

**INTRODUCTION OF MARGINABLE FUTURES CONTRACTS FOR TRADING ON SGX-ST –
AMENDMENTS TO CDP CLEARING RULES**

	Current Rules		New Rules
CHAPTER 1 – INTRODUCTION			
1.1	APPLICATION	1.1	APPLICATION
1.1.3	Except where CDP otherwise expressly agrees with or expressly commits itself to any party, the benefit of any performance by CDP of its obligations under these Clearing Rules and/or Clearing Directives is restricted only to Clearing Members. CDP shall have no liability to any other party (including Trading Members) affected or aggrieved by any alleged action or omission of CDP or any of the directors, officers or employees of CDP.	1.1.3	Except where CDP otherwise expressly agrees with or expressly commits itself to any party, the benefit of any performance by CDP of its obligations under these Clearing Rules and/or Clearing Directives is restricted only to Clearing Members. CDP shall have no liability to any other party (including Trading Members). <u>In particular, CDP shall have no liability to any party</u> affected or aggrieved by any alleged action or omission of CDP or any of the directors, officers or employees of CDP.
1.2	DEFINITIONS	1.2	DEFINITIONS
1.2.1	“Clearing Account” means, in relation to a Clearing Member, the securities account maintained by it for settlement purposes.	1.2.1	“Clearing Account” means, in relation to a Clearing Member, the <u>s</u> Securities <u>a</u> Account maintained by it for settlement purposes.
	<u>New definition</u>	<u>1.2.1</u>	<u>“Clearing Member Maintenance Margins” means that component of the Clearing Member Required Margins, as determined by CDP, deposited by the Clearing Member with CDP for all positions in Marginable Futures Contracts carried in its books.</u>
	<u>New definition</u>	<u>1.2.1</u>	<u>“Clearing Member Required Margins” means the sum of Clearing Member Maintenance Margins and Clearing Member Variation Margins.</u>
	<u>New definition</u>	<u>1.2.1</u>	<u>“Clearing Member Variation Margins” means that component of Clearing Member Required Margins comprising the mark-to-market gains and losses, in relation to the price at which the Marginable Futures Contract was bought and sold, arising from CDP’s daily valuation of positions.</u>

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			<u>A net loss increases the Clearing Member Required Margins amount, and a net profit decreases the Clearing Member Required Margins amount.</u>
	New definition	<u>1.2.1</u>	<u>“Contract Specifications” means the commercial and technical terms of a Marginable Futures Contract, including the contract size, contract month, underlying security, Last Trading Day and settlement basis. Unless otherwise stated, Contract Specifications are not subject to the rule amendment procedures specified under the SFA;</u>
	New definition	<u>1.2.1</u>	<u>“Customer Account” means a trading account carried on the books of a Clearing Member for a Customer except where such Customer is:- (1) a director, officer, employee or representative of the Clearing Member; and (2) related corporation of the Clearing Member with respect to accepted instructions to deal for an account belonging to, and maintained wholly for the benefit of, that related corporation. For the avoidance of doubt, a Clearing Member’s own proprietary account is not a Customer Account.</u>
	New definition	<u>1.2.1</u>	<u>“Customer Asset Value” means the market value of the moneys and assets in a customer’s account subject to such hair-cut as specified by CDP.</u>
	New definition	<u>1.2.1</u>	<u>“Customer Maintenance Margin” means that component of Customer Required Margins, as determined by CDP, which must be maintained in a customer’s account subsequent to the deposit of Initial Margins for that customer’s positions in Marginable Futures Contracts.</u>
	New definition	<u>1.2.1</u>	<u>“Customer Required Margins” means the sum of Customer Maintenance Margins and Customer</u>

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			<u>Variation Margins.</u>
	New definition	<u>1.2.1</u>	<u>“Customer Variation Margins” means that component of Customer Required Margins arising from CDP’s daily valuation of positions. It comprises the mark-to-market gains and losses, in relation to the price at which the Marginable Futures Contract was bought or sold. A net loss increases the Customer Variation Margins and Customer Required Margins amount, and a net profit decreases the Customer Variation Margins and Customer Required Margins amount.</u>
1.2.1	“Eligible Securities” Securities designated by CDP as eligible for clearance or settlement on a book entry basis.	1.2.1	Deleted.
	New definition	<u>1.2.1</u>	<u>“Excess Margin” means the amount of Customer Asset Value or deposited collateral value that is in excess of the sum of the Initial Margins and Customer Variation Margins.</u>
	New definition	<u>1.2.1</u>	<u>“House Account” means a trading account carried on the books of a Clearing Member which is not a Customer Account.</u>
	New definition	<u>1.2.1</u>	<u>“Initial Margin” means that minimum amount, as determined by CDP, required to be deposited for positions in Marginable Futures Contracts. This minimum amount is distinct from and in addition to Customer Variation Margins.</u>
	New definition	<u>1.2.1</u>	<u>“Last Trading Day” means the last day on which a Marginable Futures Contract may be traded prior to its expiration.</u>
	New definition	<u>1.2.1</u>	<u>“Marginable Futures Contract” means a Futures Contract approved for listing on SGX-ST and which is subject to margin requirements.</u>
1.2.1	“SFR (Financial and Margin Requirements)”	1.2.1	“SFR (Financial and Margin Requirements)”

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	Current Rules		New Rules
	means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations 2002 or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may replace the SFR (Financial and Margin Requirements), and any reference to any provision of the SFR (Financial and Margin Requirements) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulations which may replace the SFR (Financial and Margin Requirements)).		means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations 2002 or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may replace the SFR (Financial and Margin Requirements), and any reference to any provision of the SFR (Financial and Margin Requirements) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulations which may replace the SFR (Financial and Margin Requirements)).
1.2.1	“Stock Account” means, in relation to a Clearing Member, the securities account maintained by it to house its proprietary securities.	1.2.1	“Stock Account” means, in relation to a Clearing Member, the s Securities a Account maintained by it to house its proprietary securities.
	New definition	1.2.1	“Valuation Price” means the official price of Marginable Futures Contracts determined by CDP for the purpose of determining Customer Variation Margins or Clearing Member Variation Margins.

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	Current Rules		New Rules
CHAPTER 5 – FINANCIAL/CAPITAL REQUIREMENTS			
5.11	TOTAL RISK REQUIREMENTS	5.11	TOTAL RISK REQUIREMENTS
	<p>5.11.1 For the purposes of calculating total risk requirement:</p> <p>(1) structured warrants must be treated according to their classification under the SFA;</p>		<p>5.11.1 <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></p> <p><u>(2) For the purposes of calculating total risk requirement under rule 5.11.1(1):</u></p> <p><u>(a) structured warrants must be treated according to their classification under the SFA;</u></p> <p><u>(b) “margin deficiency” referred to in the SFR (Financial and Margin Requirements) is the amount required for the Customer Asset Value to meet the Variation Margin and Maintenance Margin, and in the case where Customer Asset Value is not sufficient to meet Variation Margin, the margin deficiency is the amount of Maintenance Margin; and</u></p> <p><u>(c) “negative equity” referred to in the SFR (Financial and Margin Requirements) is the amount required for the Customer Asset Value to meet the Variation Margin.</u></p>
5.4	POWERS TO IMPOSE OTHER REQUIREMENTS	5.4	POWERS TO IMPOSE OTHER REQUIREMENTS
	New rule	<u>5.4.1</u>	<u>If CDP is notified by the Clearing Member or becomes aware that the Clearing Member has failed to comply with the minimum capital and financial requirements prescribed in these Rules, CDP may exercise any of the powers described in Rule 6.10.</u>

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5.4.1	CDP may prescribe for 1 or more Clearing Members, capital, financial and other requirements in excess of the minimum prescribed under Rule 5 herein on the basis of volume, risk exposure of positions carried, risk concentration, margin policies, nature of business conducted or to be conducted or its membership in any exchange or market and such other criteria as deemed necessary by CDP.	5.4.42	CDP may prescribe for 1 or more Clearing Members, capital, financial and other requirements in excess of the minimum prescribed under Rule 5 herein on the basis of volume, risk exposure of positions carried, risk concentration, margin policies, nature of business conducted or to be conducted or its membership in any exchange or market and such other criteria as deemed necessary by CDP.
5.6	EXPOSURE TO SINGLE CUSTOMER	5.6	EXPOSURE TO SINGLE CUSTOMER
5.6.3(1)	<p>In Rule 5.6.1, “exposure to a single customer” means:-</p> <p>(1) in the case of securities carried in a customer’s account (other than a margin account):-</p> <p style="padding-left: 20px;">(a) for purchase contracts that remain unpaid:-</p> <p style="padding-left: 40px;">(i) where the securities purchased have not been delivered to the customer, the excess of the contracted price of the securities purchased by the single customer over the aggregate market value of the securities purchased and such other securities held by the General Clearing Member as collateral less any amount due and payable by the General Clearing Member to him; and</p> <p style="padding-left: 40px;">(ii) where the securities purchased have been delivered to the customer, the excess of the contracted price of the securities purchased over the aggregate market value of all his securities held by the General Clearing Member as collateral less any amount due and payable by the Clearing Member to him;</p> <p style="padding-left: 20px;">(b) for sale contracts for which delivery has not been made, the excess of the amount of the market value of the securities sold by the single customer over the aggregate</p>	5.6.3	<p>In Rule 5.6.1, “exposure to a single customer” means:-</p> <p>(1) in the case of securities carried in a customer’s account (other than a margin <u>financing</u> account):-</p> <p style="padding-left: 20px;">(a) for purchase contracts that remain unpaid:-</p> <p style="padding-left: 40px;">(i) where the securities purchased have not been delivered to the customer, the excess of the contracted price of the securities purchased by the single customer over the aggregate market value of the securities purchased and such other <u>securities collateral</u> held by the Clearing Member as collateral less any amount due and payable by the Clearing Member to him; and</p> <p style="padding-left: 40px;">(ii) where the securities purchased have been delivered to the customer, the excess of the contracted price of the securities purchased over the aggregate market value of all his <u>securities collateral</u> held by the Clearing Member as collateral less any amount due and payable by the Clearing Member to him;</p> <p style="padding-left: 20px;">(b) for sale contracts for which delivery has not been made, the excess of the amount of the market value of the securities sold by the single customer over the aggregate of the market value of any of his <u>securities collateral</u> held by the</p>

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	<p>of the market value of any of his securities held by the General Clearing Member as collateral and the contracted sale price less any amount due and payable by the General Clearing Member to him;</p> <p>(c) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a contra transaction on or before the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the contra loss, if any, on the date on which the contra transaction takes effect; and</p> <p>(d) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a force-sale or buying-in transaction after the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the loss, if any, arising from the force-sale or buying-in transaction, on the date on which the transaction takes effect;</p>		<p>Clearing Member as collateral and the contracted sale price less any amount due and payable by the Clearing Member to him;</p> <p>(c) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a contra transaction on or before the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the contra loss, if any, on the date on which the contra transaction takes effect; and</p> <p>(d) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a force-sale or buying-in transaction after the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the loss, if any, arising from the force-sale or buying-in transaction, on the date on which the transaction takes effect;</p>
	(2) the amount of margin deficiency in the single customer's margin account as determined in accordance with the margin requirements specified by SGX-ST;		(2) the amount of margin deficiency in the single customer's margin <u>financing</u> account as determined in accordance with the margin <u>financing</u> requirements specified by SGX-ST;
	(3) the amount of margin deficiency in the single customer's futures account as determined in accordance with the margin requirements specified by SGX-DC;		(3) the amount of <u>margin</u> deficiency in <u>relation to margins required in any account of</u> the single customer's futures account as determined in accordance with the margin requirements <u>specified prescribed by SGX-DC the relevant exchange, clearing house or such other relevant financial institution</u> ;
5.6.4	For the purposes of Rule 5.6.3, a security is deemed to be carried in a customer's account (other than a margin account) on the contract date specified in the contract note in respect of the transaction in that security or on the exercise date specified in the	5.6.4	For the purposes of Rule 5.6.3, a security <u>or futures contract</u> is deemed to be carried in a customer's account (other than a margin <u>financing</u> account) on the contract date specified in the contract note in respect of the transaction in that security <u>or futures contract</u> or on

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	exercise notice in respect of an option in that security which has been exercised.		the exercise date specified in the exercise notice in respect of an option in that security which has been exercised.
5.7	EXPOSURE TO SINGLE SECURITY	5.7	EXPOSURE TO SINGLE SECURITY
5.7.4	(7) in relation to a single security bought or carried, or deposited as collateral in the margin accounts, the margin exposure of the General Clearing Member to the single security as determined in accordance with the margin requirements prescribed by SGX-ST;	5.7.4	(7) in relation to the single security bought or carried, or deposited as collateral in the margin financing accounts, the margin exposure of a General Clearing Member to the single security as determined in accordance with the margin financing requirements prescribed by SGX-ST;
5.11	OTHER FINANCIAL REQUIREMENTS	5.11	OTHER FINANCIAL REQUIREMENTS
	New rule	5.11.5	Credit Facilities Each Clearing Member shall submit to CDP, in the manner as prescribed from time to time: (1) a report on all its credit facilities with its financial institutions at such frequency as CDP shall require; and (2) any change to its credit facilities, including variation of credit limits and addition or termination of credit facilities, immediately upon such change.

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CHAPTER 6 – CLEARING AND SETTLEMENT			
6.1	CLEARING OF EXCHANGE TRADES	6.1	CLEARING OF EXCHANGE TRADES
6.1.1	All Exchange Trades shall be cleared and settled through CDP under Inter-Broker Settlement in accordance with these Clearing Rules.	6.1.1	All Exchange Trades shall be cleared and settled through CDP under Inter-Broker Settlement in accordance with these Clearing Rules. For the avoidance of doubt, Marginable Futures Contracts (whether such contracts open new positions or offset existing positions) are settled through CDP under Inter-Broker Settlement on Settlement Day.
6.1.3	At the election of a Clearing Member, an Exchange Trade may be taken out of Inter-Broker Settlement and cleared and settled through CDP under DVP Settlement in accordance with the DVP Rules.	6.1.3	(1) Subject to Rule 6.1.3(2), At the election of a Clearing Member, an Exchange Trade may be taken out of Inter-Broker Settlement and cleared and settled through CDP under DVP Settlement in accordance with the DVP Rules. (2) CDP shall have the discretion to allow or disallow DVP Settlement for such Exchange Trades or classes of Exchange Trades.
6.2	NOVATION IN INTER-BROKER SETTLEMENT	6.2	NOVATION IN INTER-BROKER SETTLEMENT
6.2.1	When a transaction between 2 SGX-ST Trading Members is matched on the Trading System or is reported to SGX-ST as a reported trade pursuant to the SGX-ST Rules on “Direct Business”, or is otherwise accepted for clearing by the CDP in Inter-Broker Settlement, the following occurs:-	6.2.1	Subject to Rule 6.2.1A, W when a transaction between 2 SGX-ST Trading Members is matched on the Trading System, or is reported to SGX-ST as a reported trade pursuant to the SGX-ST Rules on “Direct Business”, or is otherwise accepted for clearing by the CDP in Inter-Broker Settlement, the following occurs:-
	New rule	6.2.1A	For transactions in Marginable Futures Contracts between 2 SGX-ST Trading Members which are reported to SGX-ST pursuant to the SGX-ST Rules on “Direct Business”, novation under Rules 6.2.1(1)-(3) only takes place when payment of the Clearing Member Required Margins has been confirmed by both settlement bank(s) of the Clearing Members, as a result of the first margin call.
6.2.3	The obligations and rights under the novated contracts:-	6.2.3	The obligations and rights under the N novated C ontracts:-

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	(1) between the buying Clearing Member and CDP; and (2) between the selling Clearing Member and CDP, are owed by and to the parties as principals to each other notwithstanding that the buying and selling Clearing Members may have acted as agents for their respective customers in executing or clearing and settling the relevant Exchange Trade.		(1) between the buying Clearing Member and CDP; and (2) between the selling Clearing Member and CDP, are owed by and to the parties as principals to each other notwithstanding that the buying and selling Clearing Members may have acted as agents for their respective customers in executing or clearing and settling the relevant Exchange Trade.
6.2.4	Subject as otherwise provided in these Clearing Rules the terms of the novated contracts shall be on the same terms as the relevant Exchange Trade replaced by such novated contracts.	6.2.4	Subject as otherwise provided in these Clearing Rules the terms of the <u>N</u> ovated <u>C</u> ontracts shall be on the same terms as the relevant Exchange Trade replaced by such <u>N</u> ovated <u>C</u> ontracts.
6.3	SET-OFF OF PAYMENT OBLIGATIONS UNDER NOVATED CONTRACTS	6.3	SET-OFF OF PAYMENT OBLIGATIONS UNDER NOVATED CONTRACTS
6.3.1	In respect of any Clearing Member, its obligation to make payment under novated contracts is discharged by, and its entitlement to receive payment under novated contracts is satisfied by, net payment in accordance with these Clearing Rules.	6.3.1	In respect of any Clearing Member, its obligation to make payment under <u>N</u> ovated <u>C</u> ontracts is discharged by, and its entitlement to receive payment under <u>N</u> ovated <u>C</u> ontracts is satisfied by, net payment in accordance with these Clearing Rules.
6.3.2	In respect of any Clearing Member, its payment obligations arising under the novated contracts which are due for settlement on any Settlement Day shall be set-off so that the total of all amounts that such Clearing Member is obliged to pay CDP on that Settlement Day shall be set off against the total of all amounts that such Clearing Member is entitled to receive from CDP on that Settlement Day. The resultant net amount shall be known as the “Net Inter-Broker Settlement Balance”. CDP shall issue to the Clearing Member the “Daily Settlement of Account with CDP” by 9.30 a.m. on any Settlement Day to notify the Clearing Member of its Net Inter-Broker Settlement Balance.	6.3.2	In respect of any Clearing Member, its payment obligations arising under the <u>N</u> ovated <u>C</u> ontracts which are due for settlement on any Settlement Day shall be set-off so that the total of all amounts that such Clearing Member is obliged to pay CDP on that Settlement Day shall be set off against the total of all amounts that such Clearing Member is entitled to receive from CDP on that Settlement Day. The resultant net amount shall be known as the “Net Inter-Broker Settlement Balance”. CDP shall issue to the Clearing Member the “Daily Settlement of Account with CDP” by 9.30 a.m. on any Settlement Day to notify the Clearing Member of its Net Inter-Broker Settlement Balance.
6.5	SETTLEMENT OF SECURITIES UNDER NOVATED CONTRACTS	6.5	SETTLEMENT OF SECURITIES UNDER NOVATED CONTRACTS

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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 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.	6.5.1	The obligation of CDP to make delivery of securities to a buying Clearing Member pursuant to a <u>Novated Ce</u> 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 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.
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 <u>Novated Ce</u> 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.
6.6	CDP’S OBLIGATIONS UNDER THE NOVATED CONTRACTS	6.6	CDP’S OBLIGATIONS UNDER THE NOVATED CONTRACTS
6.6.1	Without prejudice to Rule 8.2, to the extent that the aggregate of the funds or assets available to CDP are insufficient at any time to	6.6.1	Without prejudice to Rule 8.2, to the extent that the aggregate of the funds or assets available to CDP are insufficient at any time to meet

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	meet the aggregate of CDP's liabilities to Clearing Members under all novated contracts and/or buying or selling customers under any New Purchase Contracts or New Sale Contracts (as respectively defined under Rule 8.2.2) subsisting at any time, based on the amount of the funds or assets available to CDP for such purpose at the time (taking into account CDP's other liabilities then subsisting), as certified in writing by CDP, each Clearing Member or buying or selling customer to whom CDP is liable under the novated contracts or New Purchase Contracts or New Sale Contracts shall only be entitled to receive payment pro-rata to the amount due to it as compared with the aggregate amount due to all Clearing Members and buying and selling customers under the novated contracts or New Purchase Contracts or New Sale Contracts; CDP shall remain liable for such novated contracts or New Purchase Contracts or New Sale Contracts but payment of the balance of such amounts due shall only be made as and when and to the extent that such funds or assets are subsequently available.		the aggregate of CDP's liabilities to Clearing Members under all <u>N</u> ovated <u>C</u> eontracts and/or buying or selling customers under any New Purchase Contracts or New Sale Contracts (as respectively defined under Rule 8.2.2) subsisting at any time, based on the amount of the funds or assets available to CDP for such purpose at the time (taking into account CDP's other liabilities then subsisting), as certified in writing by CDP, each Clearing Member or buying or selling customer to whom CDP is liable under the <u>N</u> ovated <u>C</u> eontracts or New Purchase Contracts or New Sale Contracts shall only be entitled to receive payment pro-rata to the amount due to it as compared with the aggregate amount due to all Clearing Members and buying and selling customers under the <u>N</u> ovated <u>C</u> eontracts or New Purchase Contracts or New Sale Contracts; CDP shall remain liable for such <u>N</u> ovated <u>C</u> eontracts or New Purchase Contracts or New Sale Contracts but payment of the balance of such amounts due shall only be made as and when and to the extent that such funds or assets are subsequently available.
6.6.2	Without prejudice to Rule 8.2, in respect of CDP's obligations to deliver securities under the novated contracts or New Purchase Contracts, to the extent that CDP determines that it is not possible or reasonably practicable to deliver securities, CDP's obligation shall be to make money compensation to Clearing Members or the buying customers concerned by reference to the market value of such securities at the time such securities were due to be delivered or the value at such other time as CDP shall consider fair and appropriate in the circumstances.	6.6.2	Without prejudice to Rule 8.2, in respect of CDP's obligations to deliver securities under the <u>N</u> ovated <u>C</u> eontracts or New Purchase Contracts, to the extent that CDP determines that it is not <u>or may not be</u> possible or reasonably practicable to deliver securities, CDP's obligation shall be to make money compensation to Clearing Members or the buying customers concerned by reference to the market value of such securities at the time such securities were due to be delivered or the value at such other time as CDP shall consider fair and appropriate in the circumstances.
	New rule	<u>6.9</u>	<u>GENERAL LIEN AND RIGHT TO SET-OFF</u>
	New rule	<u>6.9.1</u>	<u>CDP shall have a lien on all moneys and other properties deposited with CDP and on any other assets of the Clearing Member which may be or become available to CDP.</u>

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	New rule	6.9.2	<u>Without prejudice to the generality of the foregoing, CDP may at any time combine any account of the Clearing Member with its liabilities to CDP and set-off and/or transfer and/or apply any funds in such account towards satisfaction of any liabilities of the Clearing Member to CDP whether or not such accounts are denominated in the same currency.</u>
	New rule	6.10	<u>EMERGENCY POWERS</u>
	New rule	6.10.1	<p><u>In relation to Novated Contracts, where CDP deems it necessary or desirable for ensuring a fair and orderly market or for ensuring a safe and efficient clearing facility, or for ensuring the integrity of the market or for proper management of systemic risk in the market, CDP may, in relation to 1 or more Clearing Members:</u></p> <ol style="list-style-type: none"> <u>(1) require that margins (whether additional or otherwise) be deposited with CDP during the next banking hour after demand or at such time as may be specified by CDP;</u> <u>(2) require that a portion of the positions carried in any account(s) on the books of such Clearing Member be transferred to the books of 1 or more Clearing Members;</u> <u>(3) require such Clearing Member to liquidate any of the positions carried in any account(s) on its books;</u> <u>(4) modify any term in any Contract Specifications, which may include bringing forward the Last Trading Day, or modifying the settlement obligations as set out in ST Rule 9.4.1;</u> <u>(5) require such Clearing Member to close any accounts;</u> <u>(6) require such Clearing Member to deposit additional funds with CDP by such time as it shall specify and in the amount it deems necessary to meet settlements obligations;</u> <u>(7) impose such additional capital requirements on such Clearing Member as CDP deems necessary or desirable;</u> <u>(8) impose such limits and/or conditions to control the activities of such Clearing Member as CDP deems necessary or desirable;</u> <u>and</u> <u>(9) take such action or require the Clearing Member to take such</u>

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	Current Rules		New Rules
			<u>action as CDP deems necessary or desirable.</u>
	New rule	<u>6.10.2</u>	<u>CDP shall, as soon as practicable, notify the Authority of any action taken by CDP pursuant to Rule 6.10.1.</u>
	New rule	<u>6.11</u>	<u>MARKET DISORDERS, IMPOSSIBILITY OF PERFORMANCE, EMERGENCY SITUATIONS</u>
	New rule	<u>6.11.1</u>	<p><u>Without prejudice to Rule 1.1.3, if CDP determines that 1 of the following conditions is satisfied, namely:-</u></p> <p><u>(1) a state of war exists or is imminent or threatened and is likely to affect or has affected the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract;</u></p> <p><u>(2) the government of any nation, state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls which appear likely to affect the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract;</u></p> <p><u>(3) any international organisation, or any institution or agency thereof, has introduced, varied, terminated or allowed to lapse any provision so as to be likely to affect the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract, or has given notice of its intention to do so or appears to be about to do so;</u></p> <p><u>(4) CDP determines that excessive positions or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting a market in any Marginable Contract or its underlying;</u></p> <p><u>CDP shall be entitled to exercise the powers under Rule 6.10.</u></p>

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	Current Rules		New Rules
CHAPTER 6A – MARGIN REQUIREMENTS			
	New rule	<u>6A.1</u>	<u>APPLICABILITY</u>
	New rule	<u>6A.1.1</u>	<u>This Chapter shall be applicable to the margin requirements imposed by CDP for Novated Contracts, the conduct of accounts and other related matters.</u>
	New rule	<u>6A.2</u>	<u>CLEARING MEMBER TO PROCURE CUSTOMER MARGINS</u>
	New rule	<u>6A.2.1</u>	<u>A Clearing Member must procure Initial Margins from its customers and must require that its customers meet the Customer Required Margins for the purpose of meeting margin requirements of Marginable Futures Contracts.</u>
	New rule	<u>6A.2.2</u>	<u>A Clearing Member must comply with such requirements on the computation and monitoring of a customer’s margins as CDP may prescribe.</u>
	New rule	<u>6A.2.3</u>	<u>A Clearing Member may allow Excess Margins to be withdrawn provided such withdrawal will not cause the deposited collateral to be less than zero.</u>
	New rule	<u>6A.3</u>	<u>MARGIN MANAGEMENT FOR CLEARING MEMBERS</u>
	New rule	<u>6A.3.1</u>	<u>Except for trades which reduce Customer Required Margins, a Clearing Member must not accept new orders or new trades for clearing from any customer unless:-</u> <u>(1) the minimum Initial Margins for the new trade are deposited or the Clearing Member has reason to believe that the minimum Initial Margins will be deposited within two Market Days from the trade date (T+2); and</u> <u>(2) the Customer Asset Value complies with the Customer Required</u>

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	Current Rules		New Rules
			<u>Margins, or the Clearing Member has reason to believe that the additional margins to be deposited pursuant to Rule 6A.3.2 will be deposited within two Market Days from the trade date (T+2).</u>
	New rule	<u>6A.3.2</u>	<u>If the Customer Asset Value falls below the Customer Required Margins, the Clearing Member must call for additional margins from the customer to bring the Customer Asset Value to no less than the sum of Initial Margins and Customer Variation Margins within two Market Days from the date the Customer Asset Value falls below the Customer Required Margins.</u>
	New rule	<u>6A.3.3</u>	<u>If a Clearing Member is unable to contact a customer to call for margins, a written notice sent to the customer at the most recent address furnished by the customer to the Clearing Member shall be deemed sufficient.</u>
	New rule	<u>6A.3.4</u>	<u>The Clearing Member may take actions as it deems appropriate, without giving notice to the customer, to reduce its exposure to the customer. Such actions may include liquidating all or such part of the customer's collateral deposited with the Clearing Member, or taking action to offset all or such part of the customer's positions. CDP may also order such Clearing Member to immediately take such action to offset all or such part of the positions of the customer to rectify the deficiency.</u>
	New rule	<u>6A.3.5</u>	<u>Nothing in these Clearing Rules prohibits a Clearing Member from imposing stricter margin requirements, higher hair-cut rates, shorter payment periods for customers to deposit collateral, more frequent valuations of positions and collateral, and making calls for additional margins, as it sees fit.</u>
	New rule	<u>6A.3.6</u>	<u>Clearing Members must not set margin requirements that are less stringent than those prescribed by CDP.</u>

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	Current Rules		New Rules
	New rule	6A.4	ACCEPTABLE COLLATERAL FOR CLEARING MEMBERS
	New rule	6A.4.1	Initial Margins and Customer Required Margins must be met in the form of collateral as prescribed by CDP from time to time. Such collateral must be in the form of cash, government securities, selected common stocks, bank certificates of deposit, gold bars, gold certificates or such other instruments as CDP permits. Valuation of such collateral must be in accordance with the hair-cut rates specified by CDP.
	New rule	6A.4.2	Currency and financial instruments denominated in currencies which are subject to exchange controls such that they are illegal tender outside the currency's home country, or are restricted by any form of capital controls are not acceptable forms of collateral for the purpose of meeting margin requirements of Marginable Futures Contracts.
	New rule	6A.5	CLEARING MEMBER TO DEPOSIT MARGINS WITH CDP
	New rule	6A.5.1	A Clearing Member shall deposit Clearing Member Required Margins with CDP, as required by CDP from time to time.
	New rule	6A.5.2	The amount of Clearing Member Required Margins required to be deposited by any Clearing Member with CDP shall be calculated and determined in accordance with procedures prescribed by CDP, on a gross basis with reference to all accounts carried by such Clearing Member, by aggregating the margin requirements for all accounts carried by such Clearing Member.
	New rule	6A.5.3	All margins deposited with CDP by a Clearing Member shall be retained by CDP in whole or in part, as CDP may deem necessary but subject to these Rules and in particular Rule 6.9, Rule 6A.8, and Rule 8.6B, may be returned to the Clearing Member when the obligations under the Novated Contracts for which such margins have been deposited have been met.

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	Current Rules		New Rules
	New rule	6A.6	FORMS OF COLLATERAL ACCEPTABLE BY CDP AS MARGINS
	New rule	6A.6.1	Forms of collateral acceptable by CDP as margins are: (1) cash; (2) letters of credit to the order of CDP in a form and from a bank acceptable to CDP (and in accordance with such procedures as may be prescribed by CDP); or (3) any other instruments as may be approved by CDP from time to time, all of which must be and remain unencumbered.
	New rule	6A.6.2	Letters of credit issued by the Clearing Member or the Clearing Member's related corporation are not acceptable forms of collateral.
	New rule	6A.6.3	A Clearing Member may on approval and as prescribed by CDP deposit such collateral, subject to such terms and conditions as shall have been approved by CDP, and in such denominations as may be prescribed by CDP from time to time, towards the satisfaction of margin requirements prescribed under these Rules.
	New rule	6A.6.4	The Clearing Member shall designate whether such collateral is to be maintained as margin for Customer Accounts or House Accounts. Such collateral will be held by CDP for that relevant account.
	New rule	6A.6.5	CDP shall value such collateral for margin purposes as it deems appropriate. CDP shall, at its sole discretion, determine when any collateral will cease to be acceptable as margin.
	New rule	6A.6.6	If any collateral lodged by any Clearing Member is found in any way to be unacceptable by CDP, such collateral will immediately be given zero value for the purposes of satisfying the Clearing Member's margin requirements under these Rules. Replacement margin may be immediately required from the Clearing Member in such an event.

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	Current Rules		New Rules
	New rule	6A.6.7	CDP's decision in relation to any matter under this Rule shall be final and binding.
	New rule	6A.7	COMPOSITION OF MARGINS DEPOSITED WITH CDP
	New rule	6A.7.1	Without prejudice to the generality of Rule 6A.6, the aggregate amount of collateral deposited with CDP in respect of the total margin requirements in relation to Customer Accounts and House Accounts must separately comply with the following: (1) for Clearing Members whose total margin requirements are US\$1,000,000 (or its equivalent) or less, the entire margin requirements must be in the form of cash; (2) for Clearing Members whose total margin requirements are more than US\$1,000,000 (or its equivalent), cash must constitute the first US\$1,000,000 or 40 percent of the total margin requirements whichever is the greater; and (3) 60 percent of the total margin requirements must be in the form of cash and/or Letters of Credit.
	New rule	6A.8	MARK TO MARKET GAINS AND EXCESS MARGINS
	New rule	6A.8.1	Mark to market gains of an account may be utilised by the Clearing Member or CDP, as the case may be, to meet margin requirements for the same account.
	New rule	6A.9	VALUATION PRICE
	New rule	6A.9.1	For the computation of Customer Variation Margins and Clearing Member Variation Margins, the Valuation Price of a Marginable Futures Contract shall be determined in accordance with the relevant formula and procedures applicable to each Marginable Futures Contract, as determined by CDP. In arriving at such formula, CDP may, in consultation with SGX-ST, take into account factors, including but not limited to: (1) the last traded price;

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	Current Rules		New Rules
			<p>(2) <u>bid and offer spread at the close of market; and</u></p> <p>(3) <u>price data derived from pricing models, as selected or established by CDP from time to time.</u></p>
	New rule	<u>6A.9.2</u>	<u>Notwithstanding the foregoing, CDP shall reserve the right to amend the Valuation Price of any Marginable Futures Contract under these Rules as it deems fit.</u>
	New rule	<u>6A.10</u>	<u>SEGREGATION OF CUSTOMER'S MONEY AND ASSETS</u>
	New rule	<u>6A.10.1</u>	<p><u>General</u></p> <p>(1) <u>A Clearing Member shall comply with the customer segregation requirements under these Rules and/or the SFA at all times.</u></p> <p>(2) <u>A Clearing Member shall ensure that it shall at all times inform and keep CDP informed of such information as would be required for CDP to discharge its segregation obligations under the SFA and/or to enable CDP to issue to the Authority the verification of margin funds statement placed with CDP as required under the SFA.</u></p>
	New rule	<u>6A.10.2</u>	<p><u>Use and Set-off</u></p> <p><u>CDP shall be entitled to use and deal with any of the money and any other collateral acceptable to CDP, which has been received by CDP from a Clearing Member, in such manner as CDP shall in its absolute discretion think fit, provided that CDP shall not use any money or assets received and notified to it as being in relation to a Customer Account, to settle any obligation in relation to an account classified or reported to CDP as a House Account.</u></p>
	New rule	<u>6A.11</u>	<u>NOTIFICATION OF UNDER-SEGREGATION</u>
	New rule	<u>6A.11.1</u>	<u>Every Clearing Member shall immediately report to CDP of any under-segregation of moneys or assets as required under these Rules and/or the SFA.</u>

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	Current Rules		New Rules
	New rule	6A.12	SAFEKEEPING INDEMNITY
	New rule	6A.12.1	Any collateral accepted by CDP as margin shall be, where necessary, deposited with the appropriate custodian(s) designated by CDP for safekeeping in a CDP account designated for House Accounts or in a CDP account designated for Customer Accounts, as the case may be, and CDP shall retain control over such collateral as a part of the margin of such Clearing Member.
	New rule	6A.12.2	CDP shall not have any obligation or responsibility to preserve, protect, collect or realise, and under no circumstances shall CDP be liable for any loss or diminution in value or depreciation in or in connection with, the collateral maintained pursuant to this Rule.
	New rule	6A.12.3	A Clearing Member who maintains collateral with CDP shall indemnify and hold CDP harmless from any loss, damage, costs, charges and/or expenses of whatsoever nature and howsoever arising (“Loss”) suffered or incurred by CDP to any designated custodian which may result from or arise with respect to: (1) any act, delay or omission in connection with collateral (whether by such Clearing Member or CDP) deposited with such designated custodian; or (2) any contract or agreement between CDP and any designated custodian, or any representation, warranty or undertaking given by CDP to any designated custodian, in relation to or otherwise in connection with collateral deposited with such designated custodian. PROVIDED THAT this indemnity shall not cover any Loss and/or liability of CDP attributable or referable to the gross negligence or wilful misconduct of CDP or any of CDP’s officers, agents and/or employees.
	New rule	6A.12.4	Each Clearing Member shall pay CDP for all fees, expenses, charges and costs incurred by CDP in relation to its acceptance of collateral as

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	Current Rules		New Rules
			<u>CDP may determine from time to time, and shall make such deposits of margins (in such form as may be acceptable to CDP) as may be required by CDP by reason of any depreciation in the market value of such collateral.</u>
	<u>New rule.</u>	<u>6A.12.5</u>	<u>If a Clearing Member defaults in fulfilling its obligations to CDP in accordance with the provisions of these Rules, the collateral maintained in CDP’s account may be disposed of, without notice, in any manner deemed appropriate by CDP and the proceeds from the sale of the collateral shall be applied in accordance with Rule 8.6B.</u>
	New rule	<u>6A.13</u>	<u>MARGIN RETURNS</u>
	New rule	<u>6A.13.1</u>	<u>CDP shall credit all Clearing Member Maintenance Margins, Clearing Member Variation Margins and margins required pursuant to Rule 6.10, which a Clearing Member has on deposit with CDP pursuant to these Rules with interest and any other entitlements on the full amount in accordance with a schedule to be prescribed by CDP from time to time except for money continued to be held pursuant to Rule 6.9 consequent/subsequent to a Clearing Member’s default.</u>
	New rule	<u>6A.14</u>	<u>UNDER-MARGINED ACCOUNTS</u>
	New rule	<u>6A.14.1</u>	<u>Each Clearing Member shall immediately notify CDP when any account does not comply with the Customer Required Margins by an amount which exceeds its aggregate resources, except that no notification is required for the Clearing Member’s own proprietary House Account.</u>
	New rule	<u>6A.14.2</u>	<u>CDP may require the Clearing Member to submit to CDP information pertaining to any matter in such form and within such time as may be stipulated by CDP.</u>

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	Current Rules		New Rules
	New rule	<u>6A.15</u>	<u>REGULATORY INFORMATION</u>
	New rule	<u>6A.15.1</u>	<u>Clearing Members shall provide CDP with any information necessary in relation to such collateral deposited with CDP as margin for regulatory purposes including but not limited to withholding tax purposes.</u>

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	Current Rules		New Rules
CHAPTER 7 – CLEARING FUND			
7.8	APPLICATION OF CLEARING FUND	7.8	APPLICATION OF CLEARING FUND
7.8.1	<p>Unless otherwise provided in the Clearing Rules or as determined by CDP, the Clearing Fund may be applied:-</p> <ol style="list-style-type: none"> (1) to make good all losses suffered by CDP as a result of the breach by a Defaulting Clearing Member of any of its novated contracts; (2) to make good any shortfall (resulting from the inapplicability of Rule 6.4 to the New Purchase Contracts and New Sale Contracts) of moneys payable by CDP to the other Clearing Members pursuant to Rule 6.4; and (3) in respect of the obligations and liabilities of CDP arising out of the novated contracts (including but not limited to the costs and expenses incurred in relation to making recoveries from a Defaulting Clearing Member and in relation to any action taken by CDP pursuant to Rule 8). 	7.8.1	<p>Unless otherwise provided in the Clearing Rules or as determined by CDP, the Clearing Fund may be applied:-</p> <ol style="list-style-type: none"> (1) to make good all losses suffered by CDP as a result of the breach by a Defaulting Clearing Member of any of its Novated Contracts; (2) to make good any shortfall (resulting from the inapplicability of Rule 6.4 to the New Purchase Contracts and New Sale Contracts) of moneys payable by CDP to the other Clearing Members pursuant to Rule 6.4; and (3) in respect of the obligations and liabilities of CDP arising out of the Novated Contracts (including but not limited to the costs and expenses incurred in relation to making recoveries from a Defaulting Clearing Member and in relation to any action taken by CDP pursuant to Rule 8).

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	Current Rules		New Rules
CHAPTER 8 – DEFAULT RULES			
8.1	EVENTS OF DEFAULT	8.1	EVENTS OF DEFAULT
	New rule	<u>8.1.2</u>	<u>Immediately upon CDP declaring that an Event of Default has occurred in respect of any Clearing Member, such Clearing Member (the “Defaulting Clearing Member”) shall be deemed:-</u> <u>(1) to be in breach of its obligations to CDP under its Novated Contracts; and</u> <u>(2) to be unable to meet its obligations to CDP</u> <u>and to the extent permitted by law, Rules 8.2 to 8.7 herein shall apply.</u>
8.2	EFFECT OF DEFAULT ON NOVATED CONTRACTS	8.2	EFFECT OF DEFAULT ON NOVATED CONTRACTS <u>OTHER THAN MARGINABLE FUTURES CONTRACTS</u>
8.2.1	Immediately upon CDP declaring that an Event of Default has occurred in respect of any Clearing Member, such Clearing Member (the “Defaulting Clearing Member”) shall be deemed:- (1) to be in breach of its obligations to CDP under its novated contracts; and (2) to be unable to meet its obligations to CDP and to the extent permitted by law, Rules 8.2 to 8.6 herein shall apply.	8.2.1	<u>Except for Rule 8.6A, Rules 8.2 to 8.7 shall apply to Novated Contracts other than Marginable Futures Contracts.</u> <u>Immediately upon CDP declaring that an Event of Default has occurred in respect of any Clearing Member, such Clearing Member (the “Defaulting Clearing Member”) shall be deemed:-</u> <u>(1) to be in breach of its obligations to CDP under its novated contracts; and</u> <u>(2) to be unable to meet its obligations to CDP</u> <u>and to the extent permitted by law, Rules 8.2 to 8.6 herein shall apply.</u>
8.2.2(1)	Immediately upon such breach:- (1) each novated contract for the purchase of securities between CDP and the Defaulting Clearing Member shall be terminated. In respect of each such novated contract, a new contract (the “New Purchase Contract”) shall be deemed to have been made between CDP and the relevant buying customer of the Defaulting Clearing Member, pursuant to which the buying	8.2.2(1)	Immediately upon such breach <u>under Rule 8.1.2:-</u> (1) each <u>N</u> ovated <u>C</u> ontract for the purchase of securities between CDP and the Defaulting Clearing Member shall be terminated. In respect of each such <u>N</u> ovated <u>C</u> ontract, a new contract (the “New Purchase Contract”) shall be deemed to have been made between CDP and the relevant buying customer of the Defaulting Clearing Member, pursuant to which the buying customer shall

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	Current Rules		New Rules
	customer shall have the obligation to pay the relevant purchase consideration to CDP and, subject to Rule 6.6.1 shall have the right to receive the relevant securities from CDP; and		have the obligation to pay the relevant purchase consideration to CDP and, subject to Rule 6.6.1 shall have the right to receive the relevant securities from CDP; and
8.2.2(2)	<p>(2) each novated contract for the sale of securities between CDP and the Defaulting Clearing Member shall be terminated. In respect of each such novated contract, a new contract (the “New Sale Contract”) shall be deemed to have been made between CDP and the relevant selling customer of the Defaulting Clearing Member, pursuant to which the selling customer shall have the obligation to deliver the relevant securities to CDP and, subject to Rule 6.6.1 shall have the right to receive the relevant sale consideration from CDP.</p> <p>Subject as otherwise provided in these Clearing Rules, the terms of each New Purchase Contract and New Sale Contract shall be on the same terms as its corresponding novated contract. For the avoidance of doubt, the termination of each novated contract shall be without prejudice to any of the rights or remedies of CDP thereunder and CDP’s right to damages in respect of any breach (whether antecedent or otherwise) under each novated contract shall not be extinguished.</p>	8.2.2(2)	<p>(2) each <u>Novated Contract</u> for the sale of securities between CDP and the Defaulting Clearing Member shall be terminated. In respect of each such <u>Novated Contract</u>, a new contract (the “New Sale Contract”) shall be deemed to have been made between CDP and the relevant selling customer of the Defaulting Clearing Member, pursuant to which the selling customer shall have the obligation to deliver the relevant securities to CDP and, subject to Rule 6.6.1 shall have the right to receive the relevant sale consideration from CDP.</p> <p>Subject as otherwise provided in these Clearing Rules, the terms of each New Purchase Contract and New Sale Contract shall be on the same terms as its corresponding <u>Novated Contract</u>. For the avoidance of doubt, the termination of each <u>Novated Contract</u> shall be without prejudice to any of the rights or remedies of CDP thereunder and CDP’s right to damages in respect of any breach (whether antecedent or otherwise) under each <u>Novated Contract</u> shall not be extinguished</p>
8.6	PAYMENT TO SELLING CUSTOMER UNDER NEW SALE CONTRACT	8.6	PAYMENT TO SELLING CUSTOMER UNDER NEW SALE CONTRACT
	<u>New rule</u>	<u>8.6.2</u>	<u>Subject to Rule 8.6.3, CDP has the right to offset the sale consideration pursuant to Rule 8.6.1 against the purchase consideration pursuant to Rule 8.3.1, if the New Sales Contract and the New Purchase Contract are for the same customer, whether or not the New Sales Contract and the New Purchase Contract have the same Settlement Day.</u>
	<u>New rule</u>	<u>8.6.3</u>	<u>CDP may require the buying customer of the New Purchase Contract to pay CDP the purchase consideration pursuant to Rule 8.3.1 on the</u>

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	Current Rules		New Rules
			<u>Market Day following the Settlement Day irrespective of whether the buying customer has a New Sales Contract.</u>
	New rule	<u>8.6A</u>	<u>EFFECT OF DEFAULT ON NOVATED MARGINABLE FUTURES CONTRACTS</u>
	New rule	<u>8.6A.1</u>	<u>This Rule shall apply only to Novated Contracts in respect of Marginable Futures Contracts (hereafter “novated Marginable Futures Contracts”).</u>
	New rule	<u>8.6A.2</u>	<p><u>For positions in novated Marginable Futures Contracts, immediately upon such breach under Rule 8.1.2, CDP may:-</u></p> <ol style="list-style-type: none"> <u>(1) appoint 1 or more Clearing Members to whom all or any part of such positions shall be transferred to be handled for the defaulted Clearing Member. When positions are so transferred, margins deposited thereon and any settlement due or collected must be delivered to CDP, to be entrusted to the Clearing Member or Members designated to handle the transactions;</u> <u>(2) borrow securities, execute buying-in or offset against the customer’s obligations under New Purchase Contracts and New Sale Contracts, on behalf of and at the risk of the defaulted Clearing Member, for the purpose of meeting settlement obligations;</u> <u>(3) execute hedging transactions, on behalf of and at the risk of the defaulted Clearing Member, to eliminate or reduce market risk resulting from such positions; and</u> <u>(4) without prejudice to Rule 8.6A.2(1), appoint 1 or more Trading Members to liquidate such positions on the behalf of and at the risk of the defaulted Clearing Member.</u>
	New rule	<u>8.6A.3</u>	<u>All costs and expenses sustained by CDP in connection with any steps which are or may be taken by CDP pursuant to Rule 8.6A.2, including losses incurred from authorised hedging transactions and the unwinding of such hedging transactions, shall be charged to the</u>

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	Current Rules		New Rules
			<u>account of the defaulted Clearing Member.</u>
	New rule	<u>8.6B</u>	<u>APPLICATION OF MARGINS AND COLLATERAL</u>
	New rule	<u>8.6B.1</u>	<p><u>Without prejudice and subject to the other provisions of these Rules, in particular Rule 7.9.1:</u></p> <p><u>(1) Where a Clearing Member has failed promptly to discharge any of its obligations to CDP, CDP may apply margins or collateral (including without limitation letters of credit procured by the Clearing Member to be issued to CDP) deposited by the Clearing Member in relation to House Accounts.</u></p> <p><u>(2) Where a Clearing Member has failed promptly to discharge any of its obligations to CDP, and CDP has reasonable grounds for forming an opinion that the failure is directly attributable to the failure of any Customer Account holder to meet its obligations, CDP may apply:</u></p> <p><u>(a) margins or collateral, (including without limitation letters of credit procured by the Clearing Member to be issued to CDP) deposited by the Clearing Member in relation to Customer Accounts provided that the conditions in the SFA are satisfied; and</u></p> <p><u>(b) any qualifying letters of credit deposited with CDP by a Trading Member sponsored by the Clearing Member, provided that the Clearing Member's default is attributable to such Trading Member's act or omission.</u></p>
	New rule	<u>8.6B.2</u>	<u>The Clearing Member shall not take any action or do anything that will directly or indirectly interfere with, prohibit, restrict or inhibit the ability of CDP to so apply such Contributions, margins or collateral and CDP shall, except where it has acted in bad faith, be under no liability to the Clearing Member or any other person whatsoever in so applying such Contributions, margins or collateral and the Clearing Member shall fully indemnify and keep indemnified CDP and hold CDP harmless against any such liability.</u>

**INTRODUCTION OF MARGINABLE FUTURES CONTRACTS FOR TRADING ON SGX-ST –
AMENDMENTS TO CDP CLEARING RULES**

	Current Rules		New Rules

**INTRODUCTION OF MARGINABLE FUTURES CONTRACTS FOR TRADING ON SGX-ST –
AMENDMENTS TO CDP CLEARING RULES**

	Current Rules		New Rules
CHAPTER 9 – SUSPENSION OR RESTRICTION OF CLEARING			
9.1	CDP MAY SUSPEND OR RESTRICT CLEARING AND SETTLEMENT	9.1	CDP MAY SUSPEND OR RESTRICT CLEARING AND SETTLEMENT
9.1.2	Without prejudice to Rule 9.1.1, CDP may also take such other action as it may deem necessary or appropriate in the interests of CDP and/or its Clearing Members, or for the protection of CDP with respect to the novated contracts to which a Defaulting Clearing Member is a party, at the Defaulting Clearing Member's expense and if appropriate, in its name.	9.1.2	Without prejudice to Rule 9.1.1, CDP may also take such other action as it may deem necessary or appropriate in the interests of CDP and/or its Clearing Members, or for the protection of CDP with respect to the <u>Novated C</u> contracts to which a Defaulting Clearing Member is a party, at the Defaulting Clearing Member's expense and if appropriate, in its name.
	New rule	<u>9.4</u>	<u>POSITIONS CARRIED IN ANY ACCOUNT ON THE BOOKS OF CLEARING MEMBERS WHO ARE SUSPENDED OR RESTRICTED IN CLEARING ACTIVITIES</u>
	New rule	<u>9.4.1</u>	<u>When a Clearing Member is suspended or is restricted in its clearing activities by CDP, other than for default, CDP may designate 1 or more Clearing Members to deal with any positions carried in any account on the books of the suspended or restricted Clearing Member in accordance with CDP's direction.</u>

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AMENDMENTS TO CDP CLEARING RULES**

	Current Rules		New Rules
CHAPTER 10 – LIABILITIES OF CDP			
10.2	FORCE MAJEURE	10.2	FORCE MAJEURE
	New rule	10.2.3	On the happening of any 1 or more of the events or circumstances referred to in Rule 10.2.1 above, CDP and any party affected shall immediately notify the same to the relevant party or parties.
	New rule	10.2.4	In respect of affected Clearing Members, CDP shall be entitled, at any time after the receipt of such notice by CDP or any relevant party or parties, to exercise the powers under Rule 6.10.
	New rule	10.2.5	Without prejudice to the generality of the foregoing, CDP shall not be liable for any failure, hindrance or delay in the performance (in whole or in part) of any of its obligations to Clearing Members with regard to any collateral accepted as margin where such failure, hindrance or delay arises from causes beyond CDP’s control, such as but not limited to the failure whether partial or total, interruption or suspension of any depository or custodian or other service (“depository”, which expression shall include banks or financial institutions with which such collateral is placed with) CDP is using, the termination or suspension of CDP’s membership or use of the depository or any variation of the depository’s operational timetable, whether or not occasioned by action of the depository operator or other party, or any embargo, unavailability or restriction of bank transfer systems or wires, malfunction or overload of the depository or other emergency.

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AMENDMENTS TO CDP CLEARING RULES**

	Current Rules		New Rules
CHAPTER 11 – SUPERVISORY RULES			
11.3	DISCIPLINARY ACTION	11.3	DISCIPLINARY ACTION
	New rule	11.3.2	Where CDP becomes aware of any incident of overtrading as described in Rule 19.8.1 of the SGX-ST Rules, CDP may, in its sole discretion, withhold any profits from the transaction that resulted in overtrading, or any other moneys, that are due or owing to the Clearing Member which qualified that trade, and may not release such profits or moneys until all disciplinary proceedings (including any appeal) in respect of that incident of overtrading have been concluded.