

Amendments to the CDP Clearing Rules

Rule amendments are marked in blue.

Sample: Rule insertion

~~Sample~~: Rule deletion

| Amendments to the CDP Clearing Rules | |
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| Rule 1 – Applications and Definitions | |
| 1.1 | Application |
| 1.1.1 | <p>These Clearing Rules apply to all dealings in securities and Exchange Trades, and all trades in futures contracts which are cleared through CDP <u>Exchange Trades that are cleared or settled through CDP</u>. The Clearing Rules operate as a binding contract between CDP and each Clearing Member, and between a Clearing Member and any other Clearing Member.</p> <p>...</p> |
| 1.1.3 | <p>Except where CDP, or SGX RegCo, <u>or any person or entity referred to under Rule 1.1.7</u> otherwise expressly agree with or expressly commit to any party, the benefit of any performance of obligations under these Clearing Rules and/or Clearing Directives is restricted only to Clearing Members. <u>None of CDP, its related corporations, SGX RegCo, any person or entity referred to under Rule 1.1.7,</u> or their respective directors, officers, employees, representatives or agents (the "Relevant Persons") shall have no liability be liable to any other party (including Trading Members). In particular, the Relevant Persons shall have no liability to any party affected or aggrieved by any alleged action or omission.</p> <p>...</p> |
| 1.1.6 | <p>The Clearing Rules may be amended or repealed by the Board in accordance with Section 59 of the SFA.</p> |
| 1.2 | Definitions |
| 1.2.1 | <p>In these Clearing Rules, unless the context otherwise requires: --</p> <p>...</p> |

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| <u>“Appeals Committee”</u> | <u>means the committee appointed by the SGX RegCo Board to exercise the powers set out in Rule 11.</u> |
| “Approved Executive Director” | when used in reference to:— <ol style="list-style-type: none"> (1) a General Clearing Member, means any person appointed and registered as an Approved Executive Director pursuant to Rule 4; and (2) a Bank Clearing Member, means any person, by whatever name described, who is in the direct employment of, or acting for or by arrangement with, the Bank Clearing Member and is principally responsible for the management and conduct of the business of the Bank Clearing Member and is appointed and registered as an Approved Executive Director pursuant to Rule 4. |
| <u>“Chief Executive Officer”</u> | <u>has the meaning ascribed to it in the SFA.</u> |
| “derivatives contract” | has the meaning ascribed to it in the SFA. [Deleted] |
| “Depository Agent” | has the meaning ascribed to it by Section 130A of the Companies Act (Cap 50) <u>in the SFA.</u> |
| “Exchange Trade” | means:— <ol style="list-style-type: none"> (1) a trade transacted on or through the Trading System pursuant to the SGX-ST Rules; or (2) a trade reported to SGX-ST pursuant to the SGX-ST Rules, including but not limited to Direct Business <u>(as defined in the SGX-ST Rules)</u>; or (3) a trade reported by a Clearing Member to CDP, which CDP accepts for clearing in Inter-Broker Settlement; or (4) a trade (including without limitation in securities, commodities, options, derivatives or other financial instruments) transacted on 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; <p>with the exception of such trades as CDP may from time to time stipulate as not being "Exchange Trades" falling under these Clearing Rules.</p> |

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| “SFA” | means the Securities and Futures Act (Cap. 289) or <u>and</u> any subsidiary legislation promulgated under it or any statutory modification, amendment or re-enactment thereof for the time being in force, or any act or subsidiary legislation which may replace the SFA that replaces the Securities and Futures Act or any subsidiary legislation promulgated under it , and any reference to any provision of the SFA is to that provision as so modified, amended or re-enacted (or as contained in any subsequent replacement act or legislation which may replace the SFA). |
| “SFR” | [Deleted] means any regulation promulgated under the SFA or any statutory modification, amendment or re-enactment of such regulation for the time being in force, and any reference to any provision of the SFR is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulation which may replace the SFR). |
| “SFR (Financial and Margin Requirements)” | means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may that 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 replacement regulations which may replace the SFR (Financial and Margin Requirements)). |
| “SFR (Licensing and Conduct of Business)” | means the Securities and Futures (Licensing and Conduct of Business) Regulations or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may that replace the SFR (Licensing and Conduct of Business), and any reference to any provision of the SFR (Licensing and Conduct of Business) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent replacement regulations which may replace the SFR (Licensing and Conduct of Business)). |
| <u>“SGX”</u> | means the Singapore Exchange Limited ² . |
| <u>“SGX RegCo”</u> | means Singapore Exchange Regulation Pte. Ltd. ² . |
| <u>“SGX RegCo Board”</u> | means the board of directors for the time being of SGX RegCo or such number of them as have authority to act for the SGX RegCo Board ² . |
| ... | |
| Rule 2 – Administration | |
| 2.1 Registers | |
| 2.1.1 | |
| CDP shall maintain the following registers:— | |

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...

- (2) Register of ~~Approved Executive Directors~~ Chief Executive Officers; and

...

...

Rule 3 – Membership

3.1 Clearing Member

3.1.2 Eligibility Criteria for General Clearing Member

Unless otherwise prescribed by CDP, to be eligible for Clearing Membership as a General Clearing Member, an applicant must satisfy CDP that:—

...

- (2) upon admission, it shall ~~appoint~~ register at least one (1) ~~Approved Executive Director~~ person as a Chief Executive Officer pursuant to Rule 4;

...

- (3) unless exempt under the SFA ~~or Securities and Futures Regulations, it~~ holds a ~~capital markets services licence~~ Capital Markets Services Licence to engage in the relevant regulated activities, ~~including where appropriate, trading in futures contracts~~;

...

3.1.3 Eligibility Criteria for Bank Clearing Member

Unless otherwise prescribed by CDP, to be eligible for Clearing Membership as a Bank Clearing Member, an applicant must satisfy CDP that:—

...

- (3) upon admission, it shall ~~appoint~~ register at least one (1) ~~Approved Executive Director~~ person as a Chief Executive Officer pursuant to Rule 4;

...

- (5) its managerial or executive staff have a high standard of integrity and a level of knowledge (as may be deemed acceptable by CDP) on the nature, risks and obligations in respect of the organised market or ~~contracts trades~~ that it wishes to clear;

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| 3.8 Reporting Requirements |
| <p>A Clearing Member shall notify CDP in writing upon or where practicable, pre-notify CDP of, 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> <ol style="list-style-type: none"> (1) when the Clearing Member, any of its directors, Approved Executive Director Chief Executive Officer, officers, employees or agents has violated any provision of the SFA, the SFR, this Clearing Rules, Clearing Directives (where applicable) or relevant law or regulation which governs that Clearing Member's other business activities, 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 financial integrity, reputation or interests of CDP, or clearing facilities established or operated by CDP; (2) when the Clearing Member, or any of its directors, Approved Executive Director Chief Executive Officer, 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; (3) when the Clearing Member, any of its directors, Approved Executive Director Chief Executive Officer, officers, employees or agents, is the subject of any written complaint involving an allegation of theft or misappropriation, or of forgery, or of any offence involving fraud or dishonesty, whether in or out of Singapore, and such complaint or allegation may have an impact, or in the case of a Bank Clearing Member, material impact, on the financial position on such Clearing Member or of the other Clearing Members; (4) when any of its directors, Approved Executive Director Chief Executive Officer, officers, employees or agents is the subject of any investigations, disciplinary proceeding or action taken by the Clearing Member involving suspension, termination, withholding of commissions, fines or any other significant limitation of activities; (4A) when the Clearing Member, or any of its directors, Approved Executive Director Chief Executive Officer, officers, employees or agents engages in conduct, that has the effect of circumventing the SFA, SFR, this Clearing Rules or Clearing Directives (where applicable), or which is inconsistent with the principles of good business practice; <p>...</p> <p>...</p> |
| Rule 4 – Appointment of Approved Executive Directors Chief Executive Officers and Directors |
| 4.1 Appointment and Registration |

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4.1.1

- (1) A Clearing Member shall appoint ~~at least~~ one (1) person as ~~Approved Executive Director~~ a Chief Executive Officer and register that person with CDP as its Chief Executive Officer.
- (2) The ~~Approved Executive Director~~ Chief Executive Officer of a General Clearing Member shall be approved by the Authority as a ~~Approved Executive Director~~ Chief Executive Officer in accordance with the SFA.
- (3) ~~CDP shall admit an Approved Executive Director~~ A Chief Executive Officer entered into the register of ~~Approved Executive Directors~~. The ~~Approved Executive Director~~ is to ~~Chief Executive Officers~~ shall comply with this Clearing Rules and any Clearing Directives (where applicable), and shall be responsible for ensuring that the Clearing Member complies with this Clearing Rules, and any Clearing Directives (where applicable).
- (4) The Clearing Member shall notify CDP at least seven (7) days prior to the appointment of a Chief Executive Officer.

4.1.2

Upon registration, ~~an Approved Executive Director~~ a Chief Executive Officer is deemed to have agreed to be bound by this Clearing Rules, or any Clearing Directives (where applicable).

4.2 Obligations

4.2.1 Compliance

~~An Approved Executive Director~~A Chief Executive Officer shall comply with the Clearing Rules, and any Clearing Directives CDP prescribes.

4.2.2 Payment of Fees

~~An Approved Executive Director~~A Chief Executive Officer shall comply with the Clearing Rules, and any Clearing Directives CDP prescribes.

4.2.3 Other Businesses

- (1) ~~An Approved Executive Director~~A Chief Executive Officer shall inform CDP in writing at least fourteen (14) days before he or she engages in, or holds any substantial shareholding in, any other business that might potentially conflict with being ~~an Approved Executive Director~~ a Chief Executive Officer. The ~~Approved Executive Director~~ Chief Executive Officer shall ensure that the proposed engagement or shareholding is agreed to by his or her Clearing Member.

...

- (3) ~~An Approved Executive Director~~A Chief Executive Officer shall supply CDP with any information it requires regarding the engagement or acquisition of shareholding.

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- (4) If CDP objects to the engagement or acquisition of shareholding, ~~an Approved Executive Director~~ a Chief Executive Officer shall not proceed with it. CDP may extend the period specified in Rule 4.2.3(1). If extended, the ~~Approved Executive Director~~ Chief Executive Officer shall not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.
- (5) If an engagement or shareholding, in CDP's opinion, is detrimental to the financial integrity, reputation or interests of CDP, the Clearing Member or its customers, or in the case of a Bank Clearing Member, the Bank Clearing Member's customers in relation to its business governed by this Clearing Rules, CDP may require the ~~Approved Executive Director~~ Chief Executive Officer to end it.
- (6) If CDP objects to the engagement or acquisition or shareholding or requires ~~an Approved Executive Director~~ a Chief Executive Officer to end it, the ~~Approved Executive Director~~ Chief Executive Officer may, within fourteen (14) days after it is notified of CDP's decision, appeal in writing to the SGX RegCo Board whose decision shall be final.

4.3 Automatic De-Registration

~~An Approved Executive Director~~ A Chief Executive Officer shall automatically cease to be registered as ~~an Approved Executive Director~~ a Chief Executive Officer, and the Clearing Member shall immediately notify CDP, if he or she:—

...

- (4) ceases to be ~~an Approved Executive Director~~ a Chief Executive Officer of the Clearing Member;

...

- (7) ~~breaches any provision~~ is convicted of an offence involving fraud or dishonesty or is found by a court of law to have acted fraudulently or dishonestly, in each case whether in or out of Singapore.

4.4 Deletion from Register

~~An Approved Executive Director~~ A Chief Executive Officer who ceases to hold office shall have his or her name deleted from the Register of ~~Approved Executive Director~~ Chief Executive Officers upon the effective date of cessation.

4.5 Resignation of Approved Executive Director

~~[deleted] A Clearing Member shall inform CDP in writing at least 7 days before an Approved Executive Director ceases to act. If the cessation is with immediate effect, the Clearing Member shall inform CDP in writing the same day.~~

4.6 Obligations of a Former ~~Approved Executive Director~~ Chief Executive Officer

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| A former Approved Executive Director Chief Executive Officer remains liable to CDP for any liabilities incurred under the Clearing Rules or Clearing Directives during the period of his or her registration. The former Approved Executive Director Chief Executive Officer also remains subject to disciplinary actions for any offence committed during the period of his or her registration. |
| ... |
| ... |
| Rule 6 – Clearing and Settlement |
| 6.10 Emergency Powers |
| 6.10.1 |
| 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: |
| ... |
| (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 and due dates ; |
| ... |
| ... |
| Rule 6C – Payments |
| ... |
| 6C.5 Deposit and Return of Book-Entry Securities |
| 6C.5.1 |
| Any deposit of book-entry securities (as defined in section 130A of the Companies Act) by a Clearing Member with CDP pursuant to or in connection with these Clearing Rules shall not be considered to have been made until the charge over such securities becomes effective in accordance with section 130N 81SS of the Companies Act SFA . |
| 6C.5.2 |
| Any return of book-entry securities (as defined in section 130A of the Companies Act) by CDP to a Clearing Member pursuant to or in connection with these Clearing Rules shall not be considered to |

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| have been made until the charge over such securities is discharged in accordance with section 130N 81SS of the Companies Act SFA . |
| ... |
| Rule 10 – Liabilities |
| 10.1 No Liability to Clearing Members and Others in Absence of Fraud Etc |
| 10.1.1 Without prejudice to the generality of Rule 1.1.3, except as otherwise expressly provided in these Clearing Rules, none of CDP, its related corporations , SGX RegCo, any person or entity referred to under Rule 1.1.7 , or their respective directors, officers, employees, representatives or agents ("Relevant Persons"), if acting in good faith and in the absence of fraud or negligence on their parts shall be liable to any Clearing Member or any Third Party in contract, tort or under any other cause of action with respect to, or with respect to any thing done or not done as a direct or indirect consequence of , any action or omission by any Relevant Person in connection with the clearing and settlement of Exchange Trades, and all other matters as contemplated in these Clearing Rules. |
| 10.1.2 Without prejudice to the generality of Rule 1.1.3, the Relevant Persons shall have no obligation or liability of any kind to a Clearing Member or Third Party, or to any of the Clearing Member's customers in respect of any loss or damage (including consequential loss or damage) which may be suffered or incurred or which may arise directly or indirectly in respect of, or in respect of any thing done or not done as a direct or indirect consequence of , the exercise of any discretion or decision making power under the Clearing Rules or Clearing Directive. |
| 10.2 Force Majeure |
| 10.2.1 No Relevant Person shall be liable for, or for any thing done or not done as a direct or indirect consequence of , any action or omission or for any failure, hindrance, suspension, restriction or delay in the provision of services and facilities to clear and settle any Exchange Trade or the performance in whole or in part of CDP's obligations under these Clearing Rules or Clearing Directives, if such action, omission, failure, hindrance, suspension, restrictions or delay arises out of causes beyond the Relevant Person's reasonable control. |
| ... |
| 10.6 Indemnity |
| 10.6.1 Each Clearing Member indemnifies each of CDP, its related corporations , SGX RegCo, any person or entity referred to under Rule 1.1.7 , and their respective directors, officers, employees, representatives and agents ("Indemnified Persons") against any loss or liability reasonably incurred |

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| <p>or suffered by the Indemnified Persons where such loss or liability arose out of or in connection with:—</p> <ol style="list-style-type: none"> (1) any breach by the Clearing Member of its obligations under the Clearing Rules and/or Clearing Directives; or (2) any wilful, unlawful, reckless or negligent act or omission by the Clearing Member. |
| ... |
| Rule 11 – Supervisory Rules |
| 11.1 Clearing House Investigations |
| 11.1.1 |
| <p>CDP may conduct an investigation if:—</p> <ol style="list-style-type: none"> (1) the investigation involves a possible breach of the SFA, Securities and Futures Regulations, <u>the</u> Clearing Rules or any Clearing Directives; (2) CDP receives a written complaint involving a Clearing Member, director, officer, employee or agent; (3) there is a dispute between Clearing Members on a clearing and settlement matter; or (4) in CDP's opinion, the circumstances warrant it. |
| ... |
| 11.3 Disciplinary Action |
| ... |
| 11.3.3 |
| <p>Where CDP becomes aware of any incident of overtrading as described in Rule 19.8.1 <u>10.11.1</u> 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.</p> |
| ... |
| 11.4 Disciplinary Committee |
| 11.4.1 |

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The Disciplinary Committee shall comprises persons appointed by the SGX RegCo Board. ~~No and shall not have a member who is, or who within three years of the proposed appointment date was, a director, officer or employee of:~~

(1) ~~Singapore Exchange Limited~~SGX; or

(2) ~~any of its SGX's~~ related corporations ~~may be appointed as a member of Disciplinary Committee.~~

11.4.2

The SGX RegCo Board ~~determines~~ shall appoint the cChairman and dDeputy cChairman of the Disciplinary Committee. In the absence of the cChairman, the dDeputy cChairman will have all the powers of the cChairman.

11.4.3

~~[deleted]The Disciplinary Committee has a quorum of 3 (including the Chairman) when the meeting proceeds to business but may complete any business of a meeting with 2 members. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a casting vote.~~

11.4.4

~~[deleted]The Chairman shall appoint a date, time and place for the hearing. CDP and the person charged shall be given reasonable notice of the hearing.~~

11.4.5

~~[deleted]Members of the Disciplinary Committee shall notify the Chairman before, or during, the hearing of any possible conflict of interest in relation to a charge. The Chairman shall decide whether the member concerned should attend the hearing of that charge. The Chairman shall abstain from hearing a charge in which he may have a conflict of interest.~~

11.4.6

~~[deleted]The Disciplinary Committee may adjourn and reconvene its proceedings as it thinks fit.~~

11.4.7

~~Except where it is expressly provided in this Rules, Procedures may be issued in relation to Disciplinary Committee proceedings. The procedures are binding on all the parties to the proceedings and may be varied by the Disciplinary Committee as provided in the procedures or these Clearing Rules. Where any matter is not dealt with by the procedures or these Clearing Rules, the Disciplinary Committee may establish its own procedures.~~

~~*Refer to the [Disciplinary Committee and Appeals Committee Handbook].*~~

11.5 Disciplinary Committee Powers

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11.5.1

The Disciplinary Committee may exercise its powers against a Clearing Member who CDP may initiate disciplinary proceedings and charge a Clearing Member before the Disciplinary Committee if CDP is of the opinion that the Clearing Member has committed any of the following:—

- (1) breaches^d the SFA ~~or Securities and Futures Regulations~~
- (2) subject to Rules 11.3A.2 and 11.3A.7, breaches^d the Clearing Rules or Clearing Directives;
- (3) breaches^d any relevant laws or regulations ~~which that~~ governs ~~that the~~ Clearing Member's other business activities;
- (4) breaches^d the rules of any other exchange;
- (5) ~~breaches any provisions involving~~ engaged in fraud or dishonesty, whether in or out of Singapore;
- (6) breaches^d director's' duties;
- (6A) engaged in conduct that has the effect of circumventing the Clearing Rules, the SFA, or any laws, regulations;
- (7) engages^d in conduct detrimental to the financial integrity, reputation or interests of CDP, other Clearing Members or the investing public.

11.5.1A

The Disciplinary Committee shall, as a tribunal of first instance, hear and determine charges brought by CDP against a Clearing Member pursuant to Rule 11.5.1. The Disciplinary Committee may exercise its powers against a Clearing Member if it is satisfied, on a balance of probabilities, that the Clearing Member has committed any of the matters set out in Rule 11.5.1.

...

11.5.4

The powers of the Disciplinary Committee include:—

- (1) expelling a Clearing Member. The Disciplinary Committee may order a Clearing Member to be expelled notwithstanding that he has resigned;
- (2) suspending a Clearing Member;
- (3) imposing a fine not exceeding S\$250,000 per charge on a Clearing Member, or in the case of multiple charges, not exceeding S\$1,000,000 per hearing;

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- (4) reprimanding (publicly or privately) a Clearing Member
- (5) requiring an education program to be undertaken;
- (6) requiring a compliance program to be undertaken;
- (7) imposing any restrictions or conditions on activities that a Clearing Member undertakes or in the case of a Bank Clearing Member, its business governed by this Clearing Rules;
- (8) requiring reimbursement or compensation to be paid;
- (9) ordering payment of fines by instalments, which shall not exceed 12 months from the date of imposition of the fine, unless otherwise permitted by the Disciplinary Committee;
- (10) ordering a stay of the penalty imposed, pending an appeal to the Appeals Committee;
- (11) requiring any director or in the case of a Bank Clearing Member, any director or person in a senior management position who is responsible for its business governed by this Clearing Rules, to step down from day-to-day conduct of the business affairs of the Clearing Member; and
- (12) confirming, changing or discharging the appointment of a Manager under Rule 11.12.2(4).

11.5.5

Mandatory Minimum Penalties to be Imposed by Disciplinary Committee for certain Rule violations

- ~~(1) — Minimum penalties imposable by the Disciplinary Committee have been stipulated in respect of certain Rule violations, as set out in the seventh column of Schedule A.~~
- ~~(2) — Where a mandatory minimum penalty has been stipulated in respect of for a particular Rule violation in the seventh column of Schedule A, if the Disciplinary Committee is satisfied that the Clearing House has proved on a balance of probabilities that the Clearing Member has committed the conduct described in the charge, the Disciplinary Committee:
 - ~~a-(1)~~ shall impose a penalty, ~~pursuant to its power under Rule 11.5.4(3),~~ not lower than ~~the such~~ minimum amount ~~as stated in the seventh column of Schedule A, for that particular Rule violation;~~ and
 - ~~b-(2)~~ may choose to impose, in addition to the penalty in ~~subsection (a) Rule 11.5.5(1),~~ any one or more of the sanction(s) as set out in Rule 11.5.4.~~

11.5.6

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A failure to comply with any sanction imposed by the Disciplinary Committee constitutes a breach of these Rules.

11.6 Disciplinary Committee Proceedings

11.6.1

[deleted] CDP shall give a person charged a written notice setting out particulars of the charge.

11.6.2 [deleted] Response to Charge

- (1) The following procedures apply:—
- (a) The person charged may submit a Defence. It shall be given to the Secretary of the Disciplinary Committee within 14 days from the date of the Notice of Charge.
 - (b) CDP may Respond to the Defence. It shall be given to the person charged and the Secretary within 14 days of receipt of the Defence.
 - (c) The person charged may Reply to the Response. It shall be given to the Secretary within 14 days of receipt of the Response.
- (2) Time to comply with the deadlines may be extended by the Chairman of the Disciplinary Committee or his nominee. A written request for extension shall be submitted within the deadline and shall set out the grounds. The decision of the Chairman or his nominee is final and binding.
- (3) The Disciplinary Committee may hear a charge and exercise all its powers even if the person charged does not file a Defence or a Reply to the Response or is not present at the hearing or any adjourned hearing.

11.6.3 [deleted] Legal Representation Before Disciplinary Committee

- (1) CDP and the person charged may be represented by an advocate and solicitor.
- (2) The person charged shall tell the Secretary of the Disciplinary Committee in writing of the name of his legal representative at least 14 days before the hearing of the charge.
- (3) The Disciplinary Committee may seek the advice of an advocate and solicitor.

11.6.4 [deleted] Evidence

- (1) CDP and the person charged may examine, and take copies of, the evidence which each of them intends to rely on at the hearing.

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~~(2) A person charged shall give CDP a written undertaking not to disclose information received from CDP in relation to the charge to any person, except the legal representative of the person charged for the purpose of the hearing or any appeal.~~

~~(3) A breach of the undertaking constitutes a breach of the Clearing Rules.~~

11.6.5 ~~[deleted]~~ **Witnesses, Examination and Cross-Examination**

~~(1) CDP and the person charged may:—~~

~~(a) examine and cross-examine witnesses; and~~

~~(b) request the attendance of a witness.~~

~~(2) The Disciplinary Committee may, in its absolute discretion:—~~

~~(a) call for the attendance of any witness; and~~

~~(b) allow or disallow a request for the attendance of a witness.~~

~~(3) The Disciplinary Committee cannot compel the attendance of a witness.~~

11.6.6 ~~[deleted]~~ **Disciplinary Committee's Deliberation**

~~Unless expressly permitted by the Chairman of the Disciplinary Committee, CDP and the person charged shall not be present during the deliberation of a charge by the Disciplinary Committee. Failure to observe this Rule does not vitiate any decision.~~

11.6.7 **Decision of Disciplinary Committee**

~~(1) CDP and the person charged may be present when the Disciplinary Committee announces its decision.~~

~~(2) The Disciplinary Committee shall ~~record short~~ provide written grounds of its decision, which shall include any sanctions imposed against the Clearing Member, within a reasonable period after the conclusion of the hearing.~~

~~(3) The Disciplinary Committee will give its written decision to the Clearing House and the Clearing Member charged.~~

11.6.8 **Notification of Decision**

~~(1) CDP shall notify all Clearing Members of the Disciplinary Committee's decision (together with such details as CDP thinks appropriate). The Disciplinary Committee shall cause its written grounds of decision to be published, unless the sanction imposed involves the issuance of a private reprimand. Where a private reprimand is issued by the Disciplinary Committee, the Disciplinary Committee shall determine whether the written grounds of decision are to be published in part or in whole.~~

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- (2) ~~[deleted] CDP may make the decision public (together with such details as CDP thinks appropriate). For avoidance of doubt, this includes publication of the following information:—~~
- ~~(a) — the particulars of the Clearing Member,~~
 - ~~(b) — the particulars of the charge,~~
 - ~~(c) — the underlying facts in respect of the charge,~~
 - ~~(d) — the findings and decision of the Disciplinary Committee or the Appeals Committee (as applicable),~~
 - ~~(e) — the basis of the findings and decision of the Disciplinary Committee or the Appeals Committee (as applicable),~~
 - ~~(f) — the powers exercised by the Disciplinary Committee or the Appeals Committee (as applicable).~~
- (3) ~~This Rule operates as irrevocable consent by a Clearing Member for CDP to publish or notify a decision. The consent remains valid and effective notwithstanding that it ceases to be a Clearing Member. A Clearing Member cannot initiate any action or proceeding against CDP or members of the Disciplinary Committee for publishing or notifying a decision under this Rule. Each Clearing Member irrevocably consents to the publication of the Disciplinary Committee’s written grounds of decision pursuant to Rule 11.6.8. The consent will remain valid and effective notwithstanding that the Clearing Member ceases to be a Clearing Member. A Clearing Member cannot initiate any action or proceeding against CDP or the Disciplinary Committee for such publication.~~

11.7 Appeals Committee

11.7.1

The Appeals Committee shall comprises persons appointed by the SGX RegCo Board and approved by the Authority provided that:—

- (~~a~~1) ~~the Appeals Committee shall not have a member who is, or who within three years of the proposed appointment date was, a~~ Director, Officer or employee of:
- ~~(a) —~~ SGX; or
 - ~~(b) —~~ any of ~~its SGX’s~~ related ~~companies may be appointed corporations;~~
- (~~b~~2) a majority ~~are of the Appeals Committee shall~~ not ~~be~~ directors, officers or employees of ~~the any~~ members of SGX or ~~its SGX’s~~ subsidiaries; and
- (~~c~~3) a majority ~~are of the Appeals Committee shall~~ not ~~be~~ substantial shareholders of SGX or directors, officers or employees of any substantial shareholder of SGX.

Amendments to the CDP Clearing Rules

11.7.1A

The SGX RegCo Board shall appoint the chairman and the deputy chairman of the Appeals Committee. In the absence of the chairman, the deputy chairman will have all the powers of the chairman.

11.7.2

The powers of the Appeals Committee include:—

- (1) all the powers of the Disciplinary Committee;
- (2) increasing or reducing penalties varying the sanctions imposed by the Disciplinary Committee, and overturning, varying or upholding any decision or specific findings of the Disciplinary Committee;
- (3) hearing and deciding appeals in accordance with this Clearing Rules; and
- (4) dealing with such other matters as the SGX RegCo Board gives it (either generally or in a particular case).

11.7.2A

A failure to comply with any sanction imposed by the Appeals Committee constitutes a breach of these Rules.

11.7.3

[deleted]The Appeals Committee elects a Chairman from among the members of the Committee.

11.7.4

[deleted]The Appeals Committee has a quorum of 3 (including the Chairman) when the meeting proceeds to business but may complete any business of a meeting with 2 members. In the case of an equality of votes, the Chairman shall be entitled to a casting vote.

11.7.5

[deleted]The Chairman shall appoint a date, time and place for the hearing. The appellant and the respondent shall be given reasonable notice of the hearing.

11.7.6

[deleted]Members of the Appeals Committee shall notify the Chairman before, or during, the hearing of any possible conflict of interest in relation to an appeal. The Chairman shall decide whether the member concerned should attend the hearing of that appeal. The Chairman shall abstain from hearing an appeal in which he may have a conflict of interest.

Amendments to the CDP Clearing Rules

11.7.7

~~[deleted]The Appeals Committee may adjourn and reconvene its proceedings as it thinks fit. If the parties to an appeal are not attending the hearing, the Appeals Committee may hear the appeal by way of a resolution in writing.~~

11.7.8

~~Except where it is expressly provided in this Rules, Procedures may be issued in relation to Appeals Committee proceedings. The procedures are binding on all the parties to the proceedings and may be varied by the Appeals Committee as provided in the procedures or these Clearing Rules. Where any matter is not dealt with by the procedures or these Clearing Rules, the Appeals Committee may establish its own procedures.~~

~~*Refer to the [Disciplinary Committee and Appeals Committee Handbook].*~~

...

11.9 Appeals Proceedings

11.9.1 ~~[deleted]Notice of Appeal and Reply~~

~~(1) — The following procedures apply:—~~

~~(a) — The Appellant shall give a Notice of Appeal (setting out the full grounds of appeal) to the Respondent and the Secretary of the Appeals Committee within 14 days of receipt of the Disciplinary Committee's written decision under Rule 11.6.7(3).~~

~~(b) — The Respondent may Respond. It shall be given to the Appellant and the Secretary within 14 days of receipt of the Notice of Appeal.~~

~~(c) — The Appellant may Reply to the Response. It shall be given to the Respondent and the Secretary within 14 days of receipt of the Response.~~

~~(2) — Time to comply with the deadlines may be extended by the Chairman of the Appeals Committee or his nominee. A written request for extension shall be submitted within the deadline and shall set out the grounds. The decision of the Chairman or his nominee is final and binding.~~

~~(3) — The Appeals Committee may hear an appeal and exercise all its powers even if the Respondent does not file a Response or either party is not present at the hearing or any adjourned hearing.~~

11.9.2 ~~[deleted]Administrative Fee for Appeal~~

~~(1) — An appellant (other than CDP) shall pay an administrative fee of \$1,500 when submitting a Notice of Appeal.~~

Amendments to the CDP Clearing Rules

~~(2) — The administrative fee is not refundable unless: —~~

~~(a) — the appellant tells the Secretary of the Appeals Committee in writing of withdrawal of the appeal at least 7 days before the hearing of the appeal, or~~

~~(b) — the appeal is successful, or~~

~~(c) — the Chairman of the Appeals Committee agrees to a refund, whether in full or in part.~~

11.9.3 Appeals by Rehearing

~~(1) — The Appeals Committee shall determine the appeal by way of rehearing. It shall only rehear that part of the decision of the Disciplinary Committee appealed against.~~

~~(2) — The Appeals Committee may receive evidence that was not presented to the Disciplinary Committee. In exercising its discretion, the Appeals Committee shall consider whether the evidence was available at the time of the hearing by the Disciplinary Committee and why it was not introduced at that time.~~

11.9.4 ~~[deleted]~~ Legal Representation Before Appeals Committee

~~(1) — An appellant and a respondent may be represented by an advocate and solicitor.~~

~~(2) — The Secretary of the Appeals Committee shall be informed in writing of the name of the legal representative at least 14 days before the hearing of the appeal.~~

~~(3) — The Appeals Committee may seek the advice of an advocate and solicitor.~~

11.9.5 ~~[deleted]~~ Evidence

~~(1) — The parties to an appeal may examine, and take copies of, the evidence which each of them intends to rely on at the hearing.~~

~~(2) — The undertaking given under Rule 11.6.4(b) applies.~~

11.9.6 ~~[deleted]~~ Witnesses, Examination and Cross-Examination

~~(1) — The parties to an appeal may: —~~

~~(a) — examine and cross-examine witnesses; and~~

~~(b) — request the attendance of a witness.~~

~~(2) — The Appeals Committee may, in its absolute discretion: —~~

~~(a) — call for the attendance of any witness, and~~

~~(b) — allow or disallow a request for the attendance of a witness.~~

Amendments to the CDP Clearing Rules

~~(3) — The Appeals Committee cannot compel the attendance of a witness.~~

11.9.7 ~~[deleted]~~ Appeals Committee's Deliberation

~~Unless expressly permitted by the Chairman of the Appeals Committee, the parties to an appeal shall not be present during the deliberation of an appeal by the Appeals Committee. Failure to observe this Rule does not vitiate the decision.~~

11.9.8 Decision of Appeals Committee

- ~~(1) [deleted]The parties to an appeal may be present when the Appeals Committee announces its decision.~~
- (2) The Appeals Committee shall ~~record short~~ provide written grounds of its decision, which shall include any sanctions imposed against the Clearing Member, within a reasonable period after the conclusion of the hearing.
- ~~(3) The Appeals Committee will give its written decision to all parties to an appeal. The Appeals Committee shall cause its written grounds of decision to be published, unless the sanction imposed involves the issuance of a private reprimand. Where a private reprimand is issued by the Appeals Committee, the Appeals Committee shall determine whether the written grounds of decision are to be published in part or in whole.~~
- ~~(4) Each Clearing Member irrevocably consents to the publication of the Appeals Committee's written grounds of decision pursuant to Rule 11.9.8. The consent will remain valid and effective notwithstanding that the Clearing Member ceases to be a Clearing Member. A Clearing Member cannot initiate any action or proceeding against the Clearing House CDP or the Appeals Committee for such publication.~~

...

11.10 Payment of Costs

11.10.3

Where an order for costs of the proceedings has been imposed against a Clearing Member and the Clearing Member does not make payment within the specified period, the outstanding sum shall be a debt payable to CDP. CDP may commence legal action to recover that debt, subject to any subsequent payments made by the Clearing Member. CDP shall be entitled to claim reasonable interest, a month after the payment is due, based on the sum outstanding.

11.11 Fine

11.11.3

Where a fine has been imposed against a Clearing Member and the Clearing Member does not make payment within the specified period, the outstanding sum shall be a debt payable to CDP. CDP may

| |
|--|
| Amendments to the CDP Clearing Rules |
| commence legal action to recover that debt, subject to any subsequent payments made by the Clearing Member. CDP shall be entitled to claim reasonable interest, a month after the payment is due, based on the sum outstanding. |
| 11.11A Limitation of Liability |
| 11.11A.1 |
| No liability (whether in contract, tort or otherwise) shall be incurred by the Disciplinary Committee, Appeals Committee, CDP, or a manager appointed under Rule 11.12.2(4) for anything done or omitted to be done with reasonable care and in good faith in the course of or in connection with: |
| (1) the exercise or purported exercise of any power under the Rules; |
| (2) the performance or purported performance of any function or duty under the Rules; or |
| (3) the compliance or purported compliance with the Rules. |
| 11.12 Interim Powers of CDP |
| 11.12.1 |
| Without prejudice to the rights and powers of CDP or any other body or person under the Clearing Rules, |
| (1) CDP may suspend, or otherwise restrict the activities of a Clearing Member if it is charged with:— |
| (a) an offence under the SFA or Securities and Futures Regulations , or |
| (b) an offence involving fraud or dishonesty, whether in or out of Singapore, or |
| (c) an offence relating to director's duties; or |
| (d) an offence under any relevant law or regulation which governs the Clearing Member's other business activities. |
| (2) The suspension or restriction ends if the Clearing Member is acquitted or the charge is not proceeded with. |
| ... |
| Rule 13 – General |
| ... |
| 13.4 Miscellaneous |
| ... |

Amendments to the CDP Clearing Rules

13.4.5

These Clearing Rules and the Clearing Directives shall be governed by and construed in accordance with the laws of Singapore. Each of the Clearing Member and ~~the Approved Executive Director~~ its Chief Executive Officer irrevocably submit to the exclusive jurisdiction of the Singapore courts.

Practice Note 5A.2.1, 5A.2.2 – Positon Account Reporting

2. Type of Information

...

2.2 For the following types of information, each Clearing Member shall report in accordance with the criteria set out in the tables below:

...

(b) Ownership Type

| Description of origin | Criteria |
|--|--|
| ... | ... |
| Officers and employees of the Member (excluding Trading Representatives) | <p>The ownership type of the account shall be reported as "Officers and employees of Member (excluding Trading Representatives)" if the account holder is</p> <p>(a) an approved executive director <u>Chief Executive Officer</u> of the Clearing Member (regardless of whether such approved executive director is a Trading Representative); or</p> <p>...</p> |
| ... | ... |

Schedule A

Rule 4 — ~~Approved Executive Directors~~ Chief Executive Officers

| Rule Violation | | Whether composition may be offered | Composition Amount which may be offered by CDP, where CDP has Determined the Clearing Member to be Liable | | | Mandatory minimum penalty imposable by the Disciplinary Committee |
|--|---|------------------------------------|---|--------------------------|---------------------------|---|
| Rule Chapter / Number | Brief Description of Rule | | 1st Violation | 2nd Violation | 3rd Violation | |
| | | | | | | |
| Rule 4 — Approved Executive Directors Chief Executive Officers | | | | | | |
| 4.1 | Appointment of Approved Executive Directors and Directors Chief Executive Officers | | | | | |
| 4.1.1(1) | Clearing Member to appoint at least one (1) person as an Approved Executive Director a Chief Executive Officer | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. |
| 4.1.1(4) | <u>Clearing Member to notify CDP at least seven (7) days prior to the appointment of a Chief Executive Officer</u> | <u>Compoundable</u> | <u>\$2,000 – \$4,000</u> | <u>\$4,000 – \$7,000</u> | <u>\$7,000 – \$10,000</u> | <u>N.A.</u> |
| 4.2 | Obligations | | | | | |
| ... | | | | | | |
| 4.2.2 | Approved Executive Director Chief Executive Officer to pay CDP all fees, levies and charges as CDP prescribes | Compoundable | \$500 | \$1,000 | \$2,000 | N.A. |
| 4.2.3(1) | Approved Executive Director Chief Executive Officer to inform CDP within 14 days before engaging in, or holding any substantial shareholding in, any other business that might potentially | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. |

| Rule Violation | | Whether composition may be offered | Composition Amount which may be offered by CDP, where CDP has Determined the Clearing Member to be Liable | | | Mandatory minimum penalty imposable by the Disciplinary Committee |
|-----------------------|---|------------------------------------|---|---|---------------------------|---|
| Rule Chapter / Number | Brief Description of Rule | | 1st Violation | 2nd Violation | 3rd Violation | |
| | | | | conflict with being an Approved Executive Director a Chief Executive Officer | | |
| 4.2.3(3) | Approved Executive Director Chief Executive Officer to supply CDP with information it requires regarding the engagement or acquisition of shareholding | Not Compoundable | Not Compoundable | | | \$10,000 |
| 4.2.3(4) | Approved Executive Director Chief Executive Officer not to proceed with engagement or acquisition of shareholding contrary to CDP's objection | Not Compoundable | Not Compoundable | | | \$10,000 |
| 4.2.3(5) | Approved Executive Director Chief Executive Officer to end engagement or shareholding if required by CDP | Not Compoundable | Not Compoundable | | | \$10,000 |
| 4.3 | <u>Automatic De-Registration</u> | | | | | |
| 4.3 | <u>Clearing Member to notify CDP immediately upon trigger of CEO de-registration condition</u> | <u>Compoundable</u> | <u>\$2,000 – \$4,000</u> | <u>\$4,000 – \$7,000</u> | <u>\$7,000 – \$10,000</u> | <u>N.A.</u> |
| 4.5 | Resignation of Approved Executive Director | | | | | |

| Rule Violation | | Whether composition may be offered | Composition Amount which may be offered by CDP, where CDP has Determined the Clearing Member to be Liable | | | Mandatory minimum penalty imposable by the Disciplinary Committee |
|-----------------------|---------------------------|------------------------------------|---|--|--|---|
| Rule Chapter / Number | Brief Description of Rule | | 1st Violation | 2nd Violation | 3rd Violation | |
| | | | 4.5 | [deleted] Clearing Member to inform CDP of Approved Executive Director's resignation at least 7 days before AED ceases to act | [deleted] Compoundable \$2,000— \$4,000 | |