

SCLE Revision:

Rules and Regulations of Futures and Options (Module 16)



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Programme Objective

This course equips participants with comprehensive understanding and knowledge based on the Module 16 Study Outline. Participants will advance their knowledge and comprehension further via an interactive teaching and learning experience while increasing their confidence in sitting for the examination. This course will be facilitated by an experienced and qualified trainer.

Programme Overview

This 2½ -day course is designed to match the licensing study outline for Module 16 on rules and regulations of futures and options. It covers the regulations aspect of Malaysian futures and options, related guidelines of derivatives market and rules of Bursa Malaysia Derivatives Berhad.

Learning Outcome

Candidates are expected to have good knowledge, understanding and ability to apply in the following areas:

- Examine structure and operation of the Market futures and options markets and describe the products traded in these markets
- Nature of derivatives
- Structure and operation of the Malaysian futures and options markets and describe the products traded in these markets
- Significance of the futures and options markets to the development of Malaysia's capital market
- Role of the derivatives exchange
- Role of clearing house in clearing and processing futures and options trades and managing risk
- Intermediaries in the futures and options market and users of these markets
- Regulations and structural framework of the Malaysian futures and options market and the regulatory and legal obligations of the various market participants
- Terms used in the derivatives market
- Bursa Malaysia Derivatives Berhad's participantship structure and the rights and obligations attaching to each participantship
- Offences under the Rules of Bursa Malaysia Derivatives Berhad and Capital Markets and Services Act 2007
- Enforcement, arbitration and appeal procedures for breaches of the Rules of Bursa Malaysia Derivatives Berhad
- General conduct of Participants
- Responsibilities of Participants when dealing with clients
- Need and operation of clients' segregated accounts
- Discretionary account

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- Supervision within a Trading Participant
- Clients' margin and margin payment
- Role of Participants in dealing with clients' complaints
- Trading in the market and the rules on trading
- Bursa Malaysia Derivatives Berhad's trading days
- Types of orders and order matching mechanisms
- Role of Participants and clients in confirmation of trade
- Ways for Participants to trade on other Exchanges
- Suspension of Trading Participants and suspension of trading
- Emergency rules
- Contract specifications of stock options, stock index futures, option on stock index futures, single stock futures, three-month KLIBOR futures, all the crude palm oil futures, crude palm kernel oil futures, option on crude palm oil futures, all the MGS futures contracts, gold futures contract, USD denominated refined, bleached and deodorized palm olein futures contract and tin futures contract.

Candidates' Prerequisites

Candidates are expected to have relatively strong capability in the application and analysis of information provided in this outline and its reference.

Methodology

This course will be delivered using effective learning methods which include presentations, discussions and review examination questions.

Programme Details

Venue

Securities Commission (SC)

Target audience

Candidates preparing for the Module 16 SC Licensing Examination
New entrants to the capital market industry and staff of investment banks

Number of participants

Maximum of 25 participants

Duration

2 ½ days:

0900 – 1730 (Day 1)

0900 – 1745 (Day 2)

0900 – 1300 (Day 3)

Trainer

To be advised upon confirmation

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PROGRAMME – DAY ONE	
8.30 am	Registration
9.00 am	<p>Overview of the Derivatives Market</p> <ul style="list-style-type: none"> • What are Derivatives? • The Derivatives Exchange • The Clearing House • Intermediaries in the Derivatives Market • Users of Futures and Options – the Clients • Regulation of the Derivatives Market <p>Regulation of Futures and Options</p> <ul style="list-style-type: none"> • Overview of Futures Industry Regulation • Establishment of Derivatives Markets • Futures Industry Participants • Trading Offences under the CMSA • Capital Market Compensation Fund
10.45 am	Refreshments
11.00 am	<p>The Licensing Handbook</p> <ul style="list-style-type: none"> • Chapter 1: Introduction • Chapter 2: Licences under the CMSA • Chapter 4: Licensing Criteria • Chapter 7: Conditions and Restrictions of Licence
1.00 pm	Lunch
2.00 pm	<p>Guidelines on Prevention of Money Laundering & Terrorism Financing for Capital Market Intermediaries</p> <ul style="list-style-type: none"> • Definitions • General Description of Money Laundering • General Description of Terrorism Financing • General Principles and Policies to Combat Money Laundering and Terrorism Financing • Risk Based Approach Application
3.45 pm	Refreshments
4.00 pm	<p>Guidelines on Prevention of Money Laundering & Terrorism Financing for Capital Market Intermediaries (con't)</p> <ul style="list-style-type: none"> • Customer Due Diligence • Retention of Records • Suspicious Transactions • Compliance and Training Programmes • Combating Terrorism Financing
5.30 pm	End of Day One

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PROGRAMME - DAY TWO	
8.30 am	Registration
9.00 am	Rules Of Bursa Malaysia Derivatives Berhad <ul style="list-style-type: none">• Rule 200: Definitions and Interpretation• Rule 300: Participantship• Rule 500: Disciplinary Actions
10.45 am	Refreshments
11.00am	Rules Of Bursa Malaysia Derivatives Berhad (con't) <ul style="list-style-type: none">• Rule 600: Participants' Conduct• Rule 700: Trading Rules• Rule 700B: Exchange for Related Positions• Rule 700C: Negotiated Large Trades• Rule 700D: Off-Market Transactions
1.00 pm	Lunch
2.00 pm	<ul style="list-style-type: none">• Rule 2000: Contracts
3.45 pm	Refreshments
4.00 pm	<ul style="list-style-type: none">• Rule 2000: Contracts
5.30 pm	End of Day Two

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PROGRAMME - DAY THREE	
9.00 am	Rule 2000: Contracts
10.30am	Refreshments
10.45 am	Revision and Feedback Session on Set of Questions
1.00 pm	End of Day Three