

Amendments to Futures Trading Rules

Futures Trading Rules
Chapter 2 Access and Membership
2.5 Financial Requirements for Members
<p>2.5.1 Overview of Base Capital, Total Risk Requirement, Net Liquid Capital and Statutory Requirements</p> <p>A Member is required to comply with the financial requirements set forth in Rule 2.5, including, where applicable, requirements for Base Capital, Net Liquid Capital, Net Head Office Funds, Adjusted Net Head Office Funds, Financial Resources and Aggregate Resources. "Financial Resources", "Base Capital", "Net Liquid Capital", "Net Head Office Funds", "Adjusted Net Head Office Funds", "Total Risk Requirement", "Aggregate Indebtedness", and "Aggregate Resources" shall have the meanings ascribed to them under Chapter 8 of this Rules.</p>
2.5.2 Trading Members
<p>The following requirements apply in relation to Trading Members:</p> <p>(a) except for Rule 2.5.4, a Trading Member that engages solely in House Trades and Proprietary Trades of its Related Corporations is not subject to any financial requirements under Rule 2.5. However, in deciding whether to admit such Trading Member, the Exchange shall take into account matters such as the prospective Trading Member's financial standing, pending court proceedings and criminal records;</p> <p>(b) a General Trading Member that holds a licence to engage in a Regulated Activity, shall at all times:</p> <ul style="list-style-type: none"> (i) maintain a Base Capital or Net Head Office Funds, as the case may be, of not less than \$1 million; (ii) not cause or permit its Financial Resources or Adjusted Net Head Office Funds, as the case may be, to fall below its Total Risk Requirement; and (iii) not cause or permit its Aggregate Indebtedness to exceed 1200% of its Aggregate Resources. <p>(b1) a General Trading Member that holds a licence specified in Rule 2.4.1(b) shall at all times maintain a Net Liquid <u>Base</u> Capital of not less than \$1 million;</p> <p>(c) any other Bank Trading Member shall at all times:</p>

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(i) maintain a Base Capital ~~or Net Head Office Funds, as the case may be,~~ of not less than \$1 million; ~~and, failing which, the Bank Trading Member must deposit an amount of not less than \$1 million in cash and/or Acceptable Government Securities with the Clearing House;~~
~~PROVIDED ALWAYS THAT:—~~

~~(1) the Exchange shall have the discretion to decide if a Bank Trading Member may rely on its Base Capital or Net Head Office Funds instead of depositing cash and/or Acceptable Government Securities;~~

~~(2) if the Bank Trading Member is also a clearing member of the Clearing House and/or CDP, and has a deposit in excess of \$1 million with the Clearing House or CDP in accordance with the applicable provisions of the Clearing Rules or CDP Clearing Rules, it need not deposit with the Clearing House a further \$1 million or such other amount as may be prescribed by the Exchange; and~~

~~(3) the Exchange shall have the discretion to use or apportion in any manner, the abovementioned deposit to satisfy the Bank Trading Member's obligations to the Exchange, Clearing House, and/or CDP under this Rules, the Clearing Rules, and the CDP Clearing Rules respectively. In deciding the apportionment, the Exchange may, in consultation with the Clearing House and/or CDP, take into account factors, including but not limited to, the amount owed by the Bank Trading Member to the Exchange, Clearing House and/or CDP respectively.~~

(ii) ~~comply with all applicable RRA Financial Requirements~~ ~~not cause or permit its Financial Resources or Adjusted Net Head Office Funds or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP, as the case may be, to fall below its Total Risk Requirements.~~

2.5.6 Notification ~~Requirements of General Trading Members of Material Changes to Financial Resources and Adjusted Net Head Office Funds~~

The following requirements apply in relation to material changes to Financial Resources, ~~or~~ Adjusted Net Head Office Funds ~~and cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i):~~

(a) a ~~corporate~~ General Trading Member is required to immediately notify the Exchange in the event of any material changes to its Financial Resources or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i),~~ as the case may be, including:

(i) an initial notification if its Financial Resources or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i),~~ as the case may be, fall below 150% of its Total Risk Requirement;

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- (ii) a warning notification if its Financial Resources or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i)~~, as the case may be, fall below 120% of its Total Risk Requirement;
- (iii) ~~in the case of a General Trading Member~~, if its Aggregate Indebtedness exceeds 600% of its Aggregate Resources; or
- (iv) ~~in the case of a Clearing Member~~, if its Financial Resources, or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to the Clearing Rules or CDP Clearing Rules~~, as the case may be, is reduced by more than 20% from the previously submitted monthly financial statement;
- (b) if the Exchange is notified by a ~~corporate~~ General Trading Member under this Rule 2.5.6 or otherwise becomes aware that a ~~corporate~~ General Trading Member's Financial Resources or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i)~~, as the case may be, has fallen or will fall below 120% of its Total Risk Requirement or such higher percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange may direct that Member to comply with any or all of the requirements described under Regulation 7(3) of the Financial and Margin Regulations;
- ~~PROVIDED THAT, in the case of a Bank Trading Member, the Exchange shall only require that Member to comply with directions in respect of the Bank Trading Member's business that is governed by this Rules;~~
- (c) if the Exchange is notified by a ~~corporate~~ General Trading Member under this Rule 2.5.6 or otherwise becomes aware that a ~~corporate~~ General Trading Member's Financial Resources or Adjusted Net Head Office Funds ~~or cash and/or Acceptable Government Securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i)~~, as the case may be, has fallen or will fall below 150% of its Total Risk Requirement or such higher percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange shall be entitled to require that Member to:
- (i) submit its statements of assets and liabilities, Financial Resources, ~~cash and/or government securities deposited with the Clearing House or CDP pursuant to Rule 2.5.2(c)(i)~~, Total Risk Requirement, Aggregate Indebtedness, and such other statements as required by the Exchange at such interval and for such time frame as determined by the Exchange; and
- (ii) operate its business ~~or in the case of a Bank Trading Member, its Business Governed by this Rules~~, in such manner and on such conditions as the Exchange may impose;

and

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(d) if the Exchange is notified by a General Trading Member under this Rule 2.5.6 or otherwise becomes aware that a General Trading Member's Aggregate Indebtedness exceeds or will exceed 600% of its Aggregate Resources, or such lower percentage as the Exchange may have imposed under Rule 2.5.4, the Exchange may direct that Member to comply with any or all of the requirements described under Regulation 17(2) of the Financial and Margin Regulations.

2.5.6A Notification ~~of Material Changes to Net Liquid Capital~~ requirements of General Trading Members that hold a licence specified in Rule 2.4.1(b)

The following requirements apply in relation to material changes to the ~~Net Liquid~~Base Capital requirements specified in Rule 2.5.2(b1):

- (a) ~~the~~ General Trading Member ~~that holds a licence specified in Rule 2.4.1(b)~~ shall immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet the ~~Base Net Liquid~~Capital requirements referred to in Rule 2.5.2(b1), or such higher ~~Base Net Liquid~~ Capital requirements as the Exchange may have imposed under Rule 2.5.4; and
- (b) if the Exchange is notified by ~~a~~the General Trading Member ~~that holds a licence specified in Rule 2.4.1(b)~~ under this Rule or otherwise becomes aware that ~~such a~~ General Trading Member has failed to meet the ~~Base Net Liquid~~Capital requirements referred to in Rule 2.5.2(b1), or such higher ~~Base Net Liquid~~Capital requirements as the Exchange may have imposed under Rule 2.5.4, the Exchange may refer the matter to the Disciplinary Committee, and may take such interim control measures, including but not limited to all or any of the following, as the Exchange deems fit and appropriate:—
- (1) require the General Trading Member to operate its business activities on the Exchange subject to such restrictions or conditions as the Exchange decides;
 - (2) suspend the General Trading Member's business activities on the Exchange for a period the Exchange decides. The suspension may be announced to all General Trading Members. During the suspension, the General Trading Member:—
 - (a) must not enter into a new transaction without the approval of the Exchange;
 - (b) remains liable to settle all contracts outstanding at the time of suspension. However, it must not settle any transaction without the approval of the Exchange.
 - (3) require a Director to step down from day-to-day conduct of the business affairs of the General Trading Member on the Exchange; or
 - (4) appoint a person or persons (which may include a firm of auditors) as Manager to manage the business of the General Trading Member on the Exchange. The Exchange will fix the remuneration of the Manager, which must be paid by the General Trading Member. The General

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<p>Trading Member is solely responsible for the Manager's acts and defaults. The Manager must carry out directions given by the Exchange in relation to the business of the General Trading Member, including carrying on the business of the General Trading Member in accordance with instructions.</p>
<p><u>2.5.6B Notification Requirements of Bank Trading Members</u></p>
<p><u>The following requirements apply in relation to material changes to the capital and financial requirements specified in Rule 2.5.2(c):</u></p> <p><u>(a) a Bank Trading Member shall immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet the capital and financial requirements referred to in Rule 2.5.2(c), or such higher capital and financial requirements as the Exchange may have imposed under Rule 2.5.4, or if any event in relation to its regulatory capital and liquidity ratios that is required to be reported to its Relevant Regulatory Authority has occurred; and</u></p> <p><u>(b) if the Exchange is notified by the Bank Trading Member under this Rule or otherwise becomes aware that a Bank Trading Member has failed to meet the capital and financial requirements referred to in Rule 2.5.2(c), or such higher capital and financial requirements as the Exchange may have imposed under Rule 2.5.4, or that a reportable event in relation to its regulatory capital and liquidity ratios has occurred, the Exchange may direct that Bank Trading Member to comply with any or all of the requirements described under Regulation 7(3) of the Financial and Margin Regulations, in respect of the Bank Trading Member's business that is governed by this Rules.</u></p>
<p>3.3.14 Inter-Exchange Cross Margining</p>
<p>Notwithstanding Rule 3.3.12, a Member may grant margin credit at a rate not exceeding that which is prescribed by the Clearing House, to a Customer which holds long and short positions on futures contracts (on the same underlying) which are traded on the Exchange and another exchange, to the extent that the risk on the position in one (1) exchange is set-off against another ("Inter-exchange Cross Margining") if the following conditions are satisfied:</p> <p>(a) the risk-offsetting positions relate to contracts prescribed by the Clearing House as eligible for inter-exchange cross margining;</p> <p>(b) the Member ensures that the risk-offsetting positions are carried in Customer Accounts in which the same Customer is the legal and beneficial owner;</p> <p>(c) the Member provides for the right of set-off in respect of the Customer's positions with the Clearing House and any other relevant clearing house in its contractual agreements with that Customer;</p>

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- (d) the Member, except for a Bank Trading Member or a General Trading Member that holds a licence specified in Rule 2.4.1(b), continues to calculate the Counterparty Risk Requirement for each counterparty exposure to the Customer as if margin credit had not been granted;
- (e) the Member continues to maintain adequate liquidity facilities (bank lines and cash balances) to fund the gross margin payable to the Clearing House and any other relevant clearing houses;
- (f) the Member imposes a limit on the amount of margin credit granted to the Customer which should not exceed ~~20% of the Member's~~:
 (i) in the case of a General Trading Member, 20% of the Member's Free Financial Resources; or
 (ii) ~~Net Liquid Capital,~~ in the case of a Bank Trading Member or General Trading Member that holds a licence specified in Rule 2.4.1(b), such other amount as may be prescribed by the Exchange in respect of Contracts traded on the Exchange;
- (g) the Member has proper internal controls and risk management procedures*, to monitor the credit risk and liquidity risk arising from Inter-exchange Cross Margining. The Exchange reserves the right to impose additional conditions or disallow a Member from offering Inter-exchange Cross Margining if it is not satisfied with the internal controls and risk management procedures of the Member requesting Inter-exchange Cross Margining; and
- *Refer to Regulatory Notice 3.3.14(g).
- (h) the Member notifies the Exchange, prior to offering Inter-exchange Cross Margining to its Customers, that it has complied and will continue to comply with the conditions set forth herein.

For the avoidance of doubt, Inter-exchange Cross Margining is not allowed for positions carried in Customer Accounts opened with different Members.

3.3.28 Certification by Auditor

The following requirements apply in relation to auditor certification of a Member's accounts:

- (a) a Member shall be required to furnish: financial information

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- (i) annual accounts duly audited by an external auditor in the jurisdiction in which that Member is incorporated or registered to the Exchange;
- (ii) relevant forms in respect of its annual financial audit which it is required to lodge with its Relevant Regulatory Authority, translated into English and in such form prescribed by its Relevant Regulatory Authority, or as prescribed by the Exchange under Rule 3.3.27; and
- (iii) a certificate signed by the external auditor pertaining to the audit conducted by such external auditor, in such form prescribed by the Relevant Regulatory Authority,

within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by the Exchange; ~~The Member shall submit the information in the following forms:~~

- ~~(i) in the case of a General Trading Member, the relevant forms which it is required to lodge with its Relevant Regulatory Authority, translated into English, and such other forms as prescribed by the Exchange under Rule 3.3.27; and~~
- ~~(ii) in the case of a Bank Trading Member, as prescribed by the Exchange under Rule 3.3.27;~~

(b) ~~[deleted]~~ the external auditor shall certify whether, in its opinion:

~~(i) the Member has complied with the capital and financial requirements set out in the Act or the relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities, and this Rules;~~

~~(ii) the Member's books of accounts and records are those usual in a business of that nature and appear to have been kept in a proper manner in accordance with relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities or the Act, and this Rules;~~

~~(iii) the financial position of the Member is such as to enable it to conduct its business or, in the case of a Bank Trading Member, its Business Governed by this Rules on sound grounds, having regard to the nature and volume of the business transacted during its past financial year as shown by its books of accounts and records; and~~

~~(iv) the external auditor has obtained all the necessary information and explanations for the proper conduct of the audit and to enable it to furnish the certificate.~~

Chapter 8 Definitions and Interpretation

A

Futures Trading Rules	
Acceptable Government Securities	Refers to securities issued by a government with a Moody's Investors Service sovereign rating of at least Aaa, Standard & Poor's Corporation sovereign rating of at least AAA, Fitch, Inc sovereign rating of at least AAA or such other rating or such other government security as may otherwise be prescribed by and acceptable to the Exchange from time to time. [Deleted]
Aggregate Resources	When used in reference to:— (a) a Trading Member incorporated in Singapore which has satisfied Rule 2.5.2(b)(i) or Rule 2.5.2(c)(i) by meeting the Base Capital requirement, means its Financial Resources and Qualifying Letter of Credit less its Total Risk Requirement; <u>and</u> (b) a Trading Member incorporated outside Singapore which has satisfied Rule 2.5.2(b)(i) or Rule 2.5.2(c)(i) by meeting the Net Head Office Funds requirement, means its Adjusted Net Head Office Funds and Qualifying Letter of Credit less its Total Risk Requirement; <u>and</u> (c) a Bank Trading Member incorporated outside Singapore which has satisfied Rule 2.5.2(c)(i) by means of cash and/or acceptable government securities deposited with the Clearing House or CDP, where the total amount payable under the Qualifying Letter(s) of Credit exceeds 50% of the total risk requirement, the amount in excess shall not be taken into account for determining the aggregate resources in meeting Aggregate Indebtedness.
B	
Base Capital	<u>when used in reference to:—</u> (a) a General Trading Member that holds a licence to engage in a Regulated Activity in Singapore, shall have the meaning ascribed to it in Regulation 2 of the Financial and Margin Regulations; <u>and</u> (b) <u>a General Trading Member that holds a licence specified in Rule 2.4.1(b) or a Bank Trading Member, means its paid-up ordinary share capital and unappropriated profit or loss.</u>
F	
Financial Resources	When used in reference to:— (a) a General Trading Member that holds a licence to engage in a Regulated Activity, shall bear the meaning ascribed thereto in Regulation 2 of the SFR (Financial and Margin Requirements); and (b) a Bank Trading Member which has satisfied the Base Capital or Net Head Office Funds requirement under Rule 2.5.2(c)(i), shall bear the meaning ascribed thereto in Regulation 2 of the SFR (Financial and Margin Requirements) less the capital requirements for its banking business;
N	

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Net Head Office Funds	<p>When used in reference to:— (a) a General Trading Member incorporated outside Singapore that holds a licence to engage in a Regulated Activity, s Shall have the meaning ascribed to it under the Financial and Margin Regulations; and (b) a Bank Trading Member incorporated outside Singapore, shall have the meaning ascribed to it under the Financial and Margin Regulations, provided that its net liability shall include, without limitation, the liability of its Asian Currency Unit;</p>
Net Liquid Capital	<p>Shall mean the financial resources of a General Trading Member that holds a licence specified in Rule 2.4.1(b) computed under such methodology prescribed by the Exchange. <u>[Deleted]</u></p>
R	
<u>Relevant Regulatory Authority</u>	<p>Shall mean: (a) the authority(ies) or regulatory body(ies) that regulate(s) a Trading Member's, its Approved Trader, or its Registered Representatives' activities in the country where it is carrying on such activities <u>and from which it has applied for Membership or registration with the Exchange;</u> and (b) where the Trading Member, its Approved Traders, or its Registered Representatives are carrying on regulated activities in Singapore, the MAS;</p>
<u>RRA Financial Requirement</u>	<p><u>means all applicable financial requirements (whether relating to capital, liquidity, risk or otherwise) imposed on a Clearing Member by its Relevant Regulatory Authority.</u></p>
T	
Total Risk Requirement	<p>When used in reference to:— (a) a General Trading Member that holds a licence to engage in a Regulated Activity, s Shall bear the meaning ascribed thereto in Regulation 2 of the SFR (Financial and Margin Requirements); (b) a Bank Trading Member which has satisfied the Base Capital or Net Head Office Funds requirement under Rule 2.5.2(c)(i), shall bear the meaning ascribed thereto in Regulation 2 of the SFR (Financial and Margin Requirements) except that such Bank Trading Member shall only compute the total risk requirement for all customers' and proprietary positions in derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility; and (c) a Bank Trading Member which has satisfied Rule 2.5.2(c)(i) by depositing cash and/or government securities with the Clearing House, shall bear the meaning ascribed thereto in Regulation 2 of the SFR (Financial and Margin Requirements) except that such</p>

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	Bank Trading Member shall only compute the total risk requirement for all customers' and proprietary positions in derivatives and securities contracts traded on the Exchange and SGX-ST, and OTC contracts novated to the Clearing House and CDP;
Regulatory Notices	
Regulatory Notice 2.5.2(b1) — Computation of Net Liquid Capital for Trading Members Referred to in Rule 2.4.1(b) [Regulatory Notice has been deleted]	
<p>1. Introduction</p> <p>1.1 Rule 2.5.2(b1) states that a Trading Member that holds a licence specified in Rule 2.4.1(b) must at all times maintain Net Liquid Capital of not less than \$1 million.</p> <p>1.2 This Regulatory Notice sets out the computation methodology of Net Liquid Capital for a Trading Member that holds a licence specified in Rule 2.4.1(b).</p> <p>2. Net Liquid Capital</p> <p>2.1 A Trading Member that holds a licence specified in Rule 2.4.1(b) shall compute its Net Liquid Capital as follows:</p> <p>COMPUTATION OF NET LIQUID CAPITAL</p> <p>Shareholders' Funds¹ _____</p> <p>Less:</p> <p>(a) Illiquid assets² _____</p> <p>(b) Pre-paid expenses³ _____</p> <p>(c) Deposits⁴ _____</p> <p>(d) Deferred tax assets _____</p> <p>(e) Investments in unquoted securities _____</p> <p>(f) Deficits in clients' accounts less any provisions for bad and doubtful debts⁵ _____</p> <p>(g) Charged assets⁶ _____</p> <p>(h) Excess of book value of securities carried in own account over market value _____</p> <p>(i) Current assets doubtful of collection less any provisions already made _____</p> <p>(j) Diminution in the value of securities underwritten _____</p>	

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~~(k) Unsecured loans and unsecured advances included as current assets _____~~

~~(l) Unsecured amounts due from each director and his connected person _____~~

~~(m) Unsecured amounts due from related companies _____~~

~~NET LIQUID CAPITAL _____~~

~~3. Submission of Financial Statements and Other Information to the Exchange~~

~~3.1. A Trading Member that holds a licence specified in Rule 2.4.1(b) shall submit financial returns in the form as set out in paragraph 2.1.~~

~~¹ Shareholders' funds means the sum of the ordinary paid-up capital, non-redeemable preference share capital and reserves after deduction of any debit balance appearing in the profit and loss account of the Trading Member.~~

~~² These are assets considered not readily convertible into cash within 30 days which includes intangible assets (goodwill); fixed assets (furniture, fixtures, and building etc.~~

~~³ These include items such as rent and insurance.~~

~~⁴ Deposits exclude items such as:—~~

~~i. a current account balance, saving account deposit or fixed deposit, including accrued interest, with:~~

~~(a) a bank licensed under the Banking Act (Cap. 19);~~

~~(b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);~~

~~(c) a finance company licensed under the Finance Companies Act (Cap. 108); or~~

~~(d) a bank outside Singapore which is subject is approved, licensed, registered or otherwise regulated by a banking regulatory authority in a foreign jurisdiction to carry on banking business; or~~

~~ii. a deposit with any of the following:~~

~~(a) an approved exchange;~~

~~(b) a recognised exchange;~~

~~(c) a designated clearing house;~~

~~(d) a clearing facility appointed by a recognized exchange; or~~

~~(e) an entity which is a member of any entity referred to in sub-paragraphs (a) to (d);~~

~~where a recognised exchange means an overseas exchange regulated by a financial service regulatory authority of a country or territory specified under Group A in in Table 4 of the Fourth Schedule of the SFR (Financial and Margin Requirements).~~

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~~⁵Deficits in clients' accounts means—~~

- ~~iii. For a purchase contract which remains fully or partially unpaid, the excess of the amount owed by the client over the market value of the underlying securities of which the client had failed to take delivery after the due date and of any additional securities lodged by the client with the Trading Member as collateral;~~
- ~~iv. For a sale contract where the securities is yet to be delivered, the excess of the current market value of the underlying securities sold and any additional securities lodged by the client with the Trading Member as collateral, over the contract value of the sale contract;~~
- ~~v. Where any purchase or sale contract has been offset by a contra transaction on or before the due date, the amount of loss, if any, on the date on which the contra transaction takes effect;~~
- ~~vi. Where any purchase or sale contract has been offset by a forced sale or buying-in transaction after the due date, the amount of loss, if any, arising from the forced sale or buying-in transaction on the date on which the transaction takes effect;~~
- ~~vii. In relation to each client's margin account, the amount of margin deficiency determined in accordance with the maintenance margin requirement provided in the Trading Member's agreement with the client; and~~
- ~~viii. In relation to interest and other receivables arising from securities transactions, the amount which is not secured and which is outstanding for more than 14 calendar days.~~

~~⁶Charged assets refer to assets which are subject to a charge under which a third party has a right of retention or sale of the assets upon default of the Trading Member.~~

Regulatory Notice 3.3.17; 3.3.18; 3.3.26; 3.3.27 — Reporting of Account Identity; Reporting of Open Positions; Computations of Financial and Capital Requirements; Submission of Financial Statements and Other Information to the Exchange

1. Introduction

1.1 This Regulatory Notice sets out the conditions and operational procedures pursuant to Rules 3.3.17, 3.3.18, 3.3.26, and 3.3.27.

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2. Electronic Reporting and Submission of Information

2.1 A Member is required to submit the following information, except that in the case of a Bank Trading Member, the following requirements apply only in respect of the Bank Trading Member's business that is governed by this Rules:

(...)

(c) Rule 3.3.26 : Computations of Financial and Capital Requirements; and Rule 3.3.27 : Submission of Financial Statements and Other Information to the Exchange

~~A General Trading Member that holds a licence specified in Rule 2.4.1(b) shall submit to the Exchange monthly Net Liquid Capital financial returns. The General Trading Member shall submit financial returns as set out in the form prescribed by the Exchange in Regulatory Notice 2.5.2(b1).~~

General Trading Members and Bank Trading Members shall submit financial returns in the format that the Exchange prescribes. The financial returns shall be submitted by the 14th calendar day of each month, or such longer period as the Exchange may allow. Requests for extensions of time shall be submitted to the Exchange at least three (3) Business Days prior to the due date for submission of the monthly financial returns.

Members shall submit audited financial returns in the forms prescribed herein on an annual basis, pursuant to Rule 3.3.28.

Appendix 2 To Regulatory Notice 3.3.17; 3.3.18; 3.3.26; 3.3.27

	<u>General Trading Member</u> (Excluding those specified in FTR 2.4.1(b))	<u>General Trading Member</u> (who is also a Clearing Member of SGX-DC)	<u>General Trading Member</u> (Specified in FTR 2.4.1(b)) <u>or</u> <u>Bank Trading Member</u>	Frequency	Timeline
RBC Financial Returns and Confirmation Report	✓	✓		Monthly <u>or</u> <u>as</u>	14th of the month, <u>or as</u> <u>prescribed by SGX@</u>

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Net Liquid Capital **			✓	prescribed by SGX	
Capital adequacy reports			✓ (Head office or ultimate parent holding entity of BTM)	Quarterly	
Credit Facilities ***		✓		Monthly	10th Business Day of the month.
Reporting of Open Positions (Form BC3A)	✓		✓	Daily	11.00am on the following Business Day
Reporting of Account Identity (Form BC4A)	✓	✓	✓	Ad Hoc	BC4A to be submitted within three (3) Business Days after a new account has commenced trading. BC4A for Trading Member (Individual) and Trading Representatives shall be submitted at least one (1) Business Day before they commence trading.
Reporting of Large Positions in Non-SGX Contracts (Form BC5A) ***		✓		Daily	3.00pm on the following Business Day.

* For the purpose of this Appendix 2, "Trading Representatives" are dealers' representatives who are trading for their own account.
**** in the template prescribed in FTR Regulatory Notice 2.5.2(b1)**
******* if separately required in accordance with the Clearing Rules.
 @ There shall be imposed upon the Member a late fee of \$100 for each day that the returns are not submitted within the prescribed time and for which an extension of time has not been granted.

Appendix 2A To Regulatory Notice 3.3.17; 3.3.18; 3.3.26; 3.3.27

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<u>Type of Submission, where applicable</u>			<u>Email Address</u>			
1.	RBC financial returns		_____			
2.	Net Liquid Capital		_____			
3-2.	Daily Trading Turnover *		_____			
4-3.	Ageing of Settlement and Margin Financing *		_____			
5-4.	Borrowings and Trading Turnover *		_____			
6-5.	Financial Information *		_____			
7-6.	Credit Facilities		_____			
7.	Bank Liquidity Reports (Form 1 and 2)		_____			
8.	Bank Capital Adequacy Reports		_____			
9.	Remote Trading Member Reports		_____			
10.	US Remote Clearing Member Risk Based Capital		_____			
8-11.	Reporting of Open Positions (Form BC3A)		_____			
9-12.	Reporting of Account Identity (Form BC4A)		_____			
10-13.	Reporting of Large Positions in Non-SGX Contracts (Form BC5A)		_____			
Schedules						
Chapter 2 — Access and Membership						
Rule Chapt	Rule Violation Brief Description of Rule	Whether composition may be offered	Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable			Mandatory minimum penalty imposabl
			Members	Approved Traders	Registered Representatives	

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Order Number			1st Violation	2nd Violation	3rd Violation	1st Violation	2nd Violation	3rd Violation	1st Violation	2nd Violation	3rd Violation	Enforced by the DC
Chapter 2 — Access and Membership												
2.5	Financial Requirements for Members											
2.5.2(b)	General Trading Member that holds a licence to engage in a Regulated Activity to comply with financial requirements	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.5.2(b1) ⁷	General Trading Member that holds a licence specified in Rule 2.4.1(b) to comply with financial requirements	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.5.2(c)	Bank Trading Members to comply with financial requirements	Compoundable	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.5.4	Member to comply with additional financial, capital and other requirements	Not Compoundable	Not Compoundable			N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$10,000

Futures Trading Rules												
	imposed by the Exchange or the Clearing House											
2.5.5	Corporate Member to comply with the prescribed calculation of Financial Resources	Compound able	\$2,000 0 – \$4,000	\$4,000 0 – \$7,000	\$7,000 0 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.5.6(a)	Corporate General Member to immediately notify the Exchange of material changes to Financial Resources and Adjusted Net Head Office Funds	Compound able	\$2,000 0 – \$4,000	\$4,000 0 – \$7,000	\$7,000 0 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.5.6A(a)⁸	Corporate General Trading Member that holds a licence specified in Rule 2.4.1(b) to immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet Net Liquid Base -Capital and	Compound able	\$2,000 0 – \$4,000	\$4,000 0 – \$7,000	\$7,000 0 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Futures Trading Rules											
	Financial requirements										
2.5.6A (b) ⁹	<u>General Trading Member that holds a licence specified in Rule 2.4.1(b) Corporate Member</u> to comply with directions of the Exchange in respect of its business activities	Not Compound able	Not Compoundable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$10,000
2.5.6B (a)	<u>Bank Member to immediately notify the Exchange if it fails to meet or becomes aware that it will fail to meet Capital and Financial requirements</u>	<u>Compound able</u>	<u>\$2,000 – \$4,000</u>	<u>\$4.00</u> <u>0 –</u> <u>\$7.00</u> <u>0</u>	<u>\$7.00</u> <u>0 –</u> <u>\$10.00</u> <u>00</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
2.5.6B (b)	<u>Bank Trading Member to comply with directions of the Exchange in respect of its business activities</u>	<u>Not Compound able</u>	<u>Not Compoundable</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>\$10,000</u>
2.5.6 (b)	Corporate Member to comply with requirements described under	Not Compound able	Not Compoundable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$10,000

Futures Trading Rules												
	Regulation 7(3) of the Financial and Margin Requirements, imposed by the Exchange.											
2.5.6(c)	Corporate Member to comply with directions of the Exchange on the submission of statements or operation of business.	Not Compound able	Not Compoundable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$10,000	
2.5.6(d)	General Trading Member to comply with the requirements described in Regulation 17(2) of the Financial and Margin Requirements, imposed by the Exchange.	Not Compound able	Not Compoundable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$10,000	
2.5.7	General Trading Member to comply with requirements relating to preference shares,	Compound able	\$2,000 – \$4,000	\$4,000 – \$7,000	\$7,000 – \$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Futures Trading Rules												
	unsecured loans & others											