

Amendments to SGX-DC Clearing Rules Relating to NDIRS

RULE AMENDMENT
7.13A Settlement Variation for OTCF Contracts
7.13A.1 Clearing Members shall be entitled to receive and / or will be required to pay, as the case may be, interest based on cumulative Settlement Variation arising from OTCF Contracts. The calculation of such interest shall be set out in the OTCF Clearing Member Handbook
7.13A.2 Settlement Variation and any interest payable on Settlement Variation (where relevant) as calculated and/or determined at such times as the Clearing House shall determine, must be paid in cash in the currency of each of the OTCF Contracts or, in the case of OTCF Contracts relating to non-deliverable foreign exchange forwards and non-deliverable interest rate swaps , the currency specified as the settlement currency in the OTCF Contract Terms.
7.13A.3 Notwithstanding Rule 7.13A.2, the Clearing House may, in the interest of a safe and efficient clearing facility, prescribe that Settlement Variation and any interest payable on Settlement Variation (where relevant) as calculated and/or determined at such time as the Clearing House shall determine, be paid in any other currency, and at such exchange rate as determined by the Clearing House. Without prejudice to the generality of the foregoing, the Clearing House may refer to exchange rates published by data vendors in determining the relevant exchange rates.

Amendments to Practice Note 7A.02.1.5.c.ii of SGX-DC Clearing Rules Relating to NDIRS

Practice Note 7A.02.1.5.c.ii OTCF Product Group By Currency

Issue Date	Cross Reference	Enquiries
Added on 7 August 2012 and amended on 7 April 2014	Clearing Rules 7A.02.1.5.c.ii	Please contact: <u>Risk Management</u> E-Mail Address : rmd@sgx.com

1. Introduction

1.1. Rule 7A.02.1.5.c.ii states that the Clearing House may assign residual OTCF positions of a suspended or defaulted Clearing Member to a non-defaulting Clearing Member which has cleared such product group in such currency in the last three months. The residual OTCF positions may be assigned if it is in the Clearing House's good faith opinion that an auction of such positions is impossible or impracticable.

1.2. This Practice Note explains what is meant by a product group and sets out the OTCF product group by currency referred to in Rule 7A.02.1.5.c.ii, which are cleared through the Clearing House.

2. Product Group By Currency

2.1. A product group means a distinct group of OTCF Contracts in a specified currency for which the Clearing House offers clearing services.

2.2. The Product Groups by currency cleared through the Clearing House are as follows:

<u>Product Group</u>	<u>Currency</u>
Interest rate swaps	(a) Singapore dollars (b) US dollars
Non-deliverable foreign exchange forwards	(a) Chinese Yuan (b) Indian Rupee (c) Indonesian Rupiah (d) Korean Won (e) Malaysian Ringgit (f) New Taiwan Dollar (g) Philippine Peso
Non-deliverable interest rate swaps	(a) Malaysian Ringgit (b) Thai Baht

2.3. As an example, a suspended or defaulted Clearing Member's residual OTCF positions in Singapore dollar interest rate swaps may only be assigned to a non-defaulting Clearing Member which has cleared Singapore dollar interest rate swaps in the last three months. The residual OTCF positions may not be assigned to a non-defaulting Clearing Member which has cleared US dollar interest rate swaps, but not Singapore dollar interest rate swaps in the last three months.