

## AMENDMENTS TO SGX-DC CLEARING RULES

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## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	References in SGX-DC Clearing Rules to the terms “Member” and “Membership” have been amended to “Clearing Member” and “Clearing Membership” respectively.
<b>2.02. ELIGIBILITY FOR GENERAL CLEARING MEMBERSHIP <sup>(1)</sup></b>	<b>2.02 ELIGIBILITY CRITERIA FOR GENERAL CLEARING MEMBERS <sup>(1)</sup></b>
<p>2.02.1 Unless otherwise prescribed by the Clearing House, to be eligible for membership as a General Clearing Member, an applicant must satisfy the Clearing House that:-</p> <p style="margin-left: 40px;">2.02.1.1 it is a corporation with the requisite financial and business standing and repute and is or will upon admission be carrying on the business whether in Singapore or elsewhere;</p> <p style="margin-left: 80px;">a. it has a base capital of not less than S\$5,000,000; or</p> <p style="margin-left: 80px;">b. in the case of an applicant admitted as a member of Clearing House and CDP, it has a base capital of not less than S\$8,000,000;</p> <p style="margin-left: 40px;">or such other amount as may be prescribed by the Clearing House hereafter and from time to time;</p>	<p>2.02.1 Unless otherwise prescribed by the Clearing House, to be eligible for Clearing Membership as a General Clearing Member, an applicant must satisfy the Clearing House that:-</p> <p style="margin-left: 40px;">2.02.1.1 it is a corporation with the requisite financial and business standing and repute and is or will upon admission be carrying on the business whether in Singapore or elsewhere;</p> <p style="margin-left: 80px;">a. it has a base capital of not less than S\$5,000,000; or</p> <p style="margin-left: 80px;">b. in the case of an applicant admitted as a clearing member of the Clearing House and CDP, it has a base capital of not less than S\$8,000,000;</p> <p style="margin-left: 40px;">or such other amount as may be prescribed by the Clearing House hereafter and from time to time;</p>

<sup>(1)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(1)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.02.1.2 it has a group net worth of at least S\$100,000,000.</p>	<p>2.02.1.2 it or its holding company has group shareholders' funds of at least S\$100,000,000;</p>
<p>2.02.1.3 it has, and upon admission will maintain, minimum capital and financial requirements pursuant to Rule 2.07 or Rule 2.08;</p>	<p>2.02.1.2A it holds a capital markets services licence unless exempted under the SFA or SFR (Licensing and Conduct of Business);</p>
<p>2.02.1.4 it has, and upon admission will maintain, a special reserve fund pursuant to Rule 2.09 or Rule 2.10, as the case may be;</p>	<p>2.02.1.3 to 2.02.1.7 to be retained.</p>
<p>2.02.1.5 its managerial or executive staff have a high standard of integrity and a level of knowledge (as may be deemed acceptable by the Clearing House) on the nature, risks and obligations in respect of the market or contracts that it wishes to clear;</p>	
<p>2.02.1.6 it must have in place sufficient resources and establish and maintain adequate systems for preserving a sound liquidity and financial position at all times including the maintaining of adequate staff and facilities for monitoring its cashflow and funding requirements and maintaining sufficient liquidity for its day to day operations;</p>	
<p>2.02.1.7 it must maintain segregated and adequate back-office functions; and</p>	

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.02.1.8 it satisfies any and all other requirements and criteria for such Membership, which the Clearing House may from time to time hereafter prescribe.</p>	<p>2.02.1.8 it satisfies any and all other requirements and criteria for such Clearing Membership, which the Clearing House may from time to time hereafter prescribe.</p>
<p><b>2.02A SUPPLEMENTARY ELIGIBILITY CRITERIA FOR DIRECT CLEARING MEMBERS</b></p>	<p><b>2.02A ELIGIBILITY CRITERIA FOR DIRECT CLEARING MEMBERS</b></p>
<p>2.02A.1 In addition to the criteria and requirements set out in Rule 2.02 (except for Rule 2.02.1.4), to be eligible for membership as a Direct Clearing Member, an applicant must satisfy the Clearing House that it or its holding company has an issuer rating of at least Aa from Moody's Investors Service or an equivalent rating from any other rating agency deemed acceptable by the Clearing House.</p>	<p>2.02A.1 Unless otherwise prescribed by the Clearing House, to be eligible for Clearing Membership as a Direct Clearing Member, an applicant must satisfy the Clearing House that:-</p> <p style="margin-left: 40px;">2.02A.1.1 it fulfills the criteria and requirements set out in Rule 2.02 (except for Rules 2.02.1.1.b and 2.02.1.4); and</p> <p style="margin-left: 40px;">2.02A.1.2 it or its holding company has an issuer rating of at least Aa from Moody's Investors Service or an equivalent rating from any other international rating agency deemed acceptable by the Clearing House.</p>
<p>2.02A.2 Upon admission as a Direct Clearing Member, if there is any downgrade in the issuer rating of the Direct Clearing Member or its holding company such that it falls below the minimum prescribed issuer rating, the Clearing House may, at its absolute discretion, impose additional conditions as it deems fit, for permitting the Direct Clearing Member to continue to clear Contracts through the Clearing House.</p>	<p>2.02A.2 Upon admission as a Direct Clearing Member, if there is any downgrade in the rating of the Direct Clearing Member or its holding company such that it falls below the minimum prescribed rating, the Clearing House may, at its absolute discretion, impose additional conditions as it deems fit, for permitting the Direct Clearing Member to continue to clear Contracts through the Clearing House.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p><b>2.02B ELIGIBILITY CRITERIA FOR BANK CLEARING MEMBERS</b></p>
	<p>2.02B.1 Unless otherwise prescribed by the Clearing House, to be eligible for Clearing Membership as a Bank Clearing Member, an applicant must satisfy the Clearing House that:-</p> <p>2.02B.1.1 it is authorised to conduct banking business in Singapore pursuant to section 4 of the Banking Act (Chapter 19);</p> <p>2.02B.1.2 it or its parent bank has a financial strength rating of at least C from Moody’s Investors Service, a bank fundamental strength rating of at least C from Standard &amp; Poor’s Corporation, a bank individual rating of at least C from Fitch, Inc or an equivalent rating from any other international rating agency deemed acceptable by the Clearing House;</p> <p>2.02B.1.3 it has deposited with the Clearing House an irrevocable letter of credit in a form and issued by a bank acceptable to the Clearing House or such other forms of security as may be prescribed by the Clearing House from time to time, for the amount of S\$8,000,000. For the avoidance of doubt, this requirement for the deposit of a letter of credit is separate and distinct from the option to deposit a qualifying letter of credit pursuant to Rule 2.07C or 2.08C (whichever is applicable);</p> <p>2.02B.1.4 it or its parent bank has group shareholders’ funds of at least S\$100,000,000;</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p>2.02B.1.5 it has, and upon admission will maintain, minimum capital and financial requirements pursuant to Rule 2.07.1B or Rule 2.08.1B;</p> <p>2.02B.1.6 its managerial or executive staff have a high standard of integrity and a level of knowledge (as may be deemed acceptable by the Clearing House) on the nature, risks and obligations in respect of the market or contracts that it wishes to clear;</p> <p>2.02B.1.7 it must have in place sufficient resources and establish and maintain adequate systems for preserving a sound liquidity and financial position at all times including the maintaining of adequate staff and facilities for monitoring its cashflow and funding requirements and maintaining sufficient liquidity for its day to day operations governed by this Rules;</p> <p>2.02B.1.8 it must maintain segregated and adequate back-office functions in respect of its operations governed by this Rules;</p> <p>2.02B.1.9 it satisfies any and all other requirements and criteria for such Clearing Membership, which the Clearing House may from time to time hereafter prescribe; and</p> <p>2.02B.1.10 where it is incorporated in Singapore,</p> <ul style="list-style-type: none"> <li>a. it has a base capital of not less than S\$5,000,000; or</li> <li>b. in the case of an applicant admitted as a</li> </ul>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
	<p>clearing member of the Clearing House and CDP, it has a base capital of not less than S\$8,000,000;</p> <p>or such other amount as may be prescribed by the Clearing House hereafter and from time to time; or]</p> <p>2.02B.1.11 where it is incorporated outside Singapore,</p> <p>a. it has deposited, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$5,000,000 with the Clearing House; or</p> <p>b. in the case of an applicant admitted as a clearing member of the Clearing House and CDP, it has deposited, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$8,000,000 with the Clearing House;</p> <p>or such other amount as may be prescribed by the Clearing House hereafter and from time to time, PROVIDED ALWAYS THAT:-</p> <p>i. if the Bank Clearing Member has deposited S\$8,000,000 with CDP or such other amount as prescribed, pursuant to the corresponding provision in the CDP Clearing Rules, it need not deposit a further S\$8,000,000 with the Clearing House or such other amount as may</p>



**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p align="right">be prescribed by the Clearing House; and</p> <p>ii. the Clearing House shall have the discretion to utilize or apportion in any manner, the S\$8,000,000 or such other amount as may be prescribed by the Clearing House and/or CDP, to satisfy the Bank Clearing Member's obligations to the Clearing House and/or CDP under this Rules and the CDP Clearing Rules respectively. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member to the Clearing House and CDP respectively; or</p> <p>c. it has net head office funds of not less than S\$5,000,000 or in the case of an applicant admitted as a clearing member of the Clearing House and CDP, it has net head office funds of not less than S\$8,000,000, or such other amount as may be prescribed by the Clearing House hereafter and from time to time, PROVIDED ALWAYS THAT the Clearing House has the discretion to decide if an applicant may seek to rely on its net head office funds pursuant to this Rule 2.02B.1.11.c instead of depositing cash and/or acceptable government securities pursuant to Rule 2.02B.1.11.a or b.</p> <p>2.02B.2 Upon admission as a Bank Clearing Member, if there is any downgrade in the rating of the Bank Clearing Member or its</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	parent bank such that it falls below the minimum prescribed rating, the Clearing House may, at its absolute discretion, impose additional conditions as it deems fit, for permitting the Bank Clearing Member to continue to clear Contracts through the Clearing House.
<b>2.07. MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF MEMBERS INCORPORATED IN SINGAPORE<sup>(3)</sup></b>	<b>2.07. MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE<sup>(3)</sup></b>
<p>2.07.1 Each General Clearing Member incorporated in Singapore shall at all times :-</p> <p style="margin-left: 40px;">2.07.1.1 <u>Base Capital Requirement</u></p> <p style="margin-left: 80px;">a. maintain a base capital of not less than S\$5,000,000; or</p> <p style="margin-left: 80px;">b. in the case of a General Clearing Member who is also a member of CDP, maintain a base capital of not less than S\$8,000,000;</p> <p style="margin-left: 40px;">2.07.1.2 <u>Financial Resources Requirement</u></p> <p style="margin-left: 80px;">not cause or permit its financial resources to fall below its total risk requirements;</p>	<p>2.07.1 Each General Clearing Member incorporated in Singapore shall at all times :-</p> <p style="margin-left: 40px;">2.07.1.1 <u>Base Capital Requirement</u></p> <p style="margin-left: 80px;">a. to be retained; or</p> <p style="margin-left: 80px;">b. in the case of a General Clearing Member who is also a clearing member of CDP, maintain a base capital of not less than S\$8,000,000;</p> <p style="margin-left: 40px;">2.07.1.2 <u>Financial Resources Requirement</u></p> <p style="margin-left: 80px;">not cause or permit its financial resources to fall below its total risk requirement;</p>

<sup>(3)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(3)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.07.1.3 <u>Aggregate Indebtedness Requirement</u></p> <p>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</p> <p>2.07.1.4 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House.</p>	<p>2.07.1.3 and 2.07.1.4 to be retained.</p>
<p>2.07.1A Each Direct Clearing Member incorporated in Singapore shall at all times:-</p> <p>2.07.1A.1 <u>Base Capital Requirement</u></p> <p>maintain a base capital of not less than S\$5,000,000;</p> <p>2.07.1A.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its financial resources to fall below its total risk requirements;</p> <p>2.07.1A.3 <u>Aggregate Indebtedness Requirement</u></p> <p>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</p>	<p>2.07.1A Each Direct Clearing Member incorporated in Singapore shall at all times:-</p> <p>2.07.1A.1 <u>Base Capital Requirement</u></p> <p>to be retained;</p> <p>2.07.1A.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its financial resources to fall below its total risk requirement;</p> <p>2.07.1A.3 and 2.07.1A.4 to be retained.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
<p>2.07.1A.4 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House.</p>	
	<p>2.07.1B Each Bank Clearing Member incorporated in Singapore shall at all times:-</p> <p>2.07.1B.1 <u>Base Capital Requirement</u></p> <p>a. maintain a base capital of not less than S\$5,000,000; or</p> <p>b. in the case of a Bank Clearing Member who is also a clearing member of CDP, maintain a base capital of not less than S\$8,000,000;</p> <p>2.07.1B.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its financial resources to fall below its total risk requirement; and</p> <p>2.07.1B.3 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House in relation to the Bank Clearing Member’s business governed by this Rules.</p>
<p>2.07.2 Notwithstanding any of the foregoing, in the case of a</p>	<p>2.07.2 Notwithstanding any of the foregoing, in the case of a General</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>Member who is also a member of CDP or in the case if a Member's financial resources are less than or at any time fall below S\$8,000,000, the Member shall forthwith deposit with the Clearing House an irrevocable Letter of Credit in a form and issued by a bank acceptable to the Clearing House for the amount of S\$8,000,000. Nothing in the foregoing shall prevent a Member whose financial resources are more than S\$8,000,000 from depositing an irrevocable Letter of Credit in a form and issued by a bank acceptable to the Clearing House for the amount of S\$8,000,000. For the avoidance of doubt, this requirement for the deposit of a Letter of Credit is separate and distinct from the option to deposit a qualifying letter of credit pursuant to Rule 2.07C below.</p>	<p>Clearing Member who is also a clearing member of CDP or in the case if a General Clearing Member or a Direct Clearing Member's financial resources are less than or at any time fall below S\$8,000,000, such Clearing Member shall forthwith deposit with the Clearing House an irrevocable letter of credit in a form and issued by a bank acceptable to the Clearing House or furnish such other forms of security as may be prescribed by the Clearing House from time to time, for the amount of S\$8,000,000. Nothing in the foregoing shall prevent a General Clearing Member or Direct Clearing Member whose financial resources are more than S\$8,000,000 from depositing an irrevocable letter of credit in a form and issued by a bank acceptable to the Clearing House or furnishing such other forms of security acceptable to the Clearing House, for the amount of S\$8,000,000. For the avoidance of doubt, this requirement for the deposit of a letter of credit is separate and distinct from the option to deposit a qualifying letter of credit pursuant to Rule 2.07C below.</p>
<p>2.07.4 The Clearing House reserves the right to call on any of the Letters of Credit furnished pursuant to the preceding paragraphs or pursuant to any exemption or exception as noted above may be prescribed by the Clearing House and apply the proceeds thereof in respect of the Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>	<p>2.07.4 The Clearing House reserves the right to call on any of the letters of credit and all other forms of security furnished pursuant to this Rules and apply the proceeds thereof in respect of the Clearing Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.07.6 If the Clearing House is notified by the Member under Rule 2.07.5 or becomes aware that the Member has failed to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs, the Clearing House may direct the Member to do all or any of the following actions:-</p> <p style="margin-left: 40px;">2.07.6.1 liquidate or cease any increase in positions for any account carried by the Member;</p> <p style="margin-left: 40px;">2.07.6.2 liquidate or transfer all or part of any customer's positions, collateral, assets and accounts to one (1) or more other Members; and</p> <p style="margin-left: 40px;">2.07.6.3 operate its business in such manner and on such conditions as the Clearing House may impose.</p>	<p>2.07.6 If the Clearing House is notified by a Clearing Member under Rule 2.07.5 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.07.5) that the Clearing Member has failed to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs, the Clearing House may direct the Clearing Member to do one (1) or more of the following actions:-</p> <p style="margin-left: 40px;">2.07.6.1 liquidate or cease any increase in positions for any account carried by the Clearing Member;</p> <p style="margin-left: 40px;">2.07.6.2 liquidate or transfer all or part of any customer's positions, margins, collateral, assets and accounts to one (1) or more other Clearing Members. For the avoidance of doubt, reference to "customer's positions, margins, collateral, assets and accounts" in relation to a Bank Clearing Member, shall refer to customer's positions, margins, collateral, assets and accounts falling within the Bank Clearing Member's business governed by this Rules;</p> <p style="margin-left: 40px;">2.07.6.3 operate its business or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the Clearing House may impose.</p>
<p><b>2.07A EARLY WARNING FINANCIAL REQUIREMENTS OF MEMBERS INCORPORATED IN SINGAPORE<sup>(4)</sup></b></p>	<p><b>2.07A EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE<sup>(4)</sup></b></p>

<sup>(4)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.07A.1 Each Member incorporated in Singapore shall immediately notify the Clearing House:-</p> <p style="padding-left: 40px;">2.07A.1.1 if its financial resources fall below 120% percent of its total risk requirement; or</p> <p style="padding-left: 40px;">2.07A.1.2 if its aggregate indebtedness exceeds 600% of its aggregate resources.</p>	<p>2.07A.1 Each Clearing Member incorporated in Singapore shall immediately notify the Clearing House:-</p> <p style="padding-left: 40px;">2.07A.1.1 if its financial resources fall below 120% of its total risk requirement; or</p> <p style="padding-left: 40px;">2.07A.1.2 in the case of a General Clearing Member or Direct Clearing Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.</p>
<p>2.07A.2 If the Clearing House is notified by the Member under Rule 2.07A.1.1 or becomes aware that the Member's financial resources have fallen below 120% of its total risk requirement, the Clearing House may direct the Member to comply with any or all of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements).</p>	<p>2.07A.2 If the Clearing House is notified by a Clearing Member under Rule 2.07A.1.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.07A.1.1) that such Clearing Member's financial resources have fallen below 120% of its total risk requirement, the Clearing House may direct:</p> <p style="padding-left: 40px;">2.07A.2.1 where such Clearing Member is a General Clearing Member, to comply with one (1) or more of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p> <p style="padding-left: 40px;">2.07A.2.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p>

<sup>(4)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p>2.07A.2.3 where such Clearing Member is a Bank Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements). For the avoidance of doubt, reference in Regulation 7(3) of the SFR (Financial and Margin Requirements) to:-</p> <ul style="list-style-type: none"> <li>(a) “customer’s positions, margins, collateral, assets and accounts”, shall be read to mean customer’s positions, margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Rules;</li> <li>and</li> <li>(b) “business” shall be read to mean the Bank Clearing Member’s business governed by this Rules.</li> </ul>
<p>2.07A.3 If the Clearing House is notified by the Member under Rule 2.07A.1.2 or becomes aware that the Member’s aggregate indebtedness exceeds 600% percent of its aggregate resources, the Clearing House may direct the Member to comply with any or all of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements).</p>	<p>2.07A.3 If the Clearing House is notified by a General Clearing Member or a Direct Clearing Member under Rule 2.07A.1.2 or becomes aware (whether or not there has been any notification by such Clearing Member under Rule 2.07A.1.2) that such Clearing Member’s aggregate indebtedness has exceeded 600% of its aggregate resources, the Clearing House may direct:</p> <p>2.07A.3.1 where such Clearing Member is a General Clearing Member, to comply with one (1) or more of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements);</p> <p>2.07A.3.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 17(2) of the SFR (Financial and Margin Requirements).</p>



## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p><b>2.07B NOTIFICATION REQUIREMENTS OF MEMBERS INCORPORATED IN SINGAPORE<sup>(5)</sup></b></p>	<p><b>2.07B NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE<sup>(5)</sup></b></p>
<p>2.07B.1 Each Member incorporated in Singapore shall immediately notify the Clearing House if its financial resources fall below 150% of its total risk requirement.</p>	<p>2.07B.1 Each Clearing Member incorporated in Singapore shall immediately notify the Clearing House if its financial resources fall below 150% of its total risk requirement.</p>
<p>2.07B.2 The Clearing House may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Members.</p>	<p>2.07B.2 The Clearing House may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Clearing Members.</p>
	<p>2.07B.3 If the Clearing House is notified by a Clearing Member under Rule 2.07B.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.07B.1) that such Clearing Member's financial resources have fallen below 150% of its total risk requirement, the Clearing House may direct such Clearing Member to do one (1) or more of the following actions:-</p> <p style="margin-left: 40px;">2.07B.3.1 submit (where applicable), the statements of assets and liabilities, financial resources, total risk requirement, aggregate indebtedness, and such other statements as required by the Clearing House at such interval and for such time frame as determined by the Clearing House;</p> <p style="margin-left: 40px;">2.07B.3.2 operate its business, or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the</p>

<sup>(5)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(5)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	Clearing House may impose.
<b>2.07C QUALIFYING LETTER OF CREDIT<sup>(6)</sup></b>	<b>2.07C QUALIFYING LETTER OF CREDIT<sup>(6)</sup></b>
<p>2.07C.1 For the purpose of Rules 2.07, 2.07A and 2.07B, a Member may include 1 or more qualifying letter(s) of credit deposited with the Clearing House in its calculation of financial resources, subject to the total amount payable under the qualifying letter(s) of credit or 50% of its total risk requirement, whichever is lower.</p> <p>2.07C.2 A “qualifying letter of credit” is an irrevocable Letter of Credit in a form and issued by a bank acceptable to the Clearing House.</p> <p>2.07C.3 The Clearing House reserves the right to call on any of the Letters of Credit furnished pursuant to the preceding paragraphs or pursuant to any exemption or exception as</p>	<p>2.07C.1 For the purpose of Rules 2.07, 2.07A and 2.07B, a Clearing Member may include one (1) or more qualifying letter(s) of credit deposited with the Clearing House in its calculation of financial resources, subject to the total amount payable under the qualifying letter(s) of credit or 50% of its total risk requirement, whichever is lower. In the case of a Clearing Member admitted as a clearing member of the Clearing House and CDP, and which has deposited such qualifying letter(s) of credit with CDP, pursuant to the corresponding provisions in the CDP Clearing Rules, it need not deposit another qualifying letter(s) of credit with the Clearing House.</p> <p>2.07C.2 For the purpose of Rule 2.07C.1, a qualifying letter of credit is a legally enforceable and irrevocable letter of credit that:-</p> <p style="padding-left: 40px;">2.07C.2.1 is made in favour of the Clearing House;</p> <p style="padding-left: 40px;">2.07C.2.2 is issued by a bank approved by, and in a form acceptable to the Clearing House; and</p> <p style="padding-left: 40px;">2.07C.2.3 does not include any letters of credit provided by the Clearing Member to satisfy Rule 7 or any other requirement imposed by the Clearing House.</p> <p>2.07C.3 The Clearing House reserves the right to call on any of the qualifying letters of credit furnished pursuant to this Rules and</p>

<sup>(6)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(6)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>noted above may be prescribed by the Clearing House and apply the proceeds thereof in respect of the Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>	<p>apply the proceeds thereof in respect of the Clearing Member's default to the Clearing House and/or its common bond liability under Rule 7.03. In the case of a Clearing Member admitted as a clearing member of the Clearing House and CDP, the Clearing House shall have the discretion to apportion in any manner, the use of the proceeds between the Clearing House and CDP. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Clearing Member to the Clearing House and CDP respectively.</p>
<p><b>2.08. MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(7)</sup></b></p>	<p><b>2.08 MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(7)</sup></b></p>
<p>2.08.1 Each General Clearing Member which is a corporation incorporated outside Singapore shall at all times:-</p> <p style="margin-left: 20px;">2.08.1.1 <u>Base Capital Requirement</u></p> <p style="margin-left: 40px;">a. maintain net head office funds of not less than S\$5,000,000; or</p> <p style="margin-left: 40px;">b. in the case of a General Clearing Member who is also a member of CDP, maintain net head office funds of not less than S\$8,000,000;</p>	<p>2.08.1 Each General Clearing Member incorporated outside Singapore shall at all times:-</p> <p style="margin-left: 20px;">2.08.1.1 <u>Base Capital Requirement</u></p> <p style="margin-left: 40px;">a. maintain net head office funds of not less than S\$5,000,000; or</p> <p style="margin-left: 40px;">b. in the case of a General Clearing Member who is also a clearing member of CDP, maintain net head office funds of not less than S\$8,000,000;</p>

<sup>(7)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(7)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.08.1.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its adjusted net head office funds to fall below its total risk requirements;</p> <p>2.08.1.3 <u>Aggregate Indebtedness Requirement</u></p> <p>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</p> <p>2.08.1.4 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House.</p>	<p>2.08.1.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its adjusted net head office funds to fall below its total risk requirement;</p> <p>2.08.1.3 to be retained.</p> <p>2.08.1.4 to be retained.</p>
<p>2.08.1A Each Direct Clearing Member which is a corporation incorporated outside Singapore shall at all times:-</p> <p>2.08.1A.1 <u>Base Capital Requirement</u></p> <p>maintain net head office funds of not less than S\$5,000,000;</p> <p>2.08.1A.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its financial resources to fall below its total risk requirements;</p>	<p>2.08.1A Each Direct Clearing Member incorporated outside Singapore shall at all times:-</p> <p>2.08.1A.1 <u>Base Capital Requirement</u></p> <p>to be retained;</p> <p>2.08.1A.2 <u>Financial Resources Requirement</u></p> <p>not cause or permit its financial resources to fall below its total risk requirement;</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.08.1A.3 <u>Aggregate Indebtedness Requirement</u></p> <p>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</p> <p>2.08.1A.4 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House.</p>	<p>2.08.1A.3 To be retained.</p> <p>2.08.1A.4 to be retained.</p>
	<p>2.08.1B Each Bank Clearing Member incorporated outside Singapore shall at all times:-</p> <p>2.08.1B.1 where it has satisfied Rule 2.02B.1.11. a or b,</p> <p style="text-align: center;"><u>Cash and/or Acceptable Government Securities Requirement</u></p> <p>a. deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$5,000,000 with the Clearing House; or</p> <p>b. in the case of a Bank Clearing Member who is also a clearing member of CDP, deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$8,000,000 with</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p>the Clearing House;</p> <p>PROVIDED ALWAYS THAT:-</p> <ul style="list-style-type: none"> <li data-bbox="1339 440 1839 748">i. if the Bank Clearing Member has deposited S\$8,000,000 with CDP or such other amount as prescribed, pursuant to the corresponding provision in the CDP Clearing Rules, it need not deposit a further S\$8,000,000 with the Clearing House or such other amount as may be prescribed by the Clearing House; and</li> <li data-bbox="1339 789 1839 1317">ii. the Clearing House shall have the discretion to utilize or apportion in any manner, the S\$8,000,000 or such other amount as may be prescribed by the Clearing House and/or CDP, to satisfy the Bank Clearing Member's obligations to the Clearing House and/or CDP under this Rules and the CDP Clearing Rules respectively. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member to the Clearing House and CDP respectively; and</li> </ul>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p align="right">c. not cause or permit its cash and/or acceptable government securities deposited with the Clearing House to fall below its total risk requirement; or</p> <p>2.08.1B.2 where it has satisfied Rule 2.02B.1.11. c,</p> <p><u>Net Head Office Funds Requirement</u></p> <p>a. maintain net head office funds of not less than S\$5,000,000 or in the case of a Bank Clearing Member who is also a clearing member of CDP, maintain net head office funds of not less than S\$8,000,000; and</p> <p><u>Adjusted Net Head Office Funds Requirement</u></p> <p>b. not cause or permit its adjusted net head office funds to fall below its total risk requirement; and</p> <p>2.08.1B.3 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House in relation to the Bank Clearing Member’s business governed by this Rules.</p>
<p>2.08.2 Notwithstanding any of the foregoing, in the case of a Member who is also a member of CDP or in the case if a Member’s adjusted net head office funds is less than or at any time fall below S\$8,000,000, the Member shall forthwith deposit with the Clearing House an irrevocable</p>	<p>2.08.2 Notwithstanding any of the foregoing, in the case of a General Clearing Member who is also a clearing member of CDP or in the case if a General Clearing Member or Direct Clearing Member’s adjusted net head office funds are less than or at any time fall below S\$8,000,000, such Clearing Member shall</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>Letter of Credit in a form and issued by a bank acceptable to the Clearing House for the amount of S\$8,000,000. Nothing in the foregoing shall prevent a Member whose adjusted net head office funds is more than S\$8,000,000 from depositing an irrevocable Letter of Credit in a form and issued by a bank acceptable to the Clearing House for the amount of S\$8,000,000. For the avoidance of doubt, this requirement for the deposit of a Letter of Credit is separate and distinct from the option to deposit a qualifying letter of credit pursuant to Rule 2.08C below.</p>	<p>forthwith deposit with the Clearing House an irrevocable letter of credit in a form and issued by a bank acceptable to the Clearing House or furnish such other forms of security as may be prescribed by the Clearing House from time to time, for the amount of S\$8,000,000. Nothing in the foregoing shall prevent a General Clearing Member or a Direct Clearing Member whose adjusted net head office funds are more than S\$8,000,000 from depositing an irrevocable letter of credit in a form and issued by a bank acceptable to the Clearing House or furnishing such other forms of security acceptable to the Clearing House, for the amount of S\$8,000,000. For the avoidance of doubt, this requirement for the deposit of a letter of credit is separate and distinct from the option to deposit a qualifying letter of credit pursuant to Rule 2.08C below.</p>
<p>2.08.4 The Clearing House reserves the right to call on any of the Letters of Credit furnished pursuant to the preceding paragraphs or pursuant to any exemption or exception as noted above may be prescribed by the Clearing House and apply the proceeds thereof in respect of the Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>	<p>2.08.4 The Clearing House reserves the right to use or call on any cash and/or acceptable government securities deposited with the Clearing House or CDP pursuant to Rule 2.08.1B.1, letters of credit and all other forms of security furnished pursuant to this Rules and apply the proceeds thereof in respect of the Clearing Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>
<p>2.08.5 A Member shall immediately notify the Clearing House if it fails to meet the minimum capital and financial requirements prescribed in the preceding paragraphs or becomes aware that it will fail to comply with such requirements.</p>	<p>2.08.5 A Clearing Member shall immediately notify the Clearing House if it fails to meet the minimum capital and financial requirements prescribed in the preceding paragraphs or becomes aware that it will fail to comply with such requirements.</p>
<p>2.08.6 If the Clearing House is notified by the Member under Rule 2.08.5 or becomes aware that the Member has failed to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs, the</p>	<p>2.08.6 If the Clearing House is notified by a Clearing Member under Rule 2.08.5 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08.5) that such Clearing Member has failed to comply with the minimum capital</p>



## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>Clearing House may direct the Member to do all or any of the following actions:-</p> <p>2.08.6.1 liquidate or cease any increase in positions for any account carried by the Member;</p> <p>2.08.6.2 liquidate or transfer all or part of any customer's positions, collateral, assets and accounts to one (1) or more other Members; and</p> <p>2.08.6.3 operate its business in such manner and on such conditions as the Clearing House may impose.</p>	<p>and financial requirements prescribed in the preceding paragraphs, the Clearing House may direct such Clearing Member to do one (1) or more of the following actions:-</p> <p>2.08.6.1 liquidate or cease any increase in positions for any account carried by the Clearing Member;</p> <p>2.08.6.2 liquidate or transfer all or part of any customer's positions, margins, collateral, assets and accounts to one (1) or more other Clearing Members. For the avoidance of doubt, reference to "customer's positions, margins, collateral, assets and accounts" in relation to a Bank Clearing Member shall refer to customer's positions, margins, collateral, assets and accounts falling within the Bank Clearing Member's business governed by this Rules;</p> <p>2.08.6.3 operate its business or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the Clearing House may impose.</p>
<p><b>2.08A EARLY WARNING FINANCIAL REQUIREMENTS OF MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(8)</sup></b></p>	<p><b>2.08A EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(8)</sup></b></p>
<p>2.08A.1 Each Member incorporated outside Singapore shall immediately notify the Clearing House:-</p> <p>2.08A.1.1 if its adjusted net head office funds fall below</p>	<p>2.08A.1 Each Clearing Member incorporated outside Singapore shall immediately notify the Clearing House:-</p> <p>2.08A.1.1 if its adjusted net head office funds or cash and/or</p>

<sup>(8)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(8)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p align="center">120% of its total risk requirement; or</p> <p>2.08A.1.2 if its aggregate indebtedness exceeds 600% of its aggregate resources.</p>	<p align="center">acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 120% of its total risk requirement; or</p> <p>2.08A.1.2 in the case of a General Clearing Member or Direct Clearing Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.</p>
<p>2.08A.2 If the Clearing House is notified by the Member under Rule 2.08A.1.1 or becomes aware that the Member's adjusted net head office funds have fallen below 120% of its total risk requirement, the Clearing House may direct the Member to comply with any or all of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements).</p>	<p>2.08A.2 If the Clearing House is notified by a Clearing Member under Rule 2.08A.1.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08A.1.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 120% of its total risk requirement, the Clearing House may direct:</p> <p>2.08A.2.1 where such Clearing Member is a General Clearing Member, to comply with one (1) or more of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p> <p>2.08A.2.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p> <p>2.08A.2.3 where such Clearing Member is a Bank Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p>SFR (Financial and Margin Requirements). For the avoidance of doubt, reference in Regulation 7(3) of the SFR (Financial and Margin Requirements) to:-</p> <p>(a) “customer’s positions, margins, collateral, assets and accounts”, shall be read to mean customer’s positions, margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Rules; and</p> <p>(b) “business” shall be read to mean the Bank Clearing Member’s business governed by this Rules.</p>
<p>2.08A.3 If the Clearing House is notified by the Member under Rule 2.08A.1.2 or becomes aware that the Member’s aggregate indebtedness exceeds 600% percent of its aggregate resources, the Clearing House may direct the Member to comply with any or all of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements).</p>	<p>2.08A.3 If the Clearing House is notified by a General Clearing Member or a Direct Clearing Member under Rule 2.08A.1.2 or becomes aware (whether or not there has been any notification by such Clearing Member under Rule 2.08A.1.2) that such General Clearing Member’s or Direct Clearing Member’s aggregate indebtedness has exceeded 600% of its aggregate resources, the Clearing House may direct:</p> <p>2.08A.3.1 where such Clearing Member is a General Clearing Member, to comply with one (1) or more of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements);</p> <p>2.08A.3.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 17(2) of the SFR (Financial and Margin Requirements).</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p><b>2.08B NOTIFICATION REQUIREMENTS OF MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(9)</sup></b></p>	<p><b>2.08B NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(9)</sup></b></p>
<p>2.08B.1 Each Member incorporated outside Singapore shall immediately notify the Clearing House if its adjusted net head office funds fall below 150% of its total risk requirement.</p>	<p>2.08B.1 Each Clearing Member incorporated outside Singapore shall immediately notify the Clearing House if its adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 150% of its total risk requirement</p>
<p>2.08B.2 The Clearing House may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Members.</p>	<p>2.08B.2 The Clearing House may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Clearing Members.</p>
	<p>2.08B.3 If the Clearing House is notified by a Clearing Member under Rule 2.08B.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08B.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 150% of its total risk requirement, the Clearing House may direct such Clearing Member to do one (1) or more of the following actions:-</p> <p style="margin-left: 40px;">2.08B.3.1 submit (where applicable), the statements of assets and liabilities, adjusted net head office funds, cash and/or acceptable government securities deposited with the Clearing House, aggregate indebtedness, total risk requirement and such other statements as</p>

<sup>(9)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(9)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p>required by the Clearing House at such interval and for such time frame as may be determined by the Clearing House;</p> <p>2.08B.3.2 operate its business, or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the Clearing House may impose.</p>
<b>2.08C QUALIFYING LETTER OF CREDIT<sup>(10)</sup></b>	<b>2.08C QUALIFYING LETTER OF CREDIT<sup>(10)</sup></b>
<p>2.08C.1 For the purpose of Rules 2.08, 2.08A and 2.08B, a Member may include 1 or more qualifying letter(s) of credit deposited with the Clearing House in its calculation of adjusted net head office funds, subject to the total amount payable under the qualifying letter(s) of credit or 50% of its total risk requirement, whichever is lower.</p> <p>2.08C.2 A “qualifying letter of credit” is an irrevocable Letter of Credit in a form and issued by a bank acceptable to the Clearing House.</p>	<p>2.08C.1 For the purpose of Rules 2.08, 2.08A and 2.08B, a Clearing Member may include one (1) or more qualifying letter(s) of credit deposited with the Clearing House in its calculation of adjusted net head office funds subject to the total amount payable under the qualifying letter(s) of credit or 50% of its total risk requirement, whichever is lower. In the case of a Clearing Member admitted as a clearing member of the Clearing House and CDP, and which has deposited such qualifying letter(s) of credit with CDP, pursuant to the corresponding provisions in the CDP Clearing Rules, it need not deposit another qualifying letter(s) of credit with the Clearing House.</p> <p>2.08C.2 For the purpose of Rule 2.08C.1, a qualifying letter of credit is a legally enforceable and irrevocable letter of credit that:-</p> <p style="padding-left: 40px;">2.08C.2.1 is made in favour of the Clearing House;</p> <p style="padding-left: 40px;">2.08C.2.2 is issued by a bank approved by, and in a form acceptable to the Clearing House; and</p>

<sup>(10)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(10)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.08C.3 The Clearing House reserves the right to call on any of the Letters of Credit furnished pursuant to the preceding paragraphs or pursuant to any exemption or exception as noted above may be prescribed by the Clearing House and apply the proceeds thereof in respect of the Member's default to the Clearing House and/or its common bond liability under Rule 7.03.</p>	<p>2.08C.2.3 does not include any letters of credit provided by the Clearing Member to satisfy Rule 7 or any other requirement imposed by the Clearing House.</p> <p>2.08C.3 The Clearing House reserves the right to call on any of the qualifying letters of credit furnished pursuant to this Rules and apply the proceeds thereof in respect of the Clearing Member's default to the Clearing House and/or its common bond liability under Rule 7.03. In the case of a Clearing Member admitted as a clearing member of the Clearing House and CDP, the Clearing House shall have the discretion to apportion in any manner, the use of the proceeds between the Clearing House and CDP. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Clearing Member to the Clearing House and CDP respectively.</p>
<p><b>2.09. SPECIAL RESERVE FUND FOR GENERAL CLEARING MEMBERS INCORPORATED IN SINGAPORE <sup>(11)</sup></b></p>	<p><b>2.09 SPECIAL RESERVE FUND FOR GENERAL CLEARING MEMBERS INCORPORATED IN SINGAPORE <sup>(11)</sup></b></p>
<p>2.09.1 In addition to the minimum capital and financial requirements in Rule 2.07, every General Clearing Member incorporated in Singapore shall maintain a special reserve fund to which a sum of not less than 30% of the audited net profits of each year shall be transferred out of the net profits after due provision has been made for taxation, so long as the base capital less unappropriated profits in the latest audited accounts is less</p>	<p>2.09.1 To be retained.</p>

<sup>(11)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(11)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
than S\$15,000,000.	
<b>2.10. SPECIAL RESERVE FUND FOR GENERAL CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(12)</sup></b>	<b>2.10 SPECIAL RESERVE FUND FOR GENERAL CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE<sup>(12)</sup></b>
2.10.1 In addition to the minimum capital and financial requirements in Rule 2.08, every General Clearing Member incorporated outside Singapore shall maintain a special reserve fund to which a sum of not less than 30% of the audited net profits of each year shall be transferred out of the net profits after due provision has been made for taxation, so long as the net head office funds is less than S\$15,000,000.	2.10.1 To be retained.
<b>2.11 OTHER FINANCIAL REQUIREMENTS</b>	<b>2.11 OTHER FINANCIAL REQUIREMENTS</b>
<b>2.11.1 <u>Reduction in Paid-Up Ordinary Share Capital</u></b>	<b>2.11.1 <u>Reduction in Paid-Up Ordinary Share Capital</u></b>
2.11.1.1 Each Member incorporated in Singapore shall not reduce its paid-up ordinary share capital without the prior approval of the Clearing House.	2.11.1.1 Each Clearing Member incorporated in Singapore, except in the case of a Bank Clearing Member, shall not reduce its paid-up ordinary share capital without the prior approval of the Clearing House.
<b>2.11.2 <u>Preference Share</u></b>	<b>2.11.2 <u>Preference Share</u></b>
2.11.2.1 Each Member incorporated in Singapore shall immediately notify the Clearing House prior to the date of issue of any preference share.	2.11.2.1 Each Clearing Member incorporated in Singapore, except in the case of a Bank Clearing Member, shall immediately notify the Clearing House prior to the date of issue of any preference share.

<sup>(12)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(12)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.11.2.2 A Member shall not redeem any redeemable preference share:-</p> <p style="padding-left: 40px;">2.11.2.2.a unless the Member notifies the Clearing House at least 1 year before the proposed date of redemption;</p> <p style="padding-left: 40px;">2.11.2.2.b if at the date of redemption:-</p> <p style="padding-left: 80px;">2.11.2.2.b.i the financial resources (including qualifying letters of credit referred to in Rule 2.07C) of the Member are less than 150% of its total risk requirement; or</p> <p style="padding-left: 80px;">2.11.2.2.b.ii the aggregate indebtedness of the Member exceeds 600% of the aggregate resources;</p>	<p>2.11.2.2 A Clearing Member incorporated in Singapore, except in the case of a Bank Clearing Member, shall not redeem any redeemable preference share that is computed as part of its financial resources:-</p> <p style="padding-left: 40px;">2.11.2.2.a unless the Clearing Member notifies the Clearing House within such time before the proposed date of redemption as prescribed by the SFR (Financial and Margin Requirements);</p> <p style="padding-left: 40px;">2.11.2.2.b if at the date of redemption:-</p> <p style="padding-left: 80px;">2.11.2.2.b.i the financial resources (including qualifying letters of credit referred to in Rule 2.07C) of the Clearing Member are less than 150% of its total risk requirement; or</p> <p style="padding-left: 80px;">2.11.2.2.b.ii the aggregate indebtedness of the Clearing Member exceeds 600% of its aggregate resources;</p>
<p><b>2.11.3 <u>Qualifying Subordinated Loans</u></b></p>	<p><b>2.11.3 <u>Qualifying Subordinated Loans</u></b></p>
<p>2.11.3.1 Each Member shall immediately notify the Clearing House when it draws down a qualifying subordinated loan no later than the date of draw down.</p>	<p>2.11.3.1 Each Clearing Member incorporated in Singapore, shall immediately notify the Clearing House when it draws down a qualifying subordinated loan no later than the date of draw down.</p>
<p>2.11.3.2 A Member:-</p> <p style="padding-left: 40px;">2.11.3.2.a shall not repay, whether in part or in full,</p>	<p>2.11.3.2 A Clearing Member incorporated in Singapore:-</p> <p style="padding-left: 40px;">2.11.3.2.a to be retained;</p>



## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>any subordinated loan principal before the maturity date without the prior approval of the Clearing House;</p> <p>2.11.3.2.b shall not repay, whether in part or in full, any subordinated loan principal that has matured:-</p> <p>2.11.3.2.b.i unless the Member notifies the Clearing House at least 1 Business Day before the date of repayment;</p> <p>2.11.3.2.b.ii if the financial resources or adjusted net head office funds (including qualifying letter of credit referred to in Rule 2.07C or 2.08C) of the Member, as the case may be, are less than 150% of its total risk requirement;</p> <p>2.11.3.2.b.iii if the aggregate indebtedness of the Member exceeds 600% of its aggregate resources;</p> <p>2.11.3.2.b.iv if such a repayment will cause an event in Rules 2.11.3.2b.ii or iii to occur; or</p> <p>2.11.3.2.b.v if the Clearing House has</p>	<p>2.11.3.2.b shall not repay, whether in part or in full, any subordinated loan principal that has matured:-</p> <p>2.11.3.2.b.i unless the Clearing Member notifies the Clearing House at least one (1) Business Day before the date of repayment;</p> <p>2.11.3.2.b.ii if the financial resources (including qualifying letters of credit referred to in Rule 2.07C) of the Clearing Member, are less than 150% of its total risk requirement;</p> <p>2.11.3.2.b.iii in the case of a General Clearing Member or Direct Clearing Member, if the aggregate indebtedness of the General Clearing Member or Direct Clearing Member exceeds 600% of its aggregate resources;</p> <p>2.11.3.2.b.iv to be retained;</p> <p>2.11.3.2.b.v to be retained.</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
prohibited in writing such a repayment.	
<b>2.11.4</b> <b><u>Making of Unsecured Loan or Advance, Payment of Dividend or Director's Fees or Increase in Director's Remuneration</u></b>	<b>2.11.4</b> <b><u>Making of Unsecured Loan or Advance, Payment of Dividend or Director's Fees or Increase in Director's Remuneration</u></b>
2.11.4.1    Each Member shall not, without the prior written approval of the Clearing House, make any unsecured loan or advance, pay any dividend or director's fees or increase any director's remuneration if:-  2.11.4.1.a    in the case where the Member is incorporated in Singapore:-  2.11.4.1.a.i    the base capital of the Member is less than the base capital requirement applicable to the Member under Rule 2.07;  2.11.4.1.a.ii    the financial resources (including qualifying letter of credit referred to in Rule 2.07C) of the Member are less than 150% of its total risk requirement;  2.11.4.1.a.iii    the aggregate indebtedness of the Member exceeds 600% of its aggregate resources; or  2.11.4.1.a.iv    if such a loan, advance,	2.11.4.1    Each Clearing Member, except for a Bank Clearing Member, shall not, without the prior written approval of the Clearing House, make any unsecured loan or advance, pay any dividend or director's fees or increase any director's remuneration if:-  2.11.4.1.a    in the case where the Clearing Member is incorporated in Singapore:-  2.11.4.1.a.i    the base capital of the Clearing Member is less than the base capital requirement applicable to the Clearing Member under Rule 2.07;  2.11.4.1.a.ii    the financial resources (including qualifying letters of credit referred to in Rule 2.07C) of the Clearing Member are less than 150% of its total risk requirement;  2.11.4.1.a.iii    the aggregate indebtedness of the Clearing Member exceeds 600% of its aggregate resources; or  2.11.4.1.a.iv    such a loan, advance, payment or increase will cause an event in Rules 2.11.4.1.a.i, ii or iii to occur;

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
payment or increase will cause an event in Rules 2.11.4.1.a.i, ii or iii to occur; or	or
<p>2.11.4.1.b in the case where the Member is incorporated outside Singapore:-</p> <p>2.11.4.1.b.i the net head office funds of the Member are below the net head office funds requirement applicable to the Member under Rule 2.08;</p> <p>2.11.4.1.b.ii the adjusted net head office funds of the Member (including qualifying letters of credit referred to in Rule 2.08C) are less than 150% of its total risk requirement;</p> <p>2.11.4.1.b.iii the aggregate indebtedness of the Member exceeds 600% of its aggregate resources; or</p> <p>2.11.4.1.b.iv if such a loan, advance, payment or increase will cause an event in Rules 2.11.4.1.b.i, ii or iii to occur.</p>	<p>2.11.4.1.b in the case where the Clearing Member is incorporated outside Singapore:-</p> <p>2.11.4.1.b.i the net head office funds of the Clearing Member are below the net head office funds requirement applicable to the Clearing Member under Rule 2.08;</p> <p>2.11.4.1.b.ii the adjusted net head office funds (including qualifying letters of credit referred to in Rule 2.08C) of the Clearing Member are less than 150% of its total risk requirement;</p> <p>2.11.4.1.b.iii the aggregate indebtedness of the Clearing Member exceeds 600% of its aggregate resources; or</p> <p>2.11.4.1.b.iv such a loan, advance, payment or increase will cause an event in Rules 2.11.4.1.b.i, ii or iii to occur.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<b>2.12. RIGHTS OF GENERAL CLEARING MEMBERS</b>	<b>2.12 RIGHTS OF CLEARING MEMBERS</b>
2.12.1 Every General Clearing Member shall have only such rights and obligations as are set out in the Member Terms. The rights and obligations attaching to such Member's Membership may be varied or abrogated by the Clearing House from time to time.	2.12.1 Every Clearing Member shall have only such rights and obligations as are set out in the Member Terms. The rights and obligations attaching to such Clearing Member's Clearing Membership may be varied or abrogated by the Clearing House from time to time.
2.12.2 A General Clearing Member can, subject to the Rules and/or unless otherwise notified by the Clearing House:- <ul style="list-style-type: none"> <li>2.12.2.1 clear its own trades and trades of Third Parties;</li> <li>2.12.2.2 by its Membership with the Clearing House participate in the clearing system established and maintained by the Clearing House to clear Contracts; and</li> <li>2.12.2.3 have access to each Mutual Offset System.</li> </ul>	2.12.2 A General Clearing Member can, subject to the Rules and/or unless otherwise notified by the Clearing House:- <ul style="list-style-type: none"> <li>2.12.2.1 clear its own trades and trades of Third Parties;</li> <li>2.12.2.2 by its Clearing Membership with the Clearing House participate in the clearing system established and maintained by the Clearing House to clear Contracts; and</li> <li>2.12.2.3 have access to each Mutual Offset System.</li> </ul>
	2.12.3 A Direct Clearing Member can, subject to the Rules and/or unless otherwise notified by the Clearing House:- <ul style="list-style-type: none"> <li>2.12.3.1 clear only its own trades and the proprietary trades of its related corporations; and</li> <li>2.12.3.2 by its Clearing Membership with the Clearing House participate in the clearing system established and maintained by the Clearing House to clear Contracts.</li> </ul>
	2.12.4 A Bank Clearing Member can, subject to the Rules and/or unless otherwise notified by the Clearing House:-

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p style="margin-left: 40px;">2.12.4.1 clear its own trades and trades of Third Parties;</p> <p style="margin-left: 40px;">2.12.4.2 by its Clearing Membership with the Clearing House participate in the clearing system established and maintained by the Clearing House to clear Contracts; and</p> <p style="margin-left: 40px;">2.12.4.3 have access to each Mutual Offset System.</p>
<b>2.12A RIGHTS OF DIRECT CLEARING MEMBERS</b>	To be moved and renumbered as part of Rule 2.12.
2.12A.1 Every Direct Clearing Member shall have only such rights and obligations as are set out in the Member Terms. The rights and obligations attaching to such Member's Membership may be varied or abrogated by the Clearing House from time to time.	Re-numbered as Rule 2.12.1
<p>2.12A.2 A Direct Clearing Member can, subject to the Rules and/or unless otherwise notified by the Clearing House:-</p> <p style="margin-left: 20px;">2.12A.2.1 clear only its own trades and the proprietary trades of its related corporations.; and</p> <p style="margin-left: 20px;">2.12A.2.2 by its Membership with the Clearing House participates in the clearing system established and maintained by the Clearing House to clear Contracts.</p>	Re-numbered as Rule 2.12.3.
<b>2.13. DUTIES AND RESPONSIBILITIES OF MEMBERS<sup>(14)</sup></b>	<b>2.13 DUTIES AND RESPONSIBILITIES OF CLEARING MEMBERS<sup>(14)</sup></b>

<sup>(14)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

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Old Rules	New Rules
<p>2.13.1 A Member shall, subject to the Rules, also have the following responsibilities and duties:-</p> <p style="padding-left: 40px;">2.13.1.1 To maintain bank accounts in the currencies that may incur settlement and with banks acceptable to the Clearing House;</p> <p style="padding-left: 40px;">2.13.1.2 Subject to the same being accepted by the Clearing House, to clear OTC Contracts and/or Contracts made on any Relevant Market by such members of the Relevant Market with whom it has agreed to clear;</p> <p style="padding-left: 40px;">2.13.1.3 Not to directly carry any account and/or clear any Contract for the direct or indirect benefit of an employee or officer of another Member if such employee or officer shall be trading for his own account, unless the prior written approval of that other Member and the Clearing House shall have been obtained;</p> <p style="padding-left: 40px;">2.13.1.4 Not to provide funds, credit or finance to any other Member or a member of any Relevant Market for any purpose except with the prior written approval of the Clearing House;</p> <p style="padding-left: 40px;">2.13.1.5 To provide and maintain such Security Deposit as specified in Rule 7.15 in addition to any security deposit requirement that may</p>	<p>2.13.1 A Clearing Member shall, subject to the Rules, also have the following responsibilities and duties:-</p> <p style="padding-left: 40px;">2.13.1.1 to be retained;</p> <p style="padding-left: 40px;">2.13.1.2 to be retained;</p> <p style="padding-left: 40px;">2.13.1.3 Not to directly carry any account and/or clear any Contract for the direct or indirect benefit of an employee or officer of another Clearing Member if such employee or officer shall be trading for his own account, unless the prior written approval of that other Clearing Member has been obtained;</p> <p style="padding-left: 40px;">2.13.1.4 Not to provide funds, credit or finance to any other Clearing Member or a member of any Relevant Market for any purpose except with the prior written approval of the Clearing House, and except that this Rule 2.13.1.4 shall not apply to Bank Clearing Members;</p> <p style="padding-left: 40px;">2.13.1.5 To provide and maintain such Security Deposit as specified in Rule 7.15 in addition to any security deposit requirement that may be required of it as a</p>

<sup>(14)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>be required of it as a Member of the Clearing House;</p> <p>2.13.1.6 To maintain minimum capital and financial requirements as specified in Rule 2.07 or 2.08;</p> <p>2.13.1.7 To clear such Contracts made on any Relevant Market by any person through any approved electronic trading terminal or facilities provided to it or to such members of the Relevant Market to whom it shall have agreed to provide clearing services; and</p> <p>2.13.1.8 To establish and maintain adequate internal control and risk management system and to comply with such other requirements as may be prescribed by the Clearing House from time to time.</p>	<p>Clearing Member of the Clearing House;</p> <p>2.13.1.6 to be retained;</p> <p>2.13.1.7 To clear such Contracts made on any Relevant Market by any person through any approved electronic trading terminal or facilities provided to it or to such members of the Relevant Market to whom it shall have agreed to provide clearing services;</p> <p>2.13.1.8 To have in place sufficient resources and establish and maintain adequate internal control and risk management system for its business, and in the case of a Bank Clearing Member, its business governed by this Rules; and</p> <p>2.13.1.9 To comply with such other requirements as may be prescribed by the Clearing House from time to time.</p>
<p><b>2.14 REQUIRED RECORDS AND REPORTS</b></p>	<p><b>2.14 REQUIRED RECORDS AND REPORTS</b></p>
<p>2.14.3A Each Member shall submit to the Clearing House, in the manner as prescribed from time to time:</p> <p>2.14.3A.1 a report on all its credit facilities with its financial institutions, on a monthly basis.</p> <p>2.14.3A.2 any change to its credit facilities, including</p>	<p>2.14.3A Each Clearing Member shall submit to the Clearing House, in the manner as prescribed from time to time:</p> <p>2.14.3A.1 to 2.14.3A.3 to be retained.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>variation of credit limits and addition or termination of credit facilities, immediately upon such change.</p> <p>2.14.3A.3 the identities of the owners or controlling parties for any House Account or Customer Account which:</p> <p>a. is used for trading of Contracts or carrying of Contracts; or</p> <p>b. contains positions required to be reported pursuant to Rules 7.09.1 and 7.16.1;</p> <p>within such time as prescribed by the Clearing House.</p>	
<p><b>2.15. AUDIT REQUIREMENTS<sup>(16)</sup></b></p>	<p><b>2.15 AUDIT REQUIREMENTS<sup>(16)</sup></b></p>
<p><b>2.15.1 Statutory Audit Report</b></p> <p>Without prejudice to such audit and/or reporting requirements as may be imposed by the Clearing House from time to time, a General Clearing Member shall furnish to the Clearing House within five months of the end of its financial year or within such longer period as may be permitted in writing by the Clearing House, the relevant forms which a General Clearing Member is required to lodge in the prescribed format under Regulation 27(8) of the SFR (Financial and Margin</p>	<p><b>2.15.1 Statutory Audit Report For General Clearing Members</b></p> <p>Without prejudice to such audit and/or reporting requirements as may be imposed by the Clearing House from time to time, a General Clearing Member shall furnish to the Clearing House within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Clearing House, the relevant forms which a General Clearing Member is required to lodge in the prescribed format under Regulation 27(9) of the SFR (Financial and Margin Requirements), the annual accounts duly audited by, and the</p>

<sup>(16)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(16)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).



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Old Rules	New Rules
<p>Requirements), the accounts duly audited by, and the certificate of, its auditor or auditors who shall be a public accountant or a firm of public accountants not unacceptable to the Clearing House practising in the jurisdiction in which the General Clearing Member is incorporated or registered. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</p>	<p>certificate of, its auditor or auditors who shall be a public accountant or a firm of public accountants acceptable to the Clearing House. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</p>
<p>2.15.1.1 whether, in the opinion of the auditor or auditors, the General Clearing Member has complied with the capital and financial requirements set out in the Rules and the SFR (Financial and Margin Requirements);</p>	<p>2.15.1.1 whether, in the opinion of the auditor or auditors, the General Clearing Member has complied with the capital and financial requirements set out in this Rules and the SFR (Financial and Margin Requirements);</p>
<p>2.15.1.2 whether, in the opinion of the auditor or auditors, the General Clearing Member's books of accounts and records are those usual in a business of that nature and appear to have been kept in a proper manner in accordance with the provisions of the Rules and the SFA;</p>	<p>2.15.1.2 whether, in the opinion of the auditor or auditors, the General Clearing Member's books of accounts and records are those usual in a business of that nature and appear to have been kept in a proper manner in accordance with the provisions of this Rules and the SFA;</p>
<p>2.15.1.3 whether, in the opinion of the auditor or auditors, the financial position of the General Clearing Member is such as to enable it to conduct its business on sound grounds, having regard to the nature and volume of the business transacted during its past financial year as shown by its books of accounts and records; and</p>	<p>2.15.1.3 to be retained;</p>
<p>2.15.1.4 whether the auditor or auditors has or have</p>	<p>2.15.1.4 whether the auditor or auditors has or have obtained</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>obtained all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their Certificate.</p> <p>2.15.1.5 Where, in the performance of his or their duties, the General Clearing Member's auditor or auditors becomes or become aware:-</p> <p>2.15.1.5.a of any matter which in his or their opinion adversely affects or may adversely affect the financial position of the General Clearing Member to a material extent,</p> <p>2.15.1.5.b of any matter which in his or their opinion constitutes or may constitute a contravention of any provision of the SFA or an offence involving fraud or dishonesty,</p> <p>2.15.1.5.c of any irregularity that has or may have a material effect upon the accounts, including irregularities that jeopardise the moneys or other assets of any customer of the General Clearing Member, or</p>	<p>all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their certificate.</p> <p>2.15.1.5 To be retained.</p> <p>2.15.1.5.a To be retained.</p> <p>2.15.1.5.b of any matter which in his or their opinion constitutes or may constitute a contravention of any provision of the SFA or this Rules, or an offence involving fraud or dishonesty,</p> <p>2.15.1.5.c to 2.15.1.5.d to be retained.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>2.15.1.5.d that the accounting system, internal accounting control and procedures for safeguarding moneys or other assets are inadequate and the inadequacies have a material effect on the accounts,</p> <p>the auditor or auditors shall immediately report the matter to the Clearing House.</p>	
<p><b>2.15.1A <u>Annual Audited Accounts And Supplementary Report</u></b></p> <p>Without prejudice to such audit and/or reporting requirements as may be imposed by the Clearing House from time to time, a Direct Clearing Member shall furnish to the Clearing House within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Clearing House, the annual accounts duly audited by, and the certificate of, its auditor or auditors who shall be a public accountant or a firm of public accountants not unacceptable to the Clearing House practising in the jurisdiction in which the Direct Clearing Member is incorporated or registered. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</p> <p>2.15.1A.1 whether, in the opinion of the auditor or auditors, the Direct Clearing Member has complied with the capital and financial requirements set out in this Rules;</p>	<p><b>2.15.1A <u>Audit Report For Direct Clearing Members</u></b></p> <p>Without prejudice to such audit and/or reporting requirements as may be imposed by the Clearing House from time to time, a Direct Clearing Member shall furnish to the Clearing House within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Clearing House, the relevant forms which a Direct Clearing Member is required to lodge in the prescribed format under Rule 2.26, the annual accounts duly audited by, and the certificate of, its auditor or auditors who shall be a public accountant or a firm of public accountants acceptable to the Clearing House. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</p> <p>2.15.1A.1 to 2.15.1A.3 to be retained.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
<p>2.15.1A.2 whether, in the opinion of the auditor or auditors, the Direct Clearing Member’s books of accounts and records are those usual in a business of that nature and appear to have been kept in a proper manner in accordance with the provisions of this Rules;</p> <p>2.15.1A.3 whether, in the opinion of the auditor or auditors, the financial position of the Direct Clearing Member is such as to enable it to conduct its business on sound grounds, having regard to the nature and volume of the business transacted during its past financial year as shown by its books of accounts and records; and</p> <p>2.15.1A.4 whether the auditor or auditors has or have obtained all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their Certificate.</p> <p>2.15.1A.5 Where, in the performance of his or their duties, the Direct Clearing Member’s auditor or auditors becomes or become aware:-</p> <p style="padding-left: 20px;">a. of any matter which in his or their opinion adversely affects or may adversely affect the financial position of the Direct Clearing Member to a material extent,</p> <p style="padding-left: 20px;">b. of any matter which in his or their opinion constitutes or may constitute a contravention of any provision of</p>	<p>2.15.1A.4 whether the auditor or auditors has or have obtained all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their certificate.</p> <p>2.15.1A.5 to be retained.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
<p>                     this Rules or an offence involving fraud or dishonesty, or                       c. of any irregularity that has or may have a material effect upon the accounts,                       the auditor or auditors shall immediately report the matter to the Clearing House.                 </p>	
	<p><b>2.15.1B Audit Report For Bank Clearing Members</b></p> <p>Without prejudice to such audit and/or reporting requirements as may be imposed by the Clearing House from time to time, a Bank Clearing Member shall furnish to the Clearing House within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Clearing House, the relevant forms which a Bank Clearing Member is required to lodge in the prescribed format under Rule 2.26, the annual accounts duly audited by, and the certificate of its auditor or auditors. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</p>
	<p>2.15.1B.1 whether, in the opinion of the auditor or auditors, the Bank Clearing Member has complied with the capital and financial requirements set out in this Rules;</p> <p>2.15.1B.2 whether, in the opinion of the auditor or auditors, the Bank Clearing Member's books of accounts and records are those usual in a business of that nature and appear to have been kept in a proper manner in accordance with the provisions of this Rules;</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
	<p data-bbox="1115 347 1841 561">2.15.1B.3 whether, in the opinion of the auditor or auditors, the financial position of the Bank Clearing Member is such as to enable it to conduct its business governed by this Rules, on sound grounds, having regard to the nature and volume of the business transacted during its past financial year as shown by its books of accounts and records; and</p> <p data-bbox="1115 599 1841 716">2.15.1B.4 whether the auditor or auditors has or have obtained all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their certificate.</p> <p data-bbox="1115 753 1841 842">2.15.1B.5 Where, in the performance of his or their duties, the Bank Clearing Member’s auditor or auditors becomes or become aware:-</p> <p data-bbox="1251 880 1841 1036">2.15.1B.5.a of any matter which in his or their opinion adversely affects or may adversely affect the financial position of the Bank Clearing Member to a material extent,</p> <p data-bbox="1251 1073 1841 1256">2.15.1B.5.b of any matter which in his or their opinion constitutes or may constitute a contravention of any applicable provision of the SFA or this Rules or an offence involving fraud or dishonesty,</p> <p data-bbox="1251 1294 1841 1351">2.15.1B.5.c of any irregularity in the Bank Clearing Member’s business</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
	<p>governed by this Rules, that has or may have a material effect upon the accounts, including irregularities that jeopardise the moneys or other assets of any customer of the Bank Clearing Member, or</p> <p>2.15.1B.5.d that the accounting system, internal accounting control and procedures for safeguarding moneys or other assets are inadequate and the inadequacies have a material effect on the accounts,</p> <p>the auditor or auditors shall immediately report the matter to the Clearing House.</p>
<p><b>2.15.2 Internal Audit Report</b></p> <p>A General Clearing Member shall cause its internal auditors to conduct an internal audit of its operations annually or at such times as prescribed by the Clearing House and to submit a report of each internal audit conducted and the follow-up actions taken to the Clearing House by such time as may be prescribed by the Clearing House.</p>	<p><b>2.15.2 Internal Audit Report</b></p> <p>A General Clearing Member or Bank Clearing Member shall cause its internal auditors to conduct an internal audit of its operations annually or at such times and within such scope as prescribed by the Clearing House and to submit a report of each internal audit conducted and the follow-up actions taken to the Clearing House by such time as may be prescribed by the Clearing House. Without prejudice to the foregoing, where the internal audit is conducted for a Bank Clearing Member, it shall be limited to the Bank Clearing Member’s operations governed by this Rules.</p>
<p><b>2.17. LIMIT ON LENDING TO DIRECTORS, OFFICERS OR EMPLOYEES OF MEMBERS</b></p>	<p><b>2.17 LIMIT ON LENDING TO DIRECTORS, OFFICERS OR EMPLOYEES OF GENERAL CLEARING MEMBERS</b></p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>2.17.1.1 A General Clearing Member must not grant, whether directly or indirectly, any unsecured advances, unsecured loans or unsecured credit facility as defined in the SFR (Licensing and Conduct of Business) to any of its directors (other than a director who is also its employee) or to a person who to its knowledge, is a connected person as defined in the SFA of such director.</p>	<p>2.17.1.1 A General Clearing Member must not grant, whether directly or indirectly, any unsecured advance, unsecured loan or unsecured credit facility as defined in the SFR (Licensing and Conduct of Business) to any of its directors (other than a director who is also its employee) or to a person who to its knowledge, is a connected person as defined in the SFA of such director.</p>
<p>2.17.1.2 Subject to Rule 2.17.1.1 and section 162 of the Act, a General Clearing Member must not grant, whether directly or indirectly, any unsecured advance, unsecured loan or unsecured credit facility to its officers (other than a director who is not its employee) or its employees (a “relevant person”) which in the aggregate and outstanding at any one time exceeds one year’s emoluments of such relevant person.</p>	<p>2.17.1.2 To be retained.</p>
<p>2.17.1.3 For the purpose of Rule 2.17.1.2, any unsecured advance, unsecured loan or unsecured credit facility granted by a Member to any person to purchase, subscribe for or trade in any capital markets product for:-</p> <p>2.17.1.3.a the account of a relevant person of the Member;</p> <p>2.17.1.3.b an account in which a relevant person of the Member has an interest;</p> <p>2.17.1.3.c an account of any person who acts jointly with, under the control of, or in accordance with, the direction of a relevant person of the Member; or</p> <p>2.17.1.3.d an account of any connected person (as</p>	<p>2.17.1.3 For the purpose of Rule 2.17.1.2, any unsecured advance, unsecured loan or unsecured credit facility granted by a General Clearing Member to any person to purchase, subscribe for or trade in any capital markets product for:-</p> <p>2.17.1.3.a the account of a relevant person of the General Clearing Member;</p> <p>2.17.1.3.b an account in which a relevant person of the General Clearing Member has an interest;</p> <p>2.17.1.3.c an account of any person who acts jointly with, under the control of, or in accordance with, the direction of a relevant person of the General Clearing Member; or</p> <p>2.17.1.3.d an account of any connected person (as defined in</p>



## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>defined in the SFA) of a relevant person of the Member, where the connected person is not himself a relevant person of the Member,</p> <p>shall be deemed to be an unsecured advance, unsecured loan or unsecured credit facility granted by the Member to that relevant person.</p>	<p>the SFA) of a relevant person of the General Clearing Member, where the connected person is not himself a relevant person of the General Clearing Member,</p> <p>shall be deemed to be an unsecured advance, unsecured loan or unsecured credit facility granted by the General Clearing Member to that relevant person.</p>
<p><b>2.18. SEGREGATION OF CUSTOMER’S MONEY, SECURITIES AND PROPERTY<sup>(17)</sup></b></p>	<p><b>2.18 SEGREGATION OF CUSTOMER’S MONEY, SECURITIES AND PROPERTY<sup>(17)</sup></b></p>
<p>2.18.1 <b><u>General</u></b></p> <p>2.18.1.1 A General Clearing Member shall ensure that it shall at all times inform and keep the Clearing House informed of such information as would be required for the Clearing House to enable it to discharge its segregation obligations under the SFA and/or to enable the Clearing House to issue to the Authority the verification of margin funds statement placed with the Clearing House as required under the SFA.</p>	<p><b>2.18.1 General</b></p> <p>2.18.1.1 A General Clearing Member or Bank Clearing Member shall ensure that it shall at all times inform and keep the Clearing House informed of such information as would be required for the Clearing House to enable it to discharge its segregation obligations under the SFA and/or to enable the Clearing House to issue to the Authority the verification of margin funds statement placed with the Clearing House as required under the SFA.</p>
<p><b>2.20 LIMITS OF POSITIONS</b></p>	<p><b>2.20 LIMITS OF POSITIONS</b></p>
<p>2.20.4 In the event that the aggregate maintenance margins required to be deposited by a Collective Customer and/or</p>	<p>2.20.4 In the event that the aggregate maintenance margins required to be deposited by a Collective Customer and/or the Collective</p>

<sup>(17)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(17)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>the Collective House Accounts with a Member exceeds such relevant amount(s) (whether the amount(s) are stated as a sum or sums of money and/or calculated in accordance with a formula or formulae) as may be prescribed by the Clearing House from time to time, the Member shall, unless the Clearing House otherwise decides, forthwith procure:-</p> <p>2.20.4.1 from the chief executive officer of the Member a letter of awareness;</p> <p>2.20.4.2 from such related corporation of the Member as the Clearing House may require a letter of awareness; or</p> <p>2.20.4.3 from such related corporation of the Member as the Clearing House may require a letter of guarantee; and</p> <p>in addition, where relevant, to forthwith procure</p> <p>2.20.4.4 from such related corporation of the Collective Customer as the Clearing House may require a letter of awareness;</p> <p>as may be required by the Clearing House, in each case, in such form and content as may be prescribed or otherwise acceptable to the Clearing House.</p>	<p>House Accounts with a Clearing Member exceeds such relevant amount(s) (whether the amount(s) are stated as a sum or sums of money and/or calculated in accordance with a formula or formulae) as may be prescribed by the Clearing House from time to time, the Clearing Member shall, unless the Clearing House otherwise decides, forthwith procure:-</p> <p>2.20.4.1 from the chief executive officer of the Clearing Member, a letter of awareness;</p> <p>2.20.4.2 from such related corporation of the Clearing Member as the Clearing House may require a letter of awareness; or</p> <p>2.20.4.3 from such related corporation of the Clearing Member as the Clearing House may require a letter of guarantee; and</p> <p>in addition, where relevant, to forthwith procure</p> <p>2.20.4.4 from such related corporation of the Collective Customer as the Clearing House may require a letter of awareness;</p> <p>as may be required by the Clearing House, in each case, in such form and content as may be prescribed or otherwise acceptable to the Clearing House.</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>		<b>New Rules</b>	
<b>2.22</b>	<b>CHANGE OR INTENDED CHANGE</b>	<b>2.22</b>	<b>CHANGE OR INTENDED CHANGE</b>
2.22.1	<p>Without prejudice to any other provisions of this Rules, every Member shall forthwith notify the Clearing House upon, or where practicable, pre-notify the Clearing House of, the happening of all or any of the following events:-</p> <p>2.22.1.1 any change in the legal or beneficial ownership of shares representing 10% or more of such Member's outstanding shares;</p> <p>2.22.1.2 any change in any circumstances which will have or may have the effect of altering the control of itself;</p> <p>2.22.1.3 any change in the composition of its board of directors due to the appointment and/or resignation of any of its directors;</p> <p>2.22.1.4 any change in its name;</p> <p>2.22.1.5 any change or amendment to its Memorandum or Articles of Association or</p>	2.22.1	<p>Without prejudice to any other provisions of this Rules, every Clearing Member shall forthwith notify the Clearing House upon, or where practicable, pre-notify the Clearing House of, the happening of all or any of the following events:-</p> <p>2.22.1.1 any change in the legal or beneficial ownership of 20% or more of such Clearing Member's share capital and any subsequent increase of 5% or more of such Clearing Member's share capital;</p> <p>2.22.1.2 to be retained;</p> <p>2.22.1.3 any change in the composition of its board of directors or of any director, or in the case of a Bank Clearing Member, any change in the composition of its board of directors or of any director, who are/is resident in Singapore and/or responsible for its business governed by this Rules, due to the appointment, removal or resignation of any of its directors. For the purpose of this Rule 2.22.1.3, a change of director includes a change in the director's appointment from a non-executive director to an executive director;</p> <p>2.22.1.4 to be retained;</p> <p>2.22.1.5 any change or amendment to its Memorandum or Articles of Association or constitutive documents except in the case of a Bank Clearing Member,</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p style="text-align: center;">constitutive documents;</p> <p style="text-align: center;">2.22.1.6 any death or bankruptcy of any of its directors;</p> <p style="text-align: center;">2.22.1.7 the engagement or involvement or proposed engagement or involvement in any new business or any change in any of its business(es); and</p> <p style="text-align: center;">2.22.1.8 any change in its senior management.</p>	<p style="text-align: center;">notification will be furnished to the Clearing House by such times that a Bank Clearing Member has to notify MAS under the Banking Act, or any regulation or directive issued thereunder;</p> <p style="text-align: center;">2.22.1.6 any death or bankruptcy of any of its directors or in the case of a Bank Clearing Member, its directors who are resident in Singapore and/or responsible for its business governed by this Rules;</p> <p style="text-align: center;">2.22.1.7 the engagement or involvement or proposed engagement or involvement in any new business or any change in any of its business(es) or in the case of a Bank Clearing Member, its business governed by this Rules. For the purpose of this Rule 2.22.1.7, examples of such new business or change in business include, without limitation, market making and securities financing activities; and</p> <p style="text-align: center;">2.22.1.8 any change in its senior management, or in the case of a Bank Clearing Member, its senior management responsible for the Bank Clearing Member's business governed by this Rules.</p>
<b>2.23. NOTIFICATION OF REDUCTION IN CAPITAL AND UNDER-SEGREGATION<sup>(19)</sup></b>	<b>2.23 NOTIFICATION OF REDUCTION IN CAPITAL AND UNDER-SEGREGATION<sup>(19)</sup></b>
<p style="text-align: center;">2.23.1 Every Member shall:-</p> <p style="text-align: center;">2.23.1.1 report to the Clearing House within 48 hours</p>	<p style="text-align: center;">2.23.1 Every Clearing Member shall:-</p> <p style="text-align: center;">2.23.1.1 except in the case of a Bank Clearing Member</p>

<sup>(19)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(19)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>of occurrence of any reduction in excess of 20% in its financial resources or adjusted net head office funds, as the case may be, from the previously submitted financial statement; or</p> <p>2.23.1.2 in the case of a General Clearing Member, immediately report to the Clearing House of any under-segregation of money, Assets or Properties margins as required under the Rules and/or the SFA.</p>	<p>incorporated outside Singapore who has satisfied Rule 2.02B.1.11.a or b, report to the Clearing House within 48 hours of occurrence of any reduction in excess of 20% in its financial resources or adjusted net head office funds, as the case may be, from the previously submitted financial statement; or</p> <p>2.23.1.2 except in the case of a Direct Clearing Member, immediately report to the Clearing House of any under-segregation of money, assets or properties margins as required under this Rules and/or the SFA.</p>
<b>2.24 APPOINTMENT OF CHIEF EXECUTIVE OFFICER, DEPUTY CHIEF EXECUTIVE OFFICER AND DIRECTORS</b>	<b>2.24 APPOINTMENT OF CHIEF EXECUTIVE OFFICER, DEPUTY CHIEF EXECUTIVE OFFICER</b>
2.24.1 No Member may appoint a chief executive officer unless prior written approval of the Clearing House is obtained.	2.24.1 No General Clearing Member or Direct Clearing Member may appoint a chief executive officer or deputy chief executive officer unless prior written approval of the Clearing House is obtained.
2.24.2 No Member may appoint a deputy chief executive officer unless prior written approval of the Clearing House is obtained.	2.24.2 Renumbered as 2.24.1.
	2.24.2A A Bank Clearing Member must notify the Clearing House in writing prior to the appointment of any chief executive officer or deputy chief executive officer.
2.24.3 No Member incorporated in Singapore may appoint a	2.24.3 To be deleted.

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Old Rules	New Rules
<p>director unless prior written approval of the Clearing House is obtained.</p> <p>For the purpose of this Rule, “chief executive officer” includes any person occupying the position of chief executive.</p>	
<b>2.25 APPOINTMENT OF AUDITORS</b>	<b>2.25 APPOINTMENT OF AUDITORS</b>
2.25.1 A Member shall, unless exempted in writing by the Clearing House, at least thirty (30) days prior to any general meeting whereat new auditors are to be appointed notify the Clearing House in writing of such meeting and shall consult the Clearing House on such appointment.	2.25.1 A Clearing Member, except for a Bank Clearing Member, shall, unless exempted in writing by the Clearing House, at least thirty (30) days prior to any general meeting whereat new auditors are to be appointed notify the Clearing House in writing of such meeting and shall consult the Clearing House on such appointment.
	2.25.2 A Bank Clearing Member shall inform the Clearing House of the appointment of any new auditors within seven (7) days of such appointment.
<b>2.26. SPECIAL CALL FOR FINANCIAL STATEMENTS<sup>(20)</sup></b>	<b>2.26 SPECIAL CALL FOR FINANCIAL STATEMENTS<sup>(20)</sup></b>
2.26.2 Each General Clearing Member must make and keep as a record formal computations of its capital and financial requirements pursuant to Rules 2.07, 2.07A, 2.07B, 2.07C, 2.08, 2.08A, 2.08B, 2.08C, 2.09, 2.10 as of the close of business each month. The computations must be in such form as the Clearing House may prescribe and submitted to the Clearing House within 14 calendar days after the end of each month.	2.26.2 Each Clearing Member must make and keep as a record formal computations of its capital and financial requirements pursuant to:- <ul style="list-style-type: none"> <li>a. in the case of a General Clearing Member, Rules 2.07, 2.07A, 2.07B, 2.07C, 2.08, 2.08A, 2.08B, 2.08C, 2.09 and 2.10;</li> </ul>

<sup>(20)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(20)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p>b. in the case of a Direct Clearing Member, Rules 2.07, 2.07A, 2.07B, 2.07C, 2.08, 2.08A, 2.08B and 2.08C; or</p> <p>c. in the case of a Bank Clearing Member, Rules 2.07, 2.07A, 2.07B, 2.07C, 2.08, 2.08A, 2.08B and 2.08C;</p> <p>as of the close of business each month. The computations must be in such form as the Clearing House may prescribe and submitted to the Clearing House within fourteen (14) calendar days after the end of each month.</p>
2.26.3 Each Direct Clearing Member must make and keep as a record formal computations of its capital and financial requirements pursuant to Rules 2.07, 2.07A, 2.07B, 2.07C, 2.08, 2.08A, 2.08B and 2.08C, as of the close of business each month. The computations must be in such form as the Clearing House may prescribe and submitted to the Clearing House within fourteen (14) calendar days after the end of each month.	2.26.3 To be deleted.
<b>2.27. REQUEST FOR INFORMATION<sup>(21)</sup></b>	<b>2.27 REQUEST FOR INFORMATION<sup>(21)</sup></b>
2.27.1 Each Member shall immediately notify the Clearing House when any Customer Account and any House Account is under-margined by an amount which exceeds its aggregate resources, except that no notification is required for the Member's own proprietary House Accounts.	2.27.1 Each Clearing Member except in the case of a Bank Clearing Member, shall immediately notify the Clearing House when any Customer Account and any House Account is under-margined by an amount which exceeds its aggregate resources, except that no notification is required for the Clearing Member's own proprietary House Accounts.
	2.27.1A Each Bank Clearing Member shall immediately notify the Clearing House when required to do so by the Clearing House

<sup>(21)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(21)</sup> Revised, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

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<b>Old Rules</b>	<b>New Rules</b>
	when any Customer Account and any House Account is undermargined by such amount as may be determined by the Clearing House.
2.27.2 For the purpose of this Rule, the full amount of Letters of Credit deposited pursuant to Rule 2.07C and 2.08C above shall be taken into account for the calculation of aggregate resources.	2.27.2 For the purpose of this Rule 2.27, the full amount of qualifying letters of credit deposited pursuant to Rule 2.07C or 2.08C above shall be taken into account for the calculation of aggregate resources.
4.01B.2 A Member, director, officer, employee or agent must give the Clearing House Inspector access to all information, books and records as requested.	4.01B.2 A Member, director, officer, employee or agent must give the Clearing House Inspector access to all information, books and records as requested. For the avoidance of doubt, reference to “information, books and records” in relation to a Bank Clearing Member shall refer to information, books and records falling within the Bank Clearing Member’s business governed by this Rules.
<b>4.03A DISCIPLINARY COMMITTEE POWERS</b>	<b>4.03A DISCIPLINARY COMMITTEE POWERS</b>
<p>4.03A.4 The powers of the Disciplinary Committee include:</p> <p>4.03A.4.1 expelling a Member;</p> <p>4.03A.4.2 suspending a Member;</p> <p>4.03A.4.3 imposing a fine not exceeding S\$250,000 on a Member;</p> <p>4.03A.4.4 reprimanding (publicly or privately) a Member;</p> <p>4.03A.4.5 requiring an education program to be undertaken;</p>	<p>4.03A.4 The powers of the Disciplinary Committee include:</p> <p>4.03A.4.1 expelling a Clearing Member;</p> <p>4.03A.4.2 suspending a Clearing Member;</p> <p>4.03A.4.3 imposing a fine not exceeding S\$250,000 on a Clearing Member;</p> <p>4.03A.4.4 reprimanding (publicly or privately) a Clearing Member;</p> <p>4.03A.4.5 and 4.03A.4.6 to be retained;</p>



**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
<p>4.03A.4.6 requiring a compliance program to be undertaken;</p> <p>4.03A.4.7 imposing any restrictions or conditions on activities that a Member undertakes;</p> <p>4.03A.4.8 requiring reimbursement or compensation to be paid;</p> <p>4.03A.4.9 ordering payment of fine by instalments;</p> <p>4.03A.4.10 ordering a stay of the penalty imposed, pending an appeal to the Appeals Committee;</p> <p>4.03A.4.11 requiring any director to step down from day-to-day conduct of the business affairs of the Member; and</p> <p>4.03A.4.12 appointing a manager to manage the business of the Member. The Disciplinary Committee will fix the remuneration of the manager, which must be paid by the Member. The Member is solely responsible for the manager's acts and defaults. The manager must carry out directions given by the Disciplinary Committee in relation to the business of the Member, including carrying on the business of the member in accordance</p>	<p>4.03A.4.7 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 Rules;</p> <p>4.03A.4.8 to 4.03A.4.10 to be retained;</p> <p>4.03A.4.11 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 Rules, to step down from day-to-day conduct of the business affairs of the Clearing Member; and</p> <p>4.03A.4.12 appointing a manager to manage the business of the Clearing Member or in the case of a Bank Clearing Member, its business governed by this Rules. The Disciplinary Committee will fix the remuneration of the manager, which must be paid by the Clearing Member. The Clearing Member is solely responsible for the manager's acts and defaults. The manager must carry out directions given by the Disciplinary Committee in relation to the business of the Clearing Member, including carrying on the business of the</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
with instructions.	Clearing Member in accordance with instructions.
<b>7.03 PROTECTION OF CLEARING HOUSE</b>	<b>7.03 PROTECTION OF CLEARING HOUSE</b>
<p><b>7.03.1 <u>Default by Member and Participating Market</u></b></p> <p>Without prejudice and subject to the other provisions of these Rules:</p> <p>7.03.1.1 Where a Member has failed promptly to discharge any of its obligations to the Clearing House in respect of a House Contract, the Clearing House may apply:</p> <ul style="list-style-type: none"> <li>a. the Member’s Security Deposit; and</li> <li>b. margins, assets or securities (including without limitation Letters of Credit procured by the Member to be issued to the Clearing House) deposited by the Member in relation to House Contracts.</li> </ul>	<p><b>7.03.1 <u>Default by Clearing Member and Participating Market</u></b></p> <p>Without prejudice and subject to the other provisions of this Rules:</p> <p>7.03.1.1 Where a Clearing Member has failed promptly to discharge any of its obligations to the Clearing House in respect of a House Contract, the Clearing House may apply:</p> <ul style="list-style-type: none"> <li>a. the Clearing Member’s Security Deposit and all other forms of security furnished to the Clearing House (except where such security is furnished in relation to Customer Contracts, it shall be governed by Rule 7.03.1.2.c);</li> <li>b. margins, assets or securities (including without limitation letters of credit provided by the Clearing Member to the Clearing House) deposited by the Clearing Member in relation to House Contracts; and</li> <li>c. in the case of a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, the cash and/or acceptable government securities deposited by the Bank Clearing Member pursuant to Rule 2.08.1B.1.</li> </ul>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>7.03.1.2 Where a Member has failed promptly to discharge any of its obligations to the Clearing House in respect of a Customer Contract, the Clearing House may apply:</p> <ul style="list-style-type: none"> <li>a. the Member's Security Deposit;</li> <li>b. margins, assets or securities (including without limitation Letters of Credit procured by the Member to be issued to the Clearing House) deposited by the Member in relation to House Contracts;</li> <li>c. margins, assets or securities (including without limitation Letters of Credit procured by the Member to be issued to the Clearing House) deposited by the Member in relation to Customer Contracts provided that the conditions in the SFA are satisfied; and</li> <li>d. the qualifying letters of credit deposited with the Exchange by a Trading Member sponsored by the Member, pursuant to Rule 7.3.6 of the Trading Rules, provided that the</li> </ul>	<p>7.03.1.2 Where a Clearing Member has failed promptly to discharge any of its obligations to the Clearing House in respect of a Customer Contract, the Clearing House may apply:</p> <ul style="list-style-type: none"> <li>a. the Clearing Member's Security Deposit and all other forms of security furnished to the Clearing House (except where such security is furnished in relation to Customer Contracts, it shall be governed by Rule 7.03.1.2.c);</li> <li>b. margins, assets or securities (including without limitation letters of credit provided by the Clearing Member to the Clearing House) deposited by the Clearing Member in relation to House Contracts;</li> <li>c. margins, assets or securities (including without limitation letters of credit provided by the Clearing Member to the Clearing House) deposited by the Clearing Member in relation to Customer Contracts provided that the conditions in the SFA are satisfied;</li> <li>d. in the case of a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, the cash and/or acceptable government securities deposited by the Bank Clearing Member pursuant to Rule 2.08.1B.1; and</li> </ul>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>Member's default is attributable to such Trading Member's act or omission.</p>	<p>e. the qualifying letters of credit deposited with the Exchange by a Trading Member sponsored by the Clearing Member, pursuant to Rule 7.3.6 of the Trading Rules, provided that the Clearing Member's default is attributable to such Trading Member's act or omission.</p>
<p><b>7.03.2 Losses Borne by Clearing House</b></p>	<p><b>7.03.2 Losses Borne by Clearing House</b></p>
<p>7.03.2.2 Any loss suffered by the Clearing House arising from or in connection with an event of default shall be met and made good promptly by the use and application of funds from the following sources (collectively known as the "Clearing Fund") in the order of priority hereafter listed, with each source of funds to be completely exhausted, subject to the limitations contained therein, before the next source is applied:-</p>	<p>7.03.2.2 To be retained.</p>
<p>d. The balance of the Clearing House's loss remaining after application of the above funds shall be levied against Members (excluding any insolvent Member) referred to at Rule 7.03.2.2.c as follows:</p> <p>i. up to 50% of the balance shall be levied against each Member in proportion to the relationship between their respective minimum financial resources or adjusted net head office funds, as applicable, required by the Clearing House (as shown on the statement most recently submitted by them</p>	<p>d. The balance of the Clearing House's loss remaining after application of the above funds shall be levied against Clearing Members (excluding any insolvent Member) referred to at Rule 7.03.2.2.c as follows:</p> <p>i. up to 50% of the balance shall be levied against each Clearing Member in proportion to the relationship between their respective applicable minimum financial resources, adjusted net head office funds, or in the case of a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, cash and/or acceptable government securities, required by the</p>

**AMENDMENTS TO SGX-DC CLEARING RULES**

Old Rules	New Rules
<p>respective to the Clearing House) and the total minimum financial resources and adjusted net head office funds required of all such Members (excluding any insolvent Member) and which are subject to levy pursuant to this Rule 7.03.2.2.d.i, except that no such Member shall be levied in excess of US\$250,000 under this Rule 7.03.2.2.d.i.</p>	<p>Clearing House (as shown on the statement most recently submitted by them respectively to the Clearing House) and the total minimum financial resources, adjusted net head office funds and cash and/or acceptable government securities required of all such Clearing Members (excluding any insolvent Clearing Member) and which are subject to levy pursuant to this Rule 7.03.2.2.d.i, except that no such Clearing Member shall be levied in excess of US\$250,000 under this Rule 7.03.2.2.d.i.</p>
<p>e. A Member who has deposited with the Clearing House a letter of credit of S\$8,000,000 pursuant to Rule 2.07 or Rule 2.08 at the time of the event of default, shall not be levied in excess of S\$8,000,000 under Rules 7.03.2.2.d.i and ii, in respect of that particular event of default.</p>	<p>e. A Clearing Member who has deposited with the Clearing House a letter of credit or such other forms of security amounting to S\$8,000,000 pursuant to Rule 2.02B.1.3, Rule 2.07.2 or Rule 2.08.2 at the time of the event of default, shall not be levied in excess of S\$8,000,000 under Rules 7.03.2.2.d.i and ii, in respect of that particular event of default.</p>
<p>g. The balance of the Clearing House’s loss remaining after the application of funds prescribed by Rule 7.03.2.2.f above shall be levied against Members referred to at Rule 7.03.2.2.f (excluding any insolvent Member and any Member which has deposited with the Clearing House a letter of credit of S\$8,000,000 pursuant to Rule 2.07 or Rule 2.08 and has been levied the maximum amount that may be levied against it with respect to the relevant event of default pursuant to Rules 7.03.2.2.d.i and ii) as follows:</p>	<p>g. The balance of the Clearing House’s loss remaining after the application of funds prescribed by Rule 7.03.2.2.f above shall be levied against Clearing Members referred to at Rule 7.03.2.2.f (excluding any insolvent Clearing Member and any Clearing Member which has deposited with the Clearing House a letter of credit or such other forms of security amounting to S\$8,000,000 pursuant to Rule 2.02B.1.3, Rule 2.07.2 or Rule 2.08.2 and has been levied the maximum amount that may be levied against it with respect to the relevant event of default pursuant to Rules 7.03.2.2.d.i and ii) as follows:</p>

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<b>Old Rules</b>	<b>New Rules</b>
<p>i. up to 50% of the balance shall be levied against each Member (excluding any Member which has been levied pursuant to Rule 7.03.2.2.d.i) in proportion to the relationship between their respective minimum financial resources or adjusted net head office funds, as applicable, required by the Clearing House (as shown on the statement most recently submitted by them respective to the Clearing House) and the total minimum financial resources and adjusted net head office funds required of all such Members levied pursuant to this Rule 7.03.2.2.g.i, PROVIDED ALWAYS that:</p> <p>no Member shall be levied in excess of US\$250,000 under this Rule 7.03.2.2.g.i.</p>	<p>i. up to 50% of the balance shall be levied against each Clearing Member (excluding any Clearing Member which has been levied pursuant to Rule 7.03.2.2.d.i) in proportion to the relationship between their respective applicable minimum financial resources, adjusted net head office funds or cash and/or acceptable government securities, required by the Clearing House (as shown on the statement most recently submitted by them respectively to the Clearing House) and the total minimum financial resources, adjusted net head office funds and cash and/or acceptable government securities required of all such Clearing Members levied pursuant to this Rule 7.03.2.2.g.i, PROVIDED ALWAYS THAT no Clearing Member shall be levied in excess of US\$250,000 under this Rule 7.03.2.2.g.i.</p>
<p>ii. the loss still remaining uncovered after the application of funds prescribed by Rule 7.03.2.2.g.i above shall be levied as follows:</p> <p>aa. 50% shall be levied in proportion to each Member's (excluding any insolvent Member and any Member which has deposited with the Clearing House a letter of credit of S\$8,000,000 pursuant to Rule 2.07 or Rule 2.08 and has been levied the maximum amount that may be</p>	<p>ii. the loss still remaining uncovered after the application of funds prescribed by Rule 7.03.2.2.g.i above shall be levied as follows:</p> <p>aa. 50% shall be levied in proportion to each Clearing Member's (excluding any insolvent Clearing Member and any Clearing Member which has deposited with the Clearing House a letter of credit or such other forms of security amounting to S\$8,000,000 pursuant to Rule 2.02B.1.3, Rule 2.07.2 or Rule 2.08.2 and has been levied the maximum amount that may be levied against</p>

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Old Rules	New Rules
<p>levied against it with respect to the relevant event of default pursuant to Rules 7.03.2.2.d.i and ii and 7.03.2.2.g.i) share of the total number of Contracts, not belonging to the same class of Contract in which the event of default occurred, cleared by all Members levied pursuant to this Rule 7.03.2.2.g.ii.aa during the six (6) month period preceding the day the event of default was declared by the Clearing House;</p>	<p>it with respect to the relevant event of default pursuant to Rules 7.03.2.2.d.i and ii and 7.03.2.2.g.i) share of the total number of Contracts, not belonging to the same class of Contract in which the event of default occurred, cleared by all Clearing Members levied pursuant to this Rule 7.03.2.2.g.ii.aa during the six (6) month period preceding the day the event of default was declared by the Clearing House;</p>
<p>bb. the remaining 50% shall be levied in proportion to each Member's (excluding any insolvent Member and any Member which has deposited with the Clearing House a letter of credit of S\$8,000,000 pursuant to Rule 2.07 or Rule 2.08 and has been levied the maximum amount that may be levied against it with respect to the relevant event of default pursuant to Rule 7.03.2.2.d.i and ii and 7.03.2.2.g.i) average share of the total open commitment in Contracts, not belonging to the same class of Contract in which the event of default occurred, of all Members levied pursuant to this Rule 7.03.2.2.g.ii.bb, as of the close of the tenth (10<sup>th</sup>) Business Day preceding the day the event of default was declared by the Clearing House.</p>	<p>bb. the remaining 50% shall be levied in proportion to each Clearing Member's (excluding any insolvent Clearing Member and any Clearing Member which has deposited with the Clearing House a letter of credit or such other forms of security amounting to S\$8,000,000 pursuant to Rule 2.02B.1.3, Rule 2.07.2 or Rule 2.08.2 and has been levied the maximum amount that may be levied against it with respect to the relevant event of default pursuant to Rule 7.03.2.2.d.i and ii and 7.03.2.2.g.i) average share of the total open commitment in Contracts, not belonging to the same class of Contract in which the event of default occurred, of all Clearing Members levied pursuant to this Rule 7.03.2.2.g.ii.bb, as of the close of the tenth (10<sup>th</sup>) Business Day preceding the day the event of default was declared by the Clearing House.</p>

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<b>Old Rules</b>	<b>New Rules</b>
<p>h. A Member who has deposited with the Clearing House a letter of credit of S\$8,000,000 pursuant to Rule 2.07 or Rule 2.08 at the time of the event of default shall not be levied in excess of S\$8,000,000 under Rules 7.03.2.2.d.i and ii and 7.03.2.2.g.i and ii, in respect of that particular event of default.</p>	<p>h. A Clearing Member who has deposited with the Clearing House a letter of credit or such other forms of security amounting to S\$8,000,000 pursuant to Rule 2.02B.1.3, Rule 2.07.2 or Rule 2.08.2 at the time of the event of default shall not be levied in excess of S\$8,000,000 under Rules 7.03.2.2.d.i and ii and 7.03.2.2.g.i and ii, in respect of that particular event of default.</p>
<p><b>7.22A INTER-EXCHANGE CROSS MARGINING</b></p>	<p><b>7.22A INTER-EXCHANGE CROSS MARGINING</b></p>
<p>7.22A.1.5 The Member continues to maintain adequate liquidity facilities (bank lines and cash balances) to fund the gross margins payable to the Clearing House and any other relevant clearing houses.</p>	<p>7.22A.1.5 The Clearing Member, except in the case of a Bank Clearing Member, continues to maintain adequate liquidity facilities (bank lines and cash balances) to fund the gross margins payable to the Clearing House and any other relevant clearing houses.</p>
<p>7.22A.1.6 The Member imposes a limit on the amount of margin credit granted to the Third Party (including a Customer) which should not exceed 20% of the Member's free financial resources.</p>	<p>7.22A.1.6 The Clearing Member, except in the case of a Bank Clearing Member, imposes a limit on the amount of margin credit granted to the Third Party (including a Customer) which should not exceed 20% of such Clearing Member's free financial resources.</p>
<p>7.22A.1.7 The Member has proper internal controls and risk management procedures, as prescribed below, to monitor the credit risk and liquidity risk arising from inter-exchange cross margining:</p>	<p>7.22A.1.7 The Clearing Member, except in the case of a Bank Clearing Member, has proper internal controls and risk management procedures, as prescribed below, to monitor the credit risk and liquidity risk arising from inter-exchange cross margining:</p>
<p><b>7.27 TRANSFERS OF TRADES</b></p>	<p><b>7.27 TRANSFERS OF TRADES</b></p>



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Old Rules	New Rules
<p>7.27.1 Subject to the approval of the Clearing House:</p> <p>7.27.1.1 Existing trades may be transferred on the books of a Member to the books of another Member when an error has been made in the assignment of a trade or trades, or when the change merely constitutes a transfer from one account title to another account title where both account titles have a common owner;</p> <p>7.27.1.2 Existing trades may be transferred from the books of one Member to the books of another Member when:-</p> <ul style="list-style-type: none"> <li>a. they merge; or</li> <li>b. a Member resigns from the Clearing House; or</li> <li>c. a new Member has an interest in existing trades on another Member's books. The original Member shall not suffer any loss in commission to which it is entitled on the trades that were transferred; or</li> <li>d. a mutual clerical error was made by two Members or the members of the Relevant Market they are clearing for with respect to the trades to be cleared by them respectively on opposite sides thereof. Clear and sufficient information must be included with respect to the transfer trades and both the trade to reverse the error and the replacement trade must clear as transfers. In this event, and only in this event, the transfer may liquidate an open position on the books of the relevant Member(s);</li> </ul>	<p>7.27.1 Subject to the approval of the Clearing House:</p> <p>7.27.1.1 Existing trades may be transferred on the books of a Clearing Member to the books of another Clearing Member when an error has been made in the assignment of a trade or trades, or when the change merely constitutes a transfer from one account title to another account title where both account titles have a common owner;</p> <p>7.27.1.2 Existing trades may be transferred from the books of one Clearing Member to the books of another Clearing Member when:-</p> <ul style="list-style-type: none"> <li>a. they merge or the first-mentioned Clearing Member is transferring the whole or part of its business to another entity; or</li> <li>b. a Clearing Member resigns from the Clearing House; or</li> <li>c. a new Clearing Member has an interest in existing trades on another Clearing Member's books. The original Clearing Member shall not suffer any loss in commission to which it is entitled on the trades that were transferred; or</li> <li>d. a mutual clerical error was made by two Clearing Members or the clearing members of the Relevant Market they are clearing for with respect to the trades to be cleared by them respectively on opposite sides thereof. Clear and sufficient information must be included with respect to the transfer trades and both the trade to reverse the error and the replacement trade must clear as transfers. In this event, and only in this event, the transfer may liquidate an open position on the books of the relevant Clearing Member(s);</li> </ul>

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Old Rules	New Rules
<b>8.01 GENERAL</b>	<b>8.01 GENERAL</b>
8.01.1 This Chapter sets out the rights and responsibilities of Members with respect to a Mutual Offset System.	8.01.1 This Chapter sets out the rights and responsibilities of Clearing Members with respect to a Mutual Offset System.
8.01.2 The procedures of the Clearing House, including the duties of a Member to members of the Participating Markets for whom the Member provides clearing services or with whom the Member has an agreement for Inter-Exchange Transfer (as defined in Rule 8.03.1.3), that are not specifically covered herein, shall be governed by the other provisions of this Rules that are consistent with this Chapter.	8.01.1 The procedures of the Clearing House, including the duties of a Clearing Member to members of the Participating Markets for whom the Clearing Member provides clearing services or with whom the Clearing Member has an agreement for Inter-Exchange Transfer (as defined in Rule 8.03.1.3), that are not specifically covered herein, shall be governed by the other provisions of this Rules that are consistent with this Chapter.
	8.01.3 If the Clearing House has reason to believe that the access to or usage by a Clearing Member of the Mutual Offset System adversely affects the Clearing House or the Mutual Offset System, the Clearing House may suspend the Clearing Member's access to and/or usage of the Mutual Offset System.
<b>8.03 GOVERNING RULES</b>	<b>8.03 GOVERNING RULES</b>
8.03.1 For the purposes of a Mutual Offset System and this Rules, the following additional definitions shall apply:	8.03.1 To be retained.
8.03.1.1 <u>Originating Clearing Member</u>  A clearing member of a Participating Market and/or its clearing house which initiates an order for execution, or is deemed with respect to the Executing Clearing Member (as defined below) to be responsible for orders to be executed, in the other Participating Market for which the Executing Clearing Member.	8.03.1.1 <u>Originating Clearing Member</u>  An Authorised Clearing Member of a Participating Market and/or its clearing house which:  a. initiates an order for execution by an Executing Clearing Member of the other Participating Market; or b. is deemed with respect to such Executing Clearing Member

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p>to be responsible for orders to be executed,</p> <p>on the other Participating Market pursuant to the Mutual Offset System.</p>
<p>8.03.1.2 <u>Executing Clearing Member</u></p> <p>A clearing member of a Participating Market and/or its clearing house that accepts responsibility to see to the execution and/or clearing of a trade on such Participating Market requested and/or initiated by an Originating Clearing Member of the other Participating Market for the purposes of a Mutual Offset System.</p>	<p>8.03.1.2 <u>Executing Clearing Member</u></p> <p>An Authorised Clearing Member of a Participating Market and/or its clearing house that accepts and is responsible for executing and/or clearing of a trade on such Participating Market requested and/or initiated by an Originating Clearing Member of the other Participating Market pursuant to the Mutual Offset System.</p>
	<p>8.03.1.2A <u>Authorised Clearing Member</u></p> <p>A clearing member of a Participating Market and/or its clearing house that is authorised to gain access to and use, the Mutual Offset System.</p>
<p>8.03.1.3 <u>Inter-Exchange Transfer</u></p> <p>a. The transfer pursuant to the Mutual Offset System to a Participating Market and/or its clearing house of a position as a result of a trade executed on another Participating Market.</p> <p>b. All orders received by members of a Participating Market (“Originating Participating Market”) for execution on another Participating Market shall (if</p>	<p>8.03.1.3 <u>Inter-Exchange Transfer</u></p> <p>a. The transfer pursuant to the Mutual Offset System to a Participating Market and/or its clearing house of a position as a result of a trade executed on another Participating Market. For the avoidance of doubt, Inter-Exchange Transfer does not apply to a trade executed as a result of private negotiation.</p> <p>b. To be retained.</p>

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<b>Old Rules</b>	<b>New Rules</b>
<p>a Mutual Offset System Agreement subsists between the two (2) Participating Markets and the orders relate to a Designated Futures Contract for the purposes of such agreement) be deemed to be for the purposes of such Mutual Offset System, and the resulting positions shall (if satisfying the pre-requisites for Inter-Exchange Transfer set out below) automatically be transferred to the other Participating Market unless upon receipt of an order the member of the Originating Participating Market receives instructions to the contrary.</p> <p>c. All trades of an Originating as well as those of an Executing Clearing Member who is a Member for the purposes of the Mutual Offset System shall be promptly reported to the Clearing House in the form of a memorandum provided by the Clearing House (the "Inter-Exchange Transfer Memorandum"). In this connection, it shall be the responsibility of such a Member to ensure that it receives such information as may be necessary and in due time from such members of a Relevant Market (for whose trades such Member is deemed to be the Originating Clearing Member or for whose executed trades such Member is to be the Executing Clearing Member under the Mutual Offset System) for it to promptly effect its reporting obligation as aforesaid.</p>	<p>c. All trades of an Originating as well as those of an Executing Clearing Member who is a Clearing Member for the purposes of the Mutual Offset System shall be promptly reported to the Clearing House in the form of a memorandum provided by the Clearing House (the "Inter-Exchange Transfer Memorandum"). In this connection, it shall be the responsibility of such a Clearing Member to ensure that it receives such information as may be necessary and in due time from such members of a Relevant Market (for whose trades such Clearing Member is deemed to be the Originating Clearing Member or for whose executed trades such Clearing Member is to be the Executing Clearing Member under the Mutual Offset System) for it to promptly effect its reporting obligation as aforesaid.</p>
<p><b>8.04 FOR INTER-EXCHANGE TRANSFER</b></p>	<p><b>8.04 CONDITIONS FOR INTER-EXCHANGE TRANSFER</b></p>
<p>8.04.1 So long as a Mutual Offset System agreement is in effect as between the relevant Participating Markets, a trade will</p>	<p>8.04.1 So long as a Mutual Offset System is in effect as between the relevant Participating Markets, a trade will be transferred</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
be transferred between Participating Markets and/or their respective clearing houses if all of the following conditions are satisfied:	between Participating Markets and/or their respective clearing houses if all of the following conditions are satisfied:
8.04.1.1 The trade has cleared in the ordinary course on the Participating Market where it is executed.	8.04.1.1 The trade has cleared in the ordinary course on the Participating Market where it is executed.
8.04.1.2 An Inter-Exchange Transfer Memorandum has been duly delivered to the Clearing House in respect of the trade.	8.04.1.2 An Inter-Exchange Transfer Memorandum has been duly delivered to the Clearing House in respect of the trade.
8.04.1.3 In relation to a transfer of a trade under the Mutual Offset System to the Clearing House, the Clearing House has received confirmation of the Inter-Exchange trade data (being trade information supplied in an Inter-Exchange Transfer Memorandum) from the other Participating Market.	8.04.1.3 In relation to a transfer of a trade under the Mutual Offset System to the Clearing House, the Clearing House has received confirmation of the Inter-Exchange trade data (being trade information supplied in an Inter-Exchange Transfer Memorandum) from the other Participating Market.
	<p>8.04.1.4 The Originating Clearing Member and the Executing Clearing Member has, prior to the execution of the trade entered into a written agreement with the Authorised Clearing Member which may have such terms and conditions as the contracting Authorised Clearing Members shall determine, but in any event shall provide in substance as follows:</p> <ul style="list-style-type: none"> <li>a. Until such time as Inter-Exchange Transfer occurs with respect to a trade executed pursuant to the Mutual Offset System, each Authorised Clearing Member shall remain liable to the other Authorised Clearing Member for such trade in the same manner and to the same extent as if the Executing Clearing Member had executed such trade for a customer outside of the Mutual Offset System; and</li> <li>b. Upon the occurrence of Inter-Exchange Transfer with respect to any trade executed pursuant to the Mutual Offset System,</li> </ul>

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Old Rules	New Rules
	<p>each Authorised Clearing Member shall have no further liability (other than with respect to the payment of commissions or fees agreed to by such Authorised Clearing Members) to, or relationship with, the other Authorised Clearing Member with respect to the position created by such trade, and thereafter the Originating Clearing Member shall look only to the clearing house which the trade is transferred to, with respect to the position created by such trade; notwithstanding the foregoing, the Executing Clearing Member shall continue to be fully liable to the Originating Clearing Member with respect to the execution of such trade including fraud or the breach of any obligation or duty ordinarily borne by the party executing a commodity futures contract trade on the Participating Markets, and for any unmatched trades.</p>
<p><b>9.01 DEFINITIONS</b></p>	<p><b>9.01 DEFINITIONS</b></p>
<p>9.01.1 Unless the context otherwise requires, the following words and expressions shall be defined as follows:-</p>	<p>9.01.1 Unless the context otherwise requires, the following words and expressions shall be defined as follows:-</p>
	<p><b>“acceptable government securities”</b> - means securities issued by a government with a Moody’s Investors Service sovereign rating of at least Aaa, Standard &amp; Poor’s Corporation sovereign rating of at least AAA or Fitch, Inc sovereign rating of at least AAA;</p>
<p><b>“adjusted net head office funds”</b> shall have the meaning ascribed thereto in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements).</p>	<p><b>“adjusted net head office funds”</b> – when used in reference to:-</p> <p>a. a General Clearing Member or Direct Clearing Member incorporated outside Singapore, shall bear the meaning ascribed thereto in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements); and</p>

## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
	<p>b. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, shall bear the meaning ascribed thereto in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements), less the capital requirements for its banking business.</p>
<p><b>“aggregate resources”<sup>(3)</sup></b> – means</p> <p>(i) in the case of a Member incorporated in Singapore, its financial resources (including qualifying letters of credit referred to in Rule 2.07C) less its total risk requirement; and</p> <p>(ii) in the case of a Member incorporated outside Singapore, its adjusted net head office funds (including qualifying letters of credit referred to in Rule 2.08C) less its total risk requirement.</p>	<p><b>“aggregate resources”<sup>(3)</sup></b> –when used in reference to:-</p> <p>a. a Clearing Member incorporated in Singapore, means its financial resources (including qualifying letters of credit referred to in Rule 2.07C) less its total risk requirement;</p> <p>b. a General Clearing Member or Direct Clearing Member incorporated outside Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, means its adjusted net head office funds (including qualifying letters of credit referred to in Rule 2.08C) less its total risk requirement; and</p> <p>c. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, means its cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 less its total risk requirement.</p>

<sup>(3)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(3)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

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Old Rules	New Rules
	<p><b>“Bank Clearing Member”</b> means a Clearing Member who has such rights and obligations as set out in Chapter 2. For the avoidance of doubt, a reference to a Bank Clearing Member incorporated outside Singapore shall refer to the branch located in Singapore, of a parent bank incorporated outside Singapore.</p>
	<p><b>“business governed by this Rules”</b> or <b>“operations governed by this Rules”</b> when used in reference to:-</p> <ul style="list-style-type: none"> <li>a. a Bank Clearing Member incorporated in Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, shall mean its business or operations (whichever is applicable) involving all derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility; and</li> <li>b. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, shall mean its business or operations (whichever is applicable) involving derivatives and securities contracts traded on the Exchange and SGX-ST and OTC contracts novated to the Clearing House and CDP.</li> </ul>
	<p><b>“chief executive officer”</b> shall mean any person, by whatever name described, who is in the direct employment of, or acting for or by arrangement with, the Clearing Member and is principally responsible for the management and conduct of the business of the Clearing Member.</p>



## AMENDMENTS TO SGX-DC CLEARING RULES

Old Rules	New Rules
<p>“<b>Membership</b>” means membership of the Clearing House pursuant to this Rules.</p>	<p>“<b>Clearing Membership</b>” means membership of the Clearing House pursuant to this Rules.</p>
<p>“<b>Direct Clearing Member</b>”- a Member who has such rights and obligations as set out in Rule 2.12A.</p>	<p>“<b>Direct Clearing Member</b>” means a Clearing Member who has such rights and obligations as set out in Chapter 2.</p>
<p>“<b>financial resources</b>”<sup>(7)</sup> – shall bear the meaning ascribed thereto in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements).</p>	<p>“<b>financial resources</b>”<sup>(7)</sup> – when used in reference to:-</p> <ul style="list-style-type: none"> <li>a. a General Clearing Member or a Direct Clearing Member incorporated in Singapore, shall bear the meaning ascribed thereto in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements); and</li> <li>b. a Bank Clearing Member incorporated in Singapore, shall bear the meaning ascribed thereto in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements), less the capital requirements for its banking business.</li> </ul>
<p>“<b>General Clearing Member</b>” – A Member who has such rights and obligations as set out in Rule 2.12.</p>	<p>“<b>General Clearing Member</b>” means a Clearing Member who has such rights and obligations as set out in Chapter 2.</p>
<p>“<b>Member</b>” – A corporation granted or admitted to be a member of the Clearing House pursuant to the Rules and shall include a General Clearing Member and a Direct Clearing Member.</p>	<p>“<b>Clearing Member</b>” means a corporation granted or admitted to be a member of the Clearing House pursuant to this Rules and shall include a General Clearing Member, a Direct Clearing Member and a Bank Clearing Member.</p>

<sup>(7)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(7)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

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Old Rules	New Rules
<p>“<b>net head office funds</b>” – With respect to a corporation incorporated or established outside Singapore, the net liability of the Singapore branch to its head office and any other branches outside of Singapore.</p>	<p>“<b>net head office funds</b>” means with respect to a corporation incorporated or established outside Singapore, the net liability of the Singapore branch to its head office and any other branches outside of Singapore. In the case of a Bank Clearing Member, its net liability shall include, without limitation, the liability of its Asian Currency Unit.</p>
<p>“<b>OTC Contract or transaction</b>” means a contract or transaction that is not listed for trading on the Exchange or any Relevant Market.</p> <p>OTC Contract or transaction</p>	<p>“<b>OTC Contract or transaction</b>” means a contract or transaction that is not listed or quoted for trading on the Exchange or any Relevant Market.</p>
<p>“<b>qualifying subordinated loan</b>” means a loan made under a subordinated loan agreement in a form specified by the Clearing House or in such other forms which may be approved by the Clearing House.</p>	<p>“<b>qualifying subordinated loan</b>” shall have the meaning ascribed thereto in paragraph 4 of the Second Schedule of the SFR (Financial and Margin Requirements).</p>
	<p>“<b>SGX-ST</b>” shall mean Singapore Exchange Securities Trading Limited.</p>
<p>“<b>total risk requirement</b>”<sup>(11)</sup> – shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements).</p>	<p>“<b>total risk requirement</b>”<sup>(11)</sup> –when used in reference to:-</p> <p>a. a General Clearing Member or a Direct Clearing Member, shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements);</p>

<sup>(11)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

<sup>(11)</sup> Added, effective 1 October 2003. Circular No. DC/CCM-4 of 2003 (20 January 2003).

**AMENDMENTS TO SGX-DC CLEARING RULES**

<b>Old Rules</b>	<b>New Rules</b>
	<ul style="list-style-type: none"> <li data-bbox="1115 318 1841 659">b. a Bank Clearing Member incorporated in Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements) except that such Bank Clearing Member shall only compute the total risk requirement for all Third Parties' and proprietary positions in derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility; and</li>   <li data-bbox="1115 695 1841 1003">c. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements) except that such Bank Clearing Member shall only compute the total risk requirement for all Third Parties' and proprietary positions in derivatives and securities contracts traded on the Exchange and SGX-ST and OTC contracts novated to the Clearing House and CDP.</li> </ul>