

ANNEXURE 1

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD IN RELATION TO PERMITTED SHORT SELLING OF ETF UNITS AND ITS CONSTITUENT SECURITIES

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 7.4	<p>PURPOSE OF SECURITIES BORROWING</p> <p>(a) A Trading Clearing Participant, or such other category of persons who may be prescribed by the Clearing House to be eligible to apply to become a Borrower, who is approved to be a Borrower may only borrow the Loaned Securities from the Clearing House whether for itself or its client and/or lend such Loaned Securities to its client for any one of the following purposes:-</p> <p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities and which is effected in accordance with the Exchange Rules, whether on its own account or on account of the Borrower's client;</p> <p>(ii) to facilitate the settlement of a sale of Eligible Securities effected on the Exchange whether on the Borrower's own account or on account of the Borrower's client where there are no Securities or insufficient Securities in the securities account of the Borrower or the Borrower's client as will enable the Borrower or the Borrower's client to meet its delivery obligations to the purchaser (in accordance with the Exchange Rules relating to delivery and settlement) pursuant to a sale trade executed by the Borrower or the Borrower's</p>	Rule 7.4	<p>PURPOSE OF SECURITIES BORROWING</p> <p>(a) A Trading Clearing Participant, or such other category of persons who may be prescribed by the Clearing House to be eligible to apply to become a Borrower, who is approved to be a Borrower may only borrow the Loaned Securities from the Clearing House whether for itself or its client and/or lend such Loaned Securities to its client for any one of the following purposes:-</p> <p>(i) (no change)</p> <p>(ii) to facilitate the settlement of a sale of Eligible Securities effected on the Exchange whether on the Borrower's own account or on account of the Borrower's client where there are no Securities or insufficient Securities in the securities account of the Borrower or the Borrower's client as will enable the Borrower or the Borrower's client to meet its delivery obligations to the purchaser (in accordance with the Exchange Rules relating to delivery and settlement) pursuant to a sale trade executed by the Borrower or the Borrower's client on the Exchange, as a result of a mistake however made when executing the</p>

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	<p>client on the Exchange, as a result of a mistake however made when executing the sale trade provided always that the mistake was made in good faith and discovered only after the sale trade has been executed; <i>or</i></p> <p style="text-align: center;">New provision</p>		<p>sale trade provided always that the mistake was made in good faith and discovered only after the sale trade has been executed; <i>or</i></p> <p>(iii) in relation to Eligible Securities that are ETF units or the Constituent Securities (the ETF Units, the Constituent Securities or any one of the Constituent Securities shall hereinafter be collectively referred to as “the ETF Related Securities”), to facilitate the settlement of a sale in the ETF Related Securities where the following requirements are complied with:-</p> <p style="padding-left: 40px;">(aa) the sale was executed by the Borrower in its capacity as a Participating Dealer for that particular ETF Related Securities; and</p> <p style="padding-left: 40px;">(bb) the Borrower executed the sale as part of its Permitted Short Selling activities in accordance with the rules on Permitted Short Selling as contained in the Exchange Rules; or</p>

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	<p>(iii) for such other purposes as may be determined by the Clearing House in consultation with the Commission.</p> <p>(b) For the purpose of this sub-rule (a), “regulated short sale” shall have the same meaning as is assigned to that expression in the Exchange Rules.</p>		<p>(iv) (no change)</p> <p>(b) For the purpose of this sub-rule (a), unless the context otherwise requires –</p> <p>(i) “Constituent Securities” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(ii) “ETF” means exchange traded fund as defined in the Commission’s Guidelines on Exchange Traded Funds;</p> <p>(iii) “Participating Dealer” shall have the meaning as is assigned to that expression in the Commission’s Guidelines on Exchange Traded Funds;</p> <p>(iv) “Permitted Short Selling” shall have the meaning as is assigned to that expression in the Exchange Rules; and</p> <p>(v) “regulated short sale” shall have the same meaning as is assigned to that expression in the</p>

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			Exchange Rules.

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