

CDP CLEARING RULES - COMPOSITION FINES SCHEDULE AMENDMENTS

Rule Violation		Whether composition may be offered	Composition Amount which may CDP, where CDP has Determined Member to be Liab	
Rule Chapter/Number	Brief Description of Rule		1st Violation	2nd Violation
Rule 6 — Clearing and Settlement				
6.4	Settlement of Payment Obligations			
6.4.1	Clearing Member to pay CDP the Final Settlement Balance during prescribed time	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6.6A	Large Exposure Collateralisation for Clearing Members			
6.6A.1	Clearing member to deposit with CDP collateral for large exposures within the prescribed time	Compoundable	SS\$2,000— SS\$4,000	SS\$4,000— SS\$7,000
6.8	Physical Delivery and Settlement			
6.8.2.2	Clearing Member to deliver certificates to CDP by prescribed time on Settlement Day of the contracts	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6.8.3	Clearing Member to effect cash settlement to CDP within the prescribed time	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
Rule 6A — Margin Requirements				
6A.2	Clearing Member to Procure Customer Margins			
6A.2.1	Clearing Member to procure Initial Margins and require customers to meet Customer Required Margins	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.2.2	Clearing Member to comply with requirements on the computation and monitoring of customer's margins	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.2.3	Clearing Member not to allow Excess Margins to be withdrawn unless withdrawal does not cause the deposited collateral to be less than zero.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.3	Margin Management for Clearing Members <u>In Respect of Margins from Custo</u>			

6A.3.1	Clearing Member not to accept new orders or trades in Marginable Futures Contracts for clearing from any customer unless the specified conditions are met	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.3.2	Clearing Member to call for additional margins from its customer if the Customer Asset Value falls below the Customer Required Margins	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.3.6	In respect of Marginable Futures Contracts, Clearing Member not to set margin requirements that are less stringent than those prescribed by CDP	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.4A	Margin Management for Clearing Members In Respect of Any Margins from C			
6A.4A.1(3)	Clearing Member to comply with CDP's directions to take such action to offset all or part of the positions to rectify a margin deficiency	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.5	Clearing Members to Deposit Margins with CDP			
6A.5.1	Clearing Member to deposit Clearing Member Required Margins with CDP	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.5.4	Clearing Member not to deposit with CDP, monies and assets for its customer for the purpose of meeting Clearing Member Required Margin for Novated Contracts other than Marginable Futures Contracts	Not Compoundable		Not Compoundable
6A.6	Monies and Assets Acceptable by CDP as Margins			
6A.6.4	Clearing Member to notify CDP as to whether Collateral is to be maintained solely as margin for Customer Accounts or otherwise.	Not Compoundable		Not Compoundable
6A.9A	Additional Margins			
6A.9A.2	Clearing Member to deposit additional margins with CDP by such time as CDP shall specify and in such form as CDP prescribes	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.10	Segregation of Customer's Money and Assets			

6A.10.1(1)	Clearing Member to comply with the customer segregation requirements under the Rules and the SFA	Not Compoundable	Not Compoundable	
6A.10.1(2)	Clearing Member to ensure that CDP is at all times provided with such information as it requires to discharge its segregation obligations under the SFA and/or enable CDP to issue the Authority with the verification of margin funds statement placed with CDP as required under the SFA	Not Compoundable	Not Compoundable	
6A.11	Notification of Under Segregation			
6A.11.1	Every Clearing Member shall immediately report to CDP of any under-segregation of moneys or assets as required under the Rules of the SFA	Not Compoundable	Not Compoundable	
6A.12	Safekeeping Indemnity			
6A.12.4	Clearing Member to pay all fees, expenses, charges and costs incurred by CDP	Compoundable	\$500	\$1,000
	Clearing Member to deposit such margins as required by CDP by reason of any depreciation in the market value of any collateral	Compoundable	\$2,000—\$4,000	\$4,000—\$7,000
6A.14	Under-Margined Accounts			
6A.14.1	Clearing Member to immediately notify CDP when any account does not comply with the Customer Required Margins by an amount which exceeds its aggregate resources	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000
6A.15	Regulatory Information			
6A.15.1	Clearing Member to provide CDP with information in relation to collateral deposited with CDP as margin for regulatory purposes	Compoundable	\$2,000—\$4,000	\$4,000—\$7,000
Rule 6B — Collateral				
6B.4	Collateral Deposit			

6B.4.1	<u>Clearing Member to deposit with CDP such Collateral, in such form and denomination as may be prescribed by CDP</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
6B.6	<u>Valuation of Collateral</u>			
6B.6.3	<u>Following revaluation of any Collateral, where such Collateral is found to be insufficient to meet any obligation of the Clearing Member, Clearing Member to deposit with CDP such additional Collateral as may be required to meet such obligation, within such time as CDP may require</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
6B.7	<u>Investment and Use of Collateral</u>			
6B.7.2	<u>Clearing Member to ensure that all Collateral deposited with CDP are deposited on the basis that such Collateral shall be subject to the Clearing Rules, the Security Deed and the SFA, and that prior to depositing Collateral with CDP for the account or for the contracts of any person, such person has been notified of and has accepted that the Collateral is subject to the Clearing Rules, the Security Deed and the SFA.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
6B.8	<u>Interest and Fees</u>			
6B.8.1	<u>Clearing Member to pay CDP such administrative fees as may be prescribed by CDP for the investment and management of the Collateral</u>	<u>Compoundable</u>	<u>\$500</u>	<u>\$1,000</u>
6B.9	<u>Safekeeping Indemnity</u>			

6B.9.4	<u>If any loss of Collateral occurs, or any Collateral becomes unavailable to CDP such that any obligation of the Clearing Member cannot be fully met, Clearing Member to deposit with CDP such additional Collateral as may be required within such time as CDP may require</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
6B.10	<u>Regulatory Information</u>			
6B.10.1	<u>Clearing Member to provide CDP with information in relation to Collateral deposited with CDP for regulatory purposes</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
Rule 7 — Clearing Fund				
7.7A	<u>Interest and Fees</u>			
7.7A.1	<u>Clearing Member to pay CDP such administrative fees as may be prescribed by CDP for the investment and management of the assets of the Clearing Fund and any excess monies and assets placed with CDP in respect of the Clearing Fund.</u>	<u>Compoundable</u>	<u>\$500</u>	<u>\$1,000</u>
7.15	<u>Time Payment of Contributions</u>			
7.15.1	<u>Clearing Member to pay the required Contribution or to topup deficiency in Contribution within prescribed time</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>
8.6B	<u>Application of Margins and Collateral</u>			
8.6B.2	<u>Clearing Member not to take any action or do anything that will interfere with CDP's ability to apply Contributions, margins or collateral <u>Collateral</u></u>	<u>Not Compoundable</u>	<u>Not Compoundable</u>	
8.7	<u>Certification of Net Sum Due</u>			
8.7.1	<u>Clearing Member to make payment of net amount payable to CDP in respect of Clearing Member's rights and obligations under these Clearing Rules</u>	<u>Not Compoundable</u>	<u>Not Compoundable</u>	

y be Offered by ed the Clearing e	Mandatory minimum penalty imposable by the DC
3rd Violation	
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.

[ers for Marginable Futures](#)

\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000 – \$10,000	N.A.
<u>customers</u>	
<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
\$7,000 – \$10,000	N.A.
≥	<u>\$10,000</u>
≥	<u>\$10,000</u>
<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	\$10,000
	\$10,000
	\$10,000
\$2,000	N.A.
\$7,000— \$10,000	N.A.
\$7,000 – \$10,000	N.A.
\$7,000— \$10,000	N.A.

<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
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<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
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<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
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<u>\$2,000</u>	<u>N.A.</u>
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<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
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<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
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<u>\$2,000</u>	<u>N.A.</u>
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\$7,000 – \$10,000	N.A
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