u>Access to Books, Records and Documents</u></b></p> <p>i. Has the Intermediary obtained a written undertaking from the Entity and / or the External Party that give the rights to the SC and / or the Exchange to conduct inspection at the Entity's and/or External Party's premises which include examination and obtain copies of their books, records and documents ? (Intermediary to provide a copy of the written undertaking)</p> <p>ii. Has the Intermediary ensure that the necessary measures are in place to facilitate the performance of the SC's and Exchange's regulatory functions and full access to books, records and documents prior to placing the supervisory functions within the Entity or the External Party ?</p>  |     |    |     |         |
| 2.4         | <p><b><u>Service Level Agreement</u></b></p> <p>i. Has the Intermediary entered into a Service Level Agreement with the Entity and / or External Party that define the roles, responsibilities and obligations of the Entity or the External Party ?</p> <p>ii. Does the Service Level Agreement contain the following terms and conditions that include an undertaking by the Entity or External Party to have the capabilities to carry out the relevant function(s) in the following manner ? :-</p> <p>a. adequate resources and ability to undertake relevant function(s) efficiently at all times</p> <p>b. adequate expertise to perform the relevant function(s)</p> <p>c. ability to manage any conflicts or potential conflicts of interest</p> <p>d. ensure compliance with securities laws,</p> |     |    |     |         |

| PARTICULARS |   | YES | NO | N/A | REMARKS |
|-------------|---|-----|----|-----|---------|
|             | regulations, guidelines, license conditions and Rules.  |     |    |     |         |
| 2.5         | <p><b><u>Business Continuity</u></b></p> <p>i. Has the Intermediary establish a contingent plan to mitigate any discontinuity and disruption to the performance of the Supervisory Functions ?</p>  |     |    |     |         |
| <b>3.</b>   | <b>COMPLIANCE FUNCTION</b>  |     |    |     |         |
| 3.1         | Has the Intermediary assesses all systems are in place to ensure that the Intermediary's compliance function can effectively and efficiently be performed at Group level, including sufficiency of resources, expertise and effective day-to-day compliance ? |     |    |     |         |
| 3.2         | Has the Intermediary appointed at least one Compliance Officer who is dedicated to undertake its compliance function ?<br>(subject to the applicable Rules or Guidelines)   |     |    |     |         |
| 3.3         | Has the Intermediary registered the dedicated Compliance Officer with the SC and / or the Exchange ?  |     |    |     |         |
| <b>4.</b>   | <b>RISK MANAGEMENT FUNCTION</b>   |     |    |     |         |
| 4.1         | Has the Intermediary established and implemented the appropriate risk management or risk mitigation strategies?   |     |    |     |         |
| <b>5.</b>   | <b>INTERNAL AUDIT FUNCTION</b>  |     |    |     |         |
| 5.1         | <p>Has the Intermediary ensured the following for outsourcing of internal audit function to External Party ?:-</p> <p>i. External Party is not the Intermediary's current</p>   |     |    |     |         |



| PARTICULARS |  | YES | NO | N/A | REMARKS |
|-------------|--|-----|----|-----|---------|
|             | Statutory Auditors.<br>ii. External Party shall at all times perform the function in an independent, competent and effective manner. |     |    |     |         |

| Completed by :- | Date :- |
|-----------------|---------|
|                 |         |

**Conclusion:-**


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| Reviewed by:- | Date:- |
|---------------|--------|
|               |        |