

PROPOSED AMENDMENTS TO CDP CLEARING RULES

Rule Amendments	
RULE 1 – APPLICATION AND DEFINITIONS	
1.2 Definitions	
1.2.1	
In these Clearing Rules, unless the context otherwise requires:—	
Where a provision of these Clearing Rules refers to or has effect for the purposes of a particular provision of the SFA or the Companies Act (Cap. 50) or any subsidiary legislation promulgated under it ("the Companies Act") — the word or expression has in that provision of these Clearing Rules the same meaning as it has in that provision of the SFA or the Companies Act; in any other case, the word or expression has the same meaning in these Clearing Rules as it has in the SFA or the Companies Act.	
"acceptable government securities"	means securities issued by a government with a Moody's Investors Service sovereign rating of at least Aaa, Standard & Poor's Corporation sovereign rating of at least AAA, or Fitch, Inc sovereign rating of at least AAA- <u>or such other rating or such other government security, as may otherwise be prescribed by and acceptable to CDP from time to time.</u>
<u>"Circular"</u>	<u>means a binding notice issued by the Clearing House regarding regulatory and non-regulatory matters pertaining to Clearing Members.</u>
"Clearing Directives"	means any dDirectives, eCirculares, practice guidelines, and terms and conditions <u>governing the operations, facilities and services provided by CDP and all other written requirements as may be prescribed by CDP from time to time (whether generally or specific to any person).</u>
<u>"Common Banking Day"</u>	<u>in relation to settlement in a foreign currency means a day on which CDP is open for business and both the central bank in Singapore and the central bank for that foreign currency are open for settlement.</u>

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<u>“Confirmation”</u>	<u>has the meaning ascribed to it in Rule 6C.2.3.</u>
<u>“Directive”</u>	<u>means a binding notice directing Clearing Members to take corrective or other actions in the interests of a safe and efficient clearing facility or in light of investor protection concerns.</u>
<u>“Other Payment Method”</u>	<u>means any payment method other than Settlement Bank Payment.</u>
<u>“Payment Instruction”</u>	<u>has the meaning ascribed to it in Rule 6C.2.2.</u>
<u>“Practice Note”</u>	<u>means a non-binding guideline that seeks to explain the application and interpretation of a Rule.</u>
<u>“Settlement Bank”</u>	<u>means a bank approved by CDP to carry out Settlement Bank Payment.</u>
<u>“Settlement Bank Payment”</u>	<u>has the meaning ascribed to it in Rule 6C.2.1.</u>
1.8 Clearing Directives	
1.8.1	
CDP may from time to time issue <u>, or otherwise provide for,</u> Clearing Directives which operate as a binding contract between CDP and each Clearing Member, and between a Clearing Member and any other Clearing Member.	
<u>1.10 Order of Precedence</u>	
<u>1.10.1</u>	
<u>The order of precedence of the following instruments applicable to the CDP and Clearing Members shall be (in descending order of</u>	

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precedence):

(1) Legislation;

(2) this Clearing Rules;

(3) Directives;

(4) Circulars;

(5) terms and conditions governing the operations, facilities and services provided by CDP; and

(6) Practice Notes.

1.10.2

Subject to Rule 1.7.1, 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.

RULE 3 – MEMBERSHIP

3.1 Clearing Member

3.1.3 Eligibility Criteria for Bank Clearing Members

Unless otherwise prescribed by CDP, to be eligible for Clearing Membership as a Bank Clearing Member, an applicant must satisfy CDP that:—

- (1) it is authorized to conduct banking business in Singapore pursuant to section 4 of the Banking Act (Chapter 19) ;
- (2) it or its parent bank has ~~a financial strength rating of at least C from Moody's Investors Service, a bank fundamental strength rating of at least C from Standard & Poor's Corporation, a bank individual rating of at least C from Fitch, Inc or an equivalent rating from any other international rating agency deemed acceptable by CDP~~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;

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- (3) upon admission, it shall appoint at least one (1) Approved Executive Director pursuant to Rule 4;
- (4) it has, and upon admission will maintain, minimum capital and financial requirements pursuant to Rules 5.1.1A or 5.1D.2 (whichever is applicable) and 5.4;
- (5) its managerial or executive staff have a high standard of integrity and a level of knowledge (as may be deemed acceptable by CDP) on the nature, risks and obligations in respect of the market or contracts that it wishes to clear;
- (6) it must have in place sufficient resources and establish and maintain adequate systems for preserving a sound liquidity and financial position at all times including the maintaining of adequate staff and facilities for monitoring its cashflow and funding requirements and maintaining sufficient liquidity for its day to day operations governed by this Clearing Rules;
- (7) it must maintain segregated and adequate back-office functions in respect of its operations governed by this Clearing Rules;
- (8) it satisfies any and all other requirements and criteria for such Clearing Membership, which CDP may from time to time hereafter prescribe; and
- (9) where it is incorporated in Singapore,
 - (a) it has a base capital of not less than S\$5,000,000; or
 - (b) in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has a base capital of not less than S\$8,000,000; or such other amount as may be prescribed by CDP hereafter and from time to time; or
- (10) where it is incorporated outside Singapore,
 - (a) it has deposited, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$5,000,000 with CDP; or
 - (b) in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has deposited, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$8,000,000 with CDP;

or such other amount as may be prescribed by CDP hereafter and from time to time, PROVIDED ALWAYS THAT:—

- (i) if the Bank Clearing Member has deposited S\$8,000,000 with SGX-DC or such other amount as prescribed, pursuant to the corresponding provision relating to the prescribed minimum capital and financial requirements, in the SGX-DC Clearing Rules, it need not deposit a further S\$8,000,000 with CDP or such other amount as may be prescribed by CDP; and
- (ii) CDP shall have the discretion to utilize or apportion in any manner, the S\$8,000,000 or such other amount as may be prescribed by CDP and/or SGX-DC, to satisfy the Bank Clearing Member's obligations to CDP and/or SGX-DC under this Clearing Rules and the SGX-DC Clearing Rules respectively. In deciding on the apportionment, CDP may, in consultation with SGX-DC, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member to CDP and SGX-DC respectively; or
- c) it has net head office funds of not less than S\$5,000,000 or in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has net head office funds of not less than S\$8,000,000, or such other amount as may be prescribed by CDP hereafter and from time to time, PROVIDED ALWAYS THAT CDP has the discretion to decide if an applicant may seek to rely on its net head office funds pursuant to this Rule 3.1.3(10)(c) instead of depositing cash and/or acceptable government securities pursuant to Rule 3.1.3(10)(a) or (b).

RULE 6 – CLEARING AND SETTLEMENT

6.2 Novation in Inter-Broker Settlement

6.2.1A

For transactions in Marginable Futures Contracts between 2 SGX-ST Trading Members which are reported to SGX-ST pursuant to the SGX-ST Rules on "Direct Business", novation under Rules 6.2.1(1)–(3) shall take place only upon: takes place when payment of the Clearing Member Required Margins has been confirmed by both settlement bank(s) of the Clearing Members, as a result of the first margin call.

- (a) where both Clearing Members receive margin call pursuant to the first margin cycle run following the reporting of the trade, the later in time Confirmation by the Clearing Members' Settlement Bank(s) of the Payment Instructions in respect of the margin calls; or
- (b) where only one Clearing Member receives margin call pursuant to the first margin cycle run following the reporting of the trade, Confirmation by that Clearing Member's Settlement Bank of the Payment Instruction in respect of that margin call; or
- (c) where neither Clearing Member receives margin call pursuant to the first margin cycle run following the reporting of the trade, the end of that margin cycle.

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6.2.2

6.3 Set-Off of Payment Obligations Under Novated Contracts

6.3.2

In respect of any Clearing Member, its payment obligations arising under the Novated Contracts which are due for settlement on any Settlement Day shall be set-off so that the total of all amounts that such Clearing Member is obliged to pay CDP on that Settlement Day shall be set off against the total of all amounts that such Clearing Member is entitled to receive from CDP on that Settlement Day. The resultant net amount shall be known as the "Net Inter-Broker Settlement Balance" for that Settlement Day and ~~–~~CDP shall issue to the Clearing Member the "Daily Settlement of Account with CDP" statement by such time as set out in Appendix 1 on any that Settlement Day to notify the Clearing Member of its Net Inter-Broker Settlement Balance for that Settlement Day.

6.3.3

For any Settlement Day, the Net Inter-Broker Settlement Balance for that Settlement Day shall:

- ~~(1) —~~ be further set-off against any net amount owing by CDP to the Clearing Member or any net amount owing to CDP by the Clearing Member for Exchange Trades cleared and settled through CDP under DVP Settlement pursuant to the DVP Rules and due for settlement on that Settlement Day; and.
- ~~(2) — not include the amount owing by CDP to the Clearing Member in respect of every security which is not available in accordance with Rule 6.5.2A and which the Clearing Member has not delivered.~~

The resultant net amount (the "Final Settlement Balance") shall be payable to CDP by, or payable by CDP to, the Clearing Member ~~on any Settlement Day~~. The Final Settlement Balance shall be notified to the Clearing Member by on-line transmission (the "On-Line Transmission") to the Clearing Member's terminal by such time as set out in Appendix 1 on each that Settlement Day.

6.4 Settlement of Payment Obligations Between Clearing Members and CDP

6.4.1

Unless otherwise notified by CDP to the Clearing Members, settlement of the Final Settlement Balance for each Settlement Day between the Clearing Members and CDP shall be effected by such time as set out in Appendix 1 on that Settlement Day, save that in the case of settlement

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in a foreign currency, if the Settlement Day is not a Common Banking Day, settlement shall be effected at the same time on the next Common Banking Day.

6.4.1A

If CDP is of the opinion that settlement of the Final Settlement Balance is unlikely to commence at the scheduled time, CDP shall inform Clearing Members of the following matters:

- (1) that settlement of the Final Settlement Balance is unlikely to take place~~commence~~ at the scheduled time; and
- (2) the estimated time at which the delayed settlement shall be made~~will commence~~.

CDP shall provide adequate time for Clearing Members to make payment and Clearing Members shall effect settlement of the Final Settlement Balance by such time as stipulated by CDP.

6.4.2

The "Save for manifest error, for each Settlement Day, the Daily Settlement of Account with CDP" statement shall be deemed binding and conclusive on each Clearing Member as to the Net Inter-Broker Settlement Balance for ~~each that~~ Settlement Day and ~~the~~ On-Line Transmission shall be deemed binding and conclusive on each Clearing Member as to the Final Settlement Balance for ~~each that~~ Settlement Day.

6.4.3

Payment~~Notwithstanding any manifest error in the proforma Daily Settlement of Account with CDP statement, the Daily Settlement of Account with CDP statement or the On-Line Transmission, payment~~ of the Final Settlement Balance for any Settlement Day shall be made by or to a Clearing Member in accordance with Rule 6.4.1 irrespective of any dispute between the Clearing Member and CDP as to the ~~Final Settlement Balance. CDP amounts stated in any of those statements. Any dispute~~ shall ~~consider any disputes relating to the Final Settlement Balance be considered by CDP~~ only after 5.00 p.m. on ~~the that~~ Settlement Day and any moneys to be refunded or deducted shall be refunded or deducted free of interest as soon as practicable after ~~on the Settlement Day following the day on which~~ the dispute is resolved.

<p>6.5 Settlement of Securities Under Novated Contracts</p>
<p>6.5.1</p>
<p>Subject to Rule 6.6.3, CDP shall, pursuant to any Novated Contract which is due for settlement on any Settlement Day, The obligation of CDP to make delivery of securities to a the buying Clearing Member pursuant to a Novated Contract on that any Settlement Day. CDP's obligation to make such delivery shall be discharged by CDP crediting such securities to the Clearing Account of the buying Clearing Member before 12.00 midnight on the Settlement Day. Upon such crediting, unless an Exchange Trade is settled by FOP Transaction Settlement or CPF Trade Settlement (see Rule 6.5.1), the buying Clearing Member irrevocably authorises CDP to credit such securities into the "Available" balance of the Securities Account or sub-account of the customer of the buying Clearing Member on whose behalf the buying Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement.</p>
<p>6.5.2</p>
<p>CDP shall, pursuant to any Novated Contract which is due for settlement on any Settlement Day, The right of CDP to receive securities on any Settlement Day from a the selling Clearing Member on that Settlement Day, pursuant to a Novated Contract CDP's right to receive such securities shall be satisfied by CDP debiting such securities from the Clearing Account of the selling Clearing Member before 12.00 midnight on the Settlement Day. Upon such debiting, the selling Clearing Member irrevocably authorises CDP to recover such securities from the balance of the Securities Account or sub-account of the customer of the selling Clearing Member on whose behalf the selling Clearing Member executed the relevant Exchange Trade for Inter-Broker Settlement by debiting the said Securities Account or sub-account and to thereafter credit such securities to the Clearing Account of the selling Clearing Member. In the event that there are insufficient or no securities in the balance of such Securities Account or sub-account, the selling Clearing Member shall be responsible for such shortfall. The shortfall in the securities shall be debited to the selling Clearing Member's Clearing Account.</p>
<p>6.5.2A</p>
<p>The selling Clearing Member shall ensure that such security referred to in Rule 6.5.2 is available in the balance of the Securities Account or sub-account of its customer by 12.00 noon on Settlement Day, or <u>by</u> such <u>other</u> time as determined by CDP. Failure to do so shall subject the selling Clearing Member to buying-in under Rule 6.7.</p>
<p><u>6.5.2C</u></p>
<p><u>For any Settlement Day, CDP shall require and call for cash collateral from any Clearing Member for the value of every security which has not been made available in accordance with Rule 6.5.2A. The amount of such cash collateral shall be calculated and determined by CDP in its sole discretion.</u></p>

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CDP shall be entitled to net the amount of such cash collateral with the Final Settlement Balance of the Clearing Member for that Settlement Day, and payment of such cash collateral shall not be considered to have been made until payment of the Final Settlement Balance (as adjusted pursuant to this Rule 6.5.2C) has been made in accordance with Rule 6C.2.6.

CDP shall be entitled to utilise the cash collateral collected pursuant to this Rule 6.5.2C to meet the Clearing Member's obligations to CDP under these Clearing Rules, in such manner as CDP shall in its sole discretion determine.

The cash collateral collected pursuant to this Rule 6.5.2C shall not be entitled to interest.

6.5.3

For the purposes of Rule 6, the Trading Member qualified by the Clearing Member shall be treated as the buying or selling customer (as the case may be) of the Clearing Member and the settlement of securities bought or sold shall be credited or debited, as the case may be, firstly, to or from the Clearing Member's Clearing Account and thereafter to or from the Securities Account or sub-account of the Trading Member on whose behalf the Clearing Member cleared and settled the relevant Exchange Trade.

6.8 ~~[This Rule has been deleted.]~~ Physical Delivery and Settlement

6.8.1

~~This Rule applies to securities designated by CDP as being ineligible for clearance or settlement on a book entry.~~

6.8.2 Delivery of Scrips

6.8.2.1

- ~~(1) Share certificates and transfer forms for all trades shall be delivered in board lots on a Market Day or as prescribed by CDP.~~
- ~~(2) Unless otherwise determined by CDP, valid transfer documents, duly executed by the transferor and acceptable to the registrar concerned, shall constitute good delivery, notwithstanding that the transferee's name may not be acceptable to the registrar provided that the transfer receipts shall not be good delivery after 6 months from the time when certificates were available in exchange for the transfer receipts.~~
- ~~(3) Delivery of securities, including special parcels shall be made in the exact quantity sold or, in the case of partial delivery, in normal board~~

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lots.

~~(4) Terms of delivery and settlement for Singapore Government securities and Asian Currency Bonds shall be by mutual arrangement between all parties concerned.~~

6.8.2.2 Scrip Delivery to CDP

~~(1) Clearing Member shall deliver certificates to CDP by 4.00 p.m. on the Settlement Day of the contracts.~~

~~(2) Clearing Member shall ensure that all certificates delivered to CDP constitute good delivery under Rule 6.8.2.1.~~

6.8.2.3 Scrip Delivery by CDP

~~Delivery from CDP to Clearing Member shall be effected between 9.00 a.m. and 11.00 a.m. on the Market Day following the Settlement Day of the contract.~~

6.8.2.4 Registration for Corporate Actions

~~(1) Delivery of securities from Clearing Members to CDP, in time for registration of the corporate entitlements, means:—~~

~~(a) Where the register or branch register is in Singapore, receipt by CDP of documents 3 clear Market Days before the book closure date, or the date set for determination of entitlements, or the last date of acceptance as the case may be,~~

~~(b) Where the register or branch register is outside Singapore and there is no such register in Singapore, receipt by CDP of documents 5 clear Market Days before the relevant dates as in Rule 6.8.2.4(1)(a).~~

~~(2) Delivery of securities from CDP to Clearing Members, in time for registration of the corporate entitlements, means:~~

~~(a) Where the register or branch register is in Singapore, receipt by the buying Clearing Member of documents 2 clear Market Days before the book closure date, or the date set for determination of entitlements, or the last date of acceptance as the case may be,~~

~~(b) Where the register or branch register is outside Singapore and there is no such register in Singapore, receipt by the buying Clearing Member of documents 4 clear Market Days before the relevant dates as in Rule 6.8.2.4(2)(a).~~

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~~6.8.3 Cash Settlement Between Clearing Members and CDP~~

- ~~(1) By 9.30 a.m. of each Market Day, CDP shall provide a "Statement of Account with CDP" for each Clearing Member showing the net amount receivable from CDP or net amount payable to CDP, being the difference between:—~~
- ~~(a) the amount due from CDP in respect of securities delivered to CDP, and~~
 - ~~(b) the amount due to CDP in respect of securities received from CDP.~~
- ~~(2) Settlement between the Clearing Member and CDP shall be effected between 10.00 a.m. and 11.00 a.m. on the Market Day on which the "Statement of Account with CDP" was received. Where a net amount is payable by a Clearing Member, the Clearing Member shall effect settlement of this amount to CDP between the hours of 10.00 a.m. and 11.00 a.m. on the same Market Day. A Clearing Member which effects settlement of the net amount due to CDP after 11.00 a.m. may, at the discretion of CDP, be charged interest on the amount owing at such rate as may be determined by CDP, notwithstanding that CDP may take action against the Clearing Member under Rule 8.~~

6.10 Emergency Powers

6.10.1

In relation to Novated Contracts, where CDP deems it necessary or desirable for ensuring a fair and orderly market or for ensuring a safe and efficient clearing facility, or for ensuring the integrity of the market or for proper management of systemic risk in the market, CDP may, in relation to 1 or more Clearing Members:

- (1) require that margins (whether additional or otherwise) be deposited with CDP during the next banking hour after demand or at such time as may be specified by CDP;
- (2) require that a portion of the positions carried in any account(s) on the books of such Clearing Member be transferred to the books of 1 or more Clearing Members;
- (3) require such Clearing Member to liquidate any of the positions carried in any account(s) on its books;
- (4) modify any term in any Contract Specifications, which may include bringing forward the Last Trading Day, or modifying the settlement obligations as set out in ST Rule 9.4.1;
- (5) require such Clearing Member to close any accounts;

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- (6) require such Clearing Member to deposit additional funds with CDP by such time as it shall specify and in the amount it deems necessary to meet settlements obligations;
- (7) impose such additional capital requirements on such Clearing Member as CDP deems necessary or desirable;
- (8) impose such limits and/or conditions to control the activities of such Clearing Member as CDP deems necessary or desirable; and
- (9) take such action or require the Clearing Member to take such action as CDP deems necessary or desirable.

6.10.2

CDP shall, as soon as practicable, notify the Authority of any action taken by CDP pursuant to Rule 6.10.1.

6.10.3

Without prejudice to the generality of Rule 1 or Rule 10, CDP shall not be liable to any Clearing Member or any Third Party 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 Clearing Member or Third Party, arising out of or in connection with the exercise or non-exercise by CDP of its powers under Rule 6.10.1 or the determination by CDP of the satisfaction or non-satisfaction of any condition for the exercise of such powers.

6.11 Market Disorders, Impossibility of Performance, Emergency Situations

6.11.1

Without prejudice to Rule 1.1.3, if CDP determines that 1 of the following conditions is satisfied, namely: —

- (1) a state of war or emergency exists or is imminent or threatened and is likely to affect or has affected the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract;
- (2) the government of any nation, state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls which appear likely to affect the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract;

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- (3) any international organisation, or any institution or agency thereof, has introduced, varied, terminated or allowed to lapse any provision so as to be likely to affect the normal course of business, including, but not limited to, performance under any Novated Contract or New Purchase Contract or New Sale Contract, or has given notice of its intention to do so or appears to be about to do so;
- (4) CDP determines that excessive positions or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting a market in any Marginable Futures Contract or its underlying;

CDP shall be entitled to exercise the powers under Rules 6A.9A and 6.10.

RULE 6C – PAYMENTS

6C.1 Nomination of Accounts

6C.1.1

The nomination of an account for the purpose of receiving any funds or other assets to be paid or deposited under these Clearing Rules shall, in the case of nomination by a Clearing Member, be in writing to CDP, and in the case of nomination by CDP, be by way of circular or otherwise.

6C.2 Cash Payments : Settlement Bank Payment

6C.2.1

The payment method that is set out in this Rule 6C.2 shall be referred to in these Clearing Rules as “Settlement Bank Payment”.

6C.2.2

A “Payment Instruction” means an instruction given by CDP to a Settlement Bank to:

- (a) place at the disposal of a Clearing Member by crediting a nominated account held by that Clearing Member at that Settlement Bank an amount of money to be debited from a nominated account held by CDP at that Settlement Bank; or
- (b) place at the disposal of CDP by crediting a nominated account held by CDP at that Settlement Bank an amount of money to be debited from a nominated account held by a Clearing Member at that Settlement Bank.

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The means by which a Payment Instruction may be communicated by CDP to a Settlement Bank shall be as agreed between CDP and the Settlement Bank.

6C.2.3

A “Confirmation” in relation to a Payment Instruction means a confirmation by a Settlement Bank to CDP that it will carry out that Payment Instruction.

The means by which a Confirmation shall be made or deemed to have been made and communicated by a Settlement Bank to CDP shall be as agreed between CDP and the Settlement Bank.

6C.2.4

A Payment Instruction may be given by CDP in respect of any obligation to pay a sum of money pursuant to or in connection with these Clearing Rules. A Payment Instruction shall be irrevocable upon the Confirmation of that Payment Instruction by the relevant Settlement Bank.

6C.2.5

Subject to Rule 6C.2.6, where any sum of money is paid pursuant to or in connection with these Clearing Rules through Settlement Bank Payment:

- (a) such payment shall not be considered to have been made to the intended recipient until a Confirmation of the relevant Payment Instruction is given by the relevant Settlement Bank; and
- (b) such Confirmation shall discharge the payment obligation in respect of which the relevant Payment Instruction was given.

6C.2.6

Rule 6C.2.5 shall not apply to any payment of Final Settlement Balance made pursuant to these Clearing Rules. Payment of Final Settlement Balance shall not be considered to have been made to the intended recipient (i.e., CDP or the Clearing Member as the case may be) until the payment sum is irrevocably and unconditionally received, in immediately available funds, in such account of the intended recipient as is nominated by the intended recipient.

<u>6C.3 Cash Payments : Other Payment Methods</u>
<u>6C.3.1</u>
<u>Where any sum of money is to be paid pursuant to or in connection with these Clearing Rules, CDP may stipulate the payment method through which such payment is to be made and Clearing Members shall comply with such stipulation.</u>
<u>6C.3.2</u>
<u>Where any sum of money is paid pursuant to or in connection with these Clearing Rules through an Other Payment Method, such payment shall not be considered to have been made to the intended recipient until the payment sum is irrevocably and unconditionally received, in immediately available funds, in such account of the intended recipient as is nominated by the intended recipient.</u>
<u>6C.4 Deposit and Return of Government Securities</u>
<u>6C.4.1</u>
<u>Any deposit or return of government securities pursuant to or in connection with these Clearing Rules shall not be considered to have been made until such government securities are received in such account of the intended recipient as is nominated by the intended recipient.</u>
<u>6C.5 Deposit and Return of Book-Entry Securities</u>
<u>6C.5.1</u>
<u>Any deposit of book-entry securities (as defined in section 130A of the Companies Act) by a Clearing Member with CDP pursuant to or in connection with these Clearing Rules shall not be considered to have been made until the charge over such securities becomes effective in accordance with section 130N of the Companies Act.</u>
<u>6C.5.2</u>
<u>Any return of book-entry securities (as defined in section 130A of the Companies Act) by CDP to a Clearing Member pursuant to or in connection with these Clearing Rules shall not be considered to have been made until the charge over such securities is discharged in accordance with section 130N of the Companies Act.</u>

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RULE 8 – DEFAULT RULES
8.1 Events of Default
<u>8.1.3</u>
<u>Without prejudice to the generality of Rule 1 or Rule 10, CDP shall not be liable to any Clearing Member or any Third Party 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 Clearing Member or Third Party, arising out of or in connection with the declaration or non-declaration of an event of default by CDP.</u>
<u>8.6E Exclusion of Liability</u>
<u>8.6E.1</u>
<u>Without prejudice to the generality of Rule 1 or Rule 10, CDP shall not be liable to any customer in respect of a New Purchase Contract, a New Sale Contract or a novated Marginable Futures Contract whose positions or margins are transferred or entrusted to another Clearing Member, 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 customer, arising out of or in connection with any act or omission of CDP in the performance of CDP’s obligations in Rule 8 or the exercise or non-exercise of its powers under Rule 8.</u>
RULE 10 – LIABILITIES OF CDP
10.6 Indemnity to CDP
10.6.1
Each Clearing Member shall indemnify and agree to keep indemnified <u>indemnifies</u> CDP, and <u>and</u> its <u>directors</u> , officers, employees, representatives and agents ("Indemnified Persons") from and against any loss or liability reasonably incurred or suffered by the Indemnified Persons where such loss or liability arose out of <u>or in connection with</u> :—
(1) any breach by the Clearing Member of its obligations under the Clearing Rules and/or Clearing Directives; or
(2) any wilful, unlawful, <u>reckless</u> or negligent act or omission by <u>a the</u> Clearing Member.

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10.6.2

Without prejudice to the generality of Rule 10.6.1, in the event that any legal, arbitration or other ~~regulatory~~ proceedings ~~are~~is brought to impose any liability on CDP the Indemnified Persons for an alleged failure on ~~its~~ the part of any Indemnified Person to prevent or to require action by a Clearing Member or any of its directors, officers, employees, representatives or agents, the ~~said~~ Clearing Member shall reimburse CDP for:—

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

The Clearing Member shall render such co-operation as CDP reasonably requires in respect of such proceedings including without limitation the production of any document or records.

PROPOSED AMENDMENTS TO APPENDIX 1 OF THE CDP CLEARING RULES

The ~~settlement of~~ payment schedule for Final Settlement Balances Clearing Members in respect of all currencies is as follows:

Event	Full Day	Half Day
One <u>Market D</u>day before Settlement Day		
CDP to issue <u>P</u> roforma Daily Settlement of Account <u>with CDP s</u> Statement to Clearing Members#	By 10.00am	By 10.00am
Settlement Day		
CDP to issue Daily Settlement of Account <u>with CDP S</u> statement to Clearing Members##	By 10.00am	By 10.00am
<u>Pre-S</u> ettlement <u>R</u> un	12.00pm to 2:00pm	9.00am to 10:15am
CDP to issue On- <u>L</u> ine Transmission of Final Settlement Balances to Clearing Members^	<u>By</u> 2.30pm	<u>By</u> 10.45am
Clearing Members to pay debit Final Settlement Balances to CDP	By 3.30pm	By 11.45am
CDP to pay credit Final Settlement Balances to Clearing Members	By 4.30pm	By 12.45pm

Blue struckthrough – deletions from existing rules
Blue underlined – new rules

* Half day refers to CDP's half working days on the eve of Christmas, New Year and Chinese New Year

Clearing Members must have sufficient money balance and/or credit lines with their ~~s~~Settlement ~~b~~Banks to enable the ~~s~~Settlement ~~b~~Banks to confirm CDP instructions for AUD and RMB ~~trades-payment~~ within an hour of issuance of settlement instructions by CDP.

Clearing Members must have sufficient money balance and/or credit lines with their ~~s~~Settlement ~~b~~Banks to enable the ~~s~~Settlement ~~b~~Banks to confirm CDP instructions for HKD ~~trades-payment~~ within an hour of issuance of settlement instructions by CDP.

^ Clearing Members must have sufficient money balance and/or credit lines with their ~~s~~Settlement ~~b~~Banks to enable the ~~s~~Settlement ~~b~~Banks to confirm CDP instructions for SGD and USD ~~trades-payment~~ within an hour of issuance of settlement instructions by CDP.