

MEMORANDUM

TO : ALL DEALER'S REPRESENTATIVES

FROM : THE MANAGEMENT

DATE : 12 FEBRUARY 2019

**RE : A) PROPOSED MIGRATION TO T+2 SETTLEMENT CYCLE – TARGET
LAUNCH DATE 29 APRIL 2019**

**: B) IMPLEMENTATION OF SERVICES TAX ON BROKERAGE AND
UNDERWRITING SERVICES**

**A) PROPOSED MIGRATION TO T+2 SETTLEMENT CYCLE – TARGET LAUNCH
DATE 29 APRIL 2019**

Bursa Malaysia Securities Berhad had announced the proposed migration from the current T+3 to T+2 settlement cycle. This is part of its on-going efforts to improve operational efficiency and systemic risk and align the clearing and settlement processes of the Malaysian capital market with major global exchanges which already operate a T+2 settlement cycle. The target launch date is **29 April 2019**. However, the final launch is subject to successful testing with market participants and amendments to the rules being approved by the Securities Commission.

B) IMPLEMENTATION OF SALES AND SERVICES TAX (SST)

The Royal Malaysian Customs Department had on 31 December 2018 announced the implementation of Services Tax on brokerage and underwriting services. The charging of this services tax will be effective from 1 March 2019.

Please be guided accordingly.

Thank you.

