

Note: Proposed amendments are made in red ~~strikethroughs~~ and underline.

Proposed Amendments to the SGX-DC Clearing Rules

PROPOSED SGX-DC CLEARING RULE AMENDMENTS

Chapter 2 Clearing Membership

2.19 Omnibus Account

2.19.3 Responsibility

A Clearing Member that maintains an Omnibus Account shall be responsible to the Clearing House to ensure that the Omnibus Account is operated at all times in accordance with all relevant provisions of this Rules including the relevant rules on position limits and position accountability, and shall, without prejudice to any other liability it may have, indemnify the Clearing House for any loss or damage or prejudice that the Clearing House may suffer referable to a violation of this Rule (including such loss, damage or costs the Clearing House incurs in taking such measures as it deems in good faith necessary to preserve the integrity of the Clearing House and/or the Exchange in relation to any claim referable to such violation).

2.20 Limits of Positions

2.20.4 [Rule has been deleted.]

~~In the event that the aggregate maintenance margins required to be deposited by a Collective Customer and/or the Collective House Accounts with a Clearing Member exceeds such relevant amount(s) (whether the amount(s) are stated as a sum or sums of money and/or calculated in accordance with a formula or formulae) as may be prescribed by the Clearing House from time to time, the Clearing Member shall, unless the Clearing House otherwise decides, forthwith procure:—~~

~~2.20.4.1 from the chief executive officer of the Clearing Member, a letter of awareness;~~

~~2.20.4.2 from such related corporation of the Clearing Member as the Clearing House may require a letter of awareness; or~~

~~2.20.4.3 from such related corporation of the Clearing Member as the Clearing House may require a letter of guarantee;~~

~~and in addition, where relevant, to forthwith procure~~

~~2.20.4.4 from such related corporation of the Collective Customer as the Clearing House may require a letter of awareness;~~

~~as may be required by the Clearing House, in each case, in such form and content as may be prescribed or otherwise acceptable to the Clearing House.~~

2.20A Accumulation of Positions

2.20A.2

Where any person has exceeded such position limits imposed or approved by the Clearing House, or exceeds such position accountability thresholds, the Clearing House, if it deems it necessary, may subject the Clearing Member to one or more of the following:

(a) to cease any further increase in the person's positions;

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(b) to liquidate the person's positions to comply with the position limits or to reduce it below the position accountability thresholds within such time as may be prescribed by the Clearing House;
(c) to be subject to higher margin requirements as the Clearing House may impose, in respect of the positions; or
(d) to trade under such conditions and restrictions as the Clearing House may consider necessary to ensure compliance with the prescribed position limits or to reduce the positions below such position accountability thresholds.

2.20C Position Accountability

2.20C.1 Upon request by the Clearing House, a Clearing Member shall provide information, including but not limited to, the nature and size of the position, the trading strategy employed with respect to the position, and hedging information (if applicable) of any Person or Persons acting in concert with respect to any Contract when such position accountability thresholds have been exceeded.

Schedule A – Chapter 2 – Clearing Membership

Rule Violation		Whether composition may be offered	Composition Amount which may be Offered by the Clearing House, where the Clearing House has Determined the Clearing Member to be Liable			Mandatory minimum penalty imposable by the DC
Rule Chapter/Number	Brief Description of Rule		1 st violation	2 nd violation	3 rd violation	
<u>2.20A.2</u>	<u>Clearing Member to comply with enforcement instructions upon notification by Clearing House</u>	<u>Compoundable</u>	<u>\$2,000 –</u> <u>\$4,000</u>	<u>\$4,000 –</u> <u>\$7,000</u>	<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>
<u>2.20C.1</u>	<u>Clearing Member to provide information as and when requested by Clearing House</u>	<u>Compoundable</u>	<u>\$2,000 –</u> <u>\$4,000</u>	<u>\$4,000 –</u> <u>\$7,000</u>	<u>\$7,000 –</u> <u>\$10,000</u>	<u>N.A.</u>