

“ANNEXURE 3”

AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN. BHD. (“BURSA CLEARING (S)”) IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL NEGOTIATED TRANSACTIONS”)

EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Interpretation	<p>“Approved SBLNT Borrower”</p> <p>means a person whose application to participate as a borrower in SBL Negotiated Transactions either to borrow for itself or its client, has been approved by the Clearing House.</p> <p>“Approved SBLNT Lender”</p> <p>means a person whose application to participate as a lender in SBL Negotiated Transactions, either to lend its own Securities or Securities owned by its client, has been approved by the Clearing House.</p> <p>“Borrowing Representative”</p> <p>means a Trading Clearing Participant or such other category of persons prescribed by the Clearing House to be eligible to apply to become a Borrowing Representative, who has been approved by the Clearing House to perform certain functions with respect to borrowing of Securities by the Approved SBLNT Borrower.</p> <p>“Bursa SBL Participant”</p>

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IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS
 (“SBL NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>means the Lending Participant, Lender or Borrower or any one or more of them, as the context may require.</p> <p>“Lending Representative”</p> <p>means a Trading Clearing Participant, Non Trading Clearing Participant or such other category of persons prescribed by the Clearing House to be eligible to apply to become a Lending Representative, who has been approved by the Clearing House to perform certain functions with respect to lending of Securities by the Approved SBLNT Lender.</p> <p>“SBL Negotiated Transaction or SBLNT”</p> <p>means a Securities borrowing and lending transaction entered into between an Approved SBLNT Lender and an Approved SBLNT Borrower where the parties may negotiate and agree on the terms of the transaction and the transaction is facilitated by the Clearing House in accordance with the Rules.</p> <p>“SBL Participant/Agent”</p> <p>means the Lending Participant, Lender, Borrower, Approved SBLNT Lender, Approved SBLNT Borrower, Lending Agent, Lending Representative or Borrowing Representative, or any one or more of them, as the context may require.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>“SBLNT Participant”</p> <p>means the Approved SBLNT Lender or Approved SBLNT Borrower, or both, as the context may require.</p> <p>“SBLNT Participant/Representative”</p> <p>means the Approved SBLNT Lender, Approved SBLNT Borrower, Lending Representative or Borrowing Representative, or any one or more of then, as the context may require.</p> <p>“SBLNT System”</p> <p>means the system operated by the Clearing House to facilitate SBL Negotiated Transactions.</p>
Interpretation	<p>“Bursa SBL Transaction”</p> <p><i>the Securities borrowing and lending transaction entered into between the Clearing House and a person enabling the Clearing House to borrow or lend Eligible Securities from or to such person as the Clearing House may determine.</i></p>	Interpretation	<p>“Bursa SBL Transaction”</p> <p>a Securities borrowing and lending transaction where Eligible Securities are borrowed from or lent to the Clearing House acting as a central lending agency.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
Interpretation	<p>“Eligible Securities”</p> <p>means the Securities prescribed by the Clearing House in the SBL Circulars from time to time as approved for lending <i>to</i> or borrowing <i>from the Clearing House</i>;</p>	Interpretation	<p>“Eligible Securities”</p> <p>means the Securities prescribed by the Clearing House in the SBL Circulars from time to time as approved for lending or borrowing either in a Bursa SBL Transaction or a SBL Negotiated Transaction.</p>
Interpretation	<p>“Lending Agent”</p> <p>means a Clearing Participant who has been approved by the Clearing House to perform certain functions with respect to lending of Securities by the Lending Participant or the Lender to the Clearing House as specified in these Rules or any directives, circulars or instructions issued by the Clearing House and who is appointed as an agent to act on behalf of the Lending Participant or the Lender in respect of these functions;</p>	Interpretation	<p>“Lending Agent”</p> <p>means a Clearing Participant who has been approved by the Clearing House to perform certain functions with respect to lending of Securities by the Lending Participant or the Lender to the Clearing House in a Bursa SBL Transaction as specified in these Rules or any directives, circulars or instructions issued by the Clearing House and who is appointed as an agent to act on behalf of the Lending Participant or the Lender in respect of these functions.</p>
Interpretation	<p>“Loaned Securities”</p> <p>means the Specified Eligible Securities that are lent <i>to</i> or borrowed <i>from the Clearing House subject to the SBL Conditions</i>;</p>	Interpretation	<p>“Loaned Securities”</p> <p>means the Eligible Securities that are lent or borrowed.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
Interpretation	<p>“SBL Circulars”</p> <p>means any circulars, guidelines, procedures, terms and conditions and all other written requirements as may be prescribed and issued from time to time by the Clearing House, whether or not electronically, relating to the Bursa SBL <i>and/or</i> the SBL Conditions <i>and/or</i> the transactions contemplated under the SBL Conditions;</p>	Interpretation	<p>“SBL Circulars”</p> <p>means any circulars, guidelines, procedures, terms and conditions and all other written requirements as may be prescribed and issued from time to time by the Clearing House, whether or not electronically, relating to the Bursa SBL Transactions, the SBL Negotiated Transactions, the SBL Conditions or the transactions contemplated under the SBL Conditions.</p>
Rule 3.1.1	<p>Without prejudice to any other provisions in these Rules, the Clearing House may institute disciplinary action against a Clearing Participant in respect of an act of misconduct which includes:</p> <p>(a) Breaches of any of the Rules, Operational Procedures, orders, directives, conditions or other requirements imposed by the Clearing House on the Clearing Participant;</p> <p>(b) (With respect to a Trading Clearing Participant), any event that entitles the Clearing House to invoke its Default Rules</p>	Rule 3.1.1	<p>Without prejudice to any other provisions in these Rules, the Clearing House may institute disciplinary action against a Clearing Participant or a SBL Participant/Agent in respect of an act of misconduct which includes:</p> <p>(a) Breaches of any of the Rules, Operational Procedures, orders, directives, conditions or other requirements imposed by the Clearing House on the Clearing Participant or the SBL Participant/Agent;</p> <p>(b) (With respect to a Trading Clearing Participant), any event that entitles the Clearing House to invoke its Default Rules against such a Clearing Participant;</p> <p>(c) Failure to comply with any decision of the Clearing House;</p> <p>(d) Any conduct, the manner of which is detrimental to the interest of the Clearing House, any other Clearing Participant or SBL</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>against such a Clearing Participant;</p> <p>(c) Failure to comply with any decision of the Clearing House;</p> <p>(d) Any conduct, the manner of which is detrimental to the interest of the Clearing House or any other Clearing Participant;</p> <p>(e) Any conduct by the Clearing Participant the character of which is dishonourable, disgraceful or improper;</p> <p>(f) Any conduct the manner of which is disorderly or involves wilful obstruction of the clearing, settlement and other services or facilities of the Clearing House or otherwise;</p> <p>(g) The Clearing Participant, being the subject of an adverse finding by another regulatory body in the financial and capital market or the financial services industry to which the Clearing Participant is subject;</p>		<p>Participant/Agent;</p> <p>(e) Any conduct by the Clearing Participant or the SBL Participant/Agent the character of which is dishonourable, disgraceful or improper;</p> <p>(f) Any conduct the manner of which is disorderly or involves wilful obstruction of the clearing, settlement and other services or facilities of the Clearing House or otherwise;</p> <p>(g) The Clearing Participant or the SBL Participant/Agent, being the subject of an adverse finding by another regulatory body in the financial and capital market or the financial services industry to which the Clearing Participant or the SBL Participant/Agent is subject;</p> <p>(h) The directors, shareholders, partners, employees, officers or agents of the Clearing Participant or the SBL Participant/Agent thereof, knowingly, being involved in, or engages in any conduct or any neglect or default which constitutes an act of misconduct in terms of the provisions of sub-rule (a) – (e);</p> <p>(i) The Clearing Participant or the SBL Participant/Agent providing information which is incorrect, incomplete, misleading or false in a material way which the Clearing House in reliance on the information provided by the Clearing Participant or the SBL Participant/Agent, admitted the Clearing Participant or the SBL Participant/Agent to its participants or extended to the Clearing Participant or the SBL Participant/Agent such other services or facilities or conferred on the Clearing Participant or the SBL Participant/Agent a benefit or privilege or other advantage;</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>(h) The directors, shareholders, partners, employees, officers or agents of the Clearing Participant thereof, knowingly, being involved in, or engages in any conduct or any neglect or default which constitutes an act of misconduct in terms of the provisions of sub-rule (a) – (e);</p> <p>(i) The Clearing Participant providing information which is incorrect, <i>evasive</i>, misleading or false in a material way which the Clearing House in reliance on the information provided by the Clearing Participant, admitted the Clearing Participant to its participation or extended to the Clearing Participant such other services or facilities or conferred on the Clearing Participant a benefit or privilege or other advantage;</p> <p>(j) The failure to pay a fine or comply with any other disciplinary action or penalty imposed by the Clearing House within the time specified by the Clearing House or</p>		<p>(j) The failure to pay a fine or comply with any other disciplinary action or penalty imposed by the Clearing House within the time specified by the Clearing House;</p> <p>(k) Errors, delays or other conduct embarrassing, impeding or disrupting the operations, services or facilities of the Clearing House;</p> <p>(l) The Clearing Participant or the SBL Participant/Agent having violated, directly or indirectly, any provisions of the Act or of any regulations made thereunder;</p> <p>(m) The Clearing Participant or the SBL Participant/Agent having failed to cooperate with the Clearing House and/or any regulatory or relevant authority in matters concerning the clearing and settlement services or any other services or facilities of the Clearing House, whether or not relating to that Clearing Participant or that SBL Participant/Agent, which materially affects the interest of the Clearing House, other Clearing Participants or SBL Participants/Agents; or</p> <p>(n) The Clearing Participant having repeatedly failed to honour any ISS Instruction, ISS Confirmation or ISS Affirmation, or any instruction issued by the Clearing House in respect of an ISS Transaction.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>any extension of time granted by the Clearing House;</p> <p>(k) Errors, delays or other conduct embarrassing, impeding or disrupting the operations, services or facilities of the Clearing House;</p> <p>(l) The Clearing Participant having violated, directly or indirectly, any provisions of the Act or of any regulations made thereunder;</p> <p>(m) The Clearing Participant having failed to cooperate with the Clearing House and/or any regulatory or relevant authority in matters concerning the clearing and settlement services or any other services or facilities of the Clearing House, whether or not relating to that Clearing Participant, which materially affects the interest of the Clearing House <i>and/or</i> other Clearing Participants; or</p> <p>(n) The Clearing Participant having repeatedly failed to honour any ISS Instruction, ISS</p>		

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	Confirmation or ISS Affirmation, or any instruction issued by the Clearing House in respect of an ISS Transaction.		
Rule 3.1.2	<p>The following actions may be taken against any Clearing Participant who has been found to have committed any of the acts of misconduct stipulated in Rule 3.1.1:</p> <p>(a) suspend or terminate its Clearing Participantship;</p> <p>(b) suspend or terminate the <i>Clearing Participant as a Lending Agent</i>;</p> <p>(c) limit the activities or access of the Clearing Participant to the services and facilities of the Clearing House on such terms and for such period as the Clearing House may in its sole discretion determine;</p> <p>(d) impose on the Clearing Participant a fine not exceeding five hundred thousand ringgit (RM 500,000.00); and/or</p>	Rule 3.1.2	<p>The following actions may be taken against any Clearing Participant or SBL Participant/Agent who has been found to have committed any of the acts of misconduct stipulated in Rule 3.1.1:</p> <p>(a) suspend or terminate its Clearing Participantship;</p> <p>(b) suspend or terminate the SBL Participant/Agent as a SBL Participant/Agent;</p> <p>(c) limit the activities or access of the Clearing Participant or the SBL Participant/Agent to the services and facilities of the Clearing House on such terms and for such period as the Clearing House may in its sole discretion determine;</p> <p>(d) impose on the Clearing Participant or the SBL Participant/Agent a fine not exceeding five hundred thousand ringgit (RM 500,000.00); and/or</p> <p>(e) reprimand the Clearing Participant or the SBL Participant/Agent (private or public).</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(e) reprimand the Clearing Participant (private or public).		
Rule 3.1.3	The Clearing House may also notify the matter to the relevant authority to which the Clearing Participant is a subject.	Rule 3.1.3	The Clearing House may also notify the matter to the relevant authority to which the Clearing Participant or the SBL Participant / Agent is subject.
Rule 3.2A	<p>APPOINTMENT OF COMMITTEE OR SUBCOMMITTEE</p> <p>The Clearing House <i>shall</i> appoint a committee or subcommittee of the Clearing House or the Exchange Holding Company to discharge the exercise of its powers under Rule 3.1 <i>and</i> 3.2.</p>	Rule 3.2A	<p>APPOINTMENT OF COMMITTEE, SUB-COMMITTEE OR OFFICER(S)</p> <p>The Clearing House must appoint a committee, sub-committee or officer(s) of the Clearing House or the Exchange Holding Company to discharge the exercise of its powers under Rule 3.1.</p>
Rule 3.3	<p>APPEAL TO THE <i>BOARD</i></p> <p>A Clearing Participant who has been the subject of any disciplinary action by the Clearing House may, within the period of time prescribed by the Clearing House, appeal in writing to the Clearing House.</p>	Rule 3.3	<p>APPEAL TO THE CLEARING HOUSE</p> <p>A Clearing Participant or a SBL Participant/Agent who has been the subject of any disciplinary action by the Clearing House may, within the period of time prescribed by the Clearing House, appeal in writing to the Clearing House.</p>
Rule 3.6	CLEARING PARTICIPANT TO INCLUDE OTHER PERSONS	Rule 3.6	CLEARING PARTICIPANT OR SBL PARTICIPANT/AGENT TO INCLUDE OTHER PERSONS

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	A Clearing Participant shall be responsible to the Clearing House for the conduct of its owners, principals, directors, officers, employees, trainees and agents. Such conduct shall be treated for the purpose of the Rules as the conduct of the Clearing Participant. For the purpose of these Rules, conduct shall include misconduct, omission, default or neglect.		A Clearing Participant or a SBL Participant/Agent shall be responsible to the Clearing House for the conduct of its owners, principals, directors, officers, employees, trainees and agents. Such conduct shall be treated for the purpose of these Rules as the conduct of the Clearing Participant or the SBL Participant/Agent . For the purpose of these Rules, conduct shall include misconduct, omission, default or neglect.
	CHAPTER 7 <i>BURSA SBL</i>		CHAPTER 7 BURSA SBL TRANSACTIONS
	(New provisions)	Rule 7.1	PARTIES WHO MAY ENTER INTO A BURSA SBL TRANSACTION Only a Bursa SBL Participant may enter into a Bursa SBL Transaction subject to compliance with the relevant requirements set out in these Rules.
Rule 7.1	APPLICATION TO BE A LENDING PARTICIPANT OR LENDER Any person who wishes to be a Lending Participant or Lender must –	Rule 7.2	APPLICATION TO BE A LENDING PARTICIPANT OR LENDER Any person who wishes to be a Lending Participant or Lender must - (a) submit a complete and duly executed application and undertaking in the prescribed form via its Lending Agent to the Clearing House; and

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	<p>(i) submit a complete and duly executed application in the prescribed form to the Clearing House; and</p> <p>(ii) comply with all requirements prescribed by the Clearing House for a Lending Participant or Lender as contained in these Rules, the SBL Conditions or as prescribed by the Clearing House from time to time in relation to the Bursa SBL.</p> <p><i>The Clearing House reserves the right to reject an application by any person to be a Lending Participant or Lender.</i></p>		<p>(b) comply with all requirements prescribed by the Clearing House for a Lending Participant or Lender as contained in these Rules, the SBL Conditions or as prescribed by the Clearing House from time to time in relation to the Bursa SBL.</p>
Rule 7.2	<p>APPLICATION TO BE A BORROWER</p> <p>(a) <i>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 wishes to be a Borrower must:-</i></p> <p>(i) submit a complete and duly executed application in the</p>	Rule 7.3	<p>APPLICATION TO BE A BORROWER</p> <p>Any person who wishes to be a Borrower must:-</p> <p>(a) be a Trading Clearing Participant or such other category of persons who is prescribed by the Clearing House to be eligible to become a Borrower;</p> <p>(b) submit a complete and duly executed application and undertaking in the prescribed form to the Clearing House;</p> <p>(c) comply with all requirements prescribed by the Clearing House for a</p>

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	<p>prescribed form to the Clearing House;</p> <p>(ii) comply with all requirements prescribed by the Clearing House for a Borrower as contained in these Rules, the SBL Conditions or as prescribed by the Clearing House from time to time in relation to the Bursa SBL; and</p> <p>(iii) <i>where it is a Trading Clearing Participant, it must</i> comply with Rule 608.4 of the Exchange Rules as may be amended, varied, modified, supplemented or substituted from time to time as if it were the Participating Organisation referred to in such Rule.</p>		<p>Borrower as contained in these Rules, the SBL Conditions or as prescribed by the Clearing House from time to time in relation to the Bursa SBL; and</p> <p>(d) comply with Rule 608.4 of the Exchange Rules as may be amended, varied, modified, supplemented or substituted from time to time as if it were the Participating Organisation referred to in such Rule.</p>
	(New provisions)	Rule 7.4	<p>DISCRETION OF THE CLEARING HOUSE</p> <p>The Clearing House may exercise discretion over the approval of an application to be a Bursa SBL Participant and may approve or reject such application as it deems fit. The Clearing House may also approve an application unconditionally or subject to such conditions, as it deems fit.</p>
Rule 7.3	BORROWING AND LENDING BY <i>CLEARING</i>	Rule 7.5	BORROWING AND LENDING BY BURSA SBL PARTICIPANTS

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	<p><i>PARTICIPANT</i></p> <p>(a) A Clearing Participant who is a Trading Clearing Participant may borrow Eligible Securities from :-</p> <p>(i) the Clearing House whether for itself or its client <i>and the borrowing is subject to such requirements as may be contained in these Rules, the SBL Conditions or prescribed by the Clearing House in relation to the Bursa SBL</i>; or</p> <p>(ii) its client provided that such borrowing is for the sole purpose of lending <i>the Eligible Securities borrowed</i> to the Clearing House, <i>subject to such requirements as may be contained in these Rules or prescribed by the Clearing House in relation to the Bursa SBL</i>.</p> <p>(b) A Clearing Participant may lend Eligible Securities to :-</p> <p>(i) the Clearing House whether for itself or its client <i>subject to such</i></p>		<p>(a) A Clearing Participant who is a Trading Clearing Participant may borrow Eligible Securities from:</p> <p>(i) the Clearing House via a Bursa SBL Transaction whether for itself or its client; or</p> <p>(ii) its client provided that such borrowing is for the sole purpose of lending such Securities to the Clearing House via a Bursa SBL Transaction.</p> <p>(b) A Clearing Participant may lend Eligible Securities to:</p> <p>(i) the Clearing House via a Bursa SBL Transaction whether for itself or its client; or</p> <p>(ii) its client provided that the Clearing Participant is a Trading Clearing Participant and the Eligible Securities being lent are Securities that had been borrowed from the Clearing House via a Bursa SBL Transaction for the sole purpose of lending to such client.</p>

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	<p><i>requirements as may be contained in these Rules, the SBL Conditions or prescribed by the Clearing House in relation to the Bursa SBL; or</i></p> <p>(ii) its client provided that the Clearing Participant is a Trading Clearing Participant and the Eligible Securities being lent are the Eligible Securities that had been borrowed from the Clearing House for the sole purpose of lending to such client <i>and such lending is subject to such requirements as may be contained in these Rules, the SBL Conditions or prescribed by the Clearing House in relation to the Bursa SBL.</i></p>		<p>(c) The borrowing and lending of Eligible Securities by the Clearing Participant referred to in this Rule 7.5 may only be done subject to such requirements as may be contained in these Rules, the SBL Conditions or prescribed by the Clearing House in relation to Bursa SBL (as applicable).</p> <p>(d) For the avoidance of doubt, in either of the circumstances stated in Rule 7.5(a) or Rule 7.5(b) above, the Borrower or Lender must act as the principal to the Bursa SBL Transaction.</p>
Rule 7.4	<p>PURPOSE OF SECURITIES BORROWING</p> <p>(a) <i>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</i></p>	Rule 7.6	<p>PURPOSES OF SECURITIES BORROWING</p> <p>(a) Any Borrower may borrow Eligible Securities only for any one of the following purposes subject to such requirements as may be prescribed by the Clearing House:</p>

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	<p><i>Clearing House whether for itself or its client and/or lend such Loaned Securities to its client for any one of the following purposes:-</i></p> <p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities <i>and which is effected</i> in accordance with the Exchange Rules, <i>whether on its own account or on account of the Borrower’s client;</i></p> <p>(ii) to facilitate the settlement of a sale of Eligible Securities <i>effected on the Exchange whether on the Borrower’s own account or on account of the Borrower’s client</i> where there are no Securities or insufficient Securities in the securities account of the <i>Borrower or the Borrower’s client</i> as will enable the <i>Borrower or the Borrower’s client</i> to meet its delivery obligations to the purchaser (in accordance with the Exchange Rules relating to delivery and settlement) <i>pursuant to a sale trade executed by the Borrower or the Borrower’s client on the Exchange,</i></p>		<p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities executed in accordance with the Exchange Rules;</p> <p>(ii) to facilitate the settlement of a sale of Eligible Securities where there are no Securities or insufficient Securities in the securities account of the seller as will enable the seller to meet its delivery obligations to the purchaser (in accordance with the Exchange Rules relating to delivery and settlement) as a result of a mistake howsoever made when executing the sale provided always that the mistake was made in good faith and discovered only after the sale has been executed;</p> <p>(iii) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>as a result of a mistake however made when executing the sale <i>trade</i> provided always that the mistake was made in good faith and discovered only after the sale <i>trade</i> has been executed;</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>(aa) the sale was executed by the Borrower in its capacity as a Market Maker for that particular ETF Related Securities or executed by the Borrower for its client who is a Market Maker for that particular ETF Related Securities; and</p> <p>(bb) the Borrower executed the</p>		<p>(iv) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>sale as part of its Permitted Short Selling activities or as part of the Permitted Short Selling activities of the Borrower’s client in accordance with the rules on Permitted Short Selling as contained in the Exchange Rules; or</p> <p>(iv) 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), 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) “Market Maker” shall have the meaning as is assigned to that expression in the Exchange Rules;</p>		<p>(b) For the purpose of this sub-rule (a), unless the context otherwise requires –</p> <p>(i) (No change)</p> <p>(ii) (No change)</p> <p>(iii) (No change)</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 Exchange Rules.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<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 Exchange Rules.</p>		
Rule 7.5	<p>APPROVAL AS LENDING AGENT</p> <p>(a) A Clearing Participant seeking approval to act as a Lending Agent must:-</p> <p>(i) satisfy the requirements of Rule 7.7(c) below;</p> <p>(ii) apply to the Clearing House to be approved as a Lending Agent; and</p> <p>(iii) submit to the Clearing House a written declaration in the form prescribed in Appendix 1, together with its application as referred to above.</p> <p>(b) Without prejudice to the power conferred on the Clearing House in Rule 2.11 pertaining</p>	Rule 7.7	<p>APPROVAL AS LENDING AGENT</p> <p>(a) A Clearing Participant seeking approval to act as a Lending Agent must:</p> <p>(i) satisfy the requirements of Rule 7.8(c) below;</p> <p>(ii) apply to the Clearing House to be approved as a Lending Agent for Bursa SBL Transactions; and</p> <p>(iii) (No change)</p> <p>(b) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>to the conduct of inspection on a Clearing Participant, the Clearing House may, at any time and/or from time to time prior to or after the receipt of the prescribed declaration in Appendix 1, undertake any inspection and/or audit on the Clearing Participant seeking approval to act as a Lending Agent in the manner determined by the Clearing House.</p> <p>(c) The Clearing House may, in approving any application made by a Clearing Participant pursuant to Rule 7.5(a), impose such requirements or conditions as it deems necessary to ensure the smooth operation of <i>transactions relating to the Bursa SBL</i>.</p> <p>(d) Notwithstanding and without prejudice to any other provisions in this Chapter, the Clearing House shall not be obligated to approve the application of every Clearing Participant to be a Lending Agent.</p> <p>(e) A Clearing Participant who has been approved to act as a Lending Agent <i>shall</i> act as the duly appointed agent of the Lending Participant or Lender when performing the functions and responsibilities set out under Rule 7.7(a)</p>		<p>(c) The Clearing House may, in approving any application made by a Clearing Participant pursuant to Rule 7.7(a), impose such requirements or conditions as it deems necessary to ensure the smooth operation of the Bursa SBL Transactions.</p> <p>(d) (No change)</p> <p>(e) A Clearing Participant who has been approved to act as a Lending Agent must act as the duly appointed agent of the Lending Participant or Lender when performing the functions and responsibilities set out under Rule 7.8(a) and as may be specified by the Clearing House from time to time.</p> <p>(f) A Clearing Participant must not perform the functions and responsibilities set out under Rule 7.8(a) for any Lending Participant or Lender as its agent, unless it has first been approved as a Lending Agent and has entered into a written agreement with such Lending Participant or Lender to be appointed as his or its Lending Agent, which agreement must include the matters specified in Appendix 2.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>and as may be specified from time to time.</p> <p>(f) A Clearing Participant <i>shall</i> not perform the functions and responsibilities set out under Rule 7.7(a) for any Lending Participant or Lender as its agent, unless it has first been approved as a Lending Agent and has entered into a written agreement with such Lending Participant or Lender to be appointed as his or its Lending Agent, which agreement <i>shall</i> include the matters specified in Appendix 2 of these Rules.</p>		
Rule 7.7	<p>FUNCTIONS AND RESPONSIBILITIES OF LENDING AGENT</p> <p>(a) A Clearing Participant who is approved and appointed to be a Lending Agent for a Lending Participant or Lender <i>shall</i> have, amongst others, the following functions and responsibilities:-</p> <p>(i) To process the application of any person applying to be a Lending Participant (hereinafter in this Rule referred to as “the Said Lending Participant”);</p>	Rule 7.8	<p>FUNCTIONS AND RESPONSIBILITIES OF LENDING AGENT FOR BURSA SBL TRANSACTIONS</p> <p>(a) A Clearing Participant who is approved and appointed to be a Lending Agent for a Lending Participant or Lender must have, amongst others, the following functions and responsibilities:</p> <p>(i) (No change)</p> <p>(ii) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>(ii) To give effect to any instructions or orders given by the Said Lending Participant or Lender (hereinafter in this Rule referred to as “the Said Lender”) which include, inter alia, the keying-in of Lending Interests into the Bursa SBL System;</p> <p>(iii) To transmit or forward to the Said Lending Participant or Said Lender any notification or update communicated by the Clearing House via the Bursa SBL System in relation to the transactions by the Said Lending Participant or Said Lender relating to the Bursa SBL (other than notices pertaining to the issue of announcements made by an issuer of the Securities comprised in the Loaned Securities of any action taken by such issuer in relation to or arising from its Securities including payment of dividend, issue of bonus Securities and other rights and interests associated with its Securities, capital restructuring and Securities consolidation) or received by the Lending Agent from the Clearing</p>		<p>(iii) To transmit or forward to the Said Lending Participant or Said Lender any notification or update communicated by the Clearing House in relation to the transactions entered into by the Said Lending Participant or Said Lender relating to the Bursa SBL (other than notices pertaining to the issue of announcements made by an issuer of the Securities comprised in the Loaned Securities of any action taken by such issuer in relation to or arising from its Securities including payment of dividend, issue of bonus Securities and other rights and interests associated with its Securities, capital restructuring and Securities consolidation) or received by the Lending Agent from the Clearing House for the information of the Said Lending Participant or Said Lender, including but not limited to, such matters relating to any approval of Lending Interests, recall of Loaned Securities, entitlement received or is to be received by the Said Lender arising from any corporate action with respect to the Loaned Securities in accordance with the SBL Conditions;</p> <p>(iv) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>House for the information of the Said Lending Participant or Said Lender, including but not limited to, such matters relating to any approval of Lending Interests, recall of Loaned Securities, entitlement received or is to be received by the Said Lender arising from any corporate action with respect to the Loaned Securities in accordance with the SBL Conditions;</p> <p>(iv) To collect all documents, forms, agreements, deeds including any amendments or variations thereof relating to or governing the Bursa SBL as the Clearing House may require from time to time, from the Said Lending Participant or the Said Lender for submission to the Clearing House and from the Clearing House for transmission to the Said Lending Participant or the Said Lender;</p> <p>(v) To receive into the Lending Agent's bank account designated for the receipt of any fees, charges or</p>		<p>(v) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>income arising with respect to any Loaned Securities due and payable by the Clearing House to the Said Lender relating to the Bursa SBL (“Designated Bank Account”) and to pay to the Said Lender such fees, charges or income as may be prescribed by the Clearing House from time to time and that have been credited into the Lending Agent’s Designated Bank Account by the Clearing House subject to the deduction of any fees and charges as may be agreed between the Said Lender and the Lending Agent, and to collect from the Said Lender and to pay to the Clearing House, any fees and charges due and payable by the Said Lender to the Clearing House relating to the Bursa SBL as may be prescribed by the Clearing House from time to time without any deduction or set off;</p>		<p>(vi) To furnish to the Clearing House such information or documents relating to the Bursa SBL and such advice, statement and report on the operation of transactions relating to the Bursa SBL at such times and in such manner as may be prescribed by the Clearing House;</p> <p>(vii) (No change)</p> <p>(viii) (No change)</p>
(vi)	<p>To furnish to the Clearing House such documents relating to the Bursa SBL and such advice, statement and report on the operation of transactions relating to</p>	(b)	<p>(No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>the Bursa SBL at such times and in such manner as may be prescribed by the Clearing House;</p> <p>(vii) To give effect to any instructions, directives or orders given by the Clearing House to facilitate the operation of any transactions by the Lending Participant or Lender relating to the Bursa SBL or the SBL Conditions; and</p> <p>(viii) Such other functions and responsibilities as may be specified by the Clearing House from time to time.</p> <p>(b) The Clearing House may, by notice given to the Clearing Participant from time to time, amend, vary or modify the functions and responsibilities of the Clearing Participant in relation to the Bursa SBL.</p> <p>(c) A Clearing Participant seeking approval to act as a Lending Agent or who is approved to act as a Lending Agent must ensure that it has in place, at all times, the requisite systems, infrastructure, functionalities and controls for the performance of the functions and</p>		<p>(c) A Clearing Participant seeking approval to act as a Lending Agent or who is approved to act as a Lending Agent must ensure that it has in place, at all times, the requisite systems, infrastructure, functionalities and controls for the performance of the functions and responsibilities stipulated in Rule 7.8(a).</p> <p>(d) In performing the functions and responsibilities stipulated in Rule 7.8(a) on behalf of the Said Lending Participant or Said Lender, a Clearing Participant approved as a Lending Agent must comply with the procedures or requirements as may be imposed by the Clearing House from time to time.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>responsibilities stipulated in Rule 7.7(a).</p> <p>(d) A Clearing Participant approved as a Lending Agent must perform the functions and responsibilities stipulated in Rule 7.7(a) on behalf of the Said Lending Participant or Said Lender <i>in accordance</i> with the procedures or requirements as may be imposed by the Clearing House from time to time.</p>		
Rule 7.6	<p>ACCESS TO BURSA SBL SYSTEM</p> <p>(a) Upon approval of an application to be a Lending Agent made pursuant to Rule 7.5(a), the Clearing Participant shall be given access to the Bursa SBL System to perform any of its functions and responsibilities as a Lending Agent in relation to the Bursa SBL.</p> <p>(b) Such Clearing Participant shall comply with any conditions or requirements prescribed by the Clearing House from time to time in relation to the access to or usage of the Bursa SBL System.</p>	Rule 7.9	<p>ACCESS TO BURSA SBL SYSTEM</p> <p>(a) Upon approval of an application to be a Lending Agent made pursuant to Rule 7.7(a), the Clearing Participant shall be given access to the Bursa SBL System to perform any of its functions and responsibilities as a Lending Agent in relation to the Bursa SBL.</p> <p>(b) (No change)</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 7.10	<p>DESIGNATED SECURITIES ACCOUNT</p> <p>A Borrower must ensure that all Loaned Securities are held in and where relevant, transferred to, the designated securities accounts as prescribed by the Clearing House and no other securities account.</p>
Rule 7.8	<p>ACTION BY THE CLEARING HOUSE</p> <p>(a) <i>Without prejudice to any other powers of the Clearing House contained in the Act, these Rules or any directives, circulars or instructions issued by the Clearing House from time to time, if the Clearing Participant commits a breach of any of the requirements stipulated in this Chapter, the Clearing House may exercise any of the following powers immediately without further reference to the Clearing Participant in question:-</i></p> <p>(i) prohibit the <i>Clearing Participant</i> from entering into any or all new transactions in relation to the Bursa SBL and/or transactions contemplated under the <i>SBL Conditions</i>; or</p> <p>(ii) suspend or terminate the <i>Clearing</i></p>	Rule 7.11	<p>ACTION BY THE CLEARING HOUSE</p> <p>(a) The Clearing House may exercise any of the powers set out in Rule 7.11(b) immediately without further reference to a Bursa SBL Participant or Lending Agent:</p> <p>(i) if the Bursa SBL Participant or Lending Agent commits a breach of any of the conditions or requirements imposed by the Clearing House in relation to the Bursa SBL Transactions;</p> <p>(ii) if the Clearing House determines in its absolute discretion that the Bursa SBL Participant or Lending Agent is unable to conduct any of the Bursa SBL Transactions due to any circumstances including bankruptcy and insolvency;</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<i>Participant as a Lending Agent.</i>		<p>(iii) if the Clearing House determines that the Bursa SBL Participant or Lending Agent is likely to cause damage to other Bursa SBL Participants or Lending Agents as a result of violating any of the requirements or obligations in relation to the Bursa SBL Transactions; or</p> <p>(iv) in any such circumstances which may be determined by the Clearing House in consultation with the Commission.</p> <p>(b) Without prejudice to any of the powers of the Clearing House contained in the Act, these Rules or any directives, circulars or instructions issued by the Clearing House from time to time, the actions which the Clearing House may take upon the happening of any of the events set out in Rule 7.11(a) include one or more of the following:</p> <p>(i) prohibit the Bursa SBL Participant or Lending Agent from entering into any or all new Bursa SBL Transactions and/or transactions contemplated under any directives, circulars or instructions issued by the Clearing House in relation to the Bursa SBL Transactions;</p> <p>(ii) suspend or terminate the Bursa SBL Participant or Lending Agent as a Bursa SBL Participant or Lending Agent;</p> <p>(iii) notify all Bursa SBL Participants and Lending Agents of the suspension or termination of any Bursa SBL Participant or Lending Agent; or</p> <p>(iv) limit the activities or access of the Bursa SBL Participant or</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>Lending Agent to the services and facilities provided by the Clearing House in relation to the Bursa SBL Transactions on such terms and for such duration as the Clearing House may in its absolute discretion determine.</p> <p>(c) Where an action has been taken under Rule 7.11(b), a Bursa SBL Participant or Lending Agent may make representations to the Clearing House for the discontinuance of the action taken. The Clearing House may, after representations have been made, discontinue with the action taken. However, such discontinuance shall not be construed as an omission or error of any kind on the part of the Clearing House in undertaking the action under Rule 7.11(b) in the first place.</p> <p>(d) The Clearing House shall not be held liable for any loss or damage suffered by any party arising from or in connection with the action taken by the Clearing House under Rule 7.11(b) provided that the Clearing House has acted in good faith.</p> <p>(e) Notwithstanding any provisions to the contrary in these Rules, the Clearing House, where it deems necessary, may:</p> <p>(i) suspend its services and facilities for the Bursa SBL Transactions entirely or partially for such duration as the Clearing House in its absolute discretion deems fit; or</p> <p>(ii) terminate a Bursa SBL Transaction in accordance with any directive or instruction issued by the Commission or required by any written law, and further direct the Borrower to re-deliver the Loaned Securities to the Lender within the timeframe and in the manner as prescribed by the Clearing</p>

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 (“SBL NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>(b) Where an action has been taken under Rule 7.8(a), a <i>Clearing Participant</i> may make representations to the Clearing House for the discontinuance of the action taken. The Clearing House may after the representations were made, discontinue with the action taken. However, such discontinuance <i>shall</i> not be construed as an omission or error of any kind on the part of the Clearing House in undertaking the action under Rule 7.8(a) in the first place.</p> <p>(c) The Clearing House shall not be held liable for any loss or damage suffered by any party arising from or in connection with the action taken by the Clearing House under Rule 7.8(a) provided that the Clearing House has acted in good faith.</p>		<p>House.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 7.12	<p>PROVISION OF INFORMATION</p> <p>The Bursa SBL Participants and Lending Agents must furnish to the Clearing House or the Commission any information or document in relation to any Bursa SBL Transaction as required by the Clearing House or the Commission from time to time.</p>
	(New provisions)	Rule 7.13	<p>DISCLOSURE OF INFORMATION</p> <p>Notwithstanding any provisions in these Rules, the Clearing House shall be entitled to:</p> <p>(a) disclose any information or to produce any document in its possession or control in relation to the Bursa SBL Transaction if required or requested to do so by the Commission; and</p> <p>(b) disclose any information in its possession or control to the Commission or authorised personnel of the Exchange by way of granting such persons access to the Bursa SBL System for the purpose of facilitating the performance of their duties and functions under the relevant requirements, rules or laws.</p>
	(New provisions)	Rule 7.14	<p>FEES AND CHARGES</p> <p>(a) A Bursa SBL Participant or Lending Agent must pay to the Clearing House the relevant fees and charges prescribed by the Clearing House in relation to any or all of the services and facilities provided by the Clearing House in relation to the Bursa</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>SBL Transactions.</p> <p>(b) The Clearing House may, from time to time where it deems necessary in its absolute discretion, vary or change any of the fees and charges by prescription in the SBL Circulars and without any further notice to the Bursa SBL Participant or Lending Agent.</p>
Rule 7.9	<p>LIABILITY</p> <p>The Clearing House shall not be liable to any person for any loss or damage that may be incurred or suffered by such person as a result of the exercise or intended exercise of any power or performance of any duty conferred or imposed on the Clearing House in relation to the Bursa SBL and exercised by the Clearing House in good faith.</p>	Rule 7.15	<p>LIABILITY</p> <p>The Clearing House shall not be liable to any person for any loss or damage that may be incurred or suffered by such person as a result of the exercise or intended exercise of any power or performance of any duty or function conferred or imposed on the Clearing House in relation to the Bursa SBL Transactions and exercised by the Clearing House in good faith.</p>
	(New provisions)	Rule 7.16	<p>FORCE MAJEURE</p> <p>(a) In the event that the Clearing House is required to suspend the operation of the Bursa SBL System, and the provision of all ancillary services where for any reason the records of the Clearing House, the Central Depository or the Bursa SBL System are unavailable, inaccessible, delayed or hindered in any manner, the</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>Clearing House shall not be liable for any failure, hindrance or delay in the provision of services or for the failure to give or the delay in giving effect to any notice or communication from a Bursa SBL Participant or Lending Agent.</p> <p>(b) The Clearing House or its directors, officers, employees or agents shall not be liable for any losses or damages that may be incurred or suffered by the Bursa SBL Participant or Lending Agent arising from causes beyond its reasonable control including, without limitation, acts of God or the public enemy, acts of a civil or military authority, natural disasters, embargoes, industrial action, fires, floods, mechanical breakdowns, computer or system failures or sabotage, delay or inability to act by any registrar, interruptions of power supplies or other utility or services, currency restrictions, any law, regulation or order of any government, competent authority or any court or tribunal, war or terrorism.</p>
Rule 7.10	<p>INDEMNITY</p> <p>Each Clearing Participant shall be responsible for its own operations and functions as a Lending Agent in relation to the Bursa SBL as are required under these Rules, the SBL Circulars or otherwise and <i>shall</i> indemnify and hold indemnified the Clearing House, whether such indemnity is claimed by the Clearing House during or after the expiry of the tenure of the Clearing Participant as a Lending Agent, for any loss, legal costs (including third party legal costs),</p>	Rule 7.17	<p>INDEMNITY BY LENDING AGENT</p> <p>Each Clearing Participant shall be responsible for its own operations and functions as a Lending Agent in relation to the Bursa SBL Transactions as are required under these Rules, the SBL Circulars or otherwise and must fully indemnify and hold indemnified the Clearing House, whether such indemnity is claimed by the Clearing House during or after the expiry of the tenure of the Clearing Participant as a Lending Agent, for any loss, legal costs (including third party legal costs), damage or liability suffered or incurred by the Clearing House, whether directly or otherwise, as a result of any negligence, omission, mistake, misrepresentation, fraud or error on the part of the Clearing Participant, its servants or agents, provided always that such action or</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	damage or liability suffered or incurred by the Clearing House, whether directly or otherwise, as a result of any negligence, omission, mistake, misrepresentation, fraud or error on the part of the Clearing Participant, its servants or agents, provided always that such action or omission were committed during its tenure as a Lending Agent.		omission was committed during its tenure as a Lending Agent.
	(New provisions)	Rule 7.18	<p>INDEMNITY BY BURSA SBL PARTICIPANT</p> <p>Each Bursa SBL Participant must fully indemnify and hold the Clearing House indemnified from and against any loss, damage, claim, liability, cost or expense (including but not limited to legal costs on a solicitor and client basis) suffered or incurred by the Clearing House, whether directly or indirectly, for, on account of, or in respect of anything done, any statement made or omitted to be done or made, by the Clearing House in connection with the discharge or performance or purported discharge or performance of any duties or functions under these Rules or in the exercise or intended exercise of any power under these Rules, including, without limiting the generality of the foregoing, any loss, damage, claim, liability, cost or expense suffered or incurred as a result of the act, statement or omission of the Clearing House in the delivery or re-delivery of Loaned Securities in relation to a Bursa SBL Transaction where such act, statement or omission was done in good faith. This obligation to indemnify the Clearing House shall survive the termination of the Bursa SBL Transaction.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 7.19	<p>RULES OF CLEARING HOUSE TO TAKE PRECEDENCE</p> <p>The Bursa SBL Participants or Lending Agents must ensure that the provisions of the agreements entered into amongst the Bursa SBL Participants and Lending Agents shall not in any way be inconsistent with any of these Rules or the requirements imposed by the Clearing House or the provisions of the agreements entered into between the Bursa SBL Participants or Lending Agents and the Clearing House in relation to the Bursa SBL Transaction (“the Rules of the Clearing House”), and the Bursa SBL Participants and Lending Agents must give effect to the Rules of the Clearing House.</p>
APPENDIX 1	<p>To:</p> <p>Bursa Malaysia Securities Clearing Sdn Bhd Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p><u>COMPLIANCE WITH REQUIREMENTS IMPOSED BY BURSA MALAYSIA SECURITIES CLEARING SDN BHD (“BURSA CLEARING (S)”) IN RELATION TO THE LENDING AGENT</u></p> <p>Pursuant to the requirements of Rule 7.5(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S) Rules”), we [name of</p>	APPENDIX 1	<p>To:</p> <p>Bursa Malaysia Securities Clearing Sdn Bhd Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p><u>COMPLIANCE WITH REQUIREMENTS IMPOSED BY BURSA MALAYSIA SECURITIES CLEARING SDN BHD (“BURSA CLEARING (S)”) IN RELATION TO THE LENDING AGENT</u></p> <p>Pursuant to the requirements of Rule 7.7(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S) Rules”), we [name of Clearing Participant applying to be a Lending Agent] hereby declare and undertake as follows:</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>Clearing Participant applying to be a Lending Agent] hereby declare and undertake as follows:</p> <p>(1) we <i>shall</i> provide to Bursa Clearing (S) or the Securities Commission, upon request, any information required by Bursa Clearing (S) or the Securities Commission pertaining to the Lending Participants or Lenders for whom we are acting;</p> <p>(2) we have formulated a set of Internal Guidelines for Acting as a Lending Agent which has been approved by our board of directors;</p> <p>(3) the Internal Guidelines for Acting as a Lending Agent have been brought to the notice of the relevant employees who have read and understood the contents therein;</p> <p>(4) the Internal Guidelines for Acting as a Lending Agent comply with the requirements set out in Bursa Clearing (S) Rules; and</p> <p>(5) all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software</p>		<p>(1) we must provide to Bursa Clearing (S) or the Securities Commission, upon request, any information or document in relation to SBL required by Bursa Clearing (S) or the Securities Commission pertaining to the Lending Participants or Lenders for whom we are acting;</p> <p>(2) we have formulated a set of Internal Guidelines for Acting as a Lending Agent which has been approved by our board of directors;</p> <p>(3) the Internal Guidelines for Acting as a Lending Agent have been brought to the notice of the relevant employees who have read and understood the contents therein;</p> <p>(4) the Internal Guidelines for Acting as a Lending Agent comply with the requirements set out in Bursa Clearing (S) Rules; and</p> <p>(5) all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out activities as a Lending Agent in accordance with Bursa Clearing (S) Rules, the Bursa SBL (Terms and Conditions for Lending Participant and Lender) or directives, circulars or instructions issued by Bursa Clearing (S).</p> <p>Dated this [] day of [] [].</p> <p>Signed []</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p> <p>[End of Appendix]</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out activities as a Lending Agent in accordance with Bursa Clearing (S) Rules, the Bursa SBL (Terms and Conditions for Lending Participant and Lender) or directives, circulars or instructions issued by Bursa Clearing (S).</p> <p>Dated this [] day of [] [].</p> <p>Signed []</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p> <p>[End of</p> <p>Appendix]</p>		
APPENDIX 2	<p>Matters which must be contained in the written agreement between the Lending Agent and the Lending Participant/Lender (Rule 7.5(f))</p> <p>(1) The Lending Agent is the agent of the Lending Participant/Lender in performing the functions and responsibilities stipulated in these Rules or any directives, circulars or instructions issued by the Clearing House in relation to the</p>	APPENDIX 2	<p>Matters which must be contained in the written agreement between the Lending Agent and the Lending Participant/Lender (Rule 7.7(f))</p> <p>(1) The Lending Agent is the agent of the Lending Participant/Lender in performing the functions and responsibilities stipulated in these Rules or any directives, circulars or instructions issued by the Clearing House in relation to the Bursa SBL;</p> <p>(2) The functions and responsibilities of the Lending Agent stipulated in these Rules or any directives, circulars or instructions issued by the</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	<p>Bursa SBL;</p> <p>(2) The functions and responsibilities of the Lending Agent stipulated in these Rules or any directives, circulars or instructions issued by the Clearing House in relation to the Bursa SBL, as the same may be amended, modified or varied from time to time; and</p> <p>(3) The Lending Agent must comply with the obligations imposed on a Lending Agent, as contained in the SBL Conditions and these Rules.</p> <p align="right">[End of Appendix]</p>		<p>Clearing House in relation to the Bursa SBL, as the same may be amended, modified or varied from time to time; and</p> <p>(3) The Lending Agent must comply with the obligations imposed on a Lending Agent, as contained in the SBL Conditions and these Rules.</p> <p align="right">[End of Appendix]</p>
	(New provisions)		<p>CHAPTER 8</p> <p>SBL NEGOTIATED TRANSACTIONS</p>
	(New provisions)	Rule 8.1	<p>PARTIES WHO MAY ENTER INTO A SBL NEGOTIATED TRANSACTION</p> <p>Only a SBLNT Participant may enter into a SBL Negotiated Transaction subject to compliance with the relevant requirements set out in these Rules.</p>

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IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS
 (“SBL NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 8.2	<p>APPLICATION TO BE AN APPROVED SBLNT LENDER</p> <p>Any person who wishes to be an Approved SBLNT Lender must:</p> <p>(i) submit a complete and duly executed application and undertaking in the prescribed form via its Lending Representative to the Clearing House; and</p> <p>(ii) comply with all requirements prescribed by the Clearing House for an Approved SBLNT Lender as contained in these Rules, the SBL Conditions or as prescribed by the Clearing House from time to time in relation to Securities borrowing and lending.</p>
	(New provisions)	Rule 8.3	<p>APPLICATION TO BE AN APPROVED SBLNT BORROWER</p> <p>Any person who wishes to be an Approved SBLNT Borrower must:–</p> <p>(a) fall within one of the categories of persons prescribed by the Clearing House to be eligible to become an Approved SBLNT Borrower;</p> <p>(b) submit a complete and duly executed application and undertaking in the prescribed form via its Borrowing Representative to the Clearing House;</p> <p>(c) comply with all requirements prescribed by the Clearing House for</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>an Approved SBLNT Borrower as contained in these Rules or as prescribed by the Clearing House from time to time in relation to the SBL Negotiated Transactions; and</p> <p>(d) comply with Rule 608.4 of the Exchange Rules as may be amended, varied, modified, supplemented or substituted from time to time as if it were the Participating Organisation referred to in such Rule.</p>
	(New provisions)	Rule 8.4	<p>DISCRETION OF THE CLEARING HOUSE</p> <p>(a) The Clearing House may exercise discretion over the approval of an application to be a SBLNT Participant and may approve or reject such application as it deems fit. The Clearing House may also approve an application unconditionally or subject to such conditions, as it deems fit.</p> <p>(b) The Clearing House may revoke the approval given to a SBLNT Participant, at any time without further reference to the SBLNT Participant when any one or more of the following events occurs:</p> <ul style="list-style-type: none"> (i) When a SBLNT Participant applies for revocation; (ii) When a SBLNT Participant is no longer eligible under Rule 8.2 or Rule 8.3, as the case may be, to continue as an Approved SBLNT Lender or Approved SBLNT Borrower; or (iii) Where the Clearing House deems necessary in consultation with the Commission.

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>Where the Clearing House has revoked the approval given to a SBLNT Participant, the Clearing House may direct such SBLNT Participant to terminate its SBL Negotiated Transaction and, in the case of an Approved SBLNT Borrower, to re-deliver the Loaned Securities to the Approved SBLNT Lender within the timeframe and in the manner as prescribed by the Clearing House.</p>
	(New provisions)	Rule 8.5	<p>PURPOSES OF SECURITIES BORROWING</p> <p>(a) An Approved SBLNT Borrower may borrow Eligible Securities only for any one of the following purposes subject to such requirements as may be prescribed by the Clearing House:</p> <p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities executed in accordance with the Exchange Rules;</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(ii) 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>(aa) the sale was executed by the Approved SBLNT Borrower in its capacity as a Market Maker for that particular ETF Related Securities or executed by the Approved SBLNT Borrower for its client who is a Market Maker for that particular ETF Related Securities; and</p> <p>(bb) the Approved SBLNT Borrower executed the sale as part of its Permitted Short Selling activities or as part</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>of the Permitted Short Selling activities of the Approved SBLNT Borrower’s client in accordance with the rules on Permitted Short Selling as contained in the Exchange Rules;</p> <p>(iii) to onward lend the Loaned Securities provided that the participants in the onward lending transaction comply with these Rules and the Clearing House’s requirements in relation to Bursa SBL Transaction or SBL Negotiated Transactions (as applicable), including being approved as a Lender or Lending Participant or an Approved SBLNT Lender (as applicable); or</p> <p>(iv) 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), 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) “Market Maker” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(iv) “Permitted Short Selling” shall have the meaning as is</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>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 Exchange Rules.</p>
	(New provisions)	Rule 8.6	<p>APPROVAL AS LENDING REPRESENTATIVE</p> <p>(a) A Clearing Participant seeking approval to act as a Lending Representative must:</p> <p>(i) satisfy the requirements of Rule 8.7(c);</p> <p>(ii) apply to the Clearing House to be approved as a Lending Representative and specify it is applying to be a Lending Representative for SBL Negotiated Transactions; and</p> <p>(iii) submit to the Clearing House a written declaration in the form prescribed in Appendix 1 together with its application as referred to above.</p> <p>(b) Without prejudice to the power conferred on the Clearing House in Rule 2.11 pertaining to the conduct of inspection on a Clearing Participant, the Clearing House may, at any time and/or from time to time prior to or after the receipt of the prescribed declaration in Appendix 1, undertake any inspection and/or audit on the Clearing Participant seeking approval to act as a Lending Representative in the manner determined by the Clearing House.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(c) The Clearing House may, in approving any application made by a Clearing Participant pursuant to Rule 8.6(a), impose such requirements or conditions as it deems necessary to ensure the smooth operation of the SBL Negotiated Transactions.</p> <p>(d) Notwithstanding and without prejudice to any other provisions in this Chapter, the Clearing House shall not be obligated to approve the application of every Clearing Participant to be a Lending Representative.</p> <p>(e) A Clearing Participant who has been approved to act as a Lending Representative must act as the duly appointed representative of the Approved SBLNT Lender when performing the functions and responsibilities set out under Rule 8.7(a) and as may be specified by the Clearing House from time to time.</p> <p>(f) A Clearing Participant must not perform the functions and responsibilities set out under Rule 8.7(a) for any Approved SBLNT Lender, as its representative, unless it has first been approved as a Lending Representative and has entered into a written agreement with such Approved SBLNT Lender to be appointed as his or its Lending Representative, which agreement must include the matters specified in Appendix 2.</p>
	(New provisions)	Rule 8.7	<p>FUNCTIONS AND RESPONSIBILITIES OF LENDING REPRESENTATIVE</p> <p>(a) A Clearing Participant who is approved and appointed to be a Lending Representative for an Approved SBLNT Lender must</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>have, amongst others, the following functions and responsibilities:</p> <ul style="list-style-type: none"> (i) To process the application of any person applying to be an Approved SBLNT Lender (hereinafter in this Rule referred to as “the Said Approved SBLNT Lender”); (ii) To transmit or forward to the Said Approved SBLNT Lender any notification or update communicated by the Clearing House in relation to the Said Approved SBLNT Lender’s SBL Negotiated Transactions or received by the Lending Representative from the Clearing House for the information of the Said Approved SBLNT Lender; (iii) To collect all documents, forms, agreements, deeds including any amendments or variations thereof relating to or governing the SBL Negotiated Transactions as the Clearing House may require from time to time, from the Said Approved SBLNT Lender for submission to the Clearing House and from the Clearing House for transmission to the Said Approved SBLNT Lender; (iv) To receive any fees and charges due and payable by the Said Approved SBLNT Lender to the Clearing House arising with respect to any of the services and facilities provided by the Clearing House in relation to the SBL Negotiated Transactions and to pay to the Clearing House such fees and charges in relation to the SBL Negotiated Transactions;

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(v) To furnish to the Clearing House such information or documents relating to the SBL Negotiated Transactions and such advice, statement and report on the operation of the SBL Negotiated Transactions at such times and in such manner as may be prescribed by the Clearing House;</p> <p>(vi) To give effect to any instructions, directives or orders given by the Clearing House to facilitate the operation of any transactions by the Said Approved SBLNT Lender relating to the SBL Negotiated Transactions;</p> <p>(vii) To immediately notify the Clearing House upon it becoming aware of any breach committed or likely to be committed by the Said Approved SBLNT Lender of any of these Rules or requirements imposed by the Clearing House on the Said Approved SBLNT Lender in relation to the SBL Negotiated Transactions; and</p> <p>(viii) Such other functions and responsibilities as may be specified by the Clearing House from time to time.</p> <p>(b) The Clearing House may, by notice given to the Clearing Participant from time to time, amend, vary or modify the functions and responsibilities of the Clearing Participant as a Lending Representative in relation to the SBL Negotiated Transactions.</p> <p>(c) A Clearing Participant seeking approval to act as a Lending Representative or who is approved to act as a Lending Representative must ensure that it has in place, at all times, the</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>requisite systems, infrastructure, functionalities and controls for the performance of the functions and responsibilities stipulated in Rule 8.7(a).</p> <p>(d) In performing the functions and responsibilities stipulated in Rule 8.7(a) on behalf of the Said Approved SBLNT Lender, a Clearing Participant approved as a Lending Representative must comply with the procedures or requirements as may be imposed by the Clearing House from time to time.</p>
	(New provisions)	Rule 8.8	<p>APPROVAL AS BORROWING REPRESENTATIVE</p> <p>(a) A Clearing Participant seeking approval to act as a Borrowing Representative in relation to the SBL Negotiated Transactions must:</p> <ul style="list-style-type: none"> (i) satisfy the requirements of Rule 8.9(c) below; (ii) apply to the Clearing House to be approved as a Borrowing Representative; and (iii) submit to the Clearing House a written declaration in the form prescribed in Appendix 3, together with its application as referred to above. <p>(b) Without prejudice to the power conferred on the Clearing House in Rule 2.11 pertaining to the conduct of inspection on a Clearing Participant, the Clearing House may, at any time and/or from time to time prior to or after the receipt of the prescribed declaration in</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>Appendix 3, undertake any inspection and/or audit on the Clearing Participant seeking approval to act as a Borrowing Representative in the manner determined by the Clearing House.</p> <p>(c) The Clearing House may, in approving any application made by a Clearing Participant pursuant to Rule 8.8(a), impose such requirements or conditions as it deems necessary to ensure the smooth operation of the SBL Negotiated Transactions.</p> <p>(d) Notwithstanding and without prejudice to any other provisions in this Chapter, the Clearing House shall not be obligated to approve the application of every eligible Clearing Participant to be a Borrowing Representative.</p> <p>(e) A Clearing Participant who has been approved to act as a Borrowing Representative must act as the duly appointed Representative of the Approved SBLNT Borrower when performing the functions and responsibilities set out under Rule 8.9(a) and as may be specified from time to time.</p> <p>(f) A Clearing Participant must not perform the functions and responsibilities set out under Rule 8.9(a) for any Approved SBLNT Borrower as its representative, unless it has first been approved as a Borrowing Representative and has entered into a written agreement with such Approved SBLNT Borrower to be appointed as his or its Borrowing Representative, which agreement must include the matters specified in Appendix 4.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 8.9	<p align="center">FUNCTIONS AND RESPONSIBILITIES OF BORROWING REPRESENTATIVE</p> <p>(a) A Clearing Participant who is approved and appointed to be a Borrowing Representative for an Approved SBLNT Borrower must have, amongst others, the following functions and responsibilities:</p> <ul style="list-style-type: none"> (i) To process the application of any eligible person applying to be an Approved SBLNT Borrower (hereinafter in this Rule referred to as “the Said Approved SBLNT Borrower”); (ii) To transmit or forward to the Said Approved SBLNT Borrower any notification or update communicated by the Clearing House in relation to the Said Approved SBLNT Borrower’s SBL Negotiated Transactions or received by the Borrowing Representative from the Clearing House for the information of the Said Approved SBLNT Borrower; (iii) To collect all documents, forms, agreements, deeds including any amendments or variations thereof relating to or governing the SBL Negotiated Transactions as the Clearing House may require from time to time, from the Said Approved SBLNT Borrower for submission to the Clearing House and from the Clearing House for transmission to the Said Approved SBLNT Borrower; (iv) To receive any fees and charges due and payable by the Said Approved SBLNT Borrower to the Clearing House arising with respect to any of the services and facilities

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>provided by the Clearing House in relation to the SBL Negotiated Transactions and to pay to the Clearing House such fees and charges in relation to the SBL Negotiated Transactions;</p> <p>(v) To furnish to the Clearing House such information or documents relating to the SBL Negotiated Transactions and such advice, statement and report on the operation of the SBL Negotiated Transactions at such times and in such manner as may be prescribed by the Clearing House;</p> <p>(vi) To give effect to any instructions, directives or orders given by the Clearing House to facilitate the operation of any transactions by the Said Approved SBLNT Borrower relating to the SBL Negotiated Transactions;</p> <p>(vii) To immediately notify the Clearing House upon it becoming aware of any breach committed or likely to be committed by the Said Approved SBLNT Borrower of any of these Rules or requirements imposed by the Clearing House on the Said Approved SBLNT Borrower in relation to the SBL Negotiated Transactions; and</p> <p>(viii) Such other functions and responsibilities as may be specified by the Clearing House from time to time.</p> <p>(b) The Clearing House may, by notice given to the Clearing Participant from time to time, amend, vary or modify the functions and responsibilities of the Clearing Participant as a Borrowing Representative in relation to the SBL Negotiated Transactions.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(c) A Clearing Participant seeking approval to act as a Borrowing Representative or who is approved to act as a Borrowing Representative must ensure that it has in place, at all times, the requisite systems, infrastructure, functionalities and controls for the performance of the functions and responsibilities stipulated in Rule 8.9(a).</p> <p>(d) In performing the functions and responsibilities stipulated in Rule 8.9(a) on behalf of the Said Approved SBLNT Borrower, a Clearing Participant must comply with the procedures or requirements as may be imposed by the Clearing House from time to time.</p>
	(New provisions)	Rule 8.10	<p>SECURITIES BORROWING AND LENDING AGREEMENT APPROVED BY THE COMMISSION</p> <p>SBLNT Participants or their clients may include the matters set out in Appendix 5 in the agreement that governs the terms and conditions of the Securities borrowing and lending transaction that is facilitated by the Clearing House under Chapter 8 and if they do, such agreement will be deemed a Securities borrowing and lending agreement approved by the Commission as referred to in the Securities Borrowing and Lending Guidelines issued by the Commission.</p>
	(New provisions)	Rule 8.11	<p>ACCESS TO SBLNT SYSTEM</p> <p>(a) Upon approval of an application to be a Lending Representative or</p>

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AMENDMENTS TO THE RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN. BHD. (“BURSA CLEARING (S)”) IN RELATION TO BURSA SBL TRANSACTIONS AND SECURITIES BORROWING AND LENDING NEGOTIATED TRANSACTIONS (“SBL NEGOTIATED TRANSACTIONS”)

EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>a Borrowing Representative made pursuant to Rule 8.6(a) or Rule 8.8(a), as the case may be, the Clearing Participant shall be given access to the SBLNT System to perform any of its functions and responsibilities as a Lending Representative or a Borrowing Representative in relation to the SBL Negotiated Transactions.</p> <p>(b) Such Clearing Participant must comply with any conditions or requirements prescribed by the Clearing House from time to time in relation to the access to or usage of the SBLNT System.</p>
	(New provisions)	Rule 8.12	<p>REQUIREMENTS OF SBL NEGOTIATED TRANSACTIONS</p> <p>(a) The Approved SBLNT Borrower must ensure that it obtains a confirmation from the Approved SBLNT Lender that the Approved SBLNT Lender has the Eligible Securities available to be lent to the Approved SBLNT Borrower. Such confirmation must contain such details and be maintained in such manner as prescribed by the Clearing House.</p> <p>(b) SBLNT Participants who have agreed on a SBL Negotiated Transaction and wish to have the Loaned Securities delivered must each notify the Clearing House of the prescribed details of the SBL Negotiated Transaction through their respective appointed Lending Representative or Borrowing Representative and in the manner as prescribed by the Clearing House.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(c) Upon receipt of the relevant notifications from both the SBLNT Participants, the Clearing House shall be authorised by the Approved SBLNT Lender and Approved SBLNT Borrower, respectively, to instruct the Central Depository to debit or credit the securities accounts provided by the Approved SBLNT Lender and Approved SBLNT Borrower, as the case may be, for the purpose of delivery of the Loaned Securities to the Approved SBLNT Borrower provided that:</p> <ul style="list-style-type: none"> (i) the relevant details provided by the SBLNT Participants are validated in the manner prescribed by the Clearing House; and (ii) there are sufficient Securities in the securities account of the Approved SBLNT Lender at the relevant time as stipulated by the Clearing House to satisfy the delivery of the Loaned Securities. <p>(d) The SBLNT Participants may, at any time prior to the termination of the loan and in the manner prescribed by the Clearing House, adjust or vary the Securities comprised in the Loaned Securities (including the amount of the Securities) pursuant to any action taken by the issuer of the Loaned Securities in relation to or arising from its Securities.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(e) SBLNT Participants who wish to return the Loaned Securities partially or in full must notify the Clearing House of the prescribed details of the return through their appointed Lending Representative or Borrowing Representative, respectively. Upon receipt of the relevant notifications from both the SBLNT Participants, the Clearing House shall be authorised by the Approved SBLNT Lender and Approved SBLNT Borrower, respectively, to instruct the Central Depository to debit or credit the securities accounts provided by the Approved SBLNT Lender and Approved SBLNT Borrower, as the case may be, for re-delivery of the Loaned Securities to the Approved SBLNT Lender provided that –</p> <ul style="list-style-type: none"> (i) the relevant details provided by the SBLNT Participants are validated in the manner prescribed by the Clearing House; and (ii) there are sufficient Securities in the securities account of the Approved SBLNT Borrower at the relevant time as stipulated by the Clearing House to satisfy the re-delivery of the Loaned Securities. <p>(f) Upon termination of the loan by the Approved SBLNT Lender or the Approved SBLNT Borrower, the Approved SBLNT Borrower must return the Loaned Securities to the Approved SBLNT Lender within the timeframe and in the manner prescribed by the Clearing House.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(g) Notwithstanding Rule 8.12(f), a non-defaulting SBLNT Participant may terminate the loan without the return of the Loaned Securities if any of the events of default under the agreement between the SBLNT Participants setting out the terms and conditions of that loan are triggered with respect to the defaulting SBLNT Participant.</p> <p>(h) A SBLNT Participant who intends to terminate the loan without returning the Loaned Securities under Rule 8.12(g) must do so in the manner specified by the Clearing House.</p> <p>(i) The Clearing House may prohibit the non-delivery of Loaned Securities referred to in Rule 8.12(g) without assigning any ground or reason for its decision.</p> <p>(j) The Clearing House’s facilitation of the non-delivery of Loaned Securities under Rule 8.12(g) does not prejudice the Clearing House’s right or power to take action for breach of any of these Rules or the Clearing House’s requirements in relation to SBL Negotiated Transactions.</p> <p>(k) Each SBLNT Participant who is involved in a termination of a loan without returning the Loaned Securities must fully indemnify and hold indemnified the Clearing House, whether such indemnity is claimed by the Clearing House during or after the expiry of the</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>tenure of the SBLNT Participant as an Approved SBLNT Lender or Approved SBLNT Borrower, from and against any loss, damage, claim, liability, cost or expense (including but not limited to legal costs on a solicitor and client basis) suffered or incurred by the Clearing House, whether directly or indirectly, arising from or in connection with the termination of the loan without returning the Loaned Securities.</p> <p>(l) SBLNT Participants are solely responsible for all rights and obligations arising from, and must assume all default and recovery risks associated with the loan relationship between the SBLNT Participants. The Clearing House shall in no event be held liable for the performance of any obligation arising from the loan relationship between the SBLNT Participants.</p>
	(New provisions)	Rule 8.13	<p>DESIGNATED SECURITIES ACCOUNT</p> <p>An Approved SBLNT Borrower must ensure that all Loaned Securities are held in and where relevant, transferred to, the designated securities accounts as prescribed by the Clearing House and no other securities account.</p>
	(New provisions)	Rule 8.14	<p>ACTION BY THE CLEARING HOUSE</p> <p>(a) The Clearing House may exercise any of the powers set out in Rule 8.14(b) immediately without further reference to a SBLNT Participant / Representative:</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(i) if the SBLNT Participant / Representative commits a breach of any of the conditions or requirements imposed by the Clearing House in relation to the SBL Negotiated Transactions;</p> <p>(ii) if the Clearing House determines in its absolute discretion that the SBLNT Participant / Representative is unable to conduct any of the SBL Negotiated Transactions due to any circumstances including bankruptcy and insolvency;</p> <p>(iii) if the Clearing House determines that the SBLNT Participant / Representative is likely to cause damage to other SBLNT Participants/Representatives as a result of violating any of the requirements or obligations in relation to the SBL Negotiated Transactions; or</p> <p>(iv) in any such circumstances which the Clearing House in its absolute discretion deems fit.</p> <p>(b) Without prejudice to any of the powers of the Clearing House contained in the Act, these Rules or any directives, circulars or instructions issued by the Clearing House from time to time, the actions which the Clearing House may take upon the happening of any of the events set out in Rule 8.14(a) include one or more of the following:</p> <p>(i) prohibit the SBLNT Participant / Representative from entering into any or all new SBL Negotiated Transactions and/or transactions contemplated under any directives, circulars or</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>instructions issued by the Clearing House in relation to the SBL Negotiated Transactions;</p> <p>(ii) suspend or terminate the SBLNT Participant / Representative as a SBLNT Participant / Representative;</p> <p>(iii) notify all SBLNT Participants / Representatives of the suspension or termination of any SBLNT Participant / Representative ; or</p> <p>(iv) limit the activities or access of the SBLNT Participant / Representative to the services and facilities provided by the Clearing House in relation to the SBL Negotiations Transactions on such terms and for such duration as the Clearing House may in its absolute discretion determine.</p> <p>(c) Where an action has been taken under Rule 8.14(b), a SBLNT Participant / Representative may make representations to the Clearing House for discontinuance of the action taken. The Clearing House may after representations have been made, discontinue with the action taken. However, such discontinuance shall not be construed as an omission or error of any kind on the part of the Clearing House in undertaking the action under Rule 8.14(b) in the first place.</p> <p>(d) The Clearing House shall not be held liable for any loss or damage suffered by any party arising from or in connection with the action taken by the Clearing House under Rule 8.14(b) provided that the Clearing House has acted in good faith.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(e) Notwithstanding any provisions to the contrary in these Rules, the Clearing House, where it deems necessary, may:</p> <p>(i) suspend its services and facilities for the SBL Negotiated Transactions entirely or partially for such duration as the Clearing House in its absolute discretion deems fit; or</p> <p>(ii) direct a SBLNT Participant to terminate its SBL Negotiated Transaction in accordance with any directive or instruction issued by the Commission or required by any written law, and further direct the Approved SBLNT Borrower to re-deliver the Loaned Securities to the Approved SBLNT Lender within the timeframe and in the manner as prescribed by the Clearing House.</p>
	(New provisions)	Rule 8.15	<p>PROVISION OF INFORMATION</p> <p>The SBLNT Participants / Representatives must furnish to the Clearing House or the Commission any information or document in relation to any SBL Negotiated Transaction as required by the Clearing House or the Commission from time to time.</p>
	(New provisions)	Rule 8.16	<p>DISCLOSURE OF INFORMATION</p> <p>Notwithstanding any provisions in these Rules, the Clearing House shall be entitled to:</p> <p>(a) disclose any information or to produce any document in its</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>possession or control in relation to the SBL Negotiated Transaction if required or requested to do so by the Commission; and</p> <p>(b) disclose any information in its possession or control to the Commission or authorised personnel of the Exchange by way of granting such persons access to the SBLNT System for the purpose of facilitating the performance of their duties and functions under the relevant requirements, rules or laws.</p>
	(New provisions)	Rule 8.17	<p>FEES AND CHARGES</p> <p>(a) A SBLNT Participant / Representative must pay to the Clearing House the relevant fees and charges prescribed by the Clearing House in relation to any or all of the services and facilities provided by the Clearing House in relation to the SBL Negotiated Transactions.</p> <p>(b) The Clearing House may, from time to time where it deems necessary in its absolute discretion, vary or change any of the fees and charges by prescription in the SBL Circulars and without any further notice to the SBLNT Participant / Representative.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	Rule 8.18	<p>LIABILITY</p> <p>The Clearing House shall not be liable to any person for any loss or damage that may be incurred or suffered by such person as a result of the exercise or intended exercise of any power or performance of any duty or function conferred or imposed on the Clearing House in relation to the SBL Negotiated Transactions and exercised by the Clearing House in good faith.</p>
	(New provision)	Rule 8.19	<p>FORCE MAJEURE</p> <p>(a) In the event that the Clearing House is required to suspend the operation of the SBLNT System, as the case may be, and the provision of all ancillary services where for any reason the records of the Clearing House, the Central Depository or the SBLNT System are unavailable, inaccessible, delayed or hindered in any manner, the Clearing House shall not be liable for any failure, hindrance or delay in the provision of services or for the failure to give or the delay in giving effect to any notice or communication from a SBLNT Participant/Representative.</p> <p>(b) The Clearing House or its directors, officers, employees or agents shall not be liable for any losses or damages that may be incurred or suffered by the SBLNT Participant / Representative arising from causes beyond its reasonable control including, without limitation, acts of God or the public enemy, acts of a civil or military authority, natural disasters, embargoes, industrial action, fires, floods, mechanical breakdowns, computer or system failures or</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			sabotage, delay or inability to act by any registrar, interruptions of power supplies or other utility or services, currency restrictions, any law, regulation or order of any government, competent authority or any court or tribunal, war or terrorism.
	(New provisions)	Rule 8.20	<p>INDEMNITY BY LENDING REPRESENTATIVE OR BORROWING REPRESENTATIVE</p> <p>Each Clearing Participant shall be responsible for its own operations and functions as a Lending Representative or Borrowing Representative in relation to the SBL Negotiated Transactions as are required under these Rules, the SBL Circulars or otherwise and must fully indemnify and hold indemnified the Clearing House, whether such indemnity is claimed by the Clearing House during or after the expiry of the tenure of the Clearing Participant as a Lending Representative or Borrowing Representative, for any loss, legal costs (including third party legal costs), damage or liability suffered or incurred by the Clearing House, whether directly or otherwise, as a result of any negligence, omission, mistake, misrepresentation, fraud or error on the part of the Clearing Participant, its servants or agents, provided always that such action or omission was committed during its tenure as a Lending Representative or Borrowing Representative.</p>
	(New provisions)	Rule 8.21	<p>RULES OF CLEARING HOUSE TO TAKE PRECEDENCE</p> <p>The SBLNT Participants / Representatives must ensure that the provisions of the agreements entered into amongst the SBLNT Participants / Representatives shall not in any way be inconsistent with</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			any of these Rules or the requirements imposed by the Clearing House or the provisions of the agreements entered into between the SBLNT Participants/Representatives and the Clearing House in relation to the SBL Negotiated Transaction (“the Rules of the Clearing House”), and the SBLNT Participants/Representatives must give effect to the Rules of the Clearing House.
	(New provisions)	APPENDIX 1	<p>To:</p> <p>Bursa Malaysia Securities Clearing Sdn Bhd Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p><u>COMPLIANCE WITH REQUIREMENTS IMPOSED BY BURSA MALAYSIA SECURITIES CLEARING SDN BHD (“BURSA CLEARING (S)”) IN RELATION TO THE LENDING REPRESENTATIVE</u></p> <p>Pursuant to the requirements of Rule 8.6(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S) Rules”), we [name of Clearing Participant applying to be a Lending Representative] hereby declare and undertake as follows:</p> <p>(1) we must provide to Bursa Clearing (S) or the Securities Commission, upon request, any information or document in relation to SBL required by Bursa Clearing (S) or the Securities Commission pertaining to the Approved SBLNT Lenders for whom we are acting;</p> <p>(2) we have formulated a set of Internal Guidelines for Acting as a</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>Lending Representative which has been approved by our board of directors;</p> <p>(3) the Internal Guidelines for Acting as a Lending Representative have been brought to the notice of the relevant employees who have read and understood the contents therein;</p> <p>(4) the Internal Guidelines for Acting as a Lending Representative comply with the requirements set out in Bursa Clearing (S) Rules; and</p> <p>(5) all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out activities as a Lending Representative in accordance with Bursa Clearing (S) Rules or directives, circulars or instructions issued by Bursa Clearing (S).</p> <p>Dated this [] day of [] [].</p> <p>Signed []</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p> <p align="right">[</p> <p align="center">End of Appendix]</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
	(New provisions)	APPENDIX 2	<p>Matters which must be contained in the written agreement between the Lending Representative and the Approved SBLNT Lender (Rule 8.6(f))</p> <p>(1) The Lending Representative is the representative of the Approved SBLNT Lender in performing the functions and responsibilities stipulated in these Rules or any requirements, directives, circulars or instructions issued by the Clearing House in relation to the SBL Negotiated Transactions;</p> <p>(2) The functions and responsibilities of the Lending Representative stipulated in these Rules or any directives, circulars or instructions issued by the Clearing House in relation to the SBL Negotiated Transactions, as the same may be amended, modified or varied from time to time; and</p> <p>(3) The Lending Representative must comply with the obligations imposed on a Lending Representative, as contained in these Rules and as prescribed by the Clearing House from time to time.</p> <p>(4) The Approved SBLNT Lender expressly consents to the Lending Representative providing the Clearing House or the Securities Commission with any information or document in relation to any loan entered into by the Approved SBLNT Lender pursuant to the SBL Negotiated Transactions as required by the Clearing House from time to time.</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			[End of Appendix]
	(New provisions)	APPENDIX 3	<p>To:</p> <p>Bursa Malaysia Securities Clearing Sdn Bhd Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p><u>COMPLIANCE WITH REQUIREMENTS IMPOSED BY BURSA MALAYSIA SECURITIES CLEARING SDN BHD (“BURSA CLEARING (S)”) IN RELATION TO THE BORROWING REPRESENTATIVE</u></p> <p>Pursuant to the requirements of Rule 8.8(a) of the Rules of Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S) Rules”), we [name of Clearing Participant applying to be a Borrowing Representative] hereby declare and undertake as follows:</p> <p>(1) we must provide to Bursa Clearing (S) or the Securities Commission, upon request, any information or document required by Bursa Clearing (S) or the Securities Commission pertaining to the Approved SBLNT Borrowers for whom we are acting;</p> <p>(2) we have formulated a set of Internal Guidelines for Acting as a Borrowing Representative which has been approved by our board of directors;</p> <p>(3) the Internal Guidelines for Acting as a Borrowing Representative</p>

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>have been brought to the notice of the relevant employees who have read and understood the contents therein;</p> <p>(4) the Internal Guidelines for Acting as a Borrowing Representative comply with the requirements set out in Bursa Clearing (S) Rules; and</p> <p>(5) all relevant systems and infrastructure including front office and/or back office systems have been verified and assessed in terms of application as well as software and the hardware capabilities and are confirmed to be operational and have all the functionalities, requirements and controls in place for the purpose of carrying out activities as a Borrowing Representative in accordance with Bursa Clearing (S) Rules or any directives, circulars or instructions issued by Bursa Clearing (S) in relation to the SBL Negotiated Transactions.</p> <p>Dated this [] day of [] [].</p> <p>Signed []</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p> <p align="right">[End of Appendix]</p>
	(New provisions)	APPENDIX 4	Matters which must be contained in the written agreement between the Borrowing Representative and the Approved SBLNT Borrower (Rule 8.8(f))

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(1) The Borrowing Representative is the Representative of the Approved SBLNT Borrower in performing the functions and responsibilities stipulated in these Rules or any directives, circulars or instructions issued by the Clearing House in relation to the SBL Negotiated Transactions;</p> <p>(2) The functions and responsibilities of the Borrowing Representative stipulated in these Rules or any requirements, directives, circulars or instructions issued by the Clearing House in relation to the SBL Negotiated Transactions, as the same may be amended, modified or varied from time to time; and</p> <p>(3) The Borrowing Representative must comply with the obligations imposed on a Borrowing Representative, as contained in these Rules and as prescribed by the Clearing House from time to time.</p> <p>(4) The Approved SBLNT Borrower expressly consents to the Borrowing Representative providing the Clearing House or the Securities Commission with any information or document in relation to any loan entered into by the Approved SBLNT Borrower pursuant to the SBL Negotiated Transactions as required by the Clearing House from time to time.</p> <p align="center">[End of Appendix]</p>
	(New provisions)	APPENDIX 5	Matters to be included in an agreement for SBL Negotiated Transactions (Rule 8.10)

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EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>(1) Unless the parties agree otherwise, the Eligible Securities must not be lent unless collateral has been received or will be received simultaneously with the loan. As a minimum step towards the lender’s interest, collateral (if applicable) must be delivered directly to the lender or the lender’s representative or a designated third party authorised by the lender or the lender’s representative;</p> <p>(2) The Loaned Securities and the collateral (if applicable) must be marked to market (at least daily) and the amount of collateral must be adjusted, if necessary;</p> <p>(3) How the Securities borrowing and lending transaction may be terminated by the lender or the borrower, and how such termination may be effected;</p> <p>(4) Which party shall be entitled to any dividends or other benefits or distributions accumulating on the Loaned Securities and any Securities provided as collateral;</p> <p>(5) The rights and obligations of the lender or borrower in the event of either the Loaned Securities or any Securities provided as collateral, as the case may be, being affected by a conversion, sub-division, consolidation, pre-emption, take-over of the issuer of the Securities comprised in the Loaned Securities or by other corporate actions affecting such Securities;</p> <p>(6) The Loaned Securities must be delivered to the borrower free of any encumbrances or restrictions;</p> <p>(7) Provisions governing fees to be paid by either party under the</p>

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 (“SBL NEGOTIATED TRANSACTIONS”)**

EXISTING PROVISIONS		PROPOSED PROVISIONS	
			<p>agreement that governs the terms and conditions of the Securities borrowing and lending transaction ; and</p> <p>(8) The rights and remedies of either party in the event of a default by the other party.</p> <p>[End of Appendix]</p>