

# **BBX Trading Rules**

## **MALAYSIA**

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# BBX Malaysia Trading Rules

## Introduction

1. The BBX Trading Rules ("Trading Rules") herein, is the set of rules that regulates the conduct of the BBX Community on the BBX Trading Platform. The BBX Community comprises all Members, which are legal business entities that have joined a Digital Trade Credit ("DTC") Settlement System, and End Users, who are individuals licensed to access and conduct trading on the BBX Trading Platform.
2. The BBX Trading Rules is incorporated into and forms part of the BBX Membership Agreement for Malaysia (for Members) and the End User License Agreement (for End Users) and is therefore binding upon all Members and individual End Users that conduct trading activity on the BBX Trading Platform.
3. The Trading Rules is released and regulated by BBX Holdings Pte Ltd, owner of the BBX Trading Platform software, to operate a Digital Trade Credit Settlement System globally. BBX Holdings Pte Ltd, a Singapore corporation with headquarters in Singapore is referred to as BBXH. The local BBXH affiliated company, if any, is referred to as The Country manager. Wherever the BBX tradename and business as such is referenced specifically, the collective term The country manager is used. Members and End Users grant to BBXH and the Country Manager the exclusive right to regulate their trading conduct on the BBX Trading Platform and make decisions concerning use that, in its sole judgment, it deems necessary.
4. Obligations imposed upon Members under the BBX Trading Rules shall survive suspension and/or pre-termination process of the right of a Member to participate in trading activities on the BBX Trading Platform.
5. The BBX Trading Rules shall become effective as soon as they are published on the BBX members' website.
6. The Country Manager shall have the sole right to determine and amend the BBX Trading Rules herein, to determine version changes, including any or all fees, from time to time, as it deems necessary. Members shall be informed and notified of the effective date of such changes of the BBX Trading Rules. Members hereby agree to be bound by such amendment(s) from the effective date, notwithstanding they may not have actual knowledge of such amendment(s).
7. If any part or provision of the BBX Trading Rules herein should be judged or found to be void or unenforceable, it shall not affect the validity and enforceability of all other parts and provisions of the BBX Trading Rules herein and shall be severable from every other part and provision of the BBX Trading Rules herein, to the intent that BBX Trading Rules herein shall continue in force and effect to the fullest extent possible after severance of the part or provision which is void or unenforceable.
8. Members recognize that to receive value products and good services, they must give value products and good services comparable with their normal cash customers.
9. Fair Trade Rules:
  - (i) Members agree to sell their goods and services based on the following,
    - (a) For all transactions value at MYR2,000 and below, settlement will be on a full DTC settlement.
    - (b) For all transactions value above MYR2,000, settlement can be in the form of a full DTC settlement or a blend of DTC and cash but any transaction will be negotiated on a willing buyer – willing seller basis.
    - (c) The BBX Trading Platform can record settlements on full DTC settlement or blend of DTC and cash settlement.

## Member Trade Account

10. A Member Trade Account ("Trade Account") on the BBX Trading Platform for the purpose of trading is established for each Member once membership process has been completed.
11. Each member trade account is given, one company end user ID and password. The responsibility is on the members to maintain their end user ID and password confidentiality.
12. Members are responsible for correct entry and confirming all "sell" and "buy" transactions on the BBX Trading Platform.
13. The selling and buying Members are held liable for any errors or omissions relating to the processing of a particular trade Transaction on the BBX Trading Platform.

## Member Account Statutes

14. A Member's Trade Account on the BBX Trading Platform shall have one of the following statutes at any one time:
  - (i) Active:

The Member can access the BBX Trading Platform to engage in trade with other Members when they are current and punctual in settling fees owed to BBXH. Any Member that conducts trade transactions within the approved trading DTC limit and in accordance with the BBX Trading Rules has their account as Active status.

(ii) Suspended:

The Member cannot access the BBX Trading Platform to perform any buy or sell transaction with other members if fees are due and cash aging is more than 60 days.

**Re-instatement:** Once the above breach has been cured, the member's access to the BBX Trading Platform to perform transactions will be reinstated.

(iii) Temporary Hold Status:

The Member has a right to choose to put their account on Temporary Hold status when they have more than three times their credit lines in positive DTC. In this status, the member will agree to have their products and services delisted from the BBX Trading Platform directory. The Country Manager will assist the Temporary Hold Member in re-establishing a trade balance that is acceptable by trade matching for the Member to purchase in the BBX community. Once this is achieved, the Member Account status can be reset to Active.

(iv) 90-day Spend Down Period:

On notification of termination (Voluntary or In-Breach), members will be placed on a 90-day period to spend down their DTC or to earn DTC for a month end DTC balance of "0" zero. After which the country manager will follow the termination and closure of member BBX trade account.

(v) Voluntary closure:

The member has voluntarily chosen to close their account and membership and the Country Manager has completed the closing procedure.

(vi) Involuntary termination:

The member's account and membership has been terminated by the Country Manager for breach of the BBX Trading Rules. **Non-reactivation of closed account:** A closed membership and Member Account cannot be re-activated.

## Accounting Procedures

15. DTC: The BBX Trading Platform uses an electronic accounting unit called the DTC, to record the value of goods and/or services exchanged by the BBX Community.
  - (i) DTC is not legal tender, securities, or commodities and cannot be redeemed for cash from the Country Manager.
  - (ii) For purposes of recording, accounting, audit and tax purposes, one (1) DTC is assigned a nominal value of One (1) Malaysia Ringgit, as a practical means to record the values of trade transactions for members' accounting purposes.
  - (iii) DTC may only be used in the manner and for the purpose set forth in the BBX Trading Rules.
  - (iv) Under no circumstances shall the Country Manager and the BBX community be under any obligation to any Member to redeem or convert to cash or pay any amount for or in respect of the DTC. The Country Manager does not warrant the negotiability of the DTC except under the termination process and clause
16. DTC positive Balance is an asset of the Member: A credit balance of DTC recorded in a Member's trade account represents current assets due from the BBX community, and as such, is an asset of that Member. Such a Member is entitled to obtain goods or services from another Member to a value equivalent to that credit balance, in accordance with the BBX Trading Rules but not otherwise.
  - (i) A credit balance does not constitute a liability or a debt payable by the Country Manager to any Member.
17. DTC negative Balance is a liability of the Member: A debit balance of DTC recorded in the Member's trade account represents a liability of that Member to the BBX community. A Member whose trade account has a debit balance is liable, to either:
  - (i) supply goods or services to an equivalent value to another Member in accordance with the BBX Trading Rules but not otherwise; or,
  - (ii) if the Member has not discharged its liability in accordance with Rule 17(i) hereof, to pay to the Country Manager an amount in the monetary unit (cash) equivalent to the amount of the trade dollar debit balance of the trade account, together with any fees and costs payable in accordance with the BBX Trading Rules. BBXH reserves the right to close the account thereafter.
  - (iii) Members that have debit DTC accounts must on all accounts and circumstances accept a sale transaction in DTC from a buying Member of the BBX community. Non-acceptance of a DTC transaction in sale circumstances leads to a breach.

## Business Trade Rules and Procedures

18. The Member acknowledges that all business trade transactions are entered into voluntarily between a selling Member and a buying Member and that business transactions incur the usual commercial risks associated with any business trading. Members should adopt such insurance policies, due diligence and/or internal processes as any reasonable and prudent businessmen would, to safeguard their interests in commercial transactions. The usual provisions that exist under standard commercial law exist with regards to business trades.
19. Members are solely responsible for their respective business trades conducted on the BBX Trading Platform. The Country Manager does not bear any responsibility whatsoever for the good title, condition, fitness for particular purpose, merchantability, punctual delivery, quality, quantity, value or any other characteristics of any goods and/or services purchased or rendered through the BBX Trading Platform. The Country Manager shall not be liable for any damages, loss or theft of goods placed into or purchased through the BBX Trading Platform by a Member.
20. The selling Member shall be responsible for the delivery, quantity and quality of the goods and/or services it sells or supplies in relation to any business transaction it enters into in accordance with the terms and conditions mutually agreed upon with buying Members. The buyer's sole remedy shall be against the seller for any defect or non-conformity in the quality, merchantability or value of the goods and/or services supplied by the seller.
21. Country Manager not liable: The Country Manager shall not be liable to either the buyer or the seller whatsoever for any breach by any party of any terms and conditions of their trade. The Country Manager is not a party or agent to any trade or transaction between the buyer and seller, but is merely a third party record keeper.

## Taxes

22. All BBX Trade Credits earned by the selling member are taxable. All DTC expensed by the buying member are tax deductible.
23. Selling Members shall charge any appropriate government taxes or levy and excise in cash and collect directly from the buying Member and record these as required by law (e.g. GST, VAT, service tax). Under no circumstances will the Country Manager be responsible for paying any such tax on behalf of any Member.

## Trading procedure

24. A valid trade transaction follows the prescribed procedure below. The Country Manager will not recognise any business transaction that is not in compliance with the prescribed procedure.
  - (i) Negotiation  
Buyer and seller parties are fully responsible for negotiating the price and any terms of a trade prior to initiation of a trade transaction on the BBX Trading Platform.
  - (ii) Initiation of transaction  
Only the buying party, may initiate a trade transaction by authorizing the debit of DTC from its account to the seller account on the BBX Trading Platform. The BBX trading platform will send a confirmation notice to both buyer and seller via email.
  - (iii) Transaction settlement  
The BBX Trading Platform automatically debits the DTC payment from the buyer trade account and credits the seller trade account.
    - (a) Any transaction with value at MYR2,000 and below is fully payable in DTC.
    - (b) Any transaction value above MYR2,000, settlement can be in the form of a full DTC or a blend of DTC and cash.
    - (c) The BBX Trading Platform will record any transaction in accordance with their agreed settlement terms, i.e transaction settlement in full DTC or in a blend of DTC and cash. Any cash component will not be processed by the BBX Trading Platform. The seller is fully responsible for the collection of any cash payment due from the buyer.
  - (iv) Chargeable Fees  
The appropriate Transaction Fees payable to the Country Manager will be charged to the buying and selling Member Account on the DTC component as stated. An additional transaction Fees payable to the Country manager will be charged to the Selling member for the cash component as stated in the membership agreement.
  - (v) Seller notification of a dispute  
If seller notifies Country Manager within 7 days of a buyer initiated transaction, of any dispute and requests for cancellation of trade transaction by email to the Country Manager, the country manager has authority to reverse the whole transaction as per request of the seller and such a reversal of transaction will be recorded on the buying and selling members monthly statement. The Country Manager can alter an entry in any Member Trade Account in relation to a trade transaction if:

- (a) there was, in the Country Manager's opinion, a fraudulent act or a breach of the BBX Trading Rules in connection with the conduct of the trade. Such alteration will be recorded in the monthly statement.
- (vi) Buyer and seller notification of a dispute  
In the event of discrepancy and dispute on a trade transaction between the buying and selling parties, with regards to the delivery of the goods and services, the buying party must notify the Country Manager via email or through the BBX Trading Platform within fourteen (14) days of the stated delivery dates. The Country Manager will be authorized to reverse the trade transaction pertaining to the dispute transaction.

## International Transactions

- 25. An international transaction is a transaction between a buying member and a selling member between 2 countries. Members can conduct trade with other Members in other parts of the world on the BBX Trading Platform. In conducting an international transaction processed on the BBX Trading Platform, all parties shall agree to the following:
  - (i) the goods and services are valued in DTC based on the seller currency and will be converted to the buying party's local accounting unit value DTC.
  - (ii) the exchange rate of the currency conversion is system-driven and non-negotiable.

## Fees & Fee Payment

- 26. Fees: Members are charged the following fees: Fees are collected by the country manager for services provided to the member.
  - (i) Sign Up Fee:  
A business upon signing the membership agreement, the new member has to pay a one-time sign up cash fee of Malaysia Ringgit MYR2,000 (SST not applicable) for the setting up of a trade account on the BBX trading platform.
  - (ii) Yearly Administrative Fee:  
A yearly admin fee of MYR250 and DTC 250 (SST not applicable), payable in MYR and DTC, is due on the date of the member's trade account setup.
  - (iii) Seller Transaction Fee:  
The seller will be charged 6% in cash and 1% in DTC of the transaction value in DTC for all transactions. These fees are payable to the country manager and will be reflected in the member's monthly statement and invoice. The seller will be charged 6% in cash only, for the cash component of the transactions recorded on the BBX trading Platform.
  - (iv) Buyer Transaction Fee:  
The buyer will be charged 6% in cash and 1% in DTC of the transaction value in DTC for all transactions. These fees are payable to BBXH and will be reflected in the member's monthly statement. The Buyer will not be charged the additional 6% in cash for the cash component of the transactions.
  - (v) Debt Reserve Fee:  
A yearly Debt Reserve Fee of DTC 240 is payable by each Member to the BBX Debt Reserve Account (Rule 43) on the first business day of each year. The Member irrevocably authorizes the Country Manager to debit the sum of the Debt Reserve Fee in BBX Debt Reserve account from the Member's Account, and to credit the same amount to the BBX Debt Reserve Account yearly.
  - (vi) Late Payment Penalty Fee:  
A late payment penalty fee of 2% payable in cash is imposed on all members on the total cash due if payment has not been received within 30 days of the monthly invoice to the country manager.
  - (vii) International Transaction Fee:  
In the event of an international transaction, in addition to the Buying party and Selling party normal Transaction Fee of 6%, an additional transaction fee of 2% in cash will be payable by the buying and selling party to the country manager.
- 27. The Country Manager reserves the sole right and discretion to determine and vary at any time and interval, the fees payable by Members, giving due consideration to prevailing market conditions.

## Monthly Statement and Invoice

- 28. Monthly Statement: The monthly statement is sent electronically to all members at the end of every calendar month giving a record of all their Buy and Sale transactions in DTC or cash blend, and fees payable.
- 29. Monthly Invoice: The member invoice is sent automatically to all members at the end of every calendar month for all cash and DTC fees due and payable to the country manager.

30. End of period statements of accounts shall be deemed to be accurate, conclusive and binding on every Member unless the Country manager is notified of any discrepancy or errors within seven (7) days of receipt of the statement on line.
31. All fees due are payable to the Country Manager, within fourteen (14) days of the date on the Monthly Invoice.
32. Form of payment for cash fees: The following forms of payment for cash fees are acceptable and fees are deemed paid when:
  - (i) a pre-approved credit card payment has been duly processed by a pre-approved authority;
  - (ii) a standing debit instruction by the Member's bank to credit the Country Manager's bank account on presentation of the monthly statement of account and to debit the Member's bank account; or,
  - (iii) a cheque made payable to the Country Manager and the cheque has been cleared with the cash amount credited into the Country Manager's bank account.

### **Non-Payment of Invoiced Fees**

33. The Member is in breach and default if all fees due and payable to the Country Manager remain outstanding for longer than thirty calendar (30) days.
34. The Country Manager will charge a Late Payment Penalty Fee on the outstanding fees due and payable to the Member account at the rate of two (2%) per month calculated on the end of next period processing, until the Member has paid the outstanding cash fees owing in full.
35. The Member's access to the BBX Trading Platform will be suspended, past the 60day cash aging, for breach for non-payment of fees. When a Member has paid in full the amounts owing and the Member is solvent, all rights of the Member to trade on the BBX Trading Platform will be set to active status.
36. The Country Manager reserves the right to terminate members in the event of and/or take full legal action against a Member to recover the full amount owed in cash.
37. In the Event of Insolvency of Member:
  - (i) Grant of Charge:  
Each Member grants to the Country Manager a lien over all DTC credited to that Member's account for the amount of all unpaid fees, due and payable to the Country Manager.
  - (ii) Where Insolvent Administration:  
If a Member commits an act of bankruptcy, has a receiver, liquidator, provisional liquidator, administrator or controller appointed to it or any of its assets, makes any arrangement or composition with its creditors or becomes insolvent or bankrupt, then all cash Transaction Fees, Administration Fees, and other fees and charges shall immediately become due and payable in full. The Country Manager has the option in lieu of continuing as a creditor, of treating the DTC balance in the Trade Account as equal in value to the amount of cash Transaction/Trade Fees, and Administration/Service Fees, Directory Fees and other fees and charges owing, and terminating the Trade Account.

### **Breaches**

38. A breach is any act or activity by a Member or End User that the Country Manager determines in its sole judgment to be a violation of the terms and conditions of the Trading Rules, Membership Agreement and/or End User License Agreement. These include but are not limited to:
  - (i) Failure to Pay Fees:
  - (ii) Fraudulent Act:
  - (iii) Trade Transaction Breach:

### **In the Event of a Breach**

39. The Country Manager has sole discretion to carry out one or more of the following actions as it deems fit:
  - (i) Investigate Complaints: The Country Manager is entitled but shall not be compelled to enquire into and investigate breaches of the BBX Trading Rules by a Member.
  - (ii) Give Notice of Breach: The Country Manager may give notice of the breach and default in writing to the Member reiterating the ramifications for such breach, and request that the Member make amends and correct such breach or show cause as to why its Member Account should not be suspended, terminated, or why it should not be liable to pay damages.
  - (iii) Take Action to Ensure Fair Dealings: The Country Manager is entitled to take such action as it is empowered to take by the BBX Trading Rules, in order to promote or ensure fair dealing between Members.
  - (iv) Suspend and Request Show Cause: If The Country Manager suspects that a Member has breached the BBX Trading Rules, the Country Manager shall have the discretion to give notice in writing to the Member of the alleged breach and request the Member

show cause in writing within seven days (7) as to why its membership should not be terminated and the Country Manager shall have right to immediately without notice, suspend the Member's right to participate in the BBX Trading Platform.

- (v) Terminate Account: The Country Manager will notify the member of the breach and if not remedied within 7 days will proceed to termination.
- (vi) Payment of Costs: In the event of a breach of the BBX Trading Rules by a Member, that Member shall pay to the Country Manager all reasonable legal costs of the Country Manager in enforcing the BBX Trading Rules on an indemnity basis together with interest at the rate of 2% per calendar month, from the date upon which such costs are paid to the Country Manager until the date on which the Member makes payment.
- (vii) Remedy: The Country Manager shall have the right in its sole discretion to accept at any time within the 14-day notice period, the cure or remedy that the Member has instituted and to reactivate the Member Account on the BBX Trading Platform.

### **Member In Breach**

- 40. The Country Manager reserves the right to terminate members due to breach terms. Country Manager reserves the right to collect all outstanding cash dues and other monies due.
- 41. Members acknowledge and agree that a breach of the BBX Trading Rules by a Member will cause loss and damage to the Country Manager in a number of ways, and which may include, but are not limited to:
  - (i) administrative costs in dealing with the breach;
  - (ii) financial loss due to loss of cash revenue of the Country Manager Transaction or Service Fees, and any other fees and charges payable to the Country Manager;
  - (iii) expenditure of funds in obtaining legal advice and in instituting and prosecuting recovery action;
  - (iv) loss of the goodwill of Members towards the Country Manager and BBX Community;
  - (v) loss of trading volume;
  - (vi) loss of BBX Members.
- 42. Enforcement Expenses: In addition to any monies payable to the Country Manager, if a Member is in default or in breach under the BBX Trading Rules, any enforcement expenses reasonably incurred or expended by the Country Manager in exercising any right under the BBX Trading Rules, or arising from any default or breach, are immediately payable by the Member with effect from the date on which the enforcement expenses are incurred or expended by the Country Manager. The Country Manager will notify the member in breach of termination and will be put on a 90 day spend down.

### **Member DTC Account closing procedure**

- 43. A Member can voluntarily notify the Country Manager of its intention to terminate membership and close its Trade Account via email or in writing to Country Manager at [malaysia@bbxworld.com](mailto:malaysia@bbxworld.com)  
On receipt of the notification, the member will be placed on 90 days spend down period
  - (i) In the event, the member has a surplus DTC, he will have a 90 day to purchase goods and services from the BBX community using DTC to set the trade account DTC balance to zero.
  - (ii) In the event, the member has a deficit DTC, he will have a 90 day to sell goods and services to the BBX Community, earning DTC to set the trade account DTC to zero.
  - (iii) At the end of 90 days, if the member account has DTC surplus, the member will voluntarily forfeit the DTC. This surplus will be credited to the Debt Reserve Account.
  - (iv) At the end of 90 days, if the member account has DTC deficit, the member will have to pay the equivalent of the deficit DTC in cash to the Country Manager.
  - (v) During the 90 days (End of month, EOM) spend down period, the same transaction fees will still be applicable.
  - (vi) (vi) The member's account is permanently closed.

### **Outstanding Fees at termination**

- 44. At the time of the closed account, the month end statement will be sent to the member as the final invoice for all fees due and payable to the Country Manager by cheque, internet banking or credit card.

### **Debt Reserve Account**

- 45. The Debt Reserve account is an account on the BBX trading platform.
  - (i) The member's debt reserve fees are credited yearly into this account.
  - (ii) The Country Manager has the right to debit DTC in the member's account into the Debt Reserve Account.
  - (iii) At time of closure of the member's account, surplus DTC in member's account are credited into this account.

- (iv) At time of closure of member's account, any deficit DTC in member's account are debited from this account.

### **Indemnity**

46. Each Member agrees to indemnify and keep indemnified the Country Manager and/or each of its directors, officers, employees, agents, independent contractors, subcontractors, and licensees against any loss or damage suffered by them or any of them in respect of any failure by that Member to perform its obligations under the BBX Trading Rules.
47. Each Member agrees to indemnify and hold the Country Manager and/or each of its directors, officers, employees, agents, independent contractors, sub-contractors, and licensees harmless with respect to any claim, debt, or liability whatsoever arising out of or in connection with any trade between Members or purported Members.
48. The directors, officers, employees, agents, independent contractors, sub-contractors and authorised partners of the Country Manager have no right to make any representation or commitment on behalf of the Country Manager unless in the ordinary course of business and in accordance with the BBX Trading Rules herein.
49. The Country Manager does not warrant the availability of any particular goods or services within the BBX community. The Country Manager shall not be responsible or in any way liable if a Member cannot obtain particular goods or services from other Members or if other Members do not buy goods or services from a Member. Likewise, neither The Country Manager nor any of its directors, officers, servants, agents and contractors either for themselves or on behalf of the Country Manager, give any warranty and/or guarantee to Members relating to Country Manager performance, turnover or volume of trading or transactions or the profits which Members may generate or secure as Member.
50. The Country Manager makes no representation or warranty either express or implied and to the fullest extent permitted by law disclaims all liability arising out of or in connection with any trade, including, without limitation, any liability for the fitness for purpose, quality, quantity delivery date, merchantability, prices or any term of the trade, and excludes any implied warranties on its part as to the fitness, quality or merchantability of any goods or services. In no event shall the Country Manager be liable to the Member for any indirect, incidental, special or consequential loss or damage, loss of use, revenues, profits, goodwill, bargain or loss of opportunities, anticipated savings, loss of or corruption of data from any cause, whether arising from breach of contract, negligence or any other tort, in equity or otherwise or power outage, industrial actions, or natural disasters and whether or not even if the Country Manager was aware of the possibility of such loss or damage.
51. Each Member agrees to hold the Country Manager harmless for any action that the Country Manager takes to comply with applicable laws and regulations and to make all necessary disclosure to the relevant authorities in relation to all trade transactions conducted with the BBX community.

### **Notices and Notification**

52. Any notice, request or demand to be served by any party is bound by the BBX Trading Rules and it shall be in writing and shall be delivered personally, or by post, or email.
53. Any notice from members to the Country Manager should be sent to Email: [malaysia@bbxworld.com](mailto:malaysia@bbxworld.com).
54. Any notice from the Country Manager to the members will be sent to the last known email address or last known registered office address.