

# Amendments to the CDP Depository Rules

*Legend: Amendments are marked in blue, with deletions struck-through and insertions underlined.*

## PROPOSED RULE AMENDMENTS

### 1 Application-General

#### 1.1 Application of CDP Rules

1.1.1 These CDP Rules apply to all Depository Agents and Account Holders and operate as a binding contract between the Depository and each Depository Agent, the Depository and each Account Holder, and between a Depository Agent and any other Depository Agent.

1.1.2 Except where the Depository, SGX RegCo, or any person or entity referred to under Rule 1.1.4 otherwise expressly agree with or expressly commit to any party, the benefit of any performance of obligations under (i) these CDP Rules, or (ii) Directives, Circulars or Practice Notes issued by the Depository, is restricted to only Depository Agents and Account Holders. None of the Depository, its rRelated eCorporations, ~~SGX RegCo~~, any person or entity referred to under Rule 1.1.4, or their respective directors, officers, employees, representatives or agents (the "Relevant Persons") shall be liable to any other party. In particular, the Relevant Persons shall have no liability to any party affected or aggrieved by any alleged action or omission.

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#### 1.2 ~~Regard to be had to Purpose or Object of these CDP Rules~~ Rules, Directives and Circulars

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1.2.3 The order of precedence of the following instruments applicable to the Depository and Depository Agents shall be (in descending order of precedence):

1.2.3.1(a) The Securities and Futures Act and other statutes

1.2.3.2(b) CDP Rules

1.2.3.3(c) Depository Agent Agreement

1.2.3.4(d) Directives

1.2.3.5(e) Circulars

1.2.3.6(f) Practice Notes.

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1.2.5 In the interpretation of any provision of these CDP Rules, a construction that would promote the purpose or object underlying these CDP Rules (whether the purpose is expressly stated in these CDP Rules or not) is to be preferred to a construction that would not promote that purpose or object.

1.2.6 Unless expressly provided to the contrary, all questions concerning the interpretation or application of or any other matter in connection with these CDP Rules (including, without limitation, Directives) shall be determined by the Depository, whose decision shall be final and binding on all parties.

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#### **1.4 CDP Rules to Prevail**

1.4.1 Save as provided in Rule 1.4.2 below, the relationship between the Depository and a Depository Agent shall be governed by these CDP Rules, the Depository Agent Agreement, such conditions as the Depository may impose under these CDP Rules, and the prevailing terms and conditions, Directives, Circulars ~~and or~~ Practice Notes (which may contain prescribed procedures) governing the operations, facilities and services provided by the Depository (together, the "Depository Agent Terms").

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#### **1.7 Provision of Information by Depository Agent**

1.7.1 A Depository Agent shall, upon the Depository's request, provide to the Depository any information or records that the Depository may require under Rules 2.5.3 or 6.3 or to make an authorised disclosure or perform any other act described in Rule 1.8.2. The Depository Agent irrevocably consents that the Depository may process, use and/or disclose the information or records it provides, for any purposes stated in Rules 1.8.2 and 6.3. The Depository Agent must ensure that any information or records provided do not contain untrue statements, are not misleading and include rather than omit any material statements.

1.7.2 Where the Depository Agent provides any information or records to the Depository, it undertakes that it has obtained the necessary consent from the parties concerned, or that it is otherwise permitted under law, to disclose such information or records to the Depository, and for the Depository to process, use and/or disclose the information or records, for the purposes set out in Rules 1.8.2 and 6.3.

#### **1.8 Disclosure of Information by Depository**

1.8.1 The Depository will take all reasonable measures to protect information or records provided to it by or on behalf of a Depository Agent under these CDP Rules from unauthorised use or disclosure.

1.8.2 Disclosure of information or records by the Depository is authorised use or disclosure if:

- (a) the disclosure is with the agreement of MAS or is to any governmental agency or regulatory authority (in or out of Singapore) which requests that the Depository provide the information or records for the proper exercise of powers relating to the governance of Depository Agents;

- (b) the disclosure is required under any law (in or out of Singapore) or any order of any court or regulatory authority (each in or out of Singapore);
- (c) the information is already in the public domain;
- (d) the disclosure is in connection with the discharge of the Depository's regulatory obligations under the Securities and Futures Act or any other applicable laws, the Depository is compelled under applicable laws to do so, or the Depository is required pursuant to any cross-border regulatory sharing arrangement to do so subject to its obligation to maintain confidentiality under the Securities and Futures Act or any other applicable laws;
- (e) the disclosure is reasonably required to facilitate the Depository's proper operation of the Central Depository System, including the deposit or withdrawal of securities, maintenance of accounts, verification of the accuracy of the Depository Register or transfer of securities by the Depository;
- (f) the disclosure is in relation to the enforcement of these CDP Rules or adjudication of a matter;
- (g) the disclosure is to any of the Depository's Related Corporations;
- (h) the disclosure is authorised by MAS to be disclosed or furnished under the Securities and Futures Act; or
- (i) the disclosure constitutes authorised use or disclosure at common law.

## **2 Admission Criteria for Depository Agents**

### **2.1 Category of Applicants**

An applicant to become a Depository Agent must be an entity belonging to one of the following categories:

- 2.1.1 a Trading Member or a Clearing Member;
- 2.1.2 a trust company ~~registered~~licensed under the Trust Companies Act 2005;
- 2.1.3 a bank licensed under the Banking Act 1970 or merchant bank approved by ~~the~~ MAS under the Monetary Authority of Singapore Act 1970; or
- 2.1.4 such other institution or person approved by the Depository from time to time.

### **2.2 Discretion to Approve/Reject Application and Conditions**

An applicant to become a Depository Agent (or applicant to become a Depository Agent) shall furnish to the Depository such information as the Depository may in its discretion require in connection with the application. sufficient to demonstrate to the satisfaction of the Depository that it satisfies the requirements of this Rule and such other conditions the Depository may impose, including but not limited to the following requirements:

The Depository may, in its absolute discretion, without giving any reason, approve or reject an application for registration as a Depository Agent having due regard to factors including the following:

- 2.2.1 whether the applicant ~~it~~ has the competence, capability, physical capacity (including staff and back-office functions) and financial resources to discharge its duties under the Depository Agent Terms Agreement and it is able to meet any obligation it might reasonably be expected to incur thereunder;
- 2.2.2 whether the applicant, its chief executive officer and its directors are ~~it is a~~ fit and proper persons for the purpose of performing a Depository Agent's ~~to perform its~~ duties under the Depository Agent Terms; ~~and~~
- 2.2.3 whether the applicant ~~it~~ holds a valid capital market services licence for providing custodial services for securities or is excluded or exempted from such requirement by ~~the~~ MAS or pursuant to the Securities and Futures Act.

The Depository may approve an application subject to such conditions or restrictions as it may in its absolute discretion deem appropriate. The Depository shall inform the applicant of the imposition or withdrawal of any such condition or restriction. A breach of any such condition or restriction shall constitute a breach of these CDP Rules.

### **2.3 General Duties**

An applicant whose application to become a Depository Agent has been approved by the Depository ~~shall~~:

- 2.3.1 shall perform services as a Depository Agent for Sub-Account Holders in accordance with the Depository Agent Terms; and
- 2.3.2 may deposit book-entry securities with the Depository on behalf of the Sub-Account Holders.

### **2.4 Nominee Company Applicant**

Where an applicant to be a Depository Agent is a nominee company:

- 2.4.1 ~~its holding company or parent bank must be a company regulated either by MAS or SGX-ST~~ the entity that the applicant provides custodial services to must be an entity regulated by MAS ("the Regulated Entity");
- 2.4.1A the applicant must not provide custodial services other than those to facilitate the provision of custodial services by that Regulated Entity, in respect of Deposited Securities that the Regulated Entity holds on trust for the Regulated Entity's customers;
- 2.4.2 ~~it~~ the applicant must furnish a banker's guarantee from a bank unrelated to the applicant, and acceptable to the Depository, to guarantee the due performance of its obligations under the Depository Agent Terms, and indemnify the Depository against all claims, losses, damages, costs, and expenses that may be incurred as a result of the breach, failure or inability of the applicant to perform any of its obligations; and

- 2.4.3 ~~the Regulated Entity its holding company or parent bank~~ must provide a letter of undertaking in a form satisfactory to the Depository to be liable for any amount owing by the applicant.

## 2.5 Applicant's Agreement

An applicant whose application to become a Depository Agent has been approved by the Depository shall:

- 2.5.1 abide by and be bound by the Depository Agent Terms as amended from time to time;
- 2.5.2 pay to the Depository fees and charges, as reviewed from time to time, for providing operations, facilities and services, based on the Depository's fee schedule, and any charges or penalties as may be set out for any failure to comply with the Depository Agent Terms;
- 2.5.3 ~~furnish to the Depository~~ upon request by the Depository, furnish all such information, or render all such assistance in respect of its operations, facilities, and services or those that are provided to it as may be required by the Depository (including giving access to its premises, systems and employees). ~~Any which~~ information furnished shall be in the form certified by external auditors of the Depository Agent, or certified by a senior officer of the Depository Agent or by a person acceptable to the Depository, and verified by the external auditors of the Depository Agent. The Depository's right to be furnished with information under this provision shall extend to information relating to operations, facilities and services provided by the Depository under the Depository Agent Terms and the discharge of the Depository Agent's obligations thereunder, and include information relating to the services provided to and the holdings for Sub-Account Holders in such form and manner as determined by the Depository, but shall not include information concerning its individual or named Sub-Account Holders unless disclosure of such information is required under the circumstances described in Rule 6.3; and
- 2.5.4 comply with any other conditions that the Depository may from time to time prescribe for Depository Agents (whether generally or specific to any person).

## 2.6 ~~Discretion to Approve/Reject Application~~ [Rule has been deleted.]

~~The Depository may, in its absolute discretion, without giving any reason, approve or reject an applicant's application for registration as Depository Agent.~~

## 3 Resignation by Depository Agent

### 3.1 Obligations of Resigning Depository Agent

If a Depository Agent wishes to resign it shall:

- 3.1.1 give not less than three ~~(3)~~ months' written notice ~~("the resignation notice")~~ to the Depository of its intention to resign and the effective date of resignation. The Depository may, at its discretion, vary or waive the three ~~(3)~~ months' notice;

- 3.1.2 pay all outstanding charges owing to the Depository as at the effective date of resignation;
- 3.1.3 fulfill all outstanding obligations to the Depository, including furnishing of an auditor's certificate or a banker's guarantee; and
- 3.1.4 until its resignation is effective, continue to comply with the Depository Agent Terms.

### 3.2 Resigning Depository Agent's Outstanding Liabilities

Notwithstanding the resignation, the Depository Agent shall remain liable for all outstanding liabilities owing to the Depository under the Depository Agent Terms.

### 3.3 Resigning Depository Agent's Management of Sub-Accounts

3.3.1 ~~In the event that any Depository Agent resigns, the A~~ Depository Agent shall, ~~as soon as possible upon giving the Depository its notice of resignation:~~

- (a) ~~3.3.1~~ give written notice of its resignation to its Sub-Account Holders; and
- (b) ~~3.3.2~~ prior to the effective date of its resignation, transfer the Deposited Securities ~~that it holds for its of the~~ Sub-Account Holders to such other Depository Agent(s) or accounts indicated by the Sub-Account Holders.

3.3.2 Notwithstanding the intended effective date of resignation notified to the Depository, a Depository Agent's resignation shall not be effective until it ceases to hold any Deposited Securities for clients.

### 3.4 Obligations of Depository to Depository Agent on Resignation

From the effective date of resignation of any Depository Agent, the Depository is not obliged to perform any of its obligations under these CDP Rules to the Depository Agent in respect of Sub-Accounts maintained with the Depository Agent.

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## 4 Deposit and Withdrawal of Securities

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### 4.4 Deposit of Eligible Securities

Eligible Securities shall be deposited:

- 4.4.1 into a eDirect Securities Account maintained with the Depository; or
- 4.4.2 in the name of a Depository Agent (for itself or on behalf of a Sub-Account Holder).

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## **5 Securities Account**

### **5.1 Direct Securities Account**

The Depository shall open and maintain a ~~d~~irect Securities Account for an individual or corporation which holds the Deposited Securities beneficially for his or its own account. The Depository shall deem and treat the Account Holder as absolute owner of the Deposited Securities and shall not be bound or compelled in any way to recognize the interest of any other person in respect of the Deposited Securities or any part thereof, even when having notice thereof. Such interest includes, without limitation, any beneficial or equitable interests these persons may have in the Deposited Securities.

### **5.2 Limit on Number of Direct Securities Accounts**

~~Each Depositor (other than a Depository Agent)~~ A person shall not have more than one ~~d~~irect Securities Account, held in his own name, with the Depository.

### **5.3 Statements**

The Depository shall send to the Depositor:

- 5.3.1 at the end of a period not exceeding six (6) months, a statement showing the number of book-entry securities held in his Securities Account at the date of the statement, except that, if there are no security balances in his Securities Account, no statement will be sent;
- 5.3.2 after the end of each month, a statement of transactions effected in his Securities Account for the month, except that if there have been no transactions in that month, no such statement will be sent.

### **5.4 Notification of Errors**

The Depositor shall notify the Depository of any error/discrepancy in the statement of account balances or statement of transactions within such time specified by the Depository.

### **5.5 No Security Interest**

The Deposited Securities held in a Securities Account shall be held by the Depository in trust for the relevant Depositor. The Depository shall not mortgage, charge, hypothecate, pledge or deposit as collateral the Deposited Securities, unless otherwise provided by these CDP Rules.

### **5.6 Termination of Securities Account**

The Depository may terminate any Securities Account on such terms that it may prescribe.

## **5A Sub-Accounts**

### **5A.1 Opening of Sub-Accounts**

A Depository Agent may open and maintain Sub-Accounts for Deposited Securities that are held for its own account or for its clients.

### **5A.2 Naming and Numbering of Sub-Accounts**

Each Sub-Account maintained by a Depository Agent shall bear the Depository Agent's account code number and a Sub-Account number.

### **5A.3 Sub-Account Instructions**

The Depository shall not act on instructions from Sub-Account Holders.

### **5A.4 Authorisation**

The Depository shall be entitled to rely and act upon instructions of a Depository Agent in dealing with Sub-Accounts maintained for it and may assume that the Depository Agent has been duly authorised to give such instructions, notwithstanding any notice to the contrary.

## **6 Duties and Obligations of Depository Agents in respect of Sub-Accounts**

### **6.1 Opening of Sub-Accounts Segregation of Deposited Securities**

~~A Depository Agent: shall carry out the following obligations and obtain an external auditors' certification that it has complied with such obligations:~~

- ~~6.1.1 open and maintain one or more Sub-Accounts for all Deposited Securities held for its own account. [Rule has been deleted.]~~
- ~~6.1.2 open and maintain a separate Sub-Account for each of its clients for all Deposited Securities held on account of such clients. [Rule has been deleted.]~~
- 6.1.3 shall at all times segregate the Deposited Securities held in each Sub-Account from those held in other Sub-Accounts;
- 6.1.4 shall at all times segregate Deposited Securities held for its own account from Deposited Securities held for ~~the account of each of~~ its clients; and
- 6.1.5 may commingle Deposited Securities that are held for a client with the Deposited Securities held for another client in the same Sub-Account.

~~For the purpose of Rules 6.1.2 and 6.1.4, the Depository Agent's clients shall include clients of the Depository Agent's clients who are the beneficial owners of the Deposited Securities.~~

#### **6.1A Disclosure of Account Structure to Retail Sub-Account Holders**

A Depository Agent shall, before depositing securities received on account of a Retail Sub-Account Holder, disclose in writing to that Sub-Account Holder:

- 6.1A.1 that Deposited Securities held for the Sub-Account Holder are deposited with the Depository in the name of the Depository Agent and not in the Sub-Account Holder's name;
- 6.1A.2 that the Depository Agent holds those Deposited Securities on trust for the Sub-Account Holder;
- 6.1A.3 whether Deposited Securities held for the Sub-Account Holder will be commingled with the Deposited Securities held for other Sub-Account Holders in the same Sub-Account;
- 6.1A.4 if that Sub-Account Holder's assets will be deposited in a Sub-Account together with, and commingled with, the Deposited Securities of the Depository Agent's other customers, the risks of such commingling; and
- 6.1A.5 the consequences for the Sub-Account Holder's assets if the Depository Agent becomes insolvent.

#### **6.1B Client Monies**

A Depository Agent shall comply with Part III, Divisions 2 and 4 of the Securities and Futures (Licensing and Conduct of Business) Regulations in respect of monies received on account of Sub-Account Holders.

This Rule does not apply to a Depository Agent if those requirements do not, under law, apply to both the Depository Agent and (where the Depository Agent is a nominee company) the Regulated Entity for which it provides custodial services.

#### **6.1C Transactions in Deposited Securities held for Sub-Account Holders**

6.1C.1 A Depository Agent shall not carry out any transaction in respect of the Deposited Securities held for a Sub-Account Holder unless authorised by the Sub-Account Holder to do so.

6.1C.2 Notwithstanding any authority given by a Sub-Account Holder, a Depository Agent shall not use the Deposited Securities held for the Sub-Account Holder to settle any obligations other than those of the Sub-Account Holder unless:

- (a) the Deposited Securities are used in connection with a borrowing or lending arrangement in respect of the Deposited Securities; and

- (b) the Depository Agent complies with the relevant laws in relation to the borrowing or lending of the Deposited Securities.

#### **6.1D Notification of Transactions in Deposited Securities**

A Depository Agent shall, within a reasonable time, notify a Sub-Account Holder of any transaction carried out on behalf of the Sub-Account Holder in respect of Deposited Securities.

#### **6.1E Statement of Account**

6.1E.1 The Depository Agent shall on a periodic basis (at least monthly) furnish to each Sub-Account Holder a statement of account in respect of the Deposited Securities held on that Sub-Account Holder's behalf, unless:

- (a) there is no transaction in, or no change to the amount of, those Deposited Securities since the date of the last statement of account; or
- (b) the Sub-Account Holder is an "accredited investor", an "expert investor" or an "institutional investor" as defined in the Securities and Futures Act, and –
  - (i) the Depository Agent has made available to the Sub-Account Holder, on a real time basis, those particulars in the form of an electronic records stored on an electronic facility and the Sub-Account Holder has consented to those particulars being made available to him in this manner; or
  - (ii) the Sub-Account Holder has requested, in writing, not to receive the statement of account on a monthly basis from the Depository Agent.

6.1E.2 The Depository Agent shall furnish to a Sub-Account Holder such a statement of account upon request.

#### **6.2 Records**

6.2.1 A Depository Agent shall maintain proper, complete, accurate and up-to-date records of Sub-Account Holders and the Deposited Securities held for each Sub-Account Holder. The records shall include the following:

- (a) a description and quantity of the Deposited Securities held for each Sub-Account Holder in each Sub-Account;
- (b) particulars of every transaction carried out on behalf of each Sub-Account Holder in respect of Deposited Securities, including:
  - (i) a description and quantity of the Deposited Securities that are the subject of the transaction;

- (ii) the transaction date;
- (iii) evidence of the purpose for which the transaction is carried out (including, where the transaction is carried out to settle an Exchange Trade, evidence of the trade and its details) and the Sub-Account Holder's authorisation for such transaction; and
- (c) any other, containing such information as the Depository may specify from time to time.

6.2.2 The Depository Agent shall, on each business day, reconcile its books and records with the Depository's records in relation to the Deposited Securities that are held in each Sub-Account. If there is any discrepancy, the Depository Agent must inform the Depository and if required rectify the discrepancy immediately.

### **6.3 Disclosure of Sub-Account Holders' Information and Other Action Required**

Without prejudice to Rule 2.5.3, aA Depository Agent shall disclose to the Depository such information, provide such assistance or take such action as the Depository may require in relation to Sub-Account Holders if in the opinion of the Depository, such information, assistance or action is necessary or desirable for any of the following purposes:

- 6.3.1 such information is required in order for the Depository to monitor foreign ownership or other shareholding limits imposed by law or by an Issuer;
- 6.3.2 for the Depository to comply with such information is required by any applicable law, regulation or order of any government, court, tribunal or other competent authority (whether in or out of Singapore) or with by any contractual obligation imposed or binding on the Depository or any of its nominee(s);
- 6.3.3 such information is required for purposes of investor protection and/or to facilitate the exercise of investor rights; or
- 6.3.4 for the Depository Agent is required to provide such information to the Depository pursuant to comply with the Depository Agent Terms;
- 6.3.5 for ensuring fair, orderly and/or transparent operation and/or integrity of the SGX-ST market;
- 6.3.6 for minimising the risk and/or managing the impact of any error, fraud or law breaches;
- 6.3.7 for ensuring safe and efficient clearing and/or settlement, and/or to manage systemic risk;
- 6.3.8 for the proper operation of the Central Depository System, including the deposit or withdrawal of securities, maintenance of accounts, verification of the accuracy of the Depository Register or transfer of securities by the Depository; or
- 6.3.9 for protecting the reputation or interests of the Depository or its Related Corporations.

For the purpose of this Rule 6.3, information in relation to a Sub-Account Holder includes information in relation to the underlying beneficial owner(s) of the Deposited Securities held by the Depository Agent on behalf of that Sub-Account Holder.

#### **6.4 External Auditor's Certification**

The Depository Agent shall, within five ~~(5)~~ calendar months after the close of each financial year, ~~cause its external auditor to certify in writing~~ obtain and submit to the Depository an independent audit certification in a manner acceptable to the Depository, that the Depository Agent has complied with its obligations ~~under~~ in Rules 6.1, 6.1A, 6.1B, 6.1C, 6.1D, 6.1E and 6.2 and /or such other obligation or condition as prescribed by the Depository from time to time, ~~have been duly complied with.~~

#### **6.5 Failure to Submit within Deadlines**

6.5.1 ~~Where a~~ A Depository Agent's ~~failures~~ to submit any auditor's<sup>1</sup> certification required by the Depository within the prescribed deadlines (or within any time extension granted) is a breach of these CDP Rules, ~~the Depository may reprimand the Depository Agent either publicly or privately, unless an extension of time is granted.~~

6.5.2 Any request for an extension of time for the submission of an audit certification shall be submitted to Depository at least seven ~~(7)~~ business days before the expiry of the prescribed deadline.

#### **6.6 Appointment of Another Auditor**

The Depository may, if it is not satisfied with the audit certification ~~of the Depository Agent's external auditors~~, or where the Depository considers it appropriate, at any time appoint another auditor to render a certification required under Rule 6.4, and the costs and expenses incurred by the Depository in respect thereof shall be borne by the Depository Agent.

#### **6.7 Binding Terms**

A Depository Agent shall abide by and be bound by the Depository Agent Terms.

#### **6.8 Facilitation of Sub-Account Holders' Shareholder Rights**

6.8.1 A Depository Agent shall:

- (a) distribute to Sub-Account Holders in accordance with their respective holdings in the Sub-Accounts as at the Record Date any cash, property or other rights that may be received from an Issuer through the Depository;

- (b) unless otherwise agreed with Sub-Account Holders but subject always to Rule 6.8.2, keep each Sub-Account Holder duly informed of relevant information which may from time to time be issued by the Issuer or by the Depository in respect of his relevant holdings in a Sub-Account;
- (c) furnish to each Sub-Account Holder such information as the Depository shall specifically direct, promptly after receipt of such direction from the Depository; and
- (d) give notice in writing to the Depository immediately upon the breach of any one or more of the representations and warranties referred to in the Depository Agent Agreement.

6.8.2 Save as otherwise permitted by the Depository, a Depository Agent must, in respect of Deposited Securities of an Issuer that the Depository Agent holds for an Individual Sub-Account Holder:

- (a) unless the Individual Sub-Account Holder has expressly opted out of being so notified, disseminate to the Individual Sub-Account Holder notice of any meeting of the Issuer or any meeting of any class of members of the Issuer or holders of the Deposited Securities, and notify the Individual Sub-Account Holder of the right of the Individual Sub-Account Holder to be appointed as proxy to attend and vote at such meeting;
- (b) unless the Individual Sub-Account Holder has expressly opted out of being so notified, disseminate to the Individual Sub-Account Holder notice of any corporate action event that carries a right of election;
- (c) appoint the Individual Sub-Account Holder as the Depository Agent's proxy to attend and vote at any meeting of the Issuer or meeting of any class of members of the Issuer or holders of the Deposited Securities, if requested by the Individual Sub-Account Holder to do so;
- (d) submit to the Issuer any voting instruction received from the Individual Sub-Account Holder;
- (e) submit to the Issuer any corporate action election received from the Individual Sub-Account Holder; and
- (f) assist the Individual Sub-Account Holder to requisition or call a meeting of the Issuer, or to requisition the circulation of resolutions, if requested by the Individual Sub-Account Holder to do so.

6.8.3 The Depository Agent shall give each Individual Sub-Account Holder sufficient time, in any case within such timelines as the Depository may prescribe, to give the instructions or make the elections or requests contemplated in Rules 6.8.2(c) to (e).

6.8.4 In submitting to the Issuer voting instructions received from Individual Sub-Account Holders pursuant to Rule 6.8.2(d), the Depository Agent shall reflect the aggregate value of votes “for” and the aggregate value of votes “against” in such manner as the Depository may specify.

6.8.5 A Depository Agent shall, prior to onboarding an Individual Sub-Account Holder, disclose all fees chargeable by the Depository Agent, and shall notify Individual Sub-Account Holders of any changes to such fees.

6.8.6 Rule 6.8 shall apply to an SGX-ST Trading Member who holds Deposited Securities on behalf of customers. For that purpose:

(a) a reference in the Rule to a Depository Agent is to be construed as a reference to the SGX-ST Trading Member;

(b) a reference in the Rule to a Sub-Account Holder is to be construed as a reference to any of those customers; and

(c) a reference in the Rule to an Individual Sub-Account Holder is to be construed as a reference to any of those customers, who is an individual, and includes an individual who is an “accredited investor” or an “expert investor” as defined in the Securities and Futures Act.

## **6.9 Business Continuity Requirements**

A Depository Agent shall:

6.9.1 assess its business and operational risks and maintain adequate business continuity arrangements;

6.9.2 document the business continuity arrangements in a business continuity plan; and

6.9.3 test and review the business continuity plans regularly.

## **6.10 Outsourcing Conditions**

A Depository Agent that outsources any of its operations must:

6.10.1 comply with any guidance or requirements on outsourcing as prescribed by MAS or the Depository;

6.10.2 have in place adequate audit trails of the activities performed by the service provider;

6.10.3 ensure that the service provider provides the Depository with any information, including records of the work done by the service provider and any other records maintained by the service provider, at the Depository’s request;

- 6.10.4 ensure that the service provider provides the Depository access to all relevant records and systems and that the Depository is able to perform on-site inspections of the outsourced operations in the same way as if the outsourced operations were residing in the Depository Agent and without any costs to the Depository;
- 6.10.5 inform the Depository promptly of any disciplinary actions taken against the service provider, or any issues raised by internal or external auditors or any authority that regulates the service provider pertaining to the activities outsourced to the service provider; and
- 6.10.6 ensure that any internal audit requirements prescribed by the Depository are also complied with in relation to the outsourced operations.

## **6.11 Internal Control Systems**

A Depository Agent shall establish and maintain adequate internal control systems, commensurate with the nature, scale and complexity of the business of the Depository Agent.

## **6.12 Reporting of Adverse Events**

The Depository Agent shall immediately inform the Depository if:

- 6.12.1 it is experiencing an emergency or potentially debilitating situation that threatens its operations, including but not limited to a cyber threat or terror attack;
- 6.12.2 it is insolvent or wound-up, or has had an insolvency or winding-up application presented, or an order made by a court of competent jurisdiction, or any step is taken or a resolution passed, for its winding-up, dissolution, judicial management or administration; or
- 6.12.3 it has had any attachment, distress, execution or legal process instituted against its assets, or has had any liquidator, receiver or any similar person appointed (or an application has been made for the appointment of such person) in respect of any of its assets.

## **7 Effecting of Transactions and Maintenance of Accounts by the Depository and Confirmation Notes**

### **7.1 Debits and Credits**

Securities Accounts will be debited or credited with securities by the Depository pursuant to transactions or instructions of the Depositors or Issuers, subject to the approval of the Depository (which shall not be unreasonably withheld) and conditions imposed by the Depository.

### **7.2 Segregation of Balances in Securities Account**

The Depository shall have the right to segregate the Deposited Securities into different balances in a Securities Account. Such balances will be categorized by the Depository. Deposited Securities in the free balance may be freely transferred or sold by Depositors. Deposited Securities in any other balance are subject to such conditions as may be determined by the Depository and may not be freely transferable. For

example, securities which are purchased but not paid for will only be transferred to the free balance upon payment therefor by the relevant Depositor to the Trading Member or Clearing Member.

### **7.3 Transfers and Confirmation Notes**

On the due date of a transaction, the Depository shall effect book-entry transfers in the Securities Accounts of the seller and buyer and advise the Account Holders or the Depository Agent by way of a confirmation note dispatched through such method of notification as determined by the Depository from time to time.

### **7.4 Errors/Discrepancies**

The Depositors shall notify the Depository of any error/discrepancy in the confirmation note within such time specified by the Depository.

### **7.5 Rectification**

The Depository shall have the right to rectify any records maintained by it in respect of any Securities Account. The Depository shall notify the Depositor within three (3) business days after the date of making such rectification.

### **7.6 No Liability for Rectification**

The Depository shall not be liable to any Depositor in respect of any such rectification, except such liability as may arise as a result of the negligence or bad faith of the Depository. In no event shall the Depository be liable to any Sub-Account Holder in respect of any such rectification.

## **8 ~~Sub-Accounts~~ [\[Rule has been deleted.\]](#)**

### **8.1 ~~Naming and Numbering~~ [\[Rule has been deleted.\]](#)**

~~Each Sub-Account maintained by a Depository Agent shall bear the Depository Agent's account code number and a Sub-Account number.~~

### **8.2 ~~Sub-Account Communication~~ [\[Rule has been deleted.\]](#)**

~~The Depository shall not communicate with nor act on instructions from Sub-Account Holders.~~

### **8.3 ~~Authorisation~~ [\[Rule has been deleted.\]](#)**

The Depository shall be entitled to rely and act upon instructions of a Depository Agent in dealing with Sub-Accounts maintained for it and may assume that the Depository Agent has been duly authorized to give such instructions, notwithstanding any notice to the contrary.

## 9 Undertakings of the Depository Agent [Rule has been deleted.]

### 9.1 Undertakings [Rule has been deleted.]

The Depository Agent undertakes to the Depository that it shall:

- 9.1.1 ~~distribute to the Sub Account Holders in accordance with their respective holdings in the Sub-Accounts as at the Record Date any cash, property or other rights that may be received from an Issuer through the Depository;~~
- 9.1.2 ~~unless otherwise agreed with Sub Account Holders, keep each Sub Account Holder duly informed of relevant information which may from time to time be issued by the Issuer or by the Depository in respect of Deposited Securities in his Sub Account;~~
- 9.1.3 ~~furnish to each Sub Account Holder such information as the Depository shall specifically direct, promptly after receipt of such direction from the Depository.~~
- 9.1.4 ~~give notice in writing to the Depository immediately upon the breach of any one or more of the representations and warranties referred to in the Depository Agent Agreement.~~

## 10 Restriction of Depository Agent's Activities and Termination

### 10.1 Depository May Restrict and/or Impose Conditions on Activities of or Terminate Depository Agent Termination

The Depository may restrict and/or impose conditions on the activities of, or terminate any Depository Agent immediately and without any prior notice upon the occurrence of any of the following events:

- 10.1.1 ~~[Rule has been deleted.]the failure of the Depository Agent to perform or observe any of its duties or obligations or representations or warranties under the Depository Agent Terms within five (5) business days of any notice from the Depository to remedy such failure; or~~
- 10.1.2 the Depository Agent, or where it is a nominee company, the Regulated Entity for which it provides custodial services, is, in the Depository's opinion, in financial or operating difficulty, including but not limited to where the Depository Agent or the Regulated Entity:
  - (a) is in the voluntary liquidation ~~of the Depository Agent~~ otherwise than for the purpose of reconstruction or amalgamation approved by the Depository, or an Order of Court has been being made for its compulsory liquidation; ~~or~~
  - (b) ~~10.1.3 the Depository Agent~~ has entered entering into any composition or arrangement with its creditors; ~~or~~

- (c) ~~10.1.4 the Depository Agent has~~ having a receiver or judicial manager or similar officer appointed over the whole or any part of its undertaking or its properties, revenues or assets; ~~or~~
- (d) ~~10.1.5 has had~~ any distress or execution ~~being~~ levied or enforced upon or sued out against any of ~~its the~~ chattels or property ~~of the Depository Agent;~~
- 10.1.3 the Depository Agent at any time breaches or fails to continue to satisfy any admission criteria, any approval condition imposed by the Depository, or any term, condition or restriction under the Depository Agent Terms;
- 10.1.4 an Event of Default as set out in the CDP Clearing Rules has occurred in respect of a Depository Agent who is also a Clearing Member;
- 10.1.5 the Depository Agent or the Regulated Entity for which it provides custodial services has been charged with or is the subject of investigation for any offence:
  - (a) under the Securities and Futures Act;
  - (b) involving fraud or dishonesty, whether in or out of Singapore;
  - (c) relating to director's duties; or
  - (d) under any relevant law or regulation that governs that person's other business activities;
- 10.1.6 the Depository Agent is, in the Depository's opinion, conducting its activities in a manner detrimental to the financial integrity, reputation or interests of the Depository; or
- 10.1.7 it is necessary or desirable in the interests of:
  - (a) ensuring a safe and efficient settlement facility;
  - (b) ensuring the integrity of the market;
  - (c) the proper management of systemic risk;
  - (d) investor protection;
  - (e) ensuring the proper operation of the Central Depository System, including the deposit or withdrawal of securities, maintenance of accounts, verification of the accuracy of the Depository Register or transfer of securities by the Depository; and
  - (f) complying with any authority's directions.

## 10.1A Notice and Effective Date

If the Depository intends to take action against a Depository Agent under Rule 10.1, it will inform the Depository Agent in writing. Such action will be effective on the date specified and/or subject to the conditions specified in the written notice.

## **10.2 Termination with Notice to Terminate**

Notwithstanding Rule 10.1 and Rule 12A.3, the Depository may also terminate any Depository Agent, without giving any reason therefor, on giving not less than three ~~(3)~~ months' notice in writing. ~~The Depository Agent shall transfer its Deposited Securities to another Depository Agent within three (3) months of such notice of termination.~~

### **10.2A Restrictions and Conditions on Depository Agent's Activities**

10.2A.1 The Depository may restrict and/or impose conditions on the activities of a Depository Agent under Rule 10.1 in any one or more of the following ways as the Depository shall specify:

- (a) prohibit the Depository Agent from carrying out any transactions or payments in respect of Deposited Securities without the approval of the Depository;
- (b) prohibit the Depository Agent from opening any new Sub-Accounts;
- (c) prohibit the Depository Agent from onboarding new clients;
- (d) require the Depository Agent to take such action or cease to take such action as the Depository deems necessary or desirable.

10.2A.2 Failure by the Depository Agent to comply with any restriction and/or conditions will constitute a breach of these CDP Rules.

10.2A.3 Any restriction and/or imposition of conditions shall be for such duration as the Depository determines, save where imposed on the grounds under Rule 10.1.5 in which case the restriction and/or imposition of conditions shall end when the relevant entity is acquitted, the charge is not proceeded with, or no further action is taken in respect of the investigation.

10.2A.4 Unless otherwise notified by the Depository, a Depository Agent whose activities are subject to any restriction and/or conditions continues to be bound by these CDP Rules.

### **10.2B Appeal against Restriction and/or Imposition of Conditions**

A Depository Agent on whom activities the Depository has imposed restrictions and/or conditions or who has been terminated pursuant to Rule 10.1 may, within 14 days, appeal to the Appeals Committee against the said restriction and/or imposition of conditions. Notwithstanding such appeal, the Depository's restriction of and/or imposition of conditions on the Depository Agent's activities or termination of the Depository Agent shall continue in effect until such time as it is revoked or lifted by the Depository or the Appeals Committee.

#### **10.2C Notification to SGX-ST and other Depository Agents**

The Depository may notify SGX-ST and other Depository Agents of any action taken under Rule 10.1.

#### **10.3 Obligations of Depository Agent on Notice of Restriction and/or Conditions or Termination**

In the event that any Depository Agent is informed of any restriction and/or conditions imposed on its activities, or that it is terminated, for any reason whatsoever (including under Rule 10.1, Rule 10.2, or as a result of a decision of the Disciplinary Committee or Appeals Committee), the Depository Agent shall, as soon as possible, unless otherwise agreed by the Depository:

- 10.3.1 give notice of the restriction and/or conditions or termination to its Sub-Account Holders and inform its Sub-Account Holders that they may transfer their Deposited Securities to another Depository Agent or account; ~~and~~
- 10.3.2 ~~unless terminated under Rule 10.2, thereafter~~ transfer the Deposited Securities of the Sub-Account Holders to such other Depository Agents or accounts as indicated by the Sub-Account Holders; ~~and~~
- 10.3.3 if terminated, transfer its Deposited Securities to another Depository Agent or account within the notice period stipulated by the Depository.

#### **10.4 Obligations of Depository to Depository Agent on Termination**

From the effective date of termination of any Depository Agent, the Depository is not obliged to perform any of its obligations under these CDP Rules to the Depository Agent in respect of Sub-Accounts maintained with the Depository Agent.

#### **10.5 Duties of Depository Agent on Termination**

The terminated Depository Agent shall:

- 10.5.1 pay all outstanding fees, charges and other monies owing to the Depository;
- 10.5.2 fulfill all outstanding obligations to the Depository, including furnishing of auditor's certificate or banker's guarantee; and
- 10.5.3 until its termination is effective, continue to comply with the Depository Agent Terms.

## **10.6 Terminated Depository Agent's Outstanding Liabilities**

Notwithstanding the termination, the Depository Agent shall remain liable for all outstanding liabilities incurred under the Depository Agent Terms.

## **10.7 ~~Termination of Securities Account~~ [Rule has been deleted.]**

~~The Depository may terminate any Securities Account on such terms that it may prescribe.~~

## **11 Fees and Expenses**

### **11.1 Fees and Expenses Payable**

Each Depositor will pay to the Depository such fees, charges, expenses and disbursements in respect of the operations, services and facilities provided by the Depository as specified by the Depository from time to time, such amounts to be payable at such times and in such manner as shall be specified by the Depository.

## **12 ~~Violation of CDP Rules and Default under CDP Clearing Rules~~ [Rule has been deleted.]**

### **12.1 ~~Violation of CDP Rules and Default under CDP Clearing Rules~~ [Rule has been deleted.]**

~~In the event of any breach of these Rules by a Depository Agent or in the event any Event of Default as set out in the CDP Clearing Rules has occurred in respect of a Depository Agent who is also a Clearing Member, the Depository shall have the right to:~~

- ~~12.1.1 reprimand, whether publicly or privately, a Depository Agent;~~
- ~~12.1.2 impose any restriction or condition on activities that a Depository Agent may undertake; and/or~~
- ~~12.1.3 terminate the Depository Agent.~~

## **12A Supervisory Rules**

### **12A.1 Depository Investigations**

12A.1.1 The Depository may investigate a Depository Agent:

- (a) for a possible breach of the Depository Agent Terms;
- (b) if the Depository receives a written complaint involving a Depository Agent, or any of its directors, officers, employees or agents; or
- (c) if, in the Depository's opinion, the circumstances warrant it.

12A.1.2 The Depository shall conduct an investigation if MAS directs it.

12A.1.3 The Depository may require a Depository Agent, or any of its directors, officers, employees or agents to:

- (a) render all assistance as the Depository requires, at the Depository's premises or elsewhere; and
- (b) provide the Depository with information, books and records which, in the Depository's opinion, may be relevant to the investigation.

12A.1.4 A Depository Agent, or any of its directors, officers, employees or agents shall not wilfully make, furnish or permit the making or furnishing of any false or misleading information, statement or report to the Depository.

12A.1.5 The Depository may appoint any person or persons to assist in its investigation (the "Depository Examiner").

12A.1.6 The Depository may delegate all or any of its powers under this Rule 12A.1 to the Depository Examiner. The Depository Examiner shall report the results of the investigation to the Depository.

## **12A.2 Depository Inspections**

12A.2.1 The Depository may appoint any person or persons to conduct inspections of Depository Agents (the "Depository Inspector").

12A.2.2 The Depository may conduct an inspection on a Depository Agent at any time.

12A.2.3 The Depository Agent, or any of its directors, officers, employees or agents shall give the Depository Inspector access to or a copy of all information, books and records as requested. For the avoidance of doubt, reference to "information, books and records" in relation to a Depository Agent shall refer to information, books and records falling within its business governed by the CDP Rules.

12A.2.4 The Depository shall give a copy of the inspection report to the Depository Agent concerned.

12A.2.5 The Depository may charge a fee for the inspection. The fee is payable immediately by the Depository Agent concerned.

### **12A.3 Disciplinary Action**

Without prejudice to any other powers that the Depository may have under the Depository Agent Terms, the Depository may take any of the following forms of disciplinary action, namely:

12A.3.1 to charge the Depository Agent before the Disciplinary Committee if the Depository is of the opinion that the Depository Agent has committed any of the acts for which it may be charged before the Disciplinary Committee as set out in Rule 12A.5.1;

12A.3.2 to make an offer of composition to the Depository Agent if the Depository is of the opinion that there has been a violation of these CDP Rules and if the Rule violation is indicated in Schedule A as a compoundable Rule violation; or

12A.3.3 to issue a letter of warning to the Depository Agent.

### **12A.4 Composition by the Depository**

12A.4.1 The Depository may make an offer of composition to a Depository Agent if the Depository is of the opinion that there has been a violation of these CDP Rules, and the Rule violation is indicated in Schedule A as a compoundable Rule violation. The terms of the offer of composition include payment of a specified sum to the Depository and may include the fulfilment of any accompanying terms that the Depository may prescribe.

12A.4.2 Upon payment of the specified sum and fulfilment of the accompanying terms within the stipulated time, no further proceedings shall be taken against that Depository Agent for that Rule violation.

12A.4.3 Acceptance of the offer of composition by the Depository Agent amounts to an admission of liability and the Depository Agent will be deemed to have committed the conduct described in the offer of composition.

12A.4.4 The Depository retains the discretion to offer composition to a Depository Agent of an amount that is lower or higher than the guidelines that are indicated in Schedule A, except that the amount of composition that the Depository may offer shall not exceed \$10,000 for each Rule violation.

12A.4.5 Notwithstanding that a Rule violation is indicated as being compoundable under Schedule A, the Depository retains the discretion not to make an offer of composition to the Depository Agent and instead, to charge the Depository Agent before the Disciplinary Committee.

12A.4.6 If the Depository has made an offer of composition, it will not commence disciplinary proceedings against a Depository Agent until after the stipulated period for the offer lapses.

12A.4.7 If the Depository Agent does not accept the offer of composition or comply with the terms of the composition within the stipulated time as prescribed by the Depository, the Depository may charge the Depository Agent before the Disciplinary Committee.

12A.4.8 For the purposes of determining whether a Rule violation is classified as a first, second, third or subsequent offence under Schedule A, only previous violations under the same Rule will be taken into consideration.

## **12A.5 Disciplinary Committee**

12A.5.1 The Depository may initiate disciplinary proceedings and charge a Depository Agent before the Disciplinary Committee if the Depository is of the opinion that the Depository Agent or where it is a nominee company, the Regulated Entity for which it provides custodial services, has committed any of the following:

- (a) subject to Rule 12A.4.2 and Rule 12A.4.6, breached the Depository Agent Terms;
- (b) breached the Securities and Futures Act or any other laws, regulations or requirements that govern its business activities;
- (c) breached the rules of any other exchange or central securities depository;
- (d) engaged in fraud or dishonesty, whether in or out of Singapore;
- (e) engaged in conduct that has the effect of circumventing the Depository Agent Terms, the Securities and Futures Act, or any other laws, regulations or requirements that govern its business activities;
- (f) engaged in conduct that is inconsistent with just and equitable principles of custody, settlement or trading; or
- (g) engaged in conduct that is detrimental to the financial integrity, reputation or interests of the Depository, SGX-ST, any other organised markets established or operated by SGX-ST, or the investing public.

12A.5.2 The Disciplinary Committee shall comprise persons appointed by the SGX RegCo Board and shall not have a member who is, or who within three years of the proposed appointment date was, a director, officer or employee of SGX or a related corporation of SGX.

12A.5.3 The SGX RegCo Board shall appoint the chairman and deputy chairman of the Disciplinary Committee. In the absence of the chairman, the deputy chairman shall have all the authority of the chairman.

12A.5.4 The Disciplinary Committee shall, as a tribunal of first instance, hear and determine charges brought by the Depository against a Depository Agent pursuant to Rule 12A.5.1. The Disciplinary Committee may exercise its powers against a Depository Agent if it is satisfied, on a balance of probabilities, that the Depository Agent has committed any of the matters set out in Rule 12A.5.1.

12A.5.5 The Disciplinary Committee may exercise its powers against a Depository Agent if a director, officer, employee or agent breaches, or causes the Depository Agent to breach the Depository Agent Terms.

12A.5.6 The Disciplinary Committee may hear and determine charges against a former Depository Agent in respect of acts occurring when the Depository Agent was a Depository Agent, even if the Depository Agent is no longer a Depository Agent at the time of the Disciplinary Committee hearing.

12A.5.7 Procedures may be issued in relation to Disciplinary Committee proceedings. The procedures are binding on all the parties to the proceedings and may be varied by the Disciplinary Committee as provided in the procedures or these CDP Rules. Where any matter is not dealt with by the procedures or these CDP Rules, the Disciplinary Committee may establish its own procedures.

*Refer to the Disciplinary Committee and Appeals Committee Handbook.*

12A.5.8 The Disciplinary Committee may impose one or more of the following sanctions:

- (a) expel a Depository Agent (the Disciplinary Committee may order a former Depository Agent to be expelled notwithstanding that the Depository Agent is no longer a Depository Agent);
- (b) suspend a Depository Agent;
- (c) restrict and/or impose conditions on a Depository Agent's activities;
- (d) impose a fine not exceeding \$250,000 per charge on a Depository Agent, or in the case of multiple charges, not exceeding \$1,000,000 per hearing;
- (e) reprimand (publicly or privately) a Depository Agent;
- (f) require a Depository Agent to undertake an education or compliance programme;
- (g) require a Depository Agent to pay reimbursement or compensation; and

- (h) order payment of payment of fines by instalments, which shall not exceed 12 months from the date of imposition of the fine, unless otherwise permitted by the Disciplinary Committee.

12A.5.9 Where a mandatory minimum penalty has been stipulated for a particular Rule violation in the thirteenth column of Schedule A, the Disciplinary Committee:

- (a) shall impose a penalty not lower than such minimum amount; and
- (b) may choose to impose, in addition to the penalty in Rule 12A.5.9(a), any one or more of the sanctions set out in Rule 12A.5.8.

12A.5.10 A failure to comply with any sanction imposed by the Disciplinary Committee constitutes a breach of these CDP Rules.

12A.5.11 The Disciplinary Committee may, pending an appeal to the Appeals Committee, order a stay of the penalty imposed.

12A.5.12 The Disciplinary Committee shall provide its written grounds of decision, which shall include any sanctions imposed against the Depository Agent, within a reasonable period after the conclusion of the hearing.

12A.5.13 The Disciplinary Committee shall cause its written grounds of decision to be published, unless the sanction imposed involves the issuance of a private reprimand. Where a private reprimand is issued by the Disciplinary Committee, the Disciplinary Committee shall determine whether the written grounds of decision are to be published and if so, whether the written grounds of decision are to be published in part or in whole.

12A.5.14 Each Depository Agent irrevocably consents to the publication of the Disciplinary Committee's written grounds of decision pursuant to Rule 12A.5.12. The consent will remain valid and effective even when the Depository Agent ceases to be a Depository Agent. A Depository Agent cannot initiate any action or proceeding against the Depository or the Disciplinary Committee for such publication.

## **12A.6 Appeals Committee**

12A.6.1 The Appeals Committee shall comprise persons appointed by the SGX RegCo Board and approved by MAS provided that:

- (a) the Appeals Committee shall not have a member who is, or who within three years of the proposed appointment date was, a director, officer or employee of SGX or a related corporation of SGX;
- (b) a majority of the Appeals Committee shall not be directors, officers or employees of any member of SGX or SGX's subsidiaries; and
- (c) a majority of the Appeals Committee shall not be substantial shareholders of SGX, or directors, officers or employees of any substantial shareholder of SGX.

12A.6.2 The SGX RegCo Board shall appoint the chairman and the deputy chairman of the Appeals Committee. In the absence of the chairman, the deputy chairman will have all the powers of the chairman.

12A.6.3 The Appeals Committee shall:

- (a) hear and decide appeals arising from decisions of the Disciplinary Committee;
- (b) hear and decide appeals brought by a Depository Agent pursuant to Rule 10.2B; and
- (c) deal with such other matters as the SGX RegCo Board gives it (either generally or in a particular case).

12A.6.4 The Appeals Committee will determine the appeal by way of rehearing. It will only rehear that part of the decision of the Disciplinary Committee or the Depository that is appealed against.

12A.6.5 Procedures may be issued in relation to Appeals Committee proceedings. The procedures are binding on all the parties to the proceedings and may be varied by the Appeals Committee as provided in the procedures or the Rules. Where any matter is not dealt with by the procedures or the Rules, the Appeals Committee may establish its own procedures.

*Refer to the Disciplinary Committee and Appeals Committee Handbook.*

12A.6.6 The Appeals Committee may hear and determine appeals concerning a former Depository Agent in respect of acts occurring when the Depository Agent was a Depository Agent, even if the Depository Agent is no longer a Depository Agent at the time of the Appeals Committee hearing.

12A.6.7 The Appeals Committee may take any of the following actions:

- (a) dismiss the appeal;
- (b) uphold, reverse or vary the decision of the Disciplinary Committee;

- (c) uphold, reverse or vary specific findings of the Disciplinary Committee;
- (d) direct that the Depository take a specific course of action;
- (e) vary the sanctions imposed by the Disciplinary Committee; or
- (f) issue any other order that it deems appropriate.

12A.6.8 In imposing sanctions, the Appeals Committee shall have all the powers of the Disciplinary Committee under Rule 12A.5.8.

12A.6.9 A failure to comply with any sanction imposed by the Appeals Committee constitutes a breach of these CDP Rules.

12A.6.10 A Depository Agent may apply to the Appeals Committee for, and the Appeals Committee may grant, an extension of the relevant timelines to comply with the sanctions imposed by the Appeals Committee.

12A.6.11 The Appeals Committee shall provide written grounds of its decision, which shall include any sanctions imposed against the Depository Agent, within a reasonable period after the conclusion of the hearing.

12A.6.12 The Appeals Committee shall cause its written grounds of decision to be published, unless the sanction imposed involves the issuance of a private reprimand. Where a private reprimand is issued by the Appeals Committee, the Appeals Committee shall determine whether the written grounds of decision are to be published, and if so, whether the written grounds of decision is to be published in part or in whole.

12A.6.13 Each Depository Agent irrevocably consents to the publication of the Appeals Committee's written grounds of decision pursuant to Rule 12A.6.12. The consent will remain valid and effective notwithstanding the resignation, termination or expulsion of a Depository Agent. A Depository Agent cannot initiate any action or proceeding against the Depository or the Appeals Committee for such publication.

12A.6.14 A decision of the Appeals Committee shall be final and binding on the parties to the appeal.

## **12A.7 Fine**

12A.7.1 A fine must be paid within 14 days from the date of notice, or such longer time as the chairman of the Disciplinary Committee or the Appeals Committee (as applicable), or his nominee, permits.

12A.7.2 Where a fine has been imposed against a Depository Agent and the Depository Agent does not make payment within the specified period, the outstanding sum shall be a debt payable to the Depository. The Depository may commence legal action to recover that debt, subject to any subsequent payments made by the Depository Agent. The Depository shall be entitled to claim reasonable interest, a month after the payment is due, based on the sum outstanding.

## **12A.8 Payment of Costs**

12A.8.1 The Disciplinary Committee or Appeals Committee may require the Depository Agent charged to pay all or part of the costs of the investigation, inspection or hearing.

12A.8.2 The Disciplinary Committee or Appeals Committee may order the costs awarded to be paid within 14 days, or such longer time as the chairman of the Disciplinary Committee or the Appeals Committee (as applicable), or his nominee, permits.

12A.8.3 Where an order for costs of the proceedings has been imposed against a Depository Agent and the Depository Agent does not make payment within the specified period, the outstanding sum shall be a debt payable to the Depository. The Depository may commence legal action to recover that debt, subject to any subsequent payments made by the Depository Agent. The Depository shall be entitled to claim reasonable interest, a month after the payment is due, based on the sum outstanding.

## **12A.9 Confidentiality**

The parties to Disciplinary Committee proceedings or Appeals Committee proceedings, their representatives, their advisors and their legal counsel shall at all times treat all matters and documents relating to the proceedings as confidential except:

12A.9.1 where all parties to the proceedings have given written consent;

12A.9.2 where a party is directed by a competent authority such as MAS or the police;

12A.9.3 where a party is directed by a court of competent jurisdiction in Singapore;

12A.9.4 where a party is permitted or directed by the Disciplinary Committee or Appeals Committee; or

12A.9.5 where the information is in the public domain.

## **12A.10 Irregularities**

12A.10.1 No irregularities shall vitiate a decision of the Disciplinary Committee or Appeals Committee unless the irregularity has occasioned a failure of justice.

12A.10.2 Where an irregularity has occasioned a failure of justice in respect of a disciplinary proceeding, the Disciplinary Committee or Appeals Committee may set aside any part of the proceedings and make such order dealing with the proceedings generally as it deems fit.

## **12A.11 Exclusion of Liability**

No liability (whether in contract, tort or otherwise) shall be incurred by the Disciplinary Committee, Appeals Committee or the Depository for anything done or omitted to be done with reasonable care and in good faith in the course of or in connection with:

12A.11.1 the exercise or purported exercise of any power under the Depository Agent Terms;

12A.11.2 the performance or purported performance of any function or duty under the Depository Agent Terms; or

12A.11.3 the compliance or purported compliance with the Depository Agent Terms.

## **13 Liability**

### **13.1 Liability**

Any liability arising out of, or in relation to any Deposited Securities shall be governed by ~~these CDP Rules and~~ the Depository Agent Terms.

### **13.2 Force Majeure**

None of the ~~Depository, its related corporations, SGX RegCo, any person or entity referred to under Rule 1.1.4, or their respective directors, officers, employees, representatives or agents (the "Relevant Persons")~~ shall be liable for any losses or damages that may be suffered, incurred or sustained by any Depository Agent or any Account Holder or Sub-Account Holder, nor shall be responsible for failure to comply or delay in complying with any duty or obligation under or pursuant to these CDP Rules arising as a direct or indirect result of any reason, cause or contingency beyond the Relevant Person's reasonable control, including (without limitation) natural disasters, act of God, industrial action, computer breakdown or sabotage, currency restrictions, war or terrorism, or the failure, suspension or disruption of any relevant stock exchange, clearance system or market.

### **13.3 ~~No Liability~~ Limitation of Liability**

13.3.1 A Relevant Person shall not be ~~responsible~~liable to any person for any loss or damage suffered by ~~the~~ Depositors (including consequential or indirect loss or damage, even if advised of the possibility of such loss or damage) however caused or arising, including but not limited to any loss or damage arising directly or indirectly from ~~as a result of~~ or in connection with the following, or ~~as a result of or in connection with~~ any thing done or not done as a direct or indirect consequence of, the following, unless the same results from an act of negligence or fraud on the part of any Relevant Person:

- (a) any failure, error, delay or malfunction of the Central Depository System operated by the Depository howsoever caused and whether or not identified or identifiable;
- (b) the access to, use or inability to use the Central Depository System operated by the Depository;
- (c) ~~the performance or non-performance by any Relevant Person of its duties~~ any thing done (including any statement made) or omitted to be done by any Relevant Person in the course of, or in connection with, the discharge or purported discharge of the Depository's obligations or rights under the Securities and Futures Act, any other applicable law, or under these CDP Rules;
- (d) any breach or failure of any Depository Agent to comply with these CDP Rules;
- (e) the acts or omissions of any Depository Agent;
- (f) any failure, security breach, inoperability or malfunction of equipment, software or any other product supplied to a Depository Agent howsoever caused, or in respect of its installation, maintenance or removal;
- (g) the exercise of a decision-making or regulatory power or discretion under these CDP Rules;
- (h) the acceptance of a Depository Agent's resignation;
- (i) any virus or other destructive, malicious, or corrupting program, code, agent, script or macro;
- (j) the originality, accuracy, adequacy, timeliness or completeness of the Central Depository System, the Depository Register or any content, information, materials, images, sounds, graphics, video and other materials displayed therein or any functionalities or applications, programs or services provided therein (collectively "Content");
- (k) any reliance on the Content or any part thereof; or
- (l) any information transmitted or received by or on behalf of the Depository or a Depository Agent, including through the Central Depository System, or the interception of or access to such information by unauthorised persons.

13.3.2 ~~In the event of any unless the same results from an~~ act of negligence or fraud on the part of a ~~that~~ Relevant Person; ~~in which event the~~ Depository ~~shall~~will promptly replace any Deposited Securities which have been lost, stolen or destroyed. Where such replacement of lost, stolen or destroyed Deposited Securities is not possible, the collective liability of the Relevant Persons in connection

with any Deposited Securities shall not exceed the lower of the market value of the Deposited Securities to which such loss or damage relates at the time of discovery of such negligence or fraud or at the time of proposed replacement.

**13.3.3** In no event shall any Relevant Person be responsible for any loss or damage suffered by a Sub-Account Holder (including consequential or indirect loss or damage, even if advised of the possibility of such loss or damage) however caused or arising, including but not limited to any loss or damage arising directly or indirectly from as a result of or in connection with any of the events set out in Rule 13.3.1, or ~~as a result of or in connection with~~ any thing done or not done as a direct or indirect consequence of ~~those events, the Depository performing its duties to a Depository Agent under these CDP Rules.~~

#### **13.4 No Obligation for Deposited Securities**

The Depository shall not be under any obligation to ensure that Deposited Securities are not forged or fraudulent and can be freely transferred or delivered without encumbrance and will not be responsible for any loss suffered by any Account Holder, Sub-Account Holder or Depository Agent.

#### **13.5 Notification of Invalid Deposited Securities**

The Depository will notify the Depositors immediately in the event that any Deposited Securities prove to be forged, fraudulent or invalid.

#### **13.6 Limited Obligation on Instructions**

Save for ensuring that written instructions bear signature(s) which in the Depository's sole opinion, corresponds to the specimen signature(s) of the Depositor(s) provided to the Depository, the Depository shall be under no obligation to ensure that instructions received from Depository Agents or Account Holders are not forged, fraudulent or invalid.

#### **13.7 Notification on Instructions**

The Depository will notify the Depositors immediately in the event that any instructions prove to be forged, fraudulent or invalid.

#### **13.8 No Liability ~~F~~or Consequential Damages**

Notwithstanding the foregoing, in no event shall the Relevant Persons be liable to the Depositors and Sub-Account Holders for indirect, special or consequential damages, even if advised of the possibility of such damages.

### **13.9 No Breach of Laws**

Nothing in these CDP Rules shall obligate the Relevant Persons to perform any obligation or to allow, take or omit taking any action which will breach any law, rule, regulation or generally accepted market practice of any relevant government, stock exchange, clearance system, self-regulatory organization or market.

### **13.10 No Liability for Third Parties**

The Relevant Persons shall not be responsible or liable for the acts or omissions, default or insolvency of any:

- 13.10.1 depository, sub-custodian and custodian appointed in respect of Foreign Securities unless the Depository has failed to take reasonable care in their selection; or
- 13.10.2 issuer of Eligible Securities.

### **14.1 Indemnity**

Each Depository Agent indemnifies each of the Depository, its ~~Related~~ ~~e~~Corporations, ~~SGX RegCo~~, any person or entity referred to under Rule 1.1.4, and their respective officers, directors, employees, representatives and agents ("Indemnified Persons") and hold them harmless against all costs, fees (including legal fees on a solicitor and client basis), expenses, liabilities, taxes, assessments, losses, fines, penalties, losses and damages suffered or incurred by any of them directly or indirectly arising from or in connection with the following matters, except when the losses and damages are directly caused by the Depository's failure to act in good faith, or by an act of negligence or fraud, on the part of the Depository:

- 14.1.1 any breach by the Depository Agent of its obligations under the Depository Agent Terms;
- 14.1.2 any wilful, unlawful or negligent act or omission by the Depository Agent;
- 14.1.3 any legal proceedings or dispute resolution proceedings of any nature which the Depository Agent is a party to or required to take part in, and which requires the Indemnified Persons' involvement ("Proceedings"), including production of information or documents, whether at the request of the Depository Agent or otherwise;
- 14.1.4 the actions or omissions by the Indemnified Persons in reliance on instructions or communications believed in good faith by any of them to have been given by or on behalf of the Depository Agent or the failure of the Depository Agent to give instructions to the Depository; and
- 14.1.5 any action by the Indemnified Persons in respect of the Deposited Securities, taken in good faith to comply with any law, regulation or order of any government, competent authority or any court or tribunal.

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## **17 Definitions and Interpretation**

### **17.1 Definitions**

<b>Term</b>	<b>Meaning</b>
<b>A</b>	
Account Holder	<del>has the same meaning as defined in the Act.</del> <a href="#">shall have the meaning ascribed to it in the Securities and Futures Act.</a>
Act	[deleted]
<a href="#">Appeals Committee</a>	<a href="#">means the committee appointed by the SGX RegCo Board to exercise the powers set out in Rule 12A.6.</a>
<b>B</b>	
business day	means a day on which the Depository is open for business.
Board	means the board of directors of CDP.
<b>C</b>	
CDP or Depository	means The Central Depository (Pte) Limited and, where the context requires, shall include its nominees.
CDP Clearing Rules	means the CDP Clearing Rules applying to all dealings in securities which are cleared through CDP, as the same may be varied, amended or supplemented from time to time.
CDP Rules	means the rules as set out herein, including, save where expressly indicated otherwise, Directives and Circulars, as the same may be varied, amended or supplemented from time to time.
<a href="#">Central Depository System</a>	<a href="#">shall have the meaning ascribed to it in the Securities and Futures Act.</a>
Circulars	shall have the meaning ascribed to it in Rule 1.2.2.
Clearing Member	means an entity approved as a Clearing Member of CDP.
<b>D</b>	
Deposited Securities	means the securities deposited with the Depository by a Depositor.
Depositor	shall have the meaning ascribed to it in the <a href="#">Securities and Futures Act</a> .
Depository Agent	shall have the meaning ascribed to it in the <a href="#">Securities and Futures Act</a> .
Depository Agent Agreement	means the agreement entered into between the Depository and an applicant whose application to become a Depository Agent has been approved by the Depository, as the same may be varied, amended or supplemented from time to time and shall include the application form submitted by the applicant to become a Depository Agent.

<a href="#"><u>Depository Agent Terms</u></a>	<a href="#"><u>shall have the meaning ascribed to it in Rule 1.4.1.</u></a>
<a href="#"><u>Depository Examiner</u></a>	<a href="#"><u>means the person appointed as such under Rule 12A.1.5.</u></a>
<a href="#"><u>Depository Inspector</u></a>	<a href="#"><u>means the person appointed as such under Rule 12A.2.1.</u></a>
<a href="#"><u>Depository Register</u></a>	<a href="#"><u>shall have the meaning ascribed to it in the Securities and Futures Act.</u></a>
Directive	shall have the meaning ascribed to it in Rule 1.2.2.
<a href="#"><u>Direct Securities Account</u></a>	<a href="#"><u>means a Securities Account maintained by a person directly with the Depository and in which Deposited Securities are held beneficially for the person's own account.</u></a>
<a href="#"><u>Disciplinary Committee</u></a>	<a href="#"><u>means the committee appointed by the SGX RegCo Board to exercise the powers set out in Rule 12A.5.</u></a>
<b>E</b>	
Eligible Securities	means securities accepted or designated by the Depository or its nominee for deposit, custody, clearing or book-entry settlement.
Exchange Trade	means: <ul style="list-style-type: none"> <li>(1) a trade transacted on or through any electronic trading system maintained by SGX-ST for the automatic matching and execution of trades in securities listed and/or quoted on the SGX-ST for the automatic matching and execution of trades in securities listed and/or quoted on the SGX-ST pursuant to the SGX-ST Rules; or</li> <li>(2) a trade reported to SGX-ST pursuant to the SGX-ST Rules, including but not limited to Direct Business (as defined in the SGX-ST Rules); or</li> <li>(3) a trade reported by a Clearing Member to CDP, which CDP accepts for clearing in Inter-Broker Settlement; or</li> <li>(4) a trade transacted on such exchange (other than SGX-ST) with which CDP may have direct or indirect clearing arrangements from time to time, or in relation to which trade CDP has clearing arrangements in place;</li> </ul> with the exception of such trades as CDP may from time to time stipulate as not being "Exchange Trades" falling under the CDP Clearing Rules.
<b>F</b>	
Foreign Securities	means securities issued by an issuer, which are deposited with a foreign depository, sub-custodian or custodian, for the purpose of the clearance and/or settlement of transactions of such securities on SGX-ST or a foreign stock exchange, or for the purpose of custody.
<b>I</b>	

Indemnified Persons shall have the meaning ascribed to it in Rule 14.1.

Individual Sub-Account Holder means a Sub-Account Holder who is an individual, and includes an individual who is an “accredited investor” or an “expert investor” as defined in the Securities and Futures Act.

Inter-Broker Settlement means the system and process of settlement of Exchange Trades between the Clearing Members and CDP.

Issuer means a company or any other person whose securities have been accepted or designated by the Depository as Eligible Securities.

**M**

MAS means the Monetary Authority of Singapore.

**P**

Practice Note shall have the meaning ascribed to it in Rule 1.2.2.

Proceedings shall have the meaning ascribed to it in Rule 14.1.3.

**R**

Record Date means the date fixed by the Issuer for the purposes of determining entitlements to dividends or other distributions to or rights of holders of its securities.

Regulated Entity shall have the meaning ascribed to it in Rule 2.4.1.

Related Corporation shall have the meaning ascribed to it under the Companies Act 1967, and shall in all cases include SGX RegCo.

Relevant Persons shall have the meaning ascribed to it in Rule 1.1.2.

Retail Sub-Account Holder means a “retail customer”, as defined under the Securities and Futures (Licensing and Conduct of Business) Regulations, who is a Sub-Account Holder.

**S**

securities has the meaning ascribed to it in section 81SF of the Securities and Futures Act but shall in any event include any product that is a "security" as defined in the CDP Clearing Rules, regardless of whether that product is classified as a "security" under the Securities and Futures Act.

Securities Account means the securities account maintained by a Depositor with the Depository (but does not include Sub-Accounts) and shall include the deemed securities account maintained by a Depository Agent with the Depository (as referred to in Rule 4.7).

Securities and Futures Act/~~Act~~ means the Securities and Futures Act 2001 or any statutory amendment, modification, or re-enactment thereof for the time being in force, or any statute that may replace it, and where the context permits, includes any subsidiary legislation or regulations made pursuant thereto.

service provider [in relation to a Depository Agent, has the meaning ascribed to it in the MAS Guidelines on Outsourcing in relation to an “institution”.](#)

SGX [means Singapore Exchange Limited.](#)

SGX RegCo means Singapore Exchange Regulation Pte. Ltd.

SGX RegCo Board means the board of directors for the time being of SGX RegCo or such number of them as have authority to act for the SGX RegCo Board.

SGX-ST means Singapore Exchange Securities Trading Limited.

SGX-ST Rules means the SGX-ST Rules as the same may be varied, amended or supplemented from time to time.

Sub-Account Holder shall have the meaning ascribed to it in the [Securities and Futures Act](#).

Sub-Accounts means the securities sub-accounts maintained by each Depository Agent for its own account and for ~~the account of~~ its clients.

## T

Terms and Conditions means the terms and conditions governing Securities Accounts, as the same may be varied, amended or supplemented from time to time.

Trading Member means a person who is not a Clearing Member and whose Exchange Trades have been qualified by a Clearing Member in accordance with the CDP Clearing Rules.

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## 17.2 General Principles of Interpretation

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17.2.5 The headings in these CDP Rules are for convenience only and do not affect the construction of these CDP Rules.

### 17.2.6 Unless the context requires otherwise:

(a) a reference to currency, whether in word or symbol, is to Singapore dollar;

(b) a reference to a day is to a calendar day; and

(c) a reference to a time of day is a reference to Singapore time.

**Schedule A**

<u>Rule Violation</u>		<u>Whether composition may be offered</u>	<u>Composition amount that may be offered by the Depository, where the Depository has determined the Depository Agent to be in violation</u>			<u>Mandatory minimum penalty imposed by the DC</u>
<u>Rule Number</u>	<u>Brief Description of Rule</u>		<u>1st Violation</u>	<u>2nd Violation</u>	<u>3rd Violation</u>	
<b><u>Rule 1 – General</u></b>						
<b><u>1.7</u></b>	<b><u>Provision of Information by Depository Agent</u></b>					
<u>1.7.1</u>	<u>Upon the Depository’s request, Depository Agent to provide any information or records that the Depository may require under the Rules. Depository Agent must ensure that any information or records provided do not contain untrue statements, are not misleading and include rather than omit any material statements.</u>	<u>Compoundable</u>	<u>\$2,000 – \$5,000</u>	<u>\$5,000 – \$10,000</u>	<u>\$10,000 = \$15,000</u>	<u>N.A.</u>
<u>1.7.2</u>	<u>Depository Agent to undertake that it has obtained the necessary consent from the parties concerned, or that it is otherwise permitted under law, to disclose such information or records to the Depository, and for the Depository to process, use and/or disclose the information or records, for the purposes set out in the Rules.</u>	<u>Not Compoundable</u>	<u>Not Compoundable</u>			<u>\$10,000</u>
<b><u>Rule 2 – Admission Criteria for Depository Agents</u></b>						
<b><u>2.2</u></b>	<b><u>Discretion to Approve / Reject Application and Conditions</u></b>					
<u>2.2</u>	<u>Depository Agent to comply with any conditions or restrictions for admission imposed by the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b><u>2.5</u></b>	<b><u>Applicant’s Agreement</u></b>					

<a href="#">2.5.1</a>	<a href="#">Depository Agent to comply with the Depository Agent Terms.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">2.5.2</a>	<a href="#">Depository Agent to pay to the Depository fees, charges or penalties where applicable.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">2.5.3</a>	<a href="#">Upon the Depository’s request, Depository Agent to furnish any information or render any assistance in respect of its operations, facilities and services or those that are provided to it as may be required by the Depository.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">2.5.4</a>	<a href="#">Depository Agent to comply with any condition that the Depository prescribes for it.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<b><a href="#">Rule 3 – Resignation by Depository Agent</a></b>						
<b><a href="#">3.1</a></b>	<b><a href="#">Obligations of Resigning Depository Agent</a></b>					
<a href="#">3.1.1</a>	<a href="#">Depository Agent to comply with procedures for resignation.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">3.1.2</a>	<a href="#">Depository Agent to pay all outstanding charges owing to the Depository as at the effective date of resignation.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">3.1.3</a>	<a href="#">Depository Agent to fulfil all outstanding obligations to the Depository, including furnishing of an auditor’s certificate or a banker’s guarantee.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<b><a href="#">3.3</a></b>	<b><a href="#">Resigning Depository Agent’s Management of Sub-Accounts</a></b>					
<a href="#">3.3.1(a)</a>	<a href="#">Depository Agent to give written notice of its resignation to its Sub-Account Holders upon giving the Depository its notice of resignation.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">3.3.1(b)</a>	<a href="#">Depository Agent to transfer the Deposited</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>

	<u>Securities it holds for its Sub-Account Holders to such other Depository Agents(s) or accounts indicated by the Sub-Account Holders prior to the effective date of its resignation.</u>					
<b>Rule 6 – Duties and Obligations of Depository Agents in respect of Sub-Accounts</b>						
<b>6.1</b>	<b><u>Segregation of Deposited Securities</u></b>					
<u>6.1.3</u>	<u>Depository Agent to at all times segregate the Deposited Securities held in each Sub-Account from those held in other Sub-Accounts.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.1.4</u>	<u>Depository Agent to at all times segregate Deposited Securities held for its own account from Deposited Securities held for its clients.</u>	<u>Not Compoundable</u>	<u>Not Compoundable</u>			<u>\$10,000</u>
<b>6.1A</b>	<b><u>Disclosure of Account Structure to Retail Sub-Account Holders</u></b>					
<u>6.1A</u>	<u>Depository Agent to disclose to Retail Sub-Account Holder information on account structure before depositing securities received on account of that Sub-Account Holder.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>6.1C</b>	<b><u>Transactions in Deposited Securities held for Sub-Account Holders</u></b>					
<u>6.1C.1</u>	<u>Depository Agent not to carry out any transaction in respect of the Deposited Securities held for a Sub-Account Holder unless authorised by the Sub-Account Holder to do so.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.1C.2</u>	<u>Depository Agent not to use the Deposited Securities held for the Sub-Account Holder to settle any obligations of another Sub-Account Holder unless as</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<a href="#">permitted under the CDP Rules.</a>					
<b>6.1D</b>	<b><a href="#">Notification of Transactions in Deposited Securities</a></b>					
<a href="#">6.1D</a>	<a href="#">Depository Agent to notify a Sub-Account Holder of any transaction carried out on behalf of the Sub-Account Holder in respect of Deposited Securities.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<b>6.1E</b>	<b><a href="#">Statement of Account</a></b>					
<a href="#">6.1E.1</a>	<a href="#">Unless otherwise provided in the CDP Rules, Depository Agent to furnish to each Sub-Account Holder a statement of account in respect of the Deposited Securities held on that Sub-Account Holder’s behalf on a periodic basis (at least monthly).</a>	<a href="#">Not Compoundable</a>	<a href="#">Not Compoundable</a>			<a href="#">\$10,000</a>
<a href="#">6.1E.2</a>	<a href="#">Depository Agent to furnish to a Sub-Account Holder a statement of account upon request.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<b>6.2</b>	<b><a href="#">Records</a></b>					
<a href="#">6.2.1</a>	<a href="#">Depository Agent to maintain proper, complete, accurate and up-to-date records, containing the prescribed information, of Sub-Account Holders and the Deposited Securities held for each Sub-Account Holder.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">6.2.2</a>	<a href="#">Depository Agent to, on each business day, reconcile its books and records with the Depository’s records in relation to the Deposited Securities that are held in each Sub-Account, and if there is any discrepancy, to inform the Depository and if required rectify the discrepancy immediately.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>

<b>6.3</b>	<b>Disclosure of Sub-Account Holders' Information and Other Action Required</b>					
6.3	<u>Depository Agent to disclose to the Depository such information, provide such assistance or take such action as the Depository may require in relation to Sub-Account Holders.</u>	<u>Not Compoundable</u>	<u>Not Compoundable</u>		<u>\$10,000</u>	
<b>6.4</b>	<b>Audit Certification</b>					
6.4	<u>Depository Agent to, within five calendar months after the close of each financial year, obtain and submit to the Depository an independent audit certification in a manner acceptable to the Depository, that it has complied with its obligations under the prescribed CDP Rules and/or such other obligation or condition as prescribed by the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>6.5</b>	<b>Failure to Submit within Deadlines</b>					
6.5.2	<u>Depository Agent to request for an extension of time for the submission of an audit certification at least seven business days before the expiry of the prescribed deadline.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>6.8</b>	<b>Facilitation of Sub-Account Holders' Shareholder Rights</b>					
6.8.1(a)	<u>Depository Agent to distribute to Sub-Account Holders in accordance with their respective holdings in the Sub-Accounts as at the Record Date any cash, property or other rights that may be received from an Issuer through the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
6.8.1(b)	<u>Unless otherwise provided in the CDP Rules,</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<u>Depository Agent to keep each Sub-Account Holder duly informed of relevant information which may from time to time be issued by the Issuer or by the Depository in respect of his relevant holdings in a Sub-Account.</u>					
<u>6.8.1(c)</u>	<u>Depository Agent to furnish to each Sub-Account Holder such information as the Depository shall specifically direct, promptly after receipt of such direction from the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.1(d)</u>	<u>Depository Agent to give notice in writing to the Depository immediately upon the breach of any one or more of the representations and warranties referred to in the Depository Agent Agreement.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.2(a)</u>	<u>Unless the Individual Sub-Account Holder has expressly opted out of being so notified, Depository Agent to disseminate to the Individual Sub-Account Holder notice of any meeting of the Issuer or any meeting of any class of members of the Issuer or holders of the Deposited Securities, and notify the Individual Sub-Account Holder of the right of the Individual Sub-Account Holder to be appointed as proxy to attend and vote at such meeting.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.2(b)</u>	<u>Unless the Individual Sub-Account Holder has expressly opted out of being so notified, Depository Agent to</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<u>disseminate to the Individual Sub-Account Holder notice of any corporate action event.</u>					
<u>6.8.2(c)</u>	<u>Depository Agent to appoint the Individual Sub-Account Holder as the Depository Agent's proxy to attend and vote at any meeting of the Issuer or meeting of any class of members of the Issuer or holders of the Deposited Securities, if requested by the Individual Sub-Account Holder to do so.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.2(d)</u>	<u>Depository Agent to submit to the Issuer any voting instruction received from the Individual Sub-Account Holder.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.2(e)</u>	<u>Depository Agent to submit to the Issuer any corporate action election received from the Individual Sub-Account Holder.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.2(f)</u>	<u>Depository Agent to assist the Individual Sub-Account Holder to requisition or call a meeting of the Issuer, or to requisition the circulation of resolutions if requested by the Individual Sub-Account Holder to do so.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.3</u>	<u>Depository Agent to give each Individual Sub-Account Holder sufficient time, in any case within such timelines as the Depository may prescribe, to give the instructions or make the elections or requests contemplated in Rules 6.8.2(c) to (e).</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.8.4</u>	<u>Depository Agent to reflect the aggregate value of</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<u>votes “for” and the aggregate value of votes “against” in such manner as the Depository may specify in its submission of voting instructions received from Individual Sub-Account Holders to the Issuer.</u>					
6.8.5	<u>Depository Agent to, prior to onboarding an Individual Sub-Account Holder, disclose all fees chargeable by the Depository Agent, and notify Individual Sub-Account Holders of any changes to such fees.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>6.9</b>	<b><u>Business Continuity Requirements</u></b>					
6.9.1	<u>Depository Agent to maintain adequate business continuity arrangements.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
6.9.2	<u>Depository Agent to document the business continuity arrangements in a business continuity plan.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
6.9.3	<u>Depository Agent to test and review the business continuity plans regularly.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>6.10</b>	<b><u>Outsourcing Conditions</u></b>					
6.10.1	<u>Depository Agent to comply with any guidance or requirements on outsourcing as prescribed by MAS or the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
6.10.2	<u>Depository Agent to have in place adequate audit trails of the activities performed by the service provider.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
6.10.3	<u>Depository Agent to ensure that the service provider provides the Depository with any information, including records of the work done by the service provider and any other</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<u>records maintained by the service provider, at the Depository's request.</u>					
<u>6.10.4</u>	<u>Depository Agent to ensure that the service provider provides the Depository access to all relevant records and systems and that the Depository is able to perform on-site inspections of the outsourced operations in the same way as if the outsourced operations were residing in the Depository Agent and without any costs to the Depository.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.10.5</u>	<u>Depository Agent to inform the Depository promptly of any disciplinary actions taken against the service provider, or any issues raised by internal or external auditors or any authority that regulates the service provider pertaining to the activities outsourced to the service provider.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>6.10.6</u>	<u>Depository Agent to ensure that any internal audit requirements prescribed by the Depository are also complied with in relation to the outsourced operations.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b><u>6.11</u></b>	<b><u>Internal Control Systems</u></b>					
<u>6.11</u>	<u>Depository Agent to establish and maintain adequate internal control systems, commensurate with the nature, scale and complexity of the business of the Depository Agent.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b><u>6.12</u></b>	<b><u>Reporting of Adverse Events</u></b>					
<u>6.12</u>	<u>Depository Agent to immediately inform the Depository of the</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<u>occurrence of any of the prescribed events.</u>					
<b>Rule 10 – Restriction of Depository Agent’s Activities and Termination</b>						
<b>10.2A</b>	<b>Restrictions and Conditions on Depository Agent’s Activities</b>					
<u>10.2A.2</u>	<u>Depository Agent to comply with the Depository’s restrictions and conditions on its activities</u>	<u>Not Compoundable</u>		<u>Not Compoundable</u>		<u>\$10,000</u>
<b>10.3</b>	<b>Obligations of Depository Agent on Notice of Restriction and/or Conditions or Termination</b>					
<u>10.3.1</u>	<u>Depository Agent who is informed of any restriction and/or conditions imposed on its activities, or that it is terminated, to give notice of the restriction and/or conditions or termination to its Sub-Account Holders and inform its Sub-Account Holders that they may transfer their Deposited Securities to another Depository Agent or account.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>10.3.2</u>	<u>Depository Agent who is informed of any restriction and/or conditions imposed on its activities, or that it is terminated, to transfer the Deposited Securities of the Sub-Account Holders to such other Depository Agents or accounts as indicated by the Sub-Account Holders.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<u>10.3.3</u>	<u>Depository Agent who is informed that it is terminated to transfer its Deposited Securities to another Depository Agent or account within the stipulated notice period.</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>
<b>10.5</b>	<b>Duties of Depository Agent on Termination</b>					
<u>10.5.1</u>	<u>Terminated Depository Agent to pay all outstanding fees, charges and other</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>

	<a href="#">monies owing to the Depository.</a>					
<a href="#">10.5.2</a>	<a href="#">Terminated Depository Agent to fulfill all outstanding obligations to the Depository, including furnishing of auditor's certificate or banker's guarantee.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<a href="#">10.5.3</a>	<a href="#">Terminated Depository Agent to continue to comply with the Depository Agent Terms until its termination is effective.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$4,000</a>	<a href="#">\$4,000 – \$7,000</a>	<a href="#">\$7,000 – \$10,000</a>	<a href="#">N.A.</a>
<b>Rule 12A – Supervisory Rules</b>						
<b><a href="#">12A.1</a></b>	<b><a href="#">Depository Investigations</a></b>					
<a href="#">12A.1.3</a>	<a href="#">Depository Agent to cooperate with any investigation conducted by the Depository.</a>	<a href="#">Not Compoundable</a>	<a href="#">Not Compoundable</a>			<a href="#">\$10,000</a>
<a href="#">12A.1.4</a>	<a href="#">Depository Agent, its directors, officers, employees or agents not to wilfully make, furnish or permit the making or furnishing of any false or misleading information, statement or report to the Depository.</a>	<a href="#">Not Compoundable</a>	<a href="#">Not Compoundable</a>			<a href="#">\$10,000</a>
<b><a href="#">12A.2</a></b>	<b><a href="#">Depository Inspections</a></b>					
<a href="#">12A.2.3</a>	<a href="#">Depository Agent to give Depository Inspector access to all information, books and records as requested.</a>	<a href="#">Not Compoundable</a>	<a href="#">Not Compoundable</a>			<a href="#">\$10,000</a>
<a href="#">12A.2.5</a>	<a href="#">Depository Agent to immediately pay fees for inspection by the Depository.</a>	<a href="#">Compoundable</a>	<a href="#">\$2,000 – \$5,000</a>	<a href="#">\$5,000 – \$10,000</a>	<a href="#">\$10,000 = \$15,000</a>	<a href="#">N.A.</a>