

## CDP Clearing Rule Amendments

### Rule Amendments

#### Practice Note 6A.6 Forms of Collateral Acceptable by CDP as Margins

Issue Date	Cross Reference	Enquires
Added on 21 January 2013	Rule 6A.6	Please contact Clearing Risk: Facsimile No : 6532 0297 E-Mail Address: <a href="mailto:margins@sgx.com">margins@sgx.com</a>

#### 1 Introduction

1.1. This Practice Note sets out the forms of collateral that CDP accepts as margins.

#### 2 Forms of Collateral Monies and Assets Acceptable by CDP as Margins

2.1. Rule 6A.6.1 states, among other things, that CDP accepts the following forms of collateral monies and assets as margins:

- a) cash
- b) Singapore and US government securities, and
- c) selected common stocks, units of listed business trusts and units of real estate investment trusts.

#### Cash

2.2. Cash denominated in Singapore Dollars and US Dollars are accepted as collateral.

Singapore and US government securities, and selected common stocks

2.3. Singapore and US government debt securities of varying maturities are acceptable as collateral.

2.4. CDP also accepts constituent stocks of the MSCI Singapore Free Index and FSS TI Index as collateral. This may include units of listed business trusts and units of real estate investment trusts.

**3 Collateral is subject to appropriate hair-cuts**

- 3.1. The collateral, referred to in paragraph 2, are subjected to appropriate hair-cuts as prescribed by CDP to reflect the price risk of the collateral.
- 3.2. The haircuts for government securities are available on the SGX website [http://www.sgx.com/wps/portal/sgxweb/home/clearing/securities/acceptable\\_collaterals](http://www.sgx.com/wps/portal/sgxweb/home/clearing/securities/acceptable_collaterals).

**Schedule 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 imposed by the DC
Rule Chapter/Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
<b>6.8</b>	<b>Physical Delivery and Settlement</b> [deleted]					
6.8.2.2	Clearing Member to deliver certificates to CDP by prescribed time on Settlement Day of the contracts [deleted]	Compoundable [deleted]	\$2,000 – \$4,000 [deleted]	\$4,000 – \$7,000 [deleted]	\$7,000 – \$10,000 [deleted]	N.A. [deleted]
6.8.3	Clearing Member to effect cash settlement to CDP within the prescribed time [deleted]	Compoundable [deleted]	\$2,000 – \$4,000 [deleted]	\$4,000 – \$7,000 [deleted]	\$7,000 – \$10,000 [deleted]	N.A. [deleted]
<b>6A.2</b>	<b>Clearing Member to Procure Customer Margins for Marginable Futures Contract</b>					
6A.2.1	Clearing Member to procure Initial Margins and require customers to meet Customer Required Margins for Marginable Futures Contracts	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.