



LAWS OF MALAYSIA

Act A1016

**SECURITIES INDUSTRY (CENTRAL
DEPOSITORIES) (AMENDMENT)
ACT 1998**

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SECURITIES INDUSTRY (CENTRAL
DEPOSITORIES) (AMENDMENT) ACT 1998

An Act to amend the Securities Industry (Central
Depositories) Act 1991.

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BE IT ENACTED by the Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. (1) This Act may be cited as the Securities Industry (Central Depositories) (Amendment) Act 1998.

Short title
and
commence-
ment.

(2) This Act shall come into force on a date to be appointed by the Minister, by notification in the *Gazette*, and the Minister may appoint different dates for different provisions of this Act.

2. The Securities Industry (Central Depositories) Act 1991, which in this Act is referred to as the "principal Act", is amended in section 2—

Amendment
of section 2.
Act 453.

(a) in the definition of "security", by substituting for the words "and any interest as defined in section 84 of the Companies Act 1965" the words " , any interest as defined in section 84 of the Companies Act 1965 and any interest in a unit trust scheme"; and

(b) by inserting after the definition of "stock market" the following definition:

' "unit trust scheme" has the same meaning as is assigned to that expression under section 2 of the Securities Commission Act 1993;'

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Amendment of section 14. 3. Section 14 of the principal Act is amended by substituting for subsection (5) the following subsection:

“(5) Where a stock exchange has prescribed a security to be deposited with a central depository under subsection (1), the prescription shall apply to any additional listing of such security and all other types of security issued by the same issuer for listing on the stock exchange and the provisions of subsections (1) and (2) shall not apply in respect of such additional listing and listing of other types of security.”.

Amendment of section 22. 4. Section 22 of the principal Act is amended in subsection (1) by substituting for the words “ and the provisions of this section,” the words “, the provisions of this section and any rules of a central depository,”.

Amendment of section 34. 5. Section 34 of the principal Act is amended in subsection (1) by substituting for the words “by written notice, require a” the words “in the manner prescribed by rules of a central depository, require the”.

Amendment of section 35. 6. Section 35 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

Act 125. “(1) Notwithstanding the provisions of the Companies Act 1965, a depositor of any deposited security whose name appears in the record of depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such security (whether conferred or imposed by the Companies Act 1965, or the memorandum or articles of association of the issuer of such security, or otherwise) as if he were—

(a) a member registered in the register of members;

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(b) a holder registered in the register of debenture holders maintained by the issuer; or

(c) a holder registered—

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(i) in the register of interest holders maintained by a management company under the Companies Act 1965; or

*P.U. (A)
439/96.*

(ii) in the register of unit holders maintained by a management company under the Securities Commission (Unit Trust Scheme) Regulations 1996,

instead of the central depository, or its nominee company, in whose name the deposited security is registered.”; and

(b) by substituting for subsection (2) the following subsection:

“(2) Notwithstanding the provisions of subsection (1), nothing in this section shall be construed so as to deem a record of depositors to be—

(a) a register of members maintained under section 158 of the Companies Act 1965;

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Act 125. (b) a register of debenture holders maintained under section 70 of the Companies Act 1965;

(c) a register of interest holders maintained under section 92 of the Companies Act 1965; or

P.U. (A) 439/96. (d) a register of unit holders maintained under regulation 34 of the Securities Commission (Unit Trust Scheme) Regulations 1996.”

Amendment
of section 38.

7. Section 38 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) Where the issuer or offeror, in relation to any deposited security—

(a) makes a bonus issue, or issues securities under a rights issue or the conversion of any debt securities;

(b) issues securities pursuant to an exercise of any right or option to acquire securities in the share capital of the issuer; or

(c) makes an offer for sale of securities,

the issuer or the offeror shall notify the central depository of the names of the allottees or entitled persons together with such particulars as may be required by the central depository for the purpose of making appropriate entries in the securities accounts of the respective allottees or entitled persons, and shall deliver to the central depository the appropriate scrips (in such denominations as may be specified by the central depository) registered in the name of the central depository or its nominee company.”; and

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(b) by inserting after subsection (2) the following subsection:

“(3) For the purposes of this section—

(a) “entitled persons” means persons who have been allocated securities by an offeror in an offer for sale; and

(b) “offeror”, in relation to any security, means the owner of the security.”.

8. Part III of the principal Act is amended by inserting after section 41 the following section: New section 41A.

“Notice of trust. 41A. No notice of any trust, expressed, implied or constructive, shall be receivable by the central depository and the central depository or anything done by the central depository in relation to deposited securities shall not be affected by notice of any such trust.”.

9. Section 61 of the principal Act is amended by substituting for subsection (2) the following subsection: Amendment of section 61.

“(2) Any officer may, if he is authorised in writing by the Public Prosecutor, prosecute any case in respect of any offence committed under this Act.”.

10. The principal Act is amended by inserting after section 61 the following section: New section 61A.

“Commis- sion may be repre- sented by officer in civil proceedings. 61A. (1) Notwithstanding the provisions of any written law—

(a) in any civil proceedings by or against the Commission; or

(b) in any other civil proceedings in which the Commission is required or permitted by the court to be represented, or to be heard, or is otherwise entitled to be represented or to be heard,

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any officer authorised by the Commission for the purpose, may, on behalf of the Commission, institute such proceedings or appear as an advocate therein and may make all appearances and applications and do all acts in respect of such proceedings on behalf of the Commission.

(2) For the purpose of subsection (1), "officer" has the same meaning as in section 2 of the Securities Commission Act 1993."

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