



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Participation Rules for Payments and Securities Services

Applicable to:

1. Participants of RENTAS
2. Participants of FAST

Issued on: 29 September 2025

REVISION HISTORY

Version No.	Effective Date	Summary of Changes
1.0	1 Jul 2021	Initial Creation
1.1	1 Aug 2022	<p>Clause 10.23 Added new requirement for participants to notify participants' board or committee overseeing compliance matters on any breach of the Rules</p>
1.2	1 Apr 2023	<p>Scope and Application Removed Guidelines on Cyber Resilience for Participants of RENTAS and FAST.</p> <p>Clause 16.0 Updated clause 16.1 and its sub-clauses to include System Recovery as one of BCM component.</p> <p>Part XI CRMA for RENTAS and FAST Participants Added new clauses (clause 40-42) on Introduction, Objective and Scope of Assessment for CRMA</p>
1.3	1 July 2024	<p>Clause 8 Separated Clause 8.2 into 2 sections:</p> <p>Updated Clause 8.2 to the Resolution of PIDM's Member Institution (MI) now outlines possible actions or scenarios during a resolution and specifies different procedures for handling the insolvency of FA.</p> <p>Added 8.3 to outline insolvency procedures for non-PIDM MI operating SSDS account and as Facility Agent</p> <p>Glossary Added definition of the following terms: "Bridge Institutions", "PIDM" and "PIDM Member Institution".</p>
1.3	1 November 2024	<p>Clause 10 Added Clause 10.15 to require Participants to resubmit transactions to BNM upon request in the event of data loss/corruption and ensure finality of settlement during worst case scenario disasters.</p> <p>Glossary Updated the illustration in the definition of "Recovery Time Objective (RTO)"</p>
1.4	29 September 2025	<p>Clause 1.2 Removed Operational Procedures for Cross-Border Securities Custody Services in RENTAS from Clause 1.2 upon closure of Cross-Border Securities Custody Services (CSCS) in RENTAS.</p> <p>Clause 5.8 Added clause to update the procedures for non-compliance breaches and settlement cut-off extension</p>

Clause 10.2 and 10.3

Updated clauses due to the introduction of NRTS Account.

Clause 11

Added Clause 11 to insert provisions on responsibilities of Retail Payments System Operator (RPSO).

Clause 38.1

Removed Operational Procedures for Cross-Border Securities Custody Services in RENTAS from Clause 38.1 upon closure of Cross-Border Securities Custody Services (CSCS) in RENTAS.

Appendix 1 – Independent Assessment Report

Removed Operational Procedures for Cross-Border Securities Custody Services in RENTAS from Appendix I upon closure of Cross-Border Securities Custody Services (CSCS) in RENTAS.

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Preamble

These PARTICIPATION RULES FOR PAYMENTS AND SECURITIES SERVICES (“these Participation Rules”) are applicable to Participants using the Real Time Electronic Transfer of Funds and Securities System (RENTAS) and the Fully Automated System for Issuing/ Tendering (FAST) services provided by Bank Negara Malaysia (BNM).

RENTAS has 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.

BNM’s legal authority to establish and operate systems for funds settlement, debt securities settlement, securities depository as well as securities tendering is derived from Section 44 of the Central Bank of Malaysia Act 2009 (CBA).

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

PART I INTRODUCTION

1 Scope and Application

- 1.1 These Participation Rules establish a governance framework for the Real Time Electronic Transfer of Funds and Securities System (RENTAS), and the Fully Automated System for Issuing / Tendering (FAST). Through these two systems, BNM provides Payments and Securities Services, encompassing:
 - 1.1.1 Settlement for inter-bank fund transfers, clearing houses' transactions and securities trades and corporate actions via RENTAS; and
 - 1.1.2 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 Participation Rules, where applicable shall be read in conjunction with:
 - 1.2.1 FSA and IFSA;
 - 1.2.2 Development Financial Institution Act 2002 (DFIA);
 - 1.2.3 Operational Procedures for Securities Services;
 - 1.2.4 Operational Procedures for Malaysian Ringgit (MYR) Settlement in RENTAS;
 - 1.2.5 Operational Procedures for Foreign Currency Settlement in RENTAS;
 - 1.2.6 Central Securities Depository and Paying Agency Rules (CSDPAR);
 - 1.2.7 Guidelines on Business Continuity Management for Participants of RENTAS and FAST; and
 - 1.2.8 Any other rules, procedures, guidelines, circular, standards, notices and directives issued by BNM from time to time.
- 1.3 These Participation Rules come into effect on 1 November 2024.
- 1.4 These Participation Rules are issued pursuant to the requirements under –
 - 1.4.1 Section 35 of the FSA; and
 - 1.4.2 Section 45 of the IFSA.

2 Effect of the Participation Rules

- 2.1 These Participation Rules and the documents specified in **Clause 1.2** constitute a valid, binding and enforceable contract between each and every Participant and BNM.
- 2.2 Participants are required to comply with, fulfil and perform every obligation and duty imposed on them by or pursuant to these Participation Rules, the FSA, the IFSA, Operational Procedures, rules, guidelines and circulars specified in **Clause 1.2**.
- 2.3 For the purpose of these Participation Rules, the term “Operational Procedures” means the documents as listed under **Clause 1.2.3** until **Clause 1.2.9**.

3 Governing Law and Regulatory Requirements

- 3.1 These Participation Rules shall be governed by and construed in accordance with the laws of Malaysia.
- 3.2 Participants shall comply with all regulatory requirements imposed by BNM (or any other regulatory authorities) and any law with respect to the Payments and Securities Services, which a Participant has subscribed to.

PART II MEMBERSHIP

4 Participation

- 4.1 Prospective Participants (including existing Participants applying for participation in additional services) in the Payments and Securities Services provided by BNM shall submit their application for participation (which is available in the respective Operational Procedures) in writing to BNM. BNM will determine the eligibility of applicants and will notify applicants in writing on the outcome of their application for membership.
- 4.2 BNM 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 BNM.
- 4.3 BNM may, at any time, add to, vary or withdraw any conditions on the membership of any Participant by giving thirty (30) calendar days' notice to the affected Participant.
- 4.4 BNM shall inform all relevant Participants with regards to the on boarding of new Participants as soon as practically possible.

5 Fees and Charges

- 5.1 BNM shall impose fees and charges for services provided to Participants (including penalty charges). Participants shall pay their membership fees and any other charges as specified by BNM. Detailed fees and charges (including penalty charges) are stated in the respective Operational Procedures. In setting the fees and charges, BNM takes into consideration the following:
- 5.1.1 Direct and indirect costs associated with operating BNM including each of the Payments and Securities Services such as but not limited to transaction processing, money settlement, infrastructure, administrative, and other types of associated costs.
- 5.1.2 Fees and charges are applied fairly to all Participants of the Payments and Securities Services.

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- 5.1.3 Regular review of fees and charges imposed on each of the Payments and Securities Services.
- 5.2 BNM shall issue billing advice and automatically debit the Participants' RENTAS account for any fees and charges (including penalty charges) due from the Participant on the day specified in the relevant Operational Procedures or in the case of any ad hoc charges with seven (7) calendar days' prior advice.
- 5.2.1 For the purpose stated above, the Participants hereby grant BNM a right to debit fees and charges (including penalty charges) from their RENTAS account.
- 5.2.2 Participants shall ensure that they have sufficient funds in their RENTAS account to cover the fees and charges (including penalty charges).
- 5.2.3 BNM reserves the right to charge interest on late payment of fees at the prevailing BNM's overnight policy rate (OPR) per annum for the number of days in default.
- 5.3 The Participants shall check their billing advices and inform BNM of any discrepancy including erroneous billing within fourteen (14) calendar days from issuance of the billing advices.
- 5.4 The Participants shall not be entitled to any reduction in the fees or charges (including penalty charges) by reason of non-functioning of the Payments and Securities Services or any part thereof at any time.
- 5.5 BNM may, from time to time, review the fees and charges for its services. BNM shall provide at least seven (7) working days prior notice to Participants before any changes to fees and charges come into effect.
- 5.6 Participants whose membership has been discontinued under **Clauses 7.0 to 8.0** shall settle all outstanding fees and charges to BNM up to the date of termination.
- 5.7 Save and except as required by law, all payments to be made by the Participant to BNM shall not be subject to any deduction whether for counter claim and/or set off against its customers or any other third party.

- 5.8 BNM will notify the CEOs of Participants who have:
- i. incurred charges for any breach of the Rules and Operational Procedures; or
 - ii. been granted settlement cut-off extensions.

6 Suspension

6.1 BNM may with regards to preserving the integrity, security, reliability, stability and/or reputation of the Payments and Securities Services, suspend immediately or by giving notice, a Participant in the Payments and Securities Services either entirely or partially due to the following:

- 6.1.1 an Insolvency Event occurs in respect to a Participant;
- 6.1.2 a Participant is deemed insolvent under the laws of Malaysia or the laws of any applicable jurisdiction;
- 6.1.3 the Participant is wound up, dissolved or ceases to exist;
- 6.1.4 an event has occurred that restricts, disrupts and/or adversely affects the Participant from fulfilling its obligations under these Participation Rules and/or Operational Procedures;
- 6.1.5 the Participant fails to comply, or is incapable of complying, with the Participation Rules and/or Operational Procedures;
- 6.1.6 the Participant fails to discharge its Settlement obligations or other obligations under the Participation Rules and/or Operational Procedures;
- 6.1.7 the Participant no longer satisfies the applicable conditions for participation as set out in the Participation Rules or Operational Procedures;
- 6.1.8 BNM determines that suspension is necessary in order to preserve the integrity, security, reliability, stability and/or reputation of the Payments and Securities Services; or

- 6.1.9 in accordance with a directive issued by PIDM and/or BNM.
- 6.2 With reference to **Clause 6.1**, where notice is provided prior to suspension BNM shall:
- 6.2.1 notify the affected Participant of the intended suspension and give the affected Participant a reasonable time (thirty (30) calendar days or such other period as determined by BNM at its sole discretion with regard to preserving the integrity, security, reliability, stability and/or reputation of the Payments and Securities Services), to address the event(s) and/or circumstance(s) that gave rise to the intended suspension;
- 6.2.2 give due consideration to any reasons given by the Participant as to why they should not be suspended; and
- 6.2.3 as soon as practicable after making its decision, notify the Participant of its decision.
- 6.3 **Effect of Suspension**
- 6.3.1 A Participant whose membership is suspended will be restricted from accessing some or all the Payments and Securities Services. Settlements up until 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 suspension will be cancelled. All new transactions submitted by suspended Participant will be rejected by BNM.
- 6.3.2 BNM will cancel all pending clearing transactions processed by PayNet's retail payment systems which has been sent to RENTAS such as clearing positions in eSPICK, FPX, MyDebit, Interbank Giro (IBG), IBFT and ATM. Subsequently, a revised clearing position which excludes the insolvent Participant's transactions or clearing items will be submitted by PayNet to RENTAS.
- 6.3.3 BNM shall not be liable for any claim, loss, damage or expense of any kind arising directly or indirectly as a result of suspending a

Participant's access to the Payments and Securities Services entirely or partially.

6.3.4 Suspension of membership shall not in any way prejudice the liabilities, duties and obligations of the Participants.

6.4 **Revocation of Suspension**

6.4.1 A Participant's suspension shall be revoked when BNM is satisfied that:

6.4.1.1 the Participant is solvent and capable of fulfilling its obligations under the Participation Rules and the respective Operational Procedures on an ongoing basis and has settled all outstanding obligations it incurred prior to or during the suspension;

6.4.1.2 the Participant has rectified any breach of the Participation Rules and the Operational Procedures associated with its suspension;

6.4.1.3 the Participant has addressed the event(s) and/or circumstance(s) that caused the suspension;

6.4.1.4 the integrity, security, reliability, stability and reputation of the Payment and Securities Services is not adversely affected or at risk; and

6.4.1.5 the Participant and BNM have mutually agreed on the date and time for revocation of suspension.

6.5 BNM shall inform all relevant Participants regarding the suspension, or revocation of suspension, of a Participant as soon as practically possible.

6.6 In exercising its discretion under **Clause 6**, BNM shall be guided by (a) the primary objective to preserve the overall integrity, security, reliability, stability and/or reputation of the Payments and Securities Services; and (b) the subordinate objective to minimise the impact on Participants that may be affected by suspension, by providing adequate notice prior to suspension

(where possible) and adequate opportunity to rectify the circumstances that gave rise to an impending or actual suspension (where possible).

7 Termination

7.1 By BNM

7.1.1 A Participant's membership in one or more of the Payments and Securities Services may be terminated immediately if the Participant is suspended pursuant to **Clause 6**. BNM shall notify the affected Participant of decision to terminate the Participant's membership.

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

7.1.3 Termination of membership shall not in any way prejudice the liabilities, duties and obligations of the Participants.

7.2 By Participant

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

7.2.2 BNM will respond to the request inform the Participant in writing within thirty (30) calendar days of receiving the request.

7.2.3 BNM may impose conditions and measures before agreeing to the voluntary termination to ensure an orderly exit of the Participant without impact to the Payments and Securities Services and other Participants.

7.2.4 A Participant whose voluntary termination request has been accepted may continue to utilize BNM's Payments and Securities Services until the effective date of the termination, subject to any

conditions and measures imposed upon the Participant under **Clause 7.2.3.**

- 7.3 BNM will inform all Participants regarding any Participant's voluntary termination in the Payments and Securities Services as soon as practically possible.
- 7.4 The Participant is required to make alternate Settlement arrangements with their counterparties for all forward-dated transactions that would not be settled as at the Participant's membership termination date.
- 7.5 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.
- 7.6 The Participant shall provide BNM with the necessary debit authorisation from the Participant's agent bank and account details of the Participant's agent bank in RENTAS, so that BNM may debit the Participant's agent bank for fees still owing to BNM after the termination date.
- 7.7 Any termination of a Participant in the Payments and Securities Services shall not extinguish any outstanding right or liability arising under the Participation Rules or the Operational Procedures prior to the time such termination takes effect.

8 Insolvency Event of a Participant

- 8.1 Participants are required to immediately notify BNM in writing upon becoming aware of an Insolvency Event.
- 8.1.1 An "**Insolvency Event**" means the occurrence of any of the following events in respect to a Participant:
- 8.1.1.1 An application is made to the court either voluntarily or involuntarily for an order, or an order is made, that the Participants be wound up;

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- 8.1.1.2 An application is made to a court for an order appointing a liquidator or provisional liquidator in respect of a Participant, or one of them is appointed, whether or not under an order;
 - 8.1.1.3 The Participant enters into, or resolves to enter into, any scheme of arrangement with all or any of its creditors;
 - 8.1.1.4 The Participant is, states that it is or deemed under statutory law, unable to pay its debts;
 - 8.1.1.5 The Participant under statutory law is deemed unable to pay its debt and should be wound up;
 - 8.1.1.6 The Participant resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so;
 - 8.1.1.7 The Participant takes any step to obtain protection or is granted protection from its creditors under any applicable legislation or an administrator is appointed to a Participant;
 - 8.1.1.8 BNM or an authorised body that assumes management and/or control of that Participant; or
 - 8.1.1.9 Anything analogous or having a substantially similar effect to any of the events specified above under the law of any applicable jurisdiction.
- 8.1.2 Movement of funds and securities relating to the insolvent Participants' accounts shall be dealt with by BNM in accordance to the rights and obligation as accorded under the laws of Malaysia.
- 8.2 Resolution of Perbadanan Insuran Deposit Malaysia (PIDM)'s Member Institution (MI):
- 8.2.1 The entry of an MI into resolution refers to the point at which BNM issues a notification to PIDM under section 98 of the PIDM Act in respect of Member Institution of PIDM.

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- 8.2.2 MI in resolution shall be granted continued access to RENTAS. The access should not be terminated or suspended solely for the reason of entry of the MI into resolution and the exercise by PIDM of its resolution powers.
- 8.2.3 MI in resolution shall uphold and honour payment and / or securities instructions, submitted by the MI in resolution for purposes of settlement in RENTAS or to achieve finality of payment.
- 8.2.4 The assets of an MI in resolution, namely, cash balances and securities held in the RENTAS account shall remain in the RENTAS account of the MI in resolution until and unless the settlement of all payments and / or securities instructions submitted to RENTAS have been fully completed.
- 8.2.5 MI in resolution or a Bridge Institution (“BI”) of PIDM shall comply with the RENTAS rules and operational procedures, including other funding and collateral requirements which may be imposed by BNM on RENTAS participants, from time-to-time.
- 8.2.6 The following are the possible, but are not limited to, resolution scenarios that may affect RENTAS operations.
- (a) Assumption of Control:
 - (b) Bridge Institution (BI)
 - (c) Sale of Business
 - (d) Liquidation
- 8.2.7 Regardless of the resolution scenarios imposed by PIDM in resolving MI in Resolution, MI in resolution shall be granted continued access to RENTAS to minimize disruption to settlement in RENTAS unless specified otherwise by BNM.
- 8.2.8 Insolvency of Facility Agent (FA)
- 8.2.8.1 FAs have an obligation to notify BNM, SSDS Participants, Securities holders and trustees immediately when an insolvency event occurs.

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- 8.2.8.2 Issuers shall appoint a new FA to replace the insolvent FA and communicate the new appointment to BNM.
- 8.2.8.3 To the extent provided under the applicable insolvency laws of Malaysia, the insolvent FA shall assign all responsibilities to the newly appointed FA.
- 8.2.8.4 The new FA shall instruct BNM in writing to update the Securities information in FAST to reflect the change of FA.
- 8.3 Resolution of Participant who is not a member of PIDM (non-PIDM MI)
- 8.3.1 Non-PIDM MI are required to perform the following actions in the event of an insolvency:
- 8.3.2 Insolvency of Participants Operating SSDS Account
- 8.3.2.1 SSDS Participants shall immediately notify BNM, Facility Agents (FA), Securities holders, and trustees 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 with the laws of Malaysia.
- (a) Settlement of Allotment
- (i) After an insolvent SSDS Participant's membership is terminated, BNM shall cancel all queued or pending Allotment transactions for:
- The insolvent SSDS Participant; and
 - All subscribers represented by the insolvent SSDS Participant.
- (ii) After cancelling the affected Allotments transactions, BNM will, allot the Securities to the FA instead of to the insolvent SSDS Participant. Similarly, BNM will allot Securities for all subscribers affected by their SSDS Participant's insolvency to the FA.
- (iii) 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.
- (iv) 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.

- (b) Coupon / Interest / Dividend / Profit Payment
- (i) After an insolvent SSDS Participant's membership is terminated, BNM shall cancel all pending Coupon payment transactions for:
- The insolvent SSDS Participant; and
 - All Securities holders who deposited their Securities with the insolvent SSDS Participant.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) The FA shall provide written notification to inform BNM once the Coupon payment to the insolvent SSDS Participant and Securities holders have been carried out.
- (c) Redemption
- (i) After an insolvent SSDS Participant's membership is terminated, BNM shall cancel all pending or queued redemption transactions for:
- (ii) The insolvent SSDS Participant; and

- (iii) All Securities holders who deposited their Securities with the insolvent SSDS Participant.
- (iv) Prior to any upcoming Securities redemption date or maturity date, the insolvent SSDS Participant, or its liquidators, shall instruct BNM 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.
- (v) 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.
- (vi) 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.
- (vii) 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.

8.3.3 Insolvency of Facility Agent

- 8.3.3.1 FAs have an obligation to notify BNM, SSDS Participants, Securities holders and trustees immediately when an insolvency event occurs.
- 8.3.3.2 Issuers shall appoint a new FA to replace the insolvent FA and communicate the new appointment to BNM.
- 8.3.3.3 To the extent provided under the applicable insolvency laws of Malaysia, the insolvent FA shall assign all responsibilities to the newly appointed FA.
- 8.3.3.4 The new FA shall instruct BNM in writing to update the Securities information in FAST to reflect the change of FA.

PART III DUTIES AND RESPONSIBILITIES

9 BNM

- 9.1 BNM shall endeavour to provide a safe, secure, reliable and efficient interbank payment system, securities settlement system and securities depository that contributes towards ensuring the integrity and stability of the Malaysian financial system.
- 9.2 BNM shall regard all 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 BNM's Systems.
- 9.3 BNM shall not be responsible for rejecting, rectifying or modifying any Messages received from the Participants should a Participant discover any errors in their Messages after the Messages have been transmitted to BNM.
- 9.4 BNM shall be entitled to reject any Messages, files, batches or transaction entries submitted by the Participants if the foregoing did not follow the specification provided by BNM.
- 9.5 Upon the instruction of a Participant, BNM reserves the right to rectify any incorrect entry in a Participant's 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, BNM shall inform the affected Participants accordingly.
- 9.6 BNM shall be entitled to execute or act upon Messages or other instructions given or purportedly given by Participants. Such executions or actions shall be considered as a discharge of BNM's duties as the operator of the Payments and Securities Services.
- 9.7 In the event of abnormal situations beyond BNM's control, including, but not limited to Force Majeure, sudden increases in the volume of Messages, infrastructure or systems failure, failure of any Participant to Settle its obligations, or other emergencies, BNM reserves the right to adjust the Business hours and / or to defer or suspend the Payments and Securities Services entirely or partially or take any other action deemed by BNM (at its

- sole judgment) to preserve the stability and integrity of the Payments and Securities Services.
- 9.8 BNM has the right to determine the operating days and hours (including Holiday) of the Payments and Securities Services. BNM shall inform the Participants of any change to the operating day and hours of the Payments and Securities Services accordingly.
- 9.9 BNM shall ensure the Host System's time is synchronised with SIRIM's Malaysian Standard Time.
- 9.10 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 Participation Rules, the Operational Procedures or any other rules, guidelines, circulars, standards, notices, directives or regulations issued by BNM
- 9.11 BNM shall facilitate Clearing and Settlement for the Participants as required under the respective Operational Procedures.
- 9.12 BNM has the right to require Participants to make modifications to any function, or to introduce additional functions, in the Participant's Terminals as it deems necessary for the orderly functioning and/or secure operations of the Payments and Securities Services.
- 9.13 BNM may release information relating to its Participants in accordance with the relevant sections of the FSA, IFSA, DFIA or other applicable laws.
- 9.14 BNM shall ensure that personnel assigned to operate its Participant's Terminals are competent and well versed with all aspects of the operations of BNM's systems and services.
- 9.15 BNM shall endeavour to provide adequate disaster recovery measures to deliver the Payments and Securities Services. BNM shall determine the scope and operations of the disaster recovery measures. BNM shall inform the Participants in advance regarding the disaster recovery measures.

10 Participants

- 10.1 Participants shall comply with the Participation Rules, Operational Procedures, rules, guidelines, circulars, standards, codes, notices and directives issued by BNM that are applicable to the Payment and Securities Services and take appropriate action to ensure compliance as required.
- 10.2 Participants shall operate and maintain their MYR Settlement Accounts, NRTS Account, Foreign Currency Settlement Accounts and / or Securities Accounts in accordance with these Participation Rules and comply with the Operational Procedures, and any other regulations, which may be issued by BNM from time to time.
- 10.3 Participants shall maintain sufficient balances in their MYR Settlement Accounts, NRTS Account, Foreign Currency Settlement Accounts and/or Securities Accounts to meet their Payment and Settlement obligations in a timely manner.
- 10.4 Participants, at their own expense shall install, maintain and operate any Participant Terminals required to participate in the Payments and Securities Services.
- 10.5 Participants shall notify BNM 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.
- 10.6 Participants shall ensure that personnel assigned to operate their Participant Terminals are competent and well-versed with all aspects of the operations of those systems.
- 10.7 RBG Participants to obtain written approval from BNM before any modification, changes or addition is made to their terminals.
- 10.8 SWIFT Access Participants to notify BNM before any modification, changes or addition is made to their terminals.
- 10.9 Participants shall ensure that all administrative messages generated by the respective Host Systems are attended to promptly.

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- 10.10 Participants shall continually ensure that the Participant Terminals have adequate capacity to process their Messages.
- 10.11 Participants shall endeavour to operate their Participant Terminals without disruption during the Business hours of the Payments and Securities Services.
- 10.12 Participants shall participate in testing of the Payments and Securities Services, including BNM's systems and/or Participant Terminals, as and when requested by BNM by giving prior notification to the Participants.
- 10.13 Participants shall through stringent internal controls, protect and safeguard their Participant Terminals, security tokens and communication lines from any unauthorised access and/or use.
- 10.14 Participants shall transmit their Messages as early as possible and manage their outbound transaction queues effectively and efficiently to facilitate prompt clearing and Settlement.
- 10.15 Participants shall resubmit their transaction to BNM in a timely manner upon request for the purpose of settlement finality and/or data recovery.
- 10.16 Participants shall synchronise their Participant Terminals' time with SIRIM's Malaysian Standard Time (MST) to ensure consistency between the Participant Terminals and RENTAS Host time. This time synchronisation can be done using Network Time Protocol (NTP) service. Participants are required to perform time check and synchronisation on the last Business day of each quarter to ensure that Participant Terminals' system time is in sync with MST. In the event that there is a timing inconsistency between the two systems, the RENTAS Host time shall prevail.
- 10.17 Participants shall notify BNM as soon as they become aware of any development that may affect the Participant's ability to fulfil its obligations as required in these Participation Rules and/or the relevant Operational Procedures.
- 10.18 Participants shall notify BNM promptly of any of their own breaches or non-compliance to the Participation Rules, Operational Procedures, rules, guidelines, circulars, standards, notices, codes and directives issued by BNM that are applicable to the Payments and Securities Services.

- 10.19 Participants shall assume full responsibility for all liabilities, claims, losses and expenses incurred as a result of their failure to comply with these Participation Rules and the respective Operational Procedures.
- 10.20 Participants shall provide information pertaining to the subscribed Payments and Securities Services as may be required by BNM from time to time.
- 10.21 Participants' Internal Audit and/or Compliance unit shall undertake comprehensive and continuous independent reviews of the Participant's compliance to the Participation Rules, Operational Procedures, and other guidelines, circulars, standards, codes, notices and directives issued by BNM that are applicable to the Payments and Securities Services.
- 10.22 Participants' Internal Audit and/or Compliance unit shall comply with the Guidelines on Assessment of Compliance to Rules as specified in **Part X** of the Participation Rules for Payments and Securities Services.
- 10.23 Participants shall promptly submit incident reports to BNM when the Participants have service disruptions, breaches of service levels, service delays, and other issues that impair or degrade the provision of the Payments and Securities Services, when requested by BNM.
- 10.24 Participants shall formally notify their board or committee overseeing compliance matters of Payments and Securities Services if there is any breach of the Rules.

11 Retail Payments Service Operators (RPSO)

- 11.1 RPSOs shall comply with the Participation Rules, Operational Procedures, rules, guidelines, circulars, standards, codes, notices and directives issued by BNM that are applicable to the Payment and Securities Services and take appropriate action to ensure compliance as required.
- 11.2 RPSOs shall stream their Retail Payments transactions to BNM in a timely manner for the purpose of NRTS.

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- 11.3 RPSOs shall ensure zero transaction loss during the stream process to BNM. In the unlikely event of transaction loss, immediate notification and escalation procedures must be initiated.
- 11.4 RPSOs, at their own expense shall install, maintain and operate any infrastructure required to facilitate NRTS in RENTAS.
- 11.5 RPSOs to obtain written approval from BNM of any major system enhancements and its implementation that directly impact the settlement of deferred net settlement for Retail Payments transactions or directly affect NRTS system components at BNM in a timely manner to ensure no disruptions to the RENTAS Operations.
- 11.6 RPSOs shall implement an effective capacity management mechanism to ensure that all systems have adequate capacity to handle volatility and always cater for growth in Retail Payments transactions.
- 11.7 RPSOs shall participate in testing pertaining to NRTS, including BNM's systems, as and when requested by BNM by giving prior notification to the Participants.
- 11.8 RPSOs shall through stringent internal controls, protect and safeguard their system applications and infrastructure from any unauthorised access and/or use.
- 11.9 RPSOs shall implement suitable encryption mechanisms for data protection in streaming the transactions to BNM for settlement.
- 11.10 RPSOs shall notify BNM as soon as they become aware of any development that may affect the RPSOs' ability to fulfil its obligations as required in these Participation Rules and/or the relevant Operational Procedures.
- 11.11 RPSOs shall notify BNM promptly of any of their own breaches or non-compliance to the Participation Rules, Operational Procedures, rules, guidelines, circulars, standards, notices, codes and directives issued by BNM that are applicable to the Payments and Securities Services.
- 11.12 RPSOs shall provide information and data pertaining to NRTS as may be required by BNM from time to time.

11.13 RPSOs shall promptly submit incident reports to BNM when the RPSO encounters service disruptions, service delays, and other issues that impair submission of Retail Payments transactions to NRTS.

11.14 RPSOs shall formally notify their board or committee overseeing compliance matters of Payments and Securities Services if there is any breach of the Rules.

11.15 RPSOs shall assume full responsibility for claims, direct losses and expenses incurred at BNM as a result of any wilful misconduct and gross negligence in complying with the responsibilities of the RPSO under clauses 11 specified above.

12 Rules Working Committee (RWC)

12.1 The RWC is a Committee consisting of industry representatives who advise and guide BNM in respect to any proposed changes and/or developments in these Participation Rules and Operational Procedures of RENTAS and FAST.

12.1.1 The role of RWC is to:

12.1.1.1 Ensure that any issues arising from any developments in these Participation Rules and Operational Procedures or Rules of RENTAS and FAST are consulted and deliberated.

12.1.1.2 Co-ordinate and ensure implementation of improvements and changes to the RENTAS, FAST at their respective organisations.

12.1.2 **Composition of RWC**

12.1.2.1 The RWC shall consist of the following members:

- (a) One representative from Bank Negara Malaysia;
- (b) Two representatives from the Association of Banks in Malaysia (ABM);
- (c) Two representatives from the Association of Islamic Banking Institutions Malaysia (AIBIM);

- (d) Two representatives from the Malaysian Investment Banking Association (MIBA); and
- (e) One representative from non-bank participants (such as Cagamas Bhd, Bursa Malaysia, Kumpulan Wang Simpanan Pekerja (KWSP), and Kumpulan Wang Persaraan (Diperbadankan)).

12.1.3 **Nomination of Membership**

12.1.3.1 Members are appointed by the respective banking associations, with the exception of representatives of non-bank participants, which shall be rotated amongst all non-bank participants on a two-yearly basis.

12.1.4 **Chairperson and Secretariat**

12.1.4.1 BNM will chair the RWC.

12.1.4.2 BNM shall act as the Secretariat of the RWC.

12.1.4.3 The Secretariat role entails:

- (a) Managing committee meeting logistics;
- (b) Recording and preparing minutes of meeting;
- (c) Disseminating meeting agenda and relevant documents to the members of the committee 3-5 days in advance of the meeting; and
- (d) Acting as custodian of committee's documentation.

12.1.5 **Frequency of RWC Meetings and Quorum**

12.1.5.1 Meetings shall be held on a need-to meet basis as determined by the Chairperson.

12.1.5.2 The quorum of the meeting shall be two thirds (2/3) of the members of the RWC.

12.1.6 **Responsibility of Committee Members**

12.1.6.1 Attend RWC meetings;

12.1.6.2 Act as representatives of their organisations, ensuring that all stakeholders within their organisations are

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- consulted and kept informed regarding RENTAS and FAST activities, initiatives and developments;
- 12.1.6.3 Circulate updates provided by BNM to all relevant parties within their organisation;
 - 12.1.6.4 Formulate and articulate their organisations' position and stance on any developments, proposed amendments and/or issuance to the RENTAS and FAST rules and operational procedures by obtaining and integrating views of all relevant parties within their organisation;
 - 12.1.6.5 Provide feedback to any proposed amendments to the existing rules and procedures and/or the issuance of new rules for RENTAS and FAST;
 - 12.1.6.6 Propose amendments to the existing RENTAS and FAST rules and operational procedures;
 - 12.1.6.7 Co-ordinate and ensure timely implementation of RENTAS and FAST initiatives at their respective organisations; and
 - 12.1.6.8 Highlight, discuss, resolve and/or facilitate any other matters or issues in relation to the rules referred to the RWC, the participants or other related parties.

PART IV WARRANTIES AND LIABILITIES

13 Warranties by Participant

- 13.1 At all times each Participant represents and warrants to each other Participant and BNM that it has the power to fulfil its obligations under these Participation Rules and Operational Procedures.
- 13.2 A Participant performs its obligations under these Participation Rules and Operational Procedures in good faith.
- 13.3 Except as contained in these Participation Rules and Operational Procedures, the Participant has not relied on any representation made by any other Participant or BNM to induce it to become a Participant or otherwise act in accordance with these Participation Rules and/or the Operational Procedures.

14 Exclusion of Liability

- 14.1 To the extent permitted by law, BNM shall not be liable for any loss to any persons or damage to persons or property, where such loss or damage is indirect or consequential (including economic loss, loss of profits, loss of data, loss of potential savings or loss of business opportunity), howsoever arising out of BNM's obligations or performance under these Participation Rules, the Operational Procedures or any other rules, procedures, guidelines, circulars, standards, codes, notices, directives or regulations issued by BNM.
- 14.2 To the extent permitted by law, BNM shall not be liable for any loss to any persons or damage to persons or property, where such loss or damage is direct, howsoever arising out of BNM's obligations or performance under these Participation Rules, the Operational Procedures or any other rules, procedures, guidelines, circulars, standards, codes, notices, directives or regulations issued by BNM, except where such loss or damage is due to the wilful default or gross negligence of BNM.

15 Limitation of Liability

- 15.1 Subject to **Clause 13.2**, if any liability is incurred by BNM in relation to these Participation Rules or Operational Procedures or any other rules, procedures, guidelines, circulars, standards, codes, notices, directives or regulations issued by BNM that are applicable to the Payments and Securities Services, to the extent permitted by Law, the aggregate amount of that liability in respect of all claims made by any Participants in respect of, or arising out of, any one event will not exceed the highest aggregate amount of fees and charges (excluding penalty charges and admission fees) paid to BNM by any one Participant, in respect to BNM which gave rise to the liability, during the twelve (12) months preceding the month in which the liability is incurred.
- 15.2 For the purposes of **Clause 14.1**.
- 15.2.1 All inter-related events which give rise to a liability upon BNM shall be treated as one event.
- 15.2.2 In the event of any two (2) or more Participants suffering losses which give rise to a liability that exceeds the total aggregate limit specified in **Clause 14.1**, the liability of BNM to each of those Participants shall be proportionally applied against the total aggregate limit specified in **Clause 14.1**, where the proportion shall be calculated as the total loss suffered by each of those Participants respectively to the total loss suffered in aggregate.
- 15.3 Any claims made by a Participant against BNM in relation to these Participation Rules and/or Operational Procedures shall be made within twelve (12) months of the occurrence of the event which it is alleged gives rise to the claims against BNM.

PART V RISK MANAGEMENT - BUSINESS CONTINUITY MANAGEMENT

16 General Requirements

- 16.1 Participants shall adopt sound and effective Business Continuity Management to ensure their resilience and preparedness for any unplanned business disruptions.
- 16.2 Participants shall ensure Business Continuity of RENTAS and FAST in accordance with the requirements set out in the *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*.
- 16.3 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.
- 16.4 Participants who outsource their operations to third party Service Providers shall ensure that their Service Providers comply with all applicable requirements in these Participation Rules, the Operational Procedures for RENTAS and FAST and the *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*.

17 Business Continuity Management (BCM)

- 17.1 **Maximum Tolerable Downtime, Recovery Time Objective and System Recovery**
- 17.1.1 The minimum requirement for RENTAS Maximum Tolerable Downtime (MTD) , Recovery Time Objective (RTO) and System Recovery is provided in the *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*. The MTD, RTO and System Recovery are applicable to both BNM and all Participants.
- 17.1.2 Participants shall incorporate the MTD, RTO and System Recovery requirements in contractual arrangements with their key Service Providers, suppliers and counterparties, where applicable.

17.2 Critical Business Information Records

17.2.1 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 and FAST operations.

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

17.3 DRP and BCP Exercises

17.3.1 BNM and Participants shall regularly test their BCP and DRP for RENTAS 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.

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

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

17.4 Communication Process

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

17.4.2 BNM 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.

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

16.4.4 In addition, all communication in relation to Business Continuity Management for RENTAS and FAST shall be in accordance with the *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*.

18 Submission of Documents to BNM

18.1 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 RENTAS and FAST*) and other relevant information in accordance with the *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*.

PART VI DISPUTE MANAGEMENT

19 Dispute between BNM and Participants

- 19.1 BNM and Participants shall, in good faith, attempt to settle all disputes or conflicts arising in connection with the Participants' use of the Payments and Securities Services amicably and by mutual agreement.
- 19.2 All disputes, conflicts or differences arising between BNM and the Participants from this Agreement, which cannot be resolved by BNM and the Participants within a period of fourteen (14) days under **Clause 18.1**, shall be finally settled by arbitration in accordance with the manner and rules stipulated in **Clauses 18.3, 18.4 and 18.5**.
- 19.3 Failing amicable resolution of a dispute between BNM and Participants, such dispute shall be referred to and finally resolved by arbitration in Malaysia by an arbitrator to be agreed upon between BNM and Participants or, failing agreement within fourteen (14) days after either BNM or Participant 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 Asian International Arbitration Centre (Malaysia) ("AIAC") at the request of the other party. The arbitration shall be in accordance with the Arbitration Act 2005 and the Rules of Arbitration of the AIAC for the time being in force which rules are deemed to be incorporated by reference into this clause.
- 19.4 BNM and Participants' performance of obligations under these Participation Rules shall neither cease during any arbitration proceedings nor shall BNM and Participants be released from any obligations hereunder by the institution of any arbitration proceedings.
- 19.5 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.

20 Dispute between Participants

- 20.1 The Participants shall, in good faith, attempt to settle all disputes or conflicts in connection with the Participants' use of the Payments and Securities Services amicably and by mutual agreement.

- 20.2 All disputes, conflicts or differences arising between Participants from this Agreement, which cannot be resolved by Participants within a period of fourteen (14) days under **Clause 19.1**, shall be finally settled by arbitration in accordance with the manner and rules stipulated in **Clauses 19.3, 19.4 and 19.5**.
- 20.3 Failing amicable resolution of a dispute between Participants, such dispute shall be referred to and finally resolved by arbitration in Malaysia by an arbitrator to be agreed upon between Participants or, failing agreement within fourteen (14) days after Participant 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 Asian International Arbitration Centre (Malaysia) ("AIAC") at the request of the other party. The arbitration shall be in accordance with the Arbitration Act 2005 and the Rules of Arbitration of the AIAC for the time being in force which rules are deemed to be incorporated by reference into this clause.
- 20.4 Participants' performance of obligations under these Participation Rules shall neither cease during any arbitration proceedings nor shall Participants be released from any obligations hereunder by the institution of any arbitration proceedings.
- 20.5 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.

PART VII FRAUD AND SECURITY

21 Fraud and Security

- 21.1 Participants shall implement all prudent safeguards and controls necessary to prevent, detect and mitigate fraud, as well as to protect their customers, services, transactions, other Participants, other Participants' customers and the Payments and Securities Services from fraud.
- 21.2 Participants shall ensure that any fraud and security incidents are reported to BNM immediately upon discovery. This is to facilitate early response and mitigation of such risks to the Payments and Securities Services.
- 21.3 In the interest of safeguarding the integrity of the Payments and Securities Services, Participants grant BNM the absolute authority to direct Participants to take any measure that BNM deems necessary to detect, mitigate, resolve and prevent fraudulent acts, actual and suspected. Participants receiving such a directive shall promptly comply with the directive.

PART VIII ADMINISTRATIVE MATTERS

22 Enforcement of these Participation Rules and Operational Procedures

- 22.1 BNM has the right to enforce these Participation Rules and the Operational Procedures including imposition of penalty charges on Participants for non-compliance. BNM has the right to determine the actual quantum of the penalty charges depending on the severity of the non-compliance.
- 22.2 The list of non-compliance offenses and the corresponding penalties are provided in the relevant Operational Procedures.
- 22.3 All penalty charges collected shall be placed in the RENTAS and FAST Development Fund managed by BNM.
- 22.4 Participants grant BNM the right to:
- (a) access all information necessary to assess, verify and monitor the Participants' compliance to the Participation Rules and Operational Procedures. Participants shall, within a timeframe specified by BNM, furnish all information, documents and data requested by BNM for the purposes of assessing Participants' compliance; and
 - (b) audit and/or appoint an independent third-party auditor to audit the Participants' system and processes which are associated to BNM's Payments and Securities Services. BNM shall give fourteen (14) calendar days' prior written notice of its intention to conduct such audit.
- 22.5 Participants, where applicable shall ensure that consent is obtained from information owners in accordance with all applicable laws prior to information disclosure under **Clause 21.5**. Where possible, such consent should be obtained upfront prior to the information owners' use of the Payments and Securities Services. Participants shall ensure that their statutory obligation to obtain consent is pro-actively addressed and does not hinder the Participants' ability to comply with **Clause 21.5**.

23 Issuance of Notices, Guidelines, Circulars or Instruction

- 23.1 BNM may, from time to time, issue guidelines, instructions, circulars, standards, codes, notices and directives to all Participants, or any group of Participants, in relation to the Payments and Securities Services.
- 23.2 The Participants shall comply with these guidelines, instructions, circulars, standards, notices, codes and directives issued by BNM, which shall be read as part of these Participation Rules and Operational Procedures, where applicable.

24 Amendment of Participation Rules and Operational Procedures

- 24.1 BNM may vary the Participation Rules and/or Operational Procedures as and when required by BNM. In the event such variation refers to a matter which results in significant impact (as determined by BNM), such variation would require:
- (a) Consultation with the relevant RENTAS User Group Committee, FAST Focus Group and Rules Working Committee; and
 - (b) Endorsement or approval, whichever is applicable, by the Rules and Compliance Panel of the Financial Market Infrastructure Committee.
- 24.2 Subject to **Clause 23.1**, BNM shall give Participants at least seven (7) working days' notice before any amendments to the Participation Rules and / or Operational Procedures comes into effect.

25 Prevailing Provision

- 25.1 The Operational Procedures provide additional specific rules and/or requirements in addition to the provisions under the Participation Rules. In the event of conflicts or inconsistencies between the Participation Rules and Operational Procedures, the provisions prescribed under the Participation Rules shall prevail.

26 Issuance of Emergency Directive by BNM

- 26.1 Notwithstanding **Clause 23**, in the event of any urgent issue that threatens the integrity, security, reliability, stability and/or reputation of the Payments and Securities Services, BNM shall have the absolute authority to issue emergency directives to Participants for immediate action.

PART IX GENERAL

27 Confidentiality

- 27.1 Participants shall, at all times, keep confidential all information obtained in the course of their participation in RENTAS and FAST.
- 27.2 Participants shall abide by the secrecy provisions of the FSA, IFSA and DFIA.
- 27.3 Participants shall ensure that their employees or representatives comply with the confidentiality requirements at all times.
- 27.4 Participants' obligations as to confidentiality shall survive the expiration or termination of their membership.

28 Personal Data Protection

- 28.1 Notwithstanding **Clause 26**, Participants further agree as follows:
- (a) Participants consent to the provision and use of information supplied to BNM for the relevant Payments and Securities Services and in connection with the operation of any systems being used and/or processed by BNM's service providers solely for the purposes of the relevant Payments and Securities Services and otherwise in connection with the provision of services, the operation and management of related systems. The Participant further agrees to notify BNM in writing of any update to any such information as soon as it is aware that the information so supplied has become out-dated or any other rights that may be exercised by customers or data subjects of the Participants under the Personal Data Protection Act 2010.
 - (b) Personal information of an individual held by BNM relating to the relevant Payments and Securities Services shall be processed and/or used in accordance with Personal Data Protection Act 2010. The Participant hereby warrants that consent from the data subjects has been obtained by the Participants for all personal data transferred to BNM for the purpose of providing the services to the Participants.

29 Severability and Limitation of Action

- 29.1 If any provision of the Participation Rules is held to be invalid, unlawful or unenforceable to any extent by any law, order or regulation, such invalidity shall not affect the enforceability of any other provision of the Participation Rules to the fullest extent permitted by law.
- 29.2 The Participants hereby undertake that any legal action taken against BNM relating to one of the Payments and Securities Services shall not preclude BNM from carrying out operations for the other Payments and Securities Services.

30 Assignment, Transfer and Subcontracting

- 30.1 The rights and obligations of each Participant under the Participation Rules and the Operational Procedures are incapable of being assigned, changed or transferred unless specifically authorised in writing by BNM or pursuant to a court order issued by the courts in Malaysia.
- 30.2 A Participant may engage a Service Provider to perform some of its rights and obligations under the Participation Rules and Operational Procedures but the Participant remains responsible for complying with the Participation Rules and Operational Procedures. The Participant is liable for the acts or omissions of the Service Provider and shall:
- (a) ensure that the Service Provider complies with the Participation Rules and Operational Procedures; and
 - (b) take action against the Service Provider to procure compliance with the Participation Rules and Operational Procedures, if requested to do so by BNM.

31 Successors Bound

- 31.1 The Participation Rules and Operational Procedures shall be binding on the successors-in-title of BNM and the successors-in-title of the Participant including the rights and liabilities which shall continue to be valid and binding for all intent and purposes whatsoever notwithstanding any change by amalgamation, reconstruction, expulsion or otherwise which may be made in the Central Bank of Malaysia Act 2009 and/or the constitution of the Participant.

32 Document Retention Period

32.1 Participants and BNM are required to retain documents, records and other information related to Payments and Securities Services as required under the Law.

33 Notices

33.1 A notice, consent or other communication under the Participation Rules and/or Operational Procedures is only effective if it is:

- (a) in writing and signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is given; and
- (c) either:
 - i. sent by pre-paid mail or delivered to that person's address;
 - ii. sent by fax to that person's fax number; or
 - iii. sent by electronic mail to that person's electronic mail address.

33.2 A notice, consent or other communication under the Participation Rules and/or Operational Procedures is, in the absence of earlier receipt, regarded as given and received:

- (a) if it is delivered, on delivery at the address of the relevant person;
- (b) if it is sent by fax or electronic mail, at the time and on the day it was successfully sent;
- (c) if it is sent by mail, on the third (3rd) Business Day after the day of posting, or if to or from a place outside Malaysia, on the seventh (7th) Business Day after the day of posting; or

33.3 A notice, consent or other communication under the Participation Rules and/or Operational Procedures that is regarded as given and received under **Clause 32.2** on a day that is not a Business Day or after 5.00 p.m. (local time in the place of receipt) on a Business Day, shall be regarded as being given and received at 9.00 a.m. on the next Business Day.

34 Intellectual Property

- 34.1 Each Participant acknowledges that the right, title and interest in and to all Intellectual Property Rights in the Participation Rules and Operational Procedures is and remains the property of BNM, unless otherwise expressly stated.
- 34.2 From time to time, BNM may make materials, including but not limited to software, available to Participants for use in connection with the Payments and Securities Services ("Licensed Materials"). In such instances, BNM shall attribute ownership or copyright in the Licensed Materials on the face of the Licensed Materials or through notification by BNM to the Participant.
- 34.3 Except as expressly set out in the Participation Rules or Operational Procedures, no right, title or interest in the Intellectual Property Rights of the Licensed Materials is created or vests in any Participant and nothing in these Participation Rules and Operational Procedures operates to assign or transfer any title in, or ownership of, any Intellectual Property Rights of the Licensed Materials to any person.
- 34.4 Each Participant agrees to immediately cease using and return to BNM the Licensed Materials if the Participant ceases to be a Participant or on request from BNM.
- 34.5 Participant shall not:
- (a) create or assert any lien, charge, mortgage, encumbrance or other right against the Licensed Materials; or
 - (b) transfer, licence, assign or otherwise deal in the Licensed Material.
- 34.6 In the event there is any claim by a third party that BNM or a Participant has breached the intellectual property rights of that third party in respect of licensed materials provided under the Payments and Securities Services. In such event, BNM, at its sole discretion shall use its reasonable endeavours to:
- (a) procure for BNM and/or each Participant (as the case may be), the right to continue using such licensed materials;

- (b) replace or modify the infringing item(s) to make their use non-infringing, providing that any such replacement or modification shall be at least functionally equivalent and that such replacement or modification shall be carried out as soon as reasonably practical so as to avoid or reduce so far as possible any interruption to the Payments and Securities Services; or
- (c) change and/or remove functionality from the affected Payments and Securities Services, or suspend or terminate the affected Payments and Securities Services.

35 Non-Waiver

- 35.1 No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right or power preclude any other or further exercise thereof or the exercise of any other rights or power herein.

36 Time

- 36.1 Time whenever mentioned herein shall be of the essence of the Participation Rules and/or Operational Procedures, both as regards to the dates and periods specifically mentioned including any other dates and period specified by BNM, as the case may be.

37 Tax

- 37.1 Unless otherwise expressly stated, any consideration or amount payable under the Participation Rules and/or Operational Procedures, including any non-monetary consideration is exclusive of any applicable tax under any prevailing rate.
- 37.2 Each party is responsible for complying with and paying all taxes and duties assessed by government and equivalent authorities with jurisdiction over its activities, if applicable, the other party agrees that each party may include an additional amount to ensure any applicable taxes are borne by the appropriate party as specified under the law

PART X GUIDELINES FOR ASSESSMENT OF COMPLIANCE TO PARTICIPATION RULES AND OPERATIONAL PROCEDURES FOR RENTAS AND FAST

38 Overview

38.1 Introduction

- (a) Participants are required to submit a Compliance Assessment Report:
 - i. Confirming the Participants' adherence to all applicable *Participation Rules and Operational Procedures for Payments and Securities Services*;
 - ii. Certifying the Participants' Business Continuity Plan (BCP) arrangements in respect of these systems in accordance with *Guidelines on Business Continuity Management for Participants of RENTAS and FAST*.

- (b) These Guidelines are intended to provide a template for the Participants' annual assessment report submission to Bank Negara Malaysia (BNM). The Participants may determine the coverage of their assessment based on their own risk-based audit approach. Minimally, conformance to the *Participation Rules and Operational Procedures for RENTAS and FAST*, should be reviewed annually for Participants who subscribe to these services.

38.2 Objective

- (a) The independent assessment requirement is part of BNM effort to improve the end-to-end efficiency and reliability of the payment, settlement and depository services where BNM is instituting measures to ensure robust verification of Participants' operational reliability, adequacy of BCP and compliance to the Participation Rules and Operational Procedures issued by BNM.

- (b) The requirement for independent certification of operational reliability and BCP is also in accordance with the International Monetary Fund and World Bank's recommendations for RENTAS published in the Assessment of Observance of the CPSS-IOSCO Principles for Financial

Market Infrastructures report at the conclusion of the Financial Sector Assessment Program (FSAP) for Malaysia.

38.3 Applicability

- (a) The Guidelines are applicable to all Participants of BNM's Payments and Securities Services namely:
 - i. Real-time Electronic Transfer of Funds and Securities System (RENTAS);
 - ii. Fully Automated System for Issuing/Tendering (FAST);
 - iii. Any other services to be introduced by BNM from time to time.
- (b) Notwithstanding **Clause 37.3.1**, FAST members that fit the following criteria, shall be exempted from complying with the Guidelines:
 - i. Members having access to FAST system to view information only;
or
 - ii. Rating agencies who upload rating or other information onto FAST system.

38.4 Responsibilities

- (a) Annually, an independent party such as the Compliance and/or Internal Audit Department of the Participants shall assess compliance with the applicable Participation Rules and Operational Procedures issued by BNM.
- (b) The Participants may also engage a competent independent external party to perform the assessment. However, the Participants are reminded to adhere to the relevant regulatory requirements and approvals prior to the engagement of this external party. Although the assessment is conducted by the external party, the Head of Compliance or Head of Internal Audit is required to sign off on the Independent Assessment Report set out in **Section A** of [Appendix 1](#).

39 Assessment Approach

39.1 Scope of Assessment

- (a) The assessment shall be made based on the applicable Participation Rules, Operational Procedures and Guidelines below (hereinafter collectively referred to as “Rules”):

	Services	Applicable Rules
A	RENTAS	<ol style="list-style-type: none"> 1. Participation Rules for Payments and Securities Services 2. Operational Procedures for Malaysian Ringgit Settlement in RENTAS 3. Operational Procedures for Foreign Currency Settlement in RENTAS
B	FAST	<ol style="list-style-type: none"> 1. Participation Rules for Payments and Securities Services 2. Operational Procedures for Securities Services 3. Central Securities Depository and Paying Agency Rules
C	Business Continuity Management	Guidelines on Business Continuity Management for Participants of RENTAS and FAST
D	Any other services may be introduced by BNM from time to time	The related Rules and Operational Procedures

- (b) Participants shall ensure that the independent assessment is performed using the latest Rules issued by BNM from time to time.
- (c) Participants shall define the coverage/area of assessment based on Participants’ own risk-based approach in **Section B** of [Appendix 1](#). The coverage/area of assessment should be prioritised, at a minimum, based on the following factors if the applicable services specified in **Clause 38.1.1** are disrupted:
- i. Transaction volumes and total amounts impacted; and
 - ii. Number of customers or end-users of the services impacted.

- (d) Notwithstanding **Clause 38.1.3** above, the assessment report should include an assessment of at least the following areas:
- i. Achievement of service levels to customers;
 - ii. Adequacy of risk management processes;
 - iii. Implementation of physical and system security measures and controls;
 - iv. Adequacy of processes to ensure that significant systems and operational processes, security measures and controls are reviewed periodically;
 - v. Observance of BCP requirements specified in the Rules, including but not limited to verification of disaster recovery readiness and the achievement of Maximum Tolerable Downtime (MTD) and Recovery Time Objectives (RTO) for these services; and
 - vi. Adequacy of resources to ensure the safe, reliable and efficient functioning of systems and operations.

39.2 Frequency for the Year of Assessment

- (a) As RENTAS is designated payment system and FAST is essential for treasury operations, these systems should be classified as critical systems for Participants and must be reviewed annually.
- (b) If Participants fail to review any of the systems, Participants shall provide reasons/justification for the systems which are not reviewed for that particular assessment year together with the expected year for review in **Section C of [Appendix 1](#)**.

39.3 Incidents of Non-compliance or Instances Where Service Levels to Customers Were Not Met

- (a) Participants are required to disclose incidents of non-compliance or instances where service levels as stipulated in the Rules were not met.
- (b) For such non-compliances, Participants shall indicate the remedial actions taken or proposed and target timelines to overcome and/or mitigate further non-compliance.

40 Reporting

40.1 Submission

- (a) Participants are required to follow the report template, with **Sections A to D** completed as outlined in [Appendix 1](#).
- (b) Participants are required to submit the Assessment Report by **31 March each year** for the preceding calendar year of assessment.
- (c) Submission shall be made to BNM via hard copy to the following address:

Head
Financial Market Infrastructure Department
Bank Negara Malaysia
Level 14, Block C
Jalan Dato Onn
50480 Kuala Lumpur

- (d) In addition, a similar submission shall also be made to BNM via soft copy to compliance.fmid@bnm.gov.my. The assessment report should be provided in Microsoft Excel or Word editable format.

40.2 Contact Details

- (a) If there are queries pertaining to BNM's Rules, Participants may write in to the Compliance Department at compliance.fmid@bnm.gov.my.

PART XI CYBER RESILIENCE MATURITY ASSESSMENT FOR RENTAS AND FAST PARTICIPANTS

41 Overview

41.1 Introduction

- (a) Cyber Resilience Maturity Assessment (CRMA) is a self-rated assessment issued by Risk Specialist and Technology Supervision (RSTS) of Bank Negara Malaysia (BNM), which consists of a comprehensive framework for measuring the level of cyber risk maturity and cyber security. The framework was designed based on established global and industry standards. It's an amalgamation of the Capability maturity model integration (CMMI), the Financial Services Sector Coordination Council (FSSCC) cyber security assessment framework and the National Institute of Standard and Technology (NIST) cybersecurity framework.
- (b) The framework was also aligned with Risk Management in Technology (RMiT) and Centre of Internet Security (CIS) cybersecurity controls. CRMA is a consistent and effective process to benchmark the industry's cyber security capabilities and preparedness.

41.2 Objective

- (a) CRMA objectively assesses the inherent risk and control maturity of a Participant compared with other Participants. It aims to enhance visibility on cyber resilience maturity and enables Participants to assess their overall view of their organization's cyber security capabilities, cyber maturity capabilities, growth enhancements and a proactive way for the Participant to measure the current security management practices.
- (b) The CRMA can also be used by Participants to comprehensively and promptly monitor and identify areas of concern, highlight areas for improvement and address any potential emerging cyber risks. Participants may use the framework as a tool to measure cyber security capabilities and preparedness in a repeatable and measurable manner.

41.3 Applicability

- (a) Applicable to all RENTAS and FAST Participants.

41.4 Responsibilities

- (a) Participants that have been selected by RSTS of BNM for the CRMA roll out are required to submit the CRMA assessment form in MS Excel version to RSTS of BNM based on timeline agreed between both parties. Participants shall comply with the requirements of CRMA issued by BNM at all times. Participants are encouraged to refer the CRMA FAQ issued by BNM.

42 Assessment Approach

42.1 Scope of Assessment

- (a) The CRMA was divided into two major scopes which are inherent risk and maturity assessment which comprises of below domains for each area.
- (b) The 5 domains contributing to the inherent risk assessment include below. The inherent risk rating of an institution can be categorized into 4 levels which is High, Above Average, Moderate and Low.
 - i. Technologies and connection types
 - ii. Delivery channels
 - iii. Technology services and other risks
 - iv. Institutional information
 - v. Cyber threats
- (c) The 7 domains contributing to the maturity assessment of the framework includes below. For maturity assessment, CRMA categorizes the institutions into six maturity levels based on the assessed domains. They are Expert, Advanced, Defined, Foundational, Baseline and Sub-baseline.
 - i. Governance
 - ii. Cyber Risk Management
 - iii. Asset and Access Management
 - iv. Security Controls
 - v. Incidence Response and Management
 - vi. Cyber Threat Intelligence
 - vii. Policy and Documentation

43 Reporting

43.1 Frequency for the Year of Assessment

- (a) Based on timeline agreed with RSTS and FMID.

43.2 Submission

- (a) The Participant's Chief Information Security Officer (CISO), Chief Information Officer (CIO) or any other authorized party to act in that capacity, is required to submit the assessment to BNM before the specified deadline via the institution's corporate email. The submission can be made to BNM's personnel as stipulated in the CRMA FAQ

Appendix 1 – Independent Assessment Report

PARTICIPANTS' LETTERHEAD

**INDEPENDENT ASSESSMENT REPORT ON COMPLIANCE TO
BNM'S RULES****Name of Bank/Organisation: []****Year of Assessment : [Year]****Section A - Confirmation of Independent Assessment**

I, Head of Compliance/Internal Audit of [bank/organisation] hereby confirm to BNM that:

- (i) We [*External Independent Party appointed by us (delete if not applicable)*] have undertaken a review of the [bank/organisation]'s compliance to the relevant Participation Rules and Operational Procedures ("Rules") issued by BNM for the services as listed in **Section B** with the excluded areas for this year's assessment as listed in **Section C**.
- (ii) We have adequately assessed our organisation's adherence to all requirements in the Participation Rules and Operational Procedures issued by BNM and have obtained assurance that our organisation is in compliance with the Rules, including but not limited to the following:
- Service levels to customers are met;
 - Adequate risk management processes are in place;
 - Adequate physical and system security measures and controls have been implemented;
 - All significant systems and operational processes, security measures and controls are reviewed periodically;
 - BCP arrangements as specified in the Rules are fully observed, including but not limited to verification of disaster recovery readiness and the achievement of Maximum Tolerable Downtime (MTD) and Recovery Time Objectives (RTO) for these services; and
 - Adequate resources are in place to ensure the safe, reliable and efficient functioning of systems and operations.

- (iii) Details of non-compliance or instances when service levels to customers were not met are listed in **Section D** below.

- (iv) In relation to item (iii) above, we have verified that the necessary remedial actions have been implemented or will be tracked for completion to overcome and/or mitigate further non-compliance.

Signature :

Name :

Designation :

Date :

Section B - Scope of Assessment

The scope of the assessment is as follows:-

This is an example. The areas listed below are for illustrative purposes only.

Services	
<i>RENTAS</i>	<ol style="list-style-type: none"> <i>1. Participation Rules for Payments and Securities Services</i> <i>2. Operational Procedures for Malaysian Ringgit Settlement in RENTAS</i> <i>3. Operational Procedures for Foreign Currency Settlement in RENTAS</i>
<i>FAST</i>	<ol style="list-style-type: none"> <i>4. Participation Rules for Payments and Securities Services</i> <i>5. Operational Procedures for Securities Services</i> <i>6. Central Securities Depository and Paying Agency Rules</i>

Section C – Excluded Areas for This Year’s Assessment

The following services/areas are excluded from our assessment for this year for reasons below:

This is an example. The areas listed below are for illustrative purposes only.

Areas not audited/ reviewed	Reason	Target Date for Review
<i>RENTAS - Operational Procedures for Foreign Currency Settlement in RENTAS</i>	<i>Not subscribed to the services/system</i>	<i>N/A</i>

* Participants are to review annually for RENTAS and FAST.

Section D (i) – Incidents of Non-Compliance or Instances Where Service Levels to Customers Were Not Met

Please follow the format stated below. Please state **NIL** if there are no findings. For repeated findings, please indicate the **Year of Assessment (YA)** when the findings were submitted to Bank Negara Malaysia in the “Repeated Findings” Column.

This is an example. The findings below are for illustrative purposes only.

No	Services	Date/ Month	Details of Non-Compliance (details should consist of the incident, cause and impact)	Remedial Action/ Areas for Improvement	Repeat ed Findings	Target Date/ Timeline
	<i>Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS)</i>					
1	<i>E.g. Clause 8.7 on Availability of Funds for Beneficiary 8.7.3 – All receiving Participants shall make funds available to the beneficiary customers within 2 minutes of receiving a credit confirmation advice from RENTAS Host.</i>	<i>February 2020</i>	Incident: <i>Funds not available/credited to the beneficiary/ customers’ accounts within 2 minutes.</i> Cause: <i>Requires manual intervention/Significant increase in volume of transactions.</i> Impact: <i>Unable to meet customer’s expectation.</i>	<i>1. The Bank has embarked on the system enhancement project in conjunction with BNM’s initiative on the ‘New RENTAS System’ to fully resolve the constraints faced in handling these transactions in a manual manner. 2. The enhanced system will include straight-through- processing (STP)</i>	<i>YA 2019</i>	<i>Q1 2021</i>

No	Services	Date/ Month	Details of Non-Compliance (details should consist of the incident, cause and impact)	Remedial Action/ Areas for Improvement	Repeate d Findings	Target Date/ Timeline
				<i>feature (based on SWIFT payment format standards), which eliminate manual handling as in the case of the existing process.</i>		

Section D (ii) – Status of Outstanding Items in Prior Years' Assessment

Please state **NIL** if there is no outstanding item.

This is an example. The finding below is for illustrative purpose only.

No	Year of Assessment (YA) / Details of Non-Compliance	Remedial Action/ Areas for Improvement	Initial Target Date/ Timeline	Revised Target Date/ Timeline	Reason for delay/ Remarks
<i>Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS)</i>					
	<p>Incident: Funds not available/credited to the beneficiary/ customers' accounts within 2 minutes.</p> <p>Cause: Requires manual intervention/Significant increase in volume of transactions.</p> <p>Impact: Unable to meet customer's expectation.</p>	<ol style="list-style-type: none"> The Bank has embarked on the system enhancement project in conjunction with BNM's initiative on the 'New RENTAS System' to fully resolve the constraints faced in handling these transactions in a manual manner. The enhanced system will include straight-through-processing (STP) feature (based on SWIFT payment format standards), which eliminate manual handling as in the case of the existing process. 	Q1 2021	Q1 2022	The proposed enhancements has dependencies on New RENTAS MX Migration where new requirements are raised to cater for the MX message specifications.

Glossary of Terms

1. **“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.
2. **“BNM”** means Bank Negara Malaysia a body corporate which continues to exist under the Central Bank of Malaysia Act 2009.
3. **“BNM’s Systems”** refer to all systems and technology employed by BNM for the purpose of facilitating the Payments and Securities Services.
4. **“Business Continuity”** means the continued delivery of services and continued operational viability in response to a disruptive event.
5. **“Business Continuity Management (BCM)”** means a holistic management process that identifies risks, threats and vulnerabilities that could impact an organisation’s business operations and which ensures organisational resilience and Business Continuity.
6. **“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.
7. **“Business day”**, unless otherwise specified in these Operational Procedures, means any calendar day from Monday to Friday, excluding a Holiday or Unexpected Holiday observed in the Federal Territory of Kuala Lumpur.
8. **“Business hours”** means the duration of time, from the opening time to the closing time, when BNM provides Payments and Securities Services, which may differ for each of the Payments and Securities Services.
9. **“Bridge Institutions”** refers to a subsidiary of PIDM designated as a bridge institution under paragraph 99(1)(f) of PIDM Act 2011. BIs are incorporated in

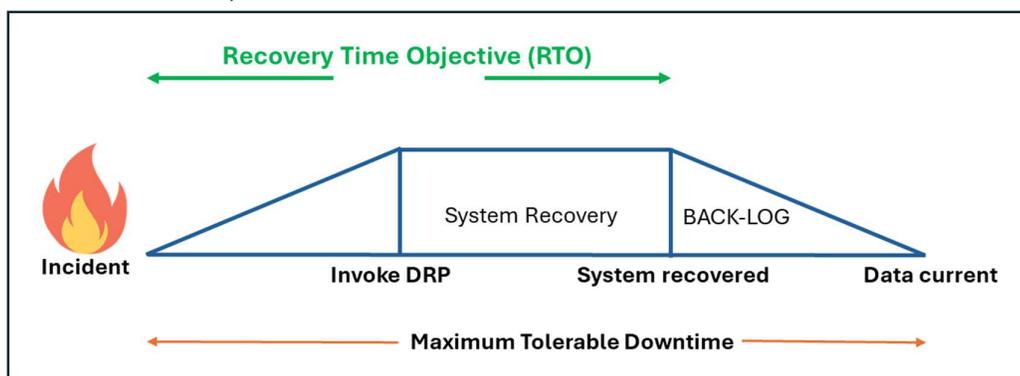
- advance for the purpose of BI implementation. BIs shall remain dormant and will be activated by PIDM in a resolution scenario that requires BI.
10. **“Clearing”** means the process of exchanging and reconciling payment items that result in the establishment of final positions for Settlement.\
 11. **“Clearing house”** means the organisation that collects, sorts, classifies and distributes information on cheque clearing among its Participants.
 12. **“Coupon”** means the interest rate payable on securities issued, which may be on fixed or floating basis.
 13. **“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.
 14. **“Debt Securities”** means short and long term Bonds, Sukuk and other Debt Financial Instruments.
 15. **“DFI”** means Development Financial Institutions that are governed under the DFIA.
 16. **“DFIA”** means the Development Financial Institutions Act 2002.
 17. **“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.
 18. **“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.
 19. **“FAST”** means Fully Automated System for Issuing / Tendering. It is a centralised system for the origination of debt securities.
 20. **“Force Majeure”** means any event beyond the reasonable control of the victim party. Without limitation, the following events shall be deemed to constitute

- Force Majeure: withdrawal of any license, permit or authorisation; government restrictions; embargoes; acts of war; terrorist attacks; civil disturbances; epidemics; natural disasters; strikes or labour disputes.
21. **“Foreign Currency Settlement Account”** means a cash account maintained by the Participant with OSIs for the purposes of foreign currency Settlement.
22. **“FSA”** means the Financial Services Act 2013.
23. **“Holiday”** refers to:
- i. Public holiday as provided under or appointed pursuant to section 3, 8 or 9 of the Holidays Act 1951 and observed in the Federal Territory of Kuala Lumpur.
 - ii. Unexpected Holiday.
24. **“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.
25. **“IFSA”** means the Islamic Financial Services Act 2013.
26. **“IFTS”** in relation to RENTAS means Inter-bank Funds Transfer System. The IFTS effects and records the transfer of funds between RENTAS Participants.
27. **“Licensed Financial Institutions”** means commercial banks and investment banks licensed under section 212 (3) of the FSA and Islamic banking licensed under Section 223 (3) of the IFSA.
28. **“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.
29. **“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.
30. **“Messages”** means any payment advice, Settlement advices, instructions, notifications, data, transactions, and/or images that been transmitted through BNM’s systems.

31. **“Near Real Time Settlement (NRTS)”** refers to the process where interbank settlement of retail payments is completed on gross normally within seconds after the retail payment transactions between customers are completed.
32. **“NRTS Account”** refers to a cash account maintained by the Participant with BNM for the purposes of NRTS.
33. **“Participant”** means any financial institution or entity who has applied and has been accepted by BNM to participate in the Payments and Securities Services and subject to and in consideration of such acceptance the Participant shall observe and comply with the Participation Rules.
34. **“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).
35. **“Payments and Securities Services”** means the payment, Settlement, securities issuance, depository, paying agency and corporate actions processing services offered by BNM to Participants through the RENTAS and FAST systems.
36. **“PayNet”** means Payments Network Malaysia Sdn Bhd, a company incorporated under the Companies Act 1965. PayNet is the owner and operator of retail payment systems such as eSPICK, FPX, MyDebit, Interbank GIRO (IBG), IBFT Shared ATM Network and MEPS ATM.
37. **“PIDM”** means Perbadanan Insurans Deposit Malaysia. It is an integrated financial consumer protection authority for depositors and takaful or policy owners, and resolution authority for its member institutions.
38. **“PIDM Member Institution”** refers to all commercial banks licensed under the Financial Services Act 2013 and all Islamic banks licensed under the Islamic Financial Services Act 2013, including locally incorporated subsidiaries of

foreign banks operating in Malaysia. Membership in PIDM is compulsory as provided under the PIDM Act.

39. **“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.
40. **“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.
41. **“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)



42. **“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.
43. **“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.
44. **“RENTAS and FAST Development Fund”** means a fund consisting of penalty charges collected from Participants, which was established and is managed by BNM, and is dispersed for initiatives that are beneficial to Participants.

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45. **“RENTAS Bank Gateway”** or RBG refers to RENTAS’ proprietary Participant access channel with Straight-through processing (STP) capabilities that act as a Participant Terminal.
 46. **“RENTAS Host”** means the RENTAS Central Host Computer System located at BNM, including any back-up systems.
 47. **“Retail Payments”** refers to the transaction services offered by the RPSO. The services, include but is not limited to, the Retail Payment Platform (RPP), FPX, Shared ATM Network (SAN) and MyDebit.
 48. **“Retail Payments Participant”** refers to Participants who is subscribing to Retail Payments.
 49. **“Retail Payments transactions”** refers to transactions of Retail Payments services.
 50. **“Retail Payment System Operator (RPSO)”** refers to an approved operator of a retail payment system and accepted as RENTAS Participant. A RPSO performs the role of processing and clearing of payment transactions. It facilitates public and private entities, as well as consumers to transfer funds either directly from one account to another, or through the use of a payment instrument.
 51. **“Retail Payment System Operator (RPSO) 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 the RPSOs from time to time.
 52. **“Securities”** means debenture, stocks or bonds issues which represent the indebtedness of the issuer for the borrowed monies.
 53. **“Securities Account”** means the scripless Securities Account held with BNM and maintained in the RENTAS system.
 54. **“Service Provider”** means a person or company engaged by a Participant to provide services in connection with the Payments and Securities Services.

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55. **“Settlement”** or **“Settle”** 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.
56. **“SIRIM Malaysia Standard Time”** means the official Malaysian standard time provided by SIRIM Berhad, a wholly owned company of the Malaysian Government.
57. **“SSDS”** means Scripless Securities Depository System.
58. **“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.
59. **“SWIFT”** refers to Society for Worldwide Interbank Financial Telecommunication.
60. **“SWIFT Access”** refers to SWIFT Alliance Access (SAA) or other SWIFT-certified systems as approved by BNM that act as a Participant Terminal.
61. **“Unexpected Holiday”** refers to a holiday declared at the eleventh hour by the Minister pursuant to:
- i. [section 8] OR [any provision] of the Holidays Act 1951 [which is observed in the Federal Territory of Kuala Lumpur]; where “Minister” means the Minister charged with the responsibility for public and bank holidays; or

- ii. section 217(1) of the Financial Services Act 2013 or section 228(1) of the Islamic Financial Services Act 2013; where “Minister” means the Minister for the time being charged with the responsibility for finance.