

APPENDIX A:
AMENDMENTS TO FUTURES TRADING RULES

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| 2.1 | <p>2.1 ACCESS AND TRADING</p> <p>2.1.1 <u>Access to QUEST</u></p> <p>A Member or Customer may access QUEST via:</p> <p>(a) an Exchange-provided OMS; or</p> <p>(b) an Exchange-approved OMS developed by a Member or an independent software vendor (commonly referred to as ISVs).</p> <p>"OMS" refers to an order management system through which orders are routed to QUEST.</p> |
| 2.1.2 | <p>2.1.2 <u>Conditions Governing Direct Market Access</u></p> <p>With respect to each Customer for which the Member has authorised Direct Market Access, the Member is required to:</p> <p>(a) provide such Customer with information concerning its access to QUEST, this Rules and other applicable laws; and</p> <p>(b) assist the Exchange in any investigation into potential violations of this Rules and applicable laws. Such assistance shall be timely and shall include, but is not limited to, requiring the Customer to produce documents, to answer questions from the Exchange or to appear in connection with any investigation.</p> |
| 2.1.3 | <p>2.1.3 <u>Access to Partner Market</u></p> <p>The Exchange may provide access facilities to enable Persons to execute trades on contracts listed on a Partner Market. Such Persons accessing the Partner Market are required to comply with this Rules as well as applicable rules, laws and regulations governing trading in the Partner Market. "Partner Market" refers to another exchange or market, in Singapore or elsewhere, accessible via QUEST or such other means as approved by the Exchange.</p> |
| 2.1.4 | <p>2.1.4 <u>Trading Capacity – House and Agency.</u></p> <p><u>(a) Subject to Rule 2.1.4(b), a Member may execute House Trades, Agency Trades or both.</u></p> <p><u>(b) A Member that holds a licence specified in Rule 2.4.1(b) shall not execute Agency Trades for Customers domiciled in Singapore.</u></p> |
| 2.4 | <p>2.4 LICENSING AND CREDIT RATING REQUIREMENTS FOR MEMBERS, THEIR EMPLOYEES AND AGENTS</p> <p>2.4.1 <u>Licensing Requirements for General Trading Members</u></p> <p><u>To the extent that any General Trading Member or its employees and agents engage</u></p> |

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| | <p>in any Regulated Activity in the Markets, such as A General Trading Member and its employees and agents are required to procure and maintain the requisite licence(s) and registration(s) with MAS and independently satisfy such licensing and registration requirements as contemplated under the applicable laws. <u>the Relevant Regulatory Authority to conduct regulated activities. The General Trading Member and its employees and agents shall independently satisfy such licensing and registration requirements as follows:</u></p> <p><u>(a) where the General Trading Member or its employees and agents engage in any Regulated Activity in Singapore, procure and maintain the requisite licence(s) and registration(s) with MAS. "Regulated Activity" refers to any activity that requires a CMS Licence, registration in the Public Register of Representatives, financial adviser's licence or such other licence or registration as required under the Act or Financial Advisers Act (Cap 110); and</u></p> <p><u>(b) where the General Trading Member or its employees and agents do not engage in regulated activities in Singapore and such General Trading Member is not incorporated in Singapore and does not carry on a business in Singapore, hold the requisite licence and registration from a Relevant Regulatory Authority in the country where it is engaging in such regulated activities. If the Exchange is of the view that the regulatory requirements arising from the licence and registration are not comparable to those contemplated under the Act and this Rules, it shall have the discretion to prescribe additional requirements.</u></p> |
| 2.4.2 | <p>2.4.2 <u>Credit Rating Requirements for Bank Trading Members</u></p> <p>A Bank Trading Member is required to satisfy the Exchange that it, or its parent bank, has obtained a credit rating that indicates, at least, adequate intrinsic safety and soundness, excluding external credit support, and a limited ability to withstand adverse business or economic conditions from any rating agency registered with an appropriate authority.</p> |
| 2.4.3 | <p>2.4.3 <u>Downgrades in Credit Rating of Bank Trading Members</u></p> <p>Upon admission as a Bank Trading Member, if there is any downgrade in the rating of the Bank Trading Member or its parent bank such that it falls below the minimum prescribed rating, the Exchange may, at its discretion, impose additional conditions as it deems fit, for permitting the Bank Trading Member to continue its trading activities as a Bank Trading Member.</p> |
| 2.5 | <p>2.5 Financial Requirements for Members</p> <p>2.5.1 <u>Overview of Base Capital, Total Risk Requirement, Net Liquid Capital and Statutory Requirements</u></p> <p>A Member is required to comply with the financial requirements set forth in Rule 2.5, including, where applicable, requirements for Base Capital, <u>Net Liquid Capital</u>, Net Head Office Funds, Adjusted Net Head Office Funds, Financial Resources and Aggregate Resources. "Financial Resources", "Base Capital", "<u>Net Liquid Capital</u>", "Net Head Office Funds", "Adjusted Net Head Office Funds", "Total Risk Requirement", "Aggregate Indebtedness", and "Aggregate Resources" shall have the meanings ascribed to them under Chapter 8 of this Rules.</p> |
| | <p>2.5.2 <u>Trading Members.</u></p> <p>The following requirements apply in relation to Trading Members.</p> <p>(a) except for Rule 2.5.4, a Trading Member that engages solely in House Trades</p> |

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| | <p>and Proprietary Trades of its Related Corporations is not subject to any financial requirements under Rule 2.5. However, in deciding whether to admit such Trading Member, the Exchange shall take into account matters such as the prospective Trading Member's financial standing, pending court proceedings and criminal records;</p> <p>(b) any other a General Trading Member <u>that holds a licence to engage in a Regulated Activity</u>, shall at all times:</p> <ul style="list-style-type: none"> (i) maintain a Base Capital or Net Head Office Funds, as the case may be, of not less than \$1 million; (ii) not cause or permit its Financial Resources or Adjusted Net Head Office Funds, as the case may be, to fall below its Total Risk Requirement; and (iii) not cause or permit its Aggregate Indebtedness to exceed 1200% of its Aggregate Resources. <p><u>(b1) a General Trading Member that holds a licence specified in Rule 2.4.1(b) shall at all times maintain a Net Liquid Capital of not less than \$1 million;</u></p> <p>(c) any other Bank Trading Member shall at all times:</p> <ul style="list-style-type: none"> (i) maintain a Base Capital or Net Head Office Funds, as the case may be, of not less than \$1 million, failing which, the Bank Trading Member must deposit an amount of not less than \$1 million in cash and/or Acceptable Government Securities with the Clearing House; <p>PROVIDED ALWAYS THAT:—</p> <ul style="list-style-type: none"> (1) the Exchange shall have the discretion to decide if a Bank Trading Member may rely on its Base Capital or Net Head Office Funds instead of depositing cash and/or Acceptable Government Securities; (2) if the Bank Trading Member is also a clearing member of the Clearing House and/or CDP, and has a deposit in excess of \$1 million with the Clearing House or CDP in accordance with the applicable provisions of the Clearing Rules or CDP Clearing Rules, it need not deposit with the Clearing House a further \$1 million or such other amount as may be prescribed by the Exchange; and (3) the Exchange shall have the discretion to use or apportion in any manner, the abovementioned deposit to satisfy the Bank Trading Member's obligations to the Exchange, Clearing House, and/or CDP under this Rules, the Clearing Rules, and the CDP Clearing Rules respectively. In deciding the apportionment, the Exchange may, in consultation with the Clearing House and/or CDP, take into account factors, including but not limited to, the amount owed by the Bank Trading Member to the Exchange, Clearing House and/or CDP respectively. <ul style="list-style-type: none"> (ii) not cause or permit its Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP, as the case may be, to fall below its Total Risk Requirements. |

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| 2.5.4 | <p data-bbox="407 239 1446 302"><u>2.5.4 Additional Financial, Capital and Other Requirements Imposed by the Exchange or the Clearing House</u></p> <p data-bbox="407 323 1446 596">The Exchange or the Clearing House may from time to time prescribe additional financial and capital requirements for any Member or category or group of Members. Without limiting the foregoing, the Exchange may prescribe with respect to particular Members, capital, financial and other requirements in excess of the requirements prescribed under the Act, <u>relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities</u>, or this Rules with respect to volume, risk exposure of positions carried, risk concentration, margin policies, nature of business conducted or to be conducted, their memberships in any exchange or market, and such other matters as deemed fit by the Exchange.</p> |
| 2.5.5 | <p data-bbox="407 617 1446 642"><u>2.5.5 Calculation of Financial Resources</u></p> <p data-bbox="407 674 1446 873">In the calculation of Financial Resources, a corporate Member may include one (1) or more Qualifying Letter(s) of Credit deposited with the Exchange, the Clearing House or CDP and Qualifying Subordinated Loan(s), subject to such conditions and restrictions as prescribed under the Financial and Margin Regulations and in such form as prescribed by the Exchange or the Clearing House.* The Exchange reserves the right to call on any of the Qualifying Letters of Credit and apply the proceeds thereof in respect of that Member's liabilities.</p> <p data-bbox="407 905 1446 1104">In the calculation of Adjusted Net Head Office Funds, a corporate Member may include one (1) or more Qualifying Letter(s) of Credit deposited with the Exchange, the Clearing House or CDP, subject to such conditions and restrictions as prescribed under the Financial and Margin Regulations and in such form as prescribed by the Exchange or the Clearing House. The Exchange reserves the right to call on any of the Qualifying Letters of Credit and apply the proceeds thereof in respect of that Member's liabilities.</p> |
| 2.5.6 | <p data-bbox="407 1131 1446 1194"><u>2.5.6 Notification of Material Changes to Financial Resources and Adjusted Net Head Office Funds.</u></p> <p data-bbox="407 1226 1446 1341">The following requirements apply in relation to material changes to Financial Resources, Adjusted Net Head Office Funds and cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i):</p> <p data-bbox="407 1373 1446 1898">(a) a corporate Member is required to immediately notify the Exchange in the event of any material changes to its Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), as the case may be, including:</p> <ul style="list-style-type: none"> <li data-bbox="553 1541 1446 1656">(i) an initial notification if its Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), as the case may be, fall below 150% of its Total Risk Requirement; <li data-bbox="553 1688 1446 1803">(ii) a warning notification if its Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), as the case may be, fall below 120% of its Total Risk Requirement; <li data-bbox="553 1835 1446 1898">(iii) in the case of a General Trading Member, if its Aggregate Indebtedness exceeds 600% of its Aggregate Resources; or |

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| | <p>(iv) in the case of a Clearing Member, if its Financial Resources, Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to the Clearing Rules or CDP Clearing Rules, as the case may be, is reduced by more than 20% from the previously submitted monthly financial statement;</p> <p>(b) if the Exchange is notified by a corporate Member under this Rule 2.5.6 or otherwise becomes aware that a corporate Member's Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), as the case may be, has fallen or will fall below 120% of its Total Risk Requirement or such higher percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange may direct that Member to comply with any or all of the requirements described under Regulation 7(3) of the Financial and Margin Regulations;</p> <p>PROVIDED THAT, in the case of a Bank Trading Member, the Exchange shall only require that Member to comply with directions in respect of the Bank Trading Member's business that is governed by this Rules;</p> <p>(c) if the Exchange is notified by a corporate Member under this Rule 2.5.6 or otherwise becomes aware that a corporate Member's Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), as the case may be, has fallen or will fall below 150% of its Total Risk Requirement or such higher percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange shall be entitled to require that Member to:</p> <p>(i) submit its statements of assets and liabilities, Financial Resources, cash and/or government securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i), Total Risk Requirement, Aggregate Indebtedness, and such other statements as required by the Exchange at such interval and for such time frame as determined by the Exchange; and</p> <p>(ii) operate its business or in the case of a Bank Trading Member, its Business Governed by this Rules, in such manner and on such conditions as the Exchange may impose;</p> <p>and</p> <p>(d) if the Exchange is notified by a General Trading Member under this Rule 2.5.6 or otherwise becomes aware that a General Trading Member's Aggregate Indebtedness exceeds or will exceed 600% of its Aggregate Resources, or such lower percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange may direct that Member to comply with any or all of the requirements described under Regulation 17(2) of the Financial and Margin Regulations.</p> |
| | <p><u>2.5.6A Notification of Material Changes to Net Liquid Capital.</u></p> <p><u>The following requirements apply in relation to material changes to the Net Liquid Capital requirements specified in Rule 2.5.2(b1):</u></p> <p>(a) <u>the General Trading Member shall immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet the Net Liquid Capital requirements referred to in Rule 2.5.2(b1), or such higher Net Liquid Capital requirements as the Exchange may have imposed under Rule 2.5.4; and</u></p> |

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| | <p><u>(b) if the Exchange is notified by the General Trading Member under this Rule or otherwise becomes aware that a General Trading Member has failed to meet the Net Liquid Capital requirements referred to in Rule 2.5.2(b1), or such higher Net Liquid Capital requirements as the Exchange may have imposed under Rule 2.5.4, the Exchange may refer the matter to the Disciplinary Committee, and may take such interim control measures, including but not limited to all or any of the following, as the Exchange deems fit and appropriate:-</u></p> <p><u>(1) require the General Trading Member to operate its business activities on the Exchange subject to such restrictions or conditions as the Exchange decides;</u></p> <p><u>(2) suspend the General Trading Member's business activities on the Exchange for a period the Exchange decides. The suspension may be announced to all General Trading Members. During the suspension, the General Trading Member:-</u></p> <p><u>(a) must not enter into a new transaction without the approval of the Exchange;</u></p> <p><u>(b) remains liable to settle all contracts outstanding at the time of suspension. However, it must not settle any transaction without the approval of the Exchange.</u></p> <p><u>(3) require a Director to step down from day-to-day conduct of the business affairs of the General Trading Member on the Exchange; or</u></p> <p><u>(4) appoint a person or persons (which may include a firm of auditors) as Manager to manage the business of the General Trading Member on the Exchange. The Exchange will fix the remuneration of the Manager, which must be paid by the General Trading Member. The General Trading Member is solely responsible for the Manager's acts and defaults. The Manager must carry out directions given by the Exchange in relation to the business of the General Trading Member, including carrying on the business of the General Trading Member in accordance with instructions.</u></p> |
| | <p><u>2.5.7 Requirements Relating to Preference Shares, Unsecured Loans and Others for General Trading Members.</u></p> <p>The following additional financial requirements apply to General Trading Members:</p> <p><u>(a) a General Trading Member that holds a licence to engage in a Regulated Activity shall comply with the obligations under the Financial and Margin Regulations relating to the issue of any preference share and redemption of any redeemable preference share, drawing down and repayment in part or in full of any Qualifying Subordinated Loan principal, making of any unsecured loan or advance, payment of any dividend or director's fees or increase in any director's remuneration, with the additional condition that in relation to the redemption of any redeemable preference share, repayment in part or in full of any Qualifying Subordinated Loan principal, making of any unsecured loan or advance, payment of any dividend or director's fees or increase in any director's remuneration, a General Trading Member shall ensure that the sum of its Financial Resources or Adjusted Net Head Office Funds, as the case may be, and Qualifying Letters of Credit referred to in Rule 2.5.5, are more than 150% of its Total Risk Requirement. For the avoidance of doubt, a General Trading Member shall comply with the requirements described in the relevant provisions of the Financial and Margin Regulations referred to in this Rule 2.5.7(a).</u></p> |

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| | <p>whether or not that Member is licensed under the Act; and</p> <p>(b) a General Trading Member <u>that holds a licence to engage in a Regulated Activity</u> shall not reduce its paid-up ordinary share capital without the prior written approval of the Exchange.; and</p> <p><u>(c) A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall notify the Exchange immediately of any action taken that has or may have a financial or capital impact on the General Trading Member and required to be reported to the Relevant Regulatory Authority, or in relation to the events set out in (a) and (b).</u></p> |
| 2.6 | <p>2.6 Technical Matters and Risk Management Controls</p> <p>2.6.1 <u>Overview</u></p> <p>A Member shall comply with such technical, operational, information technology, security, risk management and other requirements or restrictions as specified in this Rule 2.6 or as prescribed by the Exchange from time to time.</p> |
| 2.6.2 | <p>2.6.2 <u>Controlling Access</u></p> <p>A Member shall have security arrangements in place to ensure that unauthorised persons are denied access to the Markets.</p> |
| 2.6.2A | <p>2.6.2A <u>Adequacy of Systems</u></p> <p>A Member must ensure that its systems and connections to the Markets operate properly, and have adequate and scalable capacity to accommodate trading volume levels.</p> |
| 2.6.3 | <p>2.6.3 <u>Risk Management and Financial Controls</u></p> <p>(1) A corporate Member is required to have written policies and procedures on risk management controls and demonstrate compliance in the following areas:</p> <p>(a) monitoring the credit risks arising from the acceptance of all orders on at least a daily basis;</p> <p>(b) monitoring all account activity on an intraday basis;</p> <p>(c) ensuring that:</p> <p>(i) automated pre-execution risk management control checks are conducted on all orders, including credit control checks on all orders;</p> <p>(ii) there are appropriate internal controls for the setting and modification of any parameters of such automated pre-execution risk management control checks;*</p> <p>(d) having error-prevention alerts to bring attention to possible erroneous entries of quantity, price and other data fields;^</p> <p>(e) defining and managing the Member's sources of liquidity to ensure that there are sufficient liquidity facilities to meet increased settlement obligations;</p> <p>(f) limiting the impact of significant market movements through the use of tools such as cash flow projection, stress testing or position limits; and</p> |

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| | <p>(g) maintaining a strict separation between the credit control, trading, dealing and marketing departments so as to ensure independence and mitigate the risks and consequences of conflicts of interests.#</p> <p>(2) A Member referred to in Rule 2.6.3(1) must have automated processes in place to monitor at the firm level if the Member is at risk of breaching capital and financial requirements and prudential limits on exposures to a single Customer and a single Contract, so as to restrict trading activity or inject additional capital if necessary.</p> |
| 2.6.4 | <p>2.6.4 <u>Audit Trails and Records</u></p> <p>A Member is required to:—</p> <p>(a) maintain complete and accurate records and audit trails to evidence compliance with this Rules, and in accordance with the requirements in the Act and this Rules <u>and</u>:</p> <p><u>(i) for a General Trading Member that holds a licence specified in Rule 2.4.1(b), in accordance with the requirements of the Relevant Regulatory Authority. The Trading Member shall immediately notify SGX-ST on any changes to such requirements. Notwithstanding the foregoing, SGX-ST shall have the discretion to prescribe additional requirements; and</u></p> <p><u>(ii) for other Members, in accordance with the requirements of the Act;</u></p> <p>(b) not make, or cause to be made, a false or misleading entry, in hardcopy, or electronic form, in any books, records, slips, documents, statements relating to the business, affairs, transactions, conditions, assets or accounts ("the Documents") of a Member;</p> <p>(c) make all material entries in any of the Documents;</p> <p>(d) not alter or destroy any of the Documents without a valid reason; and</p> <p>(e) make records available to the Exchange at such time as the Exchange requires.</p> |
| 2.6.5 | <p>2.6.5 <u>Accounting and Book-keeping</u></p> <p>A corporate Member shall comply with such accounting, reporting and book-keeping requirements as prescribed by the Exchange from time to time.</p> |
| 2.6.6 | <p>2.6.6 <u>Business Continuity Requirements</u></p> <p>The following requirements apply:</p> <p>(a) a Member must assess its business and operational risks and maintain adequate business continuity arrangements.</p> <p>(b) a Member must document its business continuity arrangements in a business continuity plan.</p> <p>(c) a Member's senior management shall be responsible for the Member's business continuity plan. Sufficient awareness of the risks, mitigating measures and state of readiness must be demonstrated by way of an attestation to the Member's Board of Directors. <u>A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall comply with such</u></p> |

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| | <p>requirements established by the Relevant Regulatory Authority, if any, and principles of good business practice in relation to this subparagraph.</p> <p>(d) a Member must review and test its business continuity plan regularly.</p> <p>(e) a Member must appoint emergency contact persons, and furnish the contact information of such persons to the Exchange. The Member's emergency contact persons must be contactable at all times, and must immediately notify the Exchange in the event of emergencies.</p> |
| 2.13 | <p>2.13 Registration of Approved Traders and Registered Representatives</p> <p>2.13.1 <u>Registration Criteria for Approved Traders and Registered Representatives.</u></p> <p>A Member shall register with the Exchange any person acting on its behalf as an Approved Trader or a Registered Representative. To qualify for registration with the Exchange as an Approved Trader or Registered Representative, each applicant:</p> <p>(a) shall be sponsored by its respective corporate Member. If the applicant is an individual Trading Member this requirement shall not apply. For the avoidance of doubt an applicant may only be sponsored by a single corporate Member;</p> <p>(b) shall be at least twenty-one (21) years old and be a fit and proper* person;</p> <p>(c) shall not have been convicted of any offence involving fraud or dishonesty;</p> <p>(d) shall not be an undischarged bankrupt in Singapore or elsewhere;</p> <p>(e) where required by the Exchange, shall have completed the relevant training and the Trading Member or the individual applicant shall certify that the applicant is competent to undertake the proposed activities;</p> <p>(f) shall be entered in the Public Register of Representatives as an appointed representative, provisional representative or temporary representative in respect of the relevant activities unless exempted under the Act and whose status as an appointed representative, provisional representative or temporary representative is not suspended or revoked <u>hold a licence from or be registered with the Relevant Regulatory Authority for the conduct of relevant regulated activities, unless exempted, and whose license or registration is not suspended, revoked, or expired; and</u></p> <p>(g) shall comply with such other additional requirements as the Exchange deems fit.</p> <p><u>2.13.1A In approving an application to be an Approved Trader or a Registered Representative, the Exchange may consult the Relevant Regulatory Authority.</u></p> |
| 2.13.2 | <p>2.13.2 <u>Registration of Approved Traders</u></p> <p>Every Approved Trader shall be required to register with the Exchange before he acts or holds himself out as having the authority to execute trades on the Markets for:</p> <p>(a) his own account, in the case of an individual Trading Member;</p> <p>(b) the House Account of his sponsoring corporate Member;</p> |

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| | <p>(c) a Customer Account on the instruction of a Registered Representative; or</p> <p>(d) a Customer Account on the instruction of a Customer, if the Approved Trader is also registered as a Registered Representative.</p> <p>For the avoidance of doubt, an Approved Trader shall not hold himself out as a sales representative of the respective Member or undertake any activities of a Registered Representative unless he is so registered with the Exchange as contemplated under this Rules.</p> |
| 2.13.3 | <p>2.13.3 <u>Registration of Registered Representatives</u></p> <p>Every Registered Representative shall be required to register with the Exchange before he acts or holds himself out as a sales representative of the respective Member. A Registered Representative shall not act or hold himself out as having the authority to execute trades on the Markets, unless he is registered as an Approved Trader with the Exchange as contemplated under this Rules. Upon being registered as a Registered Representative with the Exchange, a Registered Representative may, in the name of such Member:</p> <p>(a) <u>subject to Rule 2.1.4</u>, solicit Customers, solicit or accept orders from Customers, and give advice to Customers for the purchase or sale of contracts; and</p> <p>(b) in connection with the purchase or sale of contracts provide feedback on market sentiment or market conditions, quote prices, and provide confirmation to Customers regarding orders which have been executed.</p> |
| 2.13.4 | <p>2.13.4 <u>Register of Approved Traders and Registered Representatives</u></p> <p>The Exchange shall maintain a register of Approved Traders and Registered Representatives.</p> |
| 2.13.5 | <p>2.13.5 <u>Approved Traders and Registered Representatives Obligations</u></p> <p>Approved Traders and Registered Representatives are required to comply with the relevant provisions and other safeguards as prescribed under the Act, this Rules and applicable laws.</p> |
| 2.13.6 | <p>2.13.6 <u>Revocation of Registration of Approved Traders and Registered Representatives.</u></p> <p>A Member shall immediately notify the Exchange if:</p> <p>(a) <u>the licence from or registration with the Relevant Regulatory Authority for the conduct of relevant regulated activities for any of its Approved Traders or Registered Representatives ceases to be an appointed representative, provisional representative or temporary representative in respect of the relevant activities, as contemplated under the Securities and Futures Act has been revoked, or has expired;</u></p> <p>(aa) <u>the exemption from the requirement to hold a licence from or to register with the Relevant Regulatory Authority for the conduct of relevant regulated activities for any of its Approved Trader's or Registered Representative's exemption from registration in the Public Register of Representatives as an appointed representative, provisional representative or temporary representative in respect of the relevant activities</u> is withdrawn;</p> <p><u>(ab) the Relevant Regulatory Authority imposes conditions or restrictions on the Approved Trader or Registered Representative in respect of the relevant</u></p> |

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| | <p>regulated activities;</p> <p>(b) any of its Approved Traders or Registered Representatives is of unsound mind;</p> <p>(c) any of its Approved Traders or Registered Representatives is bankrupt;</p> <p>(d) any of its Approved Traders or Registered Representatives is subject to a composition or scheme of arrangement with his creditors, whether in or out of Singapore;</p> <p>(e) a judgment debt entered against any of its Approved Traders or Registered Representatives remains unsatisfied in whole or in part; or</p> <p>(f) the Approved Trader (other than an individual Trading Member) or a Registered Representative ceases to transact business through the Member or ceases to be sponsored by the Member.</p> <p>The Exchange may terminate the registration of an Approved Trader or a Registered Representation upon notification under Rule 2.13.6(ab) The registration of an Approved Trader or a Registered Representative shall automatically lapse upon such other notification under Rule 2.13.6, or the cessation of his sponsoring Member's Membership.</p> |
| 2.13.7 | <p>2.13.7 <u>Summary Powers of Suspension of Registration of Approved Traders and Registered Representatives.</u></p> <p>Notwithstanding and without prejudice to the powers of the Appeals Committee or the Disciplinary Committee, the Exchange may suspend in whole or in part the privileges of any Approved Trader or a Registered Representative for a period of up to one (1) year upon the occurrence of any of the following events:</p> <p>(a) the sponsoring Member's trading privileges are suspended pursuant to Rule 2.15.2;</p> <p>(b) an application by an Approved Trader or a Registered Representative for registration contains material errors or omissions or is misleading in a material respect;</p> <p>(c) an Approved Trader or a Registered Representative is found guilty in a court of law of misconduct or willful neglect in a manner contrary to the Act or other relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities;</p> <p>(d) an Approved Trader or a Registered Representative is convicted of an offence involving fraud or dishonesty;</p> <p>(e) an Approved Trader or a Registered Representative files a petition for bankruptcy;</p> <p>(f) an Approved Trader or Registered Representative's licence from or registration with the Relevant Regulatory Body is suspended status in the Public Register of Representatives as an appointed representative, provisional representative or temporary representative is suspended;</p> <p>(fa) in the case of an Approved Trader or Registered Representative who is exempted from licensing or registration, the Relevant Regulatory Authority imposes conditions or restrictions on the Approved Trader or Registered</p> |

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| | <p>Representative in respect of the relevant regulated activities; MAS has imposed conditions or restrictions on an Approved Trader or a Registered Representative's exemption from registration in the Public Register of Representatives as an appointed representative, provisional representative or temporary representative in respect of the relevant activities;</p> <p>(g) an Approved Trader or a Registered Representative fails to pay any fee, levy or charge as prescribed by the Exchange from time to time; or</p> <p>(h) an Approved Trader or a Registered Representative acts in a manner which in the Exchange's opinion:</p> <p>(i) impairs the goodwill or reputation of the Exchange or any Markets; or</p> <p>(ii) impairs the operation of a fair, orderly and transparent market by the Exchange.</p> |
| 2.13.7A | <p><u>2.13.7A Duty to Notify the Exchange of Matters Concerning Approved Traders and Registered Representatives</u></p> <p>A Member shall immediately notify the Exchange upon the occurrence of any of the events in Rule 2.13.7(c), (d), (e), (f) and (fa).</p> |
| 2.13.8 | <p><u>2.13.8 Liability of Members</u></p> <p>A Member is responsible for all trades done through it. A corporate Member is responsible for the conduct and execution of trades by its Approved Traders and Registered Representatives and shall monitor and ensure that its Approved Traders and Registered Representatives comply with this Rules. For the avoidance of doubt, the Exchange retains disciplinary and supervisory authority over Approved Traders and Registered Representatives as contemplated in this Rules and applicable laws.</p> |
| 2.13.9 | <p><u>2.13.9 Registration Form</u></p> <p>A Member shall submit an application to register a person as an Approved Trader or a Registered Representative in such form as the Exchange may prescribe from time to time. The Exchange may require from the Member or the prospective Approved Trader or Registered Representative such information, and may institute such investigation to verify information submitted by the Member or the prospective Approved Trader or Registered Representative, as it deems necessary. Registration as an Approved Trader or a Registered Representative of the Member takes effect upon the grant of approval by the Exchange.</p> |
| 2.15 | <p>2.15 RESIGNATION, SUSPENSION AND TERMINATION OF MEMBERS</p> <p><u>2.15.1 Member's Suspension or Resignation</u></p> <p>The following requirements apply in relation to a Member's suspension or resignation:</p> <p>(a) a Member may request the Exchange to temporarily suspend its Membership. A Member shall provide reasons for its request for voluntary suspension. For the avoidance of doubt, an individual Trading Member shall, in all cases, make a request to the Exchange to suspend his Membership, if he intends to act as an Approved Trader for a corporate Trading Member. The Exchange may grant to the requesting Member a temporary suspension of up to twenty-four (24) months, upon such terms and conditions as the Exchange deems fit;</p> |

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| | <p>(b) a Member may cease to be a Member by virtue of giving the Exchange written notice of its wish to resign from Membership (a "Resignation Notice");</p> <p>(c) a Member which gives the Exchange a Resignation Notice must provide the Exchange with such information concerning the circumstances of the resignation as, in the opinion of the Exchange, is necessary for the Exchange to determine whether:</p> <ul style="list-style-type: none"> (i) to accept the resignation; (ii) to postpone the effective date of the resignation; or (iii) without prejudice to the courses of action available to the Exchange under subparagraphs (i) and (ii) above, any other measures should be taken by the Exchange before or after the resignation takes effect; <p>and</p> <p>(d) notwithstanding anything to the contrary herein, the Exchange may, in its absolute discretion, refuse to accept a Resignation Notice given by a Member or may postpone the effective date if it considers it necessary for the protection of Customers, or otherwise in the interests of the Markets. If the Exchange does so, the Exchange may waive the Member's liability for some or all Exchange fees, levies and charges arising in respect of the period following the date on which its Resignation Notice would otherwise have taken effect.</p> |
| 2.15.2 | <p>2.15.2 <u>Summary Powers of Suspension of Trading Privileges of Members</u></p> <p>Notwithstanding and without prejudice to the powers of the Appeals Committee and the Disciplinary Committee, the Exchange may suspend in whole or in part a Member's trading privileges for up to a period of one (1) year upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (a) a Member's failure to pay any fees, levies or charges as contemplated under Rule 2.12; (b) a Member's application for Membership contains material errors or omissions or is misleading in a material respect; (c) a Member fails to satisfy the Exchange that it meets such financial requirements, licensing, risk management or other material obligations as required under this Rules or by the Exchange from time to time; or (d) if, in the Exchange's opinion, it is necessary or desirable to protect the financial integrity, reputation or interest of the Markets or to promote the operation of a fair, orderly and transparent market. |
| 2.15.3 | <p>2.15.3 <u>Termination of Membership.</u></p> <p>The Exchange shall have the power to terminate any Membership upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (a) upon the death, mental incapacity, bankruptcy or filing of a bankruptcy petition by any individual Trading Member; (b) if a corporate Member becomes insolvent or calls a meeting of its creditors, or |

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| | <p>enters into an arrangement or composition under insolvency laws or suffers winding up, dissolution or other similar event;</p> <p>(c) revocation of a licence by MAS the Relevant Regulatory Authority with respect to the Member's engagement in any relevant regulated activity;</p> <p>(d) in the case of a Bank Trading Member, revocation of its licence under the Banking Act or removal of its exemption from holding a CMS licence under the Act.</p> |
| 2.15.4 | <p>2.15.4 <u>Effect of Suspension or Termination</u></p> <p>In the event of suspension or termination of trading privileges, the Exchange may direct the affected Member to Close Out any Open Positions or take such other steps that the Exchange deems fit for the protection of Customers or the maintenance of a fair, orderly and transparent market. The affected Member shall cooperate fully with the Exchange with respect to such directions. A suspension or termination of trading privileges does not in any way affect the liabilities of the Member to the Exchange and other Members and all such liabilities shall subsist until satisfied or discharged.</p> |
| 2.15.5 | <p>2.15.5 <u>Accrued Obligations Survive</u></p> <p>A Member which ceases to be a Member shall remain subject to this Rules and to the jurisdiction of the Exchange in respect of acts and omissions while it was a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the application of any Sanction imposed) as if it was a Member.</p> |
| 2.15.6 | <p>2.15.6 <u>Exchange to Inform Clearing House</u></p> <p>The Exchange shall promptly inform the Clearing House of the resignation, termination or suspension, as well as of the lifting of such suspension, of the Membership of any Member.</p> |
| 3.2 | <p>3.2 Duties Applicable to All Members, Approved Traders and Registered Representatives</p> <p>3.2.1 <u>General Duties of Integrity, Fair Dealing and Care</u></p> <p>When trading on the Markets, Members, Approved Traders and Registered Representatives are required to:</p> <p>(a) observe high standards of integrity, market conduct and fair dealing;</p> <p>(b) act with due skill, care and diligence; and</p> <p>(c) refrain from any act or course of conduct which is likely to harm the reputation of the Markets or any Members.</p> |
| 3.2.2 | <p>3.2.2 <u>Constitutive Documents</u></p> <p>A corporate Member shall ensure that its memorandum and articles of association or its constitutive documents conform to this Rules so as to enable that Member to perform the obligations, terms and covenants contemplated in this Rules. A corporate Member shall amend its memorandum and articles of association or its constitutive documents to the extent necessary to ensure consistency with this Rule 3.2.2.</p> |

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| 3.2.3 | <p data-bbox="412 247 1047 275"><u>3.2.3 Reporting of Change in Member's Circumstances</u></p> <p data-bbox="501 302 1443 359">Without prejudice to Rule 2.14.1, a Member shall immediately inform the Exchange in writing of:</p> <ul style="list-style-type: none"> <li data-bbox="501 386 1443 443">(a) any material change to the information submitted in its application for Membership; or <li data-bbox="501 470 1443 583">(b) any facts or circumstances which may change the legal form or organisation of the Member or its trading activities on the Markets, including (without limitation) any consolidation, re-organisation, merger, change of name, Change of Control or similar event. |
| 3.2.4 | <p data-bbox="412 623 959 651"><u>3.2.4 Other Reporting Obligations of Members.</u></p> <p data-bbox="501 678 1443 762">A Member shall inform the Exchange in writing immediately if the Member, or any of its Approved Traders, Registered Representatives, directors, officers or employees, as the case may be:</p> <ul style="list-style-type: none"> <li data-bbox="501 789 1443 846">(a) breaches any provisions of the Act, this Rules or any applicable laws (foreign or local) governing the Member's activities; <li data-bbox="501 873 1443 966">(b) breaches any rules of any other exchange or market (foreign or local) which has jurisdiction over the activities of the Member, its Approved Traders, Registered Representatives, directors, officers or employees; <li data-bbox="501 993 1443 1050">(c) breaches any provision involving fraud or dishonesty, whether in or out of Singapore; <li data-bbox="501 1077 1443 1113">(d) breaches any director's duties as contemplated under common law or otherwise; <li data-bbox="501 1140 1443 1197">(e) is the subject of a written complaint or investigation involving an allegation of fraud or dishonesty, whether in or out of Singapore; <li data-bbox="501 1224 1443 1316">(f) is the subject of any disciplinary action taken by the Member involving suspension, termination, withholding of commissions, fines or any other significant limitation of activities; <li data-bbox="501 1344 1443 1436">(g) engages in conduct that has the effect of circumventing the Act, <u>other relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities</u> or this Rules; <li data-bbox="501 1463 1443 1520">(h) engages in conduct which is inconsistent with the principles of good business practice; <li data-bbox="501 1547 1443 1604">(i) engages in conduct which is detrimental to the financial integrity, reputation or interests of the Exchange or the Markets; or <li data-bbox="501 1631 1443 1667">(j) is insolvent, or is the subject of bankruptcy or winding up proceedings. <p data-bbox="501 1694 1443 1751">The reporting obligations under this Rule 3.2.4 apply whenever any of the abovementioned events occurs, or threatens to occur.</p> |
| 3.2.5 | <p data-bbox="412 1799 976 1827"><u>3.2.5 Prohibitions on Conduct of Other Business</u></p> <p data-bbox="501 1854 1443 1906">A Member may carry on its business on any market, unless the carrying-on of such business on such market has been prohibited by the Exchange. The Member shall</p> |

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| | fully comply with the prevailing constitution, rules, by-laws, regulations, customs and practices of such other markets. |
| 3.2.6 | <p>3.2.6 <u>Settlement of Margins Due</u></p> <p>A Trading Member shall promptly settle all margin liabilities owed to its sponsoring Clearing Member.</p> |
| 3.2.7 | <p>3.2.7 <u>Speculative Long and Short Positions for the Same Contract Month</u></p> <p>A Member shall not be permitted to carry a speculative long position and a speculative short position for the same legal and beneficial owner in the same Contract for the same Contract Month.</p> |
| 3.2.8 | <p>3.2.8 <u>Advertising Guidelines</u></p> <p>A Member, Approved Trader and Registered Representative shall ensure that any advertising, market letters or similar information that they issue, in the form and context in which such advertisements, market letters or similar information appear or are used:</p> <ul style="list-style-type: none"> (a) shall be true to the best of their knowledge and belief; (b) shall make no promise with respect to profits, always indicating the possibility of losses if profits are mentioned; (c) shall not misrepresent their Membership, registration, or the privileges which they enjoy under this Rules, in relation to the Exchange; and (d) shall not misrepresent any authorisation, licence or permission which they possess from, or any registration with, the appropriate regulatory body. <p>If the Exchange finds any advertising, market letters or similar information issued by a Member, Approved Trader or Registered Representative to be in contravention of this Rule 3.2.8, it may require all such prospective advertising, market letters or similar information issued by that Member, Approved Trader or Registered Representative to be submitted to the Exchange for approval prior to release.</p> <p><u>A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall not direct any advertising, market letters or similar information to deal in securities or Futures Contracts on the Exchange to customers domiciled in Singapore or to the extent that it may be acted upon by persons in Singapore.</u></p> |
| 3.3 | <p>3.3 DUTIES OF MEMBERS UNDERTAKING AGENCY TRADES</p> <p>A Member which undertakes Agency Trades shall comply with the following additional obligations.</p> <p>3.3.1 <u>Customer Account and Know-Your-Customer Requirements</u></p> <p>A Customer Account shall be identified and designated by the full name of the Customer and an account code. Prior to opening a Customer Account, a Member shall satisfy itself that it has:</p> <ul style="list-style-type: none"> (a) obtained key particulars relating to the Customer (and any person authorised to trade for the Customer); |

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| | <p>(b) verified the identity of the Customer and that the Customer has requisite authority to open the account; and</p> <p>(c) understood the Customer's risk appetite and investment objectives, in a manner consistent with industry best practices on know-your-customer requirements.</p> |
| 3.3.2 | <p>3.3.2 <u>Management Approval Required for Opening Customer Accounts</u></p> <p>At least one (1) management staff, or a management staff of a Related Corporation of that Member charged with the account approval function, is required to approve the opening of a Customer Account. Such management staff shall be independent of the Member's sales and dealing functions. The management staff's approval shall be in writing, maintained as a permanent record and obtained prior to the execution of the first trade of the Customer in that account.</p> |
| 3.3.3 | <p>3.3.3 <u>Risk Disclosure Statement</u></p> <p><u>(a)</u> A Member shall obtain a written acknowledgement from its Customer, in the form contemplated under the Act, that the Customer is aware of the risks associated with trading in <u>Contracts</u>.</p> <p><u>(b)</u> In the case of a Bank Trading Member, the <u>The</u> written acknowledgement shall:</p> <p><u>(i)</u> in the case of a General Trading Member that holds a licence to engage in a Regulated Activity, contain such requirements as contemplated under the Act;</p> <p><u>(ii)</u> in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), contain such requirements as may be prescribed by the Relevant Regulatory Authority. The General Trading Member shall immediately notify the Exchange on any changes to such requirements. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements; and</p> <p><u>(iii)</u> in the case of a Bank Trading Member, contain such requirements as contemplated under the Act and include an acknowledgement by the Customer that the Investor Compensation Scheme contemplated under Part XI of the Act does not apply in relation to the Bank Trading Member.</p> |
| 3.3.4 | <p>3.3.4 <u>Customer Instructions and Power of Attorney</u></p> <p>A Member shall execute orders only upon receipt of instructions from a Customer which has opened accounts with the Member. Unless otherwise authorised by a Customer, the Member shall communicate solely with that Customer in respect of statements, contract notes, or any other information relating to the activities of that Customer. The Member shall obtain a power of attorney or proper written authorisation from its Customer before:</p> <p>(a) accepting orders from a third party to trade in that Customer Account; or</p> <p>(b) allowing a third party to collect monies, assets, contract notes, cheques or statements on that Customer's behalf.</p> |

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| 3.3.5 | <p>3.3.5 <u>Customer Education</u></p> <p>Save for Accredited Investors, a Member shall provide its on-line Customers with adequate information, guidance and training with respect to the following matters:</p> <p>(a) potential limitations and risks of on-line trading;</p> <p>(b) prohibited trading practices;</p> <p>(c) system functionalities and order management procedures; and</p> <p>(d) Contract Specifications.</p> <p>With respect to Accredited Investors, a Member's obligation relates solely to the provision of adequate information, guidance and training in relation to prohibited trading practices.</p> |
| 3.3.6 | <p>3.3.6 <u>Orders Only Via Registered Representatives</u></p> <p>Other than orders made on-line by Customers, a Member may only accept orders on behalf of Customers through its Registered Representatives.</p> |
| 3.3.7 | <p>3.3.7 <u>Accepting Orders without Executing</u></p> <p>A Member or a Registered Representative shall not accept orders from a Customer for contracts without causing such orders to be executed on the relevant markets and in accordance with the rules applicable to such markets. An Approved Trader shall execute such orders in accordance with the rules applicable to such markets.</p> |
| 3.3.8 | <p>3.3.8 <u>Recording of Orders.</u></p> <p><u>(a) Unless an order or amendment or cancellation of an order is immediately entered by an Approved Trader into the OMS or such other electronic facility or automated trading system that facilitates trading on markets, as the case may be, a Registered Representative shall immediately record such order, amendment or cancellation.</u></p> <p><u>(b) The order, amendment or cancellation shall be recorded:</u></p> <p><u>(i) in the case of a General Trading Member that holds a licence to engage in a Regulated Activity and a Bank Trading Member, on an Order Form. "Order Form" as used herein refers to an order form that is dated, time-stamped and contains such information as required under Regulation 39(3) of the Conduct of Business Regulations and other information as prescribed by the Exchange; and</u></p> <p><u>(ii) in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), in the manner prescribed by the Relevant Regulatory Authority. The General Trading Member shall immediately notify the Exchange on any changes to such requirements. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.</u></p> |
| 3.3.9 | <p>3.3.9 <u>Customer's Statement of Account and Contract Note.</u></p> <p><u>(a) A Member is required to shall issue statements of account and contract notes to its Customers.</u></p> |

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| | <p><u>(b) The issuance of statements of account and contract notes shall:</u></p> <p><u>(i) in the case of a General Trading Member that holds a licence to engage in a Regulated Activity and a Bank Trading Member, observe comply with the applicable provisions including provisions relating to a Customer's statement of account and contract note in electronic form, as required under the Conduct of Business Regulations. With respect to the issuance of a statement of account or contract note in an electronic form, a Member shall obtain the Customer's prior revocable and informed consent and retain evidence of such Customer's consent. Informed consent refers to a Customer being apprised of the manner of delivery and retrieval of the electronic record and any costs incurred in connection therewith;</u></p> <p><u>(ii) in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), comply with such requirements as prescribed by the Relevant Regulatory Authority, including requirements relating to a customer's statement of account or contract note in electronic form. The General Trading Member shall immediately notify the Exchange on any changes to such requirements. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.</u></p> <p><u>(c) At the request of the Exchange, a Member shall produce for inspection the contract note in substantially the same form and containing the same information as was provided to the Customer. With respect to the issuance of a statement of account or contract note in an electronic form, a Member shall obtain the Customer's prior revocable and informed consent and retain evidence of such Customer's consent. Informed consent refers to a Customer being apprised of the manner of delivery and retrieval of the electronic record and any costs incurred in connection therewith.</u></p> |
| 3.3.10 | <p>3.3.10 <u>Segregation of Customers' Monies and Assets and Fiduciary Obligations.</u></p> <p><u>Subject to Rule 3.3.10(b)(ii), the The following requirements apply in relation to a Member's fiduciary obligations to its Customers:</u></p> <p>(a) a Member shall discharge its fiduciary obligations to its Customers by:</p> <p>(i) segregating Customers' monies and assets from the Member's monies and assets;</p> <p>(ii) depositing Customers' monies and assets in trust or custody accounts; and</p> <p>(iii) separately accounting for the monies and assets of each Customer;<u>;</u></p> <p>and</p> <p>(b) a Member shall comply with <u>all the following</u> segregation requirements:</p> <p><u>(i) in the case of a General Trading Member that holds a licence to engage in a Regulated Activity and a Bank Trading Member, all segregation requirements</u> under the Act and the Conduct of Business Regulations. Except as allowed under those Regulations, <u>a the</u> Member is prohibited from depositing or co-mingling <u>its the Member's</u> own monies and assets with its Customers' monies and assets;<u>;</u> <u>and</u></p> |

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| | <p><u>(ii) in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), such segregation requirements as prescribed by the Relevant Regulatory Authority. The General Trading Member shall immediately notify the Exchange on any changes to such requirements. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.</u></p> <p>“Customer” as used in this Rule 3.3.10 <u>in relation to a General Trading Member that holds a licence to engage in a Regulated Activity and a Bank Trading Member</u> does not include: (a) a director, officer, employee, Approved Trader or Registered Representative of the Member; or (b) a Related Corporation of the Member with respect to an account belonging to and maintained wholly for the benefit of that Related Corporation.</p> |
| 3.3.11 | <p>3.3.11 <u>Trading or Accepting Customer's Monies or Assets After Insolvency</u></p> <p>Unless otherwise approved by the Exchange, a Member shall not trade, accept any Customer's monies or assets, or solicit any new orders after the Member's insolvency.</p> |
| 3.3.12 | <p>3.3.12 <u>Customer Margins.</u></p> <p>Margins payable by a Clearing Member to the Clearing House shall be governed by the Clearing Rules. For margins applicable to Customers, margin calls and related matters, the following requirements apply:</p> <p>(a) a Member shall procure Initial Margins from its Customers, and ensure that its Customers comply with Maintenance Margins for such amounts as required by the Clearing House. "Initial Margins" refers to the minimum amount required to be deposited by Customers with a Member for each: (i) open Contract as prescribed by the Clearing House; (ii) open contract traded on an exchange other than the Exchange, as prescribed by the relevant exchange or clearing house; or (iii) new over-the-counter spot trade as prescribed under Rule 3.3.13. "Maintenance Margins" refers to the minimum balance which shall be maintained in a Customer Account subsequent to the deposit of the Initial Margins for that Customer's (i) Open Positions in Contracts as prescribed by the Clearing House, (ii) Open Positions in contracts traded on exchanges other than the Exchange as prescribed by the relevant exchanges or clearing houses; and (iii) unsettled over-the-counter spot trades as prescribed under Rule 3.3.13;</p> <p>(b) <u>subject to Rule 3.3.12(ba) and (bb)</u>, a Member may accept cash, government securities, common stocks, bank certificates of deposit, bank guarantees, bank letters of credit, gold bars, gold certificates and such other instruments as the Clearing House permits from its Customer for meeting the Customer's Initial Margins and Maintenance Margins requirements. Valuation of such instruments shall be in accordance with procedures specified by the Clearing House on the Exchange's website.</p> <p><u>(ba) a General Trading Member that holds a licence to engage in a Regulated Activity and a Bank Trading Member shall not accept the</u> The following are not acceptable forms of margins under this Rule:</p> <p>(i) bank guarantees or letters of credit issued by a Customer, or a Customer's Related Corporation, which is a bank, for trades incurred in that Customer Account;</p> <p>(ii) bank guarantees and letters of credit other than those issued by a bank that holds a valid licence and operates in Singapore under the Banking</p> |

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| | <p>Act (Cap. 19); and</p> <p>(iii) currency and financial instruments denominated in currencies which are subject to exchange controls such that they are illegal tender outside the currency's home country, or are restricted by any form of capital controls;</p> <p><u>(bb) a General Trading Member that holds a licence specified in Rule 2.4.1(b) shall not accept margins in the form of bank guarantees or letters of credit issued by a Customer, or a Customer's Related Corporation, which is a bank, for trades incurred in that Customer Account;</u></p> <p>(c) except for trades which reduce the Customer's Maintenance Margins requirements, a Member shall not allow a Customer to incur any new trade, unless:</p> <p>(i) the minimum Initial Margins for the new trade are deposited or are forthcoming within a reasonable period from the trade date; and</p> <p>(ii) the Customer's Total Net Equity complies with the Maintenance Margins for its existing Open Positions and unsettled over-the-counter spot trades or additional margins to be posted pursuant to Rule 3.3.12(e) are forthcoming within a reasonable period from the trade date.</p> <p>For settlement currency denominated in Japanese Yen, 'reasonable period'-in this Rule 3.3.12(c) means a period which shall not exceed three (3) Trading Days from the trade date (T+3). For all other settlement currencies, it means a period which shall not exceed two (2) Trading Days from the trade date (T+2);</p> <p>(d) Excess Margins on all Open Positions and unsettled over-the-counter spot trades of a Customer may be utilised by a Member as Initial Margins on a new position of the same Customer. "Excess Margins" refers to credits in excess of Initial Margins;</p> <p>(e) a Member shall call for additional margins from a Customer if at any time the Customer's Total Net Equity falls below the Maintenance Margins. Such additional margins posted should be sufficient to bring the relevant account up to the Initial Margins level within a reasonable period. Nothing herein prohibits a Member from making a call for additional margins or imposing a stricter settlement period as it sees fit.</p> <p>For settlement currency denominated in Japanese Yen, 'reasonable period' in this Rule 3.3.12(e) means a period which shall not exceed three (3) Trading Days from the date that the Customer's Total Net Equity falls below the Maintenance Margins. For all other settlement currencies, it means a period which shall not exceed two (2) Trading Days from the trade date that the Customer's total Net Equity fall below the Maintenance Margins;</p> <p>(f) if a Member is unable to contact a Customer, a written notice sent to the Customer at the most recent address furnished by the Customer to the Member shall be deemed sufficient;</p> <p>(g) in the event of a Member's failure to obtain margins from the relevant Customers as required under this Rule, a Member may take such necessary actions to rectify the deficiency as it sees fit. The Exchange may also order such Member to immediately Close Out all or such part of the positions of such</p> |

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| | <p>Customers on its books so as to rectify the deficiency; and</p> <p>(h) a Member shall comply with such requirements on the computation and monitoring of a Customer's margins as the Exchange may prescribe.</p> |
| 3.3.13 | <p>3.3.13 <u>Margins for Over-the-Counter Spot Trades</u></p> <p>A Member shall collect margins for over-the-counter spot trades in Loco-London and foreign currency contracts from the Customer and the direct buying or selling counterparty. No margins need to be collected from a Customer or a counterparty if it is a corporate Member, a bank in Singapore or any of its overseas branches or a merchant bank in Singapore. The margins required to be collected shall not be less than:</p> <p>(a) the minimum margins prescribed by the Clearing House for a Futures Contract equivalent to the over-the-counter spot trade concerned;</p> <p>(b) the minimum margins prescribed by those exchanges or clearing houses where the equivalent futures contracts are being traded, if the over-the-counter spot trade has no equivalent Futures Contracts; or</p> <p>(c) 4% for Initial Margins and 3% for Maintenance Margins of the underlying contract value, if the over-the-counter spot trade has no equivalent futures contracts being traded on the Exchange and any other exchange.</p> |
| 3.3.14 | <p>3.3.14 <u>Inter-Exchange Cross Margining.</u></p> <p>Notwithstanding Rule 3.3.12, a Member may grant margin credit at a rate not exceeding that which is prescribed by the Clearing House, to a Customer which holds long and short positions on futures contracts (on the same underlying) which are traded on the Exchange and another exchange, to the extent that the risk on the position in one (1) exchange is set-off against another ("Inter-exchange Cross Margining") if the following conditions are satisfied:</p> <p>(a) the risk-offsetting positions relate to contracts prescribed by the Clearing House as eligible for inter-exchange cross margining;</p> <p>(b) the Member ensures that the risk-offsetting positions are carried in Customer Accounts in which the same Customer is the legal and beneficial owner;</p> <p>(c) the Member provides for the right of set-off in respect of the Customer's positions with the Clearing House and any other relevant clearing house in its contractual agreements with that Customer;</p> <p>(d) the Member, <u>except for a General Trading Member that holds a licence specified in Rule 2.4.1(b)</u>, continues to calculate the Counterparty Risk Requirement for each counterparty exposure to the Customer as if margin credit had not been granted;</p> <p>(e) the Member continues to maintain adequate liquidity facilities (bank lines and cash balances) to fund the gross margin payable to the Clearing House and any other relevant clearing houses;</p> <p>(f) the Member imposes a limit on the amount of margin credit granted to the Customer which should not exceed 20% of the Member's:</p> <p><u>(i) Free Financial Resources; or</u></p> |

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| | <p data-bbox="565 243 1456 331"><u>(ii)</u> <u>Net Liquid Capital, in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b) in respect of Contracts traded on the Exchange;</u></p> <p data-bbox="505 363 1456 533">(g) the Member has proper internal controls and risk management procedures*, to monitor the credit risk and liquidity risk arising from Inter-exchange Cross Margining. The Exchange reserves the right to impose additional conditions or disallow a Member from offering Inter-exchange Cross Margining if it is not satisfied with the internal controls and risk management procedures of the Member requesting Inter-exchange Cross Margining; and</p> <p data-bbox="505 564 1456 646">(h) the Member notifies the Exchange, prior to offering Inter-exchange Cross Margining to its Customers, that it has complied and will continue to comply with the conditions set forth herein.</p> <p data-bbox="505 678 1456 737">For the avoidance of doubt, Inter-exchange Cross Margining is not allowed for positions carried in Customer Accounts opened with different Members.</p> |
| 3.3.15 | <p data-bbox="412 762 1456 793">3.3.15 <u>Transfer of Error Trades to House Account</u></p> <p data-bbox="505 825 1456 856">The following requirements apply in relation to the transfer of error trades:</p> <p data-bbox="505 888 1456 970">(a) if a Member commits an execution error (other than an error in price), the Member shall duly transfer the error trade out from the Customer Account to the Member's House Account;</p> <p data-bbox="505 1001 1456 1255">(b) if a Member commits an execution error in price such that the price executed is not in accordance with the Customer's instruction, the Member may, after reaching an agreement with the Customer, resolve the error by compensating the Customer through cash or credit adjustment to the Customer Account. However, in a situation where the Customer does not accept cash or credit adjustment but requests the Member to abide by the instructed price, the Member may accede to the request provided that it discloses to the Customer the details of the trade execution error in the contract note issued to the Customer. These details shall include:</p> <p data-bbox="565 1287 1456 1318">(i) the price that the Member has confirmed to the Customer; and</p> <p data-bbox="565 1350 1456 1381">(ii) the actual price at which the trade is executed;</p> <p data-bbox="565 1413 1456 1444">and</p> <p data-bbox="505 1476 1456 1644">(c) the Member shall maintain proper records to document the details of the error trade, and the review and approval process by its authorised personnel. The Member shall submit to the Exchange on the first Business Day of each week, details of all execution errors in price which occurred in the preceding week where its Customers did not accept cash or credit adjustments, in the form prescribed by the Exchange from time to time.</p> |
| 3.3.16 | <p data-bbox="412 1665 1456 1696">3.3.16 <u>Transfer of Unsuccessful Give-Up Trades to House Account</u></p> <p data-bbox="505 1728 1456 1890">A Member may enter into a give-up arrangement with a Customer and an accepting Clearing Member, provided that such arrangement is supported by a duly executed give-up agreement. If an executed trade is not successfully given up to and accepted by the accepting Clearing Member by the end of the Trading Day following the trade date (T+1), the Member shall transfer the give-up trade to a designated account meant for unsuccessful give-up trades. This designated account shall be a House</p> |

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| | Account. The Member shall conduct regular reviews and take action to clear the designated account. |
| 3.3.16A | <p>3.3.16A <u>Separate Accounts</u></p> <p>A Member must maintain separate accounts for each Person whose account is carried on the books of the Member.</p> |
| 3.3.17 | <p>3.3.17 <u>Reporting of Account Identity</u></p> <p>A Member shall submit to the Clearing House, in the manner as prescribed from time to time, the identities of the owners or controlling parties of 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 this Rules as prescribed by the Clearing House</p> <p>"Customer Account" as used in this Rule 3.3.17 does not include an account owned by: (a) a director, officer, employee, Approved Trader or Registered Representative of the Member; or (b) a Related Corporation of the Member with respect to an account belonging to and maintained wholly for the benefit of that Related Corporation. "House Account" as used in this Rule 3.3.17, is an account which is not a Customer Account as defined in this Rule 3.3.17.</p> |
| 3.3.18 | <p>3.3.18 <u>Reporting of Open Positions</u></p> <p>The following requirements apply in relation to the reporting of Open Positions:</p> <p>(a) a Member shall submit to the Exchange a daily report of Open Positions. Such report shall be in such form as the Exchange may prescribe from time to time*; and</p> <p>(b) upon request by the Exchange, a Member shall obtain the information required by this Rule regarding the ownership and control of Open Positions within any Omnibus Account and any sub-account of any Omnibus Account. However, if the Omnibus Account holder does not want the identity of any sub-account holder to be disclosed to its carrying Member, the Omnibus Account holder may apply to the Exchange for a special identification for the sub-account thereof, for reporting Open Positions covered within this Rule through its carrying Member.</p> |
| 3.3.19 | <p>3.3.19 <u>Omnibus Accounts</u></p> <p>A Member may carry Omnibus Accounts subject to such requirements and procedures as the Exchange may prescribe from time to time.</p> |
| 3.3.20 | <p>3.3.20 <u>Limits on Omnibus Accounts</u></p> <p>The Exchange may place limitations on a Member carrying Omnibus Accounts depending on:</p> <p>(a) the number of Omnibus Accounts carried and volume of business of the Member; and</p> <p>(b) the financial condition of the Member and the Omnibus Account holders in light of requirements or standards determined by the Exchange. A Member that</p> |

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| | <p>carries Omnibus Accounts shall ensure that the Omnibus Accounts are operated at all times in accordance with this Rules including the relevant rules on position limits and shall, without prejudice to any other liability it may incur, indemnify the Exchange in relation to any claim referable to such violation.</p> |
| 3.3.21 | <p>3.3.21 <u>Disclosures Relating to Omnibus Accounts</u></p> <p>An Omnibus Account holder shall at all times disclose to the Member carrying that account the gross long and short positions held in that Omnibus Account in each contract. Such Member shall immediately notify the Exchange and shall promptly comply with all orders of the Exchange if the Omnibus Account holder fails to make such disclosure. A Member that carries Omnibus Accounts shall ensure that its Omnibus Account holders are aware of this Rule.</p> |
| 3.3.22 | <p>3.3.22 <u>Audit Trail</u></p> <p>A Member shall be required to produce a complete audit trail of transactions, from the receipt of an order to its settlement, when so requested by the Exchange.</p> |
| 3.3.23 | <p>3.3.23 <u>Record Keeping</u></p> <p>A Member shall ensure that data and records are:</p> <ul style="list-style-type: none"> (a) made and kept in a way that is easily retrievable by authorised personnel; (b) kept for at least the minimum period required by <u>law the Securities and Futures Act, Securities and Futures Regulations, and, in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), any other relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities</u>; and (c) made available to the Exchange in a timely manner when requested. |
| 3.3.23A | <p>3.3.23A <u>Register of Securities</u></p> <p>The following requirements apply in relation to the maintenance of a register of securities for Members, Registered Representatives and Approved Traders executing Agency Trades, <u>except for General Trading Members that holds a licence specified in Rule 2.4.1(b) and their Registered Representatives and Approved Traders</u>, that deal in Contracts that are classified as securities under the Act:</p> <ul style="list-style-type: none"> (a) a Member, its Registered Representatives and Approved Traders executing Agency Trades shall maintain a register of securities in accordance with the SFA; (b) if asked by the Exchange, a Member, its Registered Representatives and Approved Traders executing Agency Trades shall produce the register for inspection; and (c) a Member, its Registered Representatives and Approved Traders executing Agency Trades shall permit the Exchange to take extracts of the register. |
| 3.3.24 | <p>3.3.24 <u>IT and Data Security Requirements</u></p> <p>A Member shall comply with all information technology and data security requirements the Exchange may prescribe from time to time including installing measures to prevent tampering of data and records.</p> |

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| 3.3.25 | <p>3.3.25 <u>ID Tags and Passwords</u></p> <p>A Member shall issue unique identification tags and passwords to Customers and Approved Traders which have access to QUEST through that Member.</p> |
| 3.3.26 | <p>3.3.26 <u>Computations of Financial and Capital Requirements</u></p> <p>A Member shall make and keep as a record, formal computations of its financial and capital requirements. The computations shall be in such form as the Exchange may prescribe and be submitted to the Exchange within such time as stipulated by the Exchange.</p> |
| 3.3.27 | <p>3.3.27 <u>Submission of Financial Statements and Other Information to the Exchange</u></p> <p>The Exchange may at any time require a Member to submit to the Exchange financial statements or other information in such form and pertaining to such matters and within such time as stipulated by the Exchange. The Member shall thereafter comply with such directions as the Exchange may in its sole discretion issue.</p> |
| 3.3.28 | <p>3.3.28 <u>Certification by Auditor.</u></p> <p>The following requirements apply in relation to auditor certification of a Member's accounts:</p> <p>(a) a Member shall be required to furnish <u>financial information duly audited by an external auditor in the jurisdiction in which that Member is incorporated or registered</u> to the Exchange, within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Exchange, the <u>The Member shall submit the information in the following forms:</u></p> <p>(i) <u>in the case of a General Trading Member, the relevant forms which the Member it is required to lodge with its Relevant Regulatory Authority, translated into English, and such other forms as prescribed by the Exchange under Rule 3.3.27 under the Act or,; and</u></p> <p>(ii) <u>in the case of a Bank Trading Member, as prescribed by the Exchange under Rule 3.3.27 and the accounts duly audited by an external auditor in the jurisdiction in which that Member is incorporated or registered;</u></p> <p>(b) the external auditor shall certify whether, in its opinion:</p> <p>(i) the Member has complied with the capital and financial requirements set out in the Act <u>or the relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities,</u> and this Rules;</p> <p>(ii) the 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 <u>relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities or</u> the Act, and this Rules;</p> <p>(iii) the financial position of the Member is such as to enable it to conduct its business or, in the case of a Bank Trading Member, 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> |

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| | <p>(iv) the external auditor has obtained all the necessary information and explanations for the proper conduct of the audit and to enable it to furnish the certificate.</p> |
| 3.3.29 | <p>3.3.29 <u>Reporting Obligations of Auditors</u></p> <p>A Member shall cause the external auditor referred to in Rule 3.3.28 to immediately report to the Exchange if:</p> <p>(a) the external auditor becomes aware of any matter which in its opinion adversely affects or may adversely affect the financial position of the Member to a material extent;</p> <p>(b) the external auditor becomes aware of any matter which in its opinion constitutes or may constitute a contravention of any provision of the Act, <u>relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities</u> or this Rules, or an offence involving fraud or dishonesty;</p> <p>(c) the external auditor becomes aware of any irregularity which in its opinion has or may have a material effect on the accounts, including irregularities that jeopardise the monies or other assets of any Customer; or</p> <p>(d) in the external auditor's opinion, the accounting system, internal accounting control and procedures for safeguarding monies or other assets are inadequate and the inadequacies have a material effect on the accounts.</p> |
| 3.3.30 | <p>3.3.30 <u>Change of Auditors.</u></p> <p>(a) A General Trading Member <u>that holds a licence to engage in a Regulated Activity</u> shall obtain the prior written approval of the Exchange in the event of any change of its existing external auditor.</p> <p>(b) A Bank Trading Member shall notify the Exchange at least seven (7) days prior to any change of its existing external auditor.</p> <p><u>(c) A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall notify the Exchange at least seven (7) days prior to any change of its existing external auditor. The General Trading Member shall appoint external auditors that are accepted by its Relevant Regulatory Authority.</u></p> <p><u>(d) If the Exchange is not satisfied with the performance of duties by an external auditor appointed by a Member In relation to the Trading Member's activities on the Exchange, it may:</u></p> <p><u>(i) at any time direct the Member to remove the external auditor; and</u></p> <p><u>(ii) direct the holder, as soon as practicable thereafter, to appoint another external auditor.</u></p> |
| 3.3.31 | <p>3.3.31 <u>Prohibition Against General Trading Member Acting as Guarantor</u></p> <p>Unless approved by the Exchange, a General Trading Member <u>that holds a licence to engage in a Regulated Activity</u> and its Foreign Branches shall not act as guarantors or furnish a guarantee for the benefit of any Person, including a Related Corporation of such Member. For the avoidance of doubt, this prohibition does not apply to a Clearing Member's obligation to guarantee all trades to the Clearing House.</p> |

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| | <p>A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall notify the Exchange immediately if it acts as guarantors or furnish a guarantee for the benefit of any Person, including a Related Corporation of such Member and such activity has or may have a financial or capital impact on the Trading Member and required to be reported to the Relevant Regulatory Authority.</p> | | | | |
| 3.3.32 | <p>3.3.32 <u>Foreign Branch of General Trading Member</u></p> <p>A General Trading Member licensed under the Act shall satisfy the following requirements prior to opening an overseas branch (the "Foreign Branch") and on a continuous basis:</p> <ul style="list-style-type: none"> (a) maintain \$500,000 per branch as the Secondary Requirement of the Operational Risk Requirement. "Secondary Requirement" and "Operational Risk Requirement" shall have the meanings ascribed to them under the Financial and Margin Regulations; (b) procure approvals from MAS and the Exchange to operate a Foreign Branch; (c) procure approvals from the primary regulator in the country where the Foreign Branch is located and furnish written documentation of such approval to the Exchange; (d) where applicable, procure approvals from the primary regulator in the country where the General Trading Member or the General Trading Member's parent company is incorporated and furnish written documentation of such approval to the Exchange; (e) comply with this Rules and such other requirements as imposed by the Exchange on Foreign Branches from time to time; (f) ensure that the activities of the Foreign Branch fall within the Regulated Activities which the General Trading Member is authorised to conduct under its CMS Licence, subject to any prohibitions imposed by the Exchange under Rule 3.2.5; (g) submit an undertaking in the form prescribed by the Exchange whereby the General Trading Member provides assurances regarding the Foreign Branch's treatment of its Customer Accounts, Customers' funds, position limits and the Exchange's ability to audit and access the books and records of the Foreign Branch; and (h) conduct an internal audit at least once every twenty-four (24) months on the Foreign Branch. The General Trading Member shall submit a copy of the internal audit report to the Exchange within one (1) week of the General Trading Member being provided with the same. | | | | |
| 3.3.33 | <p>3.3.33 Application of Rule 3.3</p> <p>The following Rules shall not apply to a Trading Member that holds a licence specified in Rule 2.4.1(b).</p> <table border="1" data-bbox="558 1772 963 1881"> <thead> <tr> <th data-bbox="558 1772 743 1799">Rule</th> <th data-bbox="743 1772 963 1799">Heading</th> </tr> </thead> <tbody> <tr> <td data-bbox="558 1799 743 1881">3.3.1</td> <td data-bbox="743 1799 963 1881">Customer Account and Know-Your-</td> </tr> </tbody> </table> | Rule | Heading | 3.3.1 | Customer Account and Know-Your- |
| Rule | Heading | | | | |
| 3.3.1 | Customer Account and Know-Your- | | | | |

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| | | <table border="1"> <tr> <td data-bbox="557 243 748 302"></td> <td data-bbox="748 243 963 302"><u>Customer Requirements</u></td> </tr> <tr> <td data-bbox="557 302 748 478"><u>3.3.2</u></td> <td data-bbox="748 302 963 478"><u>Management Approval Required for Opening Customer Accounts</u></td> </tr> <tr> <td data-bbox="557 478 748 592"><u>3.3.4</u></td> <td data-bbox="748 478 963 592"><u>Customer Instructions and Power of Attorney</u></td> </tr> <tr> <td data-bbox="557 592 748 651"><u>3.3.5</u></td> <td data-bbox="748 592 963 651"><u>Customer Education</u></td> </tr> <tr> <td data-bbox="557 651 748 739"><u>3.3.15</u></td> <td data-bbox="748 651 963 739"><u>Transfer of Error Trades to House Account</u></td> </tr> <tr> <td data-bbox="557 739 748 911"><u>3.3.31</u></td> <td data-bbox="748 739 963 911"><u>Prohibition Against General Trading Member Acting as Guarantor</u></td> </tr> </table> <p data-bbox="505 940 1430 1024"><u>A Trading Member that holds a licence specified in Rule 2.4.1(b) shall comply with such requirements established by the Relevant Regulatory Authority, if any, and principles of good business practice in relation to the areas set out in Rule 3.3.33.</u></p> | | <u>Customer Requirements</u> | <u>3.3.2</u> | <u>Management Approval Required for Opening Customer Accounts</u> | <u>3.3.4</u> | <u>Customer Instructions and Power of Attorney</u> | <u>3.3.5</u> | <u>Customer Education</u> | <u>3.3.15</u> | <u>Transfer of Error Trades to House Account</u> | <u>3.3.31</u> | <u>Prohibition Against General Trading Member Acting as Guarantor</u> |
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| <u>3.3.15</u> | <u>Transfer of Error Trades to House Account</u> | | | | | | | | | | | | | |
| <u>3.3.31</u> | <u>Prohibition Against General Trading Member Acting as Guarantor</u> | | | | | | | | | | | | | |
| 7.2.4 | <p data-bbox="410 1056 1446 1115"><u>7.2.4 Restriction of Activities of Members, Approved Traders or Registered Representatives.</u></p> <p data-bbox="505 1142 1446 1283">(1) Subject to Rule 7.2.4(2), the Exchange may restrict the activities of any Member or its Approved Traders or Registered Representatives if the Member or its Approved Traders or Registered Representatives are charged before the Disciplinary Committee for any Rule Violation, or charged in any court of law in relation to conduct which would constitute:</p> <ul style="list-style-type: none"> <li data-bbox="561 1314 1446 1398">(a) an offence under the Act <u>or relevant applicable laws and regulatory requirements relating to the regulation or business conduct of markets and licenced entities;</u> <li data-bbox="561 1430 1446 1488">(b) an offence involving fraud or dishonesty, whether in or out of Singapore; <li data-bbox="561 1520 1446 1545">(c) an offence relating to director's duties; or <li data-bbox="561 1577 1446 1635">(d) an offence under any relevant law or regulation which governs that Person's other business activities. <p data-bbox="561 1667 1446 1717">(2) Rule 7.2.4(1) shall only apply in relation to a Bank Trading Member to the extent of its Business Governed by this Rules.</p> | | | | | | | | | | | | | |
| <u>Rule 7.4.1</u> | <p data-bbox="410 1745 889 1770"><u>7.4.1 Commencement of Investigations</u></p> <p data-bbox="509 1808 1027 1833"><u>The Exchange may conduct an investigation if:</u></p> <ul style="list-style-type: none"> <li data-bbox="509 1871 1446 1896">(a) <u>the Exchange is satisfied that any Rule Violation or violation of any other</u> | | | | | | | | | | | | | |

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| | <p><u>relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities has been, or may have been committed;</u></p> <p>(b) <u>the Exchange receives a complaint involving any Member, Approved Trader or Registered Representative or any Member's director, officer, employee or agent;</u></p> <p>(c) <u>there is a dispute between Members, Approved Traders or Registered Representatives in connection with trading on any market; or</u></p> <p>(d) <u>in the Exchange's opinion, having regard to its obligation to maintain a fair, orderly and transparent market, the circumstances warrant an investigation.</u></p> |
| 7.6.1 | <p>7.6.1 <u>Jurisdiction of the Disciplinary Committee.</u> The Disciplinary Committee may hear any case in which it is alleged that a Member, Approved Trader or Registered Representative has:</p> <p>(a) committed any Rule Violation;</p> <p>(b) breached any other relevant foreign law or regulation which governs the business activities of that Member, Approved Trader or Registered Representative, whether in or out of Singapore;</p> <p>(c) any director who has breached his director's duties;</p> <p>(d) engaged in any conduct that has the effect of circumventing the Act, <u>relevant applicable laws and regulatory requirements relating to the regulation or business conduct of markets and licenced entities</u>, or this Rules;</p> <p>(e) engaged in any conduct which is inconsistent with just and equitable principles of trading; or</p> <p>(f) engaged in any conduct detrimental to the financial integrity, reputation or interests of the Exchange or Markets.</p> |
| Definition | <p>Adjusted Net Head Office Funds</p> <p>When used in reference to:-</p> <p>(a) a General Trading Member incorporated outside Singapore <u>that holds a licence to engage in a Regulated Activity</u>, shall bear the meaning ascribed thereto in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements); and</p> <p>(b) a Bank Trading Member incorporated outside Singapore which has satisfied the Net Head Office Funds requirement in Rule 2.5.2(c)(i), 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> <hr/> <p>Aggregate Resources</p> <p>When used in reference to:-</p> <p>(a) a Trading Member incorporated in Singapore which has satisfied Rule 2.5.2(b)(i) or Rule 2.5.2(c)(i) by meeting the Base Capital requirement, means its Financial Resources less its Total Risk Requirement;</p> <p>(b) Trading Member incorporated outside Singapore which has satisfied Rule 2.5.2(b)(i) or Rule 2.5.2(c)(i) by meeting the Net Head Office Funds requirement, means its</p> |

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| | <p>Adjusted Net Head Office Funds less its Total Risk Requirement; and</p> <p>(c) a Bank Trading Member incorporated outside Singapore which has satisfied Rule 2.5.2(c)(i) by means of cash and/or acceptable government securities deposited with the Clearing House or CDP;</p> |
| | <p>Business Governed by this Rules</p> <p>When used in reference to:—</p> <p>(a) a Bank Trading Member incorporated in Singapore or a Bank Trading Member incorporated outside Singapore which has satisfied the net head office funds requirement under Rule 2.5.2(c)(i), shall mean its business involving all derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility; and</p> <p>(b) a Bank Trading Member incorporated outside Singapore which has satisfied Rule 2.5.2(c)(i) by depositing cash and/or government securities with the Clearing House, shall mean its business involving derivatives and securities contracts traded on the Exchange and SGX-ST and OTC contracts novated to the Clearing House and CDP;</p> |
| | <p>Financial Resources</p> <p>When used in reference to:-</p> <p>(a) a General Trading Member that holds a licence to engage in a Regulated Activity, shall bear the meaning ascribed thereto in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements); and</p> <p>(b) a Bank Trading Member which has satisfied the Base Capital or Net Head Office Funds requirement under Rule 2.5.2(c)(i), 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;</p> |
| | <p>Net Head Office Funds</p> <p>When used in reference to:-</p> <p>(a) a General Trading Member incorporated outside Singapore that holds a licence to engage in a Regulated Activity, shall have the meaning ascribed to it under the Financial and Margin Regulations; and</p> <p>(b) a Bank Trading Member incorporated outside Singapore, shall have the meaning ascribed to it under the Financial and Margin Regulations, provided that its net liability shall include, without limitation, the liability of its Asian Currency Unit;</p> |
| | <p>Net Liquid Capital</p> <p>Shall mean the financial resources of a General Trading Member that holds a licence specified in Rule 2.4.1(b) computed under such methodology prescribed by the Exchange.</p> |
| | <p>Total Risk Requirements</p> <p>When used in reference to:—</p> <p>(a) a General Trading Member that holds a licence to engage in a Regulated Activity, shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the</p> |

[Underlined](#) = Additions
[Struckthrough](#) = Deletions

| RULE | NEW / AMENDED RULES |
|--|--|
| | <p>SFR (Financial and Margin Requirements);</p> <p>(b) a Bank Trading Member which has satisfied the Base Capital or Net Head Office Funds requirement under Rule 2.5.2(c)(i), shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements) except that such Bank Trading Member shall only compute the total risk requirement for all customers' and proprietary positions in derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility; and</p> <p>(c) a Bank Trading Member which has satisfied Rule 2.5.2(c)(i) by depositing cash and/or government securities with the Clearing House, shall bear the meaning ascribed thereto in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements) except that such Bank Trading Member shall only compute the total risk requirement for all customers' 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;</p> <p><u>Relevant Regulatory Authority</u></p> <p><u>Shall mean:</u></p> <p>(a) <u>the authority(ies) or regulatory body(ies) that regulate(s) a Trading Member's, its Approved Trader, or its Registered Representatives' activities in the country where it is carrying on such activities; and</u></p> <p>(b) <u>where the Trading Member, its Approved Traders, or its Registered Representatives are carrying on regulated activities in Singapore, the MAS;</u></p> |
| Regulatory Notice 3.3.8 | <p>Regulatory Notice 3.3.8 – Recording of Orders</p> <p>1. Introduction</p> <p>1.1 This Regulatory Notice sets out the details to be contained in an Order Form, as set forth in Rule 3.3.8(b)(i).</p> |
| Regulatory Notice 3.3.17; 3.3.18; 3.3.26; 3.3.27 | <p>Regulatory Notice 3.3.17; 3.3.18; 3.3.26; 3.3.27; - Reporting of Account Identity; Reporting of Open Positions; Computations of Financial and Capital Requirements; Submission of Financial Statements and Other Information to the Exchange;</p> <p>[.]</p> <p>2. Electronic reporting and submission of information</p> <p>2.1 A Member is required to submit the following information, except that in the case of a Bank Trading Member, the following requirements apply only in respect of the Bank Trading Member's business that is governed by this Rules:</p> <p>[.]</p> <p>(c) <u>Rule 3.3.26 : Computations of Financial and Capital Requirements; and</u></p> <p><u>Rule 3.3.27 : Submission of Financial Statements and Other Information to the Exchange</u></p> <p>A Member shall submit to the Exchange monthly RBC (Risk Based Capital) financial returns.</p> |

Underlined = Additions
~~Struckthrough~~ = Deletions

| RULE | NEW / AMENDED RULES |
|-----------------------------------|--|
| | <p><u>A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall submit to the Exchange monthly Net Liquid Capital financial returns. The General Trading Member shall submit financial returns as set out in the form prescribed by the Exchange in Regulatory Notice 2.5.2(b1).</u></p> <p>General Trading Members shall submit financial returns referring to the items listed under “Financial Returns”, “Supporting Schedules” and “Confirmation” as set out in Appendix 2.</p> <p>Bank Trading Members shall submit financial returns as set out in the forms prescribed by the Exchange.</p> <p>The financial returns shall be submitted by the 14th calendar day of each month, or such longer period as the Exchange may allow. Requests for extensions of time shall be submitted to the Exchange at least three (3) Business Days prior to the due date for submission of the monthly RBC financial returns.</p> <p><u>Members shall submit audited financial returns in the forms prescribed herein on an annual basis, pursuant to Rule 3.3.28.</u></p> |
| | <p>3. Late Fees</p> <p>[.]</p> <p>3.2 Where a Member fails to submit the <u>monthly RBC requisite</u> financial returns within the prescribed time, there shall be imposed upon the Member a late fee for each day that the returns are not submitted in the prescribed time, unless an extension of time has been granted. The late fee shall be set at an amount which the Exchange may prescribe from time to time.</p> |
| | <p>Appendix 1</p> <p>3. Rule 3.3.26: Computations of Financial and Capital Requirements; and Rule 3.3.27: Submission of Financial Statements and Other Information to the Exchange</p> <p>3.1 Where a Member fails to submit the <u>monthly RBC requisite</u> financial returns within the prescribed time, there shall be imposed upon the Member a late fee of \$100 for each day that the returns are not submitted in the prescribed time, unless an extension of time has been granted.</p> <p>[.]</p> |
| <p>Practice Note 2.6.6</p> | <p>Practice Note 2.6.6 — Business Continuity Requirements</p> <p>[.]</p> <p><u>2.4 Application to a General Trading Member that holds a licence specified in Rule 2.4.1(b)</u></p> <p><u>2.4.1 The features of a business continuity plan set out in paragraphs 2.1, 2.2 and 2.3 may not be applicable to a General Trading Member that holds a licence specified in Rule 2.4.1(1)(b). The guidance for such Trading Members is set out in Practice Note 2.6.6; 3.3.3; 3.3.9; 3.3.10; 3.3.23.</u></p> <p>[.]</p> |

Underlined = Additions
~~Struckthrough~~ = Deletions

| RULE | NEW / AMENDED RULES |
|------------------------|--|
| Practice Note 3.3.5 | <p data-bbox="412 275 906 302">Practice Note 3.3.5 – Customer Education</p> <p data-bbox="412 331 1013 359">2. INFORMATION, GUIDANCE AND TRAINING</p> <p data-bbox="500 390 526 417">[.]</p> <p data-bbox="412 447 1442 506">2.3 Prohibited trading practices, which refer to trading practices prohibited under this Rules, the Act or other Singapore laws.</p> <p data-bbox="500 535 526 562">[.]</p> |

REGULATORY NOTICE 2.5.2(B1): COMPUTATION OF NET LIQUID CAPITAL FOR TRADING MEMBERS REFERRED TO IN RULE 2.4.1(B)

| Issue Date | Cross Reference | Enquiries |
|---------------|-----------------|---|
| Issued on [.] | Rule 2.5.2(b1) | Please contact Member Supervision:— Facsimile No : 6538 8273 |

1. Introduction

- 1.1. Rule 2.5.2(b1) states that a Trading Member that holds a licence specified in Rule 2.4.1(b) must at all times maintain Net Liquid Capital of not less than \$1 million.
- 1.2. This Regulatory Notice sets out the computation methodology of Net Liquid Capital for a Trading Member that holds a licence specified in Rule 2.4.1(b).

2. Net Liquid Capital

- 2.1. A Trading Member that holds a licence specified in Rule 2.4.1(b) shall compute its Net Liquid Capital as follows:

COMPUTATION OF NET LIQUID CAPITAL

Shareholders' Funds¹

Less:

(a) Illiquid assets²

(b) Pre-paid expenses³

(c) Deposits⁴

(d) Deferred tax assets

¹ Shareholders' funds means the sum of the ordinary paid-up capital, non-redeemable preference share capital and reserves after deduction of any debit balance appearing in the profit and loss account of the Trading Member.

² These are assets considered not readily convertible into cash within 30 days which includes intangible assets (goodwill); fixed assets (furniture, fixtures, and building etc).

³ These include items such as rent and insurance.

⁴ Deposits exclude items such as:-

- i. a current account balance, saving account deposit or fixed deposit, including accrued interest, with:
 - (a) a bank licensed under the Banking Act (Cap. 19);
 - (b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);
 - (c) a finance company licensed under the Finance Companies Act (Cap.108); or
 - (d) a bank outside Singapore which is subject is approved, licensed, registered or otherwise regulated by a banking regulatory authority in a foreign jurisdiction to carry on banking business; or
- ii. a deposit with any of the following:
 - (a) an approved exchange;
 - (b) a recognised exchange;
 - (c) a designated clearing house;
 - (d) a clearing facility appointed by a recognized exchange; or
 - (e) an entity which is a member of any entity referred to in sub-paragraphs (a) to (d);

where a recognised exchange means an overseas exchange regulated by a financial service regulatory authority of a country or territory specified under Group A in in Table 4 of the Fourth Schedule of the SFR (Financial and Margin Requirements).

Underlined = Additions
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| | |
|---|-------|
| (e) Investments in unquoted securities | _____ |
| (f) Deficits in clients' accounts less any provisions for bad and doubtful debts ⁵ | _____ |
| (g) Charged assets ⁶ | _____ |
| (h) Excess of book value of securities carried in own account over market value | _____ |
| (i) Current assets doubtful of collection less any provisions already made | _____ |
| (j) Diminution in the value of securities underwritten | _____ |
| (k) Unsecured loans and unsecured advances included as current assets | _____ |
| (l) Unsecured amounts due from each director and his connected person | _____ |
| (m) Unsecured amounts due from related companies | _____ |
| NET LIQUID CAPITAL | _____ |

3. Submission of Financial Statements and Other Information to the Exchange

3.1. A Trading Member that holds a licence specified in Rule 2.4.1(b) shall submit financial returns in the form as set out in paragraph 2.1.

PRACTICE NOTE 2.6.6; 3.3.3; 3.3.9; 3.3.10; 3.3.23: OPERATIONAL REQUIREMENTS FOR TRADING MEMBERS REFERRED TO IN RULE 2.4.1(b)

⁵ Deficits in clients' accounts means -

- iii. For a purchase contract which remains fully or partially unpaid, the excess of the amount owed by the client over the market value of the underlying securities of which the client had failed to take delivery after the due date and of any additional securities lodged by the client with the Trading Member as collateral;
- iv. For a sale contract where the securities is yet to be delivered, the excess of the current market value of the underlying securities sold and any additional securities lodged by the client with the Trading Member as collateral, over the contract value of the sale contract;
- v. Where any purchase or sale contract has been offset by a contra transaction on or before the due date, the amount of loss, if any, on the date on which the contra transaction takes effect;
- vi. Where any purchase or sale contract has been offset by a forced-sale or buying-in transaction after the due date, the amount of loss, if any, arising from the forced-sale or buying-in transaction on the date on which the transaction takes effect;
- vii. In relation to each client's margin account, the amount of margin deficiency determined in accordance with the maintenance margin requirement provided in the Trading Member's agreement with the client; and
- viii. In relation to interest and other receivables arising from securities transactions, the amount which is not secured and which is outstanding for more than 14 calendar days.

⁶ Charged assets refer to assets which are subject to a charge under which a third party has a right of retention or sale of the assets upon default of the Trading Member.

Underlined = Additions
~~Struckthrough~~ = Deletions

| Issue Date | Cross Reference | Enquiries |
|---------------|--|---|
| Issued on [.] | Rule 2.6.6 Rule 3.3.3 Rule 3.3.9 Rule 3.3.9A Rule 3.3.10 | Please contact Member Supervision:— Facsimile No : 6538 8273 |

1. Introduction

- 1.1. The Exchange requires a Trading Member that does not hold a licence administered by the Monetary Authority of Singapore to meet the following operational requirements set out in the Rules:
- maintain complete and accurate records pursuant to Rule 3.3.23;
 - send its customer a risk disclosure document setting out the risks associated with holding and trading in Contracts pursuant to Rule 3.3.3;
 - send statements of account and contract notes to its Customers pursuant to Rule 3.3.9;
 - segregate Customer's money and assets pursuant to Rule 3.3.10.

A Trading Member that does not hold a licence administered by the Monetary Authority of Singapore may meet the above operational requirements by complying with the applicable comparable requirements prescribed by its Relevant Regulatory Authority.

- 1.2. This Practice Note sets out the factors that the Exchange considers relevant when it reviews the requirements that the Trading Member is already subject to at the point of application, and on an ongoing basis, in the overseas market which it is carrying on business ("overseas market").

2. Factors that the Exchange considers relevant

- 2.1. Complete and accurate records Pursuant to Rule 3.3.23, the Trading Member referred to in paragraph 1.1 should:
- keep, or cause to be kept, such books as will sufficiently explain the transactions and financial position of its business and enable true and fair financial statements to be prepared from time to time;
 - keep, or cause to be kept, such books in such a manner as will enable them to be conveniently and properly audited;
 - retain such books required by the Relevant Regulatory Authority for a prescribed period.
- 2.2. Contract note Pursuant to Rule 3.3.9, the Trading Member referred to in paragraph 1.1 should issue to its Customer a contract note which should contain the following information:
- name of the customer;
 - date on which the purchase or sale of Contracts is entered into;
 - the price, amount and description of the Contracts; and
 - settlement amounts.

In addition, the contract note should be sent to the Customer within a reasonable period from the execution of the trade.

- 2.3. Statement of account Pursuant to Rule 3.3.9, the Trading Member referred to in paragraph 1.1 should send to its Customer a statement of account which should contain the following information:
- the price, amount and description of the Contracts;
 - the status and movements of every asset in the Trading Member's custody held for the customer, including any asset deposited with a third party, and the date, reasons of the movement and amount of the asset involved;
 - the movement and balance of money received on account of the Customer; and
 - any charges and credits to the Customer's account.

- 2.4. Risk disclosure statement Pursuant to Rule 3.3.3, the Trading Member referred to in paragraph 1.1 should provide its Customer a risk disclosure statement which should clearly state the features of Contracts and risks associated with holding and trading these instruments.
- 2.5. Customer's money and assets Pursuant to Rule 3.3.10, the Trading Member referred to in paragraph 1.1 should:
 - a. segregate Customers' monies and assets from the Trading Member's monies and assets; and
 - b. separately account for the monies and assets of each Customer.

3. Determination of Comparability of Operational Requirements

- 3.1. The Exchange may otherwise direct the Trading Member to follow the requirements set out in the Act and the Rules if the operational requirements referred to in paragraph 1.1 above are deemed to be of insufficient comparability.
- 3.2. The Exchange has the discretion to prescribe additional requirements where the Exchange is of the opinion that there is insufficient comparability between the Rules, and the requirements prescribed by the Relevant Regulatory Authority.

4. Business Continuity Requirements

- 4.1. In addition to meeting the operational requirements referred to in paragraph 1.1 above, the Exchange also requires the Trading Member referred to in paragraph 1.1 to meet any applicable business continuity plan requirements which are prescribed by the Relevant Regulatory Authority. The Trading Member may further adopt the recommended features in a business continuity plan set out in Practice Note 2.6.6.

Emergency Contact Persons

- 4.2. Rule 2.6.6 requires a Trading Member to appoint emergency contact persons and furnish the contact information of such persons to the Exchange. Members may appoint an emergency contact person and up to two (2) alternates. A template for the notification to the Exchange of contact information of such emergency contact persons (postal address, email, telephone, mobile telephone and facsimile numbers) is attached as Appendix A to this Practice Note.
- 4.3. Trading Members are to ensure that the contact information provided to the Exchange is updated on a semi-annual basis. Nonetheless, where there are changes to a Trading Member's emergency contact persons and contact information, the Trading Member should notify the Exchange immediately in writing.
- 4.4. A Trading Member's authorized emergency contact person should immediately notify the Exchange in the event where:
 - a. A Trading Member's business operations are or will be significantly disrupted; and/or
 - b. A Trading Member's business continuity plan is activated.

APPENDIX A TO PRACTICE NOTE 2.6.6; 3.3.3; 3.3.9; 3.3.10; 3.3.23

Business Continuity Management Emergency Contact Person(s)

Company Name: _____

| Name | Department | Designation | Office No. | Mobile No. | E-mail address |
|-------------|-------------------|--------------------|-------------------|-------------------|-----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Prepared by:

Name: _____

Designation: _____

FINANCIAL STATEMENTS AND OTHER INFORMATION TO BE SUBMITTED BY MEMBERS VIA SGX DATA SUBMISSION SYSTEM

1. Details of information should be submitted via the Exchange's electronic submission system (SGX Data Submission System) in pre- defined Extensible Markup Language ("XML") format. A web interface is provided for the Member to log in and submit the files. The files received are auto-validated for accuracy and the Member will be informed by email whether its submissions have been successfully processed. A Member shall use the form at **Appendix 2A** to indicate the e-mail addresses it wants the messages sent to.
2. A Member shall submit the required information using the Excel templates available on the SGX Data Submission Website. The Excel templates and the accompanying XML formats can be downloaded from this website: <http://esub.sgx.com>. A copy of the user guide on the SGX Data Submission System is available to Members upon request.
3. A Member may develop its own applications to generate files in the XML format specified by the Exchange for submission. A copy of the detailed XML Design document and the XML format is available, upon request.

| | Trading Member (Excluding those specified in FTR 2.4.1(b)) | Trading Member (Introducing/ Executing Broker) | Trading Member (who is also a Clearing Member of SGX-DC) | <u>Trading Member (Specified in FTR 2.4.1(b))</u> | Frequency | Timeline |
|--|---|--|---|---|------------------|-------------------------------|
| Financial Returns Statement of Assets and Liabilities (Form 1) | ✓ | ✓ | ✓ | | Monthly | 14 th of the month |
| Statement of Financial Resources, Total Risk Requirement and Aggregate Indebtedness (Form 2) | ✓ | ✓ (if separately required under the SGX-ST Rules) | ✓ | | | |
| Statement of Financial Resources and Total Risk Requirement (Form 5) | | ✓ | | | | |
| Statement of Profit and Loss (Form 6) | ✓ | ✓ | ✓ | | | |

Underlined = Additions~~Struckthrough~~ = Deletions

FINANCIAL STATEMENTS AND OTHER INFORMATION TO BE SUBMITTED BY MEMBERS VIA SGX DATA SUBMISSION SYSTEM

| | Trading Member (Excluding those specified in FTR 2.4.1(b)) | Trading Member (Introducing/ Executing Broker) | Trading Member (who is also a Clearing Member of SGX-DC) | <u>Trading Member (Specified in FTR 2.4.1(b))</u> | Frequency | Timeline |
|---|---|---|--|---|-----------|--|
| Supporting Schedules* CRR 1 to 7 PRR 1 to 14 LER 1 to 2 URR 1 | ✓ (Only Applicable Schedules) | | ✓ (Only Applicable Schedules) | | | |
| Net Liquid Capital ** | | | | <u>✓</u> | | |
| Confirmation * | ✓ | ✓ | ✓ | | | |
| Credit Facilities *** | | | ✓ | | Monthly | 10 th Business Day of the month. |
| Reporting of Open Positions (Form BC3A) | ✓ | | | <u>✓</u> | Daily | 11.00am on the following Business Day |

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FINANCIAL STATEMENTS AND OTHER INFORMATION TO BE SUBMITTED BY MEMBERS VIA SGX DATA SUBMISSION SYSTEM

| | Trading Member (Excluding those specified in FTR 2.4.1(b)) | Trading Member (Introducing/ Executing Broker) | Trading Member (who is also a Clearing Member of SGX-DC) | <u>Trading Member (Specified in FTR 2.4.1(b))</u> | Frequency | Timeline |
|--|---|---|--|---|-----------|--|
| Reporting of Account Identity (Form BC4A) | ✓ | | ✓ | <u>✓</u> | Ad Hoc | BC4A to be submitted within three (3) Business Days after a new account has commenced trading. BC4A for Trading Member (Individual) and Trading Representatives shall be submitted at least one (1) Business Day before they commence trading. |
| Reporting of Large Positions in Non-SGX Contracts (Form BC5A) *** | | | ✓ | | Daily | 3.00pm on the following Business Day. |

* in the form prescribed on the website at <http://esub.sgx.com>

** in the template prescribed in FTR Regulatory Notice 2.5.2(C)

*** if separately required in accordance with the Clearing Rules.

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FORM MAIL



**LIST OF EMAIL ADDRESSES FOR RECEIVING FEEDBACK
ON SUBMISSIONS
(For SGX Data Submission System)**

| <u>Type of Submission, where applicable</u> | <u>Email Address</u> |
|---|----------------------|
| 1. RBC financial returns and schedules | _____ |
| 2. Net Liquid Capital | _____ |
| 3. Daily Trading Turnover * | _____ |
| 4. Ageing of Settlement and Margin Financing * | _____ |
| 5. Borrowings and Trading Turnover * | _____ |
| 6. Financial Information * | _____ |
| 7. Credit Facilities | _____ |
| 8. Reporting of Open Positions (Form BC3A) | _____ |
| 9. Reporting of Account Identity (Form BC4A) | _____ |
| 10. Reporting of Large Positions in Non-SGX Contracts (Form BC5A) | _____ |

Name of Member : _____

Company Stamp : _____

1st authorised signatory : _____ (Signatory)
 _____ (Name)
 _____ (Designation)

2nd authorised signatory : _____ (Signatory)
 _____ (Name)
 _____ (Designation)

* only if separately required under Securities Rules.

Underlined = Additions
~~Struckthrough~~ = Deletions

Amendments to Schedule A of the Futures Trading Rules

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|--|--|------------------------------------|--|-----------------------------------|------------------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|---|
| | | | Members | | | Approved Traders | | | Registered Representatives | | | |
| Rule Chapter/ Number | Brief Description of Rule | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| Chapter 2 — Access and Membership | | | | | | | | | | | | |
| 2.1 | Access and Trading | | | | | | | | | | | |
| 2.1.4(b) | Member that holds a licence specified in Rule 2.4.1(b) not to execute Agency Trades for Customers domiciled in Singapore | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2.4 | Licensing and Credit Rating Requirements for Members, their Employees and Agent | | | | | | | | | | | |
| 2.4.1 | General Trading Member, and its employees and agents to procure and maintain requisite licenses and satisfy licensing requirements for engaging in regulated activity- | Not Compoundable | Not Compoundable | | | | | | | | | \$10,000 |
| 2.5 | Financial Requirements for Members | | | | | | | | | | | |
| 2.5.2(b) | General Trading Member that holds a licence to engage in a Regulated Activity to comply with financial requirements | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2.5.2(b1) ⁷ | General Trading Member that holds a licence specified in Rule 2.4.1(b) to comply with financial requirements | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2.5.6A(a) ⁸ | Corporate Member to | Compoundable | \$2,000 – | \$4,000 – | \$7,000 – | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |

⁷ Consistent with Rule 2.5.2(b)

⁸ Consistent with Rule 2.5.6(a)

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|--|--|------------------------------------|--|-----------------------------------|------------------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|---|
| Rule Chapter/ Number | Brief Description of Rule | | Members | | | Approved Traders | | | Registered Representatives | | | |
| | | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| | immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet Net Liquid Capital requirements | | \$4,000 | \$7,000 | \$10,000 | | | | | | | |
| 2.5.6A(b) ⁹ | Corporate Member to comply with directions of the Exchange in respect of its business activities | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |
| 2.6 | Technical Matters & Risk Management Controls | | | | | | | | | | | |
| 2.6.4(a) | Member to maintain complete and accurate records in accordance with the Rules | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to comply with such requirements prescribed by the Relevant Regulatory Authority | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to notify Exchange of changes to requirements prescribed by the Relevant Regulatory Authority | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to comply with additional requirements prescribed by the Exchange¹⁰ | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2.6.6(c) | Member to demonstrate awareness of risks, | Compoundable | \$500 | \$1,000 | \$2,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

⁹ Consistent with Rule 2.5.6(c)

¹⁰ Consistent with Rule 2.6.4(a)

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|---|--|------------------------------------|--|-----------------------------------|------------------------------------|----------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|
| Rule Chapter/ Number | Brief Description of Rule | | Members | | | Approved Traders | | | Registered Representatives | | | |
| | | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| | mitigating measures and state of readiness by way of attestation to the Board of Directors | | | | | | | | | | | |
| | Member to comply with such requirements prescribed by the Relevant Regulatory Authority and principles of good business practice | Compoundable | \$500 | \$1,000 | \$2,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Chapter 3 — Conduct of Members, Approved Traders and Representatives | | | | | | | | | | | | |
| 3.3 | Duties of Members Undertaking Agency Trades | | | | | | | | | | | |
| 3.3.8 | Registered Representative to immediately record an order, amendment or cancellation on an Order Form or in the manner prescribed by the Relevant Regulatory Authority, as applicable, unless immediately entered by an Approved Trader | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | \$1,000 – \$3,000 | \$3,000 – \$6,000 | \$6,000 – \$8,000 | N.A. |
| | Member to notify Exchange of changes to requirements prescribed by the Relevant Regulatory Authority | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Registered Representative to comply with additional requirements prescribed by the Exchange | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | \$1,000 – \$3,000 | \$3,000 – \$6,000 | \$6,000 – \$8,000 | N.A. |
| 3.3.9 | Member to comply with the Conduct of Business | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|----------------------|--|------------------------------------|--|-----------------------------------|------------------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|---|
| Rule Chapter/ Number | Brief Description of Rule | | Members | | | Approved Traders | | | Registered Representatives | | | |
| | | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| | Regulations or such requirements prescribed by the Relevant Regulatory Authority, as applicable , in respect of statement of accounts and contract notes | | | | | | | | | | | |
| | Member to provide statement of account and contract note at Exchange's request | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to obtain prior consent or to comply with such requirements prescribed by the Relevant Regulatory Authority, as applicable , for electronic issuance of statement of account or contract note | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to notify Exchange of changes to requirements prescribed by the Relevant Regulatory Authority | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to comply with additional requirements prescribed by the Exchange ¹¹ | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |
| 3.3.10 | Member to meet the stipulated fiduciary obligations to its Customers and to comply | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |

¹¹ Consistent with Rule 3.3.9

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|----------------------|---|------------------------------------|--|-----------------------------------|------------------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|---|
| Rule Chapter/ Number | Brief Description of Rule | | Members | | | Approved Traders | | | Registered Representatives | | | |
| | | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| | with segregation requirements under the SFA and Conduct of Business Regulations or to comply with segregation requirements prescribed by the Relevant Regulatory Authority, as applicable | | | | | | | | | | | |
| | Member to notify Exchange of changes to requirements prescribed by the Relevant Regulatory Authority | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member to comply with additional requirements prescribed by the Exchange¹² | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |
| 3.3.23(b) | Member to keep data and records for the minimum period prescribed by the relevant law and regulatory requirements | Not Compoundable | Not Compoundable | | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | \$10,000 |
| 3.3.31 | General Trading Member not to act as guarantor | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Member that holds a licence specified in Rule 2.4.1(b) to satisfy the notification requirements in relation to acting as guarantor | Compoundable | \$2,000 – \$4,000 | \$4,000 – \$7,000 | \$7,000 – \$10,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 3.3.33 | Member that holds a | Compoundable | \$2,000 – | \$4,000 – | \$7,000 – | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

¹² Consistent with Rule 3.3.10

| Rule Violation | | Whether composition may be offered | Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable | | | | | | | | | Mandatory minimum penalty imposed by the DC |
|----------------------|---|------------------------------------|--|-------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|---|
| Rule Chapter/ Number | Brief Description of Rule | | Members | | | Approved Traders | | | Registered Representatives | | | |
| | | | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | 1st Violation | 2nd Violation | 3rd Violation | |
| | licence specified in Rule 2.4.1(b) to comply with such requirements prescribed by the Relevant Regulatory Authority and principles of good business practice in relation to Rule 3.3.1, 3.3.4, 3.3.15 and 3.3.31¹³ | | \$4,000 | \$7,000 | \$10,000 | | | | | | | |
| | Member that holds a licence specified in Rule 2.4.1(b) to comply with such requirements prescribed by the Relevant Regulatory Authority and principles of good business practice in relation to Rule 3.3.2 and 3.3.5¹⁴ | Compoundable | \$500 | \$1,000 | \$2,000 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

¹³ Consistent with Rule 3.3.1, 3.3.4, 3.3.15 and 3.3.31

¹⁴ Consistent with Rule 3.3.2 and 3.3.5