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PARTICIPATION AND OPERATION RULES FOR PAYMENTS AND SECURITIES SERVICES

VERSION 3.1

Document Details

Effective Date:	15 May 2017
Document Owner:	Large Value Payments and Securities Services

Revision History

Version No.	Date of Update	Summary of Change	Updated By
1.0	17 Feb 2011	Approved version	MyClear
1.1	06 May 2011	**Clause 4.0** Inclusion of "Governing Law" provision to statute laws that govern these Rules **Clause 6.0** Incorporation of statement on MyClear's pricing policy **Clause 11.2.2.** Addition of "FAST contact persons" into "RENTAS and eSPICK contact persons" **Clause 16.2** Added "Islamic Banking Act 1983" and "Development Financial Institutions Act 2002" **Clause 18.2** Added "MyClear and Participants" **Clause 19.2** Removed "in consultation with BNM" **Appendix II, Item E, Part 2:** Updated the scope of testing for greater clarity **Appendix II, Part F, Part 2 :** Updated the scope of testing for greater clarity **Appendix III, Glossary of Terms** Replaced "Authorised Depository Institutions (ADIs)" with "SSDS Participants" **Re-wording of clauses*:** 7.1, 7.2, 7.4, 7.6, 7.7, 7.8	MyClear

Version No.	Date of Update	Summary of Change	Updated By
		* The above clauses have been re-worded for greater clarity, but essentially still retains the same meaning and context with the way it was worded in Version 1.0 **Numbering of clauses:** Due to insertion of Clause 4.0 – Governing Law, all other clauses beginning from Clause 4.0 in Version 1.0 has been re-numbered (+1)	
1.2	10 Feb 2012	**Clause 1.2** • Renamed Operational Procedures for MYR Settlement in RENTAS • Inclusion of Operational Procedures for Foreign Currency Settlement in RENTAS **Clause 2.2** List the Rules and Operational Procedures that are no longer applicable after the effective date of the revised Rules and Operational Procedures **Section 5.0** Expansion in the coverage of voluntary and involuntary termination of membership **Clause 6.1** Inclusion of MyClear's pricing policy **Clause 7.3** Rewording of the clause to provide clarity that MyClear may adjust the Participants' Accounts **Clause 7.5 and 7.6** Rewording of the clauses to provide clarity on MyClear's right to defer or extend the service hours in abnormal situations and emergencies and its right to operate on a non-Business day **Clause 7.7** Adherence to SIRIM's Malaysian Standard Time	MyClear

Version No.	Date of Update	Summary of Change	Updated By
		Clause 7.12 Rewording of the clause to provide greater clarity on MyClear's responsibility to ensure adequate disaster recovery arrangements **Clauses 8.1 and 8.2** Expansion of Settlement Accounts to MYR Settlement Accounts and/or Foreign Currency Settlement Accounts **Clause 10.7.3** Inserted the word "successfully" to provide greater clarity on the requirement for Participants to operate live from their recovery site **Clause 10.8** Inclusion of Communication Process to state that Participants have a responsibility to keep their stakeholders informed about disruptions and delays **Clause 12.0** Removed the provision on MyClear's Business Continuity Management **Clauses 12.1 to 12.3** To elaborate on Participation in Foreign Currency Settlement services **Clauses 12.4** Inclusion of Guideline I of the Foreign Currency Settlement in RENTAS **Clause 12.11** To specify the contingency measures in the event of failed settlement after the PvP cut-off time **Clause 13.1** Replaced MyClear with BNM as the issuer of Cheque Design Standards and Specifications	

Version No.	Date of Update	Summary of Change	Updated By
		Appendix II, Item E, Part 2: • Improved form to require Participants to disclose the location of RENTAS iLINK terminal since iLINK has been upgraded from an information system to a transactional system • Inclusion of statement of compliance with MTD and RTO **Appendix III, Fees and Charges** • Incorporation of fees and charges for all Payments and Securities Services provided by MyClear. The schedules of fees previously were provided in the respective Operational Procedures for eSPICK, RENTAS and Securities services. • Inclusion of new fees and charges that take effect from 3 Jan 2012 **Appendix IV** New appendix listing supported currencies in RENTAS' multi-currency settlement service	
1.3	30 March 2012	**Clause 1.2.6** Inclusion of the Operational Procedures for Cross-Border Securities Custody Services in RENTAS **Clauses 5.26.4 and 5.26.5** Incorporation of additional clauses to describe the process in handling payment of redemption proceed to insolvent SSDS participants **Clause 10.7.3** Incorporated additional statement requiring the participants to spread the BCP and DR exercise evenly throughout the year **Clause 11.2.4** Inclusion of Statement of Compliance with Part V of the Participation and Operation Rules for Payments and Securities Services **Clause 12.4**	MyClear

Version No.	Date of Update	Summary of Change	Updated By
		Inclusion of Guideline III of the Operational Procedures for Securities Services **Clause 14.2 and 14.3** • Rewording of the Clauses to provide better clarity on the roles of Facility Agent • Combined Clause 14.3 with Clause 14.2 **Clause 14.5** Replaced the word "higher" with "lower" Appendix II, Item E, Inclusion of Statement of Compliance with Part V of the Participation and Operation Rules for Payments and Securities Services **Appendix III, Fees and Charges** • Deletion of charges for CNY due to deficit position during eSPICK settlement • Inclusion of fees and charges for Cross-Border Securities Custody Services in RENTAS • Incorporation of statement that MyClear will bill resident participants of Onshore Foreign Currency Settlement Services in MYR, while foreign participants could be billed either in MYR or in the settlement currency. **Appendix V, Glossary Terms** Inclusion of additional terminology following the introduction of the Cross- Border Securities Custody Services in RENTAS	
1.4	7 May 2012	**PREAMBLE** Rewording of these Rules are issued 'as required under' Section 14 instead of 'pursuant to' Section 14. **Clause 5.6** Added new clause under Involuntary Termination. **Clause 5.20** Incorporate a clause that MyClear will notify all participants via broadcast message regarding insolvency of a participant.	MyClear

Version No.	Date of Update	Summary of Change	Updated By
		Clause 5.21 Added a statement that MyClear will reject all new transaction from suspended Participants. **Clause 7.1** Added new clause that MyClear to provide an efficient payment system. **Clause 8.15** Added new clause that participant to notify MyClear any development that may affect participant's ability to fulfil participation requirements. **Clause 8.18** Added new clause requiring participant to furnish information pertaining to their RENTAS operation if requested by MyClear. **Appendix III – Fees and Charges** Added new fees and charges for CSCS: • Hong Kong • Singapore	
1.5	5 Dec 2012	**Clause 6.2** Added new clause that MyClear will be subjected to the same penalty charges imposed to the participants for non-compliance. **Appendix I – Practices and Liabilities under eSPICK (Item 9.0)** Added new clause as to address issue pertaining to the discrepancy between amount in words and figures.	MyClear
1.6	6 Sep 2013	**PREAMBLE** Replace references to the Payment Systems Act (PSA), with references to the relevant section of the new Financial Services Act (FSA). **Clause 1.2.1, 3.2, 7.11** Replace references to the PSA, with references to the FSA.	MyClear

Version No.	Date of Update	Summary of Change	Updated By
		Clause 5.18, 5.24, 5.32, 5.33 Added immediate to the existing clause to reflect the FSA requirement on insolvency requirement. **F. RENTAS BCP/DRP Exercise Report** • Replaced BNM e-mail address with MyClear's Compliance e-mail address in the instructions. • Added the requirement to provide information on production, recovery/DR for the Scope of Exercise. • Deletion of question number 2. Of the Exercise Report. **Clause 8.19** Added new clause to address the independent review of participant's compliance to BNM and/or MyClear requirements by participant's internal audit and/or compliance unit . **Clause 8.20** Added new clause on the annual submission of the compliance report by the participants. **Part VII-General** **Clause 17.5** Generalized reference to the Dispute Resolution Guidelines to avoid referencing a specific version of the Guidelines. **Appendix III-B.7.0.b** Addition to the existing clause to provide clarity that fee is applicable for Commercial paper or Combination of Commercial Paper/Medium Term Note. **Appendix III-D. Fees and Charges (Note c.)** Added new clause to inform participants on the basis and the sources of exchange rates used for computation of fees and charges. **Appendix III-19.0**	

Version No.	Date of Update	Summary of Change	Updated By
		Added new clause on penalty charges for delayed settlement of all retail clearing positions. **Appendix III** Informing RENTAS participants that all CNY transaction fees and charges are waived until 31 December 2013.	
1.7	6 Dec 2013	**Clause 8.20** Make a reference to the new Guidelines on Assessment of Compliance to Rules and Procedures for Payments and Securities Services and remove clause 8.20.1 and 8.20.2 to avoid duplicating requirements specified in the new Guidelines. **Appendix II (F (Part 2:1) & G (Part 2:1))** Added new item in the RENTAS and eSPICK BCM/BCP Exercise Report for participants to state the scenario number of the BCM/BCP exercise undertaken. **Appendix III** Table A – Item 19.0 For clarity and consistency, the penalty charges for e-Debit, MEPS Cash, Shared ATM Clearing, Interbank GIRO, Financial Processing Exchange Clearing and Direct Debit is moved to Item 18.0 where similar penalties for eSPICK is specified. Table A – Note State that CNY transaction fees and charges are currently waived. Table C – eSPICK Footnote: to inform on an increase of charge per item for inward clearing items effective 1 May 2014.	MyClear
1.8	6 June 2014	**Appendix III** B. Fees and Charges: FAST 10. Added the fees for smart cards issued to IILM and IILM's Principal Dealers to facilitate their access to FAST.	

Version No.	Date of Update	Summary of Change	Updated By
		Added new footnotes to cover FAST Billing for IILM and IILM's Principal Dealers To reflect new fee arising from the increased of the inward clearing fees from RM0.02 to RM0.11, with effect from 1 April 2014.	
1.9	30 December 2014	**Part 1 Introduction** To complete list of documents that are read in conjuction with these rules. **Clause 14.3** For clarity and consistency on parties eligible to assume FA role. **Appendix I – Practices and Liabilities under eSPICK** Added new clause as instructed by BNM to strengthen consumer protection **Appendix III: A) Fees and Charges: RENTAS (MYR and Foreign Currency Settlement) (Clauses 13.0, 15.0, 18.0 and 19.0)** To provide clarity that penalties collected are placed in a Development Fund. **Appendix III: A) Fees and Charges: RENTAS (MYR and Foreign Currency Settlement) (Clause 20.0)** Inserted note to waive one-time depository fee for Foreign Currency new issuance. **Appendix III: B) Fees and Charges: FAST (Clauses 4.0 and 8.0)** To provide clarity that penalties collected are placed in a Development Fund. **Appendix III: B) Fees and Charges: FAST (Clause 10.0)** Inserted sub-item d for clarity purposes. **Appendix III: C) Fees and Charges for eSPICK (Clauses : 7.0 (a), ©, (f) and (g))**	

Version No.	Date of Update	Summary of Change	Updated By
		To provide clarity that penalties collected are placed in a Development Fund.	
		Appendix III:	
		C) Fees and Charges for eSPICK	
		Added new clause to reflect new fee arising from BNM's ePIF Framework per BNM's letter dated 8 August 2014.	
		The effective date is 2 Jan 2015.	
		Appendix III:	
		C) Fees and Charges for eSPICK	
		Addition to the existing clause to ensure that participant comply to the requirements to submit non clearing item for storage/archival purposes to avoid under-counting cheque volume under the ePIF framework	
		Appendix V: Glossary of Terms	
		To add terminology on the following new terms introduced:	
		• ACOFF	
		• ADF	
		• Ceiling Rate	
		• e-payment and Market Infrastructure Development Fund	
		• e-payment Incentive Fund Framework	
		• Floor Rate	
		• Liquidity Optimization Settlement Facility	
2.0	14 March 2015	**Clause 22.0** New clause on Goods and Services Tax (GST).	MyClear
2.1	16 April 2015	**Preamble** Removal of "Release Date" to avoid confusion with "Effective Date". **Appendix III (A)** Restructuring of table. **Appendix III (A) – Item 20.0** Incorporate new SWIFT Messaging Fees and on adoption of Reverse Billing.	MyClear

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		Appendix III (C) Increase of storage/archival fees for eSPICK on the outward and inward clearing fees from RM0.01 to RM0.05 effective 1 July 2015 To impose the Storage/Archival fees for eSPICK for Non Clearing Item (NCI) of RM0.10 effective 1 July 2015 To defer the penalty of RM100.00 per item for failure to submit NCI for storage/archival purposes from 1 July 2015 to 31 Dec 2015. **Appendix V: Glossary of Terms** To add terminology on the following new terms introduced: • SWIFT • SWIFTNet • SWIFT Access • RENTAS Bank Gateway	
3.0	9 Aug 2016	**Clause 5.5** • Added PIDM for issuing directives in regards to Involuntary Termination **Clause 8.6** • Requirement to RBG Participants to obtain written approval prior to any modification, changes or addition to their terminal **Clause 8.7** • Requirement to SWIFT Access Participants to only notify MyClear of any changes or modification to their terminal as they are under direct SWIFT supervision **Clause 8.13 & 8.14** • Rewording of clause - to avoid dispute or non-compliance of settlement cut-off due to timing inconsistency between Participant Terminals and RENTAS Host	

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		Clause 12.3
		• Emphasize that the annual membership is billed per Participant and not by currency they subscribed to.
		
		Appendix II – E. RENTAS BCP/DRP Exercise Report
		• Updated access and connection to RENTAS
		
		Appendix II – F. eSPICK BCP/DRP Exercise Report
		• Updated access to eSPICK Host
		
		Appendix III – Fees and Charges
		• Updated fees and charges for RENTAS (item 1.0 Annual Membership Fees, item 10.0 Transaction fee for ICF and item 17.0 Penalty for delay of retail settlement delay)
		• Removed column of CNY fees and inserted a statement for foreign participants, they may chose to be billed on foreign amount which is MYR equivalent, converted based on prevailing exchange rate.
		• Update fees and charges for FAST (item 1.0 Annual Membership Fee, item 2.0 a per bid submitted, item 3.0 Every request for amendment of Facility /Debt Securities information)
		
		Appendix IV – Supported Currencies for FCY Settlement Service in RENTAS
		• To includenew USD settlement via OSI in RENTAS
		
		Appendix V – Glossary of Terms
		• Add terminology on the following new terms introduced in RENTAS:
		  1) Clearing Houses' Transactions
		  2) Corporate Bonds and Sukuk (CBS) – as instructed by BNM and replaced current	

Version No.	Date of Update	Summary of Change	Updated By
		term "Private Debt Securities" (PDS) 3) Gridlock Resolution • Amended definition of existing terms for clarity purpose: 1) Debt Securities 2) Medium Term Notes 3) Participant Terminal 4) RENTAS 5) RENTAS Host 6) Standing Instruction (SI) 7) SWIFT Access	
3.1	5 April 2017	**Clause 9.0** • Amended clauses 9.1- 9-4 to make reference to and harmonise with the *Guidelines on Business Continuity Management for Participants of MyClear's Services ("BCM Guidelines")*. **Clause 10.1** • Removed clauses 10.1.1 – 10.1.5 on ' Risk Assessment and Business Impact Analysis' as it is covered in the *BCM Guidelines*. **Clause 10.2** • Removed clauses 10.2.1 – 10.2.4 on 'Recovery Strategy' as it is covered in the *BCM Guidelines*. **Clause 10.3** • Rearranged clause 10.3 – 'Maximum Tolerable Downtime and Recovery Time Objective to clause 10.1 • Amended clause 10.3.1 (now 10.1.1) to make reference to the *BCM Guidelines*. **Clause 10.4** • Removed clauses 10.4.1 – 10.4.3 on 'Formulation of Plan' as it is covered in the *BCM Guidelines*.	MyClear

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		Clause 10.5 • Removed clauses 10.5.1 – 10.5.5 on ' Alternate and Recovery/DR site' as it is covered in the *BCM Guidelines*. **Clause 10.6** • Rearranged clause 10.6 on ' Critical Business Information Records' to clause 10.2 • Added new clause 10.2.2 to make reference to the *BCM Guidelines*. **Clause 10.7** • Rearranged clause 10.7 on ' DRP and BCP Exercises' to clause 10.3. • Amended clause 10.7.3 (now 10.3.3) to make reference to the *BCM Guidelines*. • Removed clause 10.7.4 and 10.7.5 as it is covered in the *BCM Guidelines*. **Clause 10.8** • Rearranged clause 10.8 on 'Communication Process' to clause 10.4. • Amended clause 10.8.3 (now 10.4.4) to make reference to the *BCM Guidelines*. **Clause 10.9** • Removed clauses 10.9.1 – 10.9.5 on 'Maintenance of Plan' as it is covered in the *BCM Guidelines*. **Clause 11** • Amended clause 11.1 to make reference to the *BCM Guidelines*. • Removed clauses 11.2 – 11.3 as it is covered in the *BCM Guidelines*. **Clause 14.6** • Addition to the existing clause to highlight MyClear's right to reject requests from Facility Agents for change of critical information.	

Version No.	Date of Update	Summary of Change	Updated By
		Appendix II • Removed Appendix II as the templates are provided in the *BCM Guidelines*. **Appendix II – Fees and Charges** • Removed penalty in item no.15 in A. Fees and Charges: RENTAS (MYR and Foreign Currency Settlement) as it is covered in the *BCM Guidelines.* • Removed penalty in item no.7f in C. Fees and Charges: eSPICK as it is covered in the *BCM Guidelines*. • Amended penalty in item no.3 in C. Fees and Charges: eSPICK to comply with the 'Enhancements to the e-Payment Incentive Fund Framework' circular issued by BNM to bank CEOs on 4 November 2016. • Updated penalty/fee in item no.4 & no.8 in B. Fees and Charges: FAST which shall be charged on stock basis. **Appendix IV – Glossary** • Amended the following definitions upon implementation of the new BCM Guidelines: 1) Alternate Site 2) Business Continuity 3) Business Continuity Management 4) Business Impact Analysis 5) Critical Business Information Record 6) Disaster Recovery Plan (DRP) 7) Recovery Site 8) Recovery Time Objective (RTO)	

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PREAMBLE

These **PARTICIPATION AND OPERATION RULES FOR PAYMENTS AND SECURITIES SERVICES** ("these Rules") are applicable to Participants using the Sistem Penjelasan Informasi Cek Kebangsaan secara Elektronik (eSPICK), the Real Time Electronic Transfer of Funds and Securities System (RENTAS), and the Fully Automated System for Issuing/ Tendering (FAST) services provided by Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear), a wholly owned subsidiary of Bank Negara Malaysia (BNM) incorporated under the Companies Act 1965.

MyClear owns and operates the eSPICK, the national image-based cheque clearing system. In addition, MyClear, on behalf of BNM, operates the RENTAS and FAST systems. MyClear operates RENTAS and FAST on BNM's behalf as an outsource service provider by virtue of a Service Level Agreement between MyClear and BNM.

Both RENTAS and eSPICK have been declared as designated payment systems pursuant to Section 30 of the Financial Services Act 2013 (FSA) and Section 39 of the Islamic Financial Services Act 2013 (IFSA). RENTAS is designated as it is a systemically important system, while eSPICK is designated to protect public interest.

BNM's legal authority to establish systems for funds settlement, debt securities settlement, securities depository as well as securities tendering is derived from Section 44 of the Central Banking Act (CBA) 2009, while BNM's legal authority to establish a cheque clearing house is derived from Section 46 of the CBA.

Except for eSPICK, any reference in these Rules to MyClear shall therefore be solely in reference to MyClear acting as an agent to BNM.

These Rules are issued by MyClear as required under Section 35 of the FSA and Section 45 of the IFSA.

PART I   INTRODUCTION

1.0   Purpose

1.1.   These Rules establishes a governance framework for Sistem Penjelasan Informasi Cek Kebangsaan secara Elektronik (eSPICK), the Real Time Electronic Transfer of Funds and Securities System (RENTAS), and the Fully Automated System for Issuing / Tendering (FAST). Through these three systems, MyClear provides Payments and Securities Services, encompassing:

1.1.1.   Clearing of cheques, banker's acceptances, bank drafts, money orders and other clearing instruments as well as storage and archival of all cleared instruments via eSPICK;

1.1.2.   Settlement for inter-bank fund transfers, clearing houses' transactions and securities trades and corporate actions via RENTAS; and

1.1.3.   Issuance of Debt Securities, tender of money market instruments and provision of a real-time repository of Debt Securities information via FAST.

1.2.   These Rules, where applicable shall be read in conjunction with:

1.2.1.   Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA);

1.2.2.   Development Financial Institution Act 2002 (DFIA);

1.2.3.   Operational Procedures for Securities Services;

1.2.4.   Operational Procedures for MYR Settlement in RENTAS;

1.2.5.   Operational Procedures for Foreign Currency Settlement in RENTAS;

1.2.6.   Operational Procedures for eSPICK;

1.2.7.   Operational Procedures for Cross-Border Securities Custody Services in RENTAS;

1.2.8.   Central Securities Depository and Paying Agency Rules (CSDPAR);

1.2.9.   Guidelines on Disputes Resolution between Participants of Payments and Securities Services issued by MyClear;

1.2.10.   Terms of reference for the e-Payment and Market Infrastructure Development Fund; and

1.2.11.   Any other rules, procedures, guidelines, circular, standards, notices and directives issued by MyClear and/or BNM from time to time.

2.0   Effective Date

2.1.   These Rules will take effect on 15 May 2017.

2.2.   With the introduction of these Rules, the following Rules shall no longer be applicable effective from the same date:

    2.2.1.   Participation and Operation Rules for Payments and Securities Services Version 3.0 effective on 9 September 2016.

3.0   Contract

3.1.   These Rules and the documents specified in Clause 1.2 constitute a valid, binding and enforceable contract between each and every Participant and MyClear.

3.2.   Participants are required to comply with, fulfil and perform every obligation and duty imposed on them by or pursuant to these Rules, the FSA, the IFSA, operating procedures, guidelines and circulars specified in Clause 1.2.

4.0   Governing Law

4.1.   These Rules shall be governed by and construed in accordance with the laws of Malaysia.

PART II   MEMBERSHIP

5.0   Membership

5.1.   Prospective Participants for Payments and Securities Services provided by MyClear shall submit their applications in writing to MyClear. MyClear, in consultation with BNM, will determine the eligibility of applicants and will notify applicants in writing on the outcome of their application for membership.

5.2.   MyClear may impose conditions on the membership of any Participant. The rights, privileges, liabilities and obligations of Participants shall be subjected to any such conditions imposed by MyClear.

5.3.   MyClear may, at any time, add to, vary or withdraw any conditions on the membership of any Participant by giving reasonable notice to the affected Participant.

(i)   Termination of Participation in the Payment and Securities Services

5.4.   Termination of access and membership can be:
5.4.1.   Involuntary; or
5.4.2.   Voluntary; or
5.4.3.   Resulting from insolvency of the Participant.

(ii)   Involuntary Termination

5.5.   MyClear may terminate, suspend or freeze the Participant's access to Payment and Securities Services entirely or partially in the following circumstances:
5.5.1.   A court order;
5.5.2.   A directive issued by PIDM and/or BNM;
5.5.3.   Material breaches of these Rules and Operating Procedures; or
5.5.4.   The Participant's insolvency.

5.6.   MyClear will consult BNM prior to terminating any Participant pursuant to Clause 5.5.3 above.

5.7.   A Participant whose membership is terminated, suspended or frozen will be restricted from accessing some or all the Payment and Securities Services. Settlements up until

the point of termination or suspension remain valid, final and irrevocable. All pending Settlements, such as queued outgoing transactions, forward dated transactions and unconfirmed securities transactions, at the point of termination or suspension will be cancelled.

5.8.   MyClear shall not be liable for any claim, loss, damage or expense of any kind arising directly or indirectly as a result of terminating, suspending or freezing a Participant's access to Payment and Securities Services entirely or partially.

5.9.   Termination, suspension or freezing of membership shall not in any way prejudice the liabilities, duties and obligations of the Participants.

(iii)   Voluntary Termination

5.10. Participants may voluntarily terminate their membership and access to the Payment and Securities Services entirely or partially by submitting a written request to MyClear at least sixty (60) calendar days before the termination.

5.11. MyClear will inform the Participant in writing regarding its decision on the voluntarily termination within fourteen (14) Business days of receiving the request.

5.12. MyClear may impose conditions and measures before agreeing to the voluntary termination to ensure an orderly exit of the Participant without impact to the systems and other Participants.

5.13. A Participant whose voluntary termination request has been accepted may continue to utilize MyClear's Payment and Securities Services until the effective date of the termination.

5.14. MyClear will inform Participants via broadcast messages regarding any voluntary termination at least thirty (30) calendar days before the termination takes effect.

5.15. The Participant is required to make alternate Settlement arrangements with their counter-parties for all forward-dated transactions that would not be settled as at the Participant's membership termination date.

5.16. The Participant is required to transfer out all balances in its Settlement Accounts, Statutory Reserve accounts, Foreign Currency Accounts and Securities Accounts, if applicable, at least one (1) day prior to effective date of the termination.

5.17.   The Participant shall provide MyClear with the necessary debit authorisation from the Participant's agent bank and account details of the Participant's agent bank in RENTAS, so that MyClear may debit the Participant's agent bank for fees still owing to MyClear after the termination date.

(iv)   Insolvency or Failure of Participant

5.18.   Participants are required to immediately notify MyClear in writing in the event of insolvency. A Participant is deemed to be insolvent should any of the following events described under the laws of Malaysia or any relevant jurisdictions occur:

   5.18.1.   An application is made to the court either voluntarily or involuntarily for an order that the Participants be wound up;

   5.18.2.   The Participants enter or resolves to enter into any scheme of arrangement with all or any of its creditors;

   5.18.3.   The Participants is unable to pay its debts or seeks protection from its creditors; and

   5.18.4.   The Participants under statutory law is deemed unable to pay its debt and should be wound up.

5.19.   MyClear in consultation with BNM shall terminate or suspend the Participant's membership and access to the Payment and Securities Services as soon as MyClear has knowledge of the Participant's insolvency.

5.20.   MyClear shall immediately notify all Participants via broadcast messages as soon as a decision has been made to terminate or suspend a Participant's membership due to insolvency. MyClear shall not be accountable in any way if the participants did not receive the said broadcast messages from MyClear.

5.21.   Settlements up until the point of termination or suspension remain valid, final and irrevocable. All pending Settlements, such as queued transactions, forward dated transactions and unconfirmed securities transactions, at the point of termination or suspension will be cancelled. All new transactions submitted by suspended Participant will be rejected by MyClear.

5.22.   MyClear will also cancel all pending clearing houses' transactions such as cheque clearing positions, Financial Process Exchange (FPX) clearing positions, Electronic Debit (e-Debit) clearing positions, Interbank Giro (IBG) clearing positions, and ATM clearing positions. Subsequently, MyClear will inform the respective clearing houses

regarding the cancellation, and the clearing houses shall re-submit the clearing positions excluding the insolvent Participant's transactions or clearing items.

5.23. Movement of funds and securities relating to the insolvent Participants' accounts shall be dealt with by MyClear in accordance to the rights and obligation as accorded under the laws of Malaysia.

(v) Insolvency of Participants Operating SSDS Account

5.24. SSDS Participants shall immediately notify MyClear, Facility Agents (FA), Securities holders, and trustees immediately when an insolvency event affecting the SSDS Participant occurs. In the event of insolvency, any request to transfer securities held with the insolvent SSDS Participant shall be executed in accordance to the applicable insolvency laws of Malaysia.

5.25. Settlement of Allotment
 5.25.1. After an insolvent SSDS Participant's membership is terminated or frozen, MyClear shall cancel all queued or pending Allotment transactions for:
  5.25.1.1. The insolvent SSDS Participant; and
  5.25.1.2. All subscribers represented by the insolvent SSDS Participant.
 5.25.2. After cancelling the affected Allotments transactions, MyClear will, allot the Securities to the FA instead of to the insolvent SSDS Participant. Similarly, MyClear will allot Securities for all subscribers affected by their SSDS Participant's insolvency to the FA.
 5.25.3. The FA shall initiate re-Allotment to transfer the Securities to the affected subscribers once the subscribers have appointed other SSDS Participants to replace the insolvent SSDS Participant.
 5.25.4. All Allotment transactions that have been settled prior to the Participant's insolvency are final and irrevocable. Any transfer of Securities holdings from the Securities Accounts of the insolvent SSDS Participant would have to be executed in accordance to the applicable insolvency laws of Malaysia.

5.26. Coupon / Interest / Dividend / Profit Payment
 5.26.1. After an insolvent SSDS Participant's membership is terminated or frozen, MyClear shall cancel all pending Coupon payment transactions for:
  5.26.1.1. The insolvent SSDS Participant; and
  5.26.1.2. All Securities holders who deposited their Securities with the insolvent SSDS Participant.

5.26.2. If Coupon proceeds is payable to an insolvent SSDS Participant, the FA shall pay the proceeds to the insolvent SSDS Participant in accordance to the applicable insolvency laws of Malaysia.

5.26.3. If Coupon proceeds is payable to Securities holders who deposited their Securities with the insolvent SSDS Participant, the FA shall pay the proceeds due to the Securities holders outside RENTAS.

5.26.4. All Coupon / Interest / Dividend / Profit payment transactions that have been settled prior to the Participant's insolvency are final and irrevocable. Any transfer of funds from the Settlement Accounts of the insolvent SSDS Participant would have to be executed in accordance to the applicable insolvency laws of Malaysia.

5.26.5. The FA shall provide written notification to inform MyClear once the Coupon payment to the insolvent SSDS Participant and Securities holders have been carried out.

5.27. Redemption

5.27.1. After an insolvent SSDS Participant's membership is terminated or frozen, MyClear shall cancel all pending or queued redemption transactions for:

5.27.1.1. The insolvent SSDS Participant; and

5.27.1.2. All Securities holders who deposited their Securities with the insolvent SSDS Participant.

5.27.2. Prior to any upcoming Securities redemption date or maturity date, the insolvent SSDS Participant, or its liquidators, shall instruct MyClear to re-activate the insolvent SSDS Participants' Securities Account to allow the redeemed stock to be debited from the insolvent Participants' Securities Account in accordance to the applicable insolvency laws of Malaysia.

5.27.3. Any transfer of Securities holdings from the Securities Accounts of the insolvent SSDS Participant would have to be executed in accordance to the applicable insolvency laws of Malaysia.

5.27.4. If Redemption proceeds is payable to an insolvent SSDS Participant, the FA shall pay the proceeds to the insolvent SSDS Participant in accordance to the applicable insolvency laws of Malaysia.

5.27.5. If Redemption proceeds is payable to Securities holders who deposited their Securities with the insolvent SSDS Participant, the FA shall pay the proceeds due to the Securities holders outside RENTAS.

(vi)   Insolvency of Facility Agent

5.28.   FAs have an obligation to notify MyClear, SSDS Participants, Securities holders, and trustees immediately when an insolvency event occurs.

5.29.   Issuers shall appoint a new FA to replace the insolvent FA and communicate the new appointment to MyClear.

5.30.   To the extent provided under the applicable insolvency laws of Malaysia, the insolvent FA shall assign all responsibilities to the newly appointed FA.

5.31.   The new FA shall instruct MyClear in writing to update the Securities information in FAST to reflect the change of FA.

(vii)   Insolvency of eSPICK Participants

5.32.   If a Collecting bank is insolvent, MyClear will disallow the Collecting bank from submitting cheques to eSPICK. All cheques submitted to eSPICK but not cleared by the time the insolvency came into effect, or by the time the insolvency is made known to MyClear, will be removed from clearing. MyClear will perform cheque clearing without cheques from the insolvent Collecting bank. MyClear will immediately inform all Paying banks regarding the insolvency so that the Paying bank could process those cheques as cheques not submitted for clearing.

5.33.   If a Paying bank is insolvent, MyClear will immediately instruct all Collecting banks to remove the insolvent Paying bank's cheques from clearing. All cheques that have been submitted to eSPICK will be removed from clearing during the end-day batch processing. MyClear will immediately inform all Collecting banks regarding the insolvency so that the Collecting bank could treat those cheques as cheques not submitted for clearing.

6.0   Fees and Charges

6.1.   MyClear may impose fees and charges for services provided to Participants. Generally, MyClear implements a cost plus pricing policy for its services except for services that are provided as part of infrastructure building for financial market development. Participants shall pay their membership fees and any other charges as specified by MyClear. Detailed fees and charges (including penalty charges) are stated in the Appendix II. All penalty charges imposed on participants are placed in the ePayment and Market Infrastructure Development Fund.

6.2.   MyClear will be subjected to the same penalty charges imposed to the participants for non-compliance if such occurrence is contributed by MyClear.

6.3.   MyClear may, from time to time, review the fees and charges for its services. MyClear shall provide at least seven (7) working days prior notice to Participants before any changes to fees and charges come into effect.

6.4.   Participants whose membership has been discontinued under Clauses 5.4 to 5.33 shall settle all outstanding fees and charges to MyClear up to the date of termination.

PART III   DUTIES AND RESPONSIBILITIES OF MYCLEAR

7.0   MyClear as Operator

7.1.   MyClear shall endeavour to provide a safe, secure, reliable and efficient interbank payment system, securities settlement system and securities depository that contributes towards ensuring the stability of the Malaysian financial system.

7.2.   MyClear shall regard all instructions, transactions and Messages executed through its Payments and Securities Services as legal, valid and enforceable. Participants shall bear the sole responsibility in rescinding or rejecting any invalid or unauthorised Messages before they transmit the said Messages to MyClear's systems.

7.3.   MyClear shall not be responsible to reject or modify any Messages received from the Participants should they discover any errors to their Messages after the Messages have been transmitted.

7.4.   MyClear reserves the right to rectify any incorrect entry in Participants' MYR and/or Foreign Currency Funds and Securities Settlement Account. Such amendments may be backdated to the time at which the correct entry should have been made. When such rectifications are made, MyClear shall inform the affected Participants accordingly.

7.5.   MyClear shall be entitled to execute or act upon instructions or Messages given or purportedly given by Participants. Such executions or actions shall be considered as a discharge of duties of MyClear as the operator of the Payments and Securities Services.

7.6.   In the event of abnormal situations beyond MyClear's control, including, but not limited to sudden increases in the volume of Messages, infrastructure or systems failure, natural disasters or other emergencies, MyClear reserves the right to adjust the Business hours and / or to defer the Payments and Securities Services entirely or partially. MyClear shall not be liable for any claim, loss, damage or expense, including loss of business, loss of profit or consequential loss or damage of any kind arising directly or indirectly from MyClear's actions.

7.7.   Although MyClear's systems currently only operate on a Business day, MyClear may decide that the systems shall operate on a non-Business day (including public holidays).

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7.8.   MyClear shall ensure the Host System's time is synchronized with SIRIM's Malaysian Standard Time.

7.9.   MyClear and BNM shall be indemnified for any liability, claim, loss, damage or expense of any kind or nature arising directly or indirectly, as a result of the actions or omissions of any Participants and / or any failure of the Participants to comply with these Rules, the Operational Procedures or any other rules, guidelines, circulars, standards, notices, directives or regulations issued by MyClear or BNM.

7.10.   MyClear reserves the rights to require its Participants to make modification(s) to any function in their systems or introduce additional functions, as it deems necessary for the orderly and secure operations of the Payments and Securities Services. The Participants will be notified by MyClear in writing.

7.11.   MyClear may release information relating to its Participants in accordance with the relevant sections of the FSA and IFSA.

7.12.   MyClear shall ensure that personnel assigned to operate its systems are competent and well versed with all aspects of the operations of MyClear's systems and services.

7.13.   MyClear shall endeavor to provide adequate disaster recovery measures to deliver the Payments and Securities Services. MyClear shall determine the scope and operations of the disaster recovery measures. MyClear shall inform the Participants in advance regarding the disaster recovery measures.

PART IV   DUTIES AND RESPONSIBILITIES OF PARTICIPANTS

8.0   General Requirements

Participants shall observe the following requirements:

8.1.   Operate and maintain their MYR Settlement Accounts, Foreign Currency Settlement Accounts and / or Securities Accounts in accordance with these Rules and comply with the Operational Procedures and any other regulations, which may be issued by MyClear from time to time.

8.2.   Maintain sufficient balances in their MYR Settlement Accounts, Foreign Currency Settlement Accounts and/or Securities Accounts to meet their Payment and Settlement obligations in a timely manner.

8.3.   Cover all expenses to install, maintain and operate any hardware and software needed for Participants' RENTAS Terminals at their premises (hereinafter referred to as "Participant Terminal") to access MyClear's Payments and Securities Services.

8.4.   Notify MyClear in writing of any change in the location of their live processing site or back-up site. Participants are also required to update any address or contact information changes in RENTAS iLINK.

8.5.   Ensure that personnel assigned to operate the systems are competent and well versed with all aspects of the operations of those systems.

8.6.   RBG Participants to obtain written approval from MyClear before any modification, changes or addition is made to their terminals.

8.7.   SWIFT Access Participants to notify MyClear before any modification, changes or addition is made to their Participant Terminals

8.8.   Continually ensure that the Participant Terminals have adequate capacity to process their Messages.

8.9.   Ensure the Participant Terminals operate without disruption during the Business hours of the Payments and Securities Services.

8.10.   Participate in the RENTAS testing as and when requested by MyClear.

8.11. Through stringent internal controls, protect and safeguard the Participant Terminals, security tokens and communication lines from any unauthorised use.

8.12. Transmit their Messages as early as possible and manage their outbound transaction queues effectively and efficiently to facilitate prompt clearing and Settlement.

8.13. Synchronize the Participant Terminals' time with SIRIM's Malaysian Standard Time (MST) to ensure consistency between the Participant Terminals and RENTAS Host time. This time synchronization can be done using Network Time Protocol (NTP) service. Participants are required to perform time check and synchronization on the last Business day of each quarter to ensure that Participant Terminals' system time is in sync with MST.

8.14. In the event that there is a timing inconsistency between the two systems, the RENTAS Host time shall prevail.

8.15. Ensure that all administrative messages generated by the respective Host Systems are attended to promptly.

8.16. Observe these Rules, Operating Procedures and other guidelines and circulars issued by BNM and / or MyClear and take appropriate action as required.

8.17. Notify MyClear of any development that may affect participant's ability to fulfill the requirement of participation as stated in these Rules or relevant Operational Procedures.

8.18. Notify MyClear immediately of any breaches or non-compliance to the conditions stated in these Rules, Operational Procedures, guidelines, circulars, standards, notices, codes or regulation issued by MyClear.

8.19. Assume full responsibility for all liabilities, claims, losses and expenses incurred as a result of their failure to comply with these Rules and Operational Procedures.

8.20. Provide information pertaining to the subscribed services as may be required by MyClear from time to time.

8.21. Participant's Internal Audit and/or Compliance unit shall undertake comprehensive and continuous independent reviews of your organisation's compliance to these

Rules, Operating Procedure, and other guidelines and circulars issued by BNM and/or MyClear.

8.22.   Participants shall submit an internal audit and/or compliance reports to MyClear, as required in the Guidelines on Assessment of Compliance to Rules and Procedures for Payments and Securities Services.

PART V   RISK MANAGEMENT - BUSINESS CONTINUITY MANAGEMENT

9.0   General Requirements

9.1.   Participants shall adopt sound and effective Business Continuity Management to ensure their resilience and preparedness for any unplanned business disruptions.

9.2.   Participants shall ensure Business Continuity of RENTAS, FAST AND eSPICK in accordance with the requirements set out in the *Guidelines on Business Continuity Management for Participants of MyClear's Services.*

9.3.   Participants shall, at their own expenses, assess, formulate, develop and test their own Business Continuity Plan ("BCP") and Disaster Recovery Plan ("DRP"), install and maintain their emergency back-up Participants Terminals, establish Alternate sites, and ensure the effectiveness of their business resumption and recovery measures**.**

9.4.   Participants who outsource their operations to third party service providers shall ensure that their service providers comply with all applicable requirements in these Rules, the   Operational Procedures for RENTAS, eSPICK and FAST and the *Guidelines on Business Continuity Management for Participants of MyClear's Services.*

10.0   Business Continuity Management (BCM)

10.1.   Maximum Tolerable Downtime and Recovery Time Objective

10.1.1.   The minimum requirement for RENTAS, eSPICK and FAST's Maximum Tolerable Downtime (MTD) and Recovery Time Objective is provided in the *Guidelines on Business Continuity Management for Participants of MyClear's Services*. The MTD and RTO are applicable to both MyClear and all Participants.

10.1.2.   Participants shall incorporate the MTD and RTO requirements in contractual arrangements with their key service providers, suppliers and counterparties, where applicable.

10.2.   Critical Business Information Records

10.2.1.   Participants shall ensure that up-to-date back-up copies of critical business information, data, software and related hard copy documentation are available at their Alternate sites for the recovery of their RENTAS, eSPICK and FAST operations.

10.2.2.   In addition, all critical business information, data, software and related hard copy documentation in relation to RENTAS, eSPICK and FAST shall be managed in accordance with the *Guidelines on Business Continuity for Participants of MyClear's Services.*

10.3.   DRP and BCP Exercises

10.3.1.   MyClear and Participants shall regularly test their BCP and DRP for RENTAS, eSPICK and FAST to ensure the feasibility and effectiveness of the recovery strategies and procedures, staff preparedness, back-up system readiness and availability of recovery resources.

10.3.2.   MyClear and Participants shall test all plans with pre-determined goals, scenario and criteria, using realistic simulations and transaction volumes.

10.3.3. In addition, all BCP and DRP exercises in relation to RENTAS, eSPICK and FAST shall be in accordance with the *Guidelines on Business Continuity Management for Participants of MyClear's Services.*

10.4. Communication Process

10.4.1. In the event of disruptions to the Payments and Securities Services or delays in Settlement, MyClear shall inform all affected Participants and provide updates on the resolution progress.

10.4.2. MyClear may activate its Alternate site or recovery site in the event the Primary Site becomes inoperable. Any such activation will be communicated to Participants on a timely basis.

10.4.3. Participants are required to inform MyClear immediately regarding any circumstances that impair their ability to operate on a business-as-usual basis.

10.4.4. In addition, all communication in relation to Business Continuity Management for RENTAS, eSPICK and FAST shall be in accordance with the *Guidelines on Business Continuity Management for Participants of MyClear's Services.*

11.0　Submission of Documents to MyClear

11.1. Participants are required to submit the BCP and DRP Exercise Report (using the template specified in Appendix II of the *Guidelines for Business Continuity Management for Participants of MyClear's Services*) and other relevant information in accordance with the *Guidelines on Business Continuity Management for Participants of MyClear's Services*.

PART VI   SPECIFIC REQUIREMENTS FOR:

12.0   RENTAS

(i)   Participation in MYR and Foreign Currency Settlement

12.1.   RENTAS currently offers Settlement services in MYR and selected foreign currencies.

12.2.   Participants may opt to participate in the Settlement services of any or all of the supported currencies stated in Appendix III.

12.3.   The annual RENTAS membership fee is as stated in Appendix II (A.1.0) is applicable for Participants. Participants are required to pay only a single annual membership fee in MYR even if the Participant participates in the Settlement services of more than one currency.

(ii)   Compensation on Inter-bank Failed Settlement

12.4.   In the event of delayed payment or Settlement failures, a mechanism for computing compensation are provided in Guideline I of the Operational Procedures for Foreign Currency Settlement in RENTAS, Guideline II of the Operational Procedures for MYR Settlement in RENTAS and Guideline III of the Operational Procedures for Securities Services. The mechanism works on a compensation basis to cover losses. The mechanism is not intended to be punitive as no Participant shall benefit from the errors or Settlement failures of other Participants.

12.5.   Liabilities for failure to make payments may extend beyond the normal loss of interest or profit and may include direct, indirect and consequential losses.

12.6.   These Rules do not absolve the paying Participants of any potential claims that may arise from payment errors or failure to make payments.

(iii)   Participation in PvP Link (RENTAS – USD CHATS Link)

12.7.   Participants may use the RENTAS-USD CHATS Link as a Settlement channel for settlement of US Dollar (USD)/MYR FX transactions provided that both parties to a transaction agree to this mode of PvP settlement.

12.8.   Participants shall arrange for an adequate credit line with their correspondent banks in Hong Kong to fund their USD transactions.

12.9.   If the Settlement of a PvP transaction falls on a date that is a holiday in either Malaysia or Hong Kong, Settlement will be executed on the next Business day.

12.10.   Participants shall pro-actively communicate with their correspondent banks and counterparties as and when necessary to ensure Settlements are completed at the earliest possible time.

12.11.   If there is a failed PvP Settlement as at the PvP cut-off time, Participants shall contact their counter-parties immediately to arrange an alternative Settlement arrangement via non PvP means.

(iv)   Retention

12.12.   Participants shall retain all Messages, transaction advices, audit trail reports for a period of seven (7) years.

13.0 eSPICK

13.1.   Participants shall ensure that the issuance of cheques and any other clearing instrument conform to the Cheque Design Standards and Specifications issued by BNM, or in accordance with other guidelines as may be issued by MyClear from time to time.

13.2.   Participants shall comply with the responsibilities and liabilities of Collecting and Paying banks as specified in Appendix I: Practices and Liabilities under eSPICK.

13.3.   Participants may appoint an agent or service provider to perform certain functions of cheque clearing. For such arrangements, Participants shall ensure that the agent or service provider complies with the requirements set out in these Rules, Operating Procedures, guidelines, and manuals as issued by MyClear from time to time. Participants shall be responsible and liable for the functions performed by their agent or service provider.

(i)   Responsibility of the Collecting bank for eSPICK

A. Capture and Transfer of Cheque Image

13.4.   The Collecting bank shall correctly capture the image and the Magnetic Ink Character Recognition (MICR) Code Line Data of all cheques presented for collection.

13.5.   The Collecting bank shall present a cheque for payment to the Paying bank electronically by transmitting the following through eSPICK:
   13.5.1.   The Bitonal images of the front and back of the cheque;
   13.5.2.   The Gray Scale image of the front of the cheque;
   13.5.3.   The MICR Code Line Data of the cheque; and
   13.5.4.   Any other MICR Code Line Data of the cheque as may be specified by MyClear.

13.6.   Before transmitting the image and the MICR Code Line Data of the cheque, the Collecting bank shall ensure that:
   13.6.1.   The image is a true, complete and accurate image of the cheque as specified in the Operational Procedures for eSPICK;
   13.6.2.   The MICR Code Line Data transmitted is the same as that on the cheque; and

13.6.3.   It has verified the cheque as specified in the Operational Procedures for eSPICK.

13.7.   The Collecting bank shall ensure, at all times, that the total number of images and the value transmitted through eSPICK corresponds to the total number of cheques and the value retained at the Collecting bank.

B.   Non-conforming Cheques

13.8.   The Collecting bank shall electronically tag non-conforming cheques. Such tags shall be deemed as a notice to the Paying bank that the cheque is a non-conforming cheque.

C.   Repair of the MICR Code Line Data

13.9.   The Collecting bank may repair the MICR Code Line Data to rectify errors only in the cheque serial number field, bank code, branch code field and the transaction code field of the MICR Code Line Data. The Collecting bank shall not repair the account number and the check digit of the MICR Code Line Data appearing on the cheque, except where adjustments are needed to account numbers that are less than ten (10) digits in length.

13.10.   Notwithstanding Clause 13.9, for the purpose of clearing foreign currency denominated cheques, the procedures stated in the Operational Procedures for eSPICK shall be applicable.

13.11.   The Collecting bank shall ensure that any repair made to the MICR Code Line Data in the Outward system correspond with the actual information contained in the MICR Code Line Data of the cheque.

D.   Unpaid Items (UPI)

13.12.   The Collecting bank shall notify the payee upon receiving the Unpaid Items (UPI) data from the Paying bank immediately.

E.   Image Return Document (IRD)

13.13.   If a Paying bank dishonours a cheque arising from non-payment, the Collecting bank shall retain the original cheque and issue an IRD to the payee due to any of the following reasons:

13.13.1.   Refer to drawer;

13.13.2.   Exceeded arrangement / amount limit exceeded;

13.13.3.   Effects not cleared;

13.13.4.   Not arranged for;

13.13.5.   Other reason (for insufficient funds); or

13.13.6.   Post-dated.

13.14.   For return reasons other than the above, the Collecting bank shall issue to its customer a Cheque Return advice, instead of an IRD.

13.15.   The payee of the IRD shall only be allowed to re-present the IRD at the bank where the cheque was first deposited.

13.16.   An IRD may only be presented within six (6) months from the date of the cheque or as specified on the cheque. The IRD must be deposited into the same account.

13.17.   The Collecting bank shall issue to the payee another IRD for re-presentment, in the event the earlier IRD presented is dishonoured arising from non-payment by the Paying bank.

13.18.   In the event where the payee has lost the IRD issued by the Collecting bank, the Collecting bank shall not issue another IRD as a substitution to the lost document. A lost IRD shall be regarded as if the payee has lost the cheque.

(ii)   Responsibility of the Paying bank for eSPICK

A.   Payment on Cheque

13.19.   The Paying bank is only obligated to make payment on a cheque upon receiving both the image and the MICR Code Line Data of the cheque, provided that both are in order.

B.   Unpaid Items (UPI)

13.20.   Where a Paying bank is unable to honour or pay a cheque, the Paying bank shall return the UPI data to the Collecting bank stating the reason for the return.

13.21.   The reject codes applicable for UPI are provided in the Operational Procedures for eSPICK.

C.　　　Retention Period

13.22.　　The Paying bank may request the Collecting bank for any paid or returned cheques. The Paying bank shall, in such cases, retain such cheques for the agreed period between the Paying and the Collecting banks, from the date of the first presentment.

13.23.　　The Paying bank shall retain the physical cheque for fraud investigation or for court proceeding, which they may be liable for such losses from the fraud cheque. The Paying bank shall provide sufficient access for the Collecting bank to the physical cheque.

13.24.　　Collecting banks shall retain physical cheques for a minimum of seven (7) years.

14.0   Securities Services

14.1.   Issuers shall determine the mode of issuance (Tender or Private Placement) for the Debt Securities and decide on the results of the Tender.

14.2.   Facility Agents (FA) are responsible for the overall co-ordination of Debt Securities issuance and management of debt facilities including advising Issuers pertaining to issuance, corporate action and redemption of such Debt Securities. FAs shall also ensure that Debt Securities information are accurate and up-to-date at all times.

14.3.   For Specified RENTAS Securities, the FA is BNM. For Corporate Bonds and Sukuk, only licensed investment banks, commercial banks and Islamic banks and other institutions that are approved by Regulatory Authorities to co-ordinate the issuance of Debt Securities through FAST are eligible to act as FAs.

14.4.   Tender Panel Members (TPM) shall honour their submitted bids. If their bids are successful, the TPM must agree with the FA on the payment arrangement on the Settlement date.

14.5.   Underwriters are obliged to take up the unsubscribed amount should there be insufficient bids for the Debt Securities, or if the bids by the Underwriter result in higher allotment proceed than the bids submitted by TPM.

(i)   Stock Maintenance

14.6.   FAs are not allowed to change or amend critical information pertaining to the Debt Securities (as defined in Guideline I of the Operational Procedures for Securities Services) once the stock code has been generated. As such, for any changes to this critical information, the FA has to make a written request to MyClear, at least two (2) days before the corporate action date. MyClear reserves the right to decline a request to amend if such changes impacts information consistency, accuracy or integrity in RENTAS.

14.7.   For non-critical information, the FA is allowed to make amendments and updates to the Debt Securities information under the "Stock Maintenance" screen in FAST.

14.8.   FAs shall update, via FAST, the Debt Securities information pertaining to corporate actions, such as coupon payment rates and redemption dates, before the deadlines specified in Clause 11.2. of the Operational Procedures for Securities Services.

(ii)   Submission of Indicative Yield-To-Maturity (YTM)

14.9.   All indicative YTM contributors appointed by BNM are required to submit quotations for the Indicative YTM for Specified RENTAS Securities through FAST on a daily basis. For the Indicative YTM of Corporate Bonds and Sukuk, the submission of quotations must be on a weekly basis, on every 7th, 14th, 21st and end-of-the month.

14.10.   All Indicative YTM submissions for both Malaysian Government Securities and Corporate Bonds and Sukuk must be made no later than 4:30pm. This requirement must be strictly observed to enable the publication of the consolidated rate by 5:00pm.

14.11.   For submission of indicative YTM for Corporate Bonds and Sukuk, if any of the designated submission day falls on a non-Business day, submission must be made on the preceding Business day. In the case where a public holiday is declared at the eleventh hour, submission must be made on the next Business day.

PART VII   GENERAL

15.0   Confidentiality

15.1.   Participants shall, at all times, keep confidential all information obtained in the course of their participation in RENTAS, eSPICK and FAST.

15.2.   Participants shall abide by the secrecy provisions of the FSA, IFSA and DFIA.

15.3.   Participants shall ensure that their employees or representatives comply with the confidentiality requirements at all times.

15.4.   Participants' obligations as to confidentiality shall survive the expiration or termination of their membership.

16.0   Finality and Irrevocability of Transactions and Settlements

16.1.   All transaction executed and settled through the RENTAS system, shall be final and irrevocable.

17.0   Dispute Resolution

(i)   Dispute between MyClear and Participants

17.1.   MyClear and Participants shall, in good faith, attempt to settle all disputes or conflicts arising in connection with the Participants' use of MyClear's services amicably and by mutual agreement.

17.2.   Any unresolved dispute between MyClear and Participants shall be referred to and finally resolved by arbitration in Malaysia by an arbitrator to be agreed upon between MyClear and Participants or, failing agreement within fourteen (14) days after either party has given to the other a written request to agree to the appointment of an arbitrator, a person to be nominated by the Director of the Kuala Lumpur Regional Centre for Arbitration at the request of either MyClear or Participants. The arbitration shall be in accordance with the Rules for Arbitration of the Kuala Lumpur Regional Centre for Arbitration.

17.3.   The arbitration award, which may include an award for specific performance, injunctive relief or other equitable relief shall be final and binding on the parties and judgment upon the award entered in arbitration may be entered in any court of competent jurisdiction.

(ii)   Dispute between Participants

17.4.   In the event of disputes between the Participants in respect to these Rules or Operational Procedures, which cannot be resolved amicably, the matter shall be referred to MyClear. MyClear will set up an independent Disputes Resolution Panel in accordance with the Guidelines on Dispute Resolution between Participants of Payments and Securities Services provided by MyClear.

17.5.   Requests for dispute resolution shall be made in accordance with the prevailing Guidelines on Dispute Resolution between Participants of MyClear's Services.

17.6.   The decision of the Disputes Resolution Panel shall be binding on the Participants concerned.

18.0   Enforcement of these Rules

18.1.   MyClear has the right to impose penalty charges of up to RM5,000.00 on its Participants for "General Non-Compliance" (refer to Glossary of Terms in the Appendix IV for definition of "General Non-Compliance").

18.2.   MyClear will determine the actual quantum of the penalty charges depending on the severity of the non-compliance.

19.0   Issuance of Notices, Guidelines, Circulars or Instructions

19.1.   MyClear may, from time to time, issue guidelines, instructions, circulars, standards, notices and directives to all Participants, or any group of Participants, in relation to MyClear's services. The Participants shall comply with these guidelines, instructions, circulars, standards, notices and directives issued by MyClear.

20.0 Amendment and Modification of Rules and Operational Procedures

20.1. For major revisions, MyClear may issue the amendments of these Rules and Operational Procedures to the Association of Banks in Malaysia (ABM), Association of Islamic Banking Institutions Malaysia (AIBIM) and Malaysia Investment Banking Association (MIBA) for consultation.

20.2. After completion of the consultation, MyClear shall give at least seven (7) working days prior notice to the Participants before the amended Rules and / or Operational Procedures come into effect.

20.3. MyClear will review and update these Rules at least every two (2) years.

21.0 Entire Rules

21.1. Any attached documents including the Operational Procedures shall form part and parcel of these Rules and shall be read as an integral part of these Rules.

22.0 Goods and Services Tax ("GST")

22.1. **Definitions:** In this Clause:

(a) "GST Law" means the Goods and Services Tax Act 2014 including any related regulation or revision.

(b) Words and expressions which have a defined meaning shall have the same meaning as in the GST Law.

22.2. Unless otherwise expressly stated, any taxable supply in these Rules does not include the prevailing GST rate.

22.3. MyClear shall collect from the Participant and the Participant shall pay an amount equal to the GST payable for the taxable supply in accordance to GST Law. MyClear will provide to the Participant a valid tax invoice in respect of any GST paid or payable in connection with the taxable supply unless the Participant is issuing a self-billed invoice as provided under GST Law.

22.4. In the event where MyClear pays an amount to the Participant for a taxable supply and upon providing written notification to the Participant, the Participant agrees that MyClear can undertake self-billing as provided under GST Law.

APPENDICES

Appendix I - Practices and Liabilities Under eSPICK

Practices and Liabilities under eSPICK

No.	Issues	Practices and Liabilities
1.0	**Non-Conforming Cheques**	• The Collecting bank shall tag all non-conforming cheques with the applicable non-conforming flags. The Paying bank shall be 100% liable for payment on non-conforming cheques, which have been tagged. • The Collecting bank shall be 100% liable for payment on non-conforming cheques, which have not been tagged with the applicable non-conforming flags.
2.0	**Pre-CTCS Designed Cheque(s)**	• Pre-CTCS Designed Cheque(s) are non-conforming cheques and shall be rejected by both the Collecting and Paying banks. • In the event the Paying bank decides to pay such a cheque, the Paying bank shall be 100% liable.
3.0	**Duplicated Payment of Cheque due to the Paying Bank**	• The Paying bank shall be 100% liable for duplicated payments.
4.0	**Post-Dated Cheques**	• The Paying bank shall be 100% liable on payment of the cheque.
5.0	**Stale Cheques**	• The Paying bank shall be 100% liable on payment of the cheque.
6.0	**Mutilated Cheques**	• The Collecting bank shall tag all mutilated cheques, irrespective of who caused the mutilation, with the applicable non-conforming flag. • In the event that the Collecting bank fails to tag the cheque, the Collecting bank shall be 100% liable for the payment of the cheque.
7.0	**Dishonoured Cheques Image Return Document (IRD)**	• The Collecting bank shall be 100% liable if the IRD is a counterfeit.

No.	Issues	Practices and Liabilities
8.0	**Repairs to MICR Code Line Data** Note: Excluding check digit and account number.	• The Collecting bank is allowed to repair the cheque serial number field, bank/branch code field and the transaction code field of the MICR Code Line Data and shall tag the cheque with the applicable non-conforming flag. • The Collecting bank shall ensure that the corrected data reflects the same details as that on the original cheque. • The Collecting bank shall be 100% liable if the repair(s) differs from that displayed on the original cheque.
9.0	**Data entry errors in the amount field**	• The Collecting bank shall ensure that the correct amount as per the face value of the cheque is captured. • In the event of error made by the Collecting bank where: i. The debit to the drawer's account exceeds the value of the cheque, the Collecting bank shall honour the amount claimed by the Paying bank; or ii. The debit to the drawer's account is less than the value of the cheque and the balance in the drawer's account is insufficient or the account closed, the Collecting bank shall honour the balance of the amount due to its customer. The above may be applicable for errors exceeding the amount specified in the guidelines issued by The Association of Banks in Malaysia (ABM). • Where the words and figures differ in cheques not as a result of data entry errors, it would be left to the Paying bank to decide whether to accept or reject the cheques and to face the consequences of its decision including claims if any.

No.	Issues	Practices and Liabilities
10.0	**Intercepted cheques**	• Paying Banks shall provide risk disclosures to advise customers of the risk of intercepted cheques, especially when cheques are mailed using pre-printed cheque envelopes.
11.0	**Fraud**	• Participant's customers shall not be held liable for losses arising from fraud, if such fraud is not attributable to the customers. Paying Bank shall assume all liability for losses arising from fraudulent cheques in cases where the security features of cheques has been compromised, but neither Collecting Bank nor Paying Bank was able to detect the compromised cheques.

Appendix II - Fees and Charges

A.   Fees and Charges: RENTAS (MYR and Foreign Currency Settlement)

No.	Description	Amount (MYR)

1.0	**Annual Membership Fee:**
	Type
	I Licensed financial institutions regulated or co
	     regulated by BNM and Institutions under BNM's
	     purview
	II Development Financial Institutions and entities
	     admitted for market development purposes
	III ICSDs and CSDs
	IV Foreign central banks
	V Qualified foreign financial institutions and multi-lateral
	     institutions
	VI Clearing houses
	VII Qualified local corporates
		15,000.00

2.0	Inter-bank Funds Transfer (IFTS) a. Amongst Participants b. For third party	 2.50 1.50
3.0	Credit/Debit Notification a. Amongst participants b. For third party	 2.00 1.50
4.0	PvP fee	7.00
5.0	Scripless Securities Sale, Free of Payment and House Transfer Transactions (payable by both buyer and seller)	1.00
6.0	Scripless Securities REPO Transaction (payable by both buyer and seller)	1.00
7.0	Securities Borrowing and Lending Transaction	2.00
8.0	Central Host On line Enquiry	2.00
9.0	Administrative Message	2.00
10.0	Transaction fee for use of intraday credit (per tranche of RM5 million)	12.00
11.0	Request for report after cut-off time (per page)	50.00

No.	Description	Amount (MYR)
12.0	Failure to settle intraday credit by the designated system cut-off time** Note: All Participants making requests for cut-off extension will be charged	5,000 per event
13.0	Charges for the use of MyClear back-up facility in 12 months: • 1st • 2nd • 3rd • Subsequent Note: 1. Requests within a Business day is counted as one activation 2. The 12 months period starts from first activation	1,000.00 2,000.00 3,000.00 5,000.00
14.0	Late payment- Redemption (early / full / partial) or coupon payment**	5,000 per incident
15.0	Use of RENTAS CHS Testing Environment a. Planned b. Unplanned	200.00 400.00
16.0	Penalty for causing delays to the settlement of clearing positions for eSPICK, e-Debit, MEPS Cash, Shared ATM, Interbank GIRO, Financial Processing Exchange or Direct Debit clearing positions:** a. First three delays in a calendar year b. Subsequent delays in a calendar year For purposes of determining the number of delays, the incidents of delays would be calculated separately for each type of clearing.	5,000 5,000
17.0	Cut-off extension fee:** a. 1st request every half hour, or part thereof b. 2nd request onwards within a year* - every half hour, or part thereof *(*Note- 12 months calendar year)*	5,000.00 10,000.00

* The annual membership fee is charged by Participant and not by currencies. By default, the MYR charges would be applicable unless the Participant does not participate in the MYR Settlement.

**Penalties channelled to the ePayment and Market Infrastructure Development Fund

Note:

a. A Participant who participates in both MYR Settlement and CNY Settlement will pay a single annual membership fee of RM15,000.00 only, as well as other fees denoted in the MYR column.

b. Billing for Participants that are incorporated in Malaysia shall be in MYR. Foreign Participants could opt for:
   i. billing in the currency of the settlement service in which they are participating; or
   ii. billing in MYR

c. All fees (excluding penalties) for CNY settlement in RENTAS specified in A 1.0 – 18.0 above are currently waived. Penalties are not waived.

No.	Description
18.0	Securities Depository services

18.0 continued:

a. One-time depository fee for new issuance:

First RM500 mil (or equivalent in foreign currencies)	0.3bp
Next RM2.5bil (or equivalent in foreign currencies)	0.1bp
Remaining balance	0.05bp

b. Monthly safekeeping fee:

SSDS Participants will be charged based on monthly average holdings

First RM10bil (or equivalent in foreign currencies)	0.05bp
Next RM10bil	0.03bp
Remaining balance	0.005bp

For all Foreign Currency Securities, one-time depository fee for new issuance specified in A.19.0 item a above are currently waived.

No.	Description	Amount (EUR)
19.0	SWIFT Messaging Fees a. Non-reporting fees* b. Reporting fees** Reverse billing would be adopted where all SWIFT messaging fees payable when RENTAS CHS sends messages to Participants would be charged to the receiving Participant. The fees are in accordance with SWIFT pricing and may be revised if SWIFT revises its fees. *Participant initiated instruction message (MT103, 202, 198, 540, 541, 542, 543 etc). Charged to Participant initiating. **SWIFT-generated statement of holdings, listing of transactions, and allegement (MT535, 536, 548, 578, 940, 941, 950, etc.). Charged to Participant requesting report.	**As charged by SWIFT**

B.   Fees and Charges: FAST

No.	Description	Amount (MYR)
1.0	Annual membership fee	10,000.00
2.0	Transactions charges with effect from 3 January 2012:	
	a. Per bid submitted	4.00
	b. Per tender processing	200.00
	c. Per private placement	300.00
	d. Per tender invitation	100.00
	e. Per creation of each primary note	100.00
	f. Per creation of each secondary note	50.00
3.0	Every request for amendment of Facility / Debt Securities information	200.00 per data field
4.0	Failure to provide or update accurate information that affect Settlement processing of Allotments, Coupons and Redemptions by 3:00pm, one (1) business day before Settlement date**	2,000.00 per stock
5.0	Cancellation Fee for Aborted New Stock Issue	100.00
6.0	Redemption Fee (Early or Partial Redemption)	100.00
7.0	Annual Depository Fee:	
	a. For each outstanding Primary Note (including stocks with suspended status) and chargeable on the anniversary dates	1,000.00
	b. For each revolving Debt Facilities of Commercial Papers or combination of Commercial Paper/Medium Term Note, both conventional and Islamic with outstanding stock or stocks (including stocks with suspended status) and chargeable on the anniversary of the first issuance date.	1,000.00
8.0	Late Payment for:	
	a. Interest / Dividend / Coupon / Profit**	5,000.00 per stock
	b. Final Redemption / Early Full and Partial Redemption**	5,000.00 per stock
9.0	FOR IILM and IILM's PRINCIPAL DEALERS ONLY: iVest Application	
	a. New Application (2 years validity)[1]	
	b. Renewal Fee (2 years validity)[1]	[1]As charged by certificate provider
	c. Super Authorised Personnel (one time application fee)[1]	
	d. Courier Fees[2]	[2]As charged by service provider

**Penalties channelled to the ePayment and Market Infrastructure Development Fund.

NOTE:
a. Billing for IILM is charged in MYR or USD, based on IILM's preference.

b. Billing for IILM's Principal Dealers is charged in USD.

c. For the purpose of computation of fees and charges in USD, the exchange rate is based on prevailing Interbank Foreign Exchange Mid-Rate as published in BNM's website at the time the invoice is issued.

C.   Fees and Charges: eSPICK

No.	Description	Amount (MYR)

1.0	Annual membership fee:
	    a. Banks
	    b. IBs / DFI / Insurance Companies
		
		10,000.00
		5,000.00

2.0	Normal Outward (charge per item):
	
	Tiered charges:
	    a. 8:30am – 12:00 noon
	    b. 12:01pm – 7:00 pm
	    c. 7:01pm – 9:00 pm
	    d. After 9:00 pm
		
		0.02
		0.04
		0.10
		0.50

3.0	Inward Clearing Items (charge per item): Failure to achieve annual reduction rate in volume of Inward Clearing and Non Clearing Item (NCI). File request: between one (1) to thirty (30) days of the clearing date Note: 1. Redownload during the clearing date will not be charged	0.11 as specified in BNM's ePIF Framework 10.00

4.0	Other Clearing Items (charge per item):
	    a. Express Cheque
	    b. Cheque Conversion
	    c. Standing Instruction
	    d. Bankers Acceptance / Acceptance Bills – Islamic
		
		5.00
		0.01
		0.10
		0.10

5.0	Returned Items (charge per item):
	    a. Outward
	    b. Inward
	    c. Late submission of returned items
		
		0.50
		0.50
		5.00

6.0	Storage / Archival (charge per item):
	    a. Outward
	    b. Inward
	    c. Image Retrieval
	    d. Non Clearing Items (NCI) including cash cheques, house cheques, inter branch cheques, bankers' acceptances, Islamic bankers' acceptances, and other clearing items cleared outside eSPICK
		
		0.05*
		0.05*
		0.10
		0.10*

No.	Description	Amount (MYR)
	Failure to submit NCI for storage/archival purposes *New fee takes effect from 1 July 2015 **Participants are given a grace period until 31 Dec 2015 to ensure 100% NCI submission, after which penalties will be strictly applied	100.00 per item not submitted**

7.0	Other Charges:
	
	  a. Extension of cut-off time (charge per request – also chargeable to Participants that submit beyond the normal time, irrespective of whether they requested for extension):**
	     • 1st. request- every half hour, or part thereof
	     • 2nd. request onward within a year*- every half hour, or part thereof (* Note- 12 month calendar year)
		
		5,000.00
		10,000.00

	b. Inward contingency CDs (charge per CD):
	     • Request before 1:00 am
	     • Request after 1:00 am
		
		100.00
		200.00

	c. BCP per activation (i.e. Use MyClear's GWC to upload and / or download clearing information to/from eSPICK Host):
	     • 1st. activation (within 12 month period)
	     • 2nd. activation (within 12 month period)
	     • 3rd. activation (within 12 month period)
	     • Subsequent activations within 12 month period
		
		1,000.00
		2,000.00
		3,000.00
		5,000.00

	d. File Request:
	     • Between one (1) to two (2) months of the clearing date
	     • More than two (2) months
		
		10.00
		20.00

	e. Encoding error/Incorrect data capture **	5.00 per cheque
	f. Non-compliance of Image Quality Assurance (IQA) for cheques **	5.00 per cheque

**Penalties channelled to the ePayment and Market Infrastructure Development Fund.

D. Fees and Charges: Cross-Border Securities Custody Services (CSCS)

No	Description	Amount
1.0	Monthly account fees	RM500 (Monthly account fees will be waived if the Participant's transactions, custody and other fees exceed RM500)
2.0	Custody fees for international debt securities	Sliding scale: <table><tr><th>EUR million</th><th>Basis point p.a.</th></tr><tr><td>< 500</td><td>1.05</td></tr><tr><td>500 – 1,000</td><td>0.87</td></tr><tr><td>>1,000 to ≤ 5,000</td><td>0.70</td></tr><tr><td>> 5,000</td><td>0.63</td></tr></table>

3.0	Transaction fees:
	a. Securities instruction
	   i. *via RENTAS iLink*
	   ii. *via fax*
	
	b. *Money transfer* instruction including cancellation
	   i. *pre-advise of funds*
	   ii. *book transfer*
	   iii. *wire transfer/credit of funds:*
	     - *EURO, USD*
	     - *Other currencies*
		<table><tr><th>Internal</th><th>Bridge</th><th>External</th></tr><tr><td>RM9.00</td><td>RM15.00</td><td>By market</td></tr><tr><td>RM54.00</td><td>RM60.00</td><td>By market</td></tr></table>
		
		RM15.00
		RM30.00
		
		RM40.00
		RM55.00

4.0	Custody processing fee a. *Tax refund* b. *Other instructions*	RM230 RM125
5.0	Other Fees - Reports, finance charges, out of pocket expenses including but not limited to registration fees, stamp duty, repair fees for non-straight-through processing , will be passed to Participants at the prevailing exchange rates.	

Market	Custody fees		Securities settlement fees		

United States of America

EUR million	Basis point p.a.
≤ 100	1.92
> 100 – 500	1.56
> 500 – ≤1,000	1.38
> 1,000 – 5,000	1.08
> 5,000	0.96

Internal	Bridge	External
RM9.00	M20.00	RM55.00
RM54.00	RM65.00	RM100.00

France

EUR million	Basis point p.a.
≤ 500	1.16
> 500 – 1,000	1.02
> 1,000 – 3,000	0.97
> 3,000 – 5,000	0.95
> 5,000	0.91

Internal	Bridge	External
RM9.00	RM20.00	RM35.00
RM54.00	RM65.00	RM80.00

Belgium

EUR million	Basis point p.a.
≤ 500	1.16
> 500 – 1,000	1.02
> 1,000 – 3,000	0.97
> 3,000 – 5,000	0.95
> 5,000	0.91

Internal	Bridge	External
RM9.00	M20.00	RM35.00 *Physical settlement –RM265*
RM54.00	RM65.00	RM80.00 *Physical settlement –RM310*

Germany

EUR million	Basis point p.a.
≤ 500	1.16
> 500 – 1,000	1.02
> 1,000 – 3,000	0.97
> 3,000 – 5,000	0.95
> 5,000	0.91

Internal	Bridge	External
RM9.00	RM15.00	RM35.00
RM54.00	RM60.00	RM80.00

United Kingdom

EUR million	Basis point p.a.
≤ 1,000	0.85
> 1,000 – 3,000	0.61
> 3,000 – 5,000	0.58
> 5,000 -10,000	0.45
> 10,000	0.41

Internal	Bridge	External
RM9.00	RM20.00	RM35.00
RM54.00	RM60.00	RM80.00

Market	Custody fees		Securities settlement fees		
Japan	**EUR million**	**Basis point p.a.**	**Internal**	**Bridge**	**External**
	≤ 1,000	1.18	RM9.00	-	RM35.00
	> 1,000 – 3,000	1.09	RM54.00	-	RM80.00
	> 3,000 – 5,000	0.96			
	> 5,000 -10,000	0.89			
	> 10,000	0.86			
Australia	**EUR million**	**Basis point p.a.**	**Internal**	**Bridge**	**External**
	≤ 1,000	1.18	RM9.00	RM35.00	RM135.00
	> 1,000 – 3,000	1.09	RM54.00	RM80.00	RM180.00
	> 3,000 – 5,000	0.96			
	> 5,000 - 10,000	0.89			
	> 10,000	0.86			
Hong Kong	**EUR million**	**Basis point p.a.**	**Internal**	**Bridge**	**External**
	≤ 1,000	1.18	RM9.00	RM35.00	RM180.00
	> 1,000 – 3,000	1.09	RM54.00	RM80.00	RM225.00
	> 3,000 – 5,000	0.96			
	> 5,000 - 10,000	0.89			
	> 10,000	0.86			
Singapore	**EUR million**	**Basis point p.a.**	**Internal**	**Bridge**	**External**
	≤ 1,000	1.18	RM9.00	RM35.00	RM300.00
	> 1,000 – 3,000	1.09	RM54.00	RM80.00	RM345.00
	> 3,000 – 5,000	0.96			
	> 5,000 - 10,000	0.89			
	> 10,000	0.86			

Note

a.   Billing for CSCS services is charged in MYR.

b.   For purpose of computation of fees and charges, the exchange rates are based on

   Interbank Foreign Exchange Mid-Rate at 5.00pm as published in BNM website

   :http://www.bnm.gov.my/index.php?tpl=exchangerates.

For weekends and public holidays, the exchange rates shall be the rates of the preceding Business day

c. The billing cycle for CSCS services are as follows:

End of month 1st Beginning of the following month	6th	8th	14th	15th
Exchange rate (+) volatility rate of 10%	Euroclear generate invoice in Excel format and email to MyClear (Billing in Euro)	• MyClear generate invoice in RM with cost-plus pricing • Participant retrieve from RENTAS	• Participants' Ringgit account will be debited • MyClear pre-fund main account in Euroclear	MyClear's account with Euroclear will be debited in Euro.

Note: Current domestic RENTAS billing is charged on every first business day of the following month

Appendix III - Supported Currencies for the Foreign-Currency Settlement Service in RENTAS

1.   Chinese Renminbi (CNY)

2.   United States Dollar (USD)

Appendix IV - Glossary of Terms

1. "Allegement" refers to a message that RENTAS transmits to inform a Participant's counter-party that a foreign currency securities transaction that the Participant transmitted cannot be matched;

2. "Allotment" refers to allocation of Debt Securities to subscribers' SSDS Participants via FAST either through Tender or Private Placement;

3. "Alteration" means any changes made to the printed and / or written data of the cheque;

4. "Alternate site" means a site held in readiness to ensure Business Continuity Participants may have more than one alternate site. In some cases, an alternate site may involve facilities that are used for normal day-to-day operations but which are able to accommodate additional business functions when a primary location becomes inoperable;

5. "Apparent" means something that is obvious and easy to see or understand;

6. "Archive" means a repository used to store cheque images and associated information, including MICR Code Line Data, UIC and other clearing information of items cleared in eSPICK;

7. "Asset-Backed Securities" refers to securities that are backed by future flows of income from revenue generating assets, issued through a fund-raising process of securitisation;

8. "Auction" refers to "Tender";

9. "Auto-Collateralized Overnight Funding Facility" or ACOFF is an overnight lending from BNM to eligible Participants during the RENTAS Evening Settlement Window to fund Participants who are not able to cover their IBG clearing obligations.

10. "Bandwidth" means the transmission capacity of the lines that carry electronic traffic;

11. "Bank Negara Monetary Notes (BNMN)" refers to a debt instrument issued by BNM for managing liquidity in the conventional and Islamic financial markets;

12.   "Banking day" means a Business day during which an office of a bank is open to the public for substantially all of its banking functions;

13.   "Bids" refer to submission of bids either on Yield or Price via FAST for the Tender of Debt Securities;

14.   "Bills of Exchange" means an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, on demand or fixed or determinable future time, a sum certain in money to or to the order of a specified person or to bear;

15.   "Bitonal image" means an image where each pixel can be represented by single binary bit, either black or white;

16.   "BNM" means Bank Negara Malaysia established under the Central Bank of Malaysia Act 2009;

17.   "Book run" refers to the placement of the new Debt Securities to investors through a syndicate, led by a lead arranger. The lead arranger assigns parts of the new issue to other syndicate parties for placement and usually takes the largest part itself;

18.   "Bought Deal" refers to a new issuance that has been bought entirely by the arranger or the group of arrangers, to resell to investors;

19.   "Business Continuity" means the continued delivery of services and continued operational viability in response to a disruptive event;

20.   "Business Continuity Management (BCM)" means a holistic management process that identifies risks, threats and vulnerabilities thst could impact an organisation's business operations and which ensures organisational resilience and Business Continuity;

21.   "Business Continuity Plan (BCP)" refers to a comprehensive documented action plan that outlines the procedures, processes and systems necessary to resume or restore the business operations of a Participant in the event of a disruption;

22.   "Business day", unless otherwise specified in these Rules, means any calendar day from Monday to Friday, except a public and bank holiday in Kuala Lumpur;

23.   "Business hours" refers to the duration of time when MyClear provides Payments and Securities Services between the opening time and the cut-off time;

24. "Business Impact Analysis (BIA)" is the process of measuring (quantitatively and qualitatively) the business impact or loss of business in the event of a disruption. It is used to identify recovery priorities, recovery resource requirements and essential staff and to help shape a Business Continuity Plan;

25. "Cagamas Debt Securities" means securities issued by Cagamas Berhad;

26. "Call tree" means a document that graphically depicts the calling responsibilities and the calling order used to contact Management, employees, customers, vendors and other key contacts in the event of an emergency, disaster or severe outage situation;

27. "CCPMP" means the cross currency payment matching processor operated by HKICL which matches the MYR leg of a transaction in RENTAS against the USD leg of a transaction in USD CHATS to co-ordinate the simultaneous settlement of both legs for PvP settlement;

28. "Ceiling Rate" is the upper limit of the Corridor at which BNM will lend to Interbank Institutions under the lending/funding facility.

29. "Cheque" means a written order from one party (the drawer) to another (the drawee, normally a bank) requiring the drawee to pay a specific sum on demand to the drawer or a third party specified by the drawer;

30. "Cheque Alteration" means altering one or more fields to show a value, payee name, and / or date that was not originally authorised by the person, who wrote the cheque;

31. "Cheque clearing" means the process where a cheque is presented to and accepted by the drawee bank, the institution on which it is drawn;

32. "Cheque conversion" is where the MICR Code Line Data are captured and used as an electronic payment instruction for the purpose of debiting the drawer's account as a one-time electronic payment instruction that cannot be represented;

33. "Cheque truncation" is where the physical movement of the paper cheque is replaced by the cheque's image and data for the purpose of debiting the drawer's account. This is where the paper cheque does not move from the Collecting bank to the Paying bank for the purpose of clearing;

34. "Cheque Truncation and Conversion System" or CTCS, refers to Sistem Penjelasan Informasi Cek Kebangsaan secara Elektronik or eSPICK;

35. "Clear Band Area" means an area that runs along the bottom edge, from the right to the left vertical edge of a cheque. It is measured 5/8" vertically from the bottom reference. It is where the MICR shall be printed;

36. "Clearing" means the process of exchanging and reconciling payment items that result in the establishment of final positions for Settlement;

37. "Clearing house" means the organisation that collects, sorts, classifies and distributes information on cheque clearing among its Participants;

38. "Clearing houses' transactions" refers to cheque clearing positions and retail clearing positions such as Financial Process Exchange (FPX) clearing positions, Electronic Debit (MyDebit) clearing positions, Interbank GIRO (IBG) clearing positions, ATM clearing positions and other retail instruments introduced by MyClear or other clearing houses from time to time;

39. "Clearing items" refer to cheques, cashiers orders, demand draft, dividend warrant, interest warrant, pension warrant, vouchers, money and postal orders, unpaid clearing debit slips and batch tickets that comply with the eSPICK MICR Code Line requirements;

40. "Code Line" refers to a set of fields printed in the clear band area at the bottom of a cheque to facilitate automated data capture;

41. "Collecting bank" means the banking institutions under the BAFIA and the IBA and prescribed institutions under the DFIA, who present cheque for payment under eSPICK;

42. "Commercial Papers" refers to either Conventional or Islamic short-term papers issued with original tenor of one year or less;

43. "Corporate Bonds and Sukuk" (CBS) refers to securities issued by a corporation, which can be either short-term, medium-term or long term papers in Conventional or Islamic principles. Such CBS can be Commercial Papers, Medium Term Notes, bonds, asset-backed securities, loan stocks, loan notes and other types of Corporate Bonds and Sukuk approved by relevant authorities;

44.   "Coupon" means the interest rate payable on securities issued, which may be on fixed or floating basis;

45.   "Coupon Payment Date" means the date that the Coupon will be paid to the securities holders;

46.   "Credit Rating" refers to rating assessment by the approved Rating Agencies;

47.   "Credit Notification" refers to a notice sent by Participant to another Participant informing them of impending RENTAS payment;

48.   "Critical Business Information Record" means information that is critical for the Participant's business operations that must be preserved and available for retrieval if needed;

49.   "Critical services" means services that are considered crucial for a Participant based on the BIA and risk assessment performed. Also known as critical business function (CBF). Classification of critical services should be based on the following criteria:
        a. Crucial and required to support customer services;
        b. Generate highly significant income;
        c. Required for legal or regulatory compliance;
        d. Might cause systemic impact; and
        e. Disruption which will result in substantial business losses in terms of revenue, customer and reputation;

50.   "Cut-off time" refers to the stipulated time, fixed by MyClear; beyond which the receipt of any item will be deemed to occur at the opening of the next working day;

51.   "Day S" refer to settlement day;

52.   "Day S-1" means 1 day before the Settlement Day;

53.   "Debit Notification" refers to notification sent by RENTAS to the FA on the coupon or redemption payment date for Debt Securities informing the FA on the total interest or redemption proceeds that the FA has to pay to BNM on behalf of the issuer;

54.   "Debt Securities" means short and long term Bonds, Sukuk and other Debt Financial Instruments;

55.   "DFI" means Development Financial Institutions that are governed under the Development Financial Institutions Act 2002;

56.   "DFIA" means the Development Financial Institutions Act 2002;

57.   "Digital signature" means the cryptographic process where Messages are signed with the sender's private key so that the recipient of the Message, by using the public key to decrypt, can accurately determine the authenticity and validity of the Message;

58.   "Direct Bidders" refers to FAST Participants that are invited by Facility Agents to submit Bids directly. For Specified RENTAS Securities, the Direct Bidders are Principal Dealers. For other securities, the invited Tender Panel Members are the Direct Bidders;

59.   "Direct Participant (DP)" means a member of the USD CHATS, which maintains a Settlement Account with the USD CHATS Settlement Institution (refer to SI);

60.   "Disaster Recovery Plan (DRP)" means a comprehensive documented plan that details the procedures, processes and systems necessary to recover IT infrastructure and systems in response to a disruptive event;

61.   "Discount Basis" means a method for quoting the return on non-interest bearing securities, which is issued at a discount and redeemed at a face value upon maturity. The price of the securities is lower than the nominal or face value;

62.   "Drawee" refers to the bank on whom a cheque is drawn i.e. the bank holding the account of the individual or company that wrote the cheque. The drawee is usually the Paying bank;

63.   "Drawer" refers to the party who issues a cheque;

64.   "DvP" means delivery-versus-payment in which transfer for securities and funds is settled on a trade-by-trade basis, with final transfer of the securities from the seller to the buyer (delivery) occurring at the same time as final transfer of the funds from the buyer to the seller (payment);

65.   "eSPICK" means the "Sistem Penjelasan Informasi Cek Kebangsaan secara Elektronik", which is a system that provides clearing of cheques and other clearing instruments through cheque truncation and / or conversion;

66. "Early and Partial Redemption Date" refers to the settlement date for the early and partial redemption of Debt Securities;

67. "Electronic Cheque Presentment" refers to the process whereby a cheque is delivered for payment through transmission and reliance upon electronic information rather than the paper instrument itself;

68. "Eligible Securities" means:

    a. Specified RENTAS Securities issued by the Government and BNM; and

    b. Non-specified RENTAS Securities with minimum credit rating of AAA and above;

69. "e-Payment and Market Infrastructure Development Fund" houses all penalty charges imposed on participants and MyClear. The fund will be used for the betterment of the nation's electronic payments infrastructures.

70. "e-Payment Incentive Fund Framework" or ePIF is a framework established by BNM to drive improvements in the e-payment infrastructure and services.

71. "Essential services" means vital services that must be provided by a Participant either during a Business day or during a disaster;

72. "ETP" means Electronic Trading Platform for Debt Securities which was introduced on 1st March 2008 by Bursa Malaysia Berhad;

73. "Exempted from Rating" refers to a provision in guidelines / rules issued by relevant authorities where rating is not required for any issue, offer or invitation of:

    a. Irredeemable convertible loan stocks; or

    b. Such Corporate Bonds and Sukuk which are non-transferable and non-tradable; and whose investors do not require a rating;

74. "Facility" means the programme for the issuance of debt approved by the Regulatory Authorities. In relation to FAST, each facility approved / created will be uniquely identified by a Facility Code;

75. "Facility Agent", or FA refers to licensed investment banks, commercial banks and Islamic banks and such other institutions as may be approved by the Regulatory Authorities to co-ordinate the issuance of securities through FAST. There can be multiple co-arrangers under a facility. For consistency, each facility in FAST can only be maintained by one (1) Facility Agent;

76.   "FAST" means Fully Automated System for Issuing / Tendering. It is a centralised system for the origination of debt securities;

77.   "FAST Instruments", in relation to FAST covers the Securities and non-Securities (MYR Money Market and Repo Tender) approved and specified by BNM from time to time;

78.   "Final or Finality" means irrevocable and unconditional;

79.   "Fixed Rate Interest" refers to interest on a security, which is calculated as a constant specified percentage of the principal amount and paid at the end of the specified interest periods until maturity;

80.   "Float" means the time interval or delay between the start and completion of a specific phase or process that occurs along the cash flow timeline. Certain types of float can be quantified and expressed in MYR amounts;

81.   "Floating Rate" refers to the rate of interest on a floating basis quoted against any reference rate such as KLIBOR;

82.   "Floor Rate" is the lower limit of the Corridor which is the rate at which excess funds are placed by the Interbank Institution with BNM under the overnight Deposit Facility.

83.   "Foreign currency denominated cheque" means any cheque payable in foreign currency;

84.   "Foreign Currency Settlement Account" means a cash account maintained by the Participant with OSIs for the purposes of foreign currency Settlement;

85.   "Foreign-Currency Settlement Cut-off" means the cut-off time of a Business day when the Host System ceases processing foreign currency transactions for value on the same day, including any extension of time for the processing of transactions on that day which MyClear may grant under these Rules;

86.   "Forgery" means the crime of fraudulently altering a document;

87.   "Frozen" membership will result in the following:
      a.   All IFTS and SSDS transactions related to the Participants will be rejected;

b. Future-dated IFTS and SSDS transactions will be retained. Should the Participant's membership remains "frozen" when the future-dated transaction is due for Settlement, the transaction will be rejected;

c. Outgoing IFTS queued transactions and SSDS transactions pending due to insufficient securities will be cancelled at RENTAS cut-off; and

d. Incoming IFTS queued transactions will be cancelled;

88. "FSA" means the Financial Services Act 2013;

89. "FX" means foreign exchange transactions;

90. "General Non-Compliance" refers to any non-compliance without pre-specified penalty charges in the Participation and Operation Rules for Payments and Securities Services, and the Operational Procedures for MYR Settlement in RENTAS, Foreign-Currency Settlement in RENTAS, eSPICK and FAST;

91. "General Results" refers to the summary of Tender results which are publicly published for transparency purposes;

92. "Government Investment Issue (GII)" refers to an instrument that was issued under the Government Investment Act 1983 based on Syariah Principles;

93. "Greyscale image" refers to an image, where each pixel can have a full range of grey tonal values between 16 and 256 levels, depending on the system used;

94. "Gridlock Resolution" refers to a module that is built to resolve the settlement gridlock amongst participants;

95. "HKICL" means Hong Kong Interbank Clearing Limited;

96. "Host System" means the Central Host Computer System that provides the Payments and Securities Services which is located at production site and / or back-up site including any other back-up systems / sites;

97. "House cheque" means a cheque that is deposited in an account held at the same bank on which it is drawn;

98. "Identified Securities" means Eligible Securities tagged and identified in the Participants' K account;

99. "IFSA" means the Islamic Financial Services Act 2013;

100. "IFTS" in relation to RENTAS means Inter-bank Funds Transfer System. The IFTS effects and records the transfer of funds between RENTAS Participants;

101. "Image" means a digital representation of the front and back of the truncated item;

102. "Indirect Bidders" refer to FAST Participants and non-participants who cannot submit Bids in FAST directly. Indirect Bidders may submit their Bids through designated Direct Bidders. Indirect Bidders may also submit Bids directly to the Facility Agent by way of facsimile if such procedure is accepted / agreed between the parties involved;

103. "Input Deadlines" means the deadlines to key in instructions in RENTAS iLINK;

104. "Instruments" in relation to FAST covers the Securities and non-Securities (MYR Money Market and Repo Tender) approved and specified by BNM from time to time;

105. "Intraday credit" refers to funds extended either by BNM for MYR Settlement or by OSIs for Foreign-Currency Settlement to RENTAS Participants for a period of less than one (1) Business day;

106. "Intraday credit cut-off" means the deadline after which Participants will not be able to drawdown on their intraday credit line with BNM;

107. "Intraday credit cut-off warning" means the notification provided to Participants thirty (30) minutes prior to the intraday credit cut-off;

108. "Inward return" means a cheque, which the drawee / Paying bank rejects and returns to the Collecting banks through eSPICK;

109. "IRD" means Image Return Document issued by the Collecting Bank to the holder of the returned cheque(s) upon receiving the Unpaid Items (UPI) data from the Paying bank, which can be represented for payment in place of the cheque based on the reasons provided in these Rules;

110. "Issue date" in relation to FAST means the securities issue date for instruments which must fall on a Business day;

111. "Issuer" means eligible Issuers approved by the relevant authorities to raise funds through the issuance of securities / non-securities;

112. "K account" means collateral account for Scripless Securities in the RENTAS system held with BNM;

113. "KLIBOR" means Kuala Lumpur Interbank Offered Rate, the rate at which major Kuala Lumpur banks offer to lend funds to other banks;

114. "Known Public Holiday" refers to any gazetted holiday, which is known at the time Corporate Bonds and Sukuk are tendered / issued (for example 1 January, 1 February, 1 May, 31 August and 25 December). If such a day falls on a Sunday, the next Business day shall be deemed as a "Known Public Holiday";

115. "Licensed Financial Institutions" means commercial banks and investment banks licensed under section 212 (3) of the Financial Services Act 2013 (FSA) and Islamic banking licensed under Section 223 (3) of the Islamic Financial Services Act 2013 (IFSA);

116. "Liquidator" refers to the Director General of Insolvency, Deputy Director General of Insolvency, Senior Assistant Director of Insolvency, Assistant Director of Insolvency, Insolvency Officer and any other officer appointed under the Bankruptcy Act 1967 [Act 360]; acting as the liquidator of a corporation;

117. "Liquidity Optimization Settlement Facility" or LOSF is a process of combining incoming or outgoing MYR payments in order to achieve a reduced net obligation.

118. "Live Run" refers to the process of operating on an actual basis using actual data on IT recovery sites. Where necessary, business operations are shifted to the recovery site in accordance with the Disaster Recovery Plan;

119. "Malaysian Government Securities (MGS)" refers to an instrument issued by the Government of Malaysia to raise funds from the domestic capital market;

120. "Management" refers to the Participant's senior management, which also include the Chief Executive Officer and President as well as their deputies;

121. "Maturity Date of Debt Facility" refers to the expiry of the debt facility programme as approved by Securities Commission;

122. "Maturity Date of Debt Securities" means the final redemption of Debt Securities where the nominal amount must be repaid to the securities holders;

123.   "Maximum Tolerable Downtime (MTD)" means the timeframe during which a recovery must become effective before an outage compromises the ability of a Participant to achieve its business objectives;

124.   "MC", or Member Computer, refers to Participant Terminals that are used to initiate MYR transactions;

125.   "MCT SAS", or Foreign-Currency Transfer Settlement Account System, is a real-time settlement module that effects the transfer of funds through Foreign Currency Settlement Accounts that are maintained with Onshore Settlement Institutions (OSI) appointed by BNM;

126.   "Medium-Term Notes" refers to securities issued by corporations with a tenor of at least one (1) year;

127.   "Messages" means payment advice, Settlement advices, instructions, notifications, data, transactions, and images that been transmitted through MyClear's systems;

128.   "MICR" refers to Magnetic Ink Character Recognition, a technique of using special machine readable characters by which the items (i.e. cheques, drafts, warrants etc.) are read by machine for electronic processing. For this purpose, details such as check digit, cheque number, bank/branch code, account number, transaction code and amount are encoded in a special magnetic ink on the lower edge (5/8" clear band) of an item to be "read" by computer equipment;

129.   "MICR Code Line Data" means the Magnetic Ink Character Recognition Code Line Data, which consists of check digit, cheque serial number, bank / branch code, the account number, the transaction code, and the amount;

130.   "Missing images" means a situation under cheque truncation, where an image and the MICR Code Line Data of the cheque have been transmitted through eSPICK, but the image of the cheque cannot be retrieved by the Paying Bank;

131.   "Mutilated cheque" means cheques which are torn or smudged;

132.   "MyClear" means Malaysian Electronic Clearing Corporation Sdn. Bhd, a company incorporated under the Companies Act 1965, and is wholly owned by Bank Negara Malaysia;

133.   "MyClear's systems" refer to all systems operated by MyClear for the purpose of Payments and Securities Services;

134.   "MYR" refers to Malaysian Ringgit;

135.   "MYR SAS", or MYR Settlement Account System, is a real-time accounting module that posts debits and credits to MYR cash accounts across the books of BNM. All MYR Settlement Accounts are maintained with BNM;

136.   "MYR Settlement Account" means a cash account maintained by the Participant with BNM for the purposes of MYR Settlement;

137.   "MYR Settlement Cut-off" means the cut-off time of a Business day when the Host System ceases processing MYR transactions for value on the same day, including any extension of time for the processing of transactions on that day which MyClear may grant under these Rules;

138.   "Nominal Amount" refers to the debt (or loan) amount that the issuer must pay at maturity;

139.   "Non-participant" refers to an organisation, which invests in securities / money market Tender but is not a FAST member. To participate in any Tender, Non-participants can submit their bids through a Direct Bidder or Facility Agent or through facsimile, if such procedure is accepted / agreed between the parties involved;

140.   "Non-conforming cheque" means:
    a. a cheque that does not conform to the Cheque Design Standards and Specifications issued by BNM;
    b. a cheque with Apparent Alteration(s);
    c. a cheque with missing payee name, date, amount in words and/or figures, account number, check digit, signature and / or ultraviolet field;
    d. a cheque with amended check digit, cheque serial number, bank / branch code, account number, and / or transaction code field; and
    e. a cheque mutilated by collecting banks or the customers themselves;

141.   "NWI" means the New WAN Infrastructure, a secure private high bandwidth managed by Time Telekom Bhd, that is used to connect BNM and MyClear's systems to all Participants;

142.   "OSI", or Onshore Settlement Institution, refers to an organisation appointed by BNM to provide Settlement services for a particular foreign currency in RENTAS;

143.   "Outward return" means a cheque, which the drawee / paying bank rejects and returns to the eSPICK;

144.   "Own Result" refers to the Tender results belonging to a particular Direct Bidder in FAST, detailing successful and unsuccessful Bids;

145.   "Participants" means any financial institutions or entities that subscribe to and make use of some or all of the Payments and Securities Services provided by MyClear;

146.   "Participant Terminals"   refers to all software and hardware installed at the Participants' premises, or that of its outsourcing service provider, which is linked to the Host Systems for purpose of accessing Payments and Securities Services. For RENTAS, the Participant Terminals would encompass the hardware and software for the Participants' access channels to the Host System (namely RENTAS Bank Gateway, SWIFT Access and/or RENTAS iLINK);

147.   "Payee" means the party named to which a cheque is made payable;

148.   "Paying bank" means the financial institutions licensed under the FSA or the IFSA, on whom the cheque is drawn;

149.   "Payments and Securities Services" means the cheque clearing, payment, Settlement, securities issuance, depository, paying agency and corporate actions processing services offered by MyClear to Participants through the RENTAS, eSPICK and FAST systems;

150.   "Post-dated cheque" means a cheque that is presented bearing a future date;

151.   "Primary Notes" refers to the primary stock codes generated from the approved Facility limit. There may be more than one Primary Note issued under a Facility, which may represent different tranches of issues, under one (1) Facility;

152.   "Principal Dealers" refers to licensed financial institutions appointed by BNM to carry on the business of dealing in specified instruments as principals and / or agents, and which among others include the obligation to participate in the primary Tender of securities / non-securities, either for own account or on behalf of clients;

153.   "Private key" means the secret key in a key pair, which is known only to the Participant who generated it. In asymmetric cryptographic systems such as E-PKI, private keys are used to create digital signatures that uniquely identify the Participant;

154.   "Private Placement" refers to a type of primary Debt Securities issue in which the securities are placed with a small number of large, "sophisticated," typically institutional investors and does not involve any Tender. The Debt Securities could be issued under Bought Deal basis to the primary subscriber, direct placement to several investors, book building by the appointed agent or any other method as agreed by the parties involved;

155.   "Public key" means the publicly disclosed key in an asymmetric cryptographic key pair that is made known to everyone, and is used to verify the authenticity and validity of Messages;

156.   "PvP" means Payment-versus-Payment, a mechanism in a foreign exchange Settlement system which ensures that a final transfer of one currency occurs if and only if a final transfer of other currency takes place;

157.   "Queue" means an arrangement where Settlement transactions are held by the RENTAS System until sufficient balances are available in the paying Participant's account to fund the Settlement;

158.   "Recovery site" means a recovery (back-up) site for IT infrastructure , systems and business processes to be recovered and operationally ready to support business functions after an outage;

159.   "Recovery Time Objective (RTO)" refers to the timeframe required for IT infrastructure, systems and business processes   to be recovered and operationally ready to support business functions after an outage; (See illustration below)
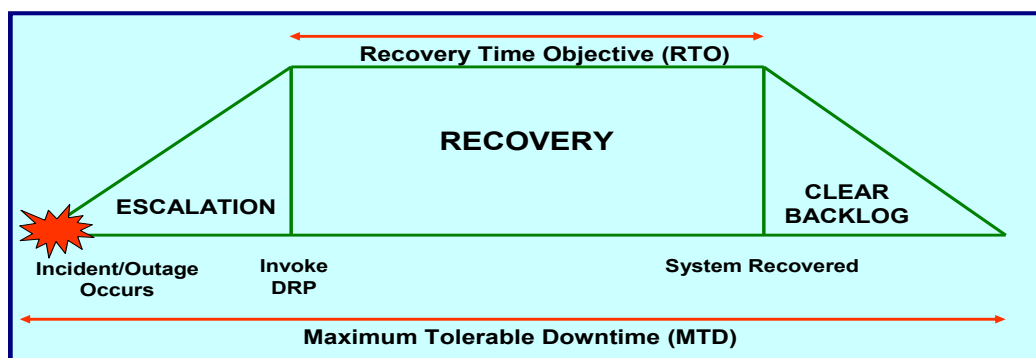
160. "Regulatory Authorities" refers to institutions such as BNM and the Securities Commission which are legally empowered to undertake regulatory oversight of some or all aspects of the Malaysian financial markets;

161. "RENTAS" refers to the Real-time Electronic Transfer of Funds and Securities System, is a multi-currency real time gross settlement system for inter-bank funds transfer, a securities settlement system and a scripless securities depository for all unlisted debt instruments;

162. "RENTAS Bank Gateway" or RBG refers to RENTAS' proprietary Participant access channel with Straight-through processing (STP) capabilities, that act as a Participant Termina;

163. "RENTAS Host" means the RENTAS Central Host Computer System located at BNM, including any back-up systems;

164. "RENTAS opening" means the time of that Business day from which the Host System is ready and able to process transactions for the Business day;

165. "Replacement Cost" refers to the price that will have to be paid to replace an existing asset with a similar asset;

166. "Repo Transaction / Tender" includes repo and reverse repo transaction / Tender; it means a contract to sell and subsequently repurchase securities at a specified date and price. Also known as an RP or buyback arrangement;

167. "Return code" means a code that indicates the reason for returning a payment as unpaid or unapplied;

168. "Returned items" refers to a situation where a cheque is returned by a Paying bank to the holder through the Collecting bank for specified reasons;

169. "Reverse Repo Transaction / Tender" refers to reverse repurchase agreement transaction / Tender; it means a contract with a counterparty to buy and subsequently re-sell securities at a specified date and price. It is the mirror image of a repo;

170. "Risk assessment (RA)" refers to the process of identifying the risks to a Participant, assessing the critical functions necessary for an institution to continue its business operations, defining the controls in place to reduce Participant's exposure and

evaluating the cost for such controls. Risk analysis often involves an evaluation of the probabilities of a particular event;

171. "SBBA" or Sell and Buy-Back Agreement refers to Islamic repurchase agreement whereby SBBA Seller sell Islamic securities at an agreed price to SBBA Buyer and subsequently the SBBA buyer and SBBA seller enter into another agreement thereon whereby the former promises to sell and the later to buy back the securities on a specified future date and at an agreed price;

172. "Secondary Notes" refers to the secondary stock code generated from the approved Primary Note. Secondary Note represents the interest or dividend payable under the relevant Primary Note;

173. "Securities" means debenture, stocks or bonds issues which represent the indebtedness of the issuer for the borrowed monies;

174. "Securities Account" means the scripless Securities Account held with BNM and maintained in the RENTAS system;

175. "Settlement" refers to the process of adjusting financial positions of Participants to reflect the amounts due to and from them as a result of the exchange of clearing items, payment transactions and securities transactions. It refers to the final and irrevocable discharge of an obligation of one Participant in favour of another Participant, in central bank money for MYR transactions, or in commercial bank money for foreign currency transactions;

176. "SI" means:
    a. In the Operational Procedures for eSPICK, Standing Instructions under the cheque truncation and conversion system;
    b. In the Operational Procedures for RENTAS, the institution appointed by HKMA to provide clearing and Settlement services for US dollars. The appointed institution is currently the Hong Kong and Shanghai Banking Corporation Limited (HSBC); and
    c. In the Operational Procedures for RENTAS, a module built to automate the generation of future dated payment instruction based on a set of defined criteria;

177. "Specified RENTAS Securities" refers to Islamic / conventional short term and long term scripless securities issued by the Government, BNM, BNM Sukuk Berhad and any other issuer that may be specified by BNM;

178.   "SRR", or Statutory Reserve Requirement, is a monetary policy instrument available to BNM for purposes of liquidity management;

179.   "SSDS" means Scripless Securities Depository System;

180.   "SSDS Participants" refers to RENTAS Participants that are permitted to hold RENTAS Securities for their own accounts and, if applicable, on behalf of their customers;

181.   "Stale cheque" means a cheque that is presented with a date of issue that has exceeded six (6) months from the date of the cheque or as specified on the cheque;

182.   "Stock Information" means information on specific Debt Securities;

183.   "Stopped cheque" means a cheque that has been returned unpaid due to payment being countermanded by order of the drawer or payment stopped by order of the drawer;

184.   "Straight Through Processing (STP)" means the online transmission of Messages directly from Participants' internal systems and complete automated processing of Messages without the need for data entry or manual intervention;

185.   "Sukuk BNM Ijarah" refers to a debt instrument issued under a leasing agreement which is permissible in Islam based on the textual evidence in the Qur'an and the Sunnah;

186.   "Suspended" membership will result in the following:

     a. The Participant can only receive incoming IFTS transactions. Outgoing IFTS transactions will be rejected;

     b. All SSDS transactions and transfers initiated by or due to the member will also be rejected;

     c. Incoming funds will not be used to clear Participants' queues;

     d. Outgoing IFTS queued transactions and SSDS transactions pending due to insufficient securities will be cancelled at RENTAS Cut-off; and

     e. Future-dated IFTS and SSDS transactions will be retained. Should the Participant's membership remains "suspended" when the future-dated transaction is due for settlement, any incoming IFTS will be accepted for settlement, while any outgoing IFTS or SSDS transactions will be rejected;

187.   "SWIFT" refers to Society for Worldwide Interbank Financial Telecommunication

188.   "SWIFTNet" refers to the IP network infrastructure provided by SWIFT that facilitate efficient messaging with SWIFT standards between its participants worldwide

189.   "SWIFT Access" refers to SWIFT Alliance Access (SAA) or other SWIFT-certified systems as approved by BNM that act as a Participant Terminal.

190.   "Switch Auction" means a replacement of previously issued securities that tend to be illiquid with more liquid benchmark securities;

191.   "Systemic risk" means the risk that the failure of one Participant to meet its required obligations will cause other Participants to be unable to meet their obligations when due, thereby potentially causing significant liquidity dislocations or credit problems and threatening the stability of the financial markets;

192.   "Tender" refers to bid submission to purchase Debt Securities or money market instruments at a specified price / yield via FAST;

193.   "Tender Basis" refers to Yield or Price that the direct bidder must submit for the Tender;

194.   "Tender Closing Date / Time" in relation to FAST system means the deadline for the submission of Bids;

195.   "Tender Panel Member" refers to eligible investors approved by BNM and / or relevant authorities to bid for any issuances of Corporate Bonds and Sukuk;

196.   "Tender Procedure" refers to the process of creating, processing, approving and aborting the Tender in FAST;

197.   "Tender Processing" refers to the allocation of submitted bids in FAST;

198.   "Tender Result" refers to the results of the Tender after the completion of Tender Processing in FAST;

199.   "UIC" means the Unique Identifier Code, which is a unique reference number printed at the back of the cheque by the Collecting bank and is used for the following purposes:

      a.   as a Collecting bank crossing;

      b.   presenting of outward item;

      c.   presenting of unpaid item; and

      d.   retrieval of the cheque or the image of the cheque;

200.   "UPI" means Unpaid Item, where an item is returned unpaid by the Paying bank to the holder through the Collecting bank for any of the reasons specified in the e-SPICK Operating Procedures;

201.   "USD CHATS" means the US Dollar Clearing House Automated Transfer System, a real-time gross settlement system for USD transactions in Hong Kong operated by HKICL;

202.   "Underwriter" means eligible institutions as approved by the Regulatory Authorities which agrees to take up under-subscribed amounts of an issue or when the underwritten yield / price is lower / higher than the bidding yield / price;

203.   "Unexpected Holiday" means a public holiday declared at the eleventh hour, which was not initially a Known Public Holiday;

204.   "When Issued Trade" refers to sale or purchase of securities prior to the issue date of the securities.