



**Majlis Peguam
Bar Council Malaysia**

**Circular No 382/2022
Dated 29 Dec 2022**

To Members of the Malaysian Bar

www.malaysianbar.org.my

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New Ruling 8.06:

Placement of Clients' Monies in Repurchase Agreement Transactions (Repo)

We refer to [Circular No 125/2015](#) dated 17 June 2015, entitled "Placement of Clients' Monies in Repo Transactions".

Pursuant to section 57(a) of the Legal Profession Act 1976, the Bar Council has approved and adopted a new Ruling 8.06 of the Rules and Rulings of the Bar Council, as proposed by its Legal Profession Committee.

8.06. Placement of Clients' Monies in Repurchase Agreement Transactions (Repo)

- (1) An advocate and solicitor is prohibited from placing clients' monies in Repo accounts unless specific written instructions are obtained from clients to do so, and the advocate and solicitor has discharged his/her professional duty by explaining to clients the possibility that capital sums placed in such transactions may be reduced as a result of the break funding costs arising from premature withdrawals of clients' monies from Repo accounts.
- (2) As defined in [Bank Negara Malaysia's policy document on repurchase agreement transactions](#) dated 12 Nov 2019, Repo means "a transaction involving a sale of Repo Securities and a simultaneous agreement to repurchase the equivalent securities on a future date at the original price plus a Repo Rate. Repo shall include both Repo and Reverse Repo, Cross Currency Repo and, unless otherwise mentioned, covers both Classic Repo and Sell/Buy-Back transactions regardless whether the security is delivered-out or held-in-custody".
- (3) For purposes of this Ruling, the Solicitors' Accounts (Deposit Interest) Rules 1990 shall apply.

Please be informed that Ruling 8.06 **takes effect immediately**.

The Rules and Rulings of the Bar Council are accessible [here](#) on the Malaysian Bar website.

Should you have any enquiries, please contact Malathi Mohan (03-2050 2150) or Md Faizal b Mahat (03-2050 2088), or email lpc@malaysianbar.org.my.

Thank you.

Anand Raj
Secretary
Malaysian Bar

