

Proposed Amendments to SGX-ST Rules

Definitions and Interpretation
Definitions
"Appeals Committee": The committee appointed by the SGX RegCo Board of Directors of SGX to exercise the powers in the Supervisory Rules;
"Disciplinary Committee": The committee appointed by the SGX RegCo Board to exercise the powers in the Supervisory Rules;
"Rules": SGX-ST Rules, including, save where expressly indicated otherwise, Directives and Regulatory Notices, and excluding practice notes or any notes or other annotations to the SGX-ST Rules, as the same may be amended, modified, supplemented or replaced from time to time ;
"SGX RegCo": means Singapore Exchange Regulation Pte. Ltd.;
"SGX RegCo Board": means board of directors of SGX RegCo ;
Chapter 2 — Administration
2.1 Powers Of Board
This rule has been deleted
2.1.1 The business of SGX-ST is managed by the Board which may exercise all powers, authorities and discretions to regulate the market.
2.2 Delegation and assignment
2.2.1 The Board may delegate such of its powers, authorities and discretions as it may from time to time determine to such officers and persons, and to such committees, composed of directors or otherwise, as the Board may from time to time authorise. The Board may (on any conditions) authorise a delegate to sub-delegate. SGX-ST may delegate, assign or grant authority to exercise any of its rights, powers, authorities and discretions under these Rules, including any right to enforce these Rules, to such person or entity as it may determine in its sole discretion, without consent from any Trading Member.
2.2.2 Where these Rules provide that any power, authority or discretion is to be exercised by the Board, the Board may delegate, assign or grant authority to exercise such power, authority or discretion to any person or entity. The Board may authorise a delegate to sub-delegate.
2.2A SGX RegCo's authority
2.2A.1 SGX RegCo shall have the authority to exercise any rights, powers, authorities and discretions under these Rules, including the right to enforce these Rules. In the exercise of any such rights, powers,

authorities and discretions under these Rules, SGX RegCo shall be bound to the same extent as the Exchange in respect of any obligations arising from the exercise of such rights, powers, authorities and discretions.

2.4 Limitation of Liability of SGX-ST

2.4.1

~~SGX-ST, its~~None of SGX-ST, SGX RegCo, or their respective Directors, Officers, employees, representatives ~~and~~ agents (the "Relevant Persons") ~~are under no obligation nor shall be~~ liable to any ~~to a~~ Trading Member, or any of its customers, ~~for but not limited to~~including:—

- (1) any loss or damage (including consequential loss or damage) which may be suffered or incurred or which may arise directly or indirectly in respect of the supply of goods or services;
- (2) a Trading Member's use of or inability to use the Trading System;
- (3) a failure, error or omission ~~on the part of SGX-ST~~ including any loss or damage in respect of:— (a) the result of trading on markets provided by SGX-ST, or the suspension, interruption, cancellation or closure of trading, on those markets, (b) any inoperability or malfunction of equipment, software or any other product supplied to a Trading Member, or in respect of its installation, maintenance or removal, and (c) the exercise ~~by SGX-ST or any person or committee constituted by SGX-ST~~ of a decision-making power; or
- (4) ~~the acceptance of~~SGX-ST ~~accepting~~ a Trading Member's resignation or any decision or ruling of the Disciplinary Committee or Appeals Committee exercising their powers.

2.4.2

Without ~~prejudice to the generality of~~limiting Rule 2.4.1, ~~none of the Relevant Persons~~ SGX-ST, ~~its~~ Directors, Officers, employees and agents ~~make no-~~(i) makes any warranty, express or implied, ~~or~~ (ii) ~~and shall be liable have no liability~~ to any person in respect of, or in connection with, any of the following:—

- (1) the originality, accuracy, timeliness or completeness of an Index;
- (2) results to be obtained from the use of an Index, in respect of any index-linked or index-related products, whether in the form of contracts or options;
- (3) the merchantability and fitness for a particular purpose of, or use of, an Index;
- (4) any direct, special, punitive, indirect or consequential damages (including lost profits), even when notified of the possibility of such damages;
- (5) any errors, omissions or delays in calculating or disseminating an Index; and
- (6) trading of any index-linked or index-related products, whether in the form of contracts or options.

2.5 Indemnity ~~to~~ SGX-ST

2.5.1

Each Trading Member indemnifies ~~each of~~ SGX-ST, SGX RegCo, ~~SGX-ST~~ and ~~their respective~~ ~~its~~

Directors, Officers, employees, representatives and agents ("Indemnified Persons") against any loss or liability reasonably incurred or suffered by ~~the~~ an Indemnified Persons where such loss or liability arose out of or in connection with:—

- (1) any breach by the Trading Member of its obligations under the Rules or any Directives; or
- (2) any wilful, unlawful, reckless or negligent act or omission by the Trading Member.

2.5.2

Without prejudice to the generality of Rule 2.5.1, in the event that any legal, arbitration or other proceedings are brought to impose any liability on all or any of the Indemnified Persons for an alleged failure on the part of any Indemnified Person to prevent or to require action by a Trading Member or any of its Directors, Officers, employees, representatives (including without limitation Trading Representatives) or agents, the Trading Member shall reimburse ~~SGX-ST~~ the relevant Indemnified Person for:—

- (1) all expenses and legal fees incurred by or on behalf of the Indemnified Person ~~SGX-ST~~ in connection with such proceedings;
- (2) any payment made by or on behalf of the Indemnified Person ~~SGX-ST~~ with the approval of the Trading Member in connection with any settlement of such proceedings; and
- (3) any payment made by or on behalf of the Indemnified Person ~~SGX-ST~~ as a result of any order, award or judgment made in such proceedings.

The Trading Member shall render such co-operation as ~~SGX-ST~~ the Indemnified Person reasonably requires in respect of such proceedings including without limitation the production of any document or records.

2.5.3

Without prejudice to Rule 2.5.2, the Trading Member shall pay to an Indemnified Person, if the Indemnified Person so requires, the costs incurred by or on behalf of the Indemnified Person of producing or obtaining, pursuant to a court order or other legal process, records relating to the business or affairs of a Trading Member or any of its Directors, Officers, representatives (including without limitation Trading Representatives), employees or agents, regardless of the party requiring such production or obtainment ~~cost to SGX-ST of producing, pursuant to a court order or other legal process, records relating to the business or affairs of a Trading Member may, at the absolute discretion of SGX-ST, be required to be paid to SGX-ST by such Trading Member, whether such production is required at the instance of such Trading Member or at the instance of any other party.~~

Chapter 4 — Trading Members

4.3 Appeals

4.3.1

If SGX-ST rejects an application to be a Trading Member, the applicant may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the SGX RegCo Board whose decision will be final.

<p>4.6 Obligations of A Trading Member</p>
<p>4.6.8 Change in Control</p> <p>(1) A Trading Member must inform SGX-ST in writing as soon as it becomes aware of:—</p> <p>(a) any transaction that will result in a change in the legal or beneficial ownership of 20% or more of the Trading Member's issued share capital, and any subsequent increase of 5% or more of the Trading Member's issued share capital; or</p> <p>(b) any change that may have the effect of altering control of the Trading Member.</p> <p>(2) If control of a Trading Member changes, SGX-ST may restrict or revoke the Trading Member's trading rights on any grounds described in Rules 4.2.4(2) to (6), (8) to (10) and (13).</p> <p>(3) If SGX-ST revokes the Trading Member's trading rights, the Trading Member may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the SGX RegCo Board whose decision will be final.</p>
<p>4.6.15 Other Businesses</p> <p>(1) A Trading Member must inform SGX-ST in writing at least 14 days before it engages in, or holds any substantial shareholding in, any other business.</p> <p>(2) A Trading Member must ensure that the engagement (and any actions taken under it) or shareholding does not breach the Securities and Futures Act, Securities and Futures Regulations, the Rules, any Directives or any relevant law or regulation.</p> <p>(3) A Trading Member must supply SGX-ST with any information SGX-ST requires regarding the engagement or acquisition of shareholding.</p> <p>(4) If SGX-ST objects to the engagement or acquisition of shareholding, a Trading Member must not proceed with it. SGX-ST may extend the period specified in Rule 4.6.15(1). If extended, the Trading Member must not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.</p> <p>(5) If an engagement or shareholding, in SGX-ST's opinion, is detrimental to the financial integrity, reputation or interests of SGX-ST, the Trading Member concerned, or markets established or operated by SGX-ST, SGX-ST may require the Trading Member to end it.</p> <p>(6) If SGX-ST objects to the engagement or acquisition of shareholding or requires a Trading Member to end it, the Trading Member may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the SGX RegCo Board whose decision will be final.</p>
<p>Chapter 5 — Designated Market-Maker</p>
<p>5.3 Appeals</p>
<p>5.3.1</p> <p>If SGX-ST rejects an application to be a Designated Market-Maker, the applicant may, within 14 days</p>

after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

5.9 Notification of Action and Appeal

5.9.2

If SGX-ST revokes the registration of a Designated Market-Maker under Rule 5.8.1, the Designated Market-Maker may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

Chapter 6 — Approved Executive Director

6.2 Obligations of an Approved Executive Director

6.2.3 Other Businesses

(1) An Approved Executive Director must inform SGX-ST in writing at least 14 days before he or she engages in, or holds any substantial shareholding in, any other business that might potentially conflict with being an Approved Executive Director. The Approved Executive Director must ensure that the proposed engagement or shareholding is agreed to by his or her Trading Member.

(2) The engagement (and any actions taken under it) or shareholding must not breach the Securities and Futures Act, Securities and Futures Regulations, the Rules, any Directives or any relevant law or regulation.

(3) An Approved Executive Director must supply SGX-ST with any information it requires regarding the engagement or acquisition of shareholding.

(4) If SGX-ST objects to the engagement or acquisition of shareholding, an Approved Executive Director must not proceed with it. SGX-ST may extend the period specified in Rule 6.2.3(1). If extended, the Approved Executive Director must not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.

(5) If an engagement or shareholding, in SGX-ST's opinion, is detrimental to the financial integrity, reputation or interests of SGX-ST, the principal Trading Member or its customers, SGX-ST may require the Approved Executive Director to end it.

(6) If SGX-ST objects to the engagement or acquisition of shareholding or requires an Approved Executive Director to end it, the Approved Executive Director may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

Chapter 7 — Trading Representative

7.3 Appeals

7.3.1

If SGX-ST rejects an application to be a Trading Representative, the applicant's principal Trading Member may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

7.5 Obligations of a Trading Representative
7.5.6 Other Businesses
<p>(1) A Trading Representative must inform SGX-ST in writing at least 14 days before he or she engages in, or holds any substantial shareholding in, any other business that might potentially conflict with being a Trading Representative. The Trading Representative must ensure that the proposed engagement or shareholding is agreed to by his or her Trading Member.</p> <p>(2) The engagement (and any actions taken under it) or shareholding must not breach the Securities and Futures Act, Securities and Futures Regulations, the Rules, any Directives or any relevant law or regulation.</p> <p>(3) A Trading Representative must supply SGX-ST with any information it requires regarding the engagement or acquisition of shareholding.</p> <p>(4) If SGX-ST objects to the engagement or acquisition of shareholding, a Trading Representative must not proceed with it. SGX-ST may extend the period specified in Rule 7.5.6(1). If extended, the Trading Representative must not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.</p> <p>(5) If an engagement or shareholding, in SGX-ST's opinion, is detrimental to the financial integrity, reputation or interests of SGX-ST, the principal Trading Member or its customers, SGX-ST may require the Trading Representative to end it.</p> <p>(6) If SGX-ST objects to the engagement or acquisition of shareholding or requires a Trading Representative to end it, the Trading Representative may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the SGX RegCo Board whose decision will be final.</p>
Chapter 8 — Trading
8.6 Errors
<p>8.6.1</p> <p>An error trade refers to a transaction effected on the Trading System as follows:</p> <p>(1) as a result of an error in the entry the volume of an order; or</p> <p>(2) as a result of an error in the entry of the price of an order; or</p> <p>(3) where SGX-ST deems the transaction to be an error trade.</p>
Chapter 10 — Foreign Market Linkages
<p>10.8.1 No Liability of the Exchange</p> <p>10.8.1</p> <p>None of SGX-ST, SGX-SPV, SGX RegCo, or their respective and their Directors, Officers, employees,</p>

~~representatives or~~ agents ~~shall be liable~~ ~~have no liability of any kind~~ to a Trading Member or other person in respect of any loss or damage (including consequential loss or damage) which may be incurred, or arise directly or indirectly, in connection with:—

- (1) the Service;
- (2) inability to use the Service; or
- (3) any failure, error or omission on the part of SGX-SPV.

Chapter 10A — ASEAN Trading Linkage

10A.6 ~~No~~ Liability ~~of SGX-ST~~

10A.6.1

Without prejudice to Rule 2.4, ~~none of SGX-ST, SGX RegCo, or their respective SGX-ST, its~~ Directors, Officers, employees, ~~representatives or~~ agents ~~shall be liable~~ ~~have no liability of any kind~~ to a Trading Member or other person in respect of any loss or damage (including consequential loss or damage) which may be incurred, or arise directly or indirectly, in connection with:—

- (1) the ASEAN Trading Linkage;
- (2) inability to use ASEAN Trading Linkage; or
- (3) any failure, error or omission on the part of SGX-ST.

Chapter 14 — Supervisory Rules

14.4 Disciplinary Committee

14.4.1

The Disciplinary Committee comprises persons appointed by the [SGX RegCo](#) Board. No Director, Officer or employee of ~~SGX or any of its related corporations~~ ~~SGX-ST~~ may be appointed.

14.4.2

The [SGX RegCo](#) Board determines the Chairman and Deputy Chairman of the committee. In the absence of the Chairman, the Deputy Chairman will have all the powers of the Chairman.

14.7 Appeals Committee

14.7.1

The Appeals Committee comprises persons appointed by the Board of Directors of SGX [RegCo](#) and approved by the Authority provided that:—

- (a) no Director, Officer or employee of SGX or any of its related companies may be appointed;
- (b) a majority are not directors, officers or employees of the members of SGX or its subsidiaries; and
- (c) a majority are not substantial shareholders of SGX or directors, officers or employees of any substantial shareholder of SGX.

14.7.2

The powers of the Appeals Committee include:—

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

14.13 Emergency powers

14.13.2

SGX-ST shall, as soon as practicable, notify the Authority of any action taken ~~by SGX-ST~~ pursuant to Rule 14.13

14.13.3

Nothing in this rule shall limit the authority of SGX-ST, ~~the Board,~~ [SGX RegCo](#) or any other committee to act in an emergency situation in accordance with these Rules.

Chapter 15 — Research**15.2 Notification Procedures**

15.2.5

If SGX-ST requires a Trading Member to end its research activity, the Trading Member may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final

15.3 Supervision

15.3.4

A Trading Member may, within 14 days after it is directed by SGX-ST to replace a research analyst, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

Chapter 16 — Corporate Finance**16.2 Notification Procedures**

16.2.5

If SGX-ST requires a Trading Member to end any of its corporate finance activities, the Trading Member may, within 14 days after it is notified of SGX-ST's decision, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

16.3 Staffing

16.3.5

A Trading Member may, within 14 days after it is directed by SGX-ST to replace a corporate finance staff, appeal in writing to the [SGX RegCo](#) Board whose decision will be final.

For information:**Amendment to Practice Notes**

<p>Practice Note 8.2.2 — Procedures for Contingency Order Withdrawal</p> <p>3. Operational Safeguards and Discrepancies</p> <p>3.1 A Trading Member must comply with the instructions and directions issued by SGX Securities Market Control when effecting order withdrawals as contemplated herein. SGX-ST also reserves the right to refuse any such request without providing any reason.</p>
<p>Practice Note 8.6.13A(3) — Alternative Reference Price For No-Cancellation Range</p> <p>1. Introduction</p> <p>1.2 In normal market conditions, the price of the last good trade is adopted as the Reference Price. However, SGX-ST has considered that there may be situations where the price of the last good trade is not available or not appropriate. In such situations, SGX-ST would seek to establish a Reference Price from alternative sources.</p>
<p>Practice Note 8.8.1 — Designated Securities and Futures Contracts</p> <p>2. Designation as a Regulatory Tool</p> <p>2.1. SGX-ST has three key regulatory tools to support a fair, orderly and transparent market. They are as follows:—</p> <p>(a) Query to listed companies — SGX-ST may issue a query to listed companies in situations where there is unusual trading that is not explained by announced developments or industry trends. The query serves to raise investors' awareness that trading activity is unusual;</p> <p>(b) Designation of a security or Futures Contract — SGX-ST may declare a listed or quoted security or Futures Contract to be a "Designated Security" or "Designated Futures Contract" where, in SGX-ST's judgment, there is possible manipulation or excessive speculation in the security or Futures Contract (or its underlying), or it is otherwise in the interest of the market to do so; and</p> <p>(c) Suspension — SGX-ST may suspend a security or Futures Contract where, in SGX's/SGX-ST's opinion, the market is not orderly, informed or fair.</p> <p>2.2 Designation is a tool that is used sparingly and only in exceptional circumstances which warrant such intervention. Such circumstances may include prolonged trading anomalies observed in the security or Futures Contract, such as order book imbalances and/or prolonged, excessive speculation in a security. The objective of designation is to restore market equilibrium by removing the impact of such anomalies on price formation, and allow the price of the security or Futures Contract to be formed through demand and supply forces in an informed market. Designation would be lifted once, in SGX's/ST's opinion trading has returned to normalcy.</p>
<p>Practice Note 8A.3.3, 8A.4.1, 8A.4.2, 8A.6.2 — Obligations of Trading Members Under the Requirement to Mark Sell Orders</p> <p>4. REPORTING OF ERRONEOUSLY MARKED SELL ORDERS</p> <p>4.8 A Trading Member may wish to take note of the following matters on the submission of the report:</p>

(c) In the event that the SFTP is unavailable, **SGX-ST** would extend the submission period. Trading Members will be informed of the extended submission period by way of circular.

5. EXEMPTION FROM MARKING OF SELL ORDERS

5.2 Presently, market makers are not required to mark sell orders of securities which they are obligated to make a market in, as they may submit sell orders, where they do not own the security to be sold, as part of their market making function. The inclusion of these orders by market makers would distort the short sales information published by **SGX-ST**, and make it more difficult for them to fulfil their market making functions.

5.3 Market makers include Designated Market Makers and such other entities appointed by **SGX-ST** to carry out a market making function. The exemption does not extend to Trading Members with facilitation desks that provide liquidity to their clients.