



SECURITIES CLEARING & SETTLEMENT

**BURSA SECURITIES BORROWING AND
LENDING - NEGOTIATED TRANSACTION
("SBLNT")**

**OPERATIONAL GUIDELINES
FOR
LENDERS & BORROWERS**

(BMSC/CD/SBL/008)

29 April 2019

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**CSO/SSO SBLNT OPERATIONAL GUIDELINES FOR LENDERS &
BORROWERS**

Section:

1. **OVERVIEW OF SBLNT**
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Bursa Malaysia Securities Clearing Sdn Bhd (Bursa Clearing) introduced a new Securities Borrowing and Lending (SBL) model called the Negotiated Transaction (NT) model herein referred to as “SBLNT”. SBLNT provides Lenders and Borrowers an option to agree to their own SBL terms and conditions (OTC agreement).

This new model is an alternative to the existing Central Lending Agency (CLA) model whereby Bursa Clearing acts as the central lending agency for all SBL transactions between Lender and Borrower, and where lenders and borrowers have to comply with Bursa Clearing’s SBL CLA Terms and Conditions.

Under the SBLNT model, both Lenders and Borrowers would be given the option to agree to their OTC agreement and input the transactions into the Bursa Clearing’s SBLNT system via on-shore lending representatives or borrowing representatives. The need to report via the SBLNT system serves 2-fold:

- (i) It is a means of effecting finality to the SBLNT transaction as it is through such reporting that movement of the loaned securities is effected from the Lender's depository account to the Borrower's depository account; and
- (ii) Monitoring and statistical purposes by Bursa Clearing.



2.1 How to apply to be a Lender or Borrower

2.1.1 In the SBLNT rules, Lenders and Borrowers apply to become Approved SBLNT Lenders or Approved SBLNT Borrowers.

2.1.2 The following are the qualifying criteria for Approved SBLNT Lenders and Approved SBLNT Borrowers:

Approved SBLNT Lender

- Individuals or corporate bodies who hold a valid account with the depository i.e. Bursa Malaysia Depository Sdn Bhd.

Approved SBLNT Borrower

- Please refer to Schedule 1 of the **Application To Be Approved SBLNT Lender / Approved SBLNT Borrower Form (Appendix 1)**.

2.1.3 Approved SBLNT Lender / Approved SBLNT Borrower will have to identify and appoint a Lending Representative for Approved SBLNT Lender and a Borrowing Representative for Approved SBLNT Borrower who will then be the liaison between the Approved SBLNT Lender / Approved SBLNT Borrower and Bursa Clearing.

2.1.4 The appointed Lending Representative/Borrowing Representative shall advise and submit the relevant forms and documents to Bursa Clearing on behalf of the Approved SBLNT Lender / Approved SBLNT Borrower.

2.1.5 Bursa Clearing shall reserve the right to reject applications to be an Approved SBLNT Lender / Approved SBLNT Borrower.

2.1.6 The following are the forms and documents which Bursa Clearing should receive from the Lending Representative / Borrowing Representative on behalf of the Approved SBLNT Lender / Approved SBLNT Borrower:-

Approved SBLNT Lender

Where the Approved SBLNT Lender is a:

a. Resident Individual

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of NRIC or other forms of acceptable identification documents issued by Jabatan Pendaftaran Negara / Passport (for foreigner) / Authority Card (for Armed Forces / Police Personnel).

b. Non-Resident Individual Living In Malaysia

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of the front page of passport.

c. Non-Resident Individual Living In Their Home Country

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender/ Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form; and
- iii. Two (2) copies of original, certified true copy of any of the following:
 - National Registration Identity Card, or
 - National Health Insurance Card / Social Security Card, or
 - Any other documents subject to Bursa Clearing (S)'s approval on a case-by-case basis.

d. Corporate

- i. A completed and duly signed Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
- ii. A completed and duly signed Appointment Of Lending Representative / Borrowing Representative Form;
- iii. An original, certified true copy of Certificate Of Incorporation / Certificate Of Registration (for registration number, name and place of incorporation); and
- iv. An original, certified true copy of document evidencing the appointment of Authorised Signatory(ies) with specimen signatures.

Approved SBLNT Borrower:

(applies to any category of Approved SBLNT Borrower)

- a. The Approved SBLNT Borrower must first meet the qualifying criteria as mentioned in Item 2.1.2 above.
- b. Complete the following:
 - i. Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;
 - ii. Appointment Of Lending Representative / Borrowing Representative Form; and
 - iii. Submit original, certified true copy of the following or its equivalent:-
 - Certificate Of Incorporation / Certificate Of Registration (for registration number, name and place of incorporation);
 - Document evidencing the appointment of Authorised Signatory(ies) with specimen signatures;
 - Supporting documents to evidence that the company is classified under the eligible list of Approved SBLNT Borrower;
 - Latest audited accounts and related documents to evidence the Effective Shareholders' Funds; and
 - Approval Letter by Bursa Malaysia Securities Berhad for Registration of Market Maker (only applicable to Market Makers.)

Note:

Please refer to:-

*i. **Appendix 1:** Application To Be Approved As Approved SBLNT Lender / Approved SBLNT Borrower Form;*

*ii. **Appendix 2:** Appointment Of Lending Representative / Borrowing Representative Form;*

If the holder of the Securities Account stated in the Appointment Of Lending Representative / Borrowing Representative Form does not belong to the Approved SBLNT Lender then the Approved SBLNT Lender will have to provide the following:

Appendix 7 - Letter Of Authorisation/Consent By Holder Of Securities Account In Relation To The Bursa Securities Borrowing And Lending – Negotiated Transaction (“THE SBLNT”)

*iii. **Appendix 3:** Diagram which illustrates the Application process.*



3.1 Master SBL Agreement

- 3.1.1 The Master SBL Agreement need not be lodged with Bursa Clearing.
- 3.1.2 If the Approved SBLNT Lender or the Approved SBLNT Borrower or their clients wish to avail themselves to the benefit of the Income Tax (Exemption) (No. 30) Order 1995, they must comply with the requirements set out in the Securities Borrowing and Lending Guidelines issued by the Securities Commission. One of the requirements is that the SBL agreement must include all the matters set out in Appendix 5 of the Rules of Bursa Clearing (S).
- 3.1.3 The following are the matters set out in Appendix 5 of the Rules of Bursa Clearing (S):-
- a. Unless the parties agree otherwise, the Eligible Securities must not be lent unless collateral has been received or will be received simultaneously with the loan. As a minimum step towards the lender's interest, collateral (if applicable) must be delivered directly to the lender or the lender's representative or a designated third party authorised by the lender or the lender's representative;
 - b. The Loaned Securities and the collateral (if applicable) must be marked to market (at least daily) and the amount of collateral must be adjusted, if necessary;
 - c. How the securities borrowing and lending transaction may be terminated by the lender or the borrower, and how such termination may be effected;
 - d. Which party shall be entitled to any dividends or other benefits or distributions accumulating on the Loaned Securities and any securities provided as collateral;
 - e. The rights and obligations of the lender or borrower in the event of either the Loaned Securities or any securities provided as collateral, as the case may be, being affected by a conversion, sub-division, consolidation, pre-emption, take-over of the issuer of the Securities comprised in the Loaned Securities or by other corporate actions affecting such Securities;
 - f. The Loaned Securities must be delivered to the borrower free of any encumbrances or restrictions;
 - g. Provisions governing fees to be paid by either party under the agreement that governs the terms and conditions of the securities borrowing and lending transaction ; and
 - h. The rights and remedies of either party in the event of a default by the other party.



4.1 How to create a loan transaction

- 4.1.1 An Approved SBLNT Lender and an Approved SBLNT Borrower must have a valid Master SBL Agreement before any SBLNT transaction can be created.
- 4.1.2 Approved SBLNT Lender and Approved SBLNT Borrower agree on SBL transaction outside the SBLNT system.
- 4.1.3 Once the SBL transaction has been agreed between the Approved SBLNT Lender and Approved SBLNT Borrower:
 - a. Approved SBLNT Borrower must ensure that it obtains a confirmation from an Approved SBLNT Lender. The minimum details in the loan confirmation issued by Approved SBLNT Lender to Approved SBLNT Borrower are as follows:
 - i. A clear statement that the confirmation relates to an order to borrow or to an order to hold securities;
 - ii. Name of the Approved SBLNT Lender;
 - iii. Name of the Approved SBLNT Borrower;
 - iv. Name and security code of the securities borrowed or to be held;
 - v. Quantity of the securities borrowed or to be held;
 - vi. Settlement date of the borrow/loan or number of days of the hold confirmation; and
 - vii. A date and time-stamp showing the date and time of receipt of the confirmation by the AB.

(Please refer Appendix 4: Directive on Maintenance of Confirmation Information by Approved SBLNT Borrower).

- b. Approved SBLNT Lender and Approved SBLNT Borrower must decide when loaned securities is to be moved from Approved SBLNT Lender to Approved SBLNT Borrower;
- c. Approved SBLNT Lender must report the lending transaction of the moved securities. This is achieved by the act of Accepting the Borrowing Request via the SBLNT system as stipulated in the following item 4.2.

4.2 How to move loaned securities

- 4.2.1 To move the loan securities, the following instructions must be given:-
 - a. Approved SBLNT Borrower will have to instruct the Borrowing Representative to Initiate a Borrowing Request; and
 - b. Approved SBLNT Lender will have to instruct the Lending Representative to Accept the Borrowing Request.
- 4.2.2 Upon successful acceptance of the borrowing request by the Lending Representative, securities transfer will be immediate from the Approved SBLNT Lender's depository account to Approved SBLNT Borrower's depository account.

4.3 Consequence of not reporting to SBLNT system

4.3.1 The following are the consequences of not reporting to SBLNT system:

- a. There will be no movement of securities from the Approved SBLNT Lender's depository account to Approved SBLNT Borrower's depository account;
- b. Breach of Rule 8.12(b) of the Rules of Bursa Clearing which mandates the notification of the agreed SBLNT transaction to Bursa Clearing.

Note:

Collateral arrangement is not handled via the SBLNT system and as such will have to be dealt with between the Approved SBLNT Lender and Approved SBLNT Borrower. It is advisable for this issue to be included in the Master SBL Agreement.

In relation to Loaned Securities borrowed under Rule 8.5(a)(ii) for the purpose of settling a potential failed trade, the quantity of Loaned Securities that is permitted to be transferred by the Approved SBLNT Borrower to the relevant securities account to fulfil the delivery obligation in respect of that potential failed trade must not be higher than the quantity of securities needed to fulfil such delivery obligation.

*Please refer to diagram in **Appendix 5** which illustrates the Loan Initiation process.*



5.1 Loan Termination

- 5.1.1 The Approved SBLNT Lender and Approved SBLNT Borrower will have to agree on a date for the return of loaned securities.
- 5.1.2 Where the Loaned Securities are borrowed to facilitate the settlement of Potential Trade Failure (PTF), such Loaned Securities must be returned in full no later than 6 market days after the date of the execution of the potential failed trade (i.e. T+6).
- 5.1.3 Approved SBLNT Lender and Approved SBLNT Borrower must do the following:
- a. Approved SBLNT Borrower to instruct its Borrowing Representative to Initiate the Loan Return; and
 - b. Approved SBLNT Lender to instruct its Lending Representative to Accept the Loan Return.
- 5.1.4 Once both instructions are matched and confirmed by Bursa Clearing’s SBLNT system, securities transfer will be immediate from the Approved SBLNT Borrower’s depository account to Approved SBLNT Lender’s depository account.

Note:

It is advisable (if item 5.2 does not apply) for an Approved SBLNT Lender to confirm the delivery of the recalled/returned loan from Approved SBLNT Borrower, prior to selling the securities. If the Approved SBLNT Borrower purchases the securities from the market to fulfil the recall/return to Approved SBLNT Lender, there will be a mismatch in the settlement timing.

The Approved SBLNT Lender will have to deliver the securities for the sale made by T+1 4:30pm but the delivery of securities from Approved SBLNT Borrower will only take effect on T+2. In this situation the Approved SBLNT Lender will be subject to the Buying-in rules and the relevant penalty applies.

The following table gives an illustration of this mismatch in timings:

	T	T+1	T+2
Approved SBLNT Lender	① Sells Loaned Securities	<i>Need to deliver loaned securities for settlement (cut off by 4.30pm)</i>	⑦ Receive Recalled loaned securities after the settlement delivery deadline
	② Recalls Loan		
Approved SBLNT Borrower	③ Receive Recall Notice	⑤ Received securities during settlement (after midnight)	⑥ Return loaned Securities to Approved SBLNT Lender
	④ Purchase Securities For Return to Approved SBLNT Lender		

Please refer to **Appendix 6** which illustrates the Loan Termination process.

5.2 Withholding From Buying-in

5.2.1 This facility is provided to an Approved SBLNT Lender to facilitate the withholding of their sell trade from buying-in due to the mismatch in settlement time when the loan is sold and recalled on the same day. The manner in which the Approved SBLNT Lender (seller) is required to notify Bursa Clearing (S) of the relevant details in connection with the sale and the recalled securities is through the Lending Representative initiating the withholding from buying-in process and confirming the same.

Note: The mismatch of timing is illustrated in Section 5.1

5.2.2 In order to withhold from buying-in, an Approved SBLNT Lender will have to furnish their respective Lending Representative with the following details:

- SBLNT Loan ID from where a recall has been made against the Approved SBLNT Borrower;
- Contact Date of the sell trade;
- Selling CDS account number from where the sell trade was transacted; and
- Quantity requested to withhold from buying-in.

5.2.3 The withholding from buying-in will be facility will only be effective for one for one (1) business day only (T+2).

Note: A buying-in will be instituted against the Approved SBLNT Lender if the outstanding sell trade is not delivered within the Scheduled Delivery Time as set out under Exchange Rules. Please refer to the table below for an illustration of the allowable withholding from buying-in timing.

The following table gives an illustration of the process of withholding from buying-in timing:

	T	T+1	T+2	T+3
Approved SBLNT Lender (AL)	① Sells Loaned Securities	③ LRs to Initiate and Confirm the Withholding From Buying-in request <i>(8:30 am to 5:00pm)</i>	④ Withholding from buying-in effected	⑤ Approved SBLNT Lender will be subjected to buying-in if SBL recalled securities is unsuccessfully delivered
	② Recalls Loan			



6.1 Intermediary Fee

- 6.1.1 Bursa will charge an **Intermediary Fee** for the services provided. This fee is computed by the SBLNT system. The fee structure is of 2 types as the following:
- a. 0.02% (2 basis point) per annum of the outstanding loan (based on the daily closing price of the securities transacted) with a minimum of RM100 levied on both Borrowing Representative and Lending Representative;

or

 - b. 0.04% (4 basis point) per annum of the outstanding loan (based on the daily closing price of the securities transacted) with a minimum of RM200 on Borrowing Representative only.

Note:

- *6.1.1(a) is on shared arrangement between the Lending Representative and Borrowing Representative where else 6.1.1(b) is non-shared i.e. the entire intermediary fee is borne by the Borrowing Representative.*
- *Lending Representative and Borrowing Representative are required to pay Bursa Clearing (S) the Intermediary Fee on every 3rd business day of the month by 10 a.m.*



7.1 Corporate Actions

- 7.1.1 Bursa Clearing will not perform any adjustment to the loan quantity or loan value pursuant to any corporate action undertaken by an issuer.
- 7.1.2 The Approved SBLNT Lender and Approved SBLNT Borrower will have to agree on the loan quantity to be adjusted.
- 7.1.3 The SBLNT system provides the facility to adjust the loan quantity arising from a corporate action.
- 7.1.4 To have the Loan Quantity Adjustment done, Approved SBLNT Lender and Approved SBLNT Borrower must do the following:
 - a. Approved SBLNT Borrower to instruct its Borrowing Representative to Initiate the Loan Quantity Adjustment; and
 - b. Approved SBLNT Lender to instruct its Lending Representative to Accept the Loan Quantity Adjustment.

Note:

The loan quantity adjustment process for corporate actions will have to be carried out prior to the termination of the loan.



APPLICATION TO BE APPROVED SBLNT LENDER / APPROVED SBLNT BORROWER
SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (“SBLNT”)

This application is made pursuant to Rule 8.2 of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S)”) in relation to be an Approved SBLNT Lender or Rule 8.3 of the Rules of Bursa Clearing (S) in relation to be an Approved SBLNT Borrower. Please complete all sections of this form by typing in black or using black ink pen as the form will be photocopied.

For office use only

Bursa Clearing(S)'s reference number

New Application		Updating Information		(please complete only relevant information)
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I/We hereby request Bursa Clearing (S) to approve me/us as any one or all of the following (Please tick accordingly):

Approved SBLNT Lender		Approved SBLNT Borrower		Both	
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1. Particulars of the applicant

Applicant's name in full

Date of incorporation (if applicable)

Place of incorporation (if applicable)

Company Registration Number or Identification Number

Registered address

(Change of address MUST be notified immediately)

Correspondence address (if different)

(Change of address MUST be notified immediately)

2. Details of Authorised Contact Person(s): -

Name	Designation	Tel. No./Fax/e-mail
		Tel. No : Fax. No : e-Mail :
		Tel. No : Fax. No : e-Mail :

Parts 3 and 4 to be completed by Approved SBLNT Borrower applicant only
3. Applicant's Category (Please refer Schedule 1 of this form for the Category Number)

 Category Number
4. Financial Requirement

Effective Shareholders' Funds (RM equivalent) (Minimum of RM50 million or its equivalent in other currencies to qualify as Approved SBLNT Borrower)	RM
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Note: Effective Shareholders' Funds means last audited shareholders' funds less unaudited losses (if any).

5. Supporting Documents

This application must be accompanied by all of the following documents. (Please tick the relevant documents which you have provided):-

5.1 If the application is for approval as an Approved SBLNT Lender:

i	Certificate of Incorporation / Identification Number / Passport	
ii	Document evidencing appointment of Authorised Signatory(ies).	

5.2 If application is for Approved SBLNT Borrower:

i	Certificate of Incorporation.	
ii	Document evidencing appointment of Authorised Signatory(ies).	
iii	Documents to evidence that the company is classified under the list of eligible persons to be an Approved SBLNT Borrower (Schedule 1 of this form).	
iv	Latest audited accounts and related documents to evidence the Effective Shareholders' Funds.	

Note: The documents submitted with this application shall be certified as true copies by an Authorised Signatory of the applicant.

6. Declaration and Undertaking

I/We:-

- declare that, I/we, am/are properly authorised to carry out activities relating to securities borrowing and lending in accordance with the Rules of Bursa Clearing (S).
- declare that all information given in this application and in the attached annexures is true and correct.
- acknowledge that Bursa Clearing (S) may in its absolute discretion, approve or reject this application, and shall not hold Bursa Clearing (S) liable in any manner for its decision.
- agree, upon approval of this application, to at all times comply with all requirements prescribed by Bursa Clearing (S) for an Approved SBLNT Borrower / Approved SBLNT Lender as contained in the Rules of Bursa Clearing (S), the SBL Conditions (as defined under the Rules of Bursa Clearing (S)), or as prescribed by Bursa Clearing (S) from time to time in relation to Securities borrowing and lending.
- in relation to our application to be an Approved SBLNT Borrower (if applicable), agree, upon approval of this application, to at all times comply with Rules 7.20(a) and (b) of the Rules of Bursa Malaysia Securities Berhad as may be amended, varied, modified, supplemented or substituted from time to time as if we were the Participating Organisation referred to in such Rule.

..... Signature of Individual / Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

Dated thisof

Kindly submit the duly completed application form to:-

Head, Participants Supervision Division
 Regulation, **Bursa Malaysia Berhad**
 12th Floor, Exchange Square, Bukit Kewangan
 50200 Kuala Lumpur

Schedule 1
Persons eligible to be an Approved SBLNT Borrower

No.	Category Description
1.	A licensed institution as defined in the Banking and Financial Institution Act 1989 and its wholly-owned subsidiary that is a nominee company.
2.	A scheduled institution under the Banking and Financial Institutions Act 1989 which carries on development finance business as defined under the Banking and Financial Institution Act 1989 and its wholly-owned subsidiary that is a nominee company.
3.	A financial institution established under any Act of Parliament and its wholly-owned subsidiary that is a nominee company.
4.	An Islamic Bank as defined in the Islamic Banking Act 1983 and its wholly-owned subsidiary that is a nominee company.
5.	A prescribed institution as defined in the Development Financial Institutions Act 2002 and its wholly-owned subsidiary that is a nominee company.
6.	A licensed offshore bank as defined under the Offshore Banking Act 1990 and its wholly-owned subsidiary that is a nominee company.
7.	A holder of a Capital Markets Services Licence for the purpose of carrying on the business of fund management, its wholly-owned subsidiary that is a nominee company and its custodian appointed pursuant to section 121 of the Capital Markets and Services Act 2007.
8.	A closed-end fund that is approved by the Commission under section 212 of the Capital Markets and Services Act 2007 and its custodian in relation to closed-end fund's investments.
9.	A foreign fund manager.
10.	A stockbroking company who is a member of other recognised stock exchanges defined in the Rules of the Stock Exchange.
11.	A securities dealer who is not a member of other recognised stock exchanges but is authorised to carry out the business of dealing in securities by the relevant authorities in jurisdictions of the recognised stock exchanges defined in the Rules of the Stock Exchange.
12.	A foreign financial institution.
13.	A person appointed by the Depository to be an authorised depository agent and its wholly-owned subsidiary that is a nominee company.
14.	A person appointed by the Depository to be an authorised direct member and its wholly-owned subsidiary that is a nominee company.
15.	A clearing house approved under section 38 of the Capital Markets and Services Act 2007.
16.	A holder of a Capital Markets Services Licence for the purpose of carrying on the business of dealing in securities and its wholly-owned subsidiary that is a nominee company.

**APPOINTMENT OF LENDING REPRESENTATIVE / BORROWING REPRESENTATIVE
SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (“SBLNT”)**

Please complete all sections of the form by typing in black or using black ink pen as the form will be photocopied.

For office use only

Bursa Malaysia Securities Clearing Sdn Bhd's reference number

1. Particulars of the Applicant – *Approved SBLNT Lender / Approved SBLNT Borrower

Applicant's name in full

Company Registration No. or NRIC

Securities Account (CDS) Number To Be Linked

(To link more than 1 securities account, fill the attachment for subsequent accounts)

Account Purpose

(Refer attachment for code details)

Account Qualifier of the CDS account above

2. Particulars of the Lending Representative / Borrowing Representative

Corporation's name in full

Company No. (if any)

Please tick the relevant:

Borrowing Representative

Lending Representative

Acknowledgement by Approved SBLNT Lender / Approved SBLNT Borrower

I/We, *the Approved SBLNT Lender / the Approved SBLNT Borrower / both Approved SBLNT Lender and the Approved SBLNT Borrower hereby wish to appoint the corporation as stated in item 2 above as our *Lending Representative / Borrowing Representative / both Borrowing Representative and Lending Representative to carry out SBLNT.

..... Signature of Individual / Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

3. Acknowledgement by SBLNT Lending Representative / SBLNT Borrowing Representative

I/We hereby agree to act as the *Lending Representative / Borrowing Representative / both Lending Representative and Borrowing Representative to carry out SBLNT for the *Approved SBLNT Lender / Approved SBLNT Borrower as stated in item 1 above.

..... Authorised Signatory(ies)
Name:
..... Company Stamp (if applicable)

Dated thisof

* Delete whichever is not applicable

Kindly submit the duly completed application form to:-

Head, Participants Supervision Division
Regulations
Bursa Malaysia Berhad
12th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

**APPOINTMENT OF LENDING REPRESENTATIVE / BORROWING REPRESENTATIVE
SECURITIES BORROWING AND LENDING – NEGOTIATED TRANSACTION (“SBLNT”)****Particulars of the applicant’s Approved SBLNT Lender / Approved SBLNT Borrower**

Applicant’s Approved SBLNT Lender / Approved SBLNT Borrower’s name in full

Company Registration Number or NRIC No.

Securities Account (CDS) Number To Be Linked / Account Qualifier

Account Purpose:
B = Borrowing
L = Lending
BL = Borrowing & Lending

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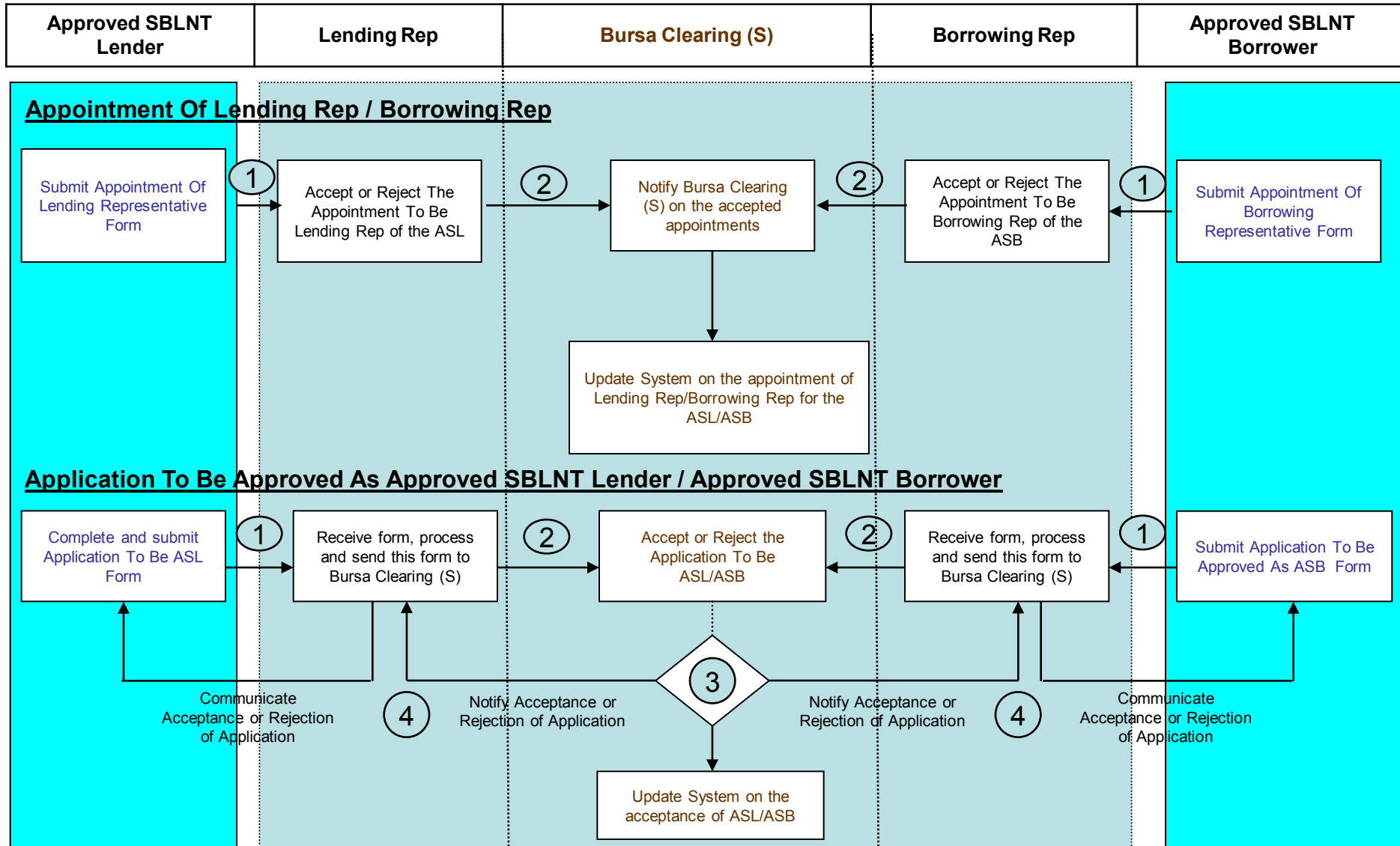
.....
Signature of Individual / Authorised Signatory(ies)

Name:.....

.....
Company Stamp (if applicable)

Dated thisof

I. Appointment Of Lending Representative / Borrowing Representative
 II. Application To Be Approved SBLNT Lender (ASL)/ Approved SBLNT Borrower (ASB)



DIRECTIVE ON MAINTENANCE OF CONFIRMATION INFORMATION BY APPROVED SBLNT BORROWER**MAINTENANCE OF CONFIRMATION**

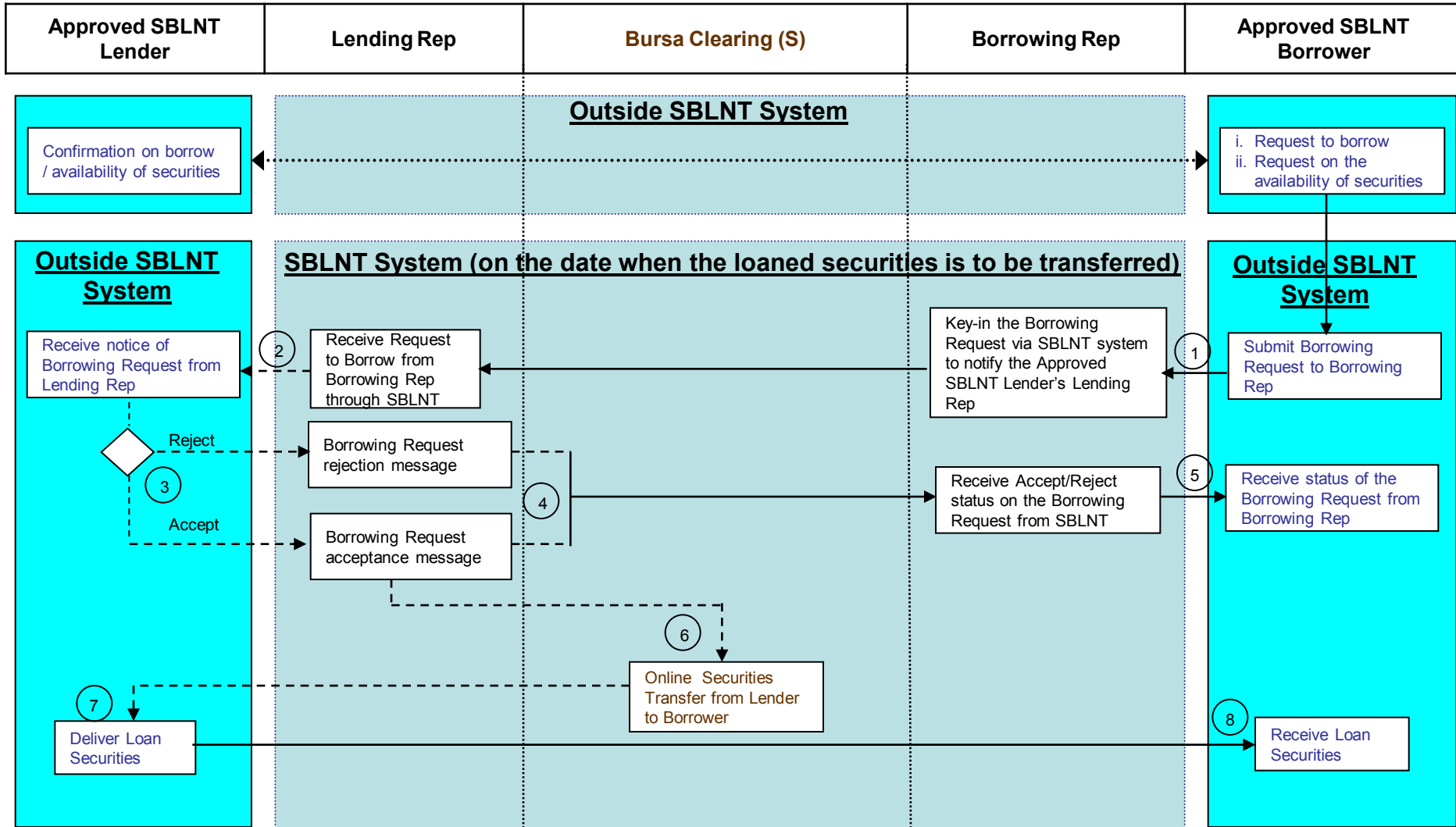
1. This Directive is issued pursuant to Rule 8.12(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd.
2. In accordance with Rule 8.12(a), an Approved SBLNT Borrower ("AB") must ensure that it obtains a confirmation from an Approved SBLNT Lender ("AL") that the AL has the Eligible Securities available to be lent to the AB.
3. The confirmation must contain, at the minimum, the following details:-
 - (a) A clear statement that the confirmation relates to an order to borrow or to an order to hold securities;
 - (b) Name of the lender;
 - (c) Name of the borrower;
 - (d) Name and security code of the securities borrowed or to be held;
 - (e) Quantity of the securities borrowed or to be held;
 - (f) Settlement date of the borrow/loan or number of days of the hold confirmation; and
 - (g) A date and time-stamp showing the date and time of receipt of the confirmation by the AB.
4. The confirmation must be maintained in writing or in electronic form capable of being reproduced in hard copy form or by way of a recording on any medium provided the minimum content of the confirmation required under Paragraph 3 above can be clearly ascertained.
5. An AB must maintain the confirmation for at least 2 years from the effective date of lending or the effective date of the hold confirmation ("Retention Period") and must produce the confirmation upon request by the Exchange or the Securities Commission in accordance with Rule 8.15 of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd.
6. Failure to maintain the confirmation in the manner set out in Paragraph 2 above for the Retention Period or failure to produce the confirmation upon request will be a breach of this Directive for which action may be taken by the Clearing House.

Issue Date: [04 August 2009]

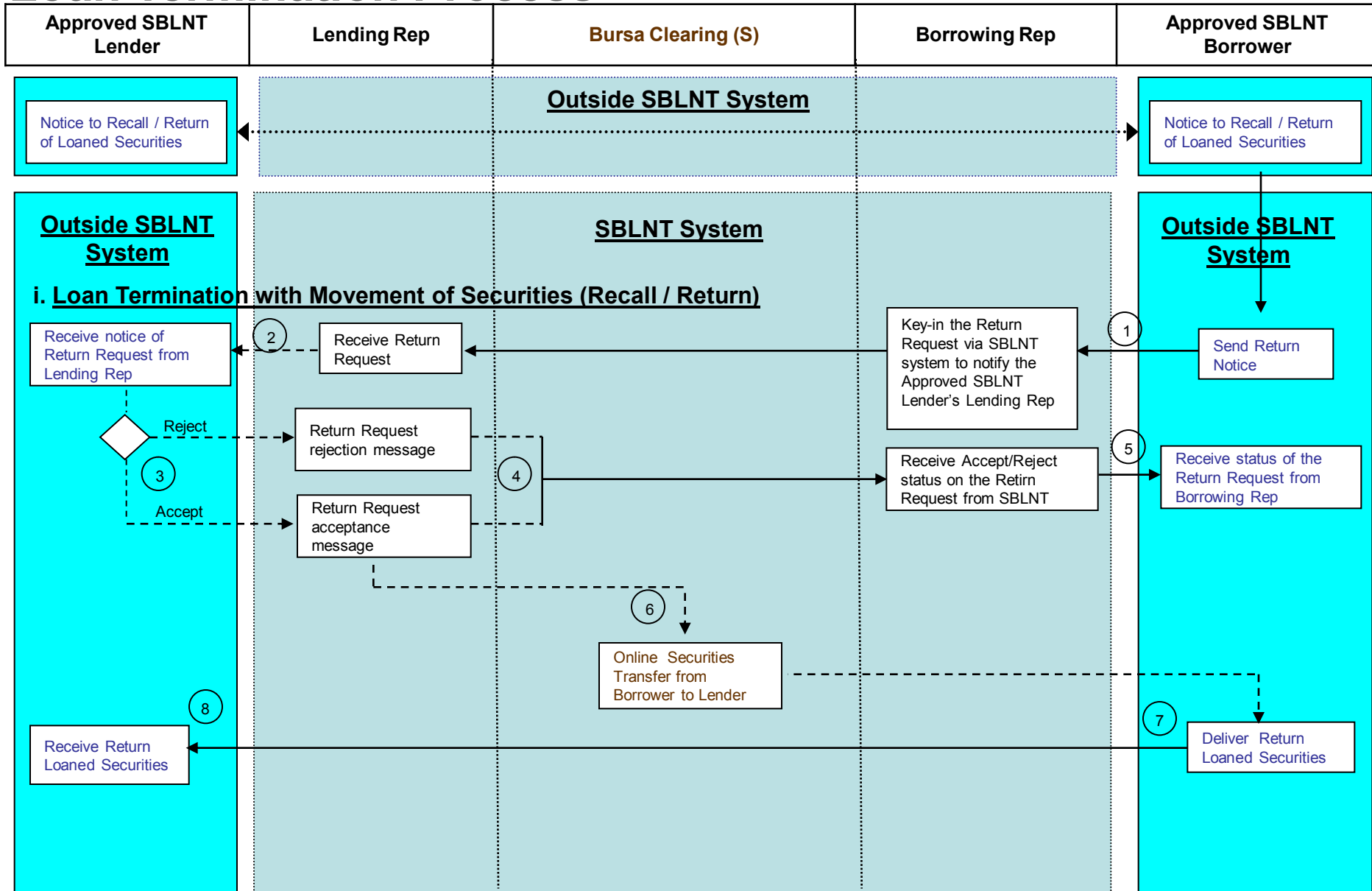
Effective Date: [17 August 2009]

Contact Person: Ng G-Ming
Head, Intermediaries Supervision
Regulation
Tel: 603-20347364

Loan Initiation Process



Loan Termination Process



**LETTER OF AUTHORISATION/CONSENT BY HOLDER OF SECURITIES ACCOUNT
IN RELATION TO THE BURSA SECURITIES BORROWING AND LENDING –
NEGOTIATED TRANSACTION (“THE SBLNT”)**

[On letterhead of Approved SBLNT Lender’s client/authorised nominee]

To :

Bursa Malaysia Securities Clearing Sdn Bhd and
Bursa Malaysia Depository Sdn Bhd
10th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

**Authorisation/Consent by Approved SBLNT Lender’s client/authorised nominee in relation
to the SBLNT**

I/We, _____ [name of the Approved SBLNT Lender’s client/authorised nominee] am/are the account holder of the Securities Account No. _____ (hereinafter referred to as “the Securities Account”) stated in the Appointment Of Lending Representative/Borrowing Representative Form submitted by _____ [name of the Approved SBLNT Lender] (hereinafter referred to as “the Approved SBLNT Lender”) to Bursa Malaysia Securities Clearing Sdn Bhd (hereinafter referred to as “the Clearing House”) on [date of Form] pursuant to the SBLNT related rules prescribed in the Rules of Bursa Clearing (S) (“hereinafter referred to as the SBLNT Rules”).

In consideration of the Clearing House approving the Approved SBLNT Lender’s application to become an Approved SBLNT Lender in relation to the SBLNT and continuing to allow the Approved SBLNT Lender to enter into new SBL Negotiated Transactions or transactions contemplated under any directives, circulars or instructions issued by the Clearing House in relation to SBL Negotiated Transactions, **I/WE HEREBY GIVE OUR AUTHORISATION AND CONSENT** to the following:-

- (i) the Clearing House instructing Bursa Malaysia Depository Sdn Bhd (“the Depository”) to debit from the Securities Account and for the Depository to debit the eligible securities specified by the Approved SBLNT Lender which are available for lending to the Approved SBLNT Borrower (“the Loaned Securities”) for the purpose of the delivery of the Loaned Securities by the Approved SBLNT Lender to the Approved SBLNT Borrower and for the Clearing House instructing the Depository to credit into the Securities Account and for the Depository to credit the equivalent Loaned Securities for purpose of the redelivery of the equivalent Loaned Securities by the Approved SBLNT Borrower to the Approved SBLNT Lender, pursuant to the SBLNT Rules; and
- (ii) the Clearing House or the Depository disclosing any information or producing any documents in its possession or control which relate to the Securities Account or the securities held therein where the Clearing House or the Depository is bound by law or the requirements of any relevant authority in Malaysia so to do.

I/We hereby undertake that for so long as the loan transactions entered into between the Approved SBLNT Lender and the Approved SBLNT Borrower pursuant to the SBLNT Rules shall remain outstanding:

- (a) this authorisation and consent shall be irrevocable; and
- (b) I/we shall not close and shall ensure no closure of the Securities Account stated herein.

We hereby confirm that [name of authorised signatory of authorised nominee] has been duly authorised by resolution of our board of directors dated [date of resolution] to give this authorisation/consent (this is applicable only to authorised nominee).

Yours faithfully

.....

Name : [Approved SBLNT's Lender's client/Authorised signatory of authorised nominee]

Designation : [applicable if authorised nominee]

Date :

Signature authentication by SBLNT Lending Representative

We hereby confirm that we have checked and verified that the signature of the Approved SBLNT Lender's client corresponds with the signature on the specimen signature card / the signature of the authorised signatory of the authorised nominee corresponds with our records.

..... Authorised Signatory(ies) Name: Company Stamp
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Dated this of