OPERATIONAL PROCEDURES FOR MALAYSIAN RINGGIT (MYR) SETTLEMENT IN THE REAL TIME ELECTRONIC TRANSFER OF FUNDS AND SECURITIES SYSTEM (RENTAS)

Doc. Ref. No.: 500-80/1/0000141

Version 3.2
Document Details

<table>
<thead>
<tr>
<th>Document Owner</th>
<th>Large Value Payments and Securities Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>01 January 2018</td>
</tr>
</tbody>
</table>

Revision History

<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of Update</th>
<th>Summary of Change</th>
<th>Updated By</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>17 Feb 2011</td>
<td>Approved version</td>
<td>MyClear</td>
</tr>
<tr>
<td>1.1</td>
<td>06 May 2011</td>
<td><strong>Clause 8.2</strong></td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Added the statement “No borrowing from “K account””</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 8.6</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Amended the cut-off time from 3:30pm to 3:00pm</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- due to feedback arising from participants.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Restructured the statement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 9.2</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Replaced the statement “but are not limited to”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- with “are as follows”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 12.5</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New provision on Liquidity Optimizer Settlement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Facility</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 14.2</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Amended the exceptional circumstances under which</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- MyClear can consider a RENTAS cut-off extension</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 14.10</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Deleted the statement “including BNM”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 17.11</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Replaced the word “punitive” with “higher”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 25.2</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Updated the Note below the diagram to incorporate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>the following:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Participants will be notified accordingly whenever</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>MyClear operates its services from its Recovery Centre”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 25.3</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Updated the scope of testing for greater clarity</td>
<td></td>
</tr>
</tbody>
</table>

**Guideline II, Clauses 2.2.6 (i) and (ii)**

- Removal of indemnity notations found in Version
<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of Update</th>
<th>Summary of Change</th>
<th>Updated By</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td></td>
<td>1.0 for standardization with indemnity notation found in Clause 3.1</td>
<td></td>
</tr>
</tbody>
</table>
| Appendix I, MyClear Payment Services |                | • Updated the following email address:  
  o slkoh@mylear.org.my  
  o tankuazlan@mylear.org.my  
  o ashikin@mylear.org.my  
  o shukor@mylear.org.my                                                                                           |            |
| 1.2        | 23 Feb 2012    | **Title of Operational Procedures**  
• Amended the title of “Operational Procedures for Real Time Electronic Transfer of Funds and Securities (RENTAS)” to “Operational Procedures for MYR Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS).” | MyClear    |
| Clause 1.0 |                 | • Added the word “MYR Settlement” to indicate that the Operational Procedures are for “MYR Settlement” services only                                                                                       |            |
| Clause 1.2.2 |                | • Added reference to the new *Operational Procedures for Foreign Currency Settlement in RENTAS* issued in February 2012                                                                                 |            |
| Clause 4.0 |                 | • Updated the RENTAS architecture to reflect additional foreign currency settlement services.                                                                                                                    |            |
| Clause 6.1 |                 | • Amendment to the classes of RENTAS membership due to the introduction of Foreign Currency Settlement Services. Added new class of membership for “foreign central banks” and “multilateral development banks”. |            |
| Clause 8.0 |                 | • New process for existing RENTAS Foreign Currency Participants to subscribe to MYR Settlement Services.                                                                                                          |            |
| Clause 9.0 |                 | • Replaced “RENTAS Operating Hours” with “MYR Settlement Business hours”.                                                                                                                                         |            |
| Clause 11.0|                 | • Added the word “MYR” into intraday credit facility.                                                                                                                                                             |            |
### Version No. | Date of Update | Summary of Change | Updated By
--- | --- | --- | ---

**Clause 15.0**
- New process for the “Request for Extension of PvP Settlement Cut-off Time”

**Clause 16.0**
- Replaced “Request for Extension of Cut-off Time” with “Request for Extension of MYR Settlement Cut-off Time”
- Amendment to the duration of the requirement to send the form via fax to MyClear for the request of extension. Amendment from “within five (5) minutes to within thirty (30) minutes”.

**Clause 19.0**
- Amendment to the last resort mechanism to address situations where intraday credit cannot be redeemed at MYR Settlement Cut-off time.

**Clause 29.0, Clause 30.0 and Clause 31.0**
- Improved to provide clarity on how abnormal situations, such as RENTAS Host, e-PKI and network connectivity failure, would be managed.

**Guideline 1**
- Added the word “MYR” into the Guidelines on Third Party Payments.

**Appendix I, MyClear Payment Services**
- Updated list of MyClear officers and their contact information.

**Appendix II**
- Replaced Appendix II of Schedule of Fees and Charges from the Operating Procedures for MYR Settlement with new form to be used for the Request for Extension of RENTAS PvP Settlement Cut-off Time.
- Schedule of Fees and Charges is now centralized in the Participation and Operation Rules for Payment and Securities Services.

**Appendix II (b)**
- Form for Request for Extension of RENTAS MYR Settlement Cut-off Time.

**Appendix V (Form A)**
- New form to be used for the Confirmation of Participation.
<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of Update</th>
<th>Summary of Change</th>
<th>Updated By</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Appendix V (Form B)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New form to be used for the Confirmation of Participation in Additional Services</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>30 Mar 2012</td>
<td><strong>Clause 1.2</strong></td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added Clause 1.2.3 on Operational Procedures for Cross-Border Securities Custody Services in RENTAS issued in March 2012.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 4.0</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added “Euroclear/CSDs Link” into the diagram.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 5.1</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added Clause 5.1.6 on the definition of RENTAS Euroclear Link.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 8.0 and 8.1</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added the words “or Cross-Border Securities Custody Services Participants” into the sentence.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Appendix V (Form A and Form B)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added an additional option to subscribe to Cross-Border Securities Custody Services.</td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>07 May 2012</td>
<td><strong>Clause 6.1.2</strong></td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For MYR (a) Settlement Services: Rewording of table row to suit future situation in the event of additional services subject to BNM approval.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 6.1.3 (iv)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added new requirement for admission to RENTAS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 10.4 until 10.8</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added new clause on finality of settlement for SSDS transactions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 13.5.6</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Revised LOSF operating hours from 8:00am to 2:30pm to 9:00am to 4:00pm.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 30.0</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added new procedures for Mini RENTAS, the last resort contingency system.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Numbering of clauses:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Due to insertion of Clause 30.0, all other clauses beginning from Clause 30.0 in Version 1.3 has been re-numbered (+1).</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 33.2</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added a form (Appendix XII) for participants to request use of RENTAS test environment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Appendix XII</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>New request form for RENTAS test environment.</td>
<td></td>
</tr>
<tr>
<td>Version No.</td>
<td>Date of Update</td>
<td>Summary of Change</td>
<td>Updated By</td>
</tr>
<tr>
<td>------------</td>
<td>---------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>1.5</td>
<td>11 Sept 2012</td>
<td>Clause 9.2</td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Extension of cut-off time for all repayments of maturities from 11:00am to 11:30am.</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>06 Sep 2013</td>
<td>Clause 9.2</td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added new clause to incorporate the revised settlement time for FPX, Direct Debit and Interbank GIRO clearing positions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clause 11.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provide clarity that securities due for redemption are not eligible as collateral for intraday credit.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clause 30.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added new clause to make it compulsory for RENTAS Participants to participate in annual mini-RENTAS test run</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Guidelines appendices and relevant clauses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To change the BCP related communication channel to <a href="mailto:compliance.lvp@myclear.org.my">compliance.lvp@myclear.org.my</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appendices and relevant clauses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reflect MyClear’s new office address:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Large Value Payments and Securities Services Division</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level 10, Tower 2A, Avenue 5, Bangsar South 8, Jalan Kerinchi 59200 Kuala Lumpur</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appendix V – Form A &amp; B</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen procedures for disclosing information to meet requirements for “permitted disclosures” under Section 134, Schedule 11 Clause 1 of the Financial Services Act (FSA).</td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td>06 Dec 2013</td>
<td>Table 9.2</td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To incorporate 2nd Interbank GIRO settlement at 12:00 noon (in addition to existing settlement at 4:20 pm)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clause 10.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The changes are intended to include IFTS payments processed by Mini RENTAS in the conditions for finality.</td>
<td></td>
</tr>
<tr>
<td>Version No.</td>
<td>Date of Update</td>
<td>Summary of Change</td>
<td>Updated By</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 10.4</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The changes are intended to include <strong>SSDS sales and repos</strong> processed by Mini RENTAS in the conditions for finality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 10.6</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The changes are intended to include <strong>free-of-payment</strong> transactions processed by Mini RENTAS in the conditions for finality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 14.1</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delete 30 minutes deal confirmation and make reference to Operational Procedures for Securities Services.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Footnote to Clause 27.3</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provide clarity to requirement to cover all BCP and DR scenarios every three years:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide definition for “Network Connectivity” and Participant’s Internal Systems in the RENTAS BCP and DR scenarios for further clarity.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define method of computing the duration of three years given to participants to cover BCP scenarios.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Appendix I</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change the domain of RENTAS email address from <a href="mailto:rentas@bnm.gov.my">rentas@bnm.gov.my</a> to <a href="mailto:rentas@myclear.org.my">rentas@myclear.org.my</a>.</td>
<td></td>
</tr>
<tr>
<td>1.8</td>
<td>11 Aug 2014</td>
<td><strong>Clause 27.3</strong></td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To provide definition of network connectivity as follow:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Note: Network connectivity refers to the point where NWI originate at the Participant’s site</td>
<td></td>
</tr>
<tr>
<td>2.0</td>
<td>05 Jan 2015</td>
<td><strong>Clause 5.4.1</strong></td>
<td>MyClear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To provide clarity that BNM owns the e-PKI system.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 8.3</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To add in Clause 7.9 as one of relevant clause to be read in Clause 8.3.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 9.1</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>MYR Settlement Business hours is extended to facilitate multiple Interbank GIRO Settlements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 9.2</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Added new settlement time for each Interbank GIRO clearing window.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Established a MYR Evening Settlement Window</td>
<td></td>
</tr>
</tbody>
</table>
to facilitate settlement of Interbank GIRO clearing position after 6:00pm.

- Introduced new time for auto-deposit/acceptance facility and repayment

**Clause 9.11**
New clause to provide clarity that the MYR Evening Settlement Window is open for Interbank GIRO settlement only.

**Clause 11.0**
To rename existing clause to reflect the expanded scope of this section with the inclusion of ACOFF:

**MYR Intraday Credit and Automatic Collateralized Overnight Funding Facilities**

**Clause 11.1**
New sub clause specifying the types of credit facilities in RENTAS: MYR Intraday and Auto-Collateralized Overnight Funding Facility

**Clause 11.2**
Provide clarity that Intraday credit is only offered between 8:00am – 6:00pm.

**Clause 11.5**
Provide clarity that securities in the collateral (K account) account are not eligible as collateral two Business days before redemption.

**Clauses 11.14 – Clause 11.26**
New clauses to specify the ACOFF process

**Clause 17.2**
New requirement on submission of incident reports

**Clause 19.12**
Add new clause to explain how unpaid ACOFF is managed

**Clause 25.3**
To provide clarity that issues with billing has to be reported to MyClear within fourteen (14) calendar days.

**Clause 27.2**
Participant’s operating site of RENTAS MC should be read and understood as:

- Production Site
• Disaster Recovery

**Clause 27.3**
Add additional footnote no. 5 at the word of following* :
• For participants who have completed the requirements as at 31 December 2014, they shall attempt to cover as many applicable scenarios as possible, until the full implementation of new RENTAS which is scheduled in 2016.

**Clauses 37.1 –37.9**
Specify new processes for “Auto-Deposit/Acceptance Facility (ADF)”

**Guideline I : Guideline on MYR Third Party Payments**
**Clause 6.2**
Specify Payment Reference Standards to facilitate reconciliation under the ePIF framework

**Clause 6.3**
New clause added. To specify the Payment Reference Standard for both Beneficiary party and Ordering party.

**Guideline II : Guidelines on Compensation on Inter-Bank Failed Settlements**
**Clause 1.1**
To specify the resolution time for compensation claims to ensure timely completion.

**APPENDICES**
**Appendix XI : RENTAS BCP Live Run Checklist**
• All references made to “MyClear’s IT Service Provider” replaced with “RENTAS MC IT Service Provider”
This is to improve clarity which party is accountable for RENTAS front-end support.

• All references made to “chs.backup=settle@bnm.gov.my” replaced with chs.backup=settle2048@bnm.gov.my
This is to reflect the use of new 2048bit digital certificate.
<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of Update</th>
<th>Summary of Change</th>
<th>Updated By</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>16 April 2015</td>
<td><strong>Document Information</strong>&lt;br&gt;Removal of “Release Date” to avoid confusion with “Effective Date”.&lt;br&gt;&lt;br&gt;<strong>Clause 9.2</strong>&lt;br&gt;To remove the Auto Deposit Facility and include the Activation of ACOFF in the MYR Settlement Business Hours&lt;br&gt;&lt;br&gt;<strong>Clause 11.14-11.30</strong>&lt;br&gt;Improve clarity of clauses pertaining to the Auto Collateralized Overnight Funding Facility (ACOFF)&lt;br&gt;&lt;br&gt;<strong>Clause 37.0</strong>&lt;br&gt;To remove the entire clause on Auto Deposit Facility with the termination of the facility effective 9th Feb 2015.&lt;br&gt;&lt;br&gt;<strong>Guideline II – 1.3 &amp; 1.4</strong>&lt;br&gt;1) To rephrase “MYR Inter-bank Payments” to “MYR Inter-bank Settlements” and “MYR Inter-bank failed payments” to “MYR Inter-bank failed settlements” in the Guidelines on Compensation on Inter-Bank Failed Settlements, to provide clarity to participants.</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>18 Apr 2016</td>
<td><strong>Clause 4.0</strong>&lt;br&gt;To include new access channels in the Overview diagram.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 5.2</strong>&lt;br&gt;To provide clarity on New RENTAS access channels.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 30.14</strong>&lt;br&gt;To add in workarounds for Repo and USD PvP transactions in the event Mini RENTAS is activated.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Appendix XIII – SUPPLEMENTARY REQUIREMENTS FOR NEW RENTAS</strong>&lt;br&gt;To provide Participants with guidelines to be used during the staggered implementation period between May to September 2016.</td>
<td></td>
</tr>
<tr>
<td>3.0</td>
<td>09 Aug 2016</td>
<td><strong>Clause 4.0</strong>&lt;br&gt;Reflected the New RENTAS components’ diagram</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 9.7</strong>&lt;br&gt;Replaced the entire clause (9.7.1 to 9.7.8) with new clauses on the requirement of ‘2 minutes Rule’ with compliance tolerance and the exemptions.</td>
<td></td>
</tr>
<tr>
<td>Version No.</td>
<td>Date of Update</td>
<td>Summary of Change</td>
<td>Updated By</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Clause 10.0</td>
<td>Added new clause on the list of transaction type available ISO 15022 SWIFT messages in RENTAS format.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clause 12.0</td>
<td>Removed STP REQUIREMENTS that are no longer applicable and replaced the newly added Grid Resolution, a new module introduced in New RENTAS.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clause 15.0</td>
<td>Replaced the entire clause (14.1 to 14.9) as the process changed from confirmation based to matching based and include the introduction of tolerance amount for the proceed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clause 22.0</td>
<td>Segregated the security requirement under e-PKI and SWIFT security for clarity purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guideline I</td>
<td>Replaced most of the clauses to be in line with new RENTAS format messages while facilitating AMLA, ePIF and FEA requirements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guideline II</td>
<td>Removed the requirement to include the indemnity clause in the CRN (MT198) and to clarify the automatic binding of the indemnity clause to the Participation Rules.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>18 Apr 2017</td>
<td>Clause 9.2</td>
<td>MyClear</td>
</tr>
<tr>
<td>Clause 9.2</td>
<td>Updated the schedule of MYR settlement activities in RENTAS to include settlement of Bursa Malaysia Derivatives which takes effect on 1/7/2017. Amended the 11.00 am settlement activities description to provide better clarity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clause 9.7.5 and Clause 9.7.6</td>
<td>Amended the clause to add exemption to 30 minute crediting requirement for transactions that fail regulatory, sanction or money laundering screening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clause 9.10.1</td>
<td>Updated the clause to reflect forward dated transaction for IFTS that is allowed for up to one calendar year (to be consistent with existing PVP and SSDS).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Version No.</td>
<td>Date of Update</td>
<td>Summary of Change</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Clause 12.29</td>
<td></td>
<td>Updated the clause to reflect new process for repurchase of securities under ACOFF for Islamic Banks.</td>
<td></td>
</tr>
<tr>
<td>Clause 29.1 and 29.2</td>
<td></td>
<td>Amended clauses to make reference to the Guidelines on Business Continuity Management for Participants of MyClear’s Services (BCM Guidelines)</td>
<td></td>
</tr>
<tr>
<td>Clause 29.3, 29.4 and 29.5</td>
<td></td>
<td>Removed clauses as it is covered in the BCM Guidelines.</td>
<td></td>
</tr>
<tr>
<td>Clause 30.1.2</td>
<td></td>
<td>Amended clause to make reference to the BCM Guidelines.</td>
<td></td>
</tr>
<tr>
<td>Clause 30.1.5</td>
<td></td>
<td>Added new clause to make reference to Appendix I – Penalty Charges in the BCM Guidelines.</td>
<td></td>
</tr>
</tbody>
</table>

Guideline I
Clause 3.2.7
Specified validation process for receiving banks prior to crediting funds to beneficiary account.

Clause 3.2.8
Added new clause regarding return of funds if receiving banks do not receive credit notification with amended beneficiary information by 4.30 pm.

Guideline II
Introduced new guideline to standardize market practices for handling invalid special characters in RENTAS.

Guideline III
Clause 2.2.4.3 and Clause 2.2.4.4
Renumbered from Guideline II.
Updated the time specified in the clause to streamline with clause 3.2.8 on the cut-off time for returning funds due to wrong payment.
<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of Update</th>
<th>Summary of Change</th>
<th>Updated By</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>01/01/2018</td>
<td><strong>All Relevant Clauses</strong>&lt;br&gt;To replace MyClear with PayNet in the entire document</td>
<td>PayNet</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 1.2</strong>&lt;br&gt;To add Guidelines on Business Continuity Management for Participants of PayNet’s Services as an additional document to be read in conjunction with this OP</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 9</strong>&lt;br&gt;To amend timing for batch settlement to imply that it can be settled before the scheduled time.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 19</strong>&lt;br&gt;To remove “but not limited to, operational disruptions” from situations necessitating Participants’ submission of incident reports to PayNet</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Clause 32</strong>&lt;br&gt;To remove Clause 32.11 as it is not applicable for New Mini RENTAS.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Guideline I</strong>&lt;br&gt;To remove the requirement to state Payment Reference Number and Payment Description in Ordering Party’s and Beneficiary’s statement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Guideline II</strong>&lt;br&gt;To add alternative characters to replace special characters “%” that are not supported by SWIFT.</td>
<td></td>
</tr>
</tbody>
</table>
# Table of Content

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Introduction</td>
<td>17</td>
</tr>
<tr>
<td>2.0 Purpose</td>
<td>18</td>
</tr>
<tr>
<td>3.0 Definition of RENTAS</td>
<td>19</td>
</tr>
<tr>
<td>4.0 Overview</td>
<td>20</td>
</tr>
<tr>
<td>5.0 System Components</td>
<td>22</td>
</tr>
<tr>
<td>6.0 RENTAS Membership</td>
<td>24</td>
</tr>
<tr>
<td>7.0 Admission of New Participant for MYR Settlement in RENTAS</td>
<td>26</td>
</tr>
<tr>
<td>8.0 Existing RENTAS Foreign Currency Participants or Cross-Border Securities Custody Services (CSCS) Participants Subscribing to MYR Settlement Services</td>
<td>28</td>
</tr>
<tr>
<td>9.0 MYR Settlement Business Hours</td>
<td>29</td>
</tr>
<tr>
<td>10.0 Transactions Types and Message Formats</td>
<td>32</td>
</tr>
<tr>
<td>11.0 MYR Settlement Account and Settlement Finality</td>
<td>35</td>
</tr>
<tr>
<td>12.0 MYR Intraday Credit and Auto-Collateralized Overnight Funding Facilities</td>
<td>37</td>
</tr>
<tr>
<td>13.0 Gridlock Resolution</td>
<td>41</td>
</tr>
<tr>
<td>14.0 Queue Management</td>
<td>42</td>
</tr>
<tr>
<td>15.0 SSDS Processing</td>
<td>44</td>
</tr>
<tr>
<td>16.0 Standing Instructions</td>
<td>46</td>
</tr>
<tr>
<td>17.0 Request for Extension of PvP Link Cut-off Time</td>
<td>47</td>
</tr>
<tr>
<td>18.0 Request for Extension of MYR Settlement Cut-off Time</td>
<td>48</td>
</tr>
<tr>
<td>19.0 Incident Report (IR)</td>
<td>50</td>
</tr>
<tr>
<td>20.0 Compensation on Inter-Bank Failed Settlements</td>
<td>51</td>
</tr>
<tr>
<td>21.0 Managing Unpaid Credit Facilities</td>
<td>52</td>
</tr>
<tr>
<td>22.0 Public Key Infrastructure Security Requirements</td>
<td>54</td>
</tr>
<tr>
<td>23.0 RENTAS iLINK Certificate (ID) Registration</td>
<td>55</td>
</tr>
<tr>
<td>24.0 Digital Certificates</td>
<td>56</td>
</tr>
<tr>
<td>25.0 Authenticity, Confidentiality and Irrevocability of the RENTAS MYR Settlement Messages</td>
<td>57</td>
</tr>
<tr>
<td>26.0 Minimum Transaction Amount</td>
<td>58</td>
</tr>
<tr>
<td>27.0 Billing</td>
<td>59</td>
</tr>
<tr>
<td>28.0 Online Host Enquiry</td>
<td>60</td>
</tr>
<tr>
<td>29.0 Business Continuity Management (BCM)</td>
<td>61</td>
</tr>
<tr>
<td>30.0 BCM Arrangements in Relation to RENTAS Failure</td>
<td>62</td>
</tr>
<tr>
<td>31.0 RENTAS Host Failure at Production Site</td>
<td>63</td>
</tr>
<tr>
<td>32.0 RENTAS Host Failure at Both Production Site and Recovery Centre (RC)</td>
<td>64</td>
</tr>
<tr>
<td>33.0 e-PKI Failure</td>
<td>66</td>
</tr>
<tr>
<td>34.0 Network Connectivity Failure</td>
<td>67</td>
</tr>
<tr>
<td>35.0 Testing Procedure</td>
<td>68</td>
</tr>
<tr>
<td>36.0 User Manuals</td>
<td>69</td>
</tr>
<tr>
<td>37.0 RENTAS Participants Directory</td>
<td>70</td>
</tr>
<tr>
<td>38.0 Customer Service</td>
<td>71</td>
</tr>
<tr>
<td>GUIDELINES</td>
<td>72</td>
</tr>
</tbody>
</table>
Guideline I - Guidelines on MYR Third Party Payments ................................................................. 72
Guideline II – Guidelines on Handling the invalid characters in RENTAS .................................... 75
Guideline III – Guidelines on Compensation on Inter-Bank Failed Settlements ............................. 76
APPENDICES .................................................................................................................................... 82
Appendix I - RENTAS – Contact Details .......................................................................................... 82
Appendix II (a) - Request For Extension of RENTAS PvP Link Cut-off Time ................................. 83
Appendix II (b) - Request For Extension of RENTAS MYR Settlement Cut-off Time ...................... 84
Appendix IV - Request To Re-sequence or Cancel Payment Instruction(s) In Priority Queue .......... 86
Appendix V - Form A: New Participant ............................................................................................. 87
Appendix V - Form B: Existing RENTAS Participant Extends Membership to MYR Settlement Service 88
Appendix V - Form C: Confirmation of Access Channel for MYR Settlement in RENTAS ............... 89
Appendix VI - Example of RBG MT103 Construct Screen ............................................................... 90
Appendix VII - Example of SWIFT Access MT103 Construct Screen ........................................... 91
Appendix VIII - Contact Person for Daily Operation of RENTAS ................................................. 92
Appendix IX - RENTAS – Authorised Signatories List ..................................................................... 93
Appendix X - Activation of RENTAS Bank Gateway (RBG) Back-up System at PayNet ................... 94
Appendix XI - RENTAS BCP Live Run and Activation of 3rd BCP at PayNet Checklist .................... 95
Appendix XII – Request Form for RENTAS Test Environment .................................................... 96
Appendix XIII – Guideline for Registration of New Digital Certificate in RENTAS iLINK ............... 97
Document Information

Operational Procedures for MYR Settlement in RENTAS

For Participants of MYR Settlement in RENTAS
All rights reserved

This document contains proprietary information, which should not be produced in whole or in part, nor released to third parties nor used for unauthorised purposes, without the prior written agreement from Payments Network Malaysia Sdn. Bhd. (PayNet).
1.0 Introduction

1.1 The Operational Procedures provides information and procedures that are applicable to Participants using the Real Time Electronic Transfer of Funds and Securities (RENTAS) for MYR Settlement for interbank fund transfers, clearing houses’ transactions and securities trades and corporate actions.

1.2 These Operational Procedures shall be read in conjunction with the following documents:
   i. Participation and Operation Rules for Payment and Securities Services;
   ii. Procedures for Foreign Currency Settlement in RENTAS;
   iii. Operational Procedures for Cross-Border Securities Custody Services in RENTAS;
   iv. Operational Procedures for Securities Services;
   v. Bank Negara Malaysia’s Guidelines on Standing Facilities;
   vi. Bank Negara Malaysia’s Guideline on Intraday Credit Facility;
   vii. Guidelines on Business Continuity Management for Participants of PayNet’s Services; and
   viii. Other relevant guidelines, notices, circulars issued by PayNet or BNM from time to time.
2.0 Purpose

2.1 These Operational Procedures are intended to equip Participants with an operating knowledge of MYR Settlement in RENTAS and serve as a basis for Participants to develop comprehensive internal procedures.

2.2 These Operational Procedures take effect from 01 January 2018.
3.0 Definition of RENTAS

3.1 RENTAS 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.
4.0 Overview

4.1 Participants may initiate payment and securities transactions using the Participant Terminals. Of the 3 types of Participant Terminals, Participants shall use the RENTAS Bank Gateway (RBG) or the SWIFT Access as their primary means of initiating and processing RENTAS transactions\(^1\). RENTAS iLINK is a contingency access channel in the event that RBG or SWIFT Access fails. The Participant Terminals transmit the transactions to the RENTAS Host where the transactions are processed by simultaneously debiting the paying Participant and crediting the receiving Participant’s MYR Settlement Account maintained with Bank Negara Malaysia (“BNM”) or the Participant’s Foreign Currency Settlement Accounts maintained with

---

\(^1\) Participants with only non-essential transactions, low aggregate transaction value and very low volume may seek exemption from this requirement
designated Onshore Settlement Institutions (OSI). Upon completion of MYR funds transfer transactions; RENTAS Host will send MYR completion advices to the paying Participants, while the receiving Participants will receive MYR confirmation advices.

4.2 The RENTAS Host will process all transactions on an online and real time basis. Participants may also perform online queries on the status of their transactions and account balances via RENTAS iLINK.
5.0 System Components

5.1 RENTAS Host System (RENTAS Host)

The RENTAS Host consists of the following major modules:

5.1.1 Inter-bank Funds Transfer System (IFTS)
This module receives, validates, queues and processes fund transfer transactions and cash Settlements. It then relays the transactions to the MYR Settlement Account System (MYR SAS) or the Foreign Currency Settlement Account System (MCT SAS), where debit and credit transactions are posted to the Participants’ MYR Settlement Account or foreign Currency Settlement Account respectively.

5.1.2 MYR Settlement Account System (MYR SAS)
This is a real-time accounting module that posts debits and credits to MYR cash accounts across the books of BNM. All MYR Settlement Accounts are maintained with BNM.

5.1.3 Foreign Currency Transfer Settlement Account System (MCT SAS)
This is a real-time accounting module that posts debits and credits to foreign currency cash accounts across the books of OSIs. All Foreign Currency Settlement Accounts are maintained with OSIs.

5.1.4 Scripless Securities Depository and Settlement System (SSDS)
This module receives, validates, queues and processes securities sales, repos, free-of-payment transfers and pledges. It then simultaneously initiates debit and credit to the Securities Account of the buyer and seller and synchronizes securities Settlement with cash Settlement in the IFTS module to achieve Delivery versus Payment (DvP).

5.1.5 Payment vs Payment (PvP) Link to USD CHATS
PvP is a cross border link between the RENTAS system and the USD CHATS system in Hong Kong. This link provides real-time Settlement for foreign exchange (FX) transactions involving US Dollars (USD) and MYR, whereby USD settlement takes place in USD CHATS, while MYR settlement takes place in RENTAS.

5.1.6 RENTAS Euroclear Link
This is a cross-border link between RENTAS and Euroclear. This link allows RENTAS to offer securities Settlement and custody services through the Euroclear System and serves as the basis for Cross-Border Securities Custody Services in RENTAS (CSCS).

5.2 RENTAS Terminals

Participants Terminals

5.2.1 There are 3 RENTAS Terminals that Participants can use to access New RENTAS, namely the RENTAS Bank Gateway, SWIFT Access and RENTAS iLINK. Participants
may opt for either the RENTAS Bank Gateway or SWIFT Access as their primary terminal, while RENTAS iLINK may be used for contingency purposes:

i. **RENTAS Bank Gateway (RBG)**
   Participants use RBG to enter, transmit and receive MYR and foreign currency funds and securities transactions. RBG also provides straight-through processing capabilities to automatically relay transactions from Participants’ internal systems to RENTAS Host without the need for data entry or manual intervention at RBG. RBG connects to RENTAS Host via the network described in Clause 5.3

ii. **SWIFT Access**
   Participants use SWIFT Access to enter, transmit and receive MYR and foreign currency funds and securities transactions. SWIFT Access has 2 technology platforms, namely SWIFT Alliance Access (SAA) and SWIFT Alliance Lite2. SAA is a system with straight-through processing capabilities installed at the Participants’ premises or data centres while SWIFT Alliance Lite2 is a cloud solution that is hosted offshore by SWIFT. Due to regulatory requirements that prohibit the use of offshore cloud solutions for payment processing, Participants are only allowed to use SAA to access RENTAS Host. SWIFT Access connects to RENTAS Host via SWIFT’s messaging network

iii. **RENTAS iLINK**
   RENTAS iLINK is a web-based system that provides real-time information such as cash positions, securities holdings and Settlement status of transactions. RENTAS iLINK also acts as a Participant Terminal that:
   a) allows initiation of MYR and foreign currency funds and securities transactions; and
   b) allows initiation of CSCS settlement instructions and custody operation instructions.

   RENTAS iLINK is connected to RENTAS Host via the private network described in Clause 5.3 as well as the Internet. Access to iLINK via the Internet would be enabled only if the primary network described in Clause 5.3 fails.

### 5.3 Network

5.3.1. Participants using RENTAS iLINK and RBG connect to RENTAS Host via a security private communication network provided by a third party provider determined by PayNet.

5.3.2. Participants using SWIFT Access connect to RENTAS Host via SWIFTNet.

### 5.4 Enterprise Public Key Infrastructure (e-PKI)

5.4.1 Enterprise Public Key Infrastructure (e-PKI) provides data authenticity, integrity and non-repudiation features, thus ensuring the security of transactions and information transmitted via RBG and RENTAS iLINK.
6.0 RENTAS Membership

6.1 Types of RENTAS membership

6.1.1 RENTAS Membership is open to entities that meet the following criteria:

i. Financial Institutions ("FIs") regulated by BNM and institutions under BNM’s purview;

ii. Investment banks co-regulated by BNM and the Securities Commission of Malaysia;

iii. International Central Securities Depository (ICSD) and National Central Securities Depository (CSD);

iv. Central banks / monetary authorities, qualified foreign licensed financial institutions and multi-lateral development banks;

v. Qualified domestic entities that provide payment and clearing services (clearing houses);

vi. Qualified institutions whose admission will promote the development of the Malaysian financial markets.

6.1.2 There are six (6) types of RENTAS membership as illustrated in the table below:

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Type I</th>
<th>Type II</th>
<th>Type III</th>
<th>Type IV</th>
<th>Type V</th>
<th>Type VI</th>
</tr>
</thead>
<tbody>
<tr>
<td>For MYR:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Settlement</td>
<td>Access to both Settlement and Securities Accounts</td>
<td>Access to both Settlement and Securities Accounts</td>
<td>Access to Securities Accounts only</td>
<td>Access to Securities Accounts for own holdings only</td>
<td>Access to Settlement and Securities Accounts for own holdings only</td>
<td>Access to Settlement and Securities Accounts for own holdings only</td>
</tr>
<tr>
<td>Services</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>b) Intraday</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>credit facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Direct</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Foreign Currencies: a) Settlement Services</td>
<td>Type I</td>
<td>Type II</td>
<td>Type III</td>
<td>Type IV</td>
<td>Type V</td>
<td>Type VI</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------</td>
<td>--------</td>
<td>----------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Access to both Settlement and Securities Accounts</td>
<td>Access to both Settlement and Securities Accounts</td>
<td>Access to Securities Account</td>
<td>Access to Securities Account for own holdings only</td>
<td>Access to Securities Account</td>
<td>Access to Settlement Accounts only</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b) Intraday Credit Facility</th>
<th>At the discretion of OSI where the Participants maintain their foreign currency account.</th>
</tr>
</thead>
<tbody>
<tr>
<td>c) Direct Participation</td>
<td>Yes</td>
</tr>
</tbody>
</table>

6.1.3 Potential participants seeking admission to RENTAS shall fulfil the following requirements:
   i. Demonstrate financial soundness.
   ii. Have sufficient liquidity position or credit lines to cover the Participants’ maximum expected settlement obligation in RENTAS.
   iii. Have sufficient expertise and resources to operate RENTAS.
   iv. Possess sufficient risk management and business continuity planning framework and policies.

6.1.4 Foreign entities with access to only securities accounts in RENTAS shall open a MYR cash account with a Malaysian bank for MYR cash settlement purposes and shall ensure sufficient liquidity at their participating banks, either by maintaining sufficient balances or by obtaining access to credit lines.

6.1.5 Documents that have to be submitted for the participation application shall include:
   i. The latest three (3) years audited financial statements.
   ii. Certificate of incorporation.
   iii. Board resolution approving participation in RENTAS.
   iv. Memorandum and articles of association.

6.1.6 Participants may be requested to submit documents on an annual basis to provide evidence that they are in compliance with the requirements outlined in Clause 6.1.3.

6.1.7 PayNet may waive document submissions for entities that are regulated by BNM, or entities under BNM’s purview.
7.0 Admission of New Participant for MYR Settlement in RENTAS

7.1 To participate in RENTAS MYR Settlement, new Participants shall undertake the following:

7.1.1 Complete and submit the “Confirmation of Participation” form to PayNet as per Appendix V (Form A), “Confirmation of Access Channel for MYR Settlement in RENTAS” form as per Appendix V (Form C), “Contact Person for the Daily Operation of RENTAS” form as per Appendix VIII and “RENTAS - Authorised Signatories List” form as per Appendix IX. Please also refer to PayNet’s contact details in Appendix I;

7.1.2 Open a MYR Settlement Account directly with Currency Management and Operation Department of BNM. Please refer to Appendix I for the contact details for PayNet’s and BNM’s RENTAS operations;

7.1.3 Open a Securities Account with BNM (via PayNet), if applicable;

7.1.4 Obtain a Bank Identification Code (BIC) by registering with The Society for Worldwide Inter-bank Financial Telecommunication (SWIFT). The BIC will be used as part of a unique identifier code (UIC) for the Participant;

7.1.5 Obtain a digit code from BNM. This code is to be used as the UIC for each Participant²;

7.1.6 Acquire the RENTAS application software for the Participant Terminals (RBG and/or SAA) from authorized vendors. For SAA, the authorized vendor is SWIFT or, if applicable, a solution provider nominated and certified by SWIFT. For RBG, the authorised vendor would be designated by PayNet;

7.1.7 Acquire the necessary application software, hardware, operating systems, and database software that are compatible with the chosen Participant Terminals;

7.1.8 Deploy the applicable communication network for RBG or SAA as stated in Clause 5.3;

7.1.9 Deploy e-PKI security module (HSMs, tokens and certificates) for RBG and RENTAS iLINK;

7.1.10 Establish a Business Continuity Plan (BCP) for the Participant’s RENTAS MYR Settlement operations;

7.1.11 Establish processes, internal controls and procedures to ensure that RENTAS MYR Settlement operations are carried out with minimal risk to the Participants, counterparties and PayNet;

² For institutions that are not under the purview of BNM, the UIC will be provided by PayNet.
7.1.12 Notify PayNet’s Payment Services Section for the activation of access to RENTAS iLINK; and

7.1.13 Notify PayNet in writing two (2) weeks before the actual implementation date of operations.
8.0 Existing RENTAS Foreign Currency Participants or Cross-Border Securities Custody Services (CSCS) Participants Subscribing to MYR Settlement Services

8.1 Existing RENTAS Participants in RENTAS’ Foreign Currency Settlement Services or Cross-Border Securities Custody Services (CSCS) who have received approval from PayNet to participate in MYR Settlement Services shall open a MYR Settlement Account directly with Currency Management and Operation Department of BNM.

8.2 The Participants shall complete and submit the “Confirmation of Participation in Additional Services” form to PayNet as per Appendix V (Form B), two (2) weeks before the actual implementation date of the Participants’ MYR Settlement operations.

8.3 In addition, the Participants shall undertake the tasks mentioned in 8.1 and Clauses 7.1.1 to 7.1.13.
9.0 MYR Settlement Business Hours

9.1 The Business hours for MYR Settlement in RENTAS is from 8.00 am to 9.00 pm on all Business days.

9.2 The detailed schedules for MYR Settlement activities in RENTAS are as provided in the table below:

<table>
<thead>
<tr>
<th>Scheduled Time</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00 am</td>
<td>MYR Settlement opening</td>
</tr>
<tr>
<td></td>
<td>Repayment of Automatic Collateralized Overnight Funding Facility to BNM</td>
</tr>
<tr>
<td></td>
<td>Bursa Derivatives Malaysia – Settlement of first margin call</td>
</tr>
<tr>
<td>8:30 am</td>
<td>Start time for PvP Link to USD CHATS</td>
</tr>
<tr>
<td>By 8:45 am</td>
<td>eSPICK normal clearing settlement</td>
</tr>
<tr>
<td>By 8:50 am</td>
<td>MYR Settlement for Interbank GIRO and Direct Debit clearing – 1st window</td>
</tr>
<tr>
<td>11:00 am</td>
<td>Settlement of Interbank Maturity/ Forward value dated transactions</td>
</tr>
<tr>
<td>By 11:30 am</td>
<td>Cut-off time for all repayments of maturities and settlement for MyDebit, MEPS Cash and Shared ATM clearing 1st window</td>
</tr>
<tr>
<td>By 11:50 am</td>
<td>MYR Settlement for Interbank GIRO and Direct Debit clearing – 2nd window</td>
</tr>
<tr>
<td>By 2:50 pm</td>
<td>MYR Settlement for Interbank GIRO and Direct Debit clearing – 3rd window</td>
</tr>
<tr>
<td>3:30 pm</td>
<td>Cut-off time to send PvP payment instructions to Participant’s banker in Hong Kong</td>
</tr>
<tr>
<td>4:00 pm</td>
<td>MYR Intraday Credit Cut-off Warning</td>
</tr>
<tr>
<td></td>
<td>Cut-off time for paying Participants to initiate MYR third party transaction and PvP transaction (MYR Leg)</td>
</tr>
<tr>
<td>By 4:15 pm</td>
<td>MYR Settlement for Financial Processing Exchange</td>
</tr>
<tr>
<td>By 4.20 pm</td>
<td>MYR Settlement for MEPS Shared ATM Clearing – 2nd Window</td>
</tr>
<tr>
<td>4:30 pm</td>
<td>MYR Intraday credit cut-off. No borrowing from ‘K’ account</td>
</tr>
<tr>
<td>5:00 pm</td>
<td>Cut-off warning for PvP Link to USD CHATS</td>
</tr>
<tr>
<td>5:30 pm</td>
<td>Cut-off time for PvP Link to USD CHATS</td>
</tr>
<tr>
<td>6:00 pm</td>
<td>Cut-off time for the repayment of MYR Intraday Credit Facility</td>
</tr>
<tr>
<td></td>
<td>MYR Settlement Cut-off time</td>
</tr>
</tbody>
</table>
9.3 PayNet may amend the MYR Settlement Business hours in Clause 9.2., if circumstances warrant such a change, either temporarily or permanently.

9.4 Participants are strongly advised to observe the cut-off times for payments and settlements as delays may affect the liquidity of counterparties that are expecting these payments. In the event of unavoidable delays, the paying Participants shall communicate directly with the receiving Participants on the delay.

9.5 To avoid possible transaction congestion during peak hours and the risk of failed Settlement, Participants are encouraged to transmit their messages as early as possible.

9.6 As stated in Clause 9.2, the MYR third party transaction cut-off time for RENTAS MYR Settlement Participants is 4:00 pm. Participants are allowed to impose an earlier cut-off time for their customers but the cut-off time for customers should be no earlier than 3:00 pm.

9.7 Availability of Funds for Beneficiary:
9.7.1 All paying Participants shall transmit payment instructions to RENTAS Host within the transaction initiation duration specified below upon receiving an instruction from the paying customers:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Transaction Initiation Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sep 2016</td>
<td>30 minutes</td>
</tr>
<tr>
<td>1 Sep 2017</td>
<td>17 minutes</td>
</tr>
<tr>
<td>1 Jan 2018</td>
<td>12 minutes</td>
</tr>
<tr>
<td>1 Jan 2019</td>
<td>7 minutes</td>
</tr>
<tr>
<td>1 Jan 2020</td>
<td>2 minutes</td>
</tr>
</tbody>
</table>

3 PayNet may vary the “MYR Settlement for Interbank GIRO and Direct Debit clearing – 5th window” time depending on when the Interbank GIRO clearing positions are available.

4 The transaction initiation duration has factored in a compliance tolerance that would be gradually removed between 2017 – 2019. Participants shall comply fully with the transaction initiation duration.
9.7.2 All receiving Participants shall ensure good funds\(^5\) are credited to the beneficiary customer’s account within the funds availability duration specified below upon receiving a credit confirmation advice from RENTAS Host.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Funds Availability Duration(^6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sep 2016</td>
<td>30 minutes</td>
</tr>
<tr>
<td>1 Sep 2017</td>
<td>17 minutes</td>
</tr>
<tr>
<td>1 Jan 2018</td>
<td>12 minutes</td>
</tr>
<tr>
<td>1 Jan 2019</td>
<td>7 minutes</td>
</tr>
<tr>
<td>1 Jan 2020</td>
<td>2 minutes</td>
</tr>
</tbody>
</table>

9.7.3 The following types of outgoing payment transfers are exempted from the requirements in Clause 9.7.1:
- i. Payment instructions initiated by customers Over-the-Counter at bank branches;
- ii. Bulk payment transfers;
- iii. Payment instructions that fail regulatory, sanction or anti-money laundering screening;
- iv. Transactions where the payment instruction from customers require repair, correction, conversion or other amendments;
- v. Bank-to-Bank transactions where both the beneficiary and paying customers are RENTAS Participants.

9.7.4 The following types of incoming transaction are exempted from the requirements in Clause 9.7.2:
- i. Transactions that fail regulatory, sanction or anti-money laundering screening;
- ii. Transactions where the credit confirmation contains information require repair or correction.

9.7.5 For outgoing transactions that fall under the exemptions in Clause 9.7.3, paying Participants shall transmit payment instructions to RENTAS Host within 30 minutes of receiving final approval from the paying customers. The above is not applicable for transactions that fail regulatory, sanction or money laundering screening.

9.7.6 For incoming transactions that fall under the exemptions in Clause 9.7.4, all receiving Participants shall make good funds available to the beneficiary customers within 30 minutes of receiving a credit confirmation advice from RENTAS Host. The above is not applicable for transactions that fail regulatory, sanction or money laundering screening.

9.7.7 To facilitate end-to-end tracking and monitoring of funds availability at beneficiary customer’s account, all receiving Participants must notify paying Participants that the account has been successfully credited by sending MT198. This is only

---

\(^5\) Good funds are unencumbered cash balances that can be used immediately upon being credited into the beneficiary’s account.

\(^6\) The funds availability duration has factored in a compliance tolerance that would be gradually removed between 2017 – 2019. Participants shall comply fully with the funds availability duration.
applicable to RENTAS Participants that provide Current Account and Saving Account (CASA) to customers.

9.8  MYR Intraday Money Market Deals
9.8.1  The lender / investor must pay the borrower / investee within thirty (30) minutes from the time the deal is done.

9.9  Same day value for Money Market (MM) / Foreign Exchange (FX) deals
9.9.1  Deals transacted before 5:00 pm are to be settled by 5:30 pm.

9.10  Forward Dated Transactions
9.10.1  Participants may initiate through their Participant Terminals same day value and forward dated transaction as follows:
   i.  IFTS: Forward-dated for up to one (1) calendar year;
   ii. PvP : Forward-dated for up to one (1) calendar year; and
   iii. SSDS: Forward-dated for up to one (1) calendar year.

9.11  During the MYR Evening Settlement Window, Participants shall only perform transactions to facilitate the settlement of Interbank GIRO and Direct Debit clearing positions such as withdrawal from SRR Cash Account to MYR Settlement Account and vice versa.
10.0 Transactions Types and Message Formats

10.1 RENTAS supports the following transaction types which shall be initiated and transmitted using the corresponding SWIFT ISO 15022 message formats:

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>ISO 15022 Message Format</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Transfer Services</strong></td>
<td></td>
</tr>
<tr>
<td>Single Credit Transfer</td>
<td>MT 103 - Single Customer Credit Transfer</td>
</tr>
<tr>
<td></td>
<td>MT 202 - General Financial Institution Transfer</td>
</tr>
<tr>
<td>Multiple Credit Transfer</td>
<td>MT 102 - Multiple Customer Credit Transfer</td>
</tr>
<tr>
<td></td>
<td>MT 203 - Multiple General Financial Institution Transfer</td>
</tr>
<tr>
<td>Transaction Cancellation Request (send to RENTAS Host)</td>
<td>MT 192 - Request for Cancelation of MT103, MT102 and MT198 (credit notification)</td>
</tr>
<tr>
<td></td>
<td>MT 292 - Request for Cancelation of MT202, MT203, MT210 and MT298 (credit/debit notification)</td>
</tr>
<tr>
<td>Transaction Processing Status Update</td>
<td>MT 198 - Response to MT 1xx Messages</td>
</tr>
<tr>
<td></td>
<td>MT 298 - Response to MT 2xx Messages</td>
</tr>
<tr>
<td></td>
<td>MT 598 - Response to MT 599 Messages</td>
</tr>
<tr>
<td></td>
<td>MT 998 - Response to MT 999 Messages</td>
</tr>
<tr>
<td>Debit Notification</td>
<td>MT 298 - Request for Financial Institution Transfer</td>
</tr>
<tr>
<td>Credit Notification (Advice for return/recover of fund)</td>
<td>MT 198 - Advice of Charges, Interest and Other Adjustments</td>
</tr>
<tr>
<td></td>
<td>MT 298 - Advice of Charges, Interest and Other Adjustments</td>
</tr>
<tr>
<td>Notice to Receive</td>
<td>MT 210 - Notice to Receive</td>
</tr>
<tr>
<td>Customer Transfer Tracking</td>
<td>MT 198 - Customer Transfer Tracking</td>
</tr>
<tr>
<td>Allegement Message</td>
<td>MT 298 - Onshore PVP Allegement</td>
</tr>
<tr>
<td></td>
<td>MT 298 - Pre-Advice of Fund Allegement</td>
</tr>
<tr>
<td>Confirmation of Debit</td>
<td>MT 900 - Confirmation of Debit</td>
</tr>
<tr>
<td><strong>Securities Settlement Services</strong></td>
<td></td>
</tr>
<tr>
<td>Securities Transfer Message</td>
<td>MT 540 - Receive Free of Payment</td>
</tr>
<tr>
<td></td>
<td>MT 541 - Receive Against Payment</td>
</tr>
<tr>
<td></td>
<td>MT 542 - Deliver Free of Payment</td>
</tr>
<tr>
<td></td>
<td>MT 543 - Deliver Against Payment</td>
</tr>
<tr>
<td>Settlement Allegement Message</td>
<td>MT 578 - Settlement Allegement</td>
</tr>
<tr>
<td>Settlement Status and Processing Advice Message</td>
<td>MT 548 - Settlement Status and Processing Advice</td>
</tr>
<tr>
<td>Securities Transfer Confirmation Message</td>
<td>MT 544 - Receive Free Confirmation</td>
</tr>
<tr>
<td></td>
<td>MT 545 - Receive Against Payment Confirmation</td>
</tr>
<tr>
<td></td>
<td>MT 546 - Deliver Free Confirmation</td>
</tr>
<tr>
<td></td>
<td>MT 547 - Deliver Against Payment Confirmation</td>
</tr>
</tbody>
</table>
### Settlement Reports

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| **Cash Settlement Reports** | MT 920 - Request Message  
                          | MT 940 - Statement Message  
                          | MT 941 - Balance Report  
                          | MT 950 - Cash Statement  |
| **Securities Settlement Reports** | MT 549 - Request for Statement Advice  
                          | MT 535 - Statement Holding  
                          | MT 536 - Statement of Transactions  |

### Corporate Action Settlement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| **Corporate Action** | MT 564 - Corporate Action Notification  
                          | MT 566 - Corporate Action Confirmation  
                          | MT 567 - Corporate Action Status and Processing Advice  
                          | MT 568 - Corporate Action Narrative  |

### Transaction Type

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>ISO 15022 Message Format</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Free Format Message</strong></td>
<td></td>
</tr>
</tbody>
</table>
| **Free Format Message** | MT199 – For MT1xx message  
                          | MT299 – For MT2xx message  
                          | MT599 – For MT5xx message  
                          | MT999 – For MT9xx message  |
11.0 MYR Settlement Account and Settlement Finality

11.1 All RENTAS MYR Settlement Accounts and Securities Accounts are maintained with BNM. Hence, RENTAS MYR transactions are settled across the books of the central bank. The settlement asset is a claim on the central bank.

11.2 All RENTAS payments are final and irrevocable after the paying Participant submits the payment to RENTAS Host or Mini RENTAS (in the event the contingency system is activated in accordance with Clause 32.0), and the payment has met all conditions necessary to execute the final transfer of funds across the books of BNM. The conditions for final settlement across the books of BNM are as follows:

- 11.2.1 Paying Participant has sufficient liquidity to cover the payment;
- 11.2.2 Paying Participant is in good standing, whereby its membership status is not suspended, frozen or terminated;
- 11.2.3 Value date of payment is a Business day;
- 11.2.4 Receiving participant is in good standing, whereby its membership status is not frozen or terminated;
- 11.2.5 Payment submission time is within the MYR Settlement Business Hours specified in Clause 9.0;
- 11.2.6 The payment Message content and remittance information meets the requirements specified herein.

11.3 Once all the above conditions are met, the Paying Participant’s account is debited, and receiving Participant’s account is credited on a final and irrevocable basis.

11.4 All RENTAS SSDS sales and repos are final and irrevocable after:

- 11.4.1 the seller transmits a Deliver versus Payment message (MT543) and the buyer transmits a Receive versus Payment message (MT541) to RENTAS Host (or, in the event the contingency system is activated in accordance with Clause 32.0, to Mini RENTAS); and
- 11.4.2 the MT543 and MT541 messages are matched; and
- 11.4.3 the transaction has met all conditions necessary to execute the final transfer of funds across the books of BNM from the buyer to seller’s Settlement Accounts, simultaneously against the transfer of securities from the seller to the buyer’s Securities Accounts. The conditions for final settlement across the books of BNM are as follows:
  - i. Buyer has sufficient liquidity to cover the securities purchase;
  - ii. Seller has sufficient securities to deliver;
  - iii. Both buyer and seller are in good standing, whereby its membership status is not suspended, frozen or terminated; Value date of payment is a Business day;
  - iv. Securities transacted is valid, transferable and has not matured;
  - v. Transaction submission time is within the MYR Settlement Business Hours specified in Clause 9.0; and
  - vi. The transaction Message content and remittance information meets the requirements specified herein.
11.5 Once all the above conditions are met, the buyer’s Settlement Account is debited, seller’s Settlement Account is credited, buyer’s Securities Account is credited, and the seller’s Securities Account is debited on a final and irrevocable basis simultaneously.

11.6 All RENTAS SSDS free of payment transfers are final and irrevocable after:

11.6.1 the transferee initiates a Receive Free of Payment message (MT540) and the transferor initiates a Deliver Free of Payment message (MT542) to RENTAS Host (or, in the event the contingency system is activated in accordance with Clause 32.0, to Mini RENTAS);

11.6.2 the MT540 and MT542 are matched; and

11.6.3 the transaction has met all conditions necessary to execute the final transfer of securities from the transferring Participant to the receiving Participant’s Securities Account. The conditions for final settlement across the books of BNM are as follows:

i. Transferring Participant has sufficient securities to deliver;

ii. Both transferring and receiving Participants are in good standing, whereby their membership status are not suspended, frozen or terminated;

iii. Value date of payment is a Business day;

iv. Securities transacted are valid, transferable and have not matured.

11.7 Once all the above conditions are met, the transferring Participant’s Securities Account is debited and the receiving Participant’s Securities Account is credited on a final and irrevocable basis. Participants will receive a confirmation message from RENTAS Host for each transaction that is successfully settled. MT544 for MT540, MT545 for MT541, MT546 for MT542 and MT547 for MT543 (Refer to table in Clause 10.0).
12.0 MYR Intraday Credit and Auto-Collateralized Overnight Funding Facilities

12.1 Eligible Participants may draw on the following credit facilities offered by BNM:
  12.1.1 MYR Intraday Credit Facility
  12.1.2 MYR Auto-Collateralized Overnight Funding Facility (ACOFF)

**MYR Intraday Credit Facility**

12.2 The MYR Intraday credit facility in RENTAS is a credit line provided by BNM to the Participants between MYR Settlement Opening time until MYR Intraday Credit cut-off to ensure that there is sufficient liquidity in RENTAS to effect Settlements on a timely basis. BNM will determine which Participants are eligible for Intraday credit. No Intraday credit facility is provided during MYR Evening Settlement Window.

12.3 The MYR Intraday credit is granted in the form of collateralized borrowing in tranches of RM5 million against Eligible Securities of the eligible Participants. The eligible Participants will be provided with a collateral account (“K account”) to facilitate the earmarking of collateral securities for the MYR Intraday credit drawdown.

12.4 The repayment of MYR Intraday credit facility is automatically done whenever there are sufficient funds in the Participants’ MYR Settlement Account to redeem the earmarked securities in their K account. At MYR Settlement Cut-off time, PayNet will impose a penalty (refer to Appendix II of the Participation and Operation Rules for Payment and Securities Services) on Participants who fail to redeem their MYR Intraday credit facility.

12.5 In order to utilize the MYR Intraday credit facility, Participants must have adequate Eligible Securities in their K account. Eligible Securities would no longer qualify as collateral two (2) Business days before the securities’ Final Redemption Date or Partial Redemption Date or Early Redemption Date. Participants shall monitor the redemption profile of the Eligible Securities in their K account to ensure that there is no shortfall in collateral due to upcoming redemptions.

12.6 BNM will exercise its sole discretion in tagging and identifying a certain value of Eligible Securities (Identified Securities) against the MYR Intraday credit facility granted to each Participant at any given time.

12.7 All rights, title and interest in and to any of the Identified Securities shall vest in BNM free and clear of any liens, claims, charges or encumbrances or any other interest of the Participants or of any third party.

12.8 Though the Identified Securities may be represented in their K account, BNM has complete and full ownership, control and possession of the Identified Securities.

12.9 Nothing in this clause is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in the Identified Securities.
12.10 BNM retains the absolute right to remove the Identified Securities from the Participants’ K account at any given time.

12.11 Provided that the Participant discharges its obligation under the MYR Intraday credit facility within the stipulated time, BNM has the obligation to return only securities equivalent to the Identified Securities of the same type, nominal value, description and amount.

12.12 For the avoidance of doubt and without prejudice to Clause 12.11., if a Participant fails to discharge its obligations under the MYR Intraday credit facility, BNM reserves complete and full rights, title and interest over the Identified Securities.

12.13 While BNM does not currently charge any interest on MYR Intraday credit, a transaction fee per MYR Intraday credit tranche is imposed (Refer to Appendix II of the Participation and Operation Rules for Payment and Securities Services).

**MYR Auto-Collateralized Overnight Funding Facility (ACOFF)**

12.14 ACOFF is an overnight credit line that BNM offers to eligible Participants who are unable to settle their Interbank GIRO and Direct Debit clearing positions during the MYR Evening Settlement Window.

12.15 ACOFF is granted through the outright sale of Eligible Securities from the eligible Participants’ K accounts to BNM. Hence, eligible Participants shall ensure that sufficient Eligible Securities are placed in their K accounts.

12.16 Securities in K accounts would no longer be eligible as ACOFF collateral two (2) Business days before the securities’ Final Redemption Date or Early Redemption Date or Partial Redemption Date or Coupon Date. Participants shall monitor the coupon and redemption profile of securities in their K accounts to ensure that there is no shortfall in Eligible Securities due to upcoming coupon payments and redemptions.

12.17 BNM will exercise its sole discretion in selecting and identifying the Eligible Securities (Identified Securities) in Participants’ K accounts that BNM would purchase under ACOFF at any given of time.

12.18 BNM has the absolute right to transfer the Identified Securities from the Participants’ K accounts to BNM’s account through SSDS sale transactions when Participants require funding under ACOFF.
12.19 All rights, title and interest in and to any of the Identified Securities shall vest in BNM free and clear of any liens, claims, charges or encumbrances or any other interest of the Participants or of any third party.

12.20 Nothing in this clause is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in the Identified Securities.

12.21 When Interbank GIRO clearing positions are posted into RENTAS during the MYR Evening Settlement Window, ACOFF will be automatically triggered to fund Participants whose Settlement Account balances are not sufficient to cover their Interbank GIRO clearing positions. MT543 will be generated for Participants and MT541 for BNM. The amount borrowed under ACOFF for a Participant is determined as follows:

\[
\text{Amount Borrowed Under ACOFF} = \text{IBG} - \text{SA}
\]

Where
i. \(\text{IBG}\) = Participant’s Interbank GIRO clearing deficit amount
ii. \(\text{SA}\) = Participant’s MYR Settlement Account balance

12.22 The amount borrowed under ACOFF would be collateralized against Eligible Securities sold to BNM. The valuation of Eligible Securities to determine the net price of Eligible Securities sold to BNM under ACOFF is as follows:

\[
\text{Net price} = \frac{100 - \text{Margin}}{100} \times \text{Clean Market Price of Eligible Securities}
\]

The applicable Margin and Clean Market Price are determined by BNM. The Net price of Eligible Securities can be viewed in FAST.

**Repayment of ACOFF for Participants Regulated Under the Financial Services Act**

12.23 ACOFF can be fully or partially repaid within a MYR Evening Settlement Window. For Participants Regulated Under the FSA (Conventional Banks) who borrowed under ACOFF but subsequently receive incoming funds from surplus Interbank GIRO clearing positions in the same MYR Evening Settlement Window, RENTAS will automatically debit the Conventional Banks’ MYR Settlement Accounts to repay ACOFF by buying back the securities which were previously sold to BNM. ACOFF borrowings that are repaid within the same MYR Evening Settlement Window is not subjected to any interest. Only the remaining overnight ACOFF amount will be subjected to the interest rate specified in the clause 12.26.

12.24 On the next Business day, Conventional Banks must settle all ACOFF borrowings by the “Repayment of ACOFF” time specified in Clause 9.2. Conventional Banks shall ensure that their MYR Settlement Accounts have sufficient funds to re-pay ACOFF.

12.25 Conventional Banks’ repayment of ACOFF will be triggered automatically and completion advice of MT547 will be generated for BNM and MT545 for the Participants at the time specified in Clause 9.2. Conventional Banks re-pay ACOFF borrowings by automatically
repurchasing the Identified Securities that were sold to BNM during MYR Evening Settlement Window on the previous Business day. Repurchases of Identified Securities to re-pay ACOFF would occur at net prices that are identical to the net prices used when the Participants borrowed from ACOFF the previous Business day.

12.26 ACOFF interest will be automatically debited from the Conventional Banks’ MYR Settlement Accounts during repayment of ACOFF via MT204. The interest is calculated as follows:

\[
\text{Interest} = \text{Amount borrowed under ACOFF} \times \text{ACOFF Rate} \times \frac{\text{No. of Days}}{365}
\]

Where:

- ACOFF Rate = Ceiling Rate (currently at OPR + 25 basis points);
- No. of Days = Business day of ACOFF Repayment – Business day of ACOFF Borrowing

BNM shall determine the ACOFF rate and has a right to vary the rates according to market condition. The ACOFF rate is currently set at the ceiling of the Overnight Policy Rate (OPR).

12.27 For Conventional Banks that are unable to settle all their ACOFF borrowings by the “Repayment of ACOFF” time specified in clause 9.2, RENTAS will automatically draw on the Conventional Banks’ Intraday Credit to repay ACOFF.

**Repayment of ACOFF for Participants Regulated Under the Islamic Financial Services Act**

12.28 For Participants that are regulated under the IFSA (Islamic Banks), liquidity obtained under ACOFF is strictly on an overnight basis only. If an Islamic Bank who had obtained liquidity under ACOFF subsequently receives incoming funds from a surplus Interbank GIRO clearing position in the same MYR Evening Settlement Window, the Islamic Bank would not be able to undertake a same day re-payment of ACOFF using the incoming funds.

12.29 Islamic Banks may within 90 minutes of the “Repayment of ACOFF to BNM” time specified in Clause 9.2, make an offer to repurchase the Identified Securities that were sold to BNM during the MYR Evening Settlement window on the previous Business day. BNM, at its absolute discretion, may accept the repurchase offer, and sell the Identified Securities to the Islamic Banks at a price agreed by both parties. Islamic Banks shall proceed to authorize the MT541 in RENTAS iLINK to settle the repurchase accordingly.

12.30 For Islamic Banks that are unable to settle the repurchase transaction described in Clause 12.28, RENTAS will automatically draw on the Islamic Banks’ Intraday Credit, if available, to facilitate the repurchase.
13.0 Gridlock Resolution

13.1 Gridlock occurs in RENTAS when the inability of some Participants to settle their outgoing transactions, usually due to insufficient funds or securities, prevents a substantial number of transactions from other Participants from settling.

13.2 RENTAS has a gridlock resolution mechanism that will identify an optimal set of queued transactions across affected Participants that would not have settled individually, but can be settled simultaneously. This resolution mechanism simultaneously takes into account an affected Participants’ incoming and outgoing queued transactions so that the liquidity demands on affected Participants is reduced.

13.3 During gridlock resolution, RENTAS may select queued transactions for settlement in any order instead of a First In First Out (FIFO) basis. This is done to arrive at the largest possible set of incoming and outgoing transactions that can be settled simultaneously.

13.4 RENTAS’ gridlock resolution mechanism settles transactions on a gross basis. Transactions advices that Participants receive for transactions that settle under gridlock resolution are no different from the transaction advices under RENTAS’ normal settlement track.

13.5 RENTAS’ gridlock detection occurs in intervals of 20 minutes. Gridlock resolution would ensue if gridlock is detected.
14.0 Queue Management

14.1 If Participants do not have sufficient funds or sufficient securities, their transactions will be queued centrally at RENTAS Host on a First-in, First-out (FIFO) basis. There are two (2) types of payment queues, namely the normal queue and priority queue.

14.2 During the RENTAS MYR Settlement Cut-off, all unsettled instructions in both the normal and priority queues will be cancelled by RENTAS Host. Participants will be notified accordingly via online reports.

14.3 Normal Queue Management
14.3.1 Through RENTAS iLINK, Participants may manage their MYR IFTS payment normal queue by:
   i. Re-ordering their queued transactions; or
   ii. Cancelling the queued transactions.

14.3.2 Participants may also make online real-time queries on their outgoing and incoming normal payment queues via RENTAS iLINK.

14.4 Priority Queue Management
14.4.1 Only PayNet is allowed to re-order or cancel transactions in the priority queue.
14.4.2 Participants shall submit a form (as per Appendix IV) to PayNet in order to re-sequence or cancel transactions in the priority queue should the need arise.
14.4.3 Although Participants are not allowed to manage transactions in the priority queue, Participants may make online real-time queries on their outgoing and incoming MYR priority payment queues via RENTAS iLINK.

14.5 Liquidity Optimization Settlement Facility
14.5.1 Liquidity Optimization Settlement Facility (LOSF) is the process of combining incoming or outgoing MYR payments in order to achieve a reduced net obligation.

14.5.2 The purpose of LOSF is to optimize liquidity. Through LOSF, Participants are able to offset their outgoing MYR payments against incoming receipts, thereby reducing their liquidity needs.

14.5.3 RENTAS provides an optional multilateral LOSF settlement track where Participants may voluntarily submit MYR IFTS transactions that are less time critical for LOSF settlement.

14.5.4 LOSF settlement is only available for MYR IFTS transactions. There is no LOSF settlement for SSDS and PvP transactions.

14.5.5 Participants may designate MYR IFTS transactions for LOSF settlement by entering a specified Transaction Reference Number (TRN) code into the transactions.

14.5.6 Participants may submit same day LOSF settlement transactions to RENTAS at any time between 9:00 am to 4:00 pm. RENTAS will perform LOSF in specified
settlement time intervals. After 4:00 pm, LOSF transactions submitted for same day value will be reverted to gross settlement immediately.

14.5.7 LOSF transactions submitted between the pre-determined LOSF settlements time will be queued until the next available LOSF settlement time slot.

14.5.8 Participants may opt to remove their transactions from the LOSF settlement queue. Transactions removed from the LOSF settlement queue will automatically be submitted for gross settlement.

14.5.9 If an LOSF settlement batch cannot be settled because one or more Participants do not have sufficient funds, RENTAS Host will make three (3) attempts to perform the LOSF settlement after a specified time interval. After three attempts, all transactions in the failed LOSF settlement batch will be reverted to gross settlement.

14.5.10 Participants may also submit forward dated transactions for LOSF settlement. Forward dated transactions will be queued until the first LOSF settlement pre-determined time slot on the settlement date.

14.5.11 Participants are able to view the status of their LOSF settlement transactions via RENTAS iLINK.
15.0 SSDS Processing

15.1 SSDS Initiation and Settlement Deadlines

Participants are required to observe the following deadlines to ensure timely and orderly settlement of SSDS transactions:

<table>
<thead>
<tr>
<th>Value Date</th>
<th>Transaction Initiation Deadlines</th>
<th>Settlement Deadlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same Day Value (Trade before noon)</td>
<td>By 2pm Transaction day (T)</td>
<td>By 5pm on T</td>
</tr>
<tr>
<td>Same Day (Trade after noon)</td>
<td>By 4pm on T</td>
<td>By 5pm on T</td>
</tr>
<tr>
<td>Value Tomorrow</td>
<td>By 6pm on T</td>
<td>By 11am on T+1</td>
</tr>
<tr>
<td>Standard Value</td>
<td>By 6pm on T</td>
<td>By 11am on T+2</td>
</tr>
<tr>
<td>Forward Value</td>
<td>By 6pm on T</td>
<td>By 11am on TB+N</td>
</tr>
</tbody>
</table>

15.2 Both buyer and seller shall initiate SSDS transactions via either RBG or SWIFT Access using the message format specified in clause 10.0.

15.3 In an SSDS transaction, the buyer shall initiate a Receive versus Payment message (MT541) while the seller initiates a Deliver versus Payment message (MT543). DVP Settlement will take place when these two messages are matched, the buyer has sufficient cash balances to pay the seller, and the seller has sufficient securities to deliver to the buyer.

15.4 To reduce Settlement failures arising from minor discrepancies between the purchase proceeds entered by the buyer in the MT541 message and the sale proceeds entered by the seller in the MT543 message, RENTAS Host will accept a tolerance limit of 5 currency units. The tolerance range will be calculated based on seller’s proceeds (±5 currency units from the proceeds entered by the seller). If the proceeds entered by the buyer is within the tolerance limit, RENTAS Host will deem the buyer’s MT541 and seller’s MT543 messages as matched and will settle the SSDS transactions based on the proceeds entered by the seller.

15.5 In a SSDS transfer transaction, the transferee initiates a Receive Free of Payment message (MT540) while the transferor initiates a Deliver Free of Payment message (MT542). Settlement will take place when these two messages are matched and the transferor has sufficient securities to deliver.

---

Footnotes:
1 Exemption on instruction deadline for Participants whose clients are Non-resident as they are subject to FEA and AMLA
8 e.g. MYR 5 or CNY 5

©2018 PayNet. Confidential.
15.6 Participants may cancel SSDS transactions that are still pending Settlement as follows:
   15.6.1 Matched transactions that are pending Settlement due to insufficient cash or securities;
   15.6.2 Unmatched transactions;
   15.6.3 Forward-dated transactions with the mutual agreement of both Participants and their counterparties;

15.7 Participants may initiate new MT 541 or MT543 and indicate ‘CANC’ in field 23 and state the previous’ original MT541/543 Ref Number of field 20 in field 21 (Related Ref) of the cancellation message.

15.8 Participants may cancel Repo transactions only when the first leg has yet to settle due to insufficient repo collateral and/or cash. No cancellation can be initiated after the first leg is settled. SSDS and Repo transactions that are still pending Settlement will be automatically cancelled at MYR Settlement Cut-off time.

15.9 Processing of Specified and Non-Specified RENTAS Securities
   15.9.1 RENTAS Host processes all securities transactions on a real-time basis during MYR Settlement Business hours. Forward-dated transactions received will be stored in RENTAS Host database and only will be processed on the value date.
   15.9.2 If the value date of a payment falls on a Business day that is subsequently declared a public holiday, RENTAS Host shall process such transactions on next Business day.
   15.9.3 Although RENTAS Host automatically adjusts the value date of transactions to the next Business day in the event of a holiday, the proceeds of the transactions remain unchanged. PayNet will not input additional days of accrued interest or other adjustments arising from the deferred Settlement due to holidays.
   15.9.4 All interest, coupon, dividend and redemption payments will be paid on a Business day. In the event that the interest, coupon, dividend or redemption date falls on a holiday, the payment of interest, coupon, dividend and redemption proceeds shall follow as stated in Part IX (Holiday Convention) of the Operational Procedures for Securities Services.
16.0 Standing Instructions

16.1 Participants may configure Standing Instructions (SI) to automate recurring outgoing credit transfers (MT202). SIs are configured via RENTAS iLINK.

16.2 Each SI would automatically trigger the initiation of an outgoing transaction when certain conditions are met. Participants may configure the following trigger conditions in each SI:

16.2.1 **Trigger by time:** Participants configure the exact time point in time when a SI would initiate a transaction

16.2.2 **Trigger by time and MYR Settlement Account balance:** Participants configure a point in time when a SI would initiate a transaction provided the Participants’ account balance is at, above, or below a pre-specified level

16.2.3 **Trigger by incoming funds:** Participants configure that a SI initiate a transaction upon receiving an incoming transaction of a specified value range and of a specified TRN Code

16.3 Participants may configure SIs either as one-off or recurring. When configuring SIs, Participants shall specify all necessary info for each SI to allow the RENTAS Host to automatically generate an outgoing MT202.

16.4 When the configured trigger conditions are met, a SI will automatically generate a MT202 transaction with following TRN codes:

16.4.1 SIP00 – for inter-bank fund transfers between Participants; or

16.4.2 SIP99 – for in house transfers between a Participant’s own accounts
17.0 Request for Extension of PvP Link Cut-off Time

17.1 Participants are required to observe the PvP Link Cut-off scheduled at all times to ensure industry-wide operational efficiency.

17.2 PayNet may, in exceptional circumstances, consider extending the PvP Link Cut-off time when the extension of time is necessary to avoid settlement failures that pose a systemic risk to the system. Any extension of time has to be mutually agreed upon by both PayNet and HKMA.

17.3 Requests for extension shall be made to Payment Services officers of PayNet as listed in Appendix I by telephone at least forty-five (45) minutes before the scheduled PvP Link Cut-off time. PayNet may reject any request made less than forty-five (45) minutes before the PvP Link Cut-off time. In such circumstances, PayNet shall not be held responsible for any losses incurred by the Participants.

17.4 Participants shall fax or email the duly completed form (as specified in Appendix II (a)) for the request of extension of PvP Link Cut-off time, preferably within 30 minutes of the verbal request for extension.

17.5 PayNet will not grant an extension of PvP Link Cut-off time exceeding MYR Settlement Cut-off time except in circumstances where PayNet deems the extension necessary to avoid systemic risks to RENTAS Participants.

17.6 PayNet will inform the industry through RENTAS broadcast message in the event of any extension of PvP Link Cut-off time.

17.7 Participants requesting a PvP Link Cut-off extension grants PayNet the right to publicly disclose all information pertaining to the Participants’ PvP Link Cut-off extension request.
18.0 Request for Extension of MYR Settlement Cut-off Time

18.1 Participants are required to observe the MYR Settlement Cut-off schedule at all times to ensure industry-wide operational efficiency. However, PayNet may, in exceptional circumstances, consider extending the MYR Settlement Cut-off time when:
   18.1.1 Participants are unable to settle their respective MYR Intraday credit;
   18.1.2 The extension of time is requested by BNM under exceptional circumstances; and
   18.1.3 The extension of time is necessary to avoid Settlement failures that pose a systemic risk to the system.

18.2 Any requests for extension shall be made to PayNet via telephone by contacting the Payment Services officers listed in Appendix I at least fifteen (15) minutes before the scheduled MYR Settlement Cut-off time. PayNet may reject any request made less than fifteen (15) minutes before the MYR Settlement Cut-off time in such circumstances, PayNet shall not be held responsible for any losses incurred by the Participants.

18.3 Participants shall fax or email the duly completed form (as specified in Appendix II (b)) for the request of extension of MYR Settlement Cut-off time, preferably within 30 minutes of the verbal request for extension.

18.4 In the interest of operational efficiency, PayNet may act upon verbal requests for extension of MYR Settlement Cut-off time by the Participants.

18.5 PayNet will inform the industry through RENTAS broadcast messages in the event of any extension of MYR Settlement Cut-off time.

18.6 Participants requesting a MYR Settlement Cut-off extension grants PayNet the right to publicly disclose all information pertaining to the Participants’ cut-off extension request.

18.7 PayNet will not grant an extension exceeding two (2) hours except in circumstances where PayNet deems the extension necessary to avoid systemic risks to RENTAS Participants.

18.8 Participants who have completed all transactions, repaid all outstanding MYR Intraday credit and settled all obligations to BNM may close their operations at the scheduled MYR Settlement Cut-off time of 6:00 pm even if there is a cut-off extension.

18.9 Participants whose MYR Settlement Cut-off extension request is granted, will be subjected to penalties as specified in Appendix II of the Participation and Operation Rules for Payment and Securities.
18.10 Participants may not “free-ride” on another Participant’s MYR Settlement Cut-off extension request. If a Participant requests a MYR Settlement Cut-off extension and a second Participant subsequently requests for a further extension beyond the first request, both Participants will be subjected to penalties for the cut-off extension:

18.10.1 The first Participant’s penalty is calculated based on the duration from the scheduled MYR Settlement Cut-off of 6:00 pm to the extended cut-off time requested by the first Participant.

18.10.2 The second Participant’s penalty is calculated based on the duration from the scheduled MYR Settlement Cut-off of 6:00 pm to the extended cut-off time requested by the second Participant.

18.11 PayNet will notify the CEOs of Participants who have incurred recurring penalties for MYR Settlement Cut-off extensions.
19.0 Incident Report (IR)

19.1 Once PayNet has granted the Participants’ request to extend the MYR Settlement Cut-off time, Participants are required to submit a complete Incident Report (IR) to PayNet via facsimile or email within 24 hours of the initial cut-off extension request. (Please refer to Appendix III for the IR template).

19.2 Apart from IRs for MYR Settlement Cut-off extensions, Participants are also required to submit an IR to PayNet should there be any incident that materially impacts their RENTAS operations, including major system failures or downtime for more than 15 minutes, degradation in system performance, security breaches and fraud, delays or disruptions affecting customers, as well as failures to settle obligations.
20.0 Compensation on Inter-Bank Failed Settlements

20.1 Participants are encouraged to resolve any claims for compensation arising from failed Settlements amicably.

20.2 The Guidelines for Compensation on Inter-bank Failed Settlements (as specified in Guideline II) provide a mechanism to compute compensation in situations of Settlement failure or delayed Settlement.
21.0 Managing Unpaid Credit Facilities

Managing Unsettled MYR Intraday Credit

21.1 Participants are required to ensure that they have sufficient funds to repay and settle all MYR Intraday credit extended by BNM before the MYR Settlement Cut-off time.

21.2 Towards this end, Participants shall monitor closely the amount of MYR Intraday credit that is not repaid after the scheduled MYR Intraday credit cut-off time. Prior to the MYR Intraday credit cut-off time, any excess balance in the Participants’ MYR Settlement Account will be used to fund outgoing transactions.

21.3 After the MYR Intraday credit cut-off time, RENTAS will re-prioritize how excess funds are applied and will automatically apply these excess funds towards repaying MYR Intraday credit. After all MYR Intraday credit is repaid, RENTAS will allow Participants to utilize the remaining excess balance for transactions.

21.4 Should a Participant encounter difficulties in repaying MYR Intraday credit sixty (60) minutes before the scheduled MYR Settlement Cut-off time, the Participant shall immediately determine the following:

21.4.1 If there are any MYR incoming transactions that will increase the MYR Settlement Account balance and allow the Participant to repay the MYR Intraday credit;
21.4.2 If they have sufficient excess balances in the statutory reserve account that can be transferred to the MYR Settlement Account to repay the MYR Intraday credit; 10
21.4.3 Whether they are able to source for funds from other Participants; and
21.4.4 If there are any other avenues to source for funds.

21.5 After exhausting all possible funding avenues indicated above, the Participant may make a request to BNM for funding under BNM’s Guidelines on Standing Facilities.

21.6 If funding is forthcoming from BNM, the Participant’s dealers must remain in the Participant’s premises and must be contactable until RENTAS MYR Settlement Cut-off.

21.7 The Participant shall ensure that sufficient back office Settlement staff is available to complete the Settlement of the borrowing under the standing facilities. The staff must be competent and must have familiarity with the construction of repo transactions or any other form of transaction used for the funding.

21.8 If funding transaction cannot be completed by MYR Settlement Cut off time, PayNet, in consultation with BNM, may opt to convert unredeemed MYR Intraday credit to an overnight repo. The Participants shall grant BNM the sole authority to determine the rates, tenor and other terms in converting the MYR Intraday credit into an overnight repo transaction.

21.9 As a final measure, BNM reserves the right to take possession of the collateral i.e. collateralized loans against the eligible collaterals and has the authority to determine the

---

10 If there are sufficient excess balances in the statutory reserve account that can be transferred to the Settlement Account to repay the MYR Intraday credit, Participants must ensure that they remain in compliance with statutory reserve requirements.
value of the collateral. If there is any shortfall in the collateral value against the unpaid MYR Intraday credit, the Participants shall remain liable to BNM for the shortfall.

21.10 MYR Settlement Cut-off Time will not be closed until all MYR Intraday credit is repaid or extinguished. If a MYR Settlement Cut-off extension becomes necessary due to the Participant’s inability to repay the MYR Intraday credit, notwithstanding any penalties or punitive rates imposed by BNM, the Participants will still be subjected to penalties imposed by PayNet for not repaying the MYR Intraday credit before the MYR Settlement Cut-off time as well as penalties for extending the MYR Settlement Cut-off time. Detailed PayNet penalty charges are as listed in the Appendix II of the Participation and Operation Rules for Payment and Securities Services.

21.11 If the MYR Settlement Cut-off time has been extended, Participants may repay their MYR Intraday credit up to the extended MYR Settlement Cut-off time. In the event the Participant fails to repay the Intraday credit by the extended MYR Settlement Cut-off time, the Participant will be subjected to both penalties for not repaying their Intraday credit, as well as penalties for extension of the MYR Settlement Cut-off time. The duration of the extension will be calculated from the original MYR Settlement Cut-off time of 6:00 pm.

Managing Unpaid Auto-Collateralized Overnight Funding Facility (ACOFF)

21.12 Participants shall ensure that there are sufficient funds in their MYR Settlement Account to repay ACOFF through re-purchase of the Eligible Securities that were sold to BNM on the previous Business day.

21.13 Participants must settle all ACOFF borrowings by the ‘Repayment of ACOFF’ time specified in Clause 9.2\(^\text{11}\). If a Participant is unable to do so, the Participant may draw on their Intraday Credit to repay ACOFF, resulting in a rollover of the ACOFF borrowing from the previous Business day into an Intraday credit. Such rollover does not constitute good liquidity management and repeated rollovers may result in imposition of General Non-Compliance Penalties.

\(^{11}\) Except for Islamic Banks, who are allowed 90 minutes from the ‘Repayment of ACOFF’ time to conclude a repurchase transaction with BNM at a mutually acceptable price.
22.0 Public Key Infrastructure Security Requirements

e-PKI
22.1 Participants accessing RENTAS via RBG or RENTAS iLINK shall deploy digital certificates issued by Licensed Certification Authority (CA) to perform the necessary e-PKI functions in RENTAS. Currently, there are two (2) CAs namely Digicert Sdn. Bhd and MSC Trustgate Sdn. Bhd.

22.2 These digital certificates can be purchased and registered for individuals or organisations based on the Participants’ internal controls and internal procedures.

22.3 Participants are encouraged to have certificates from both CAs to avoid reliance on a single CA.

22.4 Participants are also required to have a token-based digital certificate for its e-PKI functions to activate the RBG backup facility at PayNet’s premise.

22.5 Participants are responsible for monitoring the expiry dates of their respective digital certificates. They shall renew the certificates at least one (1) month prior to the expiry date of the certificates.

SWIFT Security

22.6 Participants accessing RENTAS via SWIFT Access shall adhere to SWIFT’s security requirements and specifications issued by SWIFT.
23.0 RENTAS iLINK Certificate (ID) Registration

23.1 All digital certificates of authorised officers who have access to RENTAS must first be registered in RENTAS iLINK. This registration must also be performed upon certificate renewal at the end of the certificate validity period. Procedures on the digital certificates registration in RENTAS iLINK are provided in the iLINK User Guide (Appendix XIII).
24.0 Digital Certificates

24.1 Participants shall liaise directly with the CAs to purchase, renew, suspend or revoke their digital certificates.
25.0 Authenticity, Confidentiality and Irrevocability of the RENTAS MYR Settlement Messages

25.1 Participants cannot repudiate any transmitted messages or payments that they have digitally signed.

25.2 For forward-dated transactions, a digital signature is verified based on the validity of the corresponding digital certificate on the date the transaction is initiated.

25.3 If a Participant has revoked a digital certificate, all messages or instructions transmitted by and signed using the digital certificate prior to the revocation shall be deemed valid.

25.4 Receiving Participants will receive a cryptographic error notification at their Participant Terminal system when a transaction fails the digital signature verification. The receiving Participant must then investigate the cause of the digital signature verification failure and validate the integrity and authenticity of the affected transaction manually to independently ascertain the legitimacy of the transaction.
26.0 Minimum Transaction Amount

26.1 The minimum amount for MYR third party payments is RM10,000. This minimum amount is not applicable for payments executed in favour or by order of BNM, the Government, statutory bodies or any other institutions specified by PayNet from time to time.

26.2 There is no minimum amount for payment in favour or by order of the RENTAS MYR Settlement Participant's own account.
27.0 Billing

27.1 Participants are subjected to fees and charges as stated in Appendix II of the Participation and Operation Rules for Payments and Securities Services.

27.2 PayNet will automatically debit the Participants’ MYR Settlement Accounts for the billed amount on the first Business day of the following month or any time as determined by PayNet.

27.3 Participants shall check their billing advices and inform PayNet of any discrepancies, including erroneous billing within fourteen (14) calendar days of receipt of the billing statements.
28.0 Online Host Enquiry

28.1 Participants may perform online queries in RENTAS iLINK to obtain up-to-date RENTAS MYR Settlement information.
29.0 Business Continuity Management (BCM)

29.1 Participants are required to conduct BCP and DRP exercises by operating using their Participant Terminals at their respective recovery / DR in accordance with the Guidelines on Business Continuity Management for Participants of PayNet's Services.

29.2 Participants that fail to comply with Clause 29.1 shall be subjected to penalties stipulated in Appendix I of the Guidelines on Business Continuity Management for Participants for PayNet’s Services.
30.0 BCM Arrangements in Relation to RENTAS Failure

30.1 Participant Terminal Failure
   30.1.1 Participant Terminal failure may happen due to system, software, hardware or communication line failure, inadequate or failed internal processes, human errors, power outage or other unanticipated events.

   30.1.2 In the event of Participant Terminal disruption, Participants are required to assess immediately the severity of the failure. Where appropriate, Participants shall invoke the necessary recovery measures to resume normal operations. Participants are reminded that recovery efforts undertaken to resume normal operations shall be within the recovery time objectives (RTO) specified in Guidelines on Business Continuity Management for Participants of PayNet’s Services.

   30.1.3 Participants are required to inform PayNet immediately of any Participant Terminal failure and other disruptions that are affecting their RENTAS system. After the initial notification, Participants are required to update PayNet every thirty (30) minutes on their recovery status and next-action-plan until the Participant Terminal resumes normal operation.

   30.1.4 Participants shall decide whether to move to its recovering / DR site within sixty (60) minutes of Participant Terminal failure.

   30.1.5 Participants that fail to comply with the requirements in Clause 30.1.2 shall be subjected to penalties stipulated in Appendix I of the Guidelines on Business Continuity Management for Participants of PayNet’s Services.
31.0 RENTAS Host Failure at Production Site

31.1 To minimize the risk of disruption to the settlement operations of Participants, RENTAS Host runs on fault tolerant technology, which allows the system to continue functioning uninterrupted when individual system components fail. In addition, PayNet maintains a RENTAS Host at BNM’s Recovery Centre that is updated in real-time so that all data and transactions are identical to the RENTAS Live system.

31.2 In the unlikely event of RENTAS Host failure at Production Site, PayNet shall make use of e-mail, or SMS or BCP call tree to keep Participants updated on the recovery status and action plan every thirty (30) minutes until the RENTAS Host resumes normal operation.

31.3 If PayNet decides to move its RENTAS Host operations to its Recovery Centre, the activation of the RENTAS Host at the Recovery Centre can be completed within two (2) hours.
32.0 RENTAS Host Failure at Both Production Site and Recovery Centre (RC)

32.1 In the unlikely event of total RENTAS Host failure at both the Production Site and RC or the total failure of RENTAS Virtual Private Network, PayNet may activate the contingency system known as Mini RENTAS.

32.2 Mini RENTAS is intended to provide a minimal level of settlement services to RENTAS Participants.

32.3 Mini RENTAS can be accessed through internet at https://mr3.bnm.gov.my.

32.4 PayNet will make use of e-mail, WhatsApp, SMS or BCP call tree to notify RENTAS Participants regarding activation of mini RENTAS. PayNet shall transfer Participants most recent available Settlement Account balances and Securities Account balances to Mini RENTAS. Upon activation of Mini RENTAS, Participants shall verify their Settlement Account balances and Securities Account balances accordingly.

32.5 To perform settlement in Mini RENTAS, Participants shall initiate transactions in Mini RENTAS by uploading the transactions in the same format as the interface file used to initiate transactions via Participant Terminal. During activation, Mini RENTAS would perform settlement by offsetting the outgoing payments against incoming payments in specified time intervals.
32.6 Participants may make use of Mini RENTAS to perform online enquiry on their Settlement Account balances and Securities Account balances.

32.7 The following transaction types can be settled in Mini RENTAS upon activation by PayNet:
   32.7.1 IFTS Single Credit;
   32.7.2 IFTS Multiple Credit;
   32.7.3 IFTS Single Debit;
   32.7.4 SSDS Sale;
   32.7.5 SSDS Free of Payment; and
   32.7.6 SSDS In-house.

32.8 Participants may only initiate transactions for same day value in Mini RENTAS.

32.9 If Participants had previously transmitted future dated transactions into RENTAS Host prior to the failure of RENTAS Host, such future dated transactions would not be transferred to mini RENTAS. Hence Participants would have to re-initiate these transactions in Mini RENTAS on the value date of the transactions.

32.10 For e-Debit, MEPS Cash, Shared ATM clearing, Interbank GIRO and Financial Processing Exchange clearing, Mini RENTAS would automatically generate a credit transfer for Participants who are short in the respective clearing position. This auto-construction of the credit transfer eliminates the need for Participants to manually construct a credit transfer to cover their clearing obligation. The affected Participants would have to verify and approve the credit transfer for the clearing house settlement to take place.

32.11 To revert to normalcy, PayNet would deactivate Mini RENTAS and perform end day batch processing. Upon completion, PayNet would transfer Participants’ latest Settlement Account balances and Securities Account balances to RENTAS Host. Participants shall verify their Settlement Account balances and Securities Account balances accordingly.

32.12 PayNet shall conduct annual test runs on Mini RENTAS. Participants are required to take part in the annual test runs.

32.13 As Mini RENTAS does not have functionalities to cater for repos and USD/MYR PvP transactions via USD CHATS, Participants may fallback to the following workarounds when Mini RENTAS is activated:
   32.13.1 Participants may settle repos by initiating SSDS sales (MT543) on the value date of the repos, followed by SSDS purchases (MT541) on the maturity date of the repos
   32.13.2 Participants may settle USD/MYR PvP transactions as normal forex transactions where the MYR leg are initiated as IFTS Credits in Mini RENTAS while the USD leg are settled via correspondent banking. With this workaround, the MYR and USD legs settle separately without PvP matching.
33.0 e-PKI Failure

33.1 RENTAS Host is designed to withstand the complete failure of e-PKI. As such, the failure of e-PKI would largely be transparent to Participants. All transactions would remain protected using a backup security solution which provides data authenticity, integrity and non-repudiation features, thus ensuring the security of RENTAS at all times.

33.2 To ensure seamless and automatic activation of the backup security solution, Participants shall ensure that the e-PKI configuration at their Participant Terminals is in accordance with PayNet’s specifications.
34.0 Network Connectivity Failure

34.1 In the event RENTAS’ secure private network fails, PayNet offers back-up ISDN connectivity to RENTAS via different third party provider.

34.2 Participants who have subscribed to the backup ISDN connectivity would be able to resume transmission of transactions to RENTAS by switching to the ISDN connectivity.
**35.0 Testing Procedure**

35.1 Participants are allowed to use PayNet’s RENTAS Host test environment, if the need arises.

35.2 Participants shall submit their request to use the test environment by submitting the form in Appendix XII at least three (3) Business days prior to the scheduled testing.

35.3 The value date of the exercise shall default to the current value date, unless the Participant requests a different value date. Requests for a value date other than the current date will only be entertained on a case-by-case basis.

35.4 Fees imposed on Participants for use of the test environment is as stated in Appendix II of the Participation and Operation Rules for Payment and Securities. The fees will be levied based on the number of days of the planned exercise. Participants will not be reimbursed if the planned exercise is not conducted. If a request is made less than three (3) Business days prior to the test, the request will be deemed as an unplanned testing exercise for billing purposes.

35.5 Participants are not allowed to use the RENTAS Host testing environment during RENTAS live runs, weekends, public holidays and after office hours.

35.6 PayNet may also conduct RENTAS Host test exercises and reserves the rights to make the testing mandatory for some or all Participants based on the objectives of the test exercise.

35.7 In the testing where the test scripts are to be provided by PayNet, the test scripts will be made available at least one (1) week before the actual exercise date.
36.0 User Manuals

36.1 User manuals for RENTAS iLINK shall be provided by PayNet or its designated vendors.
37.0 RENTAS Participants Directory

37.1 Participants shall furnish their latest contact information for business continuity purposes by updating the Member Directory in RENTAS iLINK. An up-to-date contact list is an essential component of BCP.

37.2 Participants shall maintain an updated list of RENTAS Authorised Signatories using the form in Appendix IX and submit to PayNet immediately upon changes.
38.0 Customer Service

38.1 Participants may contact PayNet with regards to any RENTAS issue. The contact details for PayNet’s and BNM’s RENTAS operations are as per Appendix I. The contact information is also available in the Member Directory in RENTAS iLINK.
GUIDELINES

Guideline I - Guidelines on MYR Third Party Payments

1.0 Introduction
1.1 These guidelines are intended to standardize the format of MT103 messages for MYR third party payments to facilitate Straight-Through-Processing (STP)

2.0 Transaction Reference Number (TRN) Code
2.1 Participants shall use the TRN codes IFT03 and GOV03 as follows:

<table>
<thead>
<tr>
<th>TRN</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFT03</td>
<td>MYR third party payments where the beneficiary and/or ordering party are non-RENTAS Participants. The minimum transaction amount is subject to Clause 26.0. Under certain circumstances where paying Participants are required to send MT103 for the amount of less than RM10,000, paying Participants shall have mutual arrangement with the receiving Participants for such transaction to be executed.</td>
</tr>
<tr>
<td>GOV03</td>
<td>MYR third party payments where the beneficiary and/or ordering party are government bodies. The minimum transaction amount is subject to Clause 26.0.</td>
</tr>
</tbody>
</table>

3.0 MT103 Requirements
3.1 Field 50 – Ordering Party
There are 4 lines provided with 35 characters in each line where Participants can indicate the following details:
3.1.1 Line 1: Account number (start with a slash “/”)
3.1.2 Line 2, 3 and 4: Name and address of ordering party
3.1.3 For the address, Participants are required to fill in the correct address of the ordering party to be in compliance with requirement by Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLA)
3.1.4 If the information is not available for any of the fields above, Participants shall indicate ‘NONE’ in the field

3.2 Field 59 – Beneficiary Customer
There are 4 lines provided with 35 characters in each line where Participants can indicate the following details:
3.2.1 Line 1: Account number (start with a slash “/”)
3.2.2 Line 2: Name of beneficiary (Format: N1/)
3.2.3 Line 3: IC Number (individual) or Business Registration Number (Company) - (Format: I1/NI*/-) – (Optional)
3.2.4 Line 4: Additional Line (Free Text) – (Optional)
*Choose either one of these:
   NI – New IC Number
   OI – Old IC Number
BR – Business Registration Number
OT – Other types of IDs (Police ID / Army ID / Passport number)

3.2.5 For the Beneficiary Address, as the information is readily available with the receiving bank, Participants are not required to provide such information.

3.2.6 If the information is not available for any of the fields above, Participants shall indicate ‘NONE’ in the field.

3.2.7 Receiving Banks shall validate incoming transactions as follows prior to crediting funds to beneficiary accounts:

<table>
<thead>
<tr>
<th>Field</th>
<th>Mandatory for Receiving Banks to Validate</th>
<th>Receiving Bank’s Action if Validation Passes</th>
<th>Receiving Bank’s Action if Validation Fails</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary Account Number</td>
<td>Yes</td>
<td>Validate Beneficiary Name</td>
<td>Return transaction</td>
</tr>
<tr>
<td>Beneficiary Name</td>
<td>Yes</td>
<td>Accept transaction and credit beneficiary account</td>
<td>Validate Beneficiary ID</td>
</tr>
<tr>
<td>Beneficiary ID (eg NRIC or business registration number)</td>
<td>No (validate only if Beneficiary Name validation fails)</td>
<td>Accept transaction and credit beneficiary account</td>
<td>Return transaction OR request credit notification from Sending Bank to amend beneficiary information</td>
</tr>
</tbody>
</table>

3.2.8 The Receiving bank may return the incoming funds if they do not receive the Credit notification with amended beneficiary information from the Sending bank by 4:30 pm on the same day.

3.3 Field 70 – Remittance Information

3.3.1 The field contains 4 lines with 35 characters in each line

3.3.2 Under the e-Payment Incentive Fund (ePIF) framework requirement, the payment reference must be provided by the ordering institution and shall be indicated with code ROC (Reference of Customer) in the first line Line 1:/ROC/30x

3.3.3 For the FEA requirements on payment to Non Resident, Participant may opt to use the second (Line 2) and third line (Line 3) to indicate the Residence Status and Purpose Code / Purpose of Payment respectively.

3.4 Field 72 - Member to Member Information

There are 6 lines provided with 35 characters in each line where first 4 lines are pre-configured as follows whilst last 2 lines are left for free text usage.

3.4.1 Line 1:/STCD/
3.4.2 Line 2:/TRN/
3.4.3 Line 3:/PAYO/[OSI BIC] /PAYB/[Payer’s BIC]
3.4.4 Line 4:/CPRO/[OSI BIC]/CPRB/[Receiver’s BIC]
3.4.5 Line 5 and 6: Additional Line (Free Text) – (Optional)
3.5 Participants shall ensure that:
   3.5.1 the Beneficiary’s statement displays the Ordering Party’s Name and Payment References;
   3.5.2 the Ordering Party’s statement displays the Beneficiary’s Name and Payment References

3.6 Participants shall state the return reason, if they are returning the payment, in any free lines of field 72 above.

3.7 For Government agencies’ accounts, Participants shall adhere to the instructions for the payment details issued by the Government and reflect accordingly in any free lines of field 72 above.
Guideline II – Guidelines on Handling the invalid characters in RENTAS

1.0 Introduction
1.1 These guidelines are intended to standardise the replacement of invalid special characters in RENTAS.

2.0 Valid Special Characters in RENTAS
2.1 The following special characters are the only valid characters to be used in RENTAS

/ - ? : ( ) , ‘+ SPACE CrLf

2.2 Participants shall map and replace these special characters that are not valid in RENTAS

<table>
<thead>
<tr>
<th>Invalid Special Characters</th>
<th>To Replace with</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>ALIAS or / or SPACE</td>
</tr>
<tr>
<td>&amp;</td>
<td>AND or /</td>
</tr>
<tr>
<td>%</td>
<td>PCT or / or SPACE</td>
</tr>
<tr>
<td>Other Characters</td>
<td>?</td>
</tr>
</tbody>
</table>
Guideline III – Guidelines on Compensation on Inter-Bank Failed Settlements

1.0 Principle and Scope

1.1. In the event of delayed payment or Settlement failures for MYR transactions, a mechanism for computing compensation is provided in this Guideline. The mechanism works on a compensation basis to cover losses. The mechanism is not intended to be punitive as no Participant shall benefit from the errors or Settlement failures of other Participants. Participants shall resolve and settle any compensation claim within thirty (30) working days from the date of the claim.

1.2. The paying Participant shall compensate the receiving Participants for loss of interest income arising from the errors made by the paying Participant. While it is the responsibility of the paying Participant to make payments, the receiving Participant may also advise the paying Participant if any payments expected are not paid in due time.

1.3. MYR Inter-bank Settlements are normally made for the following reasons:

1.3.1. From the paying Participant’s own account and such payments are made for the credit of the receiving Participant as beneficiary (e.g. Settlement of Foreign Exchange or Money Market transactions);

1.3.2. On behalf of the paying Participant’s customer and such payments are made for the credit of the receiving Participant as beneficiary (e.g. overdraft or loan repayment / financing payment);

1.3.3. From the paying Participant’s own account and such payments are made for the credit of the receiving Participant’s customer; and

1.3.4. On behalf of the paying Participant’s customer and such payments are made for the credit of the receiving Participant’s customer.

1.4. MYR Inter-bank failed Settlements are defined as:

1.4.1. Payments that do not meet the MYR Settlement Cut-off time for payments and settlements set out in the MYR Settlement Business hours stated in Clause 9.2 in the main section of this Operational Procedure;

1.4.2. Mis-sent payments; and

1.4.3. Non-payment.

2.0 Compensation on MYR Inter-bank Failed Payments

Participants shall be guided by the following procedures in regards to the compensation on failed MYR inter-bank payments:

2.1. Compensation Coverage

2.1.1. If, for any reason, a payment error causes the receiving Participant to breach any of BNM’s regulatory requirements or PayNet’s Rules and Operational Procedures, and the receiving Participant is able to show proof that such non-compliance was a direct result of the error from the paying Participant, the interest or profit compensation shall include the payment of any penalty imposed by BNM and PayNet over and above the interest / profit compensation computed based on the prescribed formula under Clause 2.2. of this Guideline.
2.1.2. The paying Participant shall pay an administrative cost of RM200.00 to the receiving Participants to compensate for back valuation work or compensation work undertaken in rectifying payments.

2.1.3. The administrative cost of RM200.00 shall not be charged by the receiving Participants for the act of merely returning a payment that could not be posted to the beneficiary account.

2.1.4. The applicable interest rate termed as “Overnight Rate” in the prescribed formula under Clause 2.2. of this Guideline shall be the “overnight policy rate” as published by BNM.

2.1.5. Other costs and charges, such as forex cover, cable charges etc. shall be excluded when computing compensation for MYR inter-bank payment errors.

2.1.6. The compensation rules are also applicable to Participants and customers, which appoint the Participants as agents to handle their inter-bank payments. The Participants are reminded to advise their customers of the application of the administrative cost of RM200.00.

2.2. Compensation Computation Formula

2.2.1. The paying Participants making any requests should inform the receiving Participants of the details of the payment to which such request relates and the particulars of the account to which it should be credited.

2.2.2. Late Intra-day Money Market Transaction

2.2.2.1. When payment is not effected within thirty (30) minutes of the transaction, the borrowing Participant / Investee will be entitled to compensation according to the compensation formula below:

$$\text{Amount} \times \frac{(\text{OPR} + R) \times \text{Day}}{36500}$$

where,

- Amount = Amount due for the Settlement of the MYR transaction
- OPR = Overnight Policy Rate as published by BNM
- R = Comprise of Reserve Cost, Administration Cost and Penalty. The rate is currently set at 0.5% and subject to change
- Day = Delay will be deemed as one day for interest calculation

2.2.2.2. When payment for an Intraday money market transaction has not been effected on value date by the Lending Bank / Investor by 5:00pm, the Intraday money market transaction would be deemed as a failed trade and no Settlement will take place. Under such circumstances, the Borrowing Participants / Investee will be entitled to claim compensation according to the following compensation formula:

$$\text{Amount} \times \frac{(\text{OPR} + R) \times \text{Day}}{36500}$$

where,
Amount = Amount due for the Settlement of the MYR transaction

OPR = Overnight Policy Rate as published by BNM

R = Comprise of Reserve Cost, Administration Cost and Penalty. The rate is currently set at 0.5% and subject to change

Day = Delay will be deemed as one day for interest calculation

2.2.3. Value Date Adjustment / Use of Funds Compensation Claim Formula

2.2.3.1. For value date adjustment of the payment and the use of funds, the compensation claim will be paid according to the following formula:

\[
\frac{\text{Amount} \times (\text{OPR} + R) \times \text{Day}}{36500}
\]

where,

Amount = Amount due for the Settlement of the MYR transaction

OPR = Overnight Policy Rate as published by BNM

R = Comprise of Reserve Cost, Administration Cost and Penalty. The rate is currently set at 0.5% and subject to change

Day = Delay will be deemed as one day for interest calculation

2.2.4. Mis-sent Payment

2.2.4.1. A paying Participant may request the receiving Participant to return funds under the following circumstances:

i. If the payment should not have been sent;

ii. The payment was directed to a wrong Participant; and

iii. A duplicate payment / overpayment has been effected.

2.2.4.2. If the paying Participants notifies the receiving Participants of a mis-sent payment, the principal sum shall be returned by the receiving Participants under the following conditions:

i. The paying Participant shall confirm details of the mis-sent payment by transmitting a RENTAS credit notification (CRN) to the receiving Participants;

ii. The paying Participant shall include date and details of the mis-sent payment in their CRN;

iii. The paying Participant shall forward to the receiving Participants copies of the RENTAS completion advices or its equivalent, for all the mis-sent payment via facsimile, e-mail or any other means;

iv. The paying Participant shall provide an indemnity to the receiving Participants;

v. The receiving participant may return the funds without beneficiary’s consent if the sum has not been credited to the beneficiary’s account;

vi. If the sum has been credited, the receiving Participants shall only return if:

- Both the receiving Participant and the paying Participant are
fully satisfied that the beneficiary’s account had been credited erroneously; and
- The funds are still in the beneficiary’s account;
vii. The receiving Participants shall notify the beneficiary on the erroneous credit prior to debiting the account; and
viii. The refund is executed by initiating a new transaction since the mis-sent transaction’s settlement is already final and irrevocable.

The receiving Participants making the refunds to the paying Participants shall be entitled to an indemnity from the paying Participants. The nature of indemnity is intended to protect the receiving Participants from any risk, loss or cost as a result of the paying Participants having entertained a request by its customers to “cancel” a prior payment to the account of the receiving Participants’ customers. As such, paying Participants are advised to execute the indemnity only for their own payment errors and to be cautious in executing their customers’ request to recall payments which may be under the guise of mis-sent payments.

2.2.4.3. If a wrong payment is made before or at 4:00 pm, the receiving Participants will, on a best effort basis, return the funds by 4:30 pm on the same day at no cost to either party. However, if the funds are returned before 4:30 pm on the next Business day, the paying Participants is entitled to the use of funds from Day 1 onwards, i.e. the day the wrong payment was made.

2.2.4.4. If the wrong payment is made after 4:00 pm, the receiving Participants has up to 4:30 pm the next Business day to return the payment at no cost to either party. However, if the funds are not returned by 4:30 pm the next Business day, the paying Participants will be entitled to use of funds from Day 2 onwards. (please refer to Clause 2.2 of this Guideline for the “use of funds” compensation claim formula).

2.2.5. Late Payments / Repayments
2.2.5.1. Funds received after the scheduled MYR Settlement Cut-off time will be considered as next day value. Therefore, the receiving Participants shall be entitled to compensation based on the “Value Date Adjustment” formula as per Clause 2.2.3. of this Guideline.

2.2.5.2. The receiving Participants need not return the funds in order to claim the compensation.

2.2.6. Unable to Apply Funds Received
2.2.6.1. When the receiving Participants receives a payment and is unable to apply the funds due to discrepancies or insufficient details in the payment instruction, the procedure would be as follows:
i. The receiving Participants shall return the funds to the paying Bank immediately;
ii. The paying Participants may, however, request the receiving Participants to hold back the funds pending rectification;
iii. The receiving Participants may entertain this request at its
discretion and retain the funds provided the paying Participants send a Credit Notification (CRN) immediately to the receiving Participants with the notation as stated in Clause 3.0;
iv. To rectify the payment instructions, the paying Participants must send another CRN to the receiving Participants with the notation as stated in Clause 3.0.

3.0 Indemnity

3.1. In all cases where the receiving Participants return, rectify or withhold payments to or to the order of the paying Participants pursuant to the request of the paying Participants under Clauses 2.2.4.2. and 2.2.6. of this Guideline, the paying Participants shall indemnify the receiving Participants according to the terms set forth in this section.

3.1. The indemnity clause below is automatically binding on the paying Participants regardless whether it is stated or not in the MT198 CRN messages.

“We indemnify you pursuant to paragraph 3 of the Guidelines on Compensation on Inter-bank Failed Settlements for returning payment / rectifying payment / withholding payment instructions.”

3.3. The paying Participants shall return, on demand by the receiving Participants, all payment amounts returned or refunded by the receiving Participants pursuant to the request of the paying Participants. The paying Participants shall further indemnify the receiving Participants, its employees and agents against and all claims, liabilities, losses, expenses (including all legal fees and disbursements), suits or damages arising from the breach of this undertaking.

3.4. This Indemnity shall apply and be enforceable even if the receiving Participants effect a Settlement or compromise with regard to any claim for losses, damages and expenses without recourse to litigation if the receiving Participants deems fit. The paying Participants shall also pay to the receiving Participants all costs and expenses incurred in enforcing this Indemnity obligation and in taking legal advice in connection with this (including all legal fees and disbursements).

4.0 Validity of Compensation Claims

4.1. A compensation claim is deemed valid only if it is initiated within sixty (60) calendar days from the value of the transaction.
Guideline IV - Procedures for Activation of RBG Back-Up System at PayNet’s Premises

1.0 Introduction

1.1. PayNet implemented the RBG backup facility at its premises to ensure that risk arising from the failure of a Participant’s terminal is adequately addressed. The back-up facility is intended as a last resort back-up system for affected Participants.

2.0 Location

2.1. The location of the RBG back-up system is as follows:

Payments Network Malaysia Sdn Bhd (PayNet)
Large Value Payments and Securities Services Division
Level 10, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

2.2. Affected Participants are required to provide sufficient operational staff to invoke the activation of the backup RBG system.

3.0 Activation Procedure

3.1. Activity by Participants

3.1.1. Participants shall submit an official request (form as per Appendix X) for the activation of the back-up facility signed by their Management.

3.1.2. Participants have two (2) options of inputting transactions, either by using the file upload or manual data entry.

3.1.3. Participants should reach PayNet’s premise within one (1) hour from the approval time to activate the back-up RBG system at PayNet’s premise.

3.1.4. Participants are required to bring all relevant documents as stated in Appendix XI for the RENTAS BCP Live Run checklist.
APPENDICES
Appendix I - RENTAS – Contact Details

Office Addresses and Contact Details:

<table>
<thead>
<tr>
<th>Address</th>
<th>Live</th>
<th>Back-up / Recovery Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments Network Malaysia Sdn. Bhd. (PayNet)</td>
<td></td>
<td>BNM Recovery Centre</td>
</tr>
<tr>
<td>Large Value Payments and Securities Services Division</td>
<td></td>
<td>Lot 1064, Subang Hi-Tech Industrial Park</td>
</tr>
<tr>
<td>Level 10, Tower 2A, Avenue 5, Bangsar South</td>
<td></td>
<td>Off Jalan Delima 1/1</td>
</tr>
<tr>
<td>8, Jalan Kerinchi 59200 Kuala Lumpur</td>
<td></td>
<td>40150 Batu Tiga Selangor</td>
</tr>
<tr>
<td>Telephone Number</td>
<td>03-22648667</td>
<td>03-56378575</td>
</tr>
<tr>
<td>03-22648668</td>
<td>03-56378446</td>
<td>03-56378227</td>
</tr>
<tr>
<td>03-22648670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648672</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648674</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-22648748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fax Number</td>
<td>03-22648669</td>
<td>03-56357944</td>
</tr>
<tr>
<td>E-mail address</td>
<td><a href="mailto:rentas@paynet.my">rentas@paynet.my</a></td>
<td></td>
</tr>
</tbody>
</table>

PayNet Payment Services (Application of Membership, Opening of Securities Account and Customer Services):

RENTAS Operation Team Contact Number:

03-2264 8666 / 03-2264 8670 / 03-2264 8671 / 03-2264 8672 / 03-2264 8673 / 03-2264 8674 / 03-2264 8675 / 03-2264 8719

BNM’s RENTAS Operations at Jabatan Pengurusan dan Operasi Matawang (Opening of MYR Settlement Accounts, BNM’s Payment and Securities Settlement Operations):

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Mobile Number</th>
<th>Email address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cik Chin Yi Sheng</td>
<td>03-26907417</td>
<td>-</td>
<td><a href="mailto:yisheng@bnm.gov.my">yisheng@bnm.gov.my</a></td>
</tr>
<tr>
<td>Cik Yuvaneswary</td>
<td>03-26988044 ext 8399</td>
<td>-</td>
<td><a href="mailto:yuva@bnm.gov.my">yuva@bnm.gov.my</a></td>
</tr>
<tr>
<td>En. Muhammad Nazirul</td>
<td>03-26907416</td>
<td>-</td>
<td><a href="mailto:nazirul@bnm.gov.my">nazirul@bnm.gov.my</a></td>
</tr>
</tbody>
</table>
Appendix II (a) - Request For Extension of RENTAS PvP Link Cut-off Time

(Please use institution's letterhead)

Date: .................................

To :  Director
     Large Value Payments and Securities Services Division
     Payments Network Malaysia Sdn Bhd (PayNet)
     Level 12, Tower 2A,
     Avenue 5, Bangsar South
     8, Jalan Kerinchi
     59200 Kuala Lumpur

From :  .................................................................
        (RENTAS BIC)

Subject :  Request for Extension of RENTAS PvP Link Cut-off Time

Tuan,

Kindly extend the RENTAS PvP Link Cut-off time for today ............................... from

(dddmmmyyyy) ....... p.m. to  ................., p.m.  We hereby agree to pay the charges applicable for the
extension.

The reason(s) for our request for extension is/are as follows:

..............................................................................................................................

..............................................................................................................................

..............................................................................................................................

Thank you.

..............................................................................................................................

(Authorised Signatory)  (Authorised Signatory)

Official Stamp:  For PayNet Payments Services Use Only

Message received by:  ........................................
Request allowed/disallowed by:  ........................................
Time :  ........................................
Fees Payable :  ........................................
Appendix II (b) - Request For Extension of RENTAS MYR Settlement Cut-off Time

(Please use institution’s letterhead)

Date: -----------------------------

To : Director
Large Value Payments and Securities Services Division
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From : ..........................................................
(RENTAS BIC)

Subject : Request for Extension of RENTAS MYR Settlement Cut-off Time

Tuan,

Kindly extend the RENTAS MYR Settlement Cut-off time for today ......................... from (ddmmyyyy) p.m. to ....................... p.m. We hereby agree to pay the charges applicable for the extension.

The reason(s) for our request for extension is/are as follows:

........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................

Thank you.

.................................................................................................................
(Authorised Signatory)...................................................................................

Official Stamp: For PayNet Payments Services Use Only

Message received by: ........................................
Request allowed/disallowed by: ........................................
Time: ........................................
Fees Payable: ........................................
Appendix III - Incident Report From Participants

(Please use institution’s letterhead)

Date: .............................

To : Director
Large Value Payments and Securities Services Division
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From : ...............................................................
(RENTAS BIC)

Subject : Incident Report From Participants

Tuan,

Attached herewith the Incident Report for your attention and / or further action:

<table>
<thead>
<tr>
<th>System Affected</th>
<th>RENTAS / eSPICK (please circle one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td></td>
</tr>
<tr>
<td>Date of Report</td>
<td>(to send latest one day after the incident)</td>
</tr>
<tr>
<td>Date and Time of Incident</td>
<td></td>
</tr>
<tr>
<td>Choronomy of Incident</td>
<td></td>
</tr>
<tr>
<td>Causes</td>
<td></td>
</tr>
<tr>
<td>Action Taken</td>
<td></td>
</tr>
<tr>
<td>Preventive Measures</td>
<td></td>
</tr>
</tbody>
</table>

Information Required:

<table>
<thead>
<tr>
<th>Total No of Transactions Pending</th>
<th>Total Value of Transactions Pending (in RM)</th>
<th>Amount of Settlement Failure (in RM)</th>
<th>No of Counter-parties affected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

........................................
(Authorised Signatory)

Official Stamp:

........................................
(Authorised Signatory)
Appendix IV - Request To Re-sequence or Cancel Payment Instruction(s) In Priority Queue

(Please use institution’s letterhead)

Date: ........................................

To: Director
Large Value Payments and Securities Services Division
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From: .........................................................
(RENTAS BIC)

Subject: Request to Re-sequence or Cancel Payment Instruction(s) in Priority Queue

Tuan,

Kindly re-sequence / cancel* the following transactions in our Priority today:

<table>
<thead>
<tr>
<th>Queue No</th>
<th>Currency Code</th>
<th>Amount</th>
<th>TRN</th>
<th>New Queue No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>..........</td>
<td>...............</td>
<td>........</td>
<td>......</td>
<td>...............</td>
</tr>
<tr>
<td>..........</td>
<td>...............</td>
<td>........</td>
<td>......</td>
<td>...............</td>
</tr>
<tr>
<td>..........</td>
<td>...............</td>
<td>........</td>
<td>......</td>
<td>...............</td>
</tr>
</tbody>
</table>

The reason(s) for our request is / are as follows:

........................................................................................................................................................................................................................................................................................................

........................................................................................................................................................................................................................................................................................................

Thank you.

........................................................................................................................................................................................................................................................................................................

........................................................................................................................................................................................................................................................................................................

(Authorised Signatory)
Official Stamp:

(Authorised Signatory)

For PayNet Payments Services Use Only

Message received by: ........................................
Request allowed / disallowed by: ........................................
Time: ........................................
Fees Payable: ........................................
Appendix V - Form A: New Participant

(Please use institution’s letterhead)

Date: ______________________

To: Group Chief Executive Officer
   Payments Network Malaysia Sdn Bhd (PayNet)
   Level 12, Tower 2A,
   Avenue 5, Bangsar South
   8, Jalan Kerinchi
   59200 Kuala Lumpur

From: ..........................................................

(RENTAS BIC)

Subject: Confirmation of Participation

We refer to the application on the above.

1. We confirm our participation in the RENTAS system for (indicate all that are applicable)

   [ ] MYR Payments Services only;
   [ ] Settlement Services, both payments and securities;
   [ ] Foreign Currency Payment Services only (specify currencies: ________);
   [ ] Foreign Currency Settlement Services, both payments and securities
      (specify currencies: ________);
   [ ] Securities Services only. We appoint the following institution as the authorised agent
      to manage and operate our daily operation for both securities transactions and the
      corresponding payment transactions in the RENTAS system.

       | Name of Agent | Currency |
       |---------------|----------|
       |               |          |

   [ ] Cross-Border Securities Custody Services

2. As the owner of the stipulated account(s) in RENTAS, we hereby agree to abide by all rules,
   operational procedures and guidelines issued by Bank Negara Malaysia and/or PayNet from
time to time.

3. We hereby authorise PayNet to disclose information pertaining to my organisation’s debt
   securities holdings under all custody codes in RENTAS to facility agents for the specific
   purpose of administering the debt securities.

Yours sincerely,

..........................................................

(Signature of Chief Executive Officer)

Name:
For and on behalf of:
Official stamp:
Appendix V - Form B: Existing RENTAS Participant Extends Membership to MYR Settlement Service

(Please use institution’s letterhead)

Date: __________________________

To: Group Chief Executive Officer
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From: ...............................................................
(RENTAS BIC)

Subject: Confirmation of Participation in Additional Services

We refer to the application on the above.

1. We wish to extend our participation in RENTAS to:
   - MYR Payments Services only;
   - MYR Settlement Services, both payments and securities;
   - Foreign Currency Payment Services only (specify currencies: ________);
   - Foreign Currency Settlement Services, both payments and securities (specify currencies: ________);
   - Securities Services only. We appoint the following institution as the authorised agent to manage and operate our daily operation for both securities transactions and the corresponding payment transactions in the RENTAS system.

<table>
<thead>
<tr>
<th>Name of Agent</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Cross-Border Securities Custody Services

3. As the owner of the stipulated account(s) in RENTAS, we hereby agree to abide by all rules, operational procedures and guidelines issued by Bank Negara Malaysia and/or PayNet from time to time.

4. We hereby authorise PayNet to disclose information pertaining to my organisation’s debt securities holdings under all custody codes in RENTAS to facility agents for the specific purpose of administering the debt securities.

Yours sincerely,

..........................................................................................................................
(Signature of Chief Executive Officer)
Name:
For and on behalf of:
Official stamp:

© 2018 PayNet. Confidential.
Appendix V – Form C: Confirmation of Access Channel for MYR Settlement in RENTAS

(Please use institution’s letterhead)

Date: ........................................

To: Director
Large Value Payments and Securities Services Division
Payments Network Malaysia Sdn. Bhd. (PayNet)
Level 12, Avenue 5, Bangsar South
8 Jalan Kerinchi
59200 Kuala Lumpur

From: .................................................................................................................................
(RENTAS BIC)

Subject: Confirmation on Access Channel for MYR Settlement in RENTAS

With reference to the above, we would like to confirm that the following access channel will be used by our institution for MYR Settlement in RENTAS:

☐ RENTAS iLINK
☐ Full STP Gateway via NWI
☐ SWIFT Alliance Access via SWIFTNet
☐ Both Full STP Gateway and SWIFT Alliance Access. Please specify which of the following system will be used as primary access channel:
  ☐ Full STP Gateway
  ☐ SWIFT Alliance Access
  ☐ Other Messaging Software via SWIFTNet. Please specify:

.................................................................................................................................

Thank you.
Yours sincerely,

.................................................................................................................................
(Authorised Signature and Institution Official Stamp)
Name:
Designation:
Appendix VI - Example of RBG MT103 Construct Screen
Appendix VII - Example of SWIFT Access MT103 Construct Screen

<table>
<thead>
<tr>
<th>FIN Message: New - 2015 - fin.103 - Single Customer Credit Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Header</strong></td>
</tr>
<tr>
<td><strong>Body</strong></td>
</tr>
<tr>
<td><strong>Network</strong></td>
</tr>
<tr>
<td><strong>Comments</strong></td>
</tr>
</tbody>
</table>

**MT103** Single Customer Credit Transfer

- **F20** Sender's Reference
- **F13C** Time Indication
- **F23B** Bank Operation Code
- **F23E** Instruction Code
- **F26T** Transaction Type Code

**F32A** Value Date/Currency/Interbank Settled Amount

- **Date**
- **Currency**
- **Amount**

- **F33B** Currency/Instructed Amount

- **F36** Exchange Rate
- **F50a** Ordering Customer

- **F51A** Sending Institution

- **F52a** Ordering Institution
- **F53a** Sender's Correspondent
- **F54a** Receiver's Correspondent
- **F55a** Third Reimbursement Institution
- **F56a** Intermediary Institution
- **F57a** Account With Institution
- **F59a** Beneficiary Customer

**F59 - Name and Address**

- **Account**

- **NameAndAddress**

**F70** Remittance Information

**F71A** Details of Charges
Appendix VIII - Contact Person for Daily Operation of RENTAS

(Please use institution’s letterhead)

Date: ..............................

To: Group Chief Executive Officer
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From: ..........................................................
(RENTAS BIC)

Subject:  Contact Person for the Daily Operation of RENTAS

Tuan,

Please be informed that the following is our contact person of RENTAS system and the details are given as follow:

Institution Name: .................................................................................................
Name of the contact person: ..................................................................................
Specimen signature of contact person: ........................................................................
Designation: ..............................................................................................................
Department: ............................................................................................................
Contact address: ......................................................................................................
Contact telephone number: ......................................................................................
Email address: ..........................................................................................................  

Yours sincerely,

(Signature and Institution Official Stamp)
Name:
Designation:
Appendix IX - RENTAS – Authorised Signatories List

(Please use institution’s letterhead)

Date: ........................................

To: Group Chief Executive Officer
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A,
Avenue 5, Bangsar South,
8, Jalan Kerinchi,
59200 Kuala Lumpur

From: ..............................................................

(RENTAS BIC)

 ..............................................................

(RENTAS Digit Code)

Subject: RENTAS – Authorised Signatories List

Tuan,

We submit herewith our Authorised Signatories List for all RENTAS matters referring to the
member institution. This list shall take effect on .................................................................

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Specimen Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yours sincerely,

..................................................

(Signature and institution stamp)

Name: ............................................................

Designation: ...................................................

This signatories list must be authorised by the person who has the Power of Attorney (PA) or based on the Board of Directors’ resolution.
Appendix X - Activation of RENTAS Bank Gateway (RBG) Back-up System at PayNet

(Please use institution’s letterhead)

Date: ..............................

To:                  Director
Large Value Payments and Securities Services Division
Payments Network Malaysia Sdn Bhd (PayNet)
Level 12, Tower 2A, Avenue 5, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

From: .................................................................
(RENTAS BIC)

Subject: Activation of RBG Back-up System at PayNet

Tuan,

With reference to the above, we would like to request for activation of RBG backup at PayNet’s premises on

................................................
(dd/mm/yyyy)

The reason(s) for our request of activation is / are as follows:

........................................................................................................
........................................................................................................
........................................................................................................
........................................................................................................

Thank you.

..........................................................................................  ..........................................................  
(Authorised Signatory) (Authorised Signatory)

Official Stamp: For PayNet Payments Services Use Only

Message received by:  ____________________________
Request allowed/disallowed by: ____________________________
Time:  ____________________________
Fees Payable:  ____________________________

Note: Affected Participants must arrive at PayNet’s premises within one (1) hour after the request of activation has been granted by PayNet.
Appendix XI - RENTAS BCP Live Run and Activation of 3rd BCP at PayNet Checklist

RBG BCP Live Run Checklist
- Participants must at all time refer to RBG Fail Over Operation Manual Procedures provided by Finexus, Version 3.0 Aug 2016

Activation of 3rd BCP at PayNet (RBG or iLINK) Checklist
1. Participants shall inform PayNet via email regarding the activation
2. Participants must ensure they bring along the following:
   2.1 ePKI tokens as per registered in RENTAS system (refer Clause 22.0)
   2.2 Source files or documents of the outstanding transactions
3. PayNet/Vendor to do the following:
   3.1 Start Windows Service
   3.2 Ensure web application readiness
   (Note: Refer to RBG BCP Operational Manual Version 1.0 Sep 2016)
4. Participants to start connection and upload/key in transaction
# Appendix XII – Request Form for RENTAS Test Environment

## 1. Requester's Information

<table>
<thead>
<tr>
<th>Name:</th>
<th>Bank Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>Digit Code:</td>
</tr>
<tr>
<td>Department:</td>
<td>BIC Code:</td>
</tr>
<tr>
<td>Contact No.:</td>
<td>Access Channel:</td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
</tbody>
</table>

Access Channel: SAA, RBG, iLINK

## 2. Specify date(s) needed (please tick):

<table>
<thead>
<tr>
<th>Month:</th>
<th>Day:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>February</td>
<td>6 7 8 9 10</td>
</tr>
<tr>
<td>March</td>
<td>11 12 13 14 15</td>
</tr>
<tr>
<td>April</td>
<td>16 17 18 19 20</td>
</tr>
<tr>
<td>May</td>
<td>21 22 23 24 25</td>
</tr>
<tr>
<td>June</td>
<td>26 27 28 29 30</td>
</tr>
<tr>
<td>December</td>
<td>31</td>
</tr>
</tbody>
</table>

## 3. Services:

- [ ] MYR
- [ ] CNY
- [ ] PV (On Shore PVP MYR-CNY)
- [ ] DV
- [ ] HK (Off Shore PVP MYR-USD)

**Remarks:** [Test purposes / additional request]

## Management Approval (must be an Authorized Signature)

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Name:</th>
<th>Position:</th>
<th>Date:</th>
<th>Institution Stamp:</th>
</tr>
</thead>
</table>

## 3. For PayNet Internal Use Only

<table>
<thead>
<tr>
<th>Date Received:</th>
<th>Remarks:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by:</td>
<td></td>
</tr>
<tr>
<td>Charge Amount:</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

Participants are required to adhere to Testing Procedure as stipulated in Operational Procedure for MYR Settlement in RENTAS.

1. Participants are not allowed to use the RENTAS testing environment during RENTAS live runs, weekends, public holidays and after office hours.
2. Participants are not allowed to use the RENTAS testing environment during RENTAS live runs, weekends, public holidays and after office hours.
Appendix XIII – Guideline for Registration of New Digital Certificate in RENTAS iLINK

1.0 Introduction

1.1 This guideline is to provide a proper steps for the purpose of registering new digital certificate via RENTAS iLINK.

1.2 RENTAS Participants required to have two (2) users to register new digital certificate in RENTAS iLINK. Details are as follows:
   i. User 1 – To validate and add new certificate for registration. User 1 requires to have function to add new certificate in RENTAS iLINK.
   ii. User 2 – To approve the registration of new certificate. User 2 requires to have the approval function and active certificate in RENTAS iLINK.

2.0 Steps to Register New Certificate via RENTAS iLINK

2.1 Log-in RENTAS iLINK as User 1 and complete the following actions:
   i. Go to Admin > Certificate Registration Maintenance;
   ii. Select Participant’s BIC and click button ‘Add’;
   iii. At the ‘Search By’ field, user may select any of the preferable option to search the new certificate. Select the preferable option and provide the details at the key search. Then click button ‘Enquiry’. Example as follow:

   iv. Details of new certificate will be prompted. Select the certificate and click button ‘Submit for Approval’ at the bottom of the screen. Example as follow:
2.2 Log-in RENTAS iLINK as User 2 and complete the following actions:

i. Go to Admin > Certificate Registration Maintenance;

ii. Select Participant’s BIC and click button ‘Approve’;

iii. The submitted certificate (submitted by User 1) will be prompted on the screen. User 2 to select the certificate and further click button ‘Approve’ at the bottom of the screen;

iv. Details certificate will be prompted on the screen and User 2 to validate the details such as name, IC number, email address, subject key identifier etc. Then click button ‘Submit’;

v. Screen will prompt message to remind user to plug-in token and require user to insert the PIN number (password) of the token. Next system will proceed and approve the certificate accordingly. Status of the certificate will display as ‘Active’.