

**Practice Note No.1/2020 – PROHIBITION ON TRADING BLOCKS DURING SHARE CONSOLIDATION EXERCISE**

1. Reference is made to the directive issued by the Securities Commission Malaysia (“SC”) on 23 August 2019 requiring holders of Capital Markets Services License for Dealing in Securities (“CMSL Holders”) to cease trading blocks on securities undergoing share consolidation exercises by 31 December 2019 (“Directive”).
2. The SC is aware that to-date, a number of CMSL Holders have yet to be operationally ready to comply with the Directive.
3. Compliance with the Directive is paramount in order to ensure equality of access for all investors.
4. In order to facilitate CMSL Holders’ on-going efforts in ensuring operational readiness, including working with Bursa Malaysia to ensure that risks associated with the removal of the trading blocks are effectively addressed, the SC hereby allows CMSL Holders an extension up to 15 May 2020 to comply with the Directive.
5. Post 15 May 2020, the SC shall review the level of the CMSL Holders’ compliance of the requirements of the Directive and this Practice Note.
6. This Practice Note is issued under section 377 of the Capital Markets and Service Act 2007 and is to be read together with the Directive.
7. This Practice Note comes into effect on 2 March 2020.