

PROPOSED AMENDMENTS TO DVP RULES

DVP RULES

RULE 1: APPLICATION AND DEFINITIONS

CURRENT RULE	NEW RULE
<p>“Clearing Account” means the bank account maintained by CDP with the Clearing Bank for the purposes of DVP Settlement;</p> <p>[.]</p>	<p>“Clearing Account” means the bank account maintained by CDP with the Clearing Bank for the purposes of DVP Settlement;</p> <p>[.]</p>
<p>“Clearing Bank” means a bank appointed by CDP to be its paying and collecting agent for monies due and owing to or from CDP in DVP Settlement and includes any substitute or additional banks appointed by CDP from time to time;</p> <p>[.]</p>	<p>“Clearing Bank” means a bank appointed by CDP to be its paying and collecting agent for monies due and owing to or from CDP in DVP Settlement;</p> <p><u>(a) guarantee the payment of and indemnify CDP against the non-payment of the Net-Net Debit Balance of a Settlement Bank on any Settlement Day in accordance with these DVP Rules; and</u></p> <p><u>(b) function as the paying and collecting agent for a Principal pursuant to Rule 11.7.2,</u></p> <p>and includes any substitute or additional banks appointed by CDP from time to time;</p> <p>[.]</p>
<p>“DVP Payment Cut-off Time” shall be the time as specified in the Timetable;</p>	<p>“DVP Payment Cut-off Time” shall be the time as specified in the Timetable;</p>
<p>“Zero Sum” in relation to any Settlement Day, means the zero balance in the Clearing Account arrived at after taking into account the total amount of all the Net-Net Credit Balances</p>	<p>“Zero Sum” in relation to any Settlement Day, means the zero balance in the Clearing Account arrived at after taking into account the total amount of all the Net-Net Credit Balances</p>

CURRENT RULE	NEW RULE
<p>payable to CDP by all the Settlement Banks who have a Net-Net Credit Balance for that Settlement Day less the total amount of all the Net-Net Debit Balances payable by CDP to all the Settlement Banks who have a Net-Net Debit Balance.</p>	<p>payable to CDP by all the Settlement Banks who have a Net-Net Credit Balance for that Settlement Day less the total amount of all the Net-Net Debit Balances payable by CDP to all the Settlement Banks who have a Net-Net Debit Balance.</p>

RULE 2: APPLICATIONS FOR PARTICIPATION AND PARTICIPATION CRITERIA

CURRENT RULE	NEW RULE
<p>2.6. SETTLEMENT BANK PAYMENT FACILITY REQUIREMENTS</p> <p>2.6.1 The payment facility requirements of Settlement Banks are that:</p> <ul style="list-style-type: none"> (a) the Settlement Bank makes arrangements with the Clearing Bank for the provision of credit, payment or guarantee facilities; and (b) the Settlement Bank furnishes a duly executed Letter of Guarantee and Indemnity from the Clearing Bank to CDP in the form as set out in Annex B that the Clearing Bank will guarantee the payment of and indemnify CDP against the non-payment of the Net-Net Debit Balance of that Settlement Bank on any Settlement Day in accordance with these DVP Rules. 	<p>2.6. SETTLEMENT BANK PAYMENT FACILITY REQUIREMENTS</p> <p>2.6.1 The payment facility requirements of Settlement Banks are that:</p> <ul style="list-style-type: none"> (a) <u>the Settlement Bank makes arrangements for the provision of payment facilities as required by CDP; and</u> <u>(b)</u> the Settlement Bank makes arrangements with the Clearing Bank for the provision of credit, payment or <u>and</u> guarantee facilities; and (b) the Settlement Bank furnishes a duly executed Letter of Guarantee and Indemnity from the Clearing Bank to CDP in the form as set out in Annex B that the Clearing Bank will guarantee the payment of and indemnify CDP against the non-payment of the Net-Net Debit Balance of that Settlement Bank on any Settlement Day in accordance with these DVP Rules.

RULE 5: TIME-TABLE FOR SENDING OF INSTRUCTIONS AND PAYMENT

CURRENT RULE	NEW RULE
<p>5.1 Participants shall adhere to the time-table to be issued by CDP from time to time (the "Timetable") for the submission of</p>	<p>5.1 <u>Subject to Rule 8.3.7,</u> Participants shall adhere to the time-table to be issued by CDP from time to time (the "Timetable") for the</p>

CURRENT RULE	NEW RULE
instructions for DVP Settlement and for payment of any amount due and owing under these DVP Rules. The Timetable applicable for these DVP Rules is found in the DVP Procedures Handbook.	submission of instructions for DVP Settlement and for payment of any amount due and owing under these DVP Rules. The Timetable applicable for these DVP Rules is found in the DVP Procedures Handbook.

RULE 7: MONEY SETTLEMENT

CURRENT RULE	NEW RULE
<p>7.2. NETTING OF BALANCES</p> <p>[.]</p> <p>7.2.4 On any Settlement Day, the Net Debit Balance shall be payable to CDP and the Net Credit Balance shall be payable by CDP by the DVP Payment Cut-Off Time.</p>	<p>7.2. NETTING OF BALANCES</p> <p>[.]</p> <p>7.2.4 On any Settlement Day, the Net Debit Balance shall be payable to CDP and the Net Credit Balance shall be payable by CDP by the DVP Payment Cut-Off Time in accordance with Rules 8.3.5 and 8.3.6.</p>

RULE 8: THE SETTLEMENT BANK

CURRENT RULE	NEW RULE
<p>8.1 THE SETTLEMENT BANK</p> <p>[.]</p> <p>8.1.4 The Settlement Bank shall be deemed to have received the Net Credit Balance payable to a Principal on any Settlement Day if the Clearing Bank confirms that Zero Sum has been achieved on that Settlement Day.</p> <p>8.1.5 The receipt by the Settlement Bank of the Net Credit Balance payable to a Principal shall operate as a complete release and discharge to CDP of all amounts payable to that Principal on that Settlement Day.</p>	<p>8.1 THE SETTLEMENT BANK</p> <p>[.]</p> <p>8.1.4 The Settlement Bank shall be deemed to have received the Net Credit Balance payable to a Principal on any Settlement Day if the Clearing Bank confirms that Zero Sum has been achieved on that Settlement Day.</p> <p>8.1.5 The receipt by the Settlement Bank of the Net Credit Balance payable to a Principal shall operate as a complete release and discharge to CDP of all amounts payable to that Principal on that Settlement Day.</p>

CURRENT RULE	NEW RULE
<p>8.1.6 CDP shall be deemed to have received the Net Debit Balance payable by a Principal on any Settlement Day if the Clearing Bank confirms that Zero Sum has been achieved on that Settlement Day.</p>	<p>8.1.6 CDP shall be deemed to have received the Net Debit Balance payable by a Principal on any Settlement Day if the Clearing Bank confirms that Zero Sum has been achieved on that Settlement Day.</p>
<p>8.1.7 The receipt by CDP of the Net Debit Balance payable by a Principal shall operate as a complete release and discharge to the Principal of all amounts payable by that Principal to CDP on that Settlement Day.</p>	<p>8.1.7 The receipt by CDP of the Net Debit Balance payable by a Principal shall operate as a complete release and discharge to the Principal of all amounts payable by that Principal to CDP on that Settlement Day.</p>
<p>8.1.8 For the purpose of these DVP Rules, the Clearing Bank shall be deemed to have confirmed that Zero Sum has been achieved on a Settlement Day even if the payment of the Net Debit Balance is made by the Clearing Bank on behalf of the Settlement Bank.</p>	<p>8.1.8 For the purpose of these DVP Rules, the Clearing Bank shall be deemed to have confirmed that Zero Sum has been achieved on a Settlement Day even if the payment of the Net Debit Balance is made by the Clearing Bank on behalf of the Settlement Bank.</p>
<p>8.3 SETTLEMENT BANK NET MONEY SETTLEMENT STATEMENT</p> <p>[.]</p> <p>8.3.4 Notwithstanding any manifest error in the Settlement Bank Net Money Settlement Statement, or any failure by any Principal represented by the Settlement Bank to pay the Net Debit Balance to the Settlement Bank, the Settlement Bank shall pay the Net-Net Debit Balance as stated in the Settlement Bank Net Money Settlement Statement to CDP by the DVP Payment Cut-Off Time. Any disputes as to the amounts stated in the Settlement Bank Net Money Settlement Statement may only be considered by CDP only after the DVP Payment Cut-Off Time on the Settlement Day and any monies to be refunded shall be refunded free of interest to the Settlement Bank by crediting the amount to the Settlement Banks' Net-Net Debit or Net-Net Credit Balance (as the case may be) on the next Settlement Day after the Settlement Day on which the dispute is resolved.</p>	<p>8.3 SETTLEMENT BANK NET MONEY SETTLEMENT STATEMENT</p> <p>[.]</p> <p>8.3.4 Notwithstanding any manifest error in the Settlement Bank Net Money Settlement Statement, or any failure by any Principal represented by the Settlement Bank to pay the Net Debit Balance to the Settlement Bank, the Settlement Bank shall pay the Net-Net Debit Balance as stated in the Settlement Bank Net Money Settlement Statement to CDP by the DVP Payment Cut-Off Time <u>time stated in the Timetable</u>. Any disputes as to the amounts stated in the Settlement Bank Net Money Settlement Statement may only be considered by CDP only after the DVP Payment Cut-off Time <u>CDP has completed payment of Net-Net Credit Balances to Settlement Banks</u> on the Settlement Day and any monies to be refunded shall be refunded free of interest to the Settlement Bank by crediting the amount to the Settlement Banks' Net-Net Debit or Net-Net Credit Balance (as</p>

CURRENT RULE	NEW RULE
	the case may be) on the next Settlement Day after the Settlement Day on which the dispute is resolved.
New Rule	<p>8.3.5 The receipt by a Settlement Bank of the Net-Net Credit Balance from CDP shall operate as a complete release and discharge on that Settlement Day:</p> <p>(a) to CDP of the Net Credit Balance payable to a Principal represented by that Settlement Bank; and</p> <p>(b) to a Principal represented by that Settlement Bank of the Net Debit Balance payable to CDP.</p>
New Rule	<p>8.3.6 The receipt by CDP of the Net-Net Debit Balance payable by a Settlement Bank shall operate as a complete release and discharge on that Settlement Day:</p> <p>(a) to CDP of the Net Credit Balance payable to a Principal represented by that Settlement Bank; and</p> <p>(b) to a Principal represented by that Settlement Bank of the Net Debit Balance payable to CDP.</p>
New Rule	<p>8.3.7 If CDP is of the opinion that payment of the Net-Net Debit Balances or Net-Net Credit Balances, or both, is unlikely to commence by the scheduled time stated in the Timetable , CDP shall inform Settlement Banks of the following matters:</p> <p>(a) that payment of the Net-Net Debit Balances or Net-Net Credit Balances, or both, is unlikely to commence at the scheduled time; and</p> <p>(b) the estimated time at which the delayed payment will commence.</p> <p>CDP shall provide adequate time for Settlement Banks to make payment and and Settlement Banks shall effect payment by such time as stipulated by CDP.</p>

RULE 10: THE CLEARING BANK

CURRENT RULE	NEW RULE
<p>10.1 THE CLEARING BANK</p> <p>10.1.1 The Clearing Bank shall agree to abide by these DVP Rules and shall enter into a Clearing Bank Deed with CDP. The Clearing Bank shall act as the paying and collecting agent for CDP for the settlement of the Net-Net Credit Balance or the Net-Net Debit Balance (as the case may be) with the Settlement Banks.</p>	<p>10.1 THE CLEARING BANK</p> <p>10.1.1 The Clearing Bank shall agree to abide by these DVP Rules and shall enter into a Clearing Bank Deed with CDP. The Clearing Bank shall act as the paying and collecting agent for CDP for the settlement of the Net-Net Credit Balance or the Net-Net Debit Balance (as the case may be) with the Settlement Banks.</p>
<p>10.1.3 On any Settlement Day, the Clearing Bank's payment obligations to CDP pursuant to Rule 10.1.2 shall be paid to CDP by the DVP Payment Cut-Off Time.</p>	<p>10.1.3 On any Settlement Day, the Clearing Bank's payment obligations to CDP pursuant to Rule 10.1.2 shall be paid to CDP by the DVP Payment Cut-Off Time.</p>
<p>10.2 ADVICE TO CLEARING BANK ON DVP SETTLEMENT PAYMENT</p> <p>10.2.1 On each Settlement Day, CDP shall issue an Advice to Clearing Bank on DVP Settlement Payments and transmit the same to the Clearing Bank via SWIFT or any other modes of communication.</p>	<p>10.2 <u>SB DEFAULT NOTICE</u> ADVICE TO CLEARING BANK ON DVP SETTLEMENT PAYMENT</p> <p>10.2.1 On each Settlement Day, CDP shall issue an Advice to Clearing Bank on <u>the DVP Settlement Payments of each Settlement Bank for that Settlement Day</u> and transmit the same to the Clearing Bank via SWIFT or any other modes of communication.</p>
<p>10.2.2 Save for manifest error, the Advice to Clearing Bank on DVP Settlement Payments shall be deemed binding and conclusive on the Clearing Bank as to the Net-Net Debit Balance payable to CDP or the Net-Net Credit Balance payable by CDP (as the case may be) on that Settlement Day.</p>	<p>10.2.2 Save for manifest error, the Advice to Clearing Bank on DVP Settlement Payments shall be deemed binding and conclusive on the Clearing Bank as to the Net-Net Debit Balance payable to CDP or the Net-Net Credit Balance payable by CDP (as the case may be) on that Settlement Day. <u>Where a Settlement Bank has defaulted on its payment obligations to CDP pursuant to Rule 8.3.4, CDP shall give the Clearing Bank a SB Default Notice. The Clearing Bank shall pay to CDP the Net-Net Debit Balance or any shortfall thereof, as set out in the SB Default Notice by such time on the same Settlement Day as agreed between CDP and the Clearing Bank.</u></p>

CURRENT RULE	NEW RULE
<p>10.2.3 Notwithstanding any manifest error in the Advice to Clearing Bank on DVP Settlement, the Clearing Bank shall pay the Net-Net Debit Balance as stated in the Advice to Clearing Bank on DVP Settlement or any shortfall thereof on behalf of the Settlement Bank to CDP by the DVP Payment Cut-off Time. Any disputes as to the amounts stated in the Advice to Clearing Bank on DVP Settlement may be considered by CDP only after the DVP Payment Cut-off Time on the Settlement Day and any monies to be refunded shall be refunded free of interest to the Clearing Bank on the next Settlement Day after the Settlement Day on which the dispute is resolved.</p>	<p>10.2.3 Notwithstanding any manifest error in the SB Default Notice Advice to Clearing Bank on DVP Settlement, the Clearing Bank shall pay the Net-Net Debit Balance as stated in the Advice to Clearing Bank on DVP Settlement SB Default Notice or any shortfall thereof on behalf of the Settlement Bank to CDP by the DVP Payment Cut-off Time such time on the same Settlement Day as agreed between CDP and the Clearing Bank. Any disputes as to the amounts stated in the Advice to Clearing Bank on DVP Settlement SB Default Notice may be considered by CDP only after the DVP Payment Cut-off Time CDP has completed payment of Net-Net Credit Balances to Settlement Banks on the Settlement Day and any monies to be refunded shall be refunded free of interest to the Clearing Bank on the next Settlement Day after the Settlement Day on which the dispute is resolved.</p>
<p>10.5 ZERO SUM</p> <p>10.5.1 Where all the Net-Net Debit Balances have been paid by all the Settlement Banks and all the Net-Net Credit Balances have been paid to all the Settlement Banks on any Settlement Day, the Clearing Bank shall confirm to CDP that Zero Sum has been achieved on that Settlement Day. Such duly executed Letter of Guarantee and Indemnity shall be deemed to be made if the Clearing Bank does not issue any advice to the contrary to CDP by 5.00 p.m. on that Settlement Day.</p>	<p>10.5 ZERO SUM</p> <p>10.5.1 Where all the Net-Net Debit Balances have been paid by all the Settlement Banks and all the Net-Net Credit Balances have been paid to all the Settlement Banks on any Settlement Day, the Clearing Bank shall confirm to CDP that Zero Sum has been achieved on that Settlement Day. Such duly executed Letter of Guarantee and Indemnity shall be deemed to be made if the Clearing Bank does not issue any advice to the contrary to CDP by 5.00 p.m. on that Settlement Day.</p>

RULE 11: TERMINATION OF THE SETTLEMENT BANK

CURRENT RULE	NEW RULE
<p>11.1 SB DEFAULT NOTICE</p> <p>11.1.1 Where, pursuant to the Clearing Bank Deed and in accordance</p>	<p>11.1 SB DEFAULT NOTICE</p> <p>11.1.1 Where a Settlement Bank has defaulted on its payment</p>

CURRENT RULE	NEW RULE
<p>with Rule 10.1.2 the Clearing Bank has paid the Net-Net Debit Balance or any shortfall thereof on behalf on any Settlement Bank, the Clearing Bank shall give notice to CDP that the Settlement Bank has failed to pay the Net-Net Debit Balance or any part thereof (the "SB Default Notice"). The SB Default Notice shall specify the Settlement Bank who has defaulted and the amount of default. The SB Default Notice shall be delivered to CDP as soon as possible upon, and in no event later than one (1) Settlement Day after, the occurrence of the default.</p>	<p>obligations to CDP pursuant to Rule 8.3.4, CDP, pursuant to the Clearing Bank Deed and in accordance with Rule 10.1.2 the Clearing Bank has paid the Net-Net Debit Balance or any shortfall thereof on behalf on any Settlement Bank, the Clearing Bank shall give notice to the Clearing Bank CDP that the Settlement Bank has failed to pay the Net-Net Debit Balance or any part thereof (the "SB Default Notice"). The SB Default Notice shall specify the Settlement Bank who has defaulted and the amount of default. The SB Default Notice shall be delivered to the Clearing Bank CDP as soon as possible upon, and in no event later than one (1) hour Settlement Day after, the occurrence of the default.</p>
<p>11.3.1 Without prejudice to Rule 11.2, CDP may, at any time, by notice in writing to the Settlement Bank, terminate, suspend or withhold the Settlement Bank's participation in DVP Settlement (such termination, suspension or withholding to take effect immediately upon issue of such notice unless otherwise specified in the notice) if:</p> <p>(a) CDP receives an SB Default Notice from the Clearing Bank concerning the Settlement Bank pursuant to Rule 11.1.1;</p> <p>[.]</p>	<p>11.3.1 Without prejudice to Rule 11.2, CDP may, at any time, by notice in writing to the Settlement Bank, terminate, suspend or withhold the Settlement Bank's participation in DVP Settlement (such termination, suspension or withholding to take effect immediately upon issue of such notice unless otherwise specified in the notice) if:</p> <p>(a) CDP issues receives an SB Default Notice from the Clearing Bank concerning the Settlement Bank pursuant to Rule 11.1.1;</p> <p>[.]</p>
<p>11.4 TERMINATION OF PAYMENT FACILITIES TO THE SETTLEMENT BANK BY THE CLEARING BANK</p> <p>11.4.1 Where the Clearing Bank has terminated any payment facilities granted to the Settlement Bank or where the Clearing Bank wishes to terminate the guarantee and indemnity provided to CDP in respect of the Settlement Bank under the Clearing Bank Deed, the Clearing Bank shall notify CDP by a written notice</p>	<p>11.4 TERMINATION OF PAYMENT FACILITIES TO GUARANTEE AND INDEMNITY FOR THE SETTLEMENT BANK BY THE CLEARING BANK</p> <p>11.4.1 Where the Clearing Bank has terminated any payment facilities granted to the Settlement Bank or where the Clearing Bank wishes to terminate the guarantee and indemnity provided to CDP in respect of the Settlement Bank under the Clearing Bank</p>

CURRENT RULE	NEW RULE
<p>(the "SB Termination Notice"). The SB Termination Notice shall be deemed to take effect on the same day in the week following the day of receipt by CDP of the said Notice but shall not affect any accrued rights or liabilities of the Clearing Bank to CDP. If the day on which the SB Termination Notice is deemed to take effect is a public holiday, then the SB Termination Notice shall be deemed to take effect on the following Settlement Day.</p>	<p>Deed, the Clearing Bank shall notify CDP by a written notice (the "SB Termination Notice"). The SB Termination Notice shall be deemed to take effect on the same day in the week following the day of receipt by CDP of the said Notice but shall not affect any accrued rights or liabilities of the Clearing Bank to CDP. If the day on which the SB Termination Notice is deemed to take effect is a public holiday, then the SB Termination Notice shall be deemed to take effect on the following Settlement Day.</p>

RULE 15: FEES AND INTEREST

CURRENT RULE	NEW RULE
<p>15.3. INTEREST</p> <p>15.3.1 CDP shall be entitled to charge interest on any Net Debit Balance or Net-Net Debit Balance or any part thereof that is payable for any Settlement Day and which is not received by CDP by the DVP Payment Cut-off Time of that Settlement Day.</p>	<p>15.3. INTEREST</p> <p>15.3.1 CDP shall be entitled to charge interest on any Net Debit Balance or Net-Net Debit Balance or any part thereof that is payable for any Settlement Day and which is not received by CDP by the DVP Payment Cut-Off Time time stated in the Timetable of that Settlement Day.</p>

DVP HANDBOOK

CURRENT RULE		NEW RULE	
3	DVP MONEY SETTLEMENT PROCESS	3	DVP MONEY SETTLEMENT PROCESS
	[.]		[.]
3.3	As described in DVP Rules 8.3.1 to 8.3.4, CDP will then issue banking instructions via SWIFT to facilitate payment between the Settlement Bank and Clearing Bank. In turn, the Settlement Banks will receive funds from the net paying Principals and pay the net receiving Principals.	3.3	As described in DVP Rules 8.3.1 to 8.3.4, CDP will then issue banking instructions via SWIFT to facilitate payment between the Settlement Bank and Clearing Bank CDP. In turn, the Settlement Banks will receive funds from the net paying Principals and pay the net receiving Principals.
3.5	Pursuant to DVP Rule 15.3.1, CDP is entitled to charge interest for any DVP payment due to CDP on settlement day and which is not received by CDP by the DVP Payment Cut-off Time on that day (please see DVP Timetable – Section 7 of this Handbook). The interest chargeable will be 2% above the average prevailing prime rates of the 3 major local banks (i.e., DBS, OCBC and UOB) rounded downwards to the nearest 1/8 of the 1% from the date such monies become payable to the date of full settlement to CDP.	3.5	Pursuant to DVP Rule 15.3.1, CDP is entitled to charge interest for any DVP payment due to CDP on settlement day and which is not received by CDP by the DVP Payment Cut-off Time time stated in the Timetable on that day (please see DVP Timetable – Section 7 of this Handbook). The interest chargeable will be 2% above the average prevailing prime rates of the 3 major local banks (i.e., DBS, OCBC and UOB) rounded downwards to the nearest 1/8 of the 1% from the date such monies become payable to the date of full settlement to CDP.

7. DVP TIMETABLE

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

Event	On Due Date	
	Full Day	Half Day*
Cut-off time for DVP Validation	12:00pm	9.00am
Settlement Run	12.00pm to 2:00pm	9.00am – 10:15am
Issuance of Statements/Reports for Participants: <u>Settlement Banks:</u> SB Net Settlement Statement <u>Depository Agents:</u> DA Net Statement <u>Clearing Member:</u> Daily Settlement of Account Statement	By 3:00pm By 2.30pm	By 11:15am By 10.45am
Clearing Bank to receive Net-Net Debit Balances from Settlement Banks to pay Net-Net Credit Balances to Settlement Banks CDP to receive Net-Net Debit Balance from Settlement Banks	3:00pm to 4:15pm By 3:30pm	11:15am to 12:00pm By 11:45am
CDP to pay Net-Net Credit Balances to Settlement Banks	By 4.30pm	By 12:45pm
Clearing Members to pay CDP and CDP to pay Clearing Members in the Interbroker Settlement System (SGD, USD)	3:00pm to 4:00pm	11:15am to 12:15pm
DVP Payment Cut-off Time	4:45pm	12:15pm

* Half day refers to CDP's half working days on the eve of Christmas, New Year and Chinese New Year.