

**AMENDMENTS TO THE TRADING PARTICIPANTS' DIRECTIVE UNDER THE RULES OF BURSA MALAYSIA DERIVATIVES BHD ("BMD RULES") TO UPDATE THE REQUIREMENTS ON ACCOUNT OPENING AND CLIENT ONBOARDING**

**DIRECTIVE ON CONDUCT OF BUSINESS – NO. 4-001**

| PARAGRAPH | CURRENT PROVISION   | PARAGRAPH | AMENDED PROVISION  |
|-----------|---|-----------|--|
| 6.1(4)    | <p><b>Authentication of account opening application for individual Client</b></p> <p>(4) In conducting a Non Face-to-face Verification, a Trading Participant must verify the Client's identity and the authenticity of the application through 1 or more of the following methods:</p> <p>(a) obtain confirmation of the Client's identity from an independent source, for example, by contacting the human resources department of the Client's employer on a listed business number to confirm his employment;</p> <p>(b) receive and encash a personal cheque of the Client for an amount of not less than RM100, where the name appearing on the cheque and the signature of the Client on the cheque must match the name and signature of the Client in the account opening application form;</p> <p>(c) initiate face-to-face contact with the Client through an electronic mode including a video conference facility; or</p> | 6.1(4)    | <p><b>Authentication of account opening application for individual Client</b></p> <p>(4) In conducting a Non Face-to-face Verification, a Trading Participant must verify the Client's identity and the authenticity of the application through 1 or more of the following methods:</p> <p>(a) obtain confirmation of the Client's identity from an independent source, for example, by contacting the human resources department of the Client's employer on a listed business number to confirm his employment;</p> <p>(b) receive and encash a personal cheque of the Client for an amount of not less than RM100, where the name appearing on the cheque and the signature of the Client on the cheque must match the name and signature of the Client in the account opening application form;</p> <p>(c) initiate <del>face-to-face</del> contact with the Client through <del>an electronic mode including a video conference facility</del> <u>or a video recording of the Client</u>; <del>or</del></p> |

**ANNEXURE 1**  
**Amendments to Update the Requirements on Account Opening**  
**and Client Onboarding**



| PARAGRAPH | CURRENT PROVISION  | PARAGRAPH | AMENDED PROVISION  |
|-----------|--|-----------|--|
|           | <p>(d) obtain confirmation of the Client's identity and relevant details of the Client from another entity within the Trading Participant's Group which has previously verified the Client's identity in accordance with such entity's standard operating procedures and ensure that the details of the Client obtained from such other entity match the information in the Client's account opening application form.</p> |           | <p>(d) obtain confirmation of the Client's identity and relevant details of the Client from another entity within the Trading Participant's Group which <u>is a reporting institution under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and</u> has previously verified the Client's identity in accordance with such entity's standard operating procedures and ensure that the details of the Client obtained from such other entity match the information in the Client's account opening application form;<sup>1</sup></p> <p><u>(e) request the Client to make a nominal payment to the Trading Participant from his own account with a licensed bank under the Financial Services Act 2013 or licensed Islamic bank under the Islamic Financial Services Act 2013 or the Trading Participant transfers a nominal sum into the Client's account; or</u></p> <p><u>(f) use any other technology solution to verify the identity of a Client including, but not limited to, biometric technologies, which is able to verify the Client's identity effectively.</u></p> |

[End of Amendments]