

## Trading Business Regulations

### Section 1. Purpose

- 1.This Business Regulations shall stipulate matters necessary for trading stocks in the markets of the Yangon Stock Exchange Joint-Venture Company Limited (hereinafter referred to as the "Exchange").
- 2.Any amendment to this Business Regulations shall be made by resolution of the Board of Directors; provided, however, that this shall not apply to minor amendments.

### Section 2. Delegation to Other Regulations

- 1.Matters concerning trading participants of the Exchange shall be stipulated in the Trading Participant Business Regulations.
- 2.Matters concerning clearing and settlement of securities trading, etc., conducted on the markets of the Exchange shall be stipulated in the Clearing and Settlement Business Regulations.
- 3.Matters concerning listing of securities, listed company compliance, delisting, and other necessary matters related to listed stocks shall be stipulated in the Securities Listing Business Regulations.

### Section 3. Definitions

In this Business Regulations (including special regulations and related regulations; the same shall apply hereinafter), stocks shall mean shares defined in Article 2 Paragraph 1 of the Myanmar Securities Exchange Law.

### Section 4. Non-Business Days

- 1.The non-business days of the Exchange shall be as follows:
  - (1) Saturday
  - (2) Sunday
  - (3) National Holidays
  - (4) Bank Holidays
  - (5) The day specified separately by the Exchange
- 2.Trading and other operations of the Exchange shall not be conducted on non-business days.

### Section 5. Products

The products available for trading on the markets of the Exchange shall be stocks.

### Section 6. Trading Classification

Trading on the markets of the Exchange shall be divided into call auction and block trading.

## Section 7. Trading Hours

1.Orders for call auction shall be accepted from 9:30 a.m. to 1:00 p.m. Trades shall be effected by way of call auction at each of the following times in accordance with the method stipulated in Paragraphs 1 and 2 of Section 8.

- (1) 10:00 a.m.
- (2) 10:30 a.m.
- (3) 11:00 a.m.
- (4) 11:30 a.m.
- (5) 12:00 p.m.
- (6) 12:30 p.m.
- (7) 1:00 p.m.

2.Orders for block trading shall be accepted from 9:30 a.m. to 1:30 p.m. Trades shall be effected when prices and quantities are matched in accordance with the method stipulated in Paragraphs 3 and 4 of Section 8.

## Section 8. Matching Methods

1.In call auction, trades shall be effected at a price at which the total volume of sell orders and the total volume of buy orders match as prescribed in each of the following items match based on the order priority stipulated in Section 15. In this case, the matched price shall be calculated after reading buy market orders as buy limit orders at the limit-up price and sell market orders as sell limit orders at the limit-down price (based on the price limits specified by the Exchange pursuant to Section 10, Paragraph 2; the same shall apply hereinafter).

- (1) Total volume of sell orders below such price and that of buy orders above such price
- (2) Total volume of either sell orders or buy orders at such price

2.In the event where there are two or more prices at which the total volume of sell orders matches the total volume of buy orders in the preceding paragraph, a trade shall be effected at the price closest to the last execution price in call auction (meaning the most recent execution price of the stock in call auction during the day, and, if this is unavailable, it shall mean the base price of the stock for the day (meaning the price specified by the Exchange pursuant to Section 10, Paragraph 2); the same shall apply hereinafter).

3.In block trading, when either a sell or buy order of the minimum quantity (meaning the quantity specified by the Exchange pursuant to Section 12, Paragraph 2; the same shall apply hereinafter) or more matches a corresponding order at a certain price, a trade shall be executed between such sell order and such buy order with such price as the execution price.

4.Where the execution price prescribed in the preceding paragraph falls outside the price limits specified by the Exchange based on the last execution price in call auction, the trade shall not be effected.

## Section 9. Settlement Day

Trades shall be settled on the third business day following the trade execution day (T+3;

excluding non-business days).

#### Section 10. Order Types

1. Orders shall be classified into market orders and limit orders. However, only limit orders shall be available in block trading.
2. Limit orders shall not be accepted at prices outside the price limits which are based on the base price specified by the Exchange.
3. Trading participants shall be allowed to cancel an existing order before any trade is executed based on such order.

#### Section 11. Details of Orders

When trading participants place orders, they must clarify each of the following items to the Exchange. However, Item 6 shall apply only to block trading.

- (1) Issue code
- (2) Sell or buy
- (3) Price (in the case of a market order, to that effect)
- (4) Quantity
- (5) Proprietary or agency
- (6) Name of counterparty trading participant

#### Section 12. Order Quantity

1. For call auction, order quantity shall be placed in increments of one (1) stock and the minimum quantity per order shall be one (1) stock.
2. For block trading, order quantity shall be placed in increments of one (1) stock and the minimum quantity per order shall be specified by the Exchange.

#### Section 13. Order Price

1. The tick sizes for call auction shall be specified by the Exchange.
2. The tick size for block trading shall be one (1) Kyat.

#### Section 14. Order Validity

Orders shall cease to be valid at the end of the trading hours of the day.

#### Section 15. Price-Time Priority

The priority of buy orders and sell orders during call auction shall be based on the following items.

- (1) A lower sell order shall have priority over higher sell orders, and a higher buy order shall have priority over lower buy orders. However, market orders shall have priority in terms of price over other buy orders and sell orders.
- (2) Among the market orders or limit orders which have same order price, priority shall be

determined based on the time at which such buy orders or sell orders were made. An earlier buy order or sell order shall have priority over later buy orders or sell orders.

#### Section 16. Order Placement

- 1.Placement and cancellation of orders for call auction must be conducted via an order placement system that the Exchange deems appropriate.
- 2.Placement and cancellation of orders for block trading must be conducted via a method specified by the Exchange.

#### Section 17. Trading Suspend

- 1.The Exchange may suspend call auction in any of the following cases:
  - (1) Where there is something that is likely to have a significant impact on investors' investment decisions;
  - (2) Where there is an irregularity in the trading conditions;
  - (3) Where a problem has occurred that affects the stability of the trading systems;
  - (4) Where there is a possibility of breaking trades; or
  - (5) Where the Exchange deems that it is inappropriate to continue trading.
- 2.In cases of trading suspend activated pursuant to the provisions of the preceding paragraph, the timing for resumption of trading shall be specified by the Exchange on a case-by-case basis.
- 3.During the duration of a trading suspend implemented pursuant to the provisions of the preceding two (2) paragraphs, trade shall not be executed and the Exchange may prevent trading participants from placing and cancelling orders.
- 4.Block trading shall be also suspended for the duration of a call auction suspend in accordance with the provisions of Paragraphs 1 and 2.

#### Section 18. Trade Breaking

- 1.The Exchange may break trades effected in call auction in either of the following cases:
  - (1) Where a trade is effected due to an erroneous order, and it is extremely difficult to conduct settlement, and furthermore it is deemed likely to cause disorder in the market;
  - or
  - (2) Where trade records in the Exchange's systems are lost due to unavoidable reasons, including acts of providence and the Exchange deems it difficult to restore all of the lost records or it significantly difficult to conduct settlement.
- 2.Where the Exchange breaks a trade pursuant to the provisions of the preceding paragraph, such trade shall be deemed as if it were never effected at all.
- 3.A trading participant shall not be able to claim compensation for damages against another trading participant that placed an erroneous order even if it incurs such damages as a result of the Exchange breaking a trade pursuant to the provisions of Paragraph 1; provided, however, that this shall not apply to cases where the erroneous order was deemed to have

been a result of willful intent or gross negligence by the other trading participant.

#### Section 19. Error Correction

1. Where a trading participant is unable to execute a customer's order in accordance with the purport of entrustment in the Exchange market due to an error, etc. for a truly unavoidable reason, the trading participant may execute, with the prior approval of the Exchange and as prescribed by the Exchange, by means other than call auction and block trading, a sell or buy of stock pertaining to such approval at a price deemed appropriate by the Exchange.
2. Settlement of the trade in the preceding paragraph shall be made on the day on which the settlement could be conducted if the sell or buy based on entrustment of such customer had been made in accordance with the purport of the entrustment.

#### Section 20. Trade Report

1. When a trade has been effected, the Exchange shall immediately report its details to trading participants.
2. The trading participants shall immediately confirm the trade details upon receiving the report from the Exchange.

#### Section 21. Publication of Trade Information

When a trade has been effected, the details of such trade shall be published using the method as specified by the Exchange.

#### Section 22. Suspension and Resumption of Buy Orders from Foreigners

1. The Exchange shall specify the foreign buy order limit at a level a certain percent lower than the foreign shareholding limit (the upper limit percentage specified by an issuer of listed stocks where stocks issued by such issuer can be held by foreigners)
2. The Exchange may suspend buy orders from foreigners in a stock if its foreign shareholding ratio exceeds its foreign buy order ratio.
3. For a stock for which foreign buy orders have been suspended pursuant to the provisions of the preceding paragraph, the Exchange may resume foreign buy orders on such stock if the foreign shareholding ratio falls below the foreign buy order limit.
4. When the Exchange suspends or resumes buy orders pertaining to the preceding two paragraphs, the Exchange shall notify each trading participant of the fact by the previous business day and publish it using the method as specified by the Exchange.

#### Section 23. Exclusion of Liability

Even where a trading participant incurs damages due to its use of the Exchange, the trading participant shall not be able to claim compensation for damages against the Exchange; provided, however, that the same shall not apply to cases deemed to be a result of willful intent or gross negligence by the Exchange.

#### Section 24. Comprehensive Provision

Besides matters prescribed in accordance with this Business Regulations and related regulations of the Exchange, the Exchange may take measures, etc. on a case-by-case basis where it is deemed necessary for the operation of the Exchange market.

#### Supplementary Provision

This Business Regulations shall be implemented on 30th October, 2015.

#### Supplementary Provision

This Business Regulations shall be implemented on 30th March 2018.

#### Supplementary Provision

This Business Regulations shall be implemented on 20<sup>th</sup> March, 2020.