

# **Trading Business Operation Manual**

March 2016

Ver. 1.0

Yangon Stock Exchange Joint-Venture Company Limited

-Revision History-

Version	Revision Date	Pages	Contents
1.0	March 2016	-	Newly created

Contents	Remarks
<p><b>I. Introduction</b></p> <p>This Business Operation Manual describes operations of stock trading on the YSX market to be conducted between Yangon Stock Exchange (YSX) and trading participants.</p>	
<p><b>II. Outline of Trading</b></p> <p><b>1. Auction trading</b></p> <p><b>(1) Order placement (from 9:30 am to 1:00 pm)</b></p> <p>From the start of the order acceptance period, 9:30 am, to the end of trading hours, 1:00 pm, trading participants shall place orders to order books of YSX’s system via their order placement systems.</p> <p>When trading participants place an order on order books, detailed items of the order must be clarified in the message.</p> <p>* Refer to Section 11. “Details of Orders” in the Trading Business Regulations.</p> <p><b>(2) Matching (11:00 am and 1:00 pm)</b></p> <p>Orders are matched at 11:00 am and 1:00 pm by call auction method.</p> <p>* Refer to Section 8. ”Matching Methods” in the Trading Business Regulations.</p> <p>When a trade has been effected, YSX shall immediately report its details to trading participants.</p> <p>YSX transmits executed order information via its system to participants.(after 4:00 pm)</p> <p><b>2. Block Trading</b></p> <p><b>(1) Order placement (from 10:30 am to 1:30 pm)</b></p> <p>If a trading participant intends to conduct a block trading, such trading participant shall send the order application to YSX by FAX.</p> <p>* When trading participants place orders for block trading, details of orders must be clarified in the written order application.</p>	

Contents	Remarks
<p>* Refer to Section 11. “Details of Orders” in the Trading Business Regulations.</p> <p><b>(2) Order confirmation and matching orders (from 10:30 am to 1:30 pm)</b></p> <p>YSX shall check whether there are no discrepancies between corresponding orders sent for a block trading.</p> <p>If YSX finds any discrepancies or lacks of information in an order form, YSX shall contact the trading participant and request them to modify and resubmit the order application.</p> <p>When YSX confirms that there are no discrepancies, transaction is executed. YSX shall fix the execution time and write it in the order application (faxed by trading participant) then apply its seal.</p> <p>* Refer to Section 8. “Matching Methods” in the Trading Business Regulations.</p> <p>YSX shall send execution notices (*) regarding block trading to trading participants by FAX.</p> <p>* The received order applications with the execution time and YSX’s seal as an approval.</p> <p><b>3. Settlement day</b></p> <p>Trade shall be settled on the third business day following the trade execution day.</p>	
<p><b>III. Outline of Trade Monitoring</b></p> <p><b>1. Checking material information (from 9:00 am to 5:00 pm)</b></p> <p>In case YSX identifies material information, having significant impact on making investment decision of investors, defined the Guideline of Trading Suspension, YSX may promptly suspend trading of the stock related to the material information.</p> <p>YSX will resume the trading of the suspended stock 90 minutes after the official announcement by the listed company is put on YSX’s website.</p>	

Contents	Remarks
<p><b>2. Checking connections with Trading Participants (from 8:00 am to 2:00 pm)</b>  YXS shall check connections between YXS systems and trading participant systems. If YXS detects serious connection failure and deems the failure to affect huge impact on investors, YXS may suspend all stocks transaction of the day in accordance with Section 17. “Trading Suspends” of the Trading Business Regulations.</p> <p><b>3. Checking system operations status (from 8:00 am to 5:00 pm)</b>  YXS shall check the YXS system operation status during work hours. If YXS detects serious status failure of the system before or during trading hours, YXS may suspend all stock transactions of the day in accordance with Section 17. “Trading Suspends” of the Trading Business Regulations.</p> <p><b>4. Checking orders and executions (from 9:30 am to 1:00 pm)</b>  <b>(1) Identifying irregular orders</b>  YXS will monitor irregular orders placed on the order book during trading hours, whose orders’ size meets the defined amount as a large order set by YXS.</p> <p>In case where YXS detects placement of such large order on the order book, YXS will confirm the details of the order and then contact to the trading participant placing the order. YXS may suspend trading of the stock if YXS deems necessary to do that.</p>	
<p><b>IV. Error Trade Correction</b>  <b>1. Introduction</b>  Trading participants are able to apply for error trade correction of “correction of executed order” such as, but not limited, principal/agency flag and/or “creation of execution” such as order forgetfulness only in case where a trading participant has fault to send different order from customer’s original order to YXS and the order is executed at YXS, or the participant forgets to send customer’s order to YXS.</p>	

Contents	Remarks
<p><b>2. Application (by 1:00 pm of T+1 day)</b></p> <p>If a trading participant wishes to make an error trade correction, the participant shall send application of the error trade correction with required documents to YSX by FAX and inform of YSX by phone of its intent. The deadline of application is 1:00 pm of the following working day of the execution (T+1 day).</p> <p>YSX will confirm the application and required documents of error trade correction and approve it if the application deems appropriate. If YSX does not give an approval of error trade correction until 3:30 pm of the execution date (T day), YSX will inform the approval of the trading participant on next working day (T+1 day).</p> <p>YSX shall inform the approval of the trading participant by phone and/or by FAX..</p> <p>The trading participant inserts the error trade correction data into its ICT system in case of correction of executed order meanwhile both YSX and the trading participant insert the data in case of creation of execution.</p>	
<p><b>V. Preparing Statistics and Market Data Publication</b></p> <p><b>1. Outline</b></p> <p>YSX shall publish statistics on a post-auction, daily, monthly, and annual basis.</p> <p><b>2. Post-auction at 11:00 and 1:00 pm</b></p> <p><b>(1) Publishing market data (after 11:00 am and 1:00 pm)</b></p> <p>YSX shall publish the data of execution time, stock names, prices, trading volumes and values on its website.</p> <p><b>(2) Daily report (uploaded after 2:00 pm)</b></p> <p>YSX shall publish a daily report including execution time, stock names, prices, trading volumes and values on “Historical data” page of its website (including data of the block trading).</p>	

Contents	Remarks
<p><b>(3) Monthly report</b> (Same data field as daily report but on a monthly basis)</p> <p><b>(4) Others (Annual)</b> (Same data field as daily report but on an annual basis)</p>	
<p><b>VI. Maintenance information</b></p> <p><b>1. Outline</b> Where a listed company conducts corporate action (CA), YSX announces it and related information, such as changes in the base price, on its website.</p> <p>YSX transmits corporate action information via its system to participants system after 4:30 pm.</p> <p>(In case of stock split, etc.)</p> <p><b>2. Maintenance</b> In case where a listed company conducts a stock split, etc., YSX may adjust the base price for the stock if necessary.</p> <p>YSX will set adjusted base price for the next working day after 2:00 pm of one working day prior to the stock split day.</p> <p><b>3. Announcing Completion of Maintenance</b> YSX transmits corporate action information (after 4:30 pm) and base price information (after 4:15 pm) via its system to participants systems.</p> <p>YSX shall also make an announcement of such information and changes of the base prices on its website.</p>	
<p><b>VII. Trading Suspensions and Resuming Trading (between 9:00 am to 1:00 pm)</b></p> <p><b>1. Outline</b> YSX may suspend trading of one or all listed company in the following cases:</p>	

Contents	Remarks
<p>(i) where there is something that is likely to have a significant impact on investors' investment decisions;</p> <p>(ii) where there is an irregularity in the trading conditions;</p> <p>(iii) where a problem has occurred that affects the stability of the trading systems;</p> <p>(iv) where there is a possibility of breaking trades; or</p> <p>(v) where the Exchange deems that it is inappropriate to continue trading.</p> <p>The following are the operational procedure for a trading suspension falling under a case described above.</p> <p><b>2. Trading Suspensions</b></p> <p><b>(1) Announcing Trading Suspension</b></p> <p>When stock trading of a listed company is suspended due to publishing material information, YSX shall make a notice of the suspension immediately by FAX to trading participants and on the website.</p> <p><b>3. Resuming Trading</b></p> <p><b>(1) Disclosure by the listed company</b></p> <p>The listed company whose stock trading is suspended due to publishing material information shall make an official announcement about the information on YSX's website. YSX will continue to suspend the stock trading until the company's official announcement.</p> <p><b>(2) Announcing the Resumption of Trading</b></p> <p>YSX resume the stock trading of the company 90 minutes after the company makes an announcement on YSX's website. When YSX decides to resume the stock trading, YSX shall make a notice immediately by FAX to trading participants and on the website.</p> <p>* In case resume time is less than 15 minutes ahead of either matching hours, 11:00 am and 1:00 pm, YSX doesn't conduct order matching at the hour.</p>	



Contents	Remarks
<p data-bbox="152 193 1503 225"><b>VIII. Handling of Erroneous Order Placement and Trade breaking (between 9:30 am and 1:00 pm)</b></p> <p data-bbox="152 240 1883 320">In case a trading participant places an erroneous order on an order book of a listed company, YSX may suspend stock trading of the company or may break executed trade in order to avoid market confusion.</p> <p data-bbox="152 336 309 368"><b>1. Outline</b></p> <p data-bbox="152 384 1883 512">If an order which seems to be placed erroneously on an order book of a listed company by a trading participant is found by YSX, YSX will contact the trading participant and confirm backgrounds of the order placement, and may suspend the stock trading of the company without the trading participant's consent.</p> <p data-bbox="152 552 1883 632">If a trading participant has to break the trade executed by such orders for an avoidable reason or situation, YSX may break the trade due to the order under limited conditions stipulated in Section 18. “Trade Breaking” of the Trading Business Regulations.</p> <p data-bbox="152 695 551 727"><b>2. Operational Procedures</b></p> <p data-bbox="152 743 763 775"><b>(1) Irregular orders and trading suspension</b></p> <p data-bbox="152 791 1883 871">When YSX identifies irregular orders on an order book of a listed company through trade monitoring operation, YSX will immediately contact the trading participant placing the order by phone.</p> <p data-bbox="152 919 1883 999">In case YSX deems that urgent action to the order book of the stock should be taken immediately for avoiding market confusion, YSX may suspend trading of the stock without confirming to the trading participant placing the order.</p> <p data-bbox="152 1038 1883 1118">YSX confirms whether the order size is intended one or not and then YSX may requires the trading participant to cancel the order if that is mistaken order made by a customer or the trading participant.</p> <p data-bbox="152 1190 427 1222"><b>(2) Trade breaking</b></p>	

<b>Contents</b>	<b>Remarks</b>
<p>In case irregular orders placed on an order book of a listed company is executed at the matching hour and YSX deems necessary to suspend the stock trade of the company in order to avoid market confusion, YSX may suspend the stock trading of the company.</p> <p>If the trading participant acknowledge the irregular orders as an erroneous order and wishes to break the trade, the trading participant shall submit an application to YSX of the trade breaking.</p> <p>In case the trading participant does not apply for breaking trade after suspension of the stock trade due to erroneous trade of the trading participant, YSX will resume the stock trading of the company.</p> <p>In case YSX receives an application for breaking trade from the trading participant, YSX has to make a decision whether or not to accept the application with deliberate consideration of the impact on clearing and settlement procedure. YSX will resume the stock trading of the company if YSX makes a decision not to accept the application of trade breaking meanwhile YSX will make an announcement of the trade breaking on the website followed by keeping suspension of the stock trade of the company on that day if YSX makes a decision to accept the application.</p>	
<p><b>IX. Order Input in YSX</b></p> <p><b>1. Outline</b></p> <p>If a trading participant is unable to place orders due to a power outage or other situations, the trading participant may place or cancel orders in the YSX building with YSX's prior permission.</p> <p><b>2. Operations</b></p> <p><b>(1) Contact from the trading participant</b></p> <p>If a trading participant is unable to place orders due to unavoidable reasons, the trading participant may request YSX to place or cancel orders via order placement terminals set in the YSX building.</p> <p>YSX , after providing permission, requires the trading participant to come to the YSX building to place or cancel orders on order books in YSX system by using the order placement terminal located at the YSX building.</p>	

Contents	Remarks
<p>The trading participant is able use external media such as USB to upload order data into the order placement terminal. YSX will explain procedure to upload the order data to the participant but YSX will later require the trading participant to submit a document including reasons to use the order placement terminals and external media to upload the orders.</p> <p><b>3. Order Input by Trading Participant at YSX</b></p> <p><b>(1) Uploading orders</b></p> <p>The trading participant has to comes to the YSX building and uses the order placement terminal located at the YSX main building in order to upload orders.</p>	