



# **TA FUTURES SDN BHD** (340271-W)

**(A Member of the TA Group)**

Trading Participant of Bursa Malaysia Derivatives Berhad  
Clearing Participant of Bursa Malaysia Derivatives Clearing Berhad

## **CLIENT AGREEMENT & RISK DISCLOSURE DOCUMENT**

**TA FUTURES SDN BHD**  
32<sup>nd</sup> Floor Menara TA One  
22, Jalan P. Ramlee, 50250 Kuala Lumpur.  
Tel : - 03-2072 4831 Fax :- 03-2072 5001

Email : - [tafutures@ta.com.my](mailto:tafutures@ta.com.my)  
Website :- [www.ta.com.my](http://www.ta.com.my)

AGREEMENT

AN AGREEMENT made this        day of                    201 .

TA FUTURES SDN BHD (340271-W) a company incorporated in Malaysia and having a business at 32nd Floor Menara TA ONE, 22 Jalan P. Ramlee, 50250 Kuala Lumpur (hereinafter referred to as "TAF").

AND

..... a company incorporated in ..... and having its place of business at.....  
..... (hereinafter referred to as "the Client").

WHEREAS

- A. TAF is a licensed futures broker under the Capital Markets and Services Act 2007("the Act") and a Trading Participant of Bursa Malaysia Derivatives Berhad ("the Exchange").
- B. The Client is desirous of maintaining an account with TAF for the purposes of trading in futures contracts (as defined in the Act).
- C. Trades in futures contracts will be cleared through a clearing house appointed by the Exchange ("the Clearing House").

NOW THIS AGREEMENT witnesses as follows:

- 1. The Client appoints TAF and TAF accepts the appointment, upon the terms and conditions of this Agreement, as the Client's broker in relation to trading in futures contracts and to maintain and operate accounts with TAF in relation to trading in futures contracts.
- 2. The Client shall pay TAF commission and fees at such rates as is determined from time to time by the Exchange, or in the absence of such determination, at such reasonable rates as notified by TAF to the Client in writing from time to time. All stamp duty, reasonable costs and expenses incurred for, or to be incurred on behalf of, the Client by TAF in the performance of its obligations hereunder shall be paid by the Client as invoiced by TAF.
- 3. Save and except for as agreed between TAF and the Client to the contrary, the Client shall maintain with the TAF a deposit in the account as stated in item 2 of the Appendix I and pay such margins or lodge such securities (acceptable to TAF) as may be required by TAF from time to time in connection with the trading by TAF on behalf of the Client in futures contracts. The Client agrees and acknowledges:
  - (a) that the Client's liability in respect of margin calls is not limited to the amount of the deposit;
  - (b) that TAF may call for payment of a further deposit or margin (by whatever terms those obligations are described) or call for the lodgment of securities (acceptable to TAF) as TAF, in its reasonable discretion feels is necessary to protect itself from the personal obligation incurred by dealing in futures contracts on behalf of the Client, provided that the call for payment shall not be greater than the margin or deposit requirements of the Exchange or Clearing House for the clearing of all outstanding contracts by TAF on behalf of the Client only. For the avoidance of doubt, the Client will not be liable to make any contribution to the Exchange Fund or Clearing Fund or to contribute to the losses of the Exchange or the Clearing House pursuant to the Exchange or Clearing Terms;

- (c) that the time for payment of margins is of the essence and if no time is stipulated by TAF prior to calling a margin then the Client is required to comply before the start of trading on the following Business day;
- (d) that the liability to pay margin accrues at the time the margin requirement comes into existence regardless of when a call is made, however, TAF shall use its best endeavour to notify the Client of its margin liability as soon as it arises;
- (e) that in respect of trading in options, the liability to pay the premium accrues at the time the trade is executed regardless of when a demand for payment of the same is made, however, TAF shall use its best endeavour to notify the Client of its margin liability as soon as it arises;
- (f) that TAF may (in accordance with the business rules of the Exchange) deem one hour a reasonable time to comply with a demand for payment of margins; and
- (g) in relation to trades conducted on the Exchange and registered with the Clearing House on the Client's behalf, that the Client has no rights whether by way of subrogation or otherwise against any person or corporation other than TAF. The margin imposed by TAF shall not however exceed the margin required by the Exchange or the Clearing House.

3A. For the avoidance of any doubt and notwithstanding anything to the contrary contained in or implied by this Agreement, TAF agrees as follows:

- (a) That any and all margins, deposits, premiums, collaterals and other sums by whatever description that it may call upon the Client to pay or deposit shall relate only to TAF's performance of obligation to execute and clear futures contracts on behalf of the Client as instructed by the Client, and shall not exceed the applicable rates, price or amounts which have been or may be specified by the Exchange, Clearing House or any other third party from time to time. TAF must return the Client's margins, deposits, premiums, collaterals etc. in the same form and amount as deposited by the Client to TA.
- (b) That unless otherwise agreed to specifically in writing by the Client, TAF shall not, whether directly or indirectly, recover from or apportion to or purport to recover from or apportion to the Client any of its liability or other financial obligations to the Exchange or the Clearing House arising in connection with or by reason of TAF's position as a Trading Participant of the Exchange or an approved Clearing Participant of the Clearing House, unless such liability or financial obligation had arisen as a direct consequence of the Client's breach of a condition of this Agreement and thereby resulting in TAF's breach of any requirement prescribed by the Exchange or the Clearing House. Without limiting the generality of the foregoing, such liability or financial obligation on the part of TAF includes TAF's obligation to make contributions to the Exchange Fund of the Exchange or the Clearing Fund of the Clearing House and to lodge security deposit(s) with the Clearing House.

4. The Client further agrees and acknowledges:

- (a) that the Client and TAF are bound by the Act, the Capital Market Services Regulations and any instrument issued in accordance with the Act, the business rules and customs, usages and practices of the Exchange, the business rules of the Clearing House and the customs, usages and practices of the Clearing House with respect of the trading and clearing of futures contracts;
- (b) that TAF will be trading as a principal at all times (and accordingly be liable to the Exchange as such principal) notwithstanding that TAF will be carrying out the instructions of the Client as the Client's agent. Provided that the interests of the Client has not been undermined, any benefit or rights accruing

to TAF in relation to its dealings with the Exchange or in relation to any registration of a futures contract with the Clearing House is personal to TAF and need not be passed by TAF to the Client;

- (c) that the Client will take all reasonable steps to obtain and communicate to TAF all information and deliver or cause to be delivered to TAF all documents with respect to dealings by the Client in futures contracts, which are requested by the Exchange or the Clearing House (subject to Clause 10 below) and also authorizes TAF to produce the information or documents to the Exchange or the Clearing House;
- (d) that dealing in futures contracts may create an obligation to give or take delivery or make cash settlement in accordance with the terms of trading of such futures contracts;
- (e) that the Client has the power and all the requisite approvals to enter into the Agreement with TAF and to trade in futures contracts;
- (f) that TAF has the right (subject to section 99 of the Act), either on its own account or on behalf of other Clients, to take opposite positions to the positions taken by the Client in futures contracts;
- (g) that the Client's conversations with TAF may be recorded by TAF or the Exchange, provided that the Client may listen to any recording in the event of a dispute or anticipated dispute;
- (h) that should TAF have notice of any act of bankruptcy of the Client (in the case of an individual) or of the presentation of any petition for the winding-up of the Client (in the case of a corporate Client, with the exception of any frivolous petition or otherwise challenged by the Client) or should the Client fail to meet any call for payment of deposit, premium or margin (or to lodge any securities acceptable to TAF) then TAF may (without prejudice to any other rights or powers available to it) in its absolute discretion, and without creating an obligation to do so, **upon giving 1 Business Day prior written notice to the Client, close out all or some of the Client's futures contracts;**
- (i) that the Client is responsible to pay in cash any deficit owing to TAF after close out of any of the Client's futures contracts or closure of the Client's account and that if the Client defaults in payment of such deficit, TAF may realize any deposit and securities held by TAF and apply the proceeds against the deficiency;
- (j) that TAF reserves the right to refuse to deal on behalf of the Client in relation to any dealings, in futures contract (other than closing out existing positions held on behalf of the Client) or limit the number of open positions held on behalf of the Client or both. TAF will however, inform the Client in writing of any refusal at or before the time of the Client placing any further orders with TAF;
- (k) that the deposit, margin and any securities deposited with TAF may be utilized in meeting any obligations of the Client or obligations incurred by TAF in dealing in futures contracts on behalf of the Client, in respect of futures contracts traded by or on behalf of the Client and registered with the Clearing House;
- (l) that TAF, its directors, agents, employees or persons related to any of the foregoing may trade in futures contracts on their own account provided that the interests of the Client has not been undermined;
- (m) that the Client agrees to abide by any position and exercise limits set by the Exchange or Clearing House as notified by TAF to the Client;

- (n) that TAF will incur a personal obligation when dealing in contracts on behalf of the Client;
  - (o) that each employee and Registered Representative of TAF acts as the agent of TAF in connection with TAF's business of trading in futures contracts and TAF is liable for all such acts of the agent; and
  - (p) that this Agreement cannot be varied or added to without the prior written consent of the Client and TAF.
5. Either party may terminate this Agreement at any time by giving the other notice in writing to that effect. Upon the termination of this Agreement for any reason (other than breach or default by the Client):-
- (a) TAF shall, in accordance with the Client's instructions, close out or transfer to another Clearing Participant all of the Client's outstanding positions in relation to futures contracts to be cleared on the Client's behalf;
  - (b) The Client shall (notwithstanding any forbearance or grant of additional time to make payment) make full payment to TAF of all monies and sums then owing by the Client to TAF pursuant to this Agreement. In this respect, TAF shall, upon giving prior written notice of not less than 2 Business Days and (if applicable) subject to any reasonable objections of the Client with respect to the computation of amounts purportedly owing to TAF (which objections shall be raised within 1 Business Day from the date of the Client's receipt of TAF's said notice), be entitled to set-off or deduct from any deposits, margins or other collaterals held by TAF in settlement of such monies and sums owing by the Client;
  - (c) Subject to sub-paragraph (b) above, TAF shall in accordance with the Client's instructions, forthwith return and refund (free of interest) to the Client all deposits, margins or collaterals provided by the Client and all other sums held by TAF on behalf of the Client in connection with this Agreement, or transfer the same to another Clearing Participant, and thereafter close all accounts maintained by the Client in relation to the clearing of Approved Contracts, and
  - (d) Subject as otherwise provided in this Agreement and any rights and obligations which have accrued prior to this Agreement, neither party shall have any further obligations under this Agreement.

Upon termination of the Agreement due to breach or default by the Client, unless otherwise agreed in writing, TAF will Close Out all the Client's futures contracts and Close Out abandon and exercise any options not yet exercised.

6. The Client in relation to dealings on the Exchange appoints the Chief Executive Officer of the Clearing House as the Client's attorney (and or agent) to do all things necessary to transfer any open positions held by TAF on the Client's behalf to another Broker where the membership of TAF has been suspended or terminated.
7. The Client acknowledges receipt of a risk disclosure statement from TAF and the execution of a duplicate of that risk disclosure statement after reading (or explanation by TAF) and understanding the same. The Client states that the Client has considered the Client's own objectives, financial situation, needs and risks involved and have formed the opinion that dealing in futures contracts is suitable for the Client.
8. TAF will use its best endeavours to execute or arrange the execution of the Client's instructions, but TAF will not be responsible for any delays or errors in the transmission or execution of the Client's instructions save through TAF's own negligence, default, fraud or dishonesty.
9. All money deposited with TAF by the Client (including without limitation all initial deposits and margins) or which is received by TAF for and on behalf of the Client shall at all times be segregated from TAF's own and its

other clients' funds and may be invested by TAF in accordance with the Act and the Business Rules of the exchange.

10. Unless otherwise agreed in writing, TAF shall be entitled to any interest on money and property segregated and invested by TAF.
11. TAF acknowledges that it may from time to time acquire information concerning the Client and third parties dealing with the Client that are confidential in nature (whether as specified by the Client or ought to be treated as such given the circumstances surrounding the disclosure or TAF's acquisition of the information concerned) and agrees to treat and hold all such information (including this Agreement) with strict confidence.. Except as permitted by the Client in writing, or a disclosure to TAF's designated officers on a need-to-know basis for the purpose of TAF's performance of its obligations pursuant to this Agreement, or as may required by any law, regulation, court order or order of any competent government or statutory authority having authority over TAF, TAF hereby undertakes (i) that it will not howsoever disclose or use any or all such confidential information (ii) that it will take all reasonable efforts to ensure that any recipient of confidential information complies with the confidentiality obligations of TAF hereunder and shall accord confidential treatment to all confidential information received by them, and (iii) that the foregoing undertakings shall survive the termination of this Agreement.
12. Unless otherwise specified herein, all notices, requests or other communications to or upon each of the parties hereto shall be given in any manner described below to the addresses or number or in accordance with the electronic messaging system or e-mail details as stated in the application form annexed herewith or such other address as any of the parties may designate from time to time by written notice to the other party hereto and (a) if in writing and delivered in person or by courier will be effective on the date delivered; (b) if sent by telex, shall be effective on the date the recipient's answerback is received; (c) if sent by facsimile shall be effective on the date it is received by a responsible employee of the recipient in legible form (it is sender's burden to prove receipt, which shall not be met by a transmission report generated by the sender's facsimile machine); (d) if sent by certified or registered mail (or equivalent) with return receipt requested, shall be effective on the date it is delivered; (e) if sent by electronic messaging system, shall be effective on the date it is received; (f) if sent by e-mail, shall be effective on the date it is received. Where any notice, request or other communication from TAF is generated by computer, no signature shall be required on the part of TAF.
13. **THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH THE LAWS OF MALAYSIA AND WE HEREBY SUBMIT TO THE JURISDICTION OF THE COURTS OF MALAYSIA OF COMPETENT JURISDICTION IN ALL MATTERS CONNECTED WITH OUR OBLIGATIONS AND LIABILITIES HEREUNDER AND WE FURTHER AGREE THAT THE SERVICE OF ANY WRIT OR SUMMONS OR ANY LEGAL PROCESS IN RESPECT OF ANY ACTION ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT MAY BE EFFECTED BY FOWARDING A COPY OF THE WRIT OR SUMMONS OR OTHER LEGAL PROCESS BY PREPAID REGISTERED POST TO THE ABOVE-MENTIONED ADDRESS OR LAST KNOWN ADDRESS OF THE PERSON OR PERSONS TO BE SERVED.**
14. Unless inconsistent with the intentions of the parties or with the context in which any provision of this Agreement relates to, words terms and phrases herein which carries or is intended to carry a specified meaning shall be interpreted to mean and carry the meaning(s) or definition(s) as set out or understood within the rules and regulations of the Exchange and the Clearing House that apply in the context of the trading and clearing of futures contracts.

IN WITNESS WHEREOF the parties hereto have set their hands the day and year first above written.

Signed by )  
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In the presence of )  
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Signed by )  
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In the presence of )  
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Appendix 1

1.	Item  Name and address for service of Client	
2.	Deposit Amount	



## RISK DISCLOSURE DOCUMENT

*This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options contracts. In light of the risks, you should undertake such transactions only if you understand the nature of the futures and options contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.*

### RISK ASSOCIATED WITH FUTURES AND OPTIONS CONTRACTS

#### EFFECT OF "LEVERAGE" OR "GEARING"

Transactions in futures and options contracts carry a high degree of risk. The amount of initial margin may be small relative to the value of the futures and options contract so that transactions are "leveraged" or "geared". A relatively small market movement will have proportionately larger impact on the funds you have deposited or will have to deposit - this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss as you will be liable for any resulting deficit.

#### RISK REDUCING ORDERS OR STRATEGIES

The placing of certain orders (e.g. "stop-loss" orders, where permitted under business rules of an exchange company) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

#### TERMS AND CONDITIONS OF CONTRACTS

You should ask the firm with whom you deal about the terms and conditions of the specific futures or options contract which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying instrument of a futures or options contract, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price or other specifications of an option) may be modified by the exchange or clearing house to reflect changes in the underlying instrument or state of affairs that is subject of the futures and options contract.

#### SUSPENSION OF RESTRICTIONS OF TRADING AND PRICING RELATIONSHIP

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate / offset positions. This may increase the risk of loss.

Further, normal pricing relationships between the underlying that is the subject of a futures and options contract and the futures and options contract may not exist. This can occur when, for example, the absence of an underlying reference price may make it difficult to judge "fair" value.

#### DEPOSITED CASH AND SECURITIES

You should familiarize yourself with the protections accorded money or other securities you deposit, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or securities may be governed by specific legislation.

#### COMMISSION AND OTHER CHARGES

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

#### CURRENCY RISKS

The profit or loss in transactions in foreign currency-denominated contracts will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contracts to another currency.

#### TRADING FACILITIES

Most open outcry and electronic trading facilities are supported by computer based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

#### ELECTRONIC TRADING

Trading on an electronic trading system may differ not only from trading in an open outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

#### VARIABLE DEGREE OF RISK

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser may acquire a long position or short position (as the case may be) in relation to the futures contract, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment (which is the option premium) in addition to incurring transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying instrument. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin. If the option is "covered" for example by the seller assuming a corresponding long position in the underlying that is the subject of the option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.