

BURSA MALAYSIA SECURITIES CLEARING SDN BHD

Date: 30 March 2012

No : SBL 3/2012

NOTIFICATION BY LENDER IN A BURSA SECURITIES BORROWING AND LENDING – CENTRAL LENDING AGENCY (SBLCLA) TRANSACTION OF A SAME DAY SALE AND RECALL OF LOANED SECURITIES THROUGH THE WITHHOLDING FROM BUYING-IN FACILITY

1) NOTIFICATION BY LENDER IN A BURSA SECURITIES BORROWING AND LENDING – CENTRAL LENDING AGENCY (SBLCLA) TRANSACTION OF A SAME DAY SALE AND RECALL OF LOANED SECURITIES THROUGH THE WITHHOLDING FROM BUYING-IN FACILITY

Reference is made to the following circulars:

- (a) Participating Organisations' Circular No: R/R 2 of 2012 dated 13 January 2012 that prescribes a modified Scheduled Delivery Time and Scheduled Settlement Time for Recalled Securities ("Exchange Directive"); and
- (b) SBL Circular No: SBL 1/2012 dated 13 January 2012 that among others sets out amendments to the Securities Borrowing and Lending – Negotiated Transactions Operational Guidelines in connection with the withholding from buying-in facility.

In line with the above, please be informed that the Securities Borrowing and Lending Central Lending Agency (SBL-CLA) system has been enhanced to incorporate the same withdrawal from buying-in facility.

As such, in relation to a same day sale and recall of securities loaned under a Bursa SBL Transaction:

- (1) the manner in which a lender should notify Bursa Clearing (S) of the relevant details in connection with the sale and recalled securities referred to in the Exchange Directive is through its Lending Agent and this would be through the withholding from buying-in facility; and
- (2) borrowers are required to enter the details of on-market buy trades executed for the purposes of returning the loaned securities to the Lender, in the manner specified by Bursa Clearing (S).

2) FREQUENTLY ASKED QUESTIONS

Reference is made to the Frequently Asked Questions (FAQs) referred to as “Annexure 3” in the SBL Circular No: SBL 1/2012 dated 13 January 2012. Included therein is the following question in which the answer provided is now revised with the introduction of the Withholding From Buying-in facility for the Securities Borrowing and Lending-Central Lending Agency (SBL-CLA) system.

Question 6

Is the Withholding From Buying-in facility applicable to both securities that have been loaned out under the Securities Borrowing and Lending – Negotiated Transaction (SBLNT) and Securities Borrowing and Lending - Central Lending Agency (SBLCLA) frameworks?

Revised answer

The facility applies to the SBLNT transaction as prescribed under the SBL Circular No: SBL 1/2012 dated 13 January 2012. The same applies to the SBLCLA transaction as prescribed under the SBL Circular No: SBL 3/2012 dated 30 March 2012.

All directives as set out in this circular shall take immediate effect.

For further information or enquiries kindly contact the following person:

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Clearing and Settlement Operations