

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

Current Rules		New Rules	
<b>Clearing Rule 1: Application and Definitions</b>		<b>Clearing Rule 1: Application and Definitions</b>	
<b>1.1</b>	<b>Application</b>	<b>1.1</b>	<b>Application</b>
1.1.1	These Clearing Rules apply to all dealings in securities and Exchange Trades which are cleared through CDP. The Clearing Rules operate as a binding contract between CDP and each Clearing Member, and between a Clearing Member and any other Clearing Member.	1.1.1	These Clearing Rules apply to all dealings in securities and Exchange Trades, <u>and all trades in Futures Contracts</u> , which are cleared through CDP. The Clearing Rules operate as a binding contract between CDP and each Clearing Member, and between a Clearing Member and any other Clearing Member.
<b>1.2</b>	<b>Definitions</b>	<b>1.2</b>	<b>Definitions</b>
	“CLOB” means the electronic central limit order book facility maintained by the SGX-ST for the automatic matching and execution of trades in securities listed or quoted on the SGX-ST.		<u>To delete the definition of “CLOB” and replace with new definition for “Trading System”.</u>
	“Customer”, with respect to a Clearing Member, means:-  (1) any person from whom, or on whose behalf, a Clearing Member has received or acquired or held moneys or securities for the account of such person and includes directors of the Clearing Member, their connected persons (as defined in section 2 of the SFA) and any other person with whom the Clearing Member has entered into a contract to sell or purchase securities; and  (2) the Trading Members which are qualified by the Clearing Member but excludes:-  (a) a person whose account is carried on the books of a Trading		“Customer”, with respect to a Clearing Member, means:-  (1) any person from whom, or on whose behalf, a Clearing Member has received or acquired or held moneys or securities for the account of such person and includes directors of the Clearing Member, their connected persons (as defined in section 2 of the SFA) and any other person with whom the Clearing Member has entered into a contract to sell or purchase securities <u>or Futures Contracts</u> ; and  (2) the Trading Members which are qualified by the Clearing Member but excludes:-  (a) a person whose account is carried on the books of a Trading

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>Member (where such person is not the Trading Member itself);</p> <p>(b) the Central Depository (Pte) Limited;</p> <p>(c) the Options Clearing Company (Pte) Limited; and</p> <p>(d) any other person approved by the Authority and which is established for the purpose of providing clearing and settlement facilities in respect of any dealing in securities.</p>		<p>Member (where such person is not the Trading Member itself);</p> <p>(b) the Central Depository (Pte) Limited;</p> <p>(c) the Options Clearing Company (Pte) Limited; and</p> <p>(d) any other person approved by the Authority and which is established for the purpose of providing clearing and settlement facilities in respect of any dealing in securities <u>or trade in Futures Contracts</u>.</p>
	<p>“Exchange” means SGX-ST or any other market or organisation (whether an exchange, association, body corporate or unincorporate or otherwise) responsible for administering a market in securities, commodities, options, derivatives or any other financial instrument whose contracts are cleared by, or novated to CDP.</p>		<p>“Exchange” means SGX-ST or any other market or organisation (whether an exchange, association, body corporate or unincorporate or otherwise) responsible for administering a market in securities <u>or Futures Contracts</u>, commodities, options, derivatives or any other financial instrument whose contracts are cleared by, or novated to CDP.</p>
	<p>“Exchange Trade” means:-</p> <p>(1) a trade transacted on or through CLOB pursuant to the SGX-ST Rules; or</p> <p>(2) a trade reported to SGX-ST pursuant to the SGX-ST Rules, including but not limited to married transactions; or</p> <p>(3) a trade reported by a Clearing Member to CDP, which CDP accepts for clearing in Inter-Broker Settlement; or</p> <p>(4) a trade (including without limitation in securities, commodities, options, derivatives or other financial instruments) transacted on such</p>		<p>“Exchange Trade” means:-</p> <p>(1) a trade transacted on or through <del>CLOB</del> <u>the Trading System</u> pursuant to the SGX-ST Rules; or</p> <p>(2) a trade reported to SGX-ST pursuant to the SGX-ST Rules, including but not limited to <del>married transactions</del> <u>Direct Business</u>; or</p> <p>(3) a trade reported by a Clearing Member to CDP, which CDP accepts for clearing in Inter-Broker Settlement; or</p> <p>(4) a trade (including without limitation in securities, commodities, options, derivatives or other financial instruments) transacted on</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	Exchange (other than SGX-ST) with which CDP may have direct or indirect clearing arrangements from time to time, or in relation to which trade CDP has clearing arrangements in place;  with the exception of such trades as CDP may from time to time stipulate as not being “Exchange Trades” falling under these Clearing Rules.		such Exchange (other than SGX-ST) with which CDP may have direct or indirect clearing arrangements from time to time, or in relation to which trade CDP has clearing arrangements in place;  with the exception of such trades as CDP may from time to time stipulate as not being “Exchange Trades” falling under these Clearing Rules.
	<i>[New definition]</i>		<u>“Futures Contract” means a futures contract, as defined under the SFA, which is approved for listing on SGX-ST.</u>
	“Market Day” means in respect of any security, a day on which the relevant Exchange is open for trading in the security.		“Market Day” means in respect of any security <u>or Futures Contract</u> , a day on which the relevant Exchange is open for trading in the security <u>or Futures Contract</u> .
	<i>[New definition]</i>		<u>“security” includes structured warrants, certificates and any other structured products listed under Chapter 5 of the SGX-ST Listing Manual whether or not they are classified as futures contracts under the SFA.</u>
	<i>[New definition]</i>		<u>“Trading System CLOB” means <del>the electronic central limit order book facility maintained by the SGX-ST</del> any electronic trading system for the automatic matching <del>and execution of trades in securities listed or quoted on the SGX-ST</del> of orders designated and approved by SGX-ST for transactions on SGX-ST.</u>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

Current Rules		New Rules	
<b>Clearing Rule 3: Membership</b>		<b>Clearing Rule 3: Membership</b>	
<b>3.1</b>	<b>Clearing Member</b>	<b>3.1</b>	<b>Clearing Member</b>
3.1.1	Admission Criteria	3.1.1	Admission Criteria
	To be eligible for admission as a Clearing Member, an applicant shall:-		To be eligible for admission as a Clearing Member, an applicant shall:-
	(1) be a corporation carrying on business in Singapore;		(1) be a corporation carrying on business in Singapore;
	(2) upon admission, appoint at least 1 Approved Executive Director who has been approved in accordance with the SFA and Securities and Futures Regulations;		(2) upon admission, appoint at least 1 Approved Executive Director who has been approved in accordance with the SFA and Securities and Futures Regulations;
	(3) hold a Capital Markets Services Licence unless exempt under the Securities and Futures Act or Securities and Futures Regulations;		(3) <u>unless exempt under the SFA or Securities and Futures Regulations</u> , hold a Capital Markets Services Licence <u>to engage in the relevant regulated activities, including where appropriate, trading in futures contracts</u> <del>unless exempt under the Securities and Futures Act or Securities and Futures Regulations</del> ;
	(4) have satisfied or will satisfy upon admission, all the financial requirements of the Clearing Rules applicable to the Clearing Members;		(4) have satisfied or will satisfy upon admission, all the financial requirements of the Clearing Rules applicable to the Clearing Members;
	(5) maintain or will maintain facilities upon admission and staff adequate for the expeditious and orderly maintenance of clearing operations and activities;		(5) maintain or will maintain facilities upon admission and staff adequate for the expeditious and orderly maintenance of clearing operations and activities;
	(6) establish and maintain adequate internal control and risk management policies, procedures and systems as CDP may deem		(6) establish and maintain adequate internal control and risk management policies, procedures and systems as CDP may

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>acceptable from time to time for its clearing operations and activities;</p> <p>(7) maintain segregated and adequate back-office functions to CDP's satisfaction; and</p> <p>(8) comply with such other conditions for Membership as CDP may from time to time prescribe either generally or in the case of any specific applicant.</p>		<p>deem acceptable from time to time for its clearing operations and activities;</p> <p>(7) maintain segregated and adequate back-office functions to CDP's satisfaction; and</p> <p>(8) comply with such other conditions for Membership as CDP may from time to time prescribe either generally or in the case of any specific applicant.</p>
<b>3.8</b>	<b>Reporting Requirements</b>	<b>3.8</b>	<b>Reporting Requirements</b>
	<p>A Clearing Member shall notify CDP in writing upon the happening of all or any of the following events and supply full particulars thereof together with such further information as CDP may require:-</p> <p>(1) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents has violated any provision of the SFA, and the Securities and Futures Regulations, or the rules of any exchange or clearing house of which the Clearing Member is a participant or member or otherwise engaged in conduct which is detrimental to the interests of CDP;</p> <p>(2) when the Clearing Member, or any of its directors, Approved Executive Director, officers, employees or agents is investigated, arrested, charged, convicted, suspended or pleads guilty to any criminal offence involving fraud or dishonesty, whether in or out of Singapore;</p> <p>(3) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents, is the subject of any written complaint involving allegations of theft or misappropriation of funds</p>		<p>A Clearing Member shall notify CDP in writing upon the happening of all or any of the following events and supply full particulars thereof together with such further information as CDP may require:-</p> <p>(1) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents has violated any provision of the SFA, and the Securities and Futures Regulations, or the rules of any exchange or clearing house of which the Clearing Member is a participant or member or otherwise engaged in conduct which is detrimental to the interests of CDP;</p> <p>(2) when the Clearing Member, or any of its directors, Approved Executive Director, officers, employees or agents is investigated, arrested, charged, convicted, suspended or pleads guilty to any criminal offence involving fraud or dishonesty, whether in or out of Singapore;</p> <p>(3) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents, is the subject</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>or securities or of forgery, or of any offence involving fraud or dishonesty, and such complaint or allegations may have a material impact on the financial position on the Clearing Member or of the other Clearing Members;</p> <p>(4) when any of its directors, Approved Executive Director, officers, employees or agents commits or is involved in, or is the subject of any disciplinary proceeding or action taken by the Clearing Member in respect of, any violation or contravention (whether criminal, contractual or of internal policies or otherwise) or any acts giving rise to such violation or contravention, which may have a material impact on the financial position of the Clearing Member or of the other Clearing Members;</p> <p>(5) when there are any changes to its corporate or business name as registered with CDP;</p> <p>(6) when there is any change that may have the effect of altering control in the Clearing Member, or the change in composition, death, legal incapacity or bankruptcy of its directors, CDP reserves the right to terminate an entity's clearing membership in such an event if the new management does not meet the necessary membership requirements; and</p> <p>(7) for any transaction that will result in a change in the legal or beneficial ownership of 20 percent or more of the Clearing Member's issued share capital, and any subsequent increase of 5 percent or more of the Clearing Member's issued share capital.</p>		<p>of any written complaint involving allegations of theft or misappropriation, <del>of funds or securities</del> or of forgery, or of any offence involving fraud or dishonesty, and such complaint or allegations may have a material impact on the financial position on the Clearing Member or of the other Clearing Members;</p> <p>(4) when any of its directors, Approved Executive Director, officers, employees or agents commits or is involved in, or is the subject of any disciplinary proceeding or action taken by the Clearing Member in respect of, any violation or contravention (whether criminal, contractual or of internal policies or otherwise) or any acts giving rise to such violation or contravention, which may have a material impact on the financial position of the Clearing Member or of the other Clearing Members;</p> <p>(5) when there are any changes to its corporate or business name as registered with CDP;</p> <p>(6) when there is any change that may have the effect of altering control in the Clearing Member, or the change in composition, death, legal incapacity or bankruptcy of its directors, CDP reserves the right to terminate an entity's clearing membership in such an event if the new management does not meet the necessary membership requirements; and</p> <p>(7) for any transaction that will result in a change in the legal or beneficial ownership of 20 percent or more of the Clearing Member's issued share capital, and any subsequent increase of 5 percent or more of the Clearing Member's issued share capital.</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

Current Rules		New Rules	
<b>Clearing Rule 5: Financial/Capital Requirements</b>		<b>Clearing Rule 5: Financial/Capital Requirements</b>	
<b>5.2</b>	<b>Financial Resources Requirements</b>	<b>5.2</b>	<b>Financial Resources Requirements</b>
5.2.3	Total risk requirement shall be calculated in the same manner as prescribed in the Third Schedule of the SFR (Financial and Margin Requirements).	5.2.3	<u>(1) Total risk requirement shall be calculated in the same manner as prescribed in the Third Schedule of the SFR (Financial and Margin Requirements).</u>  <u>(2) For the purposes of calculating total risk requirement under rule 5.2.3 (1):</u>  <u>(a) structured warrants must be treated according to their classification under the SFA;</u>
	<i>[New rule]</i>	5.6.3(1A)	<u>For the purposes of Rule 5.6.3(1) “securities” includes structured warrants listed on foreign exchanges;</u>
	<i>[New rule]</i>	5.7.6A	<u>For the purposes of Rule 5.7.4(2) and Rule 5.7.4(4), in calculating exposure in any particular security, all futures contracts listed on any exchange with that security as an underlying shall be included in such computation.</u>
5.7.9	In Rule 5.7, “single security” includes ordinary and preference shares, loan stocks, warrants, transferable subscription rights, bonds, debentures, depository receipts, options and any other debt instruments or equity securities issued by a corporation, and single stock futures traded on SGX-DT.	5.7.9	In Rule 5.7, “single security” includes ordinary and preference shares, loan stocks, <u>company warrants, structured warrants,</u> transferable subscription rights, bonds, debentures, depository receipts, options and any other debt instruments or equity securities. <u>issued by a corporation, and single stock futures traded on SGX-DT</u>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

Current Rules		New Rules	
<b>Clearing Rule 6: Clearing and Settlement</b>		<b>Clearing Rule 6: Clearing and Settlement</b>	
<b>6.1</b>	<b>Clearing of Exchange Trades</b>	<b>6.1</b>	<b>Clearing of Exchange Trades</b>
6.1.4	Settlement of securities transactions between the Clearing Member and CDP shall be in the currency as determined by CDP.	6.1.4	Settlement of <del>securities</del> transactions between the Clearing Member and CDP shall be in the currency as determined by CDP.
<b>6.2</b>	<b>Novation in Inter-Broker Settlement</b>	<b>6.2</b>	<b>Novation in Inter-Broker Settlement</b>
6.2.1	<p>When a transaction between 2 SGX-ST Trading Members is matched on CLOB or is reported to SGX-ST as a reported trade pursuant to the SGX-ST Rules or is otherwise accepted for clearing by the CDP in Inter-Broker Settlement, the following occurs:-</p> <p>(1) Where the 2 SGX-ST Trading Members are both Clearing Members, the transaction shall be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 will apply.</p> <p>(2) Where 1 of the 2 SGX-ST Trading Members is a Trading only Member, the Clearing Member who has qualified the Trading Member shall, as against the Trading Member, assume the rights, duties and obligations of the counterparty SGX-ST Trading Member to the transaction; i.e. the Clearing Member who has qualified the Trading Member shall become the buyer or seller, as the case may be, to the Trading Member. As against the counterparty SGX-ST Trading Member, the Clearing Member who has qualified the Trading Member shall assume the rights, duties and obligations of the Trading Member and the transaction shall thereupon be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 shall apply. Thus, for example:-</p>	6.2.1	<p>When a transaction between 2 SGX-ST Trading Members is matched on <del>CLOB</del> <a href="#">the Trading System</a>, or is reported to SGX-ST as a reported trade pursuant to the SGX-ST Rules on <a href="#">“Direct Business”</a>, or is otherwise accepted for clearing by the CDP in Inter-Broker Settlement, the following occurs:-</p> <p>(1) Where the 2 SGX-ST Trading Members are both Clearing Members, the transaction shall be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 will apply.</p> <p>(2) Where 1 of the 2 SGX-ST Trading Members is a Trading only Member, the Clearing Member who has qualified the Trading Member shall, as against the Trading Member, assume the rights, duties and obligations of the counterparty SGX-ST Trading Member to the transaction; i.e. the Clearing Member who has qualified the Trading Member shall become the buyer or seller, as the case may be, to the Trading Member. As against the counterparty SGX-ST Trading Member, the Clearing Member who has qualified the Trading Member shall assume the rights, duties and obligations of the Trading Member and the transaction shall thereupon be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 shall apply. Thus, for example:-</p>



**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

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	<p>A, a Trading Member, contracts to buy 1,000 shares and the contract is matched on CLOB with B, a Clearing Member. The Clearing Member who has qualified A is C. Immediately upon the matching of the trade on CLOB, the following occurs:-</p>		<p>A, a Trading Member, contracts to buy 1,000 shares and the contract is matched on <u>CLOB the Trading System</u> with B, a Clearing Member. The Clearing Member who has qualified A is C. Immediately upon the matching of the trade on <u>CLOB the Trading System</u>, the following occurs:-</p>
(a)	<p>A's obligation to pay the purchase consideration for 1,000 shares to B is replaced by A's obligation to pay the purchase consideration for 1,000 shares to C and A's right to receive 1,000 shares from B is replaced by A's right to receive 1,000 shares from C.</p>	(a)	<p>A's obligation to pay the purchase consideration for 1,000 shares to B is replaced by A's obligation to pay the purchase consideration for 1,000 shares to C and A's right to receive 1,000 shares from B is replaced by A's right to receive 1,000 shares from C.</p>
(b)	<p>B's obligation to deliver 1,000 shares to A is replaced by B's obligation to deliver 1,000 shares to C and B's right to receive the purchase consideration for 1000 shares from A is replaced by B's right to receive the purchase consideration for 1,000 shares from C.</p>	(b)	<p>B's obligation to deliver 1,000 shares to A is replaced by B's obligation to deliver 1,000 shares to C and B's right to receive the purchase consideration for 1000 shares from A is replaced by B's right to receive the purchase consideration for 1,000 shares from C.</p>
(c)	<p>C assumes A's obligation to pay the purchase consideration for 1,000 shares to B and acquires the corresponding right to receive 1,000 shares from B.</p>	(c)	<p>C assumes A's obligation to pay the purchase consideration for 1,000 shares to B and acquires the corresponding right to receive 1,000 shares from B.</p>
	<p>Thereafter, the transaction between C and B is novated to CDP so that:-</p>		<p>Thereafter, the transaction between C and B is novated to CDP so that:-</p>
(d)	<p>C's obligation to pay the purchase consideration for 1,000 shares to B is replaced by C's obligation to pay the same to CDP; and the corresponding right of C to receive the 1,000 shares from B is replaced by the right of C to receive the 1,000 shares from CDP; and</p>	(d)	<p>C's obligation to pay the purchase consideration for 1,000 shares to B is replaced by C's obligation to pay the same to CDP; and the corresponding right of C to receive the 1,000 shares from B is replaced by the right of C to receive the 1,000 shares from CDP; and</p>
(e)	<p>B's obligation to deliver 1,000 shares to C is replaced by B's</p>	(e)	<p>B's obligation to deliver 1,000 shares to C is replaced by B's</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>obligation to deliver the same to CDP; and the corresponding right of B to receive the purchase consideration for the 1,000 shares from C is replaced by the right of B to receive the purchase consideration from CDP</p> <p>(3) Where the 2 SGX-ST Trading Members are Trading only Members, the Clearing Members who have qualified the Trading Members respectively shall assume the rights, duties and obligations of the Trading Members to each other and as against the Trading Member which they have respectively qualified, they shall assume the rights, duties and obligations of the counterparty SGX-ST Trading Member to the transaction. Thereafter the transaction shall be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 will apply. Thus, for example:-</p> <p>A, a Trading only Member, contracts to buy 1,000 shares and the contract is matched on CLOB with B, a Trading only Member. The Clearing Member who has qualified A is C. The Clearing Member who has qualified B is D. Immediately upon the matching of the trade on CLOB, the following occurs:-</p> <p>(a) A's obligation to pay the purchase consideration for 1,000 shares to B is replaced by A's obligation to pay the purchase consideration for 1,000 shares to C and A's right to receive 1,000 shares from B is replaced by A's right to receive 1,000 shares from C.</p> <p>(b) B's obligation to deliver 1,000 shares to A is replaced by B's obligation to deliver 1,000 shares to D and B's right to receive the purchase consideration for 1,000 shares from A is replaced by B's</p>		<p>obligation to deliver the same to CDP; and the corresponding right of B to receive the purchase consideration for the 1,000 shares from C is replaced by the right of B to receive the purchase consideration from CDP</p> <p>(3) Where the 2 SGX-ST Trading Members are Trading only Members, the Clearing Members who have qualified the Trading Members respectively shall assume the rights, duties and obligations of the Trading Members to each other and as against the Trading Member which they have respectively qualified, they shall assume the rights, duties and obligations of the counterparty SGX-ST Trading Member to the transaction. Thereafter the transaction shall be novated to CDP and Rules 6.2.2, 6.2.3 and 6.2.4 will apply. Thus, for example:-</p> <p>A, a Trading only Member, contracts to buy 1,000 shares and the contract is matched on <del>CLOB</del> <a href="#">the Trading System</a> with B, a Trading only Member. The Clearing Member who has qualified A is C. The Clearing Member who has qualified B is D. Immediately upon the matching of the trade on <del>CLOB</del> <a href="#">the Trading System</a>, the following occurs:-</p> <p>(a) A's obligation to pay the purchase consideration for 1,000 shares to B is replaced by A's obligation to pay the purchase consideration for 1,000 shares to C and A's right to receive 1,000 shares from B is replaced by A's right to receive 1,000 shares from C.</p> <p>(b) B's obligation to deliver 1,000 shares to A is replaced by B's obligation to deliver 1,000 shares to D and B's right to receive the purchase consideration for 1,000 shares from A is replaced</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>right to receive the purchase consideration for 1,000 shares from D.</p> <p>(c) C assumes A's obligation to pay the purchase consideration for 1,000 shares to D and acquires the corresponding right to receive 1,000 shares from D.</p> <p>(d) D assumes B's obligation to deliver 1,000 shares to C and acquires the corresponding right to receive the purchase consideration for 1,000 shares from C.</p> <p>Thereafter, the transactions between C and D are novated to CDP so that:-</p> <p>(e) C's obligation to pay the purchase consideration for 1,000 shares to D is replaced by C's obligation to pay the same to CDP; and the corresponding right of C to receive 1,000 shares from D is replaced by the right of C to receive 1,000 shares from CDP; and</p> <p>(f) D's obligation to deliver 1,000 shares to C is replaced by D's obligation to deliver the same to CDP; and the corresponding right of D to receive the purchase consideration for 1,000 shares from C is replaced by the right of D to receive the purchase consideration for 1,000 shares from CDP.</p>		<p>by B's right to receive the purchase consideration for 1,000 shares from D.</p> <p>(c) C assumes A's obligation to pay the purchase consideration for 1,000 shares to D and acquires the corresponding right to receive 1,000 shares from D.</p> <p>(d) D assumes B's obligation to deliver 1,000 shares to C and acquires the corresponding right to receive the purchase consideration for 1,000 shares from C.</p> <p>Thereafter, the transactions between C and D are novated to CDP so that:-</p> <p>(e) C's obligation to pay the purchase consideration for 1,000 shares to D is replaced by C's obligation to pay the same to CDP; and the corresponding right of C to receive 1,000 shares from D is replaced by the right of C to receive 1,000 shares from CDP; and</p> <p>(f) D's obligation to deliver 1,000 shares to C is replaced by D's obligation to deliver the same to CDP; and the corresponding right of D to receive the purchase consideration for 1,000 shares from C is replaced by the right of D to receive the purchase consideration for 1,000 shares from CDP.</p>
<b>6.5</b>	<b>Settlement of Securities under Novated Contracts</b>	<b>6.5</b>	<b>Settlement of Securities under Novated Contracts</b>
6.5.1	The obligation of CDP to make delivery of securities to a buying Clearing Member pursuant to a novated contract on any Settlement Day shall be discharged by CDP crediting such securities to the Clearing Account of the buying Clearing Member before 12.00 midnight on the Settlement Day. Upon such crediting, the buying Clearing Member irrevocably authorises	6.5.1	The obligation of CDP to make delivery of securities to a buying Clearing Member pursuant to a novated contract on any Settlement Day shall be discharged by CDP crediting such securities to the Clearing Account of the buying Clearing Member before 12.00 midnight on the Settlement Day. Upon such crediting, the buying Clearing Member

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	CDP to credit such securities into the “Available” balance of the securities account or sub-account of the customer of the buying Clearing Member on whose behalf the buying Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement.		irrevocably authorises CDP to credit such securities into the “Available” balance of the <del>s</del> Securities <del>a</del> Account or sub-account of the customer of the buying Clearing Member on whose behalf the buying Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement.
6.5.2	The right of CDP to receive securities on any Settlement Day from a selling Clearing Member pursuant to a novated contract shall be satisfied by CDP debiting such securities from the Clearing Account of the selling Clearing Member before 12.00 midnight on the Settlement Day. Upon such debiting, the selling Clearing Member irrevocably authorises CDP to recover such securities from the “Free” balance of the securities account or sub-account of the customer of the selling Clearing Member on whose behalf the selling Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement by debiting the said securities account or sub-account and to thereafter credit such securities to the Clearing Account of the selling Clearing Member. In the event that there are insufficient or no securities in the “Free” balance of such securities account or sub-account, the selling Clearing Member shall be responsible for such shortfall. The shortfall in the securities shall be debited to the selling Clearing Member’s Clearing Account.	6.5.2	The right of CDP to receive securities on any Settlement Day from a selling Clearing Member pursuant to a novated contract shall be satisfied by CDP debiting such securities from the Clearing Account of the selling Clearing Member before 12.00 midnight on the Settlement Day. Upon such debiting, the selling Clearing Member irrevocably authorises CDP to recover such securities from the “Free” balance of the <del>s</del> Securities <del>a</del> Account or sub-account of the customer of the selling Clearing Member on whose behalf the selling Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement by debiting the said <del>s</del> Securities <del>a</del> Account or sub-account and to thereafter credit such securities to the Clearing Account of the selling Clearing Member. In the event that there are insufficient or no securities in the “Free” balance of such <del>s</del> Securities <del>a</del> Account or sub-account, the selling Clearing Member shall be responsible for such shortfall. The shortfall in the securities shall be debited to the selling Clearing Member’s Clearing Account.
6.5.3	For the purposes of Rule 6, the Trading Member qualified by the Clearing Member shall be treated as the buying or selling customer (as the case may be) of the Clearing Member and the settlement of securities bought or sold shall be credited or debited, as the case may be, firstly, to or from the Clearing Member’s Clearing Account and thereafter to or from the securities account or sub-account of the Trading Member on whose behalf the Clearing Member cleared and settled the relevant Exchange Trade.	6.5.3	For the purposes of Rule 6, the Trading Member qualified by the Clearing Member shall be treated as the buying or selling customer (as the case may be) of the Clearing Member and the settlement of securities bought or sold shall be credited or debited, as the case may be, firstly, to or from the Clearing Member’s Clearing Account and thereafter to or from the <del>s</del> Securities <del>a</del> Account or sub-account of the Trading Member on whose behalf the Clearing Member cleared and settled the relevant Exchange Trade

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
<b>6.7</b>	<b>Buying-In by CDP</b>	<b>6.7</b>	<b>Buying-In by CDP</b>
6.7.1	<p>Terminology</p> <p>For clarity under Rule 6.7:-</p> <p>“short Clearing Member” refers to the Clearing Member who has failed to deliver the securities on the Settlement Day; and</p> <p>“selling Clearing Member” refers to the Clearing Member who has sold shares in the buy-in market.</p>	6.7.1	<p>Terminology</p> <p>For clarity under Rule 6.7:-</p> <p>“short Clearing Member” refers to the Clearing Member who has failed to deliver the securities on the Settlement Day; and</p> <p>“selling Clearing Member” refers to the Clearing Member who has sold <u>securities shares</u> in the buy-in market.</p>
6.7.2	<p>(1) In accordance with the procedures set out below, CDP shall conduct buying-in against a short Clearing Member without giving prior notice to it.</p> <p>(2) The securities bought-in shall be credited to the securities account or sub-account of the short Clearing Member’s customer in the case where it is the customer who has failed to deliver the securities, or in any other case, the Stock Account of the short Clearing Member.</p> <p>(3) The securities bought-in shall thereafter be debited from the short Clearing Member’s customer’s securities account or sub-account or the short Clearing Member’s Stock Account, as the case may be, and credited to the short Clearing Member’s Clearing Account.</p> <p>(4) The costs of the buying-in shall be paid by the short Clearing Member.</p>	6.7.2	<p>(1) In accordance with the procedures set out below, CDP shall conduct buying-in against a short Clearing Member without giving prior notice to it.</p> <p>(2) The securities bought-in shall be credited to the <u>s</u>Securities <u>a</u>Account or sub-account of the short Clearing Member’s customer in the case where it is the customer who has failed to deliver the securities, or in any other case, the Stock Account of the short Clearing Member.</p> <p>(3) The securities bought-in shall thereafter be debited from the short Clearing Member’s customer’s <u>s</u>Securities <u>a</u>Account or sub-account or the short Clearing Member’s Stock Account, as the case may be, and credited to the short Clearing Member’s Clearing Account.</p> <p>(4) The costs of the buying-in shall be paid by the short Clearing Member.</p>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
6.7.4	<p>(1) CDP shall schedule a time for commencement of buying-in and inform Clearing Members of the scheduled time via circular. On the day of buying-in, CDP shall, as far as practicable, by the scheduled time for commencement of buying-in, enter into CLOB a list of securities to be bought-in, naming the security, the number to be bought, the short Clearing Member and the proposed price. CDP shall, at least 3 working days before changing the scheduled time for commencement of buying-in, inform Clearing Members of the details of such change via circular.</p> <p>(1A) If CDP is of the opinion that, due to an emergency on a particular day, buying-in is unlikely to commence at the scheduled time, CDP shall, via circular and the electronic trading platform provided by the Exchange, inform Clearing Members of the following matters:</p> <p style="padding-left: 40px;">(a) that buying-in will not commence at the scheduled time; and</p> <p style="padding-left: 40px;">(b) after assessing the impact of the emergency, the estimated time at which the delayed buying-in will commence.</p> <p>In any case where the commencement of buying-in is delayed, the delayed buying-in shall only commence at least 30 minutes after the original scheduled time.</p> <p>(2) Where the securities to be bought-in are in excess of a board lot, the selling Clearing Member may deliver a board lot or a multiple</p>	6.7.4	<p>(1) CDP shall schedule a time for commencement of buying-in and inform Clearing Members of the scheduled time via circular. On the day of buying-in, CDP shall, as far as practicable, by the scheduled time for commencement of buying-in, enter into <del>CLOB</del> <a href="#">the Trading System</a> a list of securities to be bought-in, naming the security, the number to be bought, the short Clearing Member and the proposed price. CDP shall, at least 3 working days before changing the scheduled time for commencement of buying-in, inform Clearing Members of the details of such change via circular.<sup>1</sup></p> <p>(1A) If CDP is of the opinion that, due to an emergency on a particular day, buying-in is unlikely to commence at the scheduled time, CDP shall, via circular and the electronic trading platform provided by the Exchange, inform Clearing Members of the following matters:</p> <p style="padding-left: 40px;">(a) that buying-in will not commence at the scheduled time; and</p> <p style="padding-left: 40px;">(b) after assessing the impact of the emergency, the estimated time at which the delayed buying-in will commence.</p> <p>In any case where the commencement of buying-in is delayed, the delayed buying-in shall only commence at least 30 minutes after the original scheduled time.<sup>2</sup></p> <p>(2) Where the securities to be bought-in are in excess of a board lot, the selling Clearing Member may deliver a board lot or a multiple</p>

<sup>1</sup> Revised, effective 28 March 2007. Circular No. CDP/5/2007 (13 March 2007)

<sup>2</sup> Inserted, effective 28 March 2007. Circular No. CDP/5/2007 (13 March 2007)

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	thereof in reduction of the securities to be bought-in.		thereof in reduction of the securities to be bought-in.
(3)	For physical securities to be bought-in, when the offer by the selling Clearing Member exceeds the buy-in quantity, it shall not stop CDP from buying-in.	(3)	For physical securities to be bought-in, when the offer by the selling Clearing Member exceeds the buy-in quantity, it shall not stop CDP from buying-in.
(4)	CDP shall have the discretion not to buy-in any security in which case CDP shall remove such security from the list shown in CLOB.	(4)	CDP shall have the discretion not to buy-in any security in which case CDP shall remove such security from the list shown in <a href="#">CLOB-the Trading System</a> .
(5)	The buying-in bid price, as determined by CDP, will be 2 minimum bids above the highest of the closing price of the previous day, the reference transacted price or the reference bid price.  For the purpose of this Rule, the reference transacted price and the reference bid price will be any of the last transacted prices and bid prices in the 1 hour preceding the commencement of buying-in, as determined by CDP.	(5)	The buying-in bid price, as determined by CDP, will be 2 minimum bids above the highest of the closing price of the previous day, the reference transacted price or the reference bid price.  For the purpose of this Rule, the reference transacted price and the reference bid price will be any of the last transacted prices and bid prices in the 1 hour preceding the commencement of buying-in, as determined by CDP. <sup>3</sup>
(6)	Subject to paragraph (1A), buying-in shall commence at the time scheduled by CDP on any Market Day and sellers may offer for immediate delivery any securities shown in the list, the first offer at the price bid to be matched by CLOB. Offers may be in whole or in part of any particular security to be bought-in, provided that where only part is being offered, such part shall be in board lots.	(6)	Subject to paragraph (1A), buying-in shall commence at the time scheduled by CDP on any Market Day and sellers may offer for immediate delivery any securities shown in the list, the first offer at the price bid to be matched by <a href="#">CLOB-the Trading System</a> . Offers may be in whole or in part of any particular security to be bought-in, provided that where only part is being offered, such part shall be in board lots. <sup>4</sup>
(7)	If the securities are not obtained, CDP shall have absolute discretion to raise the price bid by 2 minimum bids, as determined by SGX-ST,	(7)	If the securities are not obtained, CDP shall have absolute

<sup>3</sup> Revised, effective 26 March 2007. Circular No. CDPMC/5/2007 (13 March 2007)

<sup>4</sup> Revised, effective 26 March 2007. Circular No. CDPMC/5/2007 (13 March 2007)

<sup>5</sup> Inserted, effective 26 April 2004. Circular No. CDPMC/7/2004 (28 April 2004).

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	from time to time throughout the Market Day until the securities are bought or delivered to CDP.		discretion to raise the price bid by 2 minimum bids, as determined by SGX-ST, from time to time throughout the Market Day until the securities are bought or delivered to CDP.
(8)	If the securities cannot be obtained during a Market Day, the buying-in shall continue on the following and successive Market Days at 2 minimum bids, as determined by SGX-ST, higher than the buying-in bid price at the close of the previous Market Day, and thereafter CDP shall have absolute discretion to raise the buying-in bid price by 2 minimum bids, as determined by SGX-ST, from time to time throughout the Market Day until the securities are bought or delivered to the CDP.	(8)	If the securities cannot be obtained during a Market Day, the buying-in shall continue on the following and successive Market Days at 2 minimum bids, as determined by SGX-ST, higher than the buying-in bid price at the close of the previous Market Day, and thereafter CDP shall have absolute discretion to raise the buying-in bid price by 2 minimum bids, as determined by SGX-ST, from time to time throughout the Market Day until the securities are bought or delivered to the CDP.
(8A)	If the securities cannot be obtained by the close of the second Market Day, CDP may require the short Clearing Member to procure the securities within the time stipulated by CDP.	(8A)	If the securities cannot be obtained by the close of the second Market Day, CDP may require the short Clearing Member to procure the securities within the time stipulated by CDP. <sup>5</sup>
(9)	CDP shall have power to suspend the increase in bids if it is considered advisable.	(9)	CDP shall have power to suspend the increase in bids if it is considered advisable.
(10)	For physical securities, the selling Clearing Member, unless it is the purchaser in the original trade, shall deliver the securities to CDP before 1.00 p.m. for buying-ins effected in the morning trading session and by 4.00 p.m. for buying-ins effected in the afternoon trading session on the same Market Day. CDP shall pay the selling Clearing Member by 11.00 a.m. on the following Market Day.	(10)	For physical securities, the selling Clearing Member, unless it is the purchaser in the original trade, shall deliver the securities to CDP before 1.00 p.m. for buying-ins effected in the morning trading session and by 4.00 p.m. for buying-ins effected in the afternoon trading session on the same Market Day. CDP shall pay the selling Clearing Member by 11.00 a.m. on the following Market Day.
(11)	For book-entry securities, CDP shall debit the securities from the selling investor's securities account or sub-account or the selling Clearing Member's Stock Account, as the case may be, during the settlement run on the same Market Day the buying-in was effected. CDP shall pay the seller's Clearing Member by 4 p.m. on the	(11)	For book-entry securities, CDP shall debit the securities from the selling investor's <del>s</del> Securities <del>a</del> Account or sub-account or the selling Clearing Member's Stock Account, as the case may be, during the settlement run on the same Market Day the buying-in was effected. CDP shall pay the seller's Clearing Member by 4



**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

<b>Current Rules</b>		<b>New Rules</b>	
	<p>following Market Day.</p> <p>(12) Where a Clearing Member fails to cover overdue sold positions of its customers, CDP shall have the discretion to impose upon the Clearing Member a fine of \$100 for each day a sold contract is overdue.</p>		<p>p.m. on the following Market Day.</p> <p>(12) Where a Clearing Member fails to cover overdue sold positions of its customers, CDP shall have the discretion to impose upon the Clearing Member a fine of \$100 for each day a sold contract is overdue.</p>
<b>6.8</b>	<b>Physical Delivery and Settlement</b>	<b>6.8</b>	<b>Physical Delivery and Settlement</b>
6.8.1	This Rule applies to non-Eligible Securities.	6.8.1	This Rule applies to <a href="#">securities designated by CDP as being ineligible for clearance or settlement on a book entry non-Eligible Securities.</a>

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

Current Rules		New Rules	
<b>Clearing Rule 8: Default Rules</b>		<b>Clearing Rule 8: Default Rules</b>	
<b>8.4</b>	<b>DELIVERY OF SECURITIES UNDER NEW PURCHASE CONTRACT</b>	<b>8.4</b>	<b>DELIVERY OF SECURITIES UNDER NEW PURCHASE CONTRACT</b>
8.4.1	Subject to Rule 6.6, the obligation of CDP to make delivery of securities to a buying customer pursuant to a New Purchase Contract shall be discharged by CDP crediting such securities to the securities account or sub-account of the buying customer upon payment by the buying customer. Title and right to such securities shall not at any time pass to the Defaulting Clearing Member.	8.4.1	Subject to Rule 6.6, the obligation of CDP to make delivery of securities to a buying customer pursuant to a New Purchase Contract shall be discharged by CDP crediting such securities to the <del>s</del> Securities <del>a</del> Account or sub-account of the buying customer upon payment by the buying customer. Title and right to such securities shall not at any time pass to the Defaulting Clearing Member.
<b>8.5</b>	<b>DELIVERY OF SECURITIES UNDER NEW SALE CONTRACT</b>	<b>8.5</b>	<b>DELIVERY OF SECURITIES UNDER NEW SALE CONTRACT</b>
8.5.1	The obligation of the selling customer to make delivery of securities to CDP pursuant to a New Sale Contract shall be discharged by CDP debiting such securities from the “Free” balance of the securities account or sub-account of the selling customer and crediting CDP’s suspense account before 12 midnight on the Settlement Day. Title and right to such securities shall not at any time pass to the Defaulting Clearing Member. In the event that there are insufficient or no securities in the “Free” Balance of such securities account or sub-account, the selling customer shall be responsible to CDP for such shortfall. Buying-in will be conducted against the selling customer who has failed to deliver the securities or sufficient securities at any time after the Settlement Day. The securities bought-in shall thereafter be debited from the selling customer’s securities account or sub-account. Notwithstanding that the Clearing Fund may have been drawn upon, CDP may at any time thereafter claim the difference and all losses and expenses consequent upon such buying-in, and all damages which CDP may sustain in this connection (regardless of whether such losses, expenses and damages have been insured against) shall be recoverable by CDP from:-	8.5.1	The obligation of the selling customer to make delivery of securities to CDP pursuant to a New Sale Contract shall be discharged by CDP debiting such securities from the “Free” balance of the <del>s</del> Securities <del>a</del> Account or sub-account of the selling customer and crediting CDP’s suspense account before 12 midnight on the Settlement Day. Title and right to such securities shall not at any time pass to the Defaulting Clearing Member. In the event that there are insufficient or no securities in the “Free” Balance of such <del>s</del> Securities <del>a</del> Account or sub-account, the selling customer shall be responsible to CDP for such shortfall. Buying-in will be conducted against the selling customer who has failed to deliver the securities or sufficient securities at any time after the Settlement Day. The securities bought-in shall thereafter be debited from the selling customer’s <del>s</del> Securities <del>a</del> Account or sub-account. Notwithstanding that the Clearing Fund may have been drawn upon, CDP may at any time thereafter claim the difference and all losses and expenses consequent upon such buying-in, and all damages which CDP may sustain in this connection (regardless of whether such losses, expenses and damages have been insured against) shall be recoverable by CDP from:-

**AMENDMENTS TO CDP CLEARING RULES - WITH EFFECT FROM 3 APRIL 2008**

	(1) the selling customer and, failing him; (2) the Defaulting Clearing Member.		(1) the selling customer and, failing him; (2) the Defaulting Clearing Member.
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