PROPOSED AMENDMENTS TO SGX-DC CLEARING RULES

Note: Proposed amendments are indicated in red underline.

PROPOSED AMENDMENTS TO THE SGX-DC CLEARING RULES
7.01.1A Further to Rule 7.01.1, the Clearing House shall accept such Contracts traded on a Relevant Market other than the Exchange, as prescribed in Appendix 2. Notwithstanding the foregoing, the Clearing House shall have the discretion to vary the manner and processes in respect of the clearing of such Contracts accepted for clearing by the Clearing House, and to impose additional requirements in the clearing process as the Clearing House deems necessary in the interests of a safe and efficient clearing facility. Refer to Appendix 2 — Contracts of Other Relevant Markets Accepted by the Clearing House.

PROPOSED AMENDMENTS TO THE PRACTICE NOTE OF THE SGX-DC CLEARING RULES
Practice Note 2.28A.1.3 — Pre-Execution Checks **1. Introduction** 1.1 This Practice Note provides further details on the pre-execution checks contemplated in Rule 2.28A.1.3. **2. Pre-Execution Checks** 2.1 Rule 2.28A.1.3 requires a Clearing Member, in order to clear the trades of a Trading Member, to satisfy the Clearing House that it has in place automated pre-execution credit control checks to monitor the Trading Member's trades and manage its risk exposure to such trades. The purpose of this is to prevent overtrading and for credit risk management purposes. As such, the checks must be appropriately set to effectively limit the firm's risk exposure to Trading Members to prevent the taking on of excessive risk. 2.2 [This paragraph is deleted.] 2.3 Clearing Members will be able to meet the requirement in Rule 2.28A.1.3 by using the appropriate pre-execution checks hosted by the Exchange, the Relevant Market, or the Connect Broker for the Connect Market, or by directly setting and controlling the appropriate pre-determined automated limits in the Trading Member's system, having automated alerts whenever such limits are altered, and by conducting regular post-execution reviews of trades. Clearing Members should assess and continue to ensure that the pre-execution risk management control checks are robust on an ongoing basis.