

**CDP Clearing Rules - Schedule A Amendments for PTS 2**

**Rule 3 – Membership**

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 imposed by the DC
Rule Chapter/Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
<b>Rule 3 – Membership</b>						
<b>3.5</b>	<b>General Obligations of a Clearing Member</b>					
...	...					
3.5.1(11)	Clearing Member to maintain bank accounts in the currencies <u>as necessary, that may incur settlement</u> and with banks acceptable to CDP, <u>to facilitate payments and/or settlement as may be required under these Clearing Rules.</u>	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.
...	...					
<b>3.7A</b>	<b>Relationship Between Clearing Member and Trading Member</b>					
<u>3.7A.1</u>	<u>Where relevant, Clearing Member to make payment or deliver securities to a Trading member in respect of any Exchange Trade, within prescribed timelines.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

<u>3.7A.2</u>	<u>Subject to Rules 3.7A.3 and 3.7A.4, if a buying Trading Member fails to meet any of the timelines set out in the SGX-ST Rules for payment to its Clearing Member, Clearing Member to force-sell securities of the buying Trading Member within prescribed timelines.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>3.7A.5</u>	<u>Clearing Member not to engage in imprudent credit practices when exercising discretion with regards to deferment of force-sale.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>3.7A.7</u>	<u>Clearing Member, if informed by CDP that a right to receive securities pursuant to an Exchange Trade is to be cash settled, to immediately inform the relevant buying Trading Member.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b><u>3.8</u></b>	<b><u>Reporting Requirements</u></b>					
<u>3.8 (4C)</u>	<u>Clearing Member to notify CDP if the Clearing Member is experiencing an emergency or potentially debilitating situation that threatens its operations.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

## Rule 5A – Position Accounts

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 imposed by the DC
Rule Chapter/Number	Brief Description of Rule		1st Violation	2nd Violation	3rd Violation	
<b>Rule 5A — Position Accounts</b>						
<b>5A.3</b>	<b>Allocation of trades to Position Accounts</b>					
...	...					
5A.3.4	Clearing Member to ensure that no trades are warehoused for more than <b>2</b> <b>1</b> Market Days, unless under exceptional circumstances, where the Clearing Member must document the reasons for the extension of time.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.
<b>5A.4</b>	<b>Authorizsation of SGX-ST Trading Member to Maintain Position Accounts</b>					
5A.4.2	Clearing Member who authorizses the Authorizsed Trading Member under Rule 5A.4.1(a) shall ensure that the Authorizsed Trading Member performs the obligations under Rules 5A.1 and 5A.2, as they apply to the Authorizsed Trading Member in respect of each Authorizsed Account.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.

5A.4.3	The Clearing Member who authorizes the Authorized Trading Member under Rule 5A.4.1(b) shall ensure that the Authorized Trading Member performs the obligations under Rules 5A.1, 5A.2, 5A.3 and 5A.6, as they apply to the Authorized Trading Member in respect of each Authorized Account.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.
5A.4.4(a)	Clearing Member to give not less than 30 days' written notice to CDP of its intention to cease authorizing that Authorized Trading Member and the proposed date of cessation.	Compoundable	\$500	\$1,000	\$2,000	N.A.
5A.4.4(b)	Clearing Member to satisfy CDP that it has taken, or will take, proper steps for the orderly clearing and settlement of the Authorized Trading Member's Exchange Trades.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.
5A.4.4(c)	Clearing member to comply with any reasonable direction of CDP in relation to the orderly cessation of the authorization of the Authorized Trading Member.	Not compoundable	N.A.	N.A.	N.A.	\$10,000
<b>5A.5</b>	<b>Position Accounts carrying positions for more than one beneficial owner</b>					
5A.5.1	Clearing Member is to identify <u>the beneficial owner(s) and/or controlling party(ies) of any Position Account to CDP or make available to CDP the identity of any underlying beneficial</u>	Not compoundable	N.A.	N.A.	N.A.	\$10,000

	owner and/or any controlling party of a <del>Position Account</del> , upon request by CDP within such time as CDP may require.					
<b>5A.6</b>	<b>Position Reconciliation</b>					
5A.6.1	Clearing Member to ensure that positions in each Position Account maintained with CDP are accurate, <u>and inform CDP and if required</u> <del>to</del> rectify any discrepancy immediately.	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.