

PROPOSED AMENDMENTS TO SGX-ST RULES

Rule Amendments
CHAPTER 1 – INTRODUCTION
DEFINITIONS AND INTERPRETATION
Definitions
<u>“Practice Notes”</u> <u>Non-binding guidelines that seek to explain the application and interpretation of a Rule.</u>
<u>1.7 Order of Precedence</u>
<u>1.7.1</u>
<u>The order of precedence of the following instruments applicable to SGX-ST and Trading Members shall be (in descending order of precedence):</u>
<u>(1) Legislation;</u>
<u>(2) Rules;</u>
<u>(3) Directives; and</u>
<u>(4) Practice Notes.</u>
<u>1.7.2</u>
<u>In the event of any conflict between the provisions of the aforesaid instruments, the provisions in an instrument with a higher level of precedence shall prevail over the provisions in an instrument with a lower level of precedence.</u>

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Blue underlined – new rules

CHAPTER 2 — ADMINISTRATION

2.5 Indemnity to SGX-ST

2.5.1

Each Trading Member indemnifies SGX-ST and its Directors, Officers, employees, representatives and agents ("Indemnified Persons") against any loss or liability reasonably incurred or suffered by the 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~~ or
- (2) any wilful, unlawful, reckless or negligent act or omission by the Trading Member.

2.5.2

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

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

The Trading Member shall render such co-operation as SGX-ST 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 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.

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CHAPTER 9 — SETTLEMENT
9.5 Trades Under Physical Delivery
9.5.1
<u>[Rule has been deleted.] Share certificates and transfer forms must be delivered in the exact quantity sold, or as prescribed by SGX-ST.</u>
9.5.2
<u>[Rule has been deleted.] A Trading Member may take the following actions if a selling customer fails to deliver securities that have been sold in the ready market or through a Futures Contract:—</u>
<ul style="list-style-type: none"> <u>(1) — Recover from the customer the difference between the contract price and the market price at the time delivery should have been made, and all losses and consequent expenses; or</u> <u>(2) — Repurchase the securities and recover from the customer the difference between the contract price and the repurchase price upon the repurchase. Repurchase may be made immediately after the failure or at any other time. A Trading Member need not give notice of the repurchase to the selling customer.</u>
CHAPTER 12 — OPERATIONAL REQUIREMENTS
12.3 Customer Accounts
12.3.7 <u>Separate Accounts and</u> Account Designation
<ul style="list-style-type: none"> <u>(1) A Trading Member must maintain separate accounts for each person whose account is carried on the books of the Trading Member.</u> <u>(2) A customer account must be identified and designated by the full name of the customer(s) and an account code.</u>

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Blue underlined – new rules

CHAPTER 19 — MARGINABLE FUTURES CONTRACTS
19.14 Emergency Powers
<u>19.14.3</u>
<u>Without prejudice to the generality of Chapter 2, SGX-ST shall not be liable to any Trading Member or any other person in respect of any damage, loss, cost or expense of whatsoever nature (whether direct, indirect, special or consequential, including without limitation any loss of business, revenue, goodwill, bargain or profit), suffered or incurred by such Trading Member or other person, arising out of or in connection with the exercise or non-exercise by SGX-ST of its powers under Rule 19.14.1 or the determination by SGX-ST of the satisfaction or non-satisfaction of any condition for the exercise of such powers.</u>

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