

CDP CLEARING RULES AMENDMENTS – EFFECTIVE 16 MAY 2011

Rule Amendments to implement Composition Fines System and Mandatory Minimum Penalties framework

RULE	RATIONALE/PURPOSE OF AMENDMENT	NEW / AMENDED RULES
11.3		DISCIPLINARY ACTION
11.3.1	<p>This Rule has been amended to introduce the Composition Fines System as an alternative option to the present disciplinary actions that CDP may take.</p> <p>It is a useful alternative enforcement tool to facilitate the prompt resolution and efficient disposal of cases.</p> <p>The Composition Fines System allows an offender to resolve a rule violation by fulfilling certain conditions without going through the process of Disciplinary Committee hearings.</p>	<p>CDP may charge a Clearing Member before the Disciplinary Committee if an investigation or inspection shows that the Clearing Member, any of its directors, employees or agents may have breached any Clearing Rule or Directive.</p> <p><u>If an investigation or inspection reveals that a Clearing Member, any of its directors, employees or agents has breached any Clearing Rule or Directive, CDP may take any of the following forms of disciplinary action, namely:</u></p> <ol style="list-style-type: none"> <u>(1) to charge the Clearing Member before the Disciplinary Committee;</u> <u>(2) to make an offer of composition to the Clearing Member, if the Rule violation is indicated in the third column of Schedule A as a compoundable Rule violation; or</u> <u>(3) to issue a letter of warning to the Clearing Member.</u>
<u>11.3.2</u>	<p>This Rule has been added to rationalise the Composition Fines System with the discretion of CDP to refer the offender to the Disciplinary Committee.</p>	<p><u>If the Clearing Member does not accept the offer of composition or comply with the terms of the composition within the stipulated time as prescribed by CDP, CDP may refer the said Clearing Member to the Disciplinary Committee.</u></p>
11.3. <u>23</u>	<p>This is an editorial amendment.</p>	<p>Where CDP becomes aware of any incident of overtrading as described in Rule 19.8.1 of the SGX-ST Rules, CDP may, in its sole discretion, withhold any profits from the transaction that resulted in overtrading, or any other moneys, that are due or owing to the Clearing Member which qualified that trade, and may not release such profits or moneys until all disciplinary proceedings (including any appeal) in respect of that incident of overtrading have been concluded.</p>

RULE	RATIONALE/PURPOSE OF AMENDMENT	NEW / AMENDED RULES
11.3A		<u>COMPOSITION BY CDP</u>
	This Rule has been added to set out the administration of the Composition Fines System.	<p>11.3A.1 CDP may make an offer of composition to a Clearing Member who has breached any Clearing Rule. The terms of the offer of composition include payment of a specified sum to CDP and may include the fulfillment of any accompanying terms that CDP may prescribe.</p> <p>11.3A.2 Upon payment of the specified sum and fulfillment of the accompanying terms within the stipulated time, no further proceedings shall be taken against that Clearing Member for that Rule violation.</p> <p>11.3A.3 Acceptance of the offer of composition by the Clearing Member amounts to an admission of liability and the Clearing Member will be deemed to have committed the conduct described in the charge.</p> <p>11.3A.4 In respect of Rule violations which CDP may offer composition, guidelines on the range of composition which CDP may offer to a Clearing Member who has committed a Rule violation are indicated in Schedule A.</p> <p>11.3A.5 CDP retains the discretion to offer composition to a Clearing Member of an amount which is lower or higher than the guidelines, except that the amount of composition that CDP may offer shall not exceed S\$10,000 for each Rule violation.</p> <p>11.3A.6 Notwithstanding that a Rule violation is indicated as being compoundable or may be compoundable under Schedule A, CDP retains the discretion not to make an offer of composition to the Clearing Member and instead, to charge the said Clearing Member before the Disciplinary Committee.</p> <p>11.3A.7 If CDP has made an offer of composition, it will not commence disciplinary proceedings against a Clearing Member until after the stipulated period for the offer lapses.</p> <p>11.3A.8 For the purposes of determining whether a Rule violation is classified as a first, second, third or subsequent</p>

RULE	RATIONALE/PURPOSE OF AMENDMENT	NEW / AMENDED RULES
		<p><u>offence under Schedule A, only previous violations under the same Rule will be taken into consideration.</u></p>
<p><u>11.5.5</u></p>	<p>This Rule has been added to set out the administration of mandatory minimum penalties that is to be imposed by the Disciplinary Committee.</p> <p>A mandatory minimum penalty complements the Composition Fines System. With a mandatory minimum penalty, the quantum of any penalty imposed for all non-compoundable violations does not fall below the upper end of the range of composition sums. This assists in maintaining an overall consistency in the sentencing approach within the sentencing framework.</p>	<p><u>Mandatory Minimum Penalties to be Imposed by Disciplinary Committee for certain Rule violations</u></p> <p>(1) <u>Minimum penalties imposable by the Disciplinary Committee have been stipulated in respect of certain Rule violations, as set out in the seventh column of Schedule A.</u></p> <p>(2) <u>Where a minimum penalty has been stipulated in respect of a particular Rule violation, if the Disciplinary Committee is satisfied that CDP has proved on a balance of probabilities that the Clearing Member has committed the conduct described in the charge, the Disciplinary Committee:</u></p> <p>(a) <u>shall impose a penalty, pursuant to its power under Rule 11.5.4(3), not lower than the minimum amount as stated in the seventh column of Schedule A, for that particular Rule violation; and</u></p> <p>(b) <u>may choose to impose, in addition to the penalty in sub-section (a), any one or more of the sanction(s) as set out in Rule 11.5.4.</u></p>

SCHEDULE A TO THE CDP CLEARING RULES

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
Rule 3 – Membership						
3.5	General Obligations of a Clearing Member					
3.5.1(1)	Clearing Member to comply with the applicable eligibility criteria	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(2)	Clearing Member to clear and settle Exchange Trade transacted by it in accordance with Clearing Rules and Clearing Directives	<i>[Unless otherwise specified in this Schedule]</i>				
		Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.1(3)	Clearing Member to clear and settle Exchange Trade transacted by a Trading Member qualified by it as a principal obligor and not merely as guarantor through CDP in accordance with Clearing Rules and Clearing Directives	<i>[Unless otherwise specified in this Schedule]</i>				
		Not Compoundable	Not Compoundable			\$10,000
3.5.1(4)	Clearing Member to comply with the Clearing Rules and Clearing Directives	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(5)	Failure to grant CDP all rights and remedies as set forth in Clearing Rules and the Clearing Directives	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.1(6)	Failure to pay all fees, charges, costs, compensation and other sums as provided in Clearing Rules and Clearing Directives	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(7)	Failure to make contributions or payments to the Clearing Fund as required in Clearing Rules	Not Compoundable	Not Compoundable			\$10,000
3.5.1(8)	Failure to take or refrain from taking such action as may be required in relation to the Clearing Fund	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.1(9)(a)	Clearing Member to have proper procedures and systems for its business to prevent any violations by its directors and officers	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(9)(b)	Clearing Member to have in place sufficient resources and maintain adequate internal controls and risk management systems for its business	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.1(9)(c)	Clearing Member's employees or agents to reasonably discharge their duties and obligations in enforcing procedures and systems for business	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(10)	Clearing Member to comply with the clearing limits as CDP may prescribe from time to time	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.1(11)	Clearing Member to maintain bank accounts in the currencies that may incur settlement and with banks acceptable to CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.1(12)	Clearing Member to ensure its Memorandum and Articles of Association or its constitution shall at all times conform to Clearing Rules and Clearing Directives	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.2(1)	Clearing Member to promptly submit to CDP and/or such party as directed by CDP such information, electronic records, returns or documents as and when such information, electronic records, returns or documents are required by CDP.	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.2(a)	Clearing Member to maintain complete and accurate records, or in the case of a Bank Clearing Member, records in relation to the Bank Clearing Member's business governed by this Clearing Rules, in accordance with the SFA and/or Regulations	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.3(1)	Clearing Member to maintain complete and accurate records, or in the case of a Bank Clearing Member, records in relation to the Bank Clearing Member's business governed by this Clearing Rules, in accordance with the Clearing Rules and Clearing Directives	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.3(2)	Making or causing to be made false or misleading entry in books, records, reports etc	Not Compoundable	Not Compoundable			\$10,000
3.5.3(3)	Omitting to make material entry in any books, records, reports etc	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5.3(4)	Altering or destroying any books, records, reports etc without a valid reason	Not Compoundable	Not Compoundable			\$10,000
3.5.4	Business Continuity Requirements					
3.5.4(1)	Clearing Member to assess business and operational risks and maintain adequate business continuity arrangements	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5.4(2)	Clearing Member to document its business continuity requirements in a business continuity plan	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.5-4(3)	Clearing Member to demonstrate sufficient awareness of the risks, mitigating measures and state of readiness by way of an attestation to the Board of Directors	Compoundable	\$500	\$1,000	\$2,000	N.A.
3.5-4(4)	Clearing Member to review and test its business continuity plan regularly	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.5-4(5)	Clearing Member to appoint emergency contact person	Compoundable	\$500	\$1,000	\$2,000	N.A.
	Clearing Member's emergency contact persons to be contactable at all times	Compoundable	\$500	\$1,000	\$2,000	N.A.
	Clearing Member to immediately notify CDP in the event of an emergency	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8	Reporting Requirements					
3.8(1)	Clearing Member to notify CDP of violations of laws and regulations or conduct which is detrimental to the financial integrity, reputation or interests of CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(2)	Clearing Member to notify CDP if any of its directors, employees or agents is investigated, arrested, charged, convicted suspended or pleads guilty to any criminal offence involving fraud or dishonesty	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8(3)	Clearing Member to notify CDP if any of its directors, employees or agents is the subject of any written complaint of any offence involving fraud or dishonesty, which may have a material impact on the financial position on the Clearing Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(4)	Clearing Member to notify CDP when any of tis directors, employees or agents is the subject of any investigation, disciplinary proceeding or action taken by the Clearing Member in respect of the specified matters	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8(4A)	Clearing Member to notify CDP if any of its directors, employees or agents engages in conduct which circumvents the SFA, SFR, this Clearing Rules or Clearing Directives, or which is inconsistent with the principles of good business practice	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(4B)	Clearing Member to notify CDP if it is insolvent or is engaged in bankruptcy or winding up proceedings	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(5)	Clearing Member to notify CDP of changes to its name	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8(6)	Clearing Member to notify CDP of changes which may have the effect of altering control in the Clearing Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(7)	Clearing Member to notify CDP of any transactions resulting in the change of ownership of the specified proportion of the Clearing Member's share capital, or an increase of the specified proportion of the Clearing Member's share capital.	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8(8)	Clearing Member to notify CDP of any change in the composition of its board of directors or of any director	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(9)	Clearing Member to notify CDP of any change or amendment to its constitutive documents	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(10)	Clearing Member to notify CDP of any death or bankruptcy of any of its directors	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(11)	Clearing Member to notify CDP of any engagement or involvement in any new business or any change in the Clearing Member's business	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.8(12)	Clearing Member to notify CDP of any change in the Clearing Member's senior management	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.8(13)	Clearing Member to notify CDP of any breach of director's duties	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.9	Qualification of Trading Members					
3.9.1(1)	Clearing Member to inform CDP of the qualification of a Trading Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
	Clearing Member to provide such details as requested by CDP	Not Compoundable	Not Compoundable			\$10,000
3.9.1(2)	Clearing Member to pay such administrative fees as CDP may levy	Compoundable	\$500	\$1,000	\$2,000	N.A.
3.9.1(3)	Clearing Member to have in place adequate internal control measures and risk management systems to monitor the Trading Member's Exchange Trades	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.9.1(4)	Clearing Member to enter into a written agreement with the Trading Member setting out the terms and conditions governing their relationship	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.1(5)	Clearing Member to inform CDP if it believes that a Trading Member qualified by it has defaulted or may default	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.2(1)	Clearing Member to give not less than the time period specified by CDP of its intention to cease qualifying a Trading Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.9.2(2)	Clearing Member to satisfy CDP that it has taken proper steps to disable the Trading Member from entering into Exchange Trades	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.2(3)	Clearing Member to satisfy CDP that it has taken proper steps for the orderly clearing and settlement of the Trading Member's Exchange Trades	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.2(4)	Clearing Member to comply with the directions of CDP in relation to the orderly cessation of the qualification of the Trading Member's Exchange Trades	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.9.2(5)	Clearing Member to take steps as CDP may deem appropriate to ensure that none of the Trading Member's Exchange Trade will be cleared and settled through the Clearing Member by the proposed date of cessation	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.2A(1)(a)	Clearing Member to notify CDP of its decision to suspend its qualification of a Trading Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.9.2A(1)(b)	Clearing Member to comply with any reasonable direction of CDP in relation to the suspension of the qualification of a Trading Member	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
3.9.2A(2)	Clearing Member to notify CDP in writing within the specified period, of its intention to resume or cease qualification of a Trading Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.10	Resignation by Clearing Member					
3.10.1	Failure to comply with procedures for resignation as a Clearing Member	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
3.10.5(1)	Clearing Member shall not transact or accept for clearing and settlement, Exchange Trades that are due for settlement after the tenth Settlement Day from the date of the resignation notice.	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
Rule 4 - Approved Executive Directors						
4.1	Appointment of Approved Executive Directors and Directors					
4.1.1(1)	Clearing Member to appoint at least one person as an Approved Executive Director	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
4.2	Obligations					
4.2.1	Failure to comply with Clearing Rules or Directives.	<i>[Unless otherwise specified in this Schedule]</i>				
		Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
4.2.2	Approved Executive Director to pay CDP all fees, levies and charges as CDP prescribes	Compoundable	\$500	\$1,000	\$2,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
4.2.3(1)	Approved Executive Director to inform CDP within 14 days before engaging in, or holding any substantial shareholding in, any other business that might potentially conflict with being an Approved Executive Director	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
4.2.3(3)	Approved Executive Director to supply CDP with information it requires regarding the engagement or acquisition of shareholding	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
4.2.3(4)	Approved Executive Director not to proceed with engagement or acquisition of shareholding contrary to CDP's objection	Not Compoundable	Not Compoundable			\$10,000
4.2.3(5)	Approved Executive Director to end engagement or shareholding if required by CDP	Not Compoundable	Not Compoundable			\$10,000
4.5	Resignation of Approved Executive Director					
4.5	Clearing Member to inform CDP of Approved Executive Director's resignation at least 7 days before AED ceases to act	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
Rule 5 – Financial/Capital Requirements						
5.1	Minimum Capital and Financial Requirements of Clearing Members Incorporated in Singapore					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1.1(1)	General Clearing Member to maintain base capital requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1(2)	General Clearing Member to meet financial resources requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1(3)	General Clearing Member to meet aggregate indebtedness requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1(4)	General Clearing Member to comply with other financial and operational requirements prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1A(1)	Bank Clearing Member to maintain base capital requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1.1A(2)	Bank Clearing Member to meet financial resources requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1A(3)	Bank Clearing Member to comply with other financial and operational requirements prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1.1B	Clearing Member to immediately notify CDP of failure, or impending failure, to comply with minimum capital and financial requirements	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1.1C	Clearing Member to comply with CDP's directions where Clearing Member has failed to comply with the minimum capital and financial requirements	Not Compoundable	Not Compoundable			\$10,000
5.1A	Early Warning Financial Requirements of Clearing Members Incorporated in Singapore					
5.1A.1	Clearing Member to immediately notify CDP where financial resources have fallen below 120% of its total risk requirement, or, in the case of a General Clearing Member, where its aggregate indebtedness has exceeded 600% of its aggregate resources	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1A.2	Clearing Member to comply with CDP's directions where financial resources have fallen below 120% of its total risk requirement	Not Compoundable	Not Compoundable			\$10,000
5.1A.3	General Clearing Member to comply with CDP's directions where aggregate indebtedness has exceeded 600% of aggregate resources	Not Compoundable	Not Compoundable			\$10,000
5.1B	Notification Requirements of Clearing Members Incorporated in Singapore					
5.1B.1	Clearing Member to immediately notify CDP where financial resources have fallen below 150% of total risk requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1B.2	Clearing Member to comply with other notification requirements and conditions prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1B.3	Clearing Member to comply with CDP's directions where financial resources have fallen below 150% of its total risk requirement	Not Compoundable	Not Compoundable			\$10,000
5.1D	Minimum Capital and Financial Requirements of Clearing Members Incorporated Outside Singapore					
5.1D.1(1)	General Clearing Member to maintain base capital requirements	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.1(2)	General Clearing Member to meet adjusted net head office funds requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1D.1(3)	General Clearing Member to meet aggregate indebtedness requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.1(4)	General Clearing Member to comply with other financial and operational requirements prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.2(1)	Bank Clearing Member to meet cash and/or acceptable government securities requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.2(2)	Bank Clearing Member to meet net head office funds and adjusted net head office funds requirements	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1D.2(3)	Bank Clearing Member to meet other financial and operational requirements prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.3	Clearing Member to immediately notify CDP of failure, or impending failure, to meet minimum capital and financial requirements	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1D.4	Clearing Member to comply with CDP's directions where Clearing Member has failed to meet minimum capital and financial requirements	Not Compoundable	Not Compoundable			\$10,000
5.1E	Early Warning Financial Requirements of Clearing Members Incorporated Outside Singapore					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1E.1	Clearing Member to immediately notify CDP where adjusted net head office funds or cash and/or acceptable government securities deposited with CDP have fallen below 120% of total risk requirement, or in the case of a General Clearing Member, where its aggregate indebtedness has exceeded 600% of aggregate resources	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1E.2	Clearing Member to comply with CDP's directions where adjusted net head office funds or cash and/or acceptable government securities deposited with CDP have fallen below 120% of total risk requirement	Not Compoundable	Not Compoundable			\$10,000
5.1E.3	General Clearing Member to comply with CDP's directions where aggregate indebtedness has exceeded 600% of aggregate resources	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1F	Notification Requirements of Clearing Members Incorporated Outside Singapore					
5.1F.1	Clearing Member to immediately notify CDP where Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with CDP have fallen below 150% of total risk requirement	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.1F.2	Clearing Member to comply with other notification requirements prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.1F.3	Clearing Member to comply with CDP's directions where adjusted net head office or cash and/or acceptable government securities deposited with CDP have fallen below 150% of total risk requirement	Not Compoundable	Not Compoundable			\$10,000
5.1H	Secondary Requirement under Operational Risk Requirement					
5.1H.1	Clearing Member to include prescribed secondary requirement for the purpose of calculating operational risk requirement under the Third Schedule of the SFR (Financial and Margin Requirements)	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.5	Reserve Fund Requirement					
5.5.1	General Clearing Member to maintain reserve fund based on its audited net profits of each year	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.5.2	Reserve fund not to be made available for declaration of dividends without the prior approval of CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.6	Exposure to Single Customer					
5.6.1	General Clearing Member to immediately notify CDP of excess exposure to a single customer	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.7	Exposure to Single Security					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.7.1	General Clearing Member to immediately notify CDP of excess exposure to a single security	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.7.8	General Clearing Member not to permit exposure to suspended security to increase in monetary value above the level subsisting on 30 th consecutive day of suspension until suspension lifted	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.8	Monthly Returns					
5.8.1	Clearing Member to submit monthly returns to CDP by 14 th calendar day of each month in format specified by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.9	Appointment of Auditors and Audit Requirements					
5.9.1	Clearing Member to seek the approval of CDP prior to any appointment of new auditors	Compoundable	\$500	\$1,000	\$2,000	N.A.
5.9.1A	Bank Clearing Member to inform CDP of the appointment of new auditors within 7 days of the appointment	Compoundable	\$500	\$1,000	\$2,000	N.A.
5.9.2	Failure by General Clearing Member to furnish relevant forms required under the SFR, annual accounts and auditors' certificate to CDP within 5 months of the end of the General Clearing Member's financial year	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.9.5	Bank Clearing Members to furnish relevant forms required under Rule 5.8.1, annual accounts and auditors' certificate within 5 months of the end of the Bank Clearing Members' financial year	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11	Other Financial Requirements					
5.11.1	General Clearing Member not to reduce paid-up ordinary share capital without prior written approval of CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11.2(1)	General Clearing Member to notify CDP prior to the issue of preference shares	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.11.2(2)	General Clearing Member to comply with conditions for redeeming redeemable preference shares that are computed as part of its financial resources	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11.3(1)	Clearing Member to obtain the prior approval of CDP if it enters into a subordinated loan agreement other than the format prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11.3(2)	Clearing Member to immediately notify CDP when it draws down a qualifying subordinate loan	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.11.3(3)	Clearing Member not to repay a subordinated loan principal in contravention of the requirements and conditions	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11.4	General Clearing Member not to make any unsecured loan or advance, pay any dividend or Director's fees or increase in Director's remuneration without prior written approval of CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
5.11.5	General Clearing Member to submit to CDP a report on all its credit facilities, or any changes to its credit facilities	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
5.12	Register of Connected Persons					
5.12	General Clearing Member to maintain register of directors and their connected persons	Compoundable	\$500	\$1,000	\$2,000	N.A.
Rule 6 – Clearing and Settlement						
6.4	Settlement of Payment Obligations					
6.4.1	Clearing Member to pay CDP the Final Settlement Balance during prescribed time	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6.8	Physical Delivery and Settlement					
6.8.2.2	Clearing Member to deliver certificates to CDP by prescribed time on Settlement Day of the contracts	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6.8.3	Clearing Member to effect cash settlement to CDP within the prescribed time	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
Rule 6A – Margin Requirements						
6A.2	Clearing Member to Procure Customer Margins					
6A.2.1	Clearing Member to procure Initial Margins and require customers to meet Customer Required Margins	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.2.2	Clearing Member to comply with requirements on the computation and monitoring of customer's margins	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.2.3	Clearing Member not to allow Excess Margins to be withdrawn unless withdrawal does not cause the deposited collateral to be less than zero.	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
6A.3	Margin Management for Clearing Members					
6A.3.1	Clearing Member not to accept new orders or trades for clearing from any customer unless the specified conditions are met	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.3.2	Clearing Member to call for additional margins from its customer if the Customer Asset Value falls below the Customer Required Margins	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.3.6	Clearing Member not to set margin requirements that are less stringent than those prescribed by CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.5	Clearing Members to Deposit Margins with CDP					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
6A.5.1	Clearing Member to deposit Clearing Member Required Margins with CDP	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
6A.10	Segregation of Customer's Money and Assets					
6A.10.1(1)	Clearing Member to comply with the customer segregation requirements under the Rules and the SFA	Not Compoundable	Not Compoundable			\$10,000
6A.10.1(2)	Clearing Member to ensure that CDP is at all times provided with such information as it requires to discharge its segregation obligations under the SFA and/or enable CDP to issue the Authority with the verification of margin funds statement placed with CDP as required under the SFA	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
6A.11	Notification of Under Segregation					
6A.11.1	Every Clearing Member shall immediately report to CDP of any under-segregation of moneys or assets as required under the Rules of the SFA	Not Compoundable	Not Compoundable			\$10,000
6A.12	Safekeeping Indemnity					
6A.12.4	Clearing Member to pay all fees, expenses, charges and costs incurred by CDP	Compoundable	\$500	\$1,000	\$2,000	N.A.
	Clearing Member to deposit such margins as required by CDP by reason of any depreciation in the market value of any collateral	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
6A.14	Under-Margined Accounts					
6A.14.1	Clearing Member to immediately notify CDP when any account does not comply with the Customer Required Margins by an amount which exceeds its aggregate resources	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
6A.15	Regulatory Information					
6A.15.1	Clearing Member to provide CDP with information in relation to collateral deposited with CDP as margin for regulatory purposes	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
Rule 7 – Clearing Fund						
7.15	Time Payment of Contributions					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
7.15.1	Clearing Member to pay the required Contribution or to top-up deficiency in Contribution within prescribed time	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
Rule 8 – Default Rules						
8.6B	Application of Margins and Collateral					
8.6B.2	Clearing Member not to take any action or do anything that will interfere with CDP's ability to apply Contributions, margins or collateral	Not Compoundable	Not Compoundable			\$10,000
8.7	Certification of Net Sum Due					
8.7.1	Clearing Member to make payment of net amount payable to CDP in respect of Clearing Member's rights and obligations under these Clearing Rules	Not Compoundable	Not Compoundable			\$10,000
Rule 10 – Liabilities of CDP						
10.2	Force Majeure					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
10.2.3	Clearing Member to notify CDP and any other relevant party upon the occurrence of any event of Force Majeure	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
10.6	Indemnity to CDP					
10.6.2	Clearing Member to reimburse CDP for the specified payments	Compoundable	\$2,000 - \$4,000	\$4,000 - \$7,000	\$7,000 - \$10,000	N.A.
	Clearing Member to render cooperation to CDP in respect of any legal, arbitration or other regulatory proceedings.	Not Compoundable	Not Compoundable			\$10,000
Rule 11 – Supervisory Rules						
11.1	Clearing House Investigations					
11.1.3	Clearing Member to cooperate with investigations conducted by CDP	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
11.1.4	Clearing Member, director, officer, employee or agent not to wilfully make, furnish or permit the making or furnishing of any false or misleading information, statement or report to CDP	Not Compoundable	Not Compoundable			\$10,000
11.2	Clearing House Inspections					
11.2.3	Clearing Member to give Clearing House Inspector access to all information, books and records as requested	Not Compoundable	Not Compoundable			\$10,000
11.2.5	Clearing Member to immediately pay fees for inspection by CDP	Compoundable	\$500	\$1,000	\$2,000	N.A.
11.6	Disiplinary Committee Proceedings					
11.6.4	Evidence					

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
11.6.4(3)	Clearing Member not to breach its undertaking not to disclose information received from CDP in relation to the charge to any person, except to the legal representative of the person charged for the purposes of the hearing	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
11.9	Appeal Proceedings					
11.9.5(2)	Clearing Member not to breach its undertaking not to disclose information received from CDP in relation to the charge to any person, except to the legal representative of the person charged for the purposes of any appeal	Not Compoundable	Not Compoundable			\$10,000

Rule violation		Whether composition may be offered	Composition Amount which may be Offered by CDP, where CDP has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by DC
Rule Chapter / Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
Rule 13 - General						
13.2	Fees Payable					
13.2.1	Failure to pay CDP such fees and charges for the clearing and settlement of Exchange Trades based on CDP's fee schedules from time to time and such fines and default interest as may be imposed by CDP from time to time	Compoundable	\$500	\$1,000	\$2,000	N.A.
13.2.2	Failure to pay CDP out-of-pocket expenses incurred by CDP caused directly or indirectly by such Clearing Member's actions or omissions etc	Compoundable	\$500	\$1,000	\$2,000	N.A.