

PART I DEFINITION AND INTERPRETATION**Chapter 1.0 Definition and Interpretation****Rule 1.01 Definition:**

In these Rules, unless the context otherwise requires -

“Act” means the Securities Industry (Central Depositories) Act 1991 and includes any regulations made thereunder;

“advisory committee” means the advisory committee established by the Minister pursuant to section 6 of the Act;

“American Depository Receipt” means a security which accords a right to the holder of the security to own certain quantity of securities of an issuer listed on the Stock Exchange and the same is traded on a stock market in the jurisdiction of the United States of America.

“application date”, in relation to any application under these Rules, means the date on which the application is lodged with the Depository or an authorised depository agent;

“approved functions”, in relation to any authorised depository agent, means those functions which have been allowed or approved, from time to time, by the Depository under these Rules to be performed by that depository agent and includes inter alia those functions, of any description whatsoever, relating to the purposes listed under section 13(1) of the Act;

“authorised depository agent” means a person appointed by the Depository under Part II chapter 2.0 of these Rules;

“authorised direct member” means a person appointed by the Depository under Part III chapter 14.0 of these Rules;

“authorised nominee” means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under part VIII;

“bank” shall have the same meaning as is assigned to it under the Banking and Financial Institutions Act 1989;

“bank account information” in relation to a depositor, means the information prescribed by the Depository relating to the depositor’s bank account that is to be used for crediting of cash distributions or other cash payments paid by the issuer.

“beneficial owner” means in relation to deposited securities, the ultimate owner of the deposited securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the deposited securities and does not include a nominee of any description;

“books” has the meaning given under the Capital Markets and Services Act 2007;

“books closing date” means the specified time and date set by an issuer for the purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of its securities;

“book-entry delivery” in the case of prescribed securities means the debiting of the delivering depositor’s and/or the selling depositor’s securities account with the number of prescribed securities sold and the crediting of the receiving depositor’s and/or the purchasing depositor’s securities account with the number of prescribed securities purchased both in respect of a trade done on (T) in accordance with the Rules of the Stock Exchange and the Rules of the Clearing House;

“branch office”, means a branch office of an authorized depository agent or an authorized direct member which has been allocated and approved branch identity code by the Depository pursuant to Rule 2.06 and Rule 14.12 respectively and in the case of an authorised depository agent which is an Investment Bank, such branch office which has been approved by the Central Bank;

“buying depositor” means a depositor who, by virtue of having a trading account with a participating organisation of the Stock Exchange, has placed an order to purchase a deposited security;

“Capital Markets Services Licence” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“Central Bank” means the Central Bank of Malaysia established under section 3 of the Central Bank of Malaysia Act 1958;

“Central Depository System Electronic Services” or “CDS eServices” means the internet-based facility made available to the depositors by the Depository to facilitate its various services, such as opening, re-activating of securities accounts, accessing the depositors’ securities account information or conducting specified transactions electronically.

“clearing facilities” shall have the same meaning as is assigned to that expression in the Capital Markets and Services Act 2007, in relation to the Clearing House;

“Clearing House” means a person approved under section 38 of the Capital Markets and Services Act 2007 to establish or operate clearing facilities;

“clearing participant” shall have the same meaning as is assigned to it under the Rules of the Clearing House;

“Commission’s Licensing Handbook” means the licensing handbook issued by the Commission pursuant to Section 377 of the Capital Markets and Services Act 2007 and includes any subsequent amendments, modifications, variations, supplements or substitutes;

“cum entitlement date” means the date fixed by an issuer as being the last date for entitlement to dividends, bonus issue, rights issue or other distributions to or rights of depositors in respect of securities issued by the issuer;

“corporate action” means any action taken by an issuer in relation to or arising from its securities including payment of dividend, issue of bonus shares and other rights and interests associated with such securities, capital restructuring and share consolidation

“(D)” means the market day on which a depositor deposits a scrip with an authorised depository agent pursuant to chapter 27.0;

“dealer’s representative” means a person, by whatever name called, in the direct employment of, or acting for, or by arrangement with, a person who carries on the business of dealing in securities (other than work ordinarily performed by accountants, clerks or cashiers), whether or not he is remunerated, and whether his remuneration, if any, is by way of salary, wages, commission or otherwise;

“dealing in securities” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“delivering depositor” means a depositor who acts on behalf of or in relation to a person who places an order to sell a deposited security with a participating organisation of a Stock Exchange;

“Depository” means Bursa Malaysia Depository Sdn. Bhd.;

“Depository Functions” mean the functions of an authorised depository agent or an authorised direct member as an authorised depository agent or an authorised direct member of the Depository;

“deposit date”, means the commencement date for the deposit of securities with the Depository in relation to securities which have been prescribed by the Stock Exchange to be deposited with the Depository pursuant to section 14(1) of the Act;

“directions” includes any instructions, guidelines or operating procedures issued by the Depository whether in the form of circulars, letters or Procedures Manual or posted on the website of the Exchange Holding Company;

“document” has the meaning given under the Capital Markets and Services Act 2007;

“dormant account” means a securities account designated as such by the Depository under Rule 26.10(2).

“eRAPID System” means a web-based system established by the Depository for the electronic transmission of information or records between the Depository and the issuer and such other web-based services or facilities as may be determined by the Depository

“Exchange Holding Company” means Bursa Malaysia Berhad;

“exchange traded fund” shall have the meaning as assigned to it in the Commission’s Guidelines on Exchange Traded Funds.

“exempt authorised nominee” means an authorised nominee who is exempted from compliance with the provisions of subsection 25A(1) of the Act;

“exercise of rights”, in relation to deposited non-equity securities, means the conversion of any debt securities into shares, the redemption of any debt securities or the exercise of any right or option in respect of non-equity security;

“finance company” shall have the same meaning as is assigned to it under the Banking and Financial Institutions Act 1989;

“foreign corporation” has the meaning given under the Stock Exchange’s Listing Requirements

“foreign depositor” means a depositor who is a foreigner as defined in sub-regulation 2 of the Foreign Ownership Regulations;

“Foreign Ownership Regulations” means the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996;

“free securities” means prescribed securities which have been verified by the issuer in accordance with section 18 of the Act, and registered or confirmed to be capable of registration in the name of the Depository or its nominee company;

“fund management” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“Global Depository Receipts” means a security which accords a right to the holder of the security to own certain quantity of securities of an issuer listed on the Stock Exchange and the same is traded on a stock market outside the jurisdiction of the United States of America;

“Guidelines on Investment Banks” means the Guidelines on Investment Banks issued jointly by the Central Bank and the Commission, including subsequent amendments,

modifications, variations, supplements or substitutes thereto and any directives or guidelines as may be issued thereunder; “in suspense”, in relation to any deposited security, shall have the meaning and effect assigned to it under Rule 36.04(a) of these Rules;

“inactive account” means a securities account designated as such by the Depository under Rule 26.11(2);

“instructing client” means a direct client of an authorised nominee who is a body corporate and has given instruction to such authorised nominee to hold deposited securities on its behalf or on behalf of its clients;

“interest in securities” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“issuer” shall have the meaning as assigned to it in the Act and in the case of a trust, shall mean the management company or the trustee-manager of the trust, as the case may be;

“Investment Bank” means an Investment Bank referred to under the Guidelines on Investment Banks;

“listed securities” means securities admitted for quotation on the official list of the Stock Exchange;

“Malaysian” means any person other than a foreigner and includes –

- (a) a Malaysian citizen;
- (b) a nominee company incorporated in Malaysia which is identified with the word “(Tempatan)” in its name and performs the services of a nominee, agent or trustee solely for or on behalf of legal or beneficial owners of securities who are Malaysians;
- (c) a company incorporated in Malaysia other than the company referred to in paragraph (b) above and Malaysians are entitled to exercise or control the exercise of fifty per centum or more of the voting rights of such company; or

(d) any other legal entity incorporated or created under any Malaysian law;

“market day” means any day on which the stock market is open for trading as may be determined by the Stock Exchange from time to time;

“market holiday” means any public holiday or any other day on which the stock market is declared officially closed by the Stock Exchange;

“merchant bank” shall have the same meaning as is assigned to it under the Banking and Financial Institutions Act 1989;

“moratorium securities” means securities which are imposed with a restriction by the Commission or the Stock Exchange, on selling, transferring, assigning or otherwise dealing with the securities, for a stipulated period;

“nominee account” means a securities account opened by an authorised nominee in accordance with the Rules;

“non-equity securities” means any securities other than ordinary shares which have been prescribed by the Stock Exchange to be deposited with the Depository under and in accordance with section 14 of the Act;

“officer” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“official list”, in relation to a stock market of a stock exchange, means a list specifying all securities which have been admitted for quotation on the stock market of the Stock Exchange;

“person” includes any body of persons, corporate or unincorporate;

“prescribed date”, in relation to any prescribed security, means the date specified in a notice given by a stock exchange under subsection 14(3) as being the last day on which the prescribed security may be traded on a stock market of the stock exchange unless such security has been deposited with the Depository;

“prescribed securities” means securities prescribed by the Stock Exchange to be deposited with the Depository under and in accordance with section 14 of the Act;

“Procedures Manual” includes any manual containing guidelines and operating procedures for authorised depository agents, authorised direct members and issuers, from time to time, issued by the Depository;

“purchasing depositor” means a depositor who places an order to purchase a deposited security with a participating organisation of a Stock Exchange;

“receiving depositor” means a depositor who acts on behalf of or in relation to a person who places an order to purchase a deposited security with a participating organisation of a Stock Exchange;

“Record of Depositors” means a record provided by the Depository to an issuer pursuant to an application under chapter 24.0 of these Rules;

“Register of Securities” means the register of securities required to be maintained pursuant to section 83 of the Capital Markets and Services Act 2007;

“Regulations” means Regulations made under the Act including the Foreign Ownership Regulations;

“Relevant Person”, in relation to an authorised depository agent, authorised direct member, issuer, other user or authorised nominee means the agent, director and employee of the authorised depository agent, authorised direct member, issuer, other user or authorised nominee, as the case may be;

“Rules of the Clearing House” shall have the same meaning as is assigned to ‘rules in relation to an approved clearing house’ as provided in the Capital Market and Services Act 2007;

“Rules of the Stock Exchange” shall have the same meaning as assigned to it under the Capital Markets and Services Act 2007;

“System Auditor” means an officer or manager appointed by the Depository to be in charge of security measures and controls pursuant to chapter 35.0 of these Rules;

“securities laws” shall have the same meaning as is assigned to it under the Securities Commission Malaysia Act 1993;

“selling depositor” means a depositor who places an order to sell a deposited security with a participating organisation of a Stock Exchange;

“Service Provider” means the entity within the group or an external entity to which the authorised depository agent or the authorised direct member has outsourced the Depository Functions and includes any subsequent service provider(s) to whom the initial service provider or any subsequent service provider has further contracted the Depository Functions;

“Settlement Date” means the day stipulated by the Stock Exchange to be the day for effecting book-entry delivery of any trade done on (T) in respect of prescribed securities on any basis that may be provided under the Rules of the Stock Exchange;

“share buy-back” in relation to a trust, means the buy-back of the trust’s own units by the management company of the trustee-manager;

“Specified Bonus Issue” has the meaning given under the Stock Exchange’s Listing Requirements;

“Specified Capital Restructuring” has the meaning given under Rule 22.06B;

“Specified Consolidation” has the meaning given under the Stock Exchange’s Listing Requirements;

“Specified Subdivision” has the meaning given under the Stock Exchange’s Listing Requirements;

“SPEEDS” means an expedited process for the crediting of securities by the Depository for corporate actions specified in the Rules;

“sponsored depository receipt programme” means

- (a) a programme established by way of an agreement involving an issuer of securities listed on the Stock Exchange, an issuer of the American Depository

Receipt (“ADR”) or Global Depository Receipt (“GDR”) and the holders of the ADR or GDR, for the issuance and trading of ADR or GDR as the case may be; and

- (b) the programme is registered with the Securities and Exchange Commission of the United States of America and/or with the relevant regulatory authorities in the case of GDR unless exempted by the Securities and Exchange Commission of the United States of America or the relevant regulatory authorities as the case may be;

“Stock Exchange” means any body corporate approved as a stock exchange by the Minister under section 8 of the Capital Markets and Services Act 2007;

“stock market” shall have the same meaning as is assigned to it under the Capital Markets and Services Act 2007;

“T” means the market day on which a security is purchased or sold by a depositor;

“terminal” means the computer terminal located at the premises of the user and forms part of the computer system;

“transitional period”, in relation to any prescribed securities, means the period immediately following the notification date and ending on the prescribed date;

“unlisted securities” means securities which have been approved by the Depository for deposit in accordance with Rule 17.07(3);

“under suspense” in relation to any deposited security or any securities account, shall have the meaning and effect assigned to it under Rule 36.04(b) of these Rules;

“user” means any person who has been given access to the computer system via the terminal by the Depository under these Rules and includes authorised depository agents, authorised direct members and issuers; and

“(W)” means the market day on which an application for withdrawal of a deposited security is lodged with the Depository or an authorised depository agent.

Rule 1.02 Additional Definitions:

- (1) Definitions under the Act: The following words and expressions shall have the meaning assigned to them respectively under section 2(1) of the Act, unless the context otherwise requires, namely-

“access”

“bearer security”

“Commission”

“computer system”

“debt securities”

“depositor”

“deposited security”

“information”

“Investigating Officer”

“Minister”

“participating organisation”

“record”

“Rules”

“scrip”

“security”

“securities account”

- (2) **Definitions under the Foreign Ownership Regulations:** The following words and expressions shall have the meanings assigned to them respectively under Regulation 2 of the Foreign Ownership Regulations, namely -

“conversion of shares”

“foreign”

“foreign shares”

“local shares”

“prescribed limit”

“restricted shares”

“rights and obligations”

“shares”

Rule 1.03 Interpretation:

In these Rules, unless otherwise expressed to the contrary-

- (1) Words in the singular include the plural, and words in the plural include the singular.
- (2) Words importing the masculine gender include feminine and neuter gender.
- (3) References to the Act or any statute shall be deemed to include the Act or that statute as amended or re-enacted from time to time.
- (4) References to record or list shall be deemed to include any disc, tape or other device in which sounds or data (not being visual images) are embodied so as to be capable (with or without the aid of some other instrument) of being reproduced there from and references to a copy of such record or list shall be deemed to include a transcript of the sounds or other data embodied therein.
- (5) A reference to writing shall be deemed to include any mode of representing or reproducing letters, figures or marks in a visible form.

- (6) Where an act is required to be done a specified number of clear days before or after a specified date, at least that number of days must intervene between the day on which the act is done and that date.
- (7) Any reference to a matter being prescribed or determined by the Depository shall mean the matter being prescribed or determined via directions issued by the Depository.