

ANNEXURE 1

RULES OF BURSA MALAYSIA DERIVATIVES CLEARING BHD

RULE AMENDMENTS IN RELATION TO REIMBURSEMENT OF COSTS FROM PARTICIPANTS ARISING FROM INSPECTIONS, INVESTIGATIONS AND ENFORCEMENT PROCEEDINGS

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
902	<p>Inspection cost</p> <p>The Clearing House may require the Clearing Participant concerned to pay the Clearing House a fee for carrying out the inspection.</p>	902	<p>Inspection cost</p> <p>The Clearing House may require the Clearing Participant concerned to pay the Clearing House a fee for carrying out the inspection.<u>Deleted.</u></p>
904	<p>Provision of audit report to the Clearing House</p> <p>(1) The Clearing House may, by notice to the Clearing Participant, require the Clearing Participant to provide a report from an independent auditor or other expert approved by the Clearing House expressing an opinion as to:</p> <p>(a) the performance by the Clearing Participant of its obligations under these Rules;</p> <p>(b) the Clearing Participant's capacity to continue to meet the requirements for admission as a Clearing Participant; or</p> <p>(c) any other matter necessary to assist the Clearing House in the discharge of the Clearing House's functions under these Rules.</p> <p>(2) The Clearing Participant that is required to provide the report referred to in Rule 904(1) must bear the costs in connection with obtaining the report.</p>	904	<p>Provision of audit report to the Clearing House</p> <p>(1) The Clearing House may, by notice to the Clearing Participant, require the Clearing Participant to provide a report from an independent auditor or other expert approved by the Clearing House expressing an opinion as to:</p> <p>(a) the performance by the Clearing Participant of its obligations under these Rules;</p> <p>(b) the Clearing Participant's capacity to continue to meet the requirements for admission as a Clearing Participant; or</p> <p>(c) any other matter necessary to assist the Clearing House in the discharge of the Clearing House's functions under these Rules.</p> <p>(2) The Clearing Participant that is required to provide the report referred to in Rule 904(1) must bear the costs in connection with obtaining the</p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
			report. <u>Deleted.</u>
906	<p>Investigation cost</p> <p>The Clearing House may require the Clearing Participant concerned to reimburse the Clearing House all costs the Clearing House incurs in connection with an investigation.</p>	906	<p>Investigation cost</p> <p>The Clearing House may require the Clearing Participant concerned to reimburse the Clearing House all costs the Clearing House incurs in connection with an investigation.<u>Deleted.</u></p>
907	<p>Disciplinary powers</p> <p>The Clearing House may exercise its disciplinary powers under Rules 907 to 913 against a Clearing Participant if the Clearing Participant is found to have breached any of these Rules (“Defaulting Participant”). The Clearing House’s disciplinary powers include the taking of one or more of the following actions:</p> <p>(a) terminate or suspend its Clearing Participantship in accordance with the terms prescribed by the Clearing House;</p> <p>(b) limit or disallow the access of the Defaulting Participant to any of the services or facilities of the Clearing House or suspend the Defaulting Participant’s privileges or activities on such terms and for such period as the Clearing House may in its sole discretion determine, including in relation to any function that has been outsourced;</p> <p>(c) impose a fine not exceeding RM1 million on the Defaulting Participant;</p> <p>(d) reprimand (publicly or privately) the Defaulting Participant;</p>	907	<p>Disciplinary powers</p> <p>The Clearing House may exercise its disciplinary powers under Rules 907 to 913 against a Clearing Participant if the Clearing Participant is found to have breached any of these Rules (“Defaulting Participant”). The Clearing House’s disciplinary powers include the taking of one or more of the following actions:</p> <p>(a) terminate or suspend its Clearing Participantship in accordance with the terms prescribed by the Clearing House;</p> <p>(b) limit or disallow the access of the Defaulting Participant to any of the services or facilities of the Clearing House or suspend the Defaulting Participant’s privileges or activities on such terms and for such period as the Clearing House may in its sole discretion determine, including in relation to any function that has been outsourced;</p> <p>(c) impose a fine not exceeding RM1 million on the Defaulting Participant;</p> <p>(d) reprimand (publicly or privately) the Defaulting Participant;</p>

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
	<p>(e) impose any restriction or condition in relation to the breach committed or on the activities that a Defaulting Participant undertakes;</p> <p>(f) impose one or more conditions for compliance including issuing a direction to take such steps to remedy or mitigate the breach, other than a direction to make restitution;</p> <p>(g) direct a Defaulting Participant to take appropriate action against any of the Defaulting Participant's employee or agents if such person caused the Defaulting Participant to commit the breach;</p> <p>(h) mandate education, training or such other types of programme as may be determined by the Clearing House to be undertaken or implemented by the Defaulting Participant for its employees;</p> <p>(i) direct payment of all or part of the costs incurred by the Clearing House in connection with the disciplinary proceedings commenced against the Defaulting Participant, subject to an internal criteria as approved by the Commission;</p> <p>(j) impose any restriction, prohibition or requirement regarding the disposal, holding or dealing with any monies or assets of a client by a Defaulting Participant; or</p> <p>(k) any other action the Clearing House considers appropriate subject to consultation with the Commission.</p>		<p>(e) impose any restriction or condition in relation to the breach committed or on the activities that a Defaulting Participant undertakes;</p> <p>(f) impose one or more conditions for compliance including issuing a direction to take such steps to remedy or mitigate the breach, other than a direction to make restitution;</p> <p>(g) direct a Defaulting Participant to take appropriate action against any of the Defaulting Participant's employee or agents if such person caused the Defaulting Participant to commit the breach;</p> <p>(h) mandate education, training or such other types of programme as may be determined by the Clearing House to be undertaken or implemented by the Defaulting Participant for its employees;</p> <p>(i) direct payment of all or part of the costs incurred by the Clearing House in connection with the disciplinary proceedings commenced against the Defaulting Participant, subject to an internal criteria as approved by the Commission<u>Deleted</u>;</p> <p>(j) impose any restriction, prohibition or requirement regarding the disposal, holding or dealing with any monies or assets of a client by a Defaulting Participant; or</p> <p>(k) any other action the Clearing House considers appropriate subject to consultation with the Commission.</p>

[End of Rule Amendments]