

AMENDMENTS TO THE DVP RULES

RULE	ORIGINAL RULE	RULE AMENDMENT
3.2	<u>Effect of Novation</u>	
3.2.1	The transaction accepted for DVP Settlement shall (unless earlier cancelled in accordance with Rule 6) be novated to CDP immediately after the Cut-off Time for DVP Validation on the Settlement Day on which such transaction is due for settlement in DVP Settlement.	No change.
3.2.1A	<p>Upon the novation of a DVPT transaction to CDP:</p> <p>(A)</p> <p>(i) the obligation of the receiving Principal to pay the purchase consideration and brokerage to the buying Trading Member and the obligation of the buying Trading Member to pay the purchase consideration to its qualifying Clearing Member is replaced by the obligation of the receiving Principal to pay the purchase consideration and brokerage to CDP and the obligation of CDP to pay the same to the qualifying Clearing Member of the buying Trading Member. The right of the buying Trading Member to receive the purchase consideration and brokerage from the receiving Principal and the right of the qualifying Clearing Member to receive the purchase consideration from its buying Trading Member is replaced by the right of CDP to receive the purchase consideration and brokerage from the receiving Principal and the right of the qualifying Clearing Member of the buying Trading Member to receive the purchase consideration and brokerage from CDP;</p> <p>(ii) the obligation of the qualifying Clearing Member of the buying Trading Member to deliver the</p>	No change.

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	<p>securities to its buying Trading Member and the obligation of the buying Trading Member to deliver the securities to the receiving Principal is replaced by the obligation of CDP to deliver such securities to the receiving Principal's Designated Securities Account;</p> <p>(iii) the obligation of the qualifying Clearing Member of a buying Trading Member to pay the purchase consideration to CDP under the Interbroker Settlement System is set off against the right of the same qualifying Clearing Member to receive the purchase consideration and brokerage from CDP; and</p> <p>(iv) the obligation of CDP to deliver the securities to the qualifying Clearing Member of the buying Trading Member pursuant to a purchase transaction effected on the SGX-ST is replaced by the obligation of CDP to deliver the securities to the receiving Principal's Designated Securities Account.</p> <p>(B)</p> <p>(i) the obligation of the delivering Principal to deliver the securities from the delivering Principal's Designated Securities Account to the selling Trading Member and the obligation of the selling Trading Member to deliver the securities to its qualifying Clearing Member is replaced by the obligation of the delivering Principal to deliver such securities to CDP;</p> <p>(ii) the obligation of the qualifying Clearing Member to pay the sale consideration to its selling Trading Member and the obligation of the selling Trading Member to pay the sale consideration less brokerage to the delivering Principal is replaced by</p>	

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	<p>the obligation of the qualifying Clearing Member of the selling Trading Member to pay the sale consideration less brokerage to CDP, and the obligation of CDP to pay the same to the delivering Principal. The right of the selling Trading Member to receive the sale consideration from its qualifying Clearing Member and the delivering Principal's right to receive the sale consideration less brokerage from the selling Trading Member is replaced by the delivering Principal's right to receive the sale consideration less brokerage from CDP and CDP's right to receive the same from the qualifying Clearing Member of the selling Trading Member;</p> <p>(iii) the obligation of CDP to pay the sale consideration to the qualifying Clearing Member of the selling Trading Member under the Interbroker Settlement System is set off against the right of CDP to receive the sale consideration less brokerage from the same qualifying Clearing Member; and</p> <p>(iv) the obligation of the qualifying Clearing Member of the selling Trading Member to deliver the securities to CDP pursuant to a sale transaction effected on the SGX-ST is replaced by the obligation of the delivering Principal to deliver the securities from the delivering Principal's Designated Securities Account to CDP.</p>	
3.2.2	<p>Upon the novation of a FDVP transaction to CDP:</p> <p>(a) the obligation of the receiving Principal to pay the consideration for the transfer is replaced by the obligation of the receiving Principal to pay that consideration to CDP;</p>	No change.

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	<p>(b) the obligation of the delivering Principal to transfer the securities to the receiving Principal's Designated Securities Account is replaced by the obligation of the delivering Principal to transfer the securities from the Designated Securities Account to CDP; and</p> <p>(c) CDP is obliged upon receipt of the consideration for the transfer from the receiving Principal to transfer the securities to the receiving Principal's Designated Securities Account and to pay the said consideration to the delivering Principal.</p>	
3.2.3	<p>The obligations and rights under the novated contracts:</p> <p>(a) between the receiving Principal and CDP; and</p> <p>(b) between the delivering Principal and CDP.</p> <p>are owed by and to the parties as principals to each other notwithstanding that the receiving Principal or the delivering Principal may have acted as agent for another person submitting a DVP instruction.</p>	No change.
3.2.4	<p>The terms of the novated contracts are governed by these DVP Rules. In particular, each of the obligations to make payment is discharged by, and each of the entitlements to receive payment is satisfied by, net payment in accordance with these DVP Rules.</p>	No change.
3.2.5	<p>Notwithstanding that payment is settled on a net basis in DVP Settlement, the delivery of securities in DVP Settlement shall not be settled on a net basis. CDP's obligation to make delivery of securities shall be satisfied by crediting the securities to be delivered to the securities account or sub-account (the "Designated Securities Account") as specified by the receiving Principal when the receiving Principal is</p>	No change.

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	<p>submitting a DVP instruction.</p> <p>CDP's entitlement to receive securities shall be satisfied by debiting the securities to be received from the securities account or sub-account (the "Designated Securities Account") as specified by the delivering Principal when the delivering Principal is submitting a DVP instruction.</p>	
3.2.6	<p>When the DVP instructions have been matched, CDP shall earmark, in the CDP Systems, the securities from the Designated Securities Account from which the delivery is to be effected. CDP shall be entitled to debit the earmarked securities on Settlement Day of the matched and validated transaction in DVP Settlement.</p>	No change.
3.2.6A	New rule	<p>Neither the Settlement Bank of the Principal nor any other person shall have any right to or interest in the securities in the Designated Securities Account which have been earmarked for delivery pursuant to Rule 3.2.6.</p>
6.4	<u>CDP'S Power to Cancel Transactions</u>	
6.4.1	<p>Where the Principal, its Settlement Bank or Clearing Bank has defaulted or breached any of the provisions of these DVP Rules or where the Principal, the Settlement Bank or the Clearing Bank has been suspended pursuant to these DVP Rules, CDP shall be entitled to (but shall not be bound) cancel all or any of the Principal's DVP transactions, including, transactions which have been matched and validated in advance.</p>	<p>Where the Principal, its Settlement Bank or Clearing Bank has defaulted or breached any of the provisions of these DVP Rules or where the Principal, the Settlement Bank or the Clearing Bank has been suspended pursuant to these DVP Rules, CDP shall be entitled to (but shall not be bound) <u>to</u> cancel all or any of the Principal's DVP transactions, including, transactions which have been matched and validated in advance- in the following circumstances:</p> <p>(1) where the Principal, the Settlement Bank or the Clearing Bank has defaulted or breached any provision of these DVP Rules;</p> <p>(2) where the Principal, the Settlement Bank or the Clearing Bank has been suspended pursuant to these DVP Rules; or</p>

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		<p><u>(3) where an Event of Default as set out under the Clearing Rules has occurred in respect of the qualifying Clearing Member of the Trading Member for the transaction.</u></p>
<p><u>6.4.1A</u></p>	<p>New rule.</p>	<p><u>In cancelling any DVP transaction, CDP may require the Principal or the qualifying Clearing Member of the Trading Member for the transaction, or both, to undertake such action as may be necessary to facilitate or effect the cancellation. The Principal and the qualifying Clearing Member shall comply with such requirement.</u></p>
<p>6.4.2</p>	<p>Where CDP has cancelled a DVP transaction, the instruction shall be deemed not to have been submitted for matching by the Principal or Clearing Member who qualified for the Trading Member. No novation of the transaction shall be deemed to have occurred and the rights and obligations as detailed in Rule 3 shall not arise.</p>	<p>No change.</p>
<p>6.4.3</p>	<p>The DVP transaction cancelled by CDP will not be eligible for DVP Settlement.</p>	<p>No change.</p>

AMENDMENTS TO APPENDIX 1 TO THE DVP PROCEDURES HANDBOOK

RULE AMENDMENT

7 DVP TIMETABLE

7.1 The settlement schedule for Depository Agents, Settlement Banks and Clearing Bank is as follows:

Event	Due Date	
	Full Day	Half Day*
Cut-off time for DVP Validation	12:00pm	9.00am
Settlement Run	12.00pm to 2:00pm	9.00am —10:15am
Issuance of Statements/Reports for Participants: <u>Settlement Banks:</u> SB Net Settlement Statement <u>Depository Agents:</u> DA Net Statement <u>Clearing Member:</u> Daily Settlement of Account Statement	By 2:30pm	By 10:45am
CDP to receive Net-Net Debit Balance from Settlement Banks	By 3:30pm	By 11:45am
CDP to pay Net-Net Credit Balances to Settlement Banks	By 4.30pm	By 12:45pm