

Amendments to the SGX-ST Practice Notes and Directives amended and re-issued as new SGX-ST Regulatory Notices

Rule amendments are marked in blue.

Sample: Rule insertion

Sample: Rule deletion

Amendments	
Directive No. 5 Regulatory Notice 4.1 — Adequacy of Systems	
1.	Introduction
1.1	In accordance with Rule 4.6.22 4.1 , a Trading Member must ensure that its systems and connections to the Trading System operate properly <u>at all times</u> , and have adequate <u>redundancy</u> and scalable capacity to accommodate <u>current and anticipated</u> trading volume levels.
2.	Planning and Assessment Programs to Ensure Adequacy
2.1	In ensuring the adequacy of systems and connections to the Trading System, Trading Members should establish comprehensive planning and assessment programs to test system operation, capacity and security. Trading Members should also have in place arrangements for the employment of appropriate technical expertise to maintain and operate systems and connections to the Trading System.
2.2	The scope of such programs should cover:— <ul style="list-style-type: none"> (a) the establishment of capacity estimates for systems performing automated order routing, execution and market data functions. Such estimates should be based on a suitably long look-back period and historical activity; (b) assurance that the system and its functions, including risk controls and error-prevention alerts, have been tested in accordance with prudent business practices before use and following any material change; (c) periodically conducting capacity stress tests to determine the behaviour of automated systems under a variety of simulated conditions; (d) seeking on a periodic basis the assessment of independent reviewers with regard to whether Trading Members' systems are performing adequately and whether these systems have adequate security. Such independent reviewers may be any persons not involved in the operation of Trading Members' systems who have sufficient technical expertise; and (e) implementation of policies for the hiring and training of qualified technical personnel.

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2.3 The programs described in paragraph 2.2 may be established under outsourcing arrangements where appropriate. Members continue to be responsible for ensuring that the respective requirements are adequately met under the outsourcing arrangements.

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<u>Directive No. 4</u>Regulatory Notice 4.13.1 — Audit Trails and Records	
1.	Introduction
1.1	In accordance with Rule 12.1.1 <u>4.13.1</u> , a Trading Member <u>and its Trading Representative</u> must maintain proper, <u>complete and accurate</u> records and audit trails, <u>including a complete audit trail of transactions, whether entered into for itself or the Trading Member’s customers, from the receipt of an order to its settlement</u> , to evidence compliance with the Rules, and in accordance with the requirements in the Securities and Futures Act, Securities and Futures Regulations, and the Rules.
2.	Storage of Audit Trail Data
2.1	<u>In accordance with Rule 4.13.2</u> , the Trading Member must keep data and records such that they are easily retrievable by authorised personnel and are stored securely such that no tampering occurs. Backups of records must be kept at a location separate from the original records.
2.2	The Trading Member must <u>also</u> check data and records for quality and accuracy on an on-going basis and correct any quality or accuracy defects detected.
2.3	The following are examples of proper procedures in maintaining records and audit trails:— <ul style="list-style-type: none"> (a) for electronic storage of audit trail data: <ul style="list-style-type: none"> (i) the Trading Member is able to store or download the data in text delimited or ASCII format or such other format that is readable by SGX-ST; (ii) the Trading Member is able to print out the data in hard copies; (iii) the Trading Member has proper back-up controls for its data and records; (iv) the order management system has dated and clocked all data files placed on storage media to reflect the computer run time of the file; and (b) for non-electronic storage of audit trail data, the Trading Member has paper records showing all the actions of an order (from the point the order is entered) and the respective times and dates, and there are paper records to reflect the print time and date.
3.	Audit Trail of Transactions
3.1	A Trading Member must produce to SGX-ST, if asked, a complete audit trail of transactions, <u>whether entered into for itself or its customers</u> , from the receipt of an order to its settlement. Unless otherwise required by SGX-ST, for trades and orders which that occurred within the 6 <u>six</u> -month period immediately before the request, the records must be provided to SGX-ST immediately, and for trades and orders which that occurred more than 6 <u>six</u> months prior to the request, the records must be provided to SGX-ST no later than two business days from the date of request.

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3.2 For a complete audit trail of transactions, a Trading Member must ensure that the following records are captured, where applicable:

Record of all Fields Relating To Order Entry

1.	SGXAccess -Connection ID
2.	Trader ID and name
3.	Client ID and name — from customer account carried on the books of the Trading Member
3A4.	Trading Account code
3B5.	Position Account code
46.	User ID and name — used to log into Trading Member's systems
57.	Order ID — assigned by the Trading System
68.	Order type — <u>eg e.g.</u> good-till-cancelled order, all-or-none order, etc
79.	Buy/sell
810.	Counter name and quantity to be bought/sold
911.	Order price — including original trigger price for stop orders
1012.	Settlement instructions — <u>eg e.g.</u> settlement with CPF funds, contra etc
1113.	Forced <u>k</u> Key usage
1214.	Flow of order — if order passes through multiple systems prior to reaching the market
1315.	Identity of order reviewer — if any
1416.	Description of amendments made — if any
1517.	Date and time of order entry, and of any actions taken relating to the order — including transmission, rejection, amending, routing, filtering, execution, withdrawal, etc <u>r</u> and should include orders that are progressively released.
1618.	Error messages and subsequent actions taken by the user, reviewer or system
1719.	Status of order — such as the order being partially filled, fulfilled, unfilled, withdrawn, amended, rejected, etc
1820.	Executed order number — assigned by the Trading System
1921.	Traded price — for executed orders
2022.	Counter name and quantity bought/sold — for executed orders
2123.	Counterparty Trading Member identity — for executed orders
2224.	Orders and trades in Trading Member records not stored electronically — to be referenced to Order ID and executed order numbers assigned by the Trading System

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Any other relevant records/instructions

3.3 For record of times required under the Rules, the Trading Member must ensure that:—

- (a) the record of times should be to the highest level of precision achievable by the operating system and such record must be accurate at least to the second;
- (b) the times captured must not use a clock that can be modified by the person entering the order; and
- (c) the time in the order management system should be synchronized with the GPS time adopted by SGX-ST. If it is not feasible to synchronize the times, the Trading Member must maintain on record the time difference at the start of each Trading Day so as to facilitate the reconciliation of audit trail logs during audit and security incident investigations.

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<p>Practice Note 4.6.21; 12.1.1; 12.3.6; 12.6.4; 12.7.2; 12.10A.2; Regulatory Notice 4.13, 4.16, 4.24, 4.25 and 4.29 – Operational Requirements for <u>Remote</u> Trading Members Who Do Not Conduct Business in Singapore</p>	
1.	Introduction
1.1	<p>SGX-ST requires a <u>Remote</u> Trading Member that does not hold a licence administered by the Monetary Authority of Singapore to meet the following operational requirements set out in the SGX-ST Rules:</p> <ul style="list-style-type: none"> (a) maintain <u>proper</u>, complete and accurate records pursuant to Rule 12.1.1(1) <u>4.13</u>; (b) send its customer a risk disclosure document setting out the risks associated with holding and trading of securities and futures contracts, <u>and inform the customer whether the Trading Member is acting as a principal or an agent to the customer</u> pursuant to Rule 12.3.6 <u>4.16</u>; (c) send its customer a contract note for the purchase or sale of securities or futures contracts pursuant to Rule 12.6.1 <u>4.24</u>; (d) send its customer a <u>statements</u> of account on a regular basis pursuant to Rule 12.7.1 <u>4.25</u>; (e) segregate customer's money monies and assets pursuant to Rule 12.10A.1 <u>4.29</u>.
1.2	<p>A <u>Remote</u> Trading Member that does not hold a licence administered by the Monetary Authority of Singapore may meet the above operational requirements by complying with the applicable comparable requirements prescribed by its Relevant Regulatory Authority <u>as well as any additional requirements that SGX-ST may prescribe</u>.</p>
1.23	<p>This Practice Note SGX-ST has the discretion to prescribe additional requirements where it is of the opinion that there is insufficient comparability between the requirements prescribed in the Securities and Futures Act and/or the Rules and the requirements prescribed by the Relevant Regulatory Authority. Paragraph 2 below sets out the factors that SGX-ST considers relevant when it reviews the requirements that the Trading Member is already subject to at the point of application, and on an ongoing basis, in the overseas market which it is carrying on business ("overseas market"). <u>decides whether to prescribe such additional requirements.</u></p>
2.	Factors that SGX-ST considers relevant
2.1	<p><u>Complete and accurate records</u></p> <p>Pursuant to Rule 12.1 <u>4.13.1</u>, the <u>Remote</u> Trading Member referred to in paragraph 1.1 should:</p> <ul style="list-style-type: none"> (a) keep, or cause to be kept, such books as will sufficiently explain the transactions and financial position of its business and enable true and fair financial statements to be prepared from time to time;

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- (b) keep, or cause to be kept, such books in such a manner as will enable them to be conveniently and properly audited; and
- (c) retain such books required by the Relevant Regulatory Authority.

2.2 Contract note

Pursuant to Rule ~~12.6~~ 4.24.1 the Remote Trading Member ~~referred to in paragraph 1.1~~ should issue to its customer a contract note ~~which that~~ should contain the following information:

- (a) name of the customer;
- (b) date on which the purchase or sale of securities or futures contracts is entered into;
- (c) the price, amount and description of the securities or futures contracts;
- (d) settlement amounts;
- (e) fees charged by the Trading Member; and
- (f) fees charged by any other party(ies) and borne by the customer in addition to the fees charged by the Trading Member.

In addition, the contract note should be sent to the customer within a reasonable period from the execution of the trade.

2.3 Statements of account-

Pursuant to Rule ~~12.7~~ 4.25.1, the Remote Trading Member ~~referred to in paragraph 1.1~~ should send to its customer ~~a~~ statements of account ~~which that~~ should contain the following information:

- (a) the price, amount and description of the securities or futures contracts;
- (b) the status and movements of every asset in the Trading Member's custody held for the customer, including any asset deposited with a third party; and the date, reasons of the movement and amount of the asset involved;
- (c) the movement and balance of money received on account of the customer; and
- (d) any charges and credits to the customer's account carried on the books of the Trading Member.-

2.4 Risk disclosure statement-

Pursuant to Rule ~~12.3-6~~ 4.16.1, the Remote Trading Member ~~referred to in paragraph 1.1~~ should provide its customer a risk disclosure statement ~~which that~~ should clearly state the features of securities and futures contracts and the risks associated with holding and trading these instruments.

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2.5 ~~Customer's money monies and assets:~~

Pursuant to Rule ~~12.10A~~ 4.29.1, the Remote Trading Member ~~referred to in paragraph 1.1~~ should:

- (a) segregate customers' monies and assets from the Trading Member's monies and assets; and
- (b) separately account for the monies and assets of each customer.

~~3. Determination of Comparability of Operational Requirements Set Out in Paragraph 1.1~~

~~3.1. SGX ST may direct the Trading Member to comply with the requirements of the Securities and Futures Act and SGX ST Rules if the operational requirements referred to in paragraph 1.1 above are deemed to be of insufficient comparability.~~

~~3.2. SGX ST has the discretion to prescribe additional requirements where SGX ST is of the opinion that there is insufficient comparability between the SGX ST Rules, and the requirements prescribed by the Relevant Regulatory Authority.~~

~~4. Business Continuity Requirements~~

~~4.1. In addition to meeting the operational requirements referred to in paragraph 1.1 above, SGX ST also requires the Trading Member referred to in paragraph 1.1 to meet any applicable business continuity plan requirements which are prescribed by the Relevant Regulatory Authority. The Trading Member may further adopt the recommended features in a business continuity plan set out in Practice Note 4.6.21.~~

~~Emergency Contact Persons~~

~~4.2. Rule 4.6.21(5) requires a Trading Member to appoint emergency contact persons and furnish the contact information of such persons to SGX ST. Members may appoint an emergency contact person and up to two (2) alternates. A template for the notification to SGX ST of contact information of such emergency contact persons (postal address, email, telephone, mobile telephone and facsimile numbers) is attached as Appendix A to this Practice Note.~~

~~4.3. Trading Members are to ensure that the contact information provided to SGX ST is updated on a semi-annual basis. Nonetheless, where there are changes to a Trading Member's emergency contact persons and contact information, the Trading Member should notify SGX ST immediately in writing.~~

~~4.4. A Trading Member's authorized emergency contact person should immediately notify SGX ST in the event where:~~

- ~~(a) A Trading Member's business operations are or will be significantly disrupted; and/or~~
- ~~(b) A Trading Member's business continuity plan is activated.~~

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[Appendix A to Practice Note 4.6.21; 12.1.1; 12.3.6; 12.6.4; 12.7.2; 12.10a.2](#)

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<u>Practice Note 12.6.1</u> <u>Regulatory Notice 4.24.1</u> — Contract Notes	
1.	Introduction
1.1.	Rule 12.6.1 <u>4.24.1</u> requires a Trading Member to send its customer a contract note for the <u>any</u> purchase or sale of securities or futures contracts.
1.2.	This Practice Note provides guidance on <u>Regulatory Notice sets out</u> :
	1.2.1. <u>(a)</u> other Rules which that are of relevance to the requirement to send contract notes to customers; and
	1.2.2. <u>(b)</u> the internal controls that Trading Members should have with respect to operational processes for sending contract notes to customers.
2.	Other Rrelevant Rules
2.1.	Rule 12.6.1 <u>4.24.1</u> should be read together with the following Rules:
	2.1.1.(a) <u>(a)</u> Rule 12.9.1 <u>4.27.2</u> requires a Trading Member to communicate directly with its customers in respect of statements, contract notes, or all other information, whether in writing or electronically, unless the customer has authorised otherwise in writing;
	<u>(b)</u> Rule <u>4.27.3</u> requires a Trading Member to send contract notes to the customer's residential address or any other address authorised by the customer. This is to guard against unauthorised trading. If the customer chooses for contract notes and statements to be sent to a "care of" address or the Trading Representative's address, the Trading Member must explain the risk of unauthorised trading to the customer, obtain the customer's written authorisation for such arrangement, and monitor the customer's accounts for any unauthorised trading activities.
	2.1.2.(c) Rule 12.9.2 <u>4.27.4</u> requires that a Trading Member must not allow any person other than the customer to collect any cash, share certificates, contract notes, credit or debit notes, cheques or statements, unless the customer has authorised that person in writing; and
	2.1.3.(d) Rule 12.14.1 <u>4.9.3</u> requires a Trading Member to have processes in place to minimise and manage any conflicts of interest, including but not limited to separating its front office and back office functions to prevent any conflict of interests .
3.	Internal Controls with Respect to Contract Notes
3.1.	Trading Members should have appropriate internal controls in place to ensure that no contract note is omitted or suppressed. Basic controls that Trading Members should have in place include the following:
	3.1.1.(a) <u>(a)</u> proper controls to maintain the accuracy of customers' contact information;

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~~3.1.2.(b)~~ robust controls over the generation and dissemination of contract notes;

~~3.1.3.(c)~~ proper segregation between the personnel responsible for trade execution and the personnel responsible for generating and disseminating contract notes; and

~~3.1.4.(d)~~ ensuring that appropriate channels are available for customers to enquire about or verify transactions reflected in their contract notes.

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<u>Practice Note 12A.4.1, 12A.5.2</u> <u>Regulatory Notice 4.34.4 and 4.34.5</u> – <u>Allocation of Trades to Position Accounts</u>Allocation	
1.	<u>Introduction</u>
1.1	Rule 12A.4.1 <u>4.34.4</u> requires each TPC a Trading Member <u>that is not authorised to allocate positions to an Authorised Account</u> to instruct its qualifying Clearing Member to allocate the position of each trade executed by the Trading Member to the Trading Member's Position Account(s) or, where the position is of a trade executed for a customer, in accordance with that customer's instructions, as soon as practicable, and in any event no later than such time as may be required for timely and orderly settlement of the relevant trade into the intended Securities Account.
1.2	This Practice Note <u>Regulatory Notice</u> provides guidance on the timelines within which such allocation is to be completed by in various circumstances.
1.	<u>Timelines for Allocation of Positions</u>
2.1	With the exception of warehoused trades, each the Trading Member shall instruct its qualifying Clearing Member to allocate the position of each trade cleared by the Clearing Member for the Trading Member to a specified Position Account immediately upon the trade being cleared, or at the latest by the end of the next Market Day immediately following the trade date.
3.	<u>Warehoused trades</u>
3.1	For warehoused trades under Rule 12A.5.2 <u>4.34.5(b)</u> , each Trading Member must ensure that no customer's trade is warehoused for more than one Market Day, unless under exceptional circumstances. The Trading Member shall instruct its qualifying Clearing Member to allocate the position of each trade to a specified Position Account immediately after the order is completed, or at the latest by the end of the Market Day on which the order is completed.

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Practice Note 8.2.1 Regulatory Notice 8.2.1 – Trading Hours, Market Phases, Application of Market Phases and Algorithm Principles and Rules for Trade Matching	
1.	Introduction
1.1	Rule 8.2.1 states that the trading hours, market phases, application of the market phases and principles and rules for trade matching, are as published by SGX-ST.
1.12	This Practice Note explains <u>Regulatory Notice</u> sets out the <u>trading hours, market phases, application of the various market phases and the algorithm principles and rules</u> used by SGX-ST in computing the single price for the Opening Routine, Mid-Day Break, Closing Routine and Adjust Phase for trade matching.
1.2	Rule 8.2.1 says the trading hours and the application of the market phases are as published by SGX-ST.
1.3	Rule 8.2.1 says SGX-ST may vary the trading hours and application of the market phases.
1.4	Rule 8.2.2 sets out the various market phases.
2.	Market Phases
2.1	Pre-Open/Pre-Close
	<p>(a) This phase allows order entry, order modification and withdrawal of orders but no matching of orders.</p> <p>(b) The bid (offer) can be higher (lower) than the offer (bid).</p>
2.2	Non-Cancel
	<p>(a) No order entry and amendment are allowed in this phase.</p> <p>(b) All existing orders that can be matched are matched at a single price according to the algorithm set by SGX-ST.</p> <p>(c) All unmatched orders, except at the close of trading, are carried over to the next phase.</p>
2.3	Trading
	<p>(a) This phase allows order entry, order modification and withdrawal of orders.</p> <p>(b) All orders are matched in accordance with price priority, subject to Rule 8.14, followed by time priority.</p>
2.4	Adjust

- (a) An Adjust Phase operates upon the lifting of a suspension of a security or futures contract pursuant to Rule 8.13.7, and may also be applied pursuant to Rule 8.13.2.
- (b) The Adjust Phase sets in for 15 minutes unless a longer time is specified.
- (c) Orders can be entered, modified or withdrawn.
- (d) The bid (offer) can be higher (lower) than the offer (bid).
- (e) Orders that can be matched will be matched at the end of the Adjust Phase at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Adjust Phase are carried forward into the phase of the market applicable when the Adjust Phase ends, except in the following scenarios:
 - (i) When the end of the Adjust Phase coincides with the Opening Routine, Mid-Day Break or Closing Routine. In these circumstances, orders entered are carried forward into and matched accordingly in the respective Opening Routine, Mid-Day Break or Closing Routine.
 - (ii) When SGX-ST specifies that the Adjust Phase is to be followed immediately by a Non-Cancel Phase. In these circumstances, the Non-Cancel Phase will begin simultaneously with the end of the Adjust Phase, which may be at any time within a one-minute window. Orders are carried forward into the Non-Cancel Phase. Orders that can be matched will be matched at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Non-Cancel Phase are carried forward into the phase of the market applicable when the Non-Cancel Phase ends.

For illustrative purposes only:

<u>10.00</u>	<u>10.15-10.16</u>	<u>10.17</u>	
<u>Suspension</u>	<u>Adjust</u>	<u>Non-Cancel</u>	<u>Trading</u>

SGX-ST specifies the Adjust Phase is to be followed immediately by a Non-Cancel Phase and further specifies that the Non-Cancel Phase will begin from 10:15 hours to 10:16 hours. In this case, the Adjust Phase will end simultaneously with the beginning of the Non-Cancel Phase at any time from 10:15 hours to 10:16 hours. Normal trading will begin at 10:17 hours.

- (iii) When SGX-ST closes the market or suspends trading pursuant to Rule 8.13.1, at the end of the Adjust Phase. In this case, SGX-ST will inform participants on the status of unmatched orders.

23. Trading hours and Application of Market Phases

2.13.1 Summary of Market PhasesSummary

- (1a) Normal Day Trading

08.30 08.58-59* 09.00 12.00 12.58-59[△] 13.00 17.00 17.04-05** 17.06

Pre-Open	Non-Cancel	Trading	Pre-Open	Non-Cancel	Trading	Pre-Close	Non-Cancel
Opening Routine			Mid-Day Break			Closing Routine	

* Please see Point 2.2(2) and (3)

[△] Please see Point 2.3A(2) and (3)

** Please see Point 2.5(3) and (4)

(2b) Half-Day Trading

08.30 08.58-59* 09.00 12.00 12.04-05** 12.06

Pre-Open	Non-Cancel	Trading	Pre-Close	Non-Cancel
Opening Routine			Closing Routine	

* Please see Point 2.2(2) and (3)

** Please see Point 2.5(3) and (4)

2.23.2 Opening Routine

(1a) The Opening Routine is a 30-minute session before normal trading starts at 09:00 hours. It comprises a Pre-Open Phase and a Non-Cancel Phase.

(2b) Pre-Open Phase (08:30 hours to 08:58–59 hours)

~~(a) Orders can be entered, modified or withdrawn in the ready and unit share markets.~~

~~(b) The bid (offer) can be higher (lower) than the offer (bid).~~

~~(c) No matching of orders.~~

~~(d) This phase will begins at 08:30 hours and ends randomly at any time from 08:58 hours to 08:59 hours.~~

(3c) Non-Cancel Phase (08:58–59 hours to 09:00 hours)

(aj) This phase ~~will~~ begins simultaneously with the end of the Pre-Open Phase, which may be at any time from 08:58 to 08:59 hours.

~~(aa) No input, amendment and withdrawal of orders.~~

~~(bij) Orders that can be matched are matched at a single price computed based on an algorithm set by SGX-ST.~~ The computed price will be the opening price for the day.

(eiii) Unmatched orders are carried forward into the morning trading session.

2.3.3.3 Trading Phase

- (1a) ~~For a~~ Normal day trading ~~comprises a, the~~ morning ~~trading session and an afternoon trading session.~~
- (i) ~~The morning trading session consists of a~~ Trading Phase ~~is from which begins at 09:00 to hours and ends at 12:00 hours.~~
- (ii) ~~and the~~ afternoon ~~trading session consists of a~~ Trading Phase ~~is from which begins at 13:00 to hours and ends at 17:00 hours.~~
- (b) ~~For h~~ Half day trading, ~~the~~ ~~comprises one trading session which consists of a~~ Trading Phase ~~is that begins from 09:00 to hours and ends at 12:00 hours.~~
- (2) ~~Each Trading Phase allows order entry, order modification and withdrawal of orders. Orders are matched in the order of price priority followed by time priority.~~
- (2Ac) ~~All u~~ Unmatched orders after the Trading Phase ~~in the morning trading session (for normal day trading)~~ are carried forward to the Mid-Day Break.
- (3d) ~~All u~~ Unmatched orders after the ~~Trading Phase in the~~ afternoon ~~Trading Phase session (for normal day trading)~~ and after the Trading Phase ~~on (for half-days trading)~~ are carried forward to the Closing Routine.

2.3.3.4 Mid-Day Break

- (1a) The Mid-Day Break is a 60-minute session that begins after the morning ~~Trading Phase session~~ ends at 12:00 hours, and ends before the afternoon ~~Trading Phase starts session begins~~ at 13:00 hours. It comprises a Pre-Open Phase and a Non-Cancel Phase.
- (2b) Pre-Open Phase (12:00 ~~hours~~ to 12:58–59 hours)
- (a) ~~Orders can be entered, modified or withdrawn in the ready and unit share markets.~~
- (b) ~~The bid (offer) can be higher (lower) than the offer (bid).~~
- (c) ~~No matching of orders.~~
- (ei) This phase will end randomly at any time from 12:58 ~~hours~~ to 12:59 hours.
- (3c) Non-Cancel Phase (12:58–59 ~~hours~~ to 13:00 hours)
- (ai) This phase ~~will~~ begins simultaneously with the end of the Pre-Open Phase, which may be at any time from 12:58 ~~hours~~ to 12:59 hours.
- (b) ~~No input, amendment and withdrawal of orders.~~

- (~~ei~~) ~~Orders that can be matched are matched at a single price computed based on an algorithm set by SGX-ST. The computed price will be the opening price for the afternoon trading session.~~
- (~~ei~~) Unmatched orders are carried forward into the afternoon trading session.

2.4 — Adjust Phases

~~(1) — An Adjust Phase operates upon the lifting of a suspension of a security or Futures Contract pursuant to Rule 8.10.6, and may also be applied pursuant to Rule 8.10.1A.~~

- ~~(a) — The Adjust Phase sets in for 15 minutes. A longer time can be specified.~~
- ~~(b) — Orders can be entered, modified or withdrawn for the ready and unit share markets.~~
- ~~(c) — The bid (offer) can be higher (lower) than the offer (bid).~~
- ~~(d) — Orders that can be matched will be matched at the end of the Adjust Phase at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Adjust Phase are carried forward into the phase of the market applicable when the Adjust Phase ends.~~

~~(2) — However, the behaviour in paragraph 2.4(1)(d) does not apply in the following scenarios:~~

- ~~(a) — When the end of the Adjust Phase coincides with the Opening Routine, Mid-Day Break or Closing Routine. In these circumstances, orders entered are carried forward into and matched accordingly in the respective Opening Routine, Mid-Day Break or Closing Routine.~~
- ~~(b) — When SGX-ST specifies that the Adjust Phase is to be followed immediately by the Non-Cancel Phase. In these circumstances, the Non-Cancel Phase will begin simultaneously with the end of the Adjust Phase, which may be at any time within a one minute window. Orders are carried forward into the Non-Cancel Phase. Orders that can be matched will be matched at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Non-Cancel Phase are carried forward into the phase of the market applicable when the Non-Cancel Phase ends.~~

For illustrative purposes only:

	10.00	10.15-10.16	10.17
Suspension	Adjust	Non-Cancel	Trading

~~SGX-ST specifies the Adjust Phase is to be followed immediately by a the Non-Cancel Phase and further specifies that the Non-Cancel Phase will begin from 10:15h to 10:16h. In this case, the Adjust Phase will end simultaneously with the beginning of~~

the Non-Cancel Phase at any time from 10:15h to 10:16h. Normal trading will begin at 10:17h.

~~(c) — When SGX-ST closes the market or suspends trading pursuant to Rule 8.10.1, at the end of the Adjust Phase.~~

~~(3) — [Deleted]~~

2.5.3.5 Closing Routine

~~(1a)~~ The Closing Routine is a ~~6~~six-minute session after trading stops at 17:00 hours for normal day trading, or 12:00 hours for half-day trading. It comprises a Pre-Close Phase and a Non-Cancel Phase.

~~(2b)~~ All unmatched orders are carried forward to the Closing Routine at 17:00 hours (for normal day trading) or 12:00 hours (for half-day trading).

~~(3c)~~ Pre-Close Phase (17:00 hours to 17:04–05 hours-/12:00 hours to 12:04-05 hours)

~~(a) — Orders can be entered, modified or withdrawn in the ready and unit share markets.~~

~~(b) — The bid (offer) can be higher (lower) than the offer (bid).~~

~~(c) — No matching of orders.~~

~~(ei)~~ This phase will end randomly at any time from 17:04 hours to 17:05 hours (for normal day trading) or 12:04 hours to 12:05 hours (for half-day trading).

~~(4d)~~ Non-Cancel Phase (17:04–05 hours to 17:06 hours-/12:04-05 hours to 12:056 hours)

~~(ai)~~ This phase will begin simultaneously with the end of the Pre-Close Phase, which may be at any time from 17:04 hours to 17:05 hours (for normal day trading) or 12:04 hours to 12:05 hours (for half-day trading).

~~(aa) — No input, amendment and withdrawal of orders.~~

~~(bij)~~ ~~Orders that can be matched are matched at a single price computed based on an algorithm set by SGX-ST.~~ Unless otherwise specified, the computed price will be the closing price for the day.

~~(c) — [Deleted]~~

~~(5e)~~ ~~This~~The Closing ~~#R~~outine is designed to reduce the risk of manipulating closing prices with a single transaction at an unusually high or low price, just before the trading session ends.

34. Algorithm uUsed by SGX-ST to Compute the Single Pprice at Which Oorders at the End of the Opening Routine, Mid-Day Break, Closing Routine and Adjust Phase are Matched

~~3.1~~—The methodology for computing the single price at which orders are matched (“Equilibrium Price”) at the end of the Opening Routine, Mid-Day Break, Closing Routine and Adjust Phase ~~are matched (“Equilibrium Price”)~~ is as follows¹:—

~~(1)4.1~~ The Equilibrium Price is the price that has the largest tradable volume and the lowest imbalance. “Imbalance” refers to the net difference between the cumulative bid volume and cumulative ask volume. See Example 1.

Example 1

Bid Volume	Price	Ask Volume	Cumulative Bid Volume (a)	Cumulative Ask Volume (b)	Tradable Volume	Imbalance (a)-(b)	Pressure
0	3.750	10	340	10	10	330	Buy
0	3.760	20	340	30	30	310	Buy
50	3.770	50	340	80	80	260	Buy
100	3.780	80	290	160	160	130	Buy
70	3.790	30	190	190	190	0	Nil
30	3.800	40	120	230	120	70	Sell
90	3.810	20	90	250	90	160	Sell

<u>Bid Volume</u>	<u>Price</u>	<u>Ask Volume</u>	<u>Cumulative Bid Volume (a)</u>	<u>Cumulative Ask Volume (b)</u>	<u>Tradable Volume</u>	<u>Imbalance (a)-(b)</u>	<u>Pressure</u>
<u>90</u>	<u>3.810</u>	<u>20</u>	<u>90</u>	<u>250</u>	<u>90</u>	<u>160</u>	<u>Sell</u>
<u>30</u>	<u>3.800</u>	<u>40</u>	<u>120</u>	<u>230</u>	<u>120</u>	<u>70</u>	<u>Sell</u>
<u>70</u>	<u>3.790</u>	<u>30</u>	<u>190</u>	<u>190</u>	<u>190</u>	<u>0</u>	<u>Nil</u>
<u>100</u>	<u>3.780</u>	<u>80</u>	<u>290</u>	<u>160</u>	<u>160</u>	<u>130</u>	<u>Buy</u>
<u>50</u>	<u>3.770</u>	<u>50</u>	<u>340</u>	<u>80</u>	<u>80</u>	<u>260</u>	<u>Buy</u>
<u>0</u>	<u>3.760</u>	<u>20</u>	<u>340</u>	<u>30</u>	<u>30</u>	<u>310</u>	<u>Buy</u>
<u>0</u>	<u>3.750</u>	<u>10</u>	<u>340</u>	<u>10</u>	<u>10</u>	<u>330</u>	<u>Buy</u>

In this example, the Equilibrium Price is \$3.790 where the tradable volume is the largest and the imbalance is the lowest. If the highest tradable volume occurs at more than one price the algorithm will then consider imbalance, see sub-paragraph ~~(2b)~~.

~~(2)4.2~~ If the highest tradable volume occurs at more than one price the Equilibrium Price is the price with the lowest imbalance. See Example 2.

Example 2

Bid Volume	Price	Ask Volume	Cumulative Bid Volume (a)	Cumulative Ask Volume (b)	Tradable Volume	Imbalance (a)-(b)	Pressure
0	3.750	10	340	10	10	330	Buy
0	3.760	20	340	30	30	310	Buy
50	3.770	50	340	80	80	260	Buy
100	3.780	110	290	190	190	100	Buy
70	3.790	20	190	210	190	20	Sell
30	3.800	40	120	250	120	130	Sell
90	3.810	20	90	270	90	180	Sell

<u>Bid Volume</u>	<u>Price</u>	<u>Ask Volume</u>	<u>Cumulative Bid Volume (a)</u>	<u>Cumulative Ask Volume (b)</u>	<u>Tradable Volume</u>	<u>Imbalance (a)-(b)</u>	<u>Pressure</u>
<u>90</u>	<u>3.810</u>	<u>20</u>	<u>90</u>	<u>270</u>	<u>90</u>	<u>180</u>	<u>Sell</u>
<u>30</u>	<u>3.800</u>	<u>40</u>	<u>120</u>	<u>250</u>	<u>120</u>	<u>130</u>	<u>Sell</u>
<u>70</u>	<u>3.790</u>	<u>20</u>	<u>190</u>	<u>210</u>	<u>190</u>	<u>20</u>	<u>Sell</u>
<u>100</u>	<u>3.780</u>	<u>110</u>	<u>290</u>	<u>190</u>	<u>190</u>	<u>100</u>	<u>Buy</u>
<u>50</u>	<u>3.770</u>	<u>50</u>	<u>340</u>	<u>80</u>	<u>80</u>	<u>260</u>	<u>Buy</u>
<u>0</u>	<u>3.760</u>	<u>20</u>	<u>340</u>	<u>30</u>	<u>30</u>	<u>310</u>	<u>Buy</u>
<u>0</u>	<u>3.750</u>	<u>10</u>	<u>340</u>	<u>10</u>	<u>10</u>	<u>330</u>	<u>Buy</u>

In this example, the Equilibrium Price is \$3.790 where the tradable volume is the largest (190) and the imbalance is the lowest (20).

If market orders are present a situation may arise in which the lowest imbalance occurs at "Market Price", see [sub-paragraph \(2A4.3\)](#).

If the highest tradable volume and lowest imbalance occur at more than one price the algorithm will then consider market pressure, see [sub-paragraph \(34.4\)](#).

[\(2A\)4.3](#) If market orders are present and the market order volume on one side exceeds the cumulative order volume on the opposite side there would be a Market Order Surplus. This means that the lowest imbalance occurs at "Market Price". In this situation, one tick will be added on the side with the Market Order Surplus and that would be the Equilibrium Price. See Example [2A3](#).

Example [2A3](#)

Bid Volume	Price	Ask Volume	Cumulative Bid Volume (a)	Cumulative Ask Volume (b)	Tradable Volume	Imbalance (a)-(b)	Pressure
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	MKT		50	0			
	3.750	10	50	10	10	40	Buy
	3.760		50	10	10	40	Buy
	3.770	10	50	20	20	30	Buy
10	3.780		50	20	20	30	Buy
	3.790		40	20	20	20	Buy
10	3.800		40	20	20	20	Buy
	3.810		30	20	20	10	Buy
30	MKT		30	20	20	10	Buy

<u>Bid Volume</u>	<u>Price</u>	<u>Ask Volume</u>	<u>Cumulative Bid Volume (a)</u>	<u>Cumulative Ask Volume (b)</u>	<u>Tradable Volume</u>	<u>Imbalance (a)-(b)</u>	<u>Pressure</u>
30	MKT		30	20	20	10	Buy
	3.810		30	20	20	10	Buy
10	3.800		40	20	20	20	Buy
	3.790		40	20	20	20	Buy
10	3.780		50	20	20	30	Buy
	3.770	10	50	20	20	30	Buy
	3.760		50	10	10	40	Buy
	3.750	10	50	10	10	40	Buy
	MKT		50	0			

In this example, the lowest imbalance (10) occurs where market order bid volume (30) exceeds cumulative ask volume (20). One tick has therefore been added on the bid side, and the Equilibrium Price is \$3.810.

~~(3)~~4.4 If the highest tradable volume and lowest imbalance occur at more than one price (“the price overlap”) the Equilibrium Price is determined by market pressure:

- (a) with only buy pressure within the price overlap, the Equilibrium Price is the highest price within the price overlap, or
- (b) with only sell pressure within the price overlap, the Equilibrium Price is the lowest price within the price overlap. See Example [34](#).

Buy (sell) pressure occurs when the cumulative bid (offer) volume is greater than the cumulative offer (bid) volume at a particular price.

Example [34](#)

Bid Volume	Price	Ask Volume	Cumulative Bid Volume (a)	Cumulative Ask Volume (b)	Tradable Volume	Imbalance (a)-(b)	Pressure
0	3.750	10	260	10	10	250	Buy
0	3.760	20	260	30	30	230	Buy
50	3.770	50	260	80	80	180	Buy
0	3.780	110	210	190	190	20	Buy
90	3.790	0	210	190	190	20	Buy
30	3.800	40	120	230	120	110	Sell
90	3.810	20	90	250	90	160	Sell

<u>Bid Volume</u>	<u>Price</u>	<u>Ask Volume</u>	<u>Cumulative Bid Volume (a)</u>	<u>Cumulative Ask Volume (b)</u>	<u>Tradable Volume</u>	<u>Imbalance (a)-(b)</u>	<u>Pressure</u>
<u>90</u>	<u>3.810</u>	<u>20</u>	<u>90</u>	<u>250</u>	<u>90</u>	<u>160</u>	<u>Sell</u>
<u>30</u>	<u>3.800</u>	<u>40</u>	<u>120</u>	<u>230</u>	<u>120</u>	<u>110</u>	<u>Sell</u>
<u>90</u>	<u>3.790</u>	<u>0</u>	<u>210</u>	<u>190</u>	<u>190</u>	<u>20</u>	<u>Buy</u>
<u>0</u>	<u>3.780</u>	<u>110</u>	<u>210</u>	<u>190</u>	<u>190</u>	<u>20</u>	<u>Buy</u>
<u>50</u>	<u>3.770</u>	<u>50</u>	<u>260</u>	<u>80</u>	<u>80</u>	<u>180</u>	<u>Buy</u>
<u>0</u>	<u>3.760</u>	<u>20</u>	<u>260</u>	<u>30</u>	<u>30</u>	<u>230</u>	<u>Buy</u>
<u>0</u>	<u>3.750</u>	<u>10</u>	<u>260</u>	<u>10</u>	<u>10</u>	<u>250</u>	<u>Buy</u>

In this example there is only buy pressure in price overlap, the Equilibrium Price is \$3.790 which is the highest price in the price overlap.

(4)4.5 If the highest tradable volume and lowest imbalance occur at more than one price and there is both buy and sell pressure or nil pressure within the price overlap, the Equilibrium Price is:

- (a) the price within the price overlap that is the closest to the last traded price, or
- (b) where there is no last traded price, the lowest price within the price overlap.

See Example 45.

Example 45

Bid Volume	Price	Ask Volume	Cumulative Bid Volume (a)	Cumulative Ask Volume (b)	Tradable Volume	Imbalance (a)-(b)	Pressure
0	3.750	10	260	10	10	250	Buy
0	3.760	20	260	30	30	230	Buy

50	3.770	50	260	80	80	180	Buy
0	3.780	130	210	210	210	0	Nil
90	3.790	0	210	210	210	0	Nil
30	3.800	40	120	250	120	130	Sell
90	3.810	20	90	270	90	180	Sell

<u>Bid Volume</u>	<u>Price</u>	<u>Ask Volume</u>	<u>Cumulative Bid Volume (a)</u>	<u>Cumulative Ask Volume (b)</u>	<u>Tradable Volume</u>	<u>Imbalance (a)-(b)</u>	<u>Pressure</u>
<u>90</u>	<u>3.810</u>	<u>20</u>	<u>90</u>	<u>270</u>	<u>90</u>	<u>180</u>	<u>Sell</u>
<u>30</u>	<u>3.800</u>	<u>40</u>	<u>120</u>	<u>250</u>	<u>120</u>	<u>130</u>	<u>Sell</u>
<u>90</u>	<u>3.790</u>	<u>0</u>	<u>210</u>	<u>210</u>	<u>210</u>	<u>0</u>	<u>Nil</u>
<u>0</u>	<u>3.780</u>	<u>130</u>	<u>210</u>	<u>210</u>	<u>210</u>	<u>0</u>	<u>Nil</u>
<u>50</u>	<u>3.770</u>	<u>50</u>	<u>260</u>	<u>80</u>	<u>80</u>	<u>180</u>	<u>Buy</u>
<u>0</u>	<u>3.760</u>	<u>20</u>	<u>260</u>	<u>30</u>	<u>30</u>	<u>230</u>	<u>Buy</u>
<u>0</u>	<u>3.750</u>	<u>10</u>	<u>260</u>	<u>10</u>	<u>10</u>	<u>250</u>	<u>Buy</u>

In this example, assuming that the last traded price was \$3.800, the Equilibrium Price is \$3.790.

¹ The examples shown are not exhaustive.

Amendments	
Practice Note 8.2A.2 Regulatory Notice 8.3 — Closing Price of Prescribed Instrument	
1.	Introduction
1.1	<p>Rule 8.2A.2 of the Rules 8.3 states that the closing price of a Prescribed Instrument shall be determined <u>calculated</u> in accordance with the relevant formula and procedure applicable to each Prescribed Instrument, as determined by SGX-ST from time to time. In arriving at such formula and procedure, SGX-ST may take into account factors, including but not limited to:</p> <ul style="list-style-type: none"> (1a) the last traded price; (2b) prevailing bids and offers during the trading phase, and/or closing routine; and/or (3c) price data derived from pricing models, as selected or established by SGX-ST from time to time.
1.2	This Practice Note Regulatory Notice sets out the formulas and procedures used by SGX-ST to determine the closing price of Prescribed Securities as contemplated in the above Rule.
1. 23	<p>Unless the context requires otherwise, the following terms shall have the meanings ascribed to them in Practice Note Regulatory Notice 8.2.1:</p> <ul style="list-style-type: none"> (1a) "Closing Routine"; and (2b) "Trading Phase".
1. 34	<p>The following securities, futures contracts or products or classes of securities, futures contracts or products shall be a Prescribed Instrument for the purpose of Rule 8.2A.1 8.3:</p> <ul style="list-style-type: none"> (1a) Exchange traded funds.
2.	Closing pPrice of Prescribed Instruments
2.1	<p>Unless otherwise specified, SGX-ST may use any of the following as the closing price of a Prescribed Instrument for a Market Day:</p> <ul style="list-style-type: none"> (1a) the single price at which orders are matched at the end of the Closing Routine as set out in Practice Note Regulatory Notice 8.2.1; (2b) the last traded price that occurred in the Closing Range; (3c) a price determined by SGX-ST taking into account the bid and offer prices present in the Trading System during the Closing Range; (4d) the last traded price that occurred prior to the Closing Range; or (5e) the closing price of the previous Market Day.

Amendments

- 2.2 The Closing Range, for the purposes of this [Practice Note Regulatory Notice](#), shall be the last 15 minutes of the Trading Phase, or such other time as may be determined by SGX-ST and notified to the market from time to time.
- 2.3 Where SGX-ST deems it necessary or desirable for ensuring a fair, orderly and transparent market or the integrity of the market, or for proper management of systemic risk in the market, SGX-ST may use an alternative formula and/or procedure to determine the closing price of a Prescribed [Security Instrument](#).
- 2.4 SGX-ST shall, as soon as practicable, notify the Authority of any action taken by SGX-ST pursuant to paragraph 2.3 of this [Practice Note Regulatory Notice](#).

Amendments	
Practice Note 8.2.2 Regulatory Notice 8.4 — Procedures for Contingency Order Withdrawal	
1.	Introduction
1.1	<u>Rule 8.4.1 states that upon a Trading Member's request, SGX-ST may assist the Trading Member with the withdrawal of an order if the Trading Member is unable to do so without SGX-ST's assistance, provided that the circumstances, conditions and operational procedures as prescribed by SGX-ST are complied with.</u>
1.2	This Practice Note Regulatory Notice explains <u>sets out the those</u> circumstances, conditions and operational procedures pursuant to which SGX-ST would <u>will</u> assist Trading Members effect order withdrawals.
1.2	Rules 8.2.2 (1), (3) and (4) state that withdrawal of orders are allowed during certain market phases, in particular the Pre-Open/Pre-Close, Trading and Adjust phases. Generally, Trading Members may withdraw their orders at anytime provided that they do so in accordance with their respective internal operational and risk management procedures and applicable laws. However, SGX-ST recognizes that in certain circumstances Trading Members are unable to effect order withdrawals without the assistance of SGX-ST.
2.	Technical Fault and Wwithdrawal by SGX on Rreasonable Efforts Basis
2.1	In the event of Technical Faults, SGX-ST would <u>will</u> assist in effecting order withdrawals at the request of the Trading Members and subject to the terms and procedures set forth below. "Technical Faults" as used herein refers to any loss of connection to the Trading System or any technical defects in any equipment, system, device or market facility which that prevents a Trading Member from effecting order withdrawals without SGX-ST's assistance.
2.2	Order withdrawal by SGX-ST in the event of a Technical Fault would <u>will</u> be effected on a reasonable endeavours basis. The Trading Member agrees that SGX-ST has no liability for order withdrawals and related activities conducted on behalf of a Trading Member.
2.3	The Trading Member indemnifies and will keep indemnified SGX-ST against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by SGX-ST arising out of or in connection with any action taken or any inaction by any of SGX-ST, or its officers, employers, agents, delegates or contractors with respect of such order withdrawals.
2.4	For the avoidance of doubt, nothing in this Practice Note Regulatory Notice should be construed as limiting a Trading Member's obligation to install and maintain a robust and technically sound system, risk management processes or business continuity plans as required under the Rules or any applicable laws.

Amendments

2.5 Trading Members may request SGX-ST to withdraw orders at the following levels:

(a) Individual Order level:	based on Order ID- no. <u>number</u>
(b) Firm level:	based on Trading Member Company Code-/SGX Access User ID- no. <u>number</u> (where the firm has more than one SGX Access connection, it is possible to withdraw orders based on specific SGX Access User ID- no. <u>number</u>)
(c) Client level:	based on Client Account- no. <u>number</u> of a specific SGX Access User ID- no. <u>number</u>

3. Operational ~~S~~safeguards and ~~D~~discrepancies

3.1 A Trading Member must comply with the instructions and directions issued by SGX Securities Market Control when effecting order withdrawals as contemplated herein. SGX-ST also reserves the right to refuse any such request without providing any reason.

3.2 All verbal requests for order withdrawals ("Request~~s~~s")-~~would~~ will be recorded by SGX-ST. Trading Members are also required to comply with various operational safeguards and procedures as issued by Trading Market Control from time to time including matters relating to the:

- (a) Appointment of ~~A~~Authorized ~~O~~Officers by Trading Members to effect order withdrawals and the provision of authentication details in connection therewith.
- (~~aab~~) Prompt notification to SGX Securities Market Control of any changes to ~~A~~Authorized ~~O~~Officers, and any changes to an ~~A~~Authorized ~~O~~Officer's information.
- (~~bc~~) Effecting ~~of~~ of Request~~s~~s via telephone numbers as designated by SGX-ST with verification by SGX Securities Market Control on the identity of the caller by requiring the caller to respond correctly to ~~two~~ authentication questions.
- (~~ed~~) Submission of an ~~O~~Orders ~~W~~Withdrawal ~~F~~Form~~s~~ with ~~the such~~ material information as requested by SGX-ST.
- (~~de~~) Processing of Request~~s~~s at firm level, client level and individual levels.

3.3 If a Trading Member finds any discrepancies between ~~the an O~~an Orders ~~W~~Withdrawal ~~F~~Form and the Request, the Trading Member should notify SGX Securities Market Control immediately with details of such discrepancies. Depending on the nature of the discrepancy, SGX Securities Market Control would generally rely on the voice recording for its post-withdrawal investigations.

[New]

Amendments			
<u>Rule 8.3.3 Regulatory Notice 8.5.2 – Minimum Bid Size</u>			
<u>1. Introduction</u>			
<u>1.1</u> Rule 8.5.2 states that SGX-ST may prescribe the minimum bid size of each product.			
<u>1.2</u> This Regulatory Notice sets out the minimum bid size of each product.			
<u>2. Minimum bid size</u>			
<u>2.1</u> Unless otherwise determined by SGX-ST, the minimum bid size of the following products shall be as follows:			
S/N	Product	Price Range (\$)	Minimum Bid Size (\$\$)
1	Stocks (excluding reference shares), Real Estate Investment Trusts (REITs), business trusts, company warrants and any other class of securities or futures contracts not specified in this Rule 8.3.3 paragraph 2.1	Below 0.20	0.001
		0.20 – 0.995	0.005
		1.00 and above	0.01
1A2	Structured warrants	Below 0.20	0.001
		0.20 – 1.995	0.005
		2.00 and above	0.01
23	Exchange traded funds, exchange traded notes	All	\$0.01 or \$0.001 as determined by SGX-ST
34	Debentures, bonds, loan stocks and preference shares	All	\$0.001

For the avoidance of doubt, the minimum bid sizes above apply to securities and futures contracts denominated in all currencies, except the Hong Kong Dollar ("HKD"), Renminbi ("RMB") or Japanese Yen ("JPY"). For securities and futures contracts traded in HKD, RMB and JPY, the minimum bid sizes shall as far as practicable be aligned to the minimum bid sizes applicable in Hong Kong and Japan respectively.

Amendments	
Practice Note 8A Regulatory Notice 8.7 and 8.9 — Obligations of Trading Members to Mark Sell Orders	
1.	INTRODUCTION Introduction
1.1	Rule 8A.3.1 8.7.1 requires each sell order for Specified Capital Markets Products to be marked to indicate to SGX-ST whether it is a Short Sell Order or a normal sell order. The quantity, volume or value of the Specified Capital Markets Product in which a person intends to make or is making a Short Sell Order shall also be indicated.
1.2	Rule 8A.3.1A 8.7.2 states that a Trading Member and its Trading Representative shall not enter a sell order in the Trading System if a customer has not indicated whether the sell order is a Short Sell Order or a normal sell order and/or has not provided the information relating to the quantity, volume or value of the Specified Capital Markets Product in which the customer intends to make or is making a Short Sell Order.
1.3	Rule 8A.1.1 8.7.3 defines a “Short Sell Order” as any order to sell any Specified Capital Markets Product where the person who makes the order does not, at the time of the order, have an interest in the Specified Capital Markets Product as specified under section 137ZH of the Securities and Futures Act.
1.4	Rule 8A.3.3 8.7.5 requires a Trading Member to implement the procedures and systems to facilitate compliance with the obligations set out in Rule 8A.3.1 8.7 .
1.5	Rule 8A.4.2 8.7.7 states that SGX-ST may, at its discretion, waive the requirement to mark sell orders for specific classes of market participants.
1.6	Rule 8A.6.1 8.9 states that a Trading Member may submit a report of erroneously marked sell orders through such facility that is provided by SGX-ST and shall ensure that the report: <ul style="list-style-type: none"> (a) adheres to the requirements for submission established by SGX-ST; and (b) is complete and accurate.
1.7	This Practice Note Regulatory Notice further sets out a Trading Member's obligations pursuant to Rule 8A.3.1, 8A.3.3, and 8A.6 8.7.1, 8.7.2, 8.7.5 and 8.9 .
1.8	SGX-ST will publish the short sale information collected in this manner before the start of each Market Day. Greater transparency to the market of short selling activities can be beneficial, by providing more timely information to better look after investors' interests, and to reduce the risk of manipulative or other unfair trading practices.
2.	MARKING OF SELL ORDERS Marking of Sell Orders
2.1	The marking of sell orders should be viewed as part of information required for order entry.

Amendments

2.2 Trading Members who are concerned about confidentiality of clients' order information should include in their client agreement that trading activities are subject to short selling requirements that are prescribed by SGX-ST and the Authority.

2.3 Trading Members should have in place the following measures to be in compliance with Rule ~~8A.3.3~~ 8.7.5:

(a) Sell orders received through voice broking

Clear procedures should be in place to require Trading Representatives to ask a customer whether a sell order is a Short Sell Order or a normal sell order. Procedures should also be in place to ensure that the Trading Representative or the dealing assistant correctly enters the sell order into the Trading System. The Trading Member is not required to put in place voice recording facilities beyond its existing practices.

(b) Sell orders entered through order management systems (including Internet Trading platforms)

The trading interface should require the customer to indicate whether a sell order is a Short Sell Order or a normal sell order at the point of order entry. It should also ensure that a sell order cannot be transmitted to the Trading System if it is not marked either as a Short Sell Order or a normal sell order.

(c) Sell orders entered by customers with Sponsored Access

A Trading Member must ensure that all customers with Sponsored Access to the Trading System ("Sponsored Customers") can fulfil the requirements of Rule ~~8A.3.3~~ 8.7.5. A Trading Member must ensure that all Sponsored Customers have the necessary operational and technical systems and procedures in place:

- (i) to enable sell orders to be marked as a Short Sell Order or a normal sell order at the point of order entry in the customer's order management system; and
- (ii) to ensure that a sell order cannot be transmitted to the Trading System if it is not marked either as a Short Sell Order or a normal sell order.

When determining whether the obligation on Trading Members set out in this paragraph 2.3(c) has been fulfilled by Trading Members, a relevant consideration for SGX-ST is whether the requirements on Sponsored Customers have been set out in legally enforceable documents.

(d) Record keeping

A Trading Member's daily record of orders received from customers, maintained in accordance with Rule ~~13.9~~ 5.13, should show whether a sell order is a Short Sell Order or a normal sell order.

2.4 A Trading Member should also require each seller to split partial short orders, where he does not own the full quantity of securities to be sold, into two separate orders. One order is for

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	the portion he owns (i.e., normal sell order) and the other for the portion that he does not (i.e., Short Sell Order).
3.	<u>DEFINITION OF A SHORT SELL ORDER</u> <u>Definition of a Short Sell Order</u>
3.1	<p>A person shall be deemed to have an interest in a Specified Capital Market Product if the person is deemed to have an interest in the Specified Capital Markets Product under section 137ZH of the Securities and Futures Act. Some examples of interest in a Specified Capital Markets Product are set out below:</p> <p>(a) An investor purchases shares on T. He subsequently sells the same quantity of the shares one day later (i.e., on T+1) with settlement obligation accordingly due on T+3. The order to sell the shares is a normal sell order.</p> <p>(b) [deleted]</p> <p>(<u>eb</u>) An investor, whose shares in Company A are loaned out under a securities lending agreement, sells those shares on T. His settlement obligations are accordingly due on T+2. Under the terms of the securities lending agreement, the borrower is to return the shares to the investor before the time that the investor is to deliver the shares. The order to sell the shares is a normal sell order.</p>
	<u>Compliance with Rule 8A.3.1 8.7.1 under specific circumstances</u>
3.2	<p>SGX-ST wishes to clarify the treatment of sell orders under the following scenarios:</p> <p>(a) A seller holds his shares in trust with an overseas custodian. In the ordinary course of business, the shares are available to CDP for settlement. An order to sell these shares is a normal sell order.</p> <p>(b) A seller holds shares listed on an overseas exchange and held with an overseas custodian. An order to sell these shares on SGX-ST is a normal sell order if in the ordinary course of business, the shares are available to CDP for settlement. In order for the shares to be available to CDP for settlement, the shares must be in the seller's depository account, or if he is settling through a depository agent, his depository agent's sub-account maintained with CDP. The seller is required to instruct the overseas custodian to transfer the shares into the seller's depository account or his depository agent's sub-account maintained with CDP.</p> <p>(c) A seller lends his shares but has a right of recall under the relevant securities borrowing and lending agreement. An order to sell these shares is a normal sell order if in the ordinary course of business where the seller recalls the shares, the shares are available to CDP for settlement. The seller is not required to recall the shares prior to placing the order.</p> <p>(d) A lender liquidates the shares that a borrower had placed with him as collateral, due to the default of a borrower. An order to sell these shares is a normal sell order.</p>

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(e)	A seller borrows the amount of shares being sold prior to placing the sell order. The seller is not deemed to have an interest in the shares under the Securities and Futures Act. Therefore, the sell order is a Short Sell Order.
(f)	[deleted]
(gf)	A seller agrees to buy shares at the day's closing price or at a volume-weighted average pricing as part of his client facilitation activities and does not have any reason to believe that the agreement would not be fulfilled. Before the price is confirmed, he sells the shares. The sell order is a normal sell order.
3.3	The marking of sell orders should be based on what the investor knows about its positions at the time of order entry. An example is set out below: <ul style="list-style-type: none"> (a) An investor holds 5,000 shares of Stock A. He puts in a sell order for 5,000 shares of Stock A. This is a normal sell order. He also puts in a buy order for 3,000 shares of Stock A. (b) Subsequently he enters a sell order for 2,000 shares of Stock A. At the point where he enters the sell order, the buy order for 3,000 shares of Stock A has not been filled. The investor should mark this sell order as a Short Sell Order.
3.4	[deleted]
4.	REPORTING OF ERRONEOUSLY MARKED SELL ORDERS <u>Reporting of Erroneously Marked Sell Orders</u>
4.1	A Trading Member can submit a report electronically to correct short sell information that was marked at order entry, in accordance with the requirements for submission established by SGX-ST.
4.2	The requirement to report erroneously marked sell orders only extends to erroneously marked sell orders which that have been executed. If an erroneously marked sell order has not been executed, there is no requirement to make an error report.
4.3	For purposes of error reporting, the customer has to determine whether his sell orders marked as Short Sell Orders are accurate in light of the actual short sales volume executed and his actual shareholding. For example, a customer thought he does did not own any shares of a counter, and entered an order to short sell 8,000 shares. The customer later discovers that he actually owned 2,000 shares of the counter. <ul style="list-style-type: none"> (a) <u><i>In a case where the order is totally executed</i></u> <p>The customer has actually short sold only 6,000 shares (8,000 executed minus 2,000 owned). He will have to report the erroneously marked Short Sell Order, stating the volume that was disclosed as short sold (8,000 shares) and the actual short sales volume (6,000 shares).</p> (b) <u><i>In a case where the order is partially filled (e.g., only 4,000 shares executed)</i></u>

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	The customer has actually short sold only 2,000 shares (4,000 executed minus 2,000 owned). He will have to report the erroneously marked Short Sell Order, stating the volume that was disclosed as short sold and that was executed (4,000 shares) and the actual short sales volume (2,000 shares).
4.4	<p>SGX-ST relies on the submissions of the Trading Members to publish an updated weekly aggregate report. Therefore, Trading Members must ensure that the report:</p> <p>(a) adheres to the requirements for submission established by SGX-ST; and</p> <p>(b) is complete and accurate.</p>
4.5	A Trading Member is to ensure that the requisite fields in the report are completed in the correct format and the information communicated by their customers is accurately conveyed in the report. Reports that are not in the correct format, named incorrectly or have the securities name and code not correctly entered will not be processed.
4.6	SGX-ST may request for records of corrections to short sell information at the individual order level from Trading Members. Trading Members should retain this information in accordance with Rule 12.1.1 4.13 .
4.7	The report can be submitted from the start of the trading day following the date of the sale to 17:45 hours on that day.
4.8	<p>A Trading Member may wish to take note of the following matters on the submission of the report:</p> <p>(a) A Trading Member should submit a single report for all Specified Capital Market Products that have been misreported. If the Trading Member wishes to update its report for the same Market Day, it should submit a revised report with the same file name before the deadline set out in paragraph 4.7.</p> <p>(b) The transmission of the report will be via a designated Secured File Transfer Protocol ("SFTP") folder. Trading Members who do not have access to the designated SFTP folder should contact SGX-ST to apply for the requisite access.</p> <p>(c) In the event that the SFTP is unavailable, SGX will extend the submission period. Trading Members will be informed of the extended submission period by way of circular.</p>
5.	EXEMPTING FROM MARKING SELL ORDERS Exemption from Marking of Sell Orders
5.1	SGX-ST may waive the requirement to mark sell orders for specific classes of market participants.
5.2	All persons exempted from section 137ZJ(1) of the Securities and Futures Act, are, to the same extent and subject to the same conditions, exempted from Rule 8A.3 8.7 .

Amendments
5.3 — [deleted]
5.4 — [deleted]
5.5 — [deleted]

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Practice Note 8.10A Regulatory Notice 8.14.1 — Circuit Breaker	
1.	Introduction
1.1-	Rule 8.10A.1 8.14.1 states that SGX-ST may prescribe, for certain securities and futures contracts, Circuit Breakers which are designed to temporarily restrict trading in these securities and futures contracts.
1.2-	Rule 8.10A.2 8.14.2 adds that SGX-ST shall impose a Cooling-Off Period on such security securities or futures contracts referred to in Rule 8.10A.1 8.14.1 if an incoming order seeks to be matched, either partially or fully, with an existing order in the Trading System at a price outside the Circuit Breaker.
1.3-	The Cooling-Off Period can guard against disorderly situations in the face of rapid and unchecked market movements, by allowing the market and regulators a pause to take stock of the situation.
1.4-	It is not intended to halt price movement. A fundamental role of a capital market is timely and accurate price discovery; as such, the market should be allowed to determine its own prices so long as it remains fair and orderly. Where large price movements are justified, what the circuit breaker facilitates is a more measured market movement enabled by the imposition of pauses which that allow the market to analyse market conditions and all available information before resuming. By moderating the pace of big price movements, the circuit breaker prevents alarm to the market and averts contagion risk to other markets.
1.5	This Regulatory Notice sets out the securities and futures contracts for which SGX-ST has prescribed Circuit Breakers, the characteristics of Circuit Breakers and Cooling-Off Periods and the calculation of Circuit Breakers.
2.	Coverage of Circuit Breaker
2.1-	Circuit Breakers will apply to the following instruments: <ul style="list-style-type: none"> (1a) Stocks and unit trusts that are components of the Straits Times Index or the MSCI Singapore Free Index; (2b) Stocks, stapled securities, Rreal Eestate Iinvestment Trusts, business trusts, funds, exchange-traded funds and exchange-traded notes that have a reference price at the start of the Market Day of 0.50 or more in the underlying currency that Market Day. In the case of Yen-denominated instruments, Circuit Breakers are applied if the reference price at the start of the Market Day is ¥500 (denoted as “0.50” in the Trading System) or more that Market Day; and (3c) Marginable Futures Contracts with underlying instruments falling within (1a) or (2b) above.
2.2-	The instruments are assessed against the criteria set out in paragraph 2.1 above on a daily basis to determine if Circuit Breakers will apply that Market Day.

2.3- As stated in Rule ~~8.11.1A~~ 8.15.2, SGX-ST may impose a trading halt on a security or futures contract when its underlying, or such instrument on the same underlying as SGX-ST may prescribe, is subject to a Cooling-Off Period pursuant to Rule ~~8.10A.2~~ 8.14.2. This includes structured and company warrants. The duration of such halt will be aligned with the Cooling-Off Period.

3. Characteristics of Circuit Breakers and Cooling-Off Periods

3.1- A Circuit Breaker will have the following features:

- (~~1a~~) The Circuit Breaker ~~is~~ will be in operation during the Trading Phase.
- (~~2b~~) The Circuit Breaker, will takes the form of a price band. Trading in a security or futures contract must be within or at the upper and lower thresholds of the price band. The price band is based on a prescribed percentage threshold from a reference price. The calculation of the price band is described in paragraph 4(d) below.
- (~~3c~~) When an incoming order seeks to match against a resting order at a price outside the upper or lower threshold, a Cooling-Off Period ~~is~~ will be activated. The incoming order ~~is~~ will be rejected and will not be matched at a price outside the upper and lower thresholds. An incoming order may ~~have been~~ partially matched against other orders up to the price band, beyond which the outstanding order ~~would~~ will be rejected. The trades that ~~were~~ are executed at or within the price band will not be affected by activation of the Cooling-Off Period, and only the outstanding volume of the incoming order will be rejected.
- (~~4d~~) During the Cooling-Off Period, trading in a security or futures contract continues at or within the price band that was established when the Cooling-Off Period was activated. If an incoming order seeks to match against a resting order at a price outside the upper or lower threshold, the incoming order will be rejected and will not be matched at a price outside the upper and lower thresholds. This will not extend the cooling-off period.
- (~~5e~~) After the Cooling-Off Period ceases, the upper and lower thresholds of the Circuit Breaker will be adjusted. The adjustment of the price band is described in paragraph 4(d). Trading in a security or futures contract will continue within and at the new price band.

3.2- When a Cooling-Off ~~p~~Period is activated, the affected instrument(s) will have "CIRB" indicated in the "Rmk" column on the SGX website for the duration of the ~~e~~Cooling-~~o~~Off ~~p~~Period. The change in session state will also be broadcast to Trading Members.

3.3- The duration of the Cooling-Off Period is five minutes. The Cooling-Off Period will cease upon the commencement of any of the following, even if five minutes have not elapsed:

- (~~1a~~) Pre-close Phase;
- (~~1Ab~~) Mid-Day Break;
- (~~2c~~) Suspension; and

<p>(3d) Trading Halt.</p>
<p>3.4- The Equilibrium Price at the end of the Opening Routine, Mid-Day Break, Closing Routine or Adjust Phase will not activate a Cooling-Off Period (refer to SGX-ST Practice Note Regulatory Notice 8.2.1 for details on the Opening Routine, Mid-Day Break, Closing Routine and Adjust Phase).</p>
<p>4. Calculation of the Circuit Breakers</p>
<p>4.1- The upper threshold is 10% above the reference price and the lower threshold is 10% below the reference price:</p>
<p>4.2- The reference price for the start of the Trading Phase in each trading session is as follows:</p> <ul style="list-style-type: none"> (1) the opening price of the security for that trading session, failing which (2) either: <ul style="list-style-type: none"> (a) (i) in the case of a Prescribed Instrument, the last traded price in the morning trading session, failing which, the closing price of the Prescribed Instrument on the previous Market Day, and (ii) in the case of any other security, the previous trading session's last traded price, or (b) where a share consolidation or share split has occurred since the price stated in (a), a price derived from a pricing model established by SGX-ST (for example, the last traded price prior to the effective date of the consolidation, adjusted for the consolidation ratio), failing which (3) the last available traded price.
<p>4.3- The reference price at the start of the Trading Phase in each trading session is applicable to the first five minutes of that Trading Phase. The reference price for the rest of the Trading Phase is as follows:</p> <ul style="list-style-type: none"> (1a) the last traded price as of five minutes prior to each potential trade; failing which (2b) the reference price at the start of the Trading Phase.
<p>4.4- If there are trades done during the Cooling-Off Period, the reference price following the Cooling-Off Period will be as described in paragraph 4.3 above. If there are no trades done during the Cooling-Off Period, the first trade after the Cooling-Off Period will not be subject to the Circuit Breaker. The price of the first trade will then serve as the reference price for the five minutes following the trade. Thereafter, the reference price will be as described in paragraph 4.3 above.</p>
<p>4.5- In the event that an instrument is suspended or halted, the reference price immediately upon the lifting of a halt/suspension for a security will be as follows:</p> <ul style="list-style-type: none"> (1a) the Equilibrium Price, failing which

	(2b) the last traded price in the Trading p P h ase preceding the halt/suspension, failing which
	(3c) the reference price at the start of the Market Day.
4.6-	The reference price of a Marginable Futures Contract is the reference price of its underlying instrument at all times.
5.	Illustration of Circuit Breaker operation
	<i>Scenario 1</i>
5.1-	Security A has an opening price of \$1.00. The Circuit Breaker will apply to Security A on that Market Day.
5.2-	No trades are executed after the market opens.
5.3-	At 11:00:00a.m <u>11:00 hours</u> , an incoming buy order for one lot of Security A at \$1.20 attempts to match against a resting sell order for five lots of Security A at \$1.20.
5.4-	The reference price of Security A at 11:00:00a.m <u>11:00 hours</u> is \$1.00 because there have been no trades in the Trading p P h ase, and the opening price is \$1.00. Therefore, <u>at 11:00 hours</u> : - ‡ The upper limit of Security A's Circuit Breaker at 11:00:00a.m <u>price band</u> is: $\$1.00 + (10\% \times \$1.00) = \$1.10$; <u>and</u> - The lower limit <u>of Security A's price band</u> is: $\$1.00 - (10\% \times \$1.00) = \$0.90$.
5.5-	As the incoming buy order, if matched, would result in a trade outside the upper limit of the <u>Circuit Breaker price band</u> , it is rejected, and the Cooling-Off Period begins. The Cooling-Off Period is in place from 11:00:00a.m <u>11:00 hours</u> to 11:05:00a.m <u>11:05 hours</u> , during which trading can occur within the price band i.e., at or between \$0.90 and \$1.10. If a buy order for one lot of Security A at \$1.20 is re-entered at this time, it is <u>will be</u> rejected.
5.6-	No trades occur during the Cooling-Off Period. The first trade after the Cooling-Off Period will not be subject to the Circuit Breaker. If the incoming buy order for one lot of Security A at \$1.20 is re-entered at this time (and the resting sell order for five lots at \$1.20 is still in the order book), it will result in a traded price of \$1.20. \$1.20 will then be the new reference price for at least the next five minutes of trading.
	<i>Scenario 2</i>
5.7-	Security B has an opening price of \$1.00. The Circuit Breaker will apply to Security B on that Market Day. At 10:00:00a.m <u>10:00 hours</u> , the last traded price as of five minutes ago (i.e., at 9:55:00a.m <u>09:55 hours</u>) is \$0.90. This is therefore the reference price at 10:00:00a.m <u>10:00 hours</u> .
5.8-	At 10:00:00a.m <u>10:00 hours</u> , two incoming sell orders are simultaneously placed for Security B at \$0.82 (five lots) and \$0.80 (five lots). The resting buy orders in terms of price priority are

a resting buy order for five lots of Security B at \$0.82, and another resting buy order for three lots of Security B at \$0.80.

As the reference price of Security B at ~~10:00:00a.m~~ 10:00 hours is \$0.90, ~~the lower limit of Security B's price band is:~~

- The lower limit of Security B's price band is $\$0.90 - (10\% \text{ of } \$0.90) = \$0.81$; ~~and-~~
- The upper limit of Security B's price band is: $\$0.90 + (10\% \text{ of } \$0.90) = \$0.99$.

5.9- The incoming sell order will be matched at \$0.82 (five lots) against the resting buy order for five lots at \$0.82. The remaining sell order of \$0.80 (five lots) will then attempt to match against the resting buy order for three lots of Security B at \$0.80.

5.10- As the incoming sell order for \$0.80, if matched, will result in a trade outside the lower limit of the price band, the order is rejected, and the Cooling-Off Period begins. The Cooling-Off Period is in place from ~~10:00:00a.m~~ 10:00 hours to ~~10:05:00a.m~~ 10:05 hours, during which trading can occur within the price band i.e., at or between \$0.81 and \$0.99.

5.11- A buy market order comes in at ~~10:01:00a.m~~ 10:01 hours for five lots at \$0.83, and a sell order for five lots at \$0.83 is entered at ~~10:02:00a.m~~ 10:02 hours. This results in a matched trade for five lots of Security B at ~~10:02:00a.m~~ 10:02 hours.

5.12- The reference price immediately after the Cooling-Off Period ends at ~~10:05:00a.m~~ 10:05 hours is \$0.82, reflecting the traded price five minutes ago just prior to the start of the Cooling-Off Period. At ~~10:07:00a.m~~ 10:07 hours, the reference price becomes \$0.83, reflecting the traded price five minutes ago at ~~10:02:00a.m~~ 10:02 hours.

6. Exemption of New Listings from circuit breaker

6.1- SGX-ST will exempt New Listings from the circuit breaker on the first day of trading. This is because the offer price of a New Listing may potentially differ significantly from market valuation. Applying the circuit breaker on the first day of trading may unnecessarily impede the price discovery process.

6.2- New Listings refer to the following instruments that are newly listed, regardless of whether they are subject to an initial public offering or ~~is~~ are placed out:

- (~~1~~a) Stocks;
- (~~2~~b) Stapled securities;
- (~~3~~c) Real ~~E~~state Investment ~~T~~rusts;
- (~~4~~d) Business trusts;
- (~~5~~e) Funds;
- (~~6~~f) Exchange-traded funds; and
- (~~7~~g) Exchange-traded notes.

6.3- New listings will include stocks of companies that have been previously delisted but have gone through the listing process again.

6.4- New listings will also include stocks/units that are created by distribution of dividends in-specie.

6.5- New listings will not include any instruments that are created as a result of stock consolidation, stock splits and other similar actions ~~which that~~ result in the replacement of existing counters. This is because the last traded price of the existing counters prior to delisting act as indicators ~~which that~~ will allow market participants to adequately approximate the price of these new instruments. New listings will therefore also not include temporary odd-lot instruments that are created as a result of corporate actions or rights issues, and will also exclude schemes of arrangement.

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Practice Note 8.6.12(4) Regulatory Notice 11.4.2(d) — Computation of Monetary Loss	
1.	Introduction
1.1-	As set out in Rule 8.6.12(4), 11.4.2(d) states that SGX-ST may consider the monetary loss involved when deciding whether to cancel an eError tTrade under Rules 8.6.13, 8.6.13A and 8.6.13B .
1.2-	This Practice Note <u>Regulatory Notice</u> sets out how monetary loss would <u>will</u> be computed under Rule 8.6.12(4), 11.4.2(d) .
2.	Computation of mMonetary Loss
2.1-	Subject to paragraph 2.2, the monetary loss referred to in Rule 8.6.12(4), 11.4.2(d) will be the difference between the value of the eError tTrade and the value of the intended trade. The value of the intended trade will be determined as: <ul style="list-style-type: none"> (1a) in the case of an error in the entry of the volume of the order, the value of a trade for the actual intended volume, at the price at which the order was entered; (2b) in the case of an error in the entry of the price of a structured warrant, the value of a trade for the volume of the order which was entered, at the Reference Price as determined in accordance with Rule 8.6.13(2), 11.5.4(b); (3c) in the case of an error in the entry of the price of all other securities or futures contracts, excluding bonds, the value of a trade for the volume of the order which that was entered, at the Reference Price in accordance with Rule 8.6.13A(2), 11.5.5(b) or Rule 8.6.13A(3), 11.5.5(c); and (4d) in the case of an error in the entry of the price of a bond, the value of a trade for the volume of the order which that was entered, at: <ul style="list-style-type: none"> (ai) the last traded price immediately preceding the eError tTrade, where such preceding trade was executed on the same trading day as the eError tTrade; or (bii) the best bid or best offer price at the time of the execution of the first share of the eError tTrade.
2.2-	Where an erroneous order results in more than one (1) eError tTrades , monetary loss will be the aggregate monetary loss of all such eError tTrades executed at prices outside the upper and lower limits of the no-cancellation range applied pursuant to Rule 8.6.4A 11.5.1, which that are referred to SGX-ST for review under Rule 8.6.3 11.3.3 .

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Practice Note 8.6 Regulatory Notice 11.4.2(g) – Application of the Forced Order Range Force Key				
1. Introduction				
1.1 SGX-ST provides a pre-execution Error Trade prevention mechanism, known as the “Force Key” function to minimise the occurrence of Error Trades arising from the erroneous entry of order prices. The Force Key is intended to complement, and not replace, Trading Members' responsibility to adopt adequate and appropriate measures and practices to safeguard against the execution of Error Trades.				
1.2 This Practice Note explains Regulatory Notice sets out the application of the Forced Order Range as an error trade prevention measure Force Key .				
2. Application of Force Key				
2.1 Orders entered at prices outside the price range specified by SGX-ST (“Forced Order Range”) must be confirmed using the Force Key, before they may be submitted.				
2.2 Unless otherwise determined by SGX-ST, the Forced Order Range of the following products shall be as follows:				
S/N	Product	Price Range (S\$)	Minimum Bid Size (S\$)	Forced Order Range
1	Stocks (excluding preference shares), R real E estate I investment T rusts (REITs), business trusts, company warrants and any other class of securities or futures contracts not specified in Rule 8.3.3 paragraph 2.2	Below 0.20	0.001	+/- 30 bids
		0.20 – 0.995	0.005	
		1.00 and above	0.01	
1A2	Structured warrants	Below 0.20	0.001	+/- 30 bids
		0.20 – 1.995	0.005	
		2.00 and above	0.01	
23	Exchange traded funds and exchange traded notes	All	0.01 or 0.001 as determined by SGX-ST	+/- 30 bids
34	Debentures, bonds, loan stocks and preference shares quoted in the \$1 price convention	All	0.001	
45	Debentures, bonds, loan stocks and preference shares quoted in the \$100 price convention	All	0.001	+/- 1,000 bids
1.3 Subject to paragraph 1.4 of this Practice Note 8.6, SGX-ST provides a pre-execution mechanism, known as the Forced Key function, to mitigate the occurrence of error trades resulting from errors in the entry of order prices. Orders entered at prices outside the Forced				

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<p>Order Range must be confirmed by using the Forced Key function, before the orders may be submitted.</p>
<p>1.3A2.3 The <u>Forced Order Range and</u> Forced Key function will not be applicable prior to the first trade on the first day of trading of any newly-listed instrument.</p>
<p>1.3B2.4 SGX-ST may, at its discretion apply the Forced Key function in particular cases notwithstanding paragraph 1.3A 2.3. If SGX-ST uses its discretion to apply the Forced Key function to any such case SGX-ST will give prior notice to Members.</p>
<p>1.4 The Forced Key function is intended to complement, and not replace, Members' responsibility to adopt adequate and appropriate measures and practices to safeguard against the execution of error trades.</p>
<p>23. <u>Risk Management Controls</u> <u>Use of the Force Key</u></p>
<p>2.13.1 In order to mitigate <u>minimise</u> the occurrence of e<u>Error t</u> Trades resulting from errors in the <u>erroneous</u> entry of order prices, Trading Members should:</p> <ul style="list-style-type: none"> (a) ensure that the Forced Key alert is available; (b) encourage Trading Representatives to exercise judgment when accepting an instruction from a customer to execute an order priced outside the Forced Order Range; and (c) ensure that procedures are in place to determine if there are legitimate commercial reasons for orders priced outside the Forced Order Range.