

AMENDMENTS TO CDP CLEARING RULES

Contents Page

1.2	DEFINITIONS	3
3.1	CLEARING MEMBER.....	8
3.5	GENERAL OBLIGATIONS OF A CLEARING MEMBER.....	14
3.8	REPORTING REQUIREMENTS	18
3.10	RESIGNATION BY CLEARING MEMBER	21
4	APPOINTMENT OF APPROVED EXECUTIVE DIRECTORS AND DIRECTORS.....	23
4.1	APPOINTMENT AND REGISTRATION	23
4.2	OBLIGATIONS	23
4.3	AUTOMATIC DE-REGISTRATION.....	25
5.1	MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE	26
5.1A	EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE.....	29
5.1B	NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE	30
5.1C	QUALIFYING LETTER OF CREDIT.....	31
5.1D	MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE.....	32
5.1E	EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE	39
5.1F	NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE.....	42
5.1G	QUALIFYING LETTER OF CREDIT.....	43
5.1H	SECONDARY REQUIREMENT UNDER OPERATIONAL RISK REQUIREMENT	44
5.5	RESERVE FUND REQUIREMENT	46
5.6	EXPOSURE TO SINGLE CUSTOMER	47
5.7	EXPOSURE TO SINGLE SECURITY.....	51

AMENDMENTS TO CDP CLEARING RULES

5.8	MONTHLY RETURNS.....	56
5.9	APPOINTMENT OF AUDITORS AND ANNUAL FINANCIAL ANNUAL FINANCIAL AUDIT REQUIREMENTS	56
5.11	OTHER FINANCIAL REQUIREMENTS	61
7.2	CONTRIBUTIONS BY CLEARING MEMBERS	66
7.3	FORM OF CONTRIBUTIONS	66
7.10	TOP-UP OF CONTRIBUTIONS IN AN EVENT OF DEFAULT	66
8.1	EVENTS OF DEFAULT	66
8.8	APPLICATION OF CASH AND GOVERNMENT SECURITIES DEPOSITED BY BANK CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE	66
9.1	CDP MAY SUSPEND OR RESTRICT CLEARING AND SETTLEMENT	66
11.2	CLEARING HOUSE INSPECTIONS	66
11.5	DISCIPLINARY COMMITTEE POWERS.....	66
11.12	INTERIM POWERS OF CDP	66

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
1.2 DEFINITIONS	1.2 DEFINITIONS
	<p><u>“acceptable government securities” means 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 or Fitch, Inc sovereign rating of at least AAA.</u></p>
<p>“Adjusted Net Head Office Funds” has the meaning ascribed to it in paragraph 2 of Second Schedule of the SFR (Financial and Margin Requirements).</p>	<p><u>“adjusted net head office funds” has the meaning ascribed to it in paragraph 2 of Second Schedule of the SFR (Financial and Margin Requirements) when used in reference to:-</u></p> <p>(1) <u>a General Clearing Member incorporated outside Singapore, has the meaning ascribed to it in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements); and</u></p> <p>(2) <u>a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(c), has the meaning ascribed to it in paragraph 2 of the Second Schedule of the SFR (Financial and Margin Requirements), less the capital requirements for its banking business.</u></p>
<p>“Aggregate Indebtedness” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements).</p>	<p>“aggregate indebtedness” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements).</p>
<p>“Aggregate Resources” means</p> <p>(1) in the case of a Clearing Member incorporated in Singapore, its financial resources (including qualifying letters of credit referred to in Rule 5.2.11) less its total risk requirement; and</p> <p>(2) in the case of a Clearing Member incorporated outside Singapore, its</p>	<p>“aggregate resources” means <u>when used in reference to:-</u></p> <p>(1) in the case of a Clearing Member incorporated in Singapore, means its financial resources (including qualifying letters of credit referred to in Rule <u>5.1C</u>) less its total risk requirement;</p> <p>(2) in the case of a <u>General</u> Clearing Member incorporated outside</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
adjusted net head office funds (including qualifying letters of credit referred to in Rule 5.2.11) less its total risk requirement.	<p>Singapore <u>or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(c), means</u> its adjusted net head office funds (including qualifying letters of credit referred to in Rule 5.2.11 <u>5.1G</u>) less its total risk requirement; <u>and</u></p> <p>(3) <u>a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(a) or (b), means its cash and/or acceptable government securities deposited with CDP pursuant to Rule 5.1D.2(1) less its total risk requirement.</u></p>
“Approved Executive Director” means a full-time employee of the Clearing Member and who has been approved by CDP pursuant to Rule 4.	<p>“Approved Executive Director” means a full-time employee of the Clearing Member and who has been approved by CDP when used in reference to:-</p> <p>(1) <u>a General Clearing Member, means any person appointed and registered as an Approved Executive Director pursuant to Rule 4; and</u></p> <p>(2) <u>a Bank Clearing Member, means any person, by whatever name described, who is in the direct employment of, or acting for or by arrangement with, the Bank Clearing Member and is principally responsible for the management and conduct of the business of the Bank Clearing Member and is appointed and registered as an Approved Executive Director pursuant to Rule 4.</u></p>
	<p><u>“Bank Clearing Member” means a Clearing Member who has such rights and obligations as set out in Chapter 3. For the avoidance of doubt, a reference to a Bank Clearing Member incorporated outside Singapore shall refer to the branch located in Singapore, of a parent bank incorporated outside Singapore.</u></p>
“Base Capital” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements).	“ base capital ” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements).

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>“business governed by this Clearing Rules” or “operations governed by this Clearing Rules”</u> when used in reference to:-</p> <p>(1) <u>a Bank Clearing Member incorporated in Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(c), means its business or operations (whichever is applicable) involving all securities and derivatives contracts traded on any exchange and OTC Contracts novated to any clearing facility; and</u></p> <p>(2) <u>a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(a) or (b), means its business or operations (whichever is applicable) involving securities and derivatives contracts traded on the Exchange and SGX-DT and OTC Contracts novated to CDP and SGX-DC.</u></p>
<p>“Clearing Member” means a person admitted as such in accordance with Rule 3.</p>	<p>“Clearing Member” means a person admitted as such in accordance with Rule 3<u>a corporation granted or admitted to be a member of CDP pursuant to this Clearing Rules and shall include a General Clearing Member and a Bank Clearing Member.</u></p>
	<p>“Clearing Membership” means <u>membership of CDP pursuant to this Clearing Rules.</u></p>
<p>“Clearing Rules” means the rules as set out herein as the same may be varied, amended or supplemented from time to time.</p>	<p>“Clearing Rules” or “this Clearing Rules” means the rules <u>of CDP</u> as set out herein as the same may be varied and as amended or supplemented from time to time <u>by CDP.</u></p>
<p>“Financial Resources” has the meaning ascribed to it in paragraph 1 of Second Schedule of the SFR (Financial and Margin Requirements)</p>	<p>“financial resources” <u>when used in reference to:-</u></p> <p>(1) <u>a General Clearing Member incorporated in Singapore,</u> has the meaning</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>ascribed to it in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements); <u>and</u></p> <p><u>(2) a Bank Clearing Member incorporated in Singapore, has the meaning ascribed to it in paragraph 1 of the Second Schedule of the SFR (Financial and Margin Requirements), less the capital requirements for its banking business.</u></p>
	<p><u>“General Clearing Member” means a Clearing Member who has such rights and obligations as set out in Chapter 3.</u></p>
<p>“Net Head Office Funds” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements).</p>	<p><u>“net head office funds” has the meaning ascribed to it in Regulation 2 of the SFR (Financial and Margin Requirements) means with respect to a corporation incorporated or established outside Singapore, the net liability of the Singapore branch to its head office and any other branches outside of Singapore. In the case of a Bank Clearing Member, its net liability shall include, without limitation, the liability of its Asian Currency Unit.</u></p>
	<p><u>“OTC Contracts” means contracts that are not listed or quoted for trading on any exchange, market or organisation (whether an exchange, association, corporation or otherwise) responsible for administering a futures, options or stock market.</u></p>
	<p><u>“SFR” means any regulation promulgated under the SFA or any statutory modification, amendment or re-enactment of such regulation for the time being in force, and any reference to any provision of the SFR is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulation which may replace the SFR).</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>“SFR (Financial and Margin Requirements)” means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations 2002 or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may replace the SFR (Financial and Margin Requirements), and any reference to any provision of the SFR (Financial and Margin Requirements) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulations which may replace the SFR (Financial and Margin Requirements)).</p>	<p>“SFR (Financial and Margin Requirements)” means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations 2002 or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulations which may replace the SFR (Financial and Margin Requirements), and any reference to any provision of the SFR (Financial and Margin Requirements) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulations which may replace the SFR (Financial and Margin Requirements)).</p>
	<p><u>“SFR (Licensing and Conduct of Business)” means the Securities and Futures (Licensing and Conduct of Business) Regulations or any statutory modification, amendment or re-enactment thereof for the time being in force, or any regulation which may replace the SFR (Licensing and Conduct of Business), and any reference to any provision of the SFR (Licensing and Conduct of Business) is to that provision as so modified, amended or re-enacted (or as contained in any subsequent regulation which may replace the SFR (Licensing and Conduct of Business)).</u></p>
<p>“Total Risk Requirement” has the meaning ascribed to it in paragraph 1 of Third Schedule of the SFR (Financial and Margin Requirements).</p>	<p><u>“total risk requirement” when used in reference to:-</u></p> <ol style="list-style-type: none"> <li data-bbox="1060 992 1955 1084">(1) <u>a General Clearing Member</u>, has the meaning ascribed to it in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements); <li data-bbox="1060 1118 1955 1304">(2) <u>a Bank Clearing Member incorporated in Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(c), has the meaning ascribed to it in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements), except that such Bank Clearing Member shall only compute the total risk requirement for all Customers’ and proprietary positions in securities</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>and derivatives contracts traded on any exchange, and OTC Contracts novated to any clearing facility; and</u></p> <p><u>(3) a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 3.1.3(11)(a) or (b), has the meaning ascribed to it in paragraph 1 of the Third Schedule of the SFR (Financial and Margin Requirements), except that such Bank Clearing Member shall only compute the total risk requirement for all Customers' and proprietary positions in securities and derivatives contracts traded on SGX-ST and SGX-DT, and OTC Contracts novated to CDP and SGX-DC.</u></p>
<p>3.1 CLEARING MEMBER</p>	<p>3.1 CLEARING MEMBER</p>
	<p><u>3.1.1 Clearing Membership in CDP shall comprise such classes of membership as may from time to time be provided in this Clearing Rules. All memberships to CDP are granted pursuant, and subject, to this Clearing Rules and such other terms and conditions as may be prescribed at CDP's discretion.</u></p>
<p>3.1.1 Admission Criteria</p> <p>To be eligible for admission as a Clearing Member, an applicant shall:-</p> <p>(1) be a corporation carrying on business in Singapore;</p>	<p><u>3.1.12 Admission Criteria Eligibility Criteria for General Clearing Member</u></p> <p><u>Unless otherwise prescribed by CDP, To to be eligible for admission Clearing Membership as a <u>General</u> Clearing Member, an applicant shall must satisfy CDP that:-</u></p> <p>(1) <u>be it is</u> a corporation <u>with the requisite financial and business standing and repute and is or will upon admission be</u> carrying on <u>the</u> business <u>whether</u> in Singapore;</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(2) upon admission, appoint at least 1 Approved Executive Director who has been approved in accordance with the SFA and Securities and Futures Regulations;</p> <p>(3) unless exempt under the SFA or Securities and Futures Regulations, hold a Capital Markets Services Licence to engage in the relevant regulated activities, including where appropriate, trading in futures contracts;</p> <p>(4) have satisfied or will satisfy upon admission, all the financial requirements of the Clearing Rules applicable to the Clearing Members;</p> <p>(5) maintain or will maintain facilities upon admission and staff</p>	<p><u>(a) it has a base capital of not less than S\$5,000,000; or</u></p> <p><u>(b) in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has a base capital of not less than S\$8,000,000;</u></p> <p><u>or such other amount as may be prescribed by CDP hereafter and from time to time;</u></p> <p>(2) upon admission, <u>it shall</u> appoint at least <u>one (1)</u> Approved Executive Director who has been approved in accordance with the SFA and Securities and Futures Regulations pursuant to Rule 4;</p> <p>(3) unless exempt under the SFA or Securities and Futures Regulations, holds <u>a capital markets services licence</u> to engage in the relevant regulated activities, including where appropriate, trading in futures contracts;</p> <p>(4) have satisfied or will satisfy <u>it has, and</u> upon admission, all the financial requirements of the Clearing Rules applicable to the Clearing Members will maintain, minimum capital and financial requirements pursuant to Rules 5.1.1 or 5.1D.1 (whichever is applicable) and 5.4;</p> <p><u>(4A) it has, and upon admission will maintain, a special reserve fund pursuant to Rule 5.5;</u></p> <p>(5) maintain or will maintain facilities upon admission and its</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>adequate for the expeditious and orderly maintenance of clearing operations and activities;</p> <p>(6) establish and maintain adequate internal control and risk management policies, procedures and systems as CDP may deem acceptable from time to time for its clearing operations and activities;</p> <p>(7) maintain segregated and adequate back-office functions to CDP's satisfaction; and</p> <p>(8) comply with such other conditions for membership as CDP may from time to time prescribe either generally or in the case of any specific applicant.</p>	<p>managerial or executive staff adequate for the expeditious and orderly maintenance of clearing operations and activities <u>have a high standard of integrity and a level of knowledge (as may be deemed acceptable by CDP) on the nature, risks and obligations in respect of the market or contracts that it wishes to clear;</u></p> <p>(6) <u>it must have in place sufficient resources and</u> establish and maintain adequate internal control and risk management policies, procedures and systems as CDP may deem acceptable from time to time for its clearing operations and activities <u>systems for preserving a sound liquidity and financial position at all times including the maintaining of adequate staff and facilities for monitoring its cashflow and funding requirements and maintaining sufficient liquidity for its day to day operations;</u></p> <p>(7) <u>it must</u> maintain segregated and adequate back-office functions to CDP's satisfaction; and</p> <p>(8) comply with such other conditions for membership as <u>it satisfies any and all other requirements and criteria for such Clearing Membership, which</u> CDP may from time to time hereafter <u>prescribe either generally or in the case of any specific applicant.</u></p>
	<p>3.1.3 <u>Eligibility Criteria for Bank Clearing Members</u></p> <p><u>Unless otherwise prescribed by CDP, to be eligible for Clearing Membership as a Bank Clearing Member, an applicant must satisfy CDP that:-</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>(1) <u>it is authorized to conduct banking business in Singapore pursuant to section 4 of the Banking Act (Chapter 19) ;</u></p> <p>(2) <u>it or its parent bank has a financial strength rating of at least C from Moody’s Investors Service, a bank fundamental strength rating of at least C from Standard & Poor’s Corporation, a bank individual rating of at least C from Fitch, Inc or an equivalent rating from any other international rating agency deemed acceptable by CDP;</u></p> <p>(3) <u>upon admission, it shall appoint at least one (1) Approved Executive Director pursuant to Rule 4;</u></p> <p>(4) <u>it has, and upon admission will maintain, minimum capital and financial requirements pursuant to Rules 5.1.1A or 5.1D.2 (whichever is applicable) and 5.4;</u></p> <p>(5) <u>its managerial or executive staff have a high standard of integrity and a level of knowledge (as may be deemed acceptable by CDP) on the nature, risks and obligations in respect of the market or contracts that it wishes to clear;</u></p> <p>(6) <u>it must have in place sufficient resources and establish and maintain adequate systems for preserving a sound liquidity and financial position at all times including the maintaining of adequate staff and facilities for monitoring its cashflow and funding requirements and maintaining sufficient liquidity for its day to day operations governed by this Clearing Rules;</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>(7) <u>it must maintain segregated and adequate back-office functions in respect of its operations governed by this Clearing Rules;</u></p> <p>(8) <u>it satisfies any and all other requirements and criteria for such Clearing Membership, which CDP may from time to time hereafter prescribe; and</u></p> <p>(9) <u>where it is incorporated in Singapore,</u></p> <p style="padding-left: 40px;">(a) <u>it has a base capital of not less than S\$5,000,000; or</u></p> <p style="padding-left: 40px;">(b) <u>in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has a base capital of not less than S\$8,000,000;</u></p> <p style="padding-left: 40px;"><u>or such other amount as may be prescribed by CDP hereafter and from time to time; or</u></p> <p>(10) <u>where it is incorporated outside Singapore,</u></p> <p style="padding-left: 40px;">(a) <u>it has deposited, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$5,000,000 with CDP; or</u></p> <p style="padding-left: 40px;">(b) <u>in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has deposited, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$8,000,000 with CDP;</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>or such other amount as may be prescribed by CDP hereafter and from time to time, PROVIDED ALWAYS THAT:-</u></p> <p><u>(i) if the Bank Clearing Member has deposited S\$8,000,000 with SGX-DC or such other amount as prescribed, pursuant to the corresponding provision relating to the prescribed minimum capital and financial requirements, in the SGX-DC Clearing Rules, it need not deposit a further S\$8,000,000 with CDP or such other amount as may be prescribed by CDP; and</u></p> <p><u>(ii) CDP shall have the discretion to utilize or apportion in any manner, the S\$8,000,000 or such other amount as may be prescribed by CDP and/or SGX-DC, to satisfy the Bank Clearing Member's obligations to CDP and/or SGX-DC under this Clearing Rules and the SGX-DC Clearing Rules respectively. In deciding on the apportionment, CDP may, in consultation with SGX-DC, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member to CDP and SGX-DC respectively; or</u></p> <p><u>(c) it has net head office funds of not less than S\$5,000,000 or in the case of an applicant admitted as a clearing member of CDP and SGX-DC, it has net head office funds of not less than S\$8,000,000, or such other amount as may be prescribed by CDP hereafter and from time to time, PROVIDED ALWAYS THAT CDP</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>has the discretion to decide if an applicant may seek to rely on its net head office funds pursuant to this Rule 3.1.3(11)(c) instead of depositing cash and/or acceptable government securities pursuant to Rule 3.1.3(11)(a) or (b).</p> <p>3.1.3A Upon admission as a Bank Clearing Member, if there is any downgrade in the rating of the Bank Clearing Member or its parent bank such that it falls below the minimum prescribed rating, CDP may, at its absolute discretion, impose additional conditions as it deems fit, for permitting the Bank Clearing Member to continue to clear contracts through CDP.</p>
<p>3.5 GENERAL OBLIGATIONS OF A CLEARING MEMBER</p>	<p>3.5 GENERAL OBLIGATIONS OF A CLEARING MEMBER</p>
<p>3.5.1 Each Clearing Member undertakes and agrees to:-</p> <ol style="list-style-type: none"> (1) comply at all times with the admission criteria set out in Rule 3.1.1; (2) clear and settle any Exchange Trade transacted by it through CDP in accordance with these Clearing Rules and the Clearing Directives; (3) clear and settle any Exchange Trade transacted by a Trading Member qualified by it as a principal obligor and not merely as a guarantor through CDP in accordance with these Clearing Rules and the Clearing Directives; (4) comply with these Clearing Rules and the Clearing Directives; 	<p>3.5.1 Each Clearing Member undertakes and agrees to:-</p> <ol style="list-style-type: none"> (1) comply at all times with the admission applicable eligibility criteria set out in Rule 3.1.1 this Chapter 3; (2) clear and settle any Exchange Trade transacted by it through CDP in accordance with these this Clearing Rules and the Clearing Directives (where applicable); (3) clear and settle any Exchange Trade transacted by a Trading Member qualified by it as a principal obligor and not merely as a guarantor through CDP in accordance with these this Clearing Rules and the Clearing Directives (where applicable); (4) comply with these this Clearing Rules and the Clearing

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(5) grant CDP all rights and remedies as set forth in these Clearing Rules and the Clearing Directives;</p> <p>(6) pay CDP all fees, charges, costs, compensation and other sums as provided in these Clearing Rules and the Clearing Directives;</p> <p>(7) make such contributions or payments to the Clearing Fund as may be required in these Clearing Rules;</p> <p>(8) generally take or refrain from taking such action as may be required in relation to the Clearing Fund;</p> <p>(9) exercise reasonable supervision over its employees and agents with a view to preventing any violation of SFA, the Clearing Rules and Clearing Directives. For this purpose, a Clearing Member shall be deemed to have complied with this Rule if:-</p> <p>(a) it has established and maintained proper procedures and systems to prevent any such violations by its directors, officers, employees and agents;</p> <p>(b) it has established and maintained adequate internal control systems; and</p>	<p>Directives (where applicable);</p> <p>(5) grant CDP all rights and remedies as set forth in these this Clearing Rules and the Clearing Directives (where applicable);</p> <p>(6) pay CDP all fees, charges, costs, compensation and other sums as provided in these this Clearing Rules and the Clearing Directives (where applicable);</p> <p>(7) make such contributions or payments to the Clearing Fund as may be required in these this Clearing Rules;</p> <p>(8) generally take or refrain from taking such action as may be required in relation to the Clearing Fund;</p> <p>(9) exercise reasonable supervision over its employees and agents with a view to preventing any violation of SFA (where applicable), the this Clearing Rules and Clearing Directives (where applicable). For this purpose, a Clearing Member shall be deemed to have complied with this Rule 3.5.1(9) if:-</p> <p>(a) it has established and maintained proper procedures and systems for its business, and in the case of a Bank Clearing Member, its business governed by this Clearing Rules, to prevent any such violations by its directors, officers, employees and agents;</p> <p>(b) it has in place sufficient resources and established and maintained adequate internal control and risk management systems for its business, and in the case of a Bank Clearing Member, its business governed by this</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(c) the Clearing Member’s employees or agents, enforcing its procedures and systems, reasonably discharge their duties and obligations;</p> <p>(10) comply with the clearing limits as CDP may prescribe from time to time;</p> <p>(11) maintain accounts in the currencies that incur settlement and with a bank acceptable to CDP; and</p> <p>(12) ensure that its Memorandum and Articles of Association or its constitution shall at all times conform to the Clearing Rules and the Clearing Directives so as to enable it to observe and perform fully the covenants, terms, stipulations, conditions and other provisions of the Clearing Rules and the Clearing Directives.</p> <p>A Clearing Member shall inform CDP in writing at least 7 days before any change to its Memorandum and Articles of Association takes effect.</p>	<p><u>Clearing Rules</u>; and</p> <p>(c) the Clearing Member’s employees or agents, enforcing its procedures and systems, <u>have</u> reasonably discharged their duties and obligations <u>in enforcing the procedures and systems for its business, and in the case of a Bank Clearing Member, its business governed by this Clearing Rules</u>;</p> <p>(10) comply with the clearing limits as CDP may prescribe from time to time;</p> <p>(11) maintain <u>bank</u> accounts in the currencies that may incur settlement and with a bank<u>s</u> acceptable to CDP; and</p> <p>(12) ensure that its Memorandum and Articles of Association or its constitution shall at all times conform to the <u>this</u> Clearing Rules and the Clearing Directives <u>(where applicable)</u> so as to enable it to observe and perform fully the covenants, terms, stipulations, conditions and other provisions of the <u>this</u> Clearing Rules and the Clearing Directives <u>(where applicable)</u>.</p> <p>A Clearing Member shall inform CDP in writing at least 7 days before any change to its Memorandum and Articles of Association takes effect.</p>
<p>3.5.2 <u>Provision of Information</u></p> <p>(1) A Clearing Member shall promptly submit to CDP and/or such party as directed by CDP such information, electronic records, returns or documents as and when such information, electronic</p>	<p>3.5.2 <u>Provision of Information</u></p> <p>(1) A Clearing Member shall promptly submit to CDP and/or such party as directed by CDP such information, electronic records, returns or documents as and when such information, electronic</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>records, returns or documents are required by CDP, provided that any information, electronic records, returns or documents shall be deemed not to have been duly submitted if it contains materially untrue statements or omits material statements or is otherwise misleading. Where any information, electronic records, returns or documents are deemed not to have been duly submitted, the Clearing Member shall promptly resubmit the same upon notice from CDP.</p>	<p>records, returns or documents are required by CDP, provided that any information, electronic records, returns or documents shall be deemed not to have been duly submitted if it contains materially untrue statements or omits material statements or is otherwise misleading. Where any information, electronic records, returns or documents are deemed not to have been duly submitted, the Clearing Member shall promptly resubmit the same upon notice from CDP. For the avoidance of doubt, reference to “information, electronic records, returns or documents” in relation to a Bank Clearing Member, shall refer to such information, electronic records, returns or documents falling within the Bank Clearing Member’s business governed by this Clearing Rules.</p>
<p>3.5.3 A Clearing Member must;-</p> <ol style="list-style-type: none"> (1) maintain complete and accurate records in accordance with the SFA and/or Regulations or the Clearing Rules and the Clearing Directives; (2) not make, or cause to be made, a false or misleading entry, in hardcopy or electronic form, in any books, records, reports, slips, documents, statements relating to the business, affairs, transactions, conditions, assets or accounts (“the Documents”) of a Clearing Member; 	<p>3.5.3 A Clearing Member must;-</p> <ol style="list-style-type: none"> (1) maintain complete and accurate records, or in the case of a Bank Clearing Member, records in relation to the Bank Clearing Member’s business governed by this Clearing Rules, in accordance with the SFA, and/or SFR, the this Clearing Rules and the Clearing Directives (where applicable); (2) not make, or cause to be made, a false or misleading entry, in hardcopy or electronic form, in any books, records, reports, slips, documents, statements relating to the business, affairs, transactions, conditions, assets or accounts (“the Documents”) of a Clearing Member’s business, or in the case of a Bank Clearing Member, its business governed by this Clearing Rules;

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>3.8 REPORTING REQUIREMENTS</p>	<p>3.8 REPORTING REQUIREMENTS</p>
<p>A Clearing Member shall notify CDP in writing upon the happening of all or any of the following events and supply full particulars thereof together with such further information as CDP may require:-</p> <ol style="list-style-type: none"> (1) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents has violated any provision of the SFA, and the Securities and Futures Regulations, or the rules of any exchange or clearing house of which the Clearing Member is a participant or member or otherwise engaged in conduct which is detrimental to the interests of CDP; (2) when the Clearing Member, or any of its directors, Approved Executive Director, officers, employees or agents is investigated, arrested, charged convicted, suspended or pleads guilty to any criminal offence involving fraud or dishonesty, whether in or out of Singapore; (3) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents, is the subject of any written complaint involving allegations of theft or misappropriation of funds or securities or of forgery, or of any offence involving fraud or dishonesty, and such complaint or allegations may have a material impact on the financial position 	<p>A Clearing Member shall notify CDP in writing upon <u>or where practicable, pre-notify CDP of</u>, the happening of all or any of the following events and supply full particulars thereof together with such further information as CDP may require:-</p> <ol style="list-style-type: none"> (1) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents has violated any provision of the SFA, and the SFR, <u>this Clearing Rules, Clearing Directives (where applicable) or relevant law or regulation which governs that Clearing Member's other business activities</u>, or the rules of any exchange or clearing house of which the Clearing Member is a participant or member or otherwise engaged in conduct which is detrimental to the <u>financial integrity, reputation or</u> interests of CDP, <u>or clearing facilities established or operated by CDP</u>; (2) when the Clearing Member, or any of its directors, Approved Executive Director, officers, employees or agents is investigated, arrested, charged convicted, suspended or pleads guilty to any criminal offence involving fraud or dishonesty, whether in or out of Singapore; (3) when the Clearing Member, any of its directors, Approved Executive Director, officers, employees or agents, is the subject of any written complaint involving an allegation of theft or misappropriation of funds or securities, or of forgery, or of any offence involving fraud or dishonesty, <u>whether in or out of Singapore</u>, and such complaint or allegation may have an

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>on the Clearing Member or of the other Clearing Members;</p> <p>(4) when any of its directors, Approved Executive Director, officers, employees or agents commits or is involved in, or is the subject of any disciplinary proceeding or action taken by the Clearing Member in respect of, any violation or contravention (whether criminal, contractual or of internal policies or otherwise) or any acts giving rise to such violation or contravention, which may have a material impact on the financial position of the Clearing Member or of the other Clearing Members;</p> <p>(5) when there are any changes to its corporate or business name as registered with CDP;</p> <p>(6) when there is any change that may have the effect of altering</p>	<p>material impact, <u>or in the case of a Bank Clearing Member, material impact,</u> on the financial position on such Clearing Member or of the other Clearing Members;</p> <p>(4) when any of its directors, Approved Executive Director, officers, employees or agents commits or is involved in is the subject of any <u>investigations</u>, disciplinary proceeding or action taken by the Clearing Member in respect of, any violation or contravention (whether criminal, contractual or of internal policies or otherwise) or any acts giving rise to such violation or contravention, which may have a material impact on the financial position of the Clearing Member or of the other Clearing Members <u>involving suspension, termination, withholding of commissions, fines or any other significant limitation of activities;</u></p> <p><u>(4A) when the Clearing Member, or any of its directors, Approved Executive Director, officers, employees or agents engages in conduct, that has the effect of circumventing the SFA, SFR, this Clearing Rules or Clearing Directives (where applicable), or which is inconsistent with the principles of good business practice;</u></p> <p><u>(4B) when the Clearing Member is insolvent, or is engaged in bankruptcy or winding up proceedings;</u></p> <p>(5) when there are any changes to its corporate or business name as registered with CDP;</p> <p>(6) when there is any change that may have the effect of altering</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>control in the Clearing Member, or the change in composition, death, legal incapacity or bankruptcy of its directors, CDP reserves the right to terminate an entity's clearing membership in such an event if the new management does not meet the necessary membership requirements; and</p> <p>(7) for any transaction that will result in a change in the legal or beneficial ownership of 20 percent or more of the Clearing Member's issued share capital, and any subsequent increase of 5 percent or more of the Clearing Member's issued share capital.</p>	<p>control in the Clearing Member, or the change in composition, death, legal incapacity or bankruptcy of its directors, CDP reserves the right to terminate an entity's clearing membership in such an event if the new management does not meet the necessary membership requirements; and</p> <p>;</p> <p>(7) for any transaction that will result in a change in the legal or beneficial ownership of 20% percent or more of the Clearing Member's issued share capital, and any subsequent increase of 5% percent or more of the Clearing Member's issued share capital;</p> <p>(8) <u>when there is any change in the composition of its board of directors or of any director, or in the case of a Bank Clearing Member, any change in the composition of its board of directors or of any director, who are/is resident in Singapore and/or responsible for its business governed by this Clearing Rules, due to the appointment, removal or resignation of any of its directors. For the purpose of this Rule 3.8(8), a change of director includes a change in the director's appointment from a non-executive director to an executive director;</u></p> <p>(9) <u>when there is any change or amendment to its Memorandum or Articles of Association or constitutive documents except in the case of a Bank Clearing Member, notification will be furnished to CDP by such times that a Bank Clearing Member has to notify MAS under the Banking Act, or any regulation or directive issued thereunder;</u></p> <p>(10) <u>when there is any death or bankruptcy of any of its directors or</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>in the case of a Bank Clearing Member, its directors who are resident in Singapore and/or responsible for its business governed by this Clearing Rules;</u></p> <p>(11) <u>when there is any engagement or involvement or proposed engagement or involvement in any new business or any change in any of the Clearing Member’s business(es) or in the case of a Bank Clearing Member, its business governed by this Clearing Rules. For the purpose of this Rule 3.8(11), examples of such new business or change in business include, without limitation, market making and securities financing activities;</u></p> <p>(12) <u>when there is any change in the Clearing Member’s senior management, or in the case of a Bank Clearing Member, its senior management responsible for the Bank Clearing Member’s business governed by this Clearing Rules; and</u></p> <p>(13) <u>when there is any breach of directors’ duties.</u></p>
<p>3.10 RESIGNATION BY CLEARING MEMBER</p>	<p>3.10 RESIGNATION BY CLEARING MEMBER</p>
<p>3.10.2 Acceptance of Resignation by CDP</p> <p>CDP need not accept the resignation of a Clearing Member if it is:-</p> <p>(1) conducting an investigation under the Clearing Rules, investigating a complaint, or has initiated disciplinary proceedings against the Clearing Member; or</p>	<p>3.10.2 Acceptance of Resignation by CDP</p> <p>CDP need not accept the resignation of a Clearing Member if it is:-</p> <p>(1) conducting an investigation under the <u>this</u> Clearing Rules, investigating a complaint, or has initiated disciplinary proceedings against the Clearing Member; or</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(2) not satisfied that the Clearing Member has fulfilled or is able to fulfill:-</p> <p>(a) its obligations to CDP; and</p> <p>(b) its obligation to its customers as CDP may specify.</p>	<p>(2) not satisfied that the Clearing Member has fulfilled or is able to fulfill:-</p> <p>(a) its obligations to CDP; and</p> <p>(b) its obligation to its customers, or in the case of a Bank Clearing Member, its customers in relation to its business governed by this Clearing Rules, as CDP may specify.</p>
<p>3.10.5 Cessation of Clearing Rights</p> <p>(1) A Clearing Member’s right to clear and settle its Exchange Trades (including Exchange Trades of any Trading Member qualified by the Clearing Member) shall cease on the tenth Settlement Day (or such other Settlement Day as CDP may from time to time prescribe, either generally or in any particular case) from the date of the resignation notice. The Clearing Member shall therefore not transact nor accept for clearing and settlement from the Trading Members qualified by it, any Exchange Trade that is due for settlement after the tenth Settlement Day from the date of the resignation notice.</p> <p>(2) Notwithstanding the aforesaid, CDP may, prior to the date of cessation of the Clearing Member’s right to clear and settle its Exchange Trades, impose such restrictions on the clearing rights and other rights of the Clearing Member as it may, in its absolute discretion, deem fit.</p>	<p>3.10.5 Cessation of Clearing Rights</p> <p>(1) A Clearing Member’s right to clear and settle its Exchange Trades (including Exchange Trades of any Trading Member qualified by the Clearing Member) shall cease on the tenth Settlement Day (or such other Settlement Day as CDP may from time to time prescribe, either generally or in any particular case) from the date of the resignation notice. The Clearing Member shall therefore not transact nor accept for clearing and settlement from the Trading Members qualified by it, any Exchange Trade that is due for settlement after the tenth Settlement Day from the date of the resignation notice.</p> <p>(2) Notwithstanding the aforesaid, CDP may, prior to the date of cessation of the Clearing Member’s right to clear and settle its Exchange Trades, impose such restrictions on the clearing rights and other rights of the Clearing Member, or in the case of a Bank Clearing Member, the clearing rights and other rights conferred under this Clearing Rules, as it CDP may, in its absolute discretion, deem fit.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>4. APPROVED EXECUTIVE DIRECTORS</p>	<p>4 <u>APPOINTMENT OF APPROVED EXECUTIVE DIRECTORS AND DIRECTORS</u></p>
<p>4.1 APPOINTMENT AND REGISTRATION</p>	<p>4.1 APPOINTMENT AND REGISTRATION</p>
<p>4.1.1 (1) A Clearing Member shall appoint at least 1 person as Approved Executive Director.</p> <p>(2) The Approved Executive Director shall be approved by the Authority as a director in accordance with the Securities and Futures Act.</p> <p>(3) CDP shall admit an Approved Executive Director into the register of Approved Executive Directors. The Approved Executive Director is to be responsible for ensuring that the Clearing Member complies with the Clearing Rules, and any Clearing Directives CDP prescribes.</p>	<p>4.1.1 (1) A Clearing Member shall appoint at least <u>one</u> (1) person as Approved Executive Director.</p> <p>(2) The Approved Executive Director <u>of a General Clearing Member</u> shall be approved by the Authority as a director in accordance with the <u>Securities and Futures Act SFA</u>.</p> <p>(3) CDP shall admit an Approved Executive Director into the register of Approved Executive Directors. The Approved Executive Director is to be responsible for ensuring that the Clearing Member complies with <u>the this</u> Clearing Rules, and any Clearing Directives <u>CDP prescribes (where applicable)</u>.</p>
<p>4.1.2 Upon registration, an Approved Executive Director is deemed to have agreed to be bound by the Clearing Rules, or any Clearing Directives CDP prescribes.</p>	<p>4.1.2 Upon registration, an Approved Executive Director is deemed to have agreed to be bound by <u>the this</u> Clearing Rules, or any Clearing Directives <u>CDP prescribes (where applicable)</u>.</p>
<p>4.2 OBLIGATIONS</p>	<p>4.2 OBLIGATIONS</p>
<p>4.2.3 Other Business</p> <p>(1) An Approved Executive Director shall inform CDP in writing at least 14 days before he or she engages in, or holds any substantial shareholding in, any other business that might</p>	<p>4.2.3 Other Business</p> <p>(1) An Approved Executive Director shall inform CDP in writing at least <u>fourteen</u> (14) days before he or she engages in, or holds any substantial shareholding in, any other business that might</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>potentially conflict with being an Approved Executive Director. The Approved Executive Director shall ensure that the proposed engagement or shareholding is agreed to by his or her Clearing Member.</p>	<p>potentially conflict with being an Approved Executive Director. The Approved Executive Director shall ensure that the proposed engagement or shareholding is agreed to by his or her Clearing Member.</p>
<p>(2) The engagement (and any actions taken under it) or shareholding shall not breach the SFA, Securities and Futures Regulations, the Clearing Rules, any Clearing Directives or any relevant law or regulation.</p>	<p>(2) The engagement (and any actions taken under it) or shareholding shall not breach the SFA, SFR, the this Clearing Rules, any Clearing Directives (<u>where applicable</u>), or any relevant law or regulation.</p>
<p>(3) An Approved Executive Director shall supply CDP with any information it requires regarding the engagement or acquisition of shareholding.</p>	<p>(3) An Approved Executive Director shall supply CDP with any information it requires regarding the engagement or acquisition of shareholding.</p>
<p>(4) If CDP objects to the engagement or acquisition of shareholding, an Approved Executive Director shall not proceed with it. CDP may extend the period specified in Rule 4.2.3(1). If extended, the Approved Executive Director shall not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.</p>	<p>(4) If CDP objects to the engagement or acquisition of shareholding, an Approved Executive Director shall not proceed with it. CDP may extend the period specified in Rule 4.2.3(1). If extended, the Approved Executive Director shall not proceed with the engagement or acquisition of shareholding before the expiry of the extended period.</p>
<p>(5) If an engagement or shareholding, in CDP's opinion, is detrimental to the financial integrity, reputation or interests of CDP, the Clearing Member or its customers, CDP may require the Approved Executive Director to end it.</p>	<p>(5) If an engagement or shareholding, in CDP's opinion, is detrimental to the financial integrity, reputation or interests of CDP, the Clearing Member or its customers, <u>or in the case of a Bank Clearing Member, the Bank Clearing Member's customers in relation to its business governed by this Clearing Rules</u>, CDP may require the Approved Executive Director to end it.</p>
<p>(6) If CDP objects to the engagement or acquisition or shareholding</p>	<p>(6) If CDP objects to the engagement or acquisition or shareholding</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>or requires an Approved Executive Director to end it, the Approved Executive Director may, within 14 days after it is notified of CDP's decision, appeal in writing to the Board whose decision shall be final.</p>	<p>or requires an Approved Executive Director to end it, the Approved Executive Director may, within fourteen (14) days after it is notified of CDP's decision, appeal in writing to the Board whose decision shall be final.</p>
<p>4.3 AUTOMATIC DE-REGISTRATION</p>	<p>4.3 AUTOMATIC DE-REGISTRATION</p>
<p>An Approved Executive Director shall automatically cease to be registered as an Approved Executive Director if he or she:-</p> <ol style="list-style-type: none"> (1) becomes of unsound mind; (2) is made bankrupt, whether in or out of Singapore; (3) is disqualified from holding office as a director under the SFA or the Companies Act (Cap. 50); (4) ceases to be an Approved Executive Director of the Clearing Member; (5) is subject to a compromise or scheme of arrangement with his or her creditors, whether in or out of Singapore; (6) has execution in respect of a judgment debt returned unsatisfied in whole or in part; or; 	<p>An Approved Executive Director shall automatically cease to be registered as an Approved Executive Director if he or she:-</p> <ol style="list-style-type: none"> (1) becomes of unsound mind; (2) is made bankrupt, whether in or out of Singapore; (3) is disqualified from holding office as a director under the SFA or the Companies Act (Chapter 50), or in the case of a Bank Clearing Member, if he or she is no longer in the direct employment of, or acting for or by arrangement with, the Bank Clearing Member or is no longer principally responsible for the management and conduct of the Bank Clearing Member's business; (4) ceases to be an Approved Executive Director of the Clearing Member; (5) is subject to a compromise or scheme of arrangement with his or her creditors, whether in or out of Singapore; (6) has execution in respect of a judgment debt returned unsatisfied in whole or in part; or;

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
(7) breaches any provision involving fraud or dishonesty, whether in or out of Singapore.	(7) breaches any provision involving fraud or dishonesty, whether in or out of Singapore.
5.1 BASE CAPITAL REQUIREMENT	5.1 <u>BASE CAPITAL REQUIREMENT MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE</u>
<p>5.1.1 A Clearing Member shall not cause or permit:-</p> <p>(1) where the corporation is incorporated in Singapore, its base capital; or</p> <p>(2) where the corporation is incorporated outside Singapore, its net head office funds,</p> <p>to fall below the base capital requirement.</p>	<p>5.1.1 <u>A-Each General Clearing Member incorporated in Singapore shall not cause or permit at all times:-</u></p> <p>(1) <u>where the corporation is incorporated in Singapore, its base capital; or Base Capital Requirement</u></p> <p>(a) <u>maintain a base capital of not less than S\$5,000,000; or</u></p> <p>(b) <u>in the case of a General Clearing Member who is also a clearing member of SGX-DC, maintain a base capital of not less than S\$8,000,000;</u></p> <p>(2) <u>where the corporation is incorporated outside Singapore, its net head office funds, <u>Financial Resources Requirement</u></u></p> <p><u>.not cause or permit its financial resources to fall below the base capital requirement its total risk requirement;</u></p> <p>(3) <u>Aggregate Indebtedness Requirement</u></p> <p><u>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>(4) Other Requirements</u></p> <p><u>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by CDP.</u></p>
	<p><u>5.1.1A Each Bank Clearing Member incorporated in Singapore shall at all times:-</u></p> <p><u>(1) Base Capital Requirement</u></p> <p><u>(a) maintain a base capital of not less than S\$5,000,000;</u> <u>or</u></p> <p><u>(b) in the case of a Bank Clearing Member who is also a clearing member of SGX-DC, maintain a base capital of not less than S\$8,000,000;</u></p> <p><u>(2) Financial Resources Requirement</u></p> <p><u>not cause or permit its financial resources to fall below its total risk requirement; and</u></p> <p><u>(3) Other Requirements</u></p> <p><u>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by CDP in relation to the Bank Clearing Member's business governed by this Clearing Rules.</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>5.1.1B A Clearing Member shall immediately notify CDP if it fails to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs or becomes aware that it will fail to comply with such requirements.</u></p>
	<p><u>5.1.1C If CDP is notified by a Clearing Member under Rule 5.1.1B or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.1.1B) that such Clearing Member has failed to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs, CDP may direct the Clearing Member to do one (1) or more of the following actions:-</u></p> <ul style="list-style-type: none"> <li data-bbox="1150 776 1961 837">(1) <u>liquidate or cease any increase in positions for any account carried by the Clearing Member;</u> <li data-bbox="1150 839 1961 1089">(2) <u>liquidate or transfer all or part of any customer’s positions, securities margins, collateral, assets and accounts to one (1) or more other Clearing Members. For the avoidance of doubt, reference to “customer’s positions, securities margins, collateral, assets and accounts” in relation to a Bank Clearing Member, shall refer to customer’s positions, securities margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Clearing Rules;</u> <li data-bbox="1150 1123 1961 1214">(3) <u>operate its business or in the case of a Bank Clearing Member, its business governed by this Clearing Rules, in such manner and on such conditions as CDP may impose.</u>
<p>5.1.2 The base capital requirement of:-</p>	<p><u>To delete.</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(1) a Clearing Member shall be at least \$5 million,</p> <p>(2) a Clearing Member which is also a member of SGX-DC shall be at least \$8 million.</p>	
	<p><u>5.1A EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE</u></p>
	<p><u>5.1A.1 Each Clearing Member incorporated in Singapore shall immediately notify CDP:-</u></p> <p>(1) <u>if its financial resources fall below 120% of its total risk requirement; or</u></p> <p>(2) <u>in the case of a General Clearing Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.</u></p>
	<p><u>5.1A.2 If CDP is notified by a Clearing Member under Rule 5.1A.1(1) or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.1A.1(1)) that such Clearing Member's financial resources have fallen below 120% of its total risk requirement, CDP may direct:</u></p> <p>(1) <u>where such Clearing Member is a General Clearing Member, to comply with one (1) or more of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements);</u></p> <p>(2) <u>where such Clearing Member is a Bank Clearing Member, to</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements). For the avoidance of doubt, reference in Regulation 7(3) of the SFR (Financial and Margin Requirements) to:-</u></p> <p>(a) <u>“customer’s positions, margins, collateral, assets and accounts” shall be read to mean customer’s positions, margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Clearing Rules; and</u></p> <p>(b) <u>“business” shall be read to mean the Bank Clearing Member’s business governed by this Clearing Rules.</u></p>
	<p><u>5.1A.3 If CDP is notified by a General Clearing Member under Rule 5.1A.1(2) or becomes aware (whether or not there has been any notification by such General Clearing Member under Rule 5.1A.1(2)) that such General Clearing Member’s aggregate indebtedness has exceeded 600% of its aggregate resources, CDP may direct such General Clearing Member to comply with one (1) or more of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements).</u></p>
	<p><u>5.1B NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED IN SINGAPORE</u></p>
	<p><u>5.1B.1 Each Clearing Member incorporated in Singapore shall immediately notify CDP if its financial resources fall below 150% of its total risk</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<u>requirement.</u>
	<u>5.1B.2 CDP may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Clearing Members.</u>
	<p><u>5.1B.3 If CDP is notified by a Clearing Member under Rule 5.1B.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.1B.1) that such Clearing Member’s financial resources have fallen below 150% of its total risk requirement, , CDP may direct such Clearing Member to do one (1) or more of the following actions:-</u></p> <p><u>(1) submit (where applicable), the statements of assets and liabilities, financial resources, total risk requirement, aggregate indebtedness, and such other statements as required by CDP at such interval and for such time frame as determined by CDP;</u></p> <p><u>(2) operate its business, or in the case of a Bank Clearing Member, its business governed by this Clearing Rules, in such manner and on such conditions as CDP may impose.</u></p>
	<u>5.1C QUALIFYING LETTER OF CREDIT</u>
	<u>5.1C.1 For the purpose of Rules 5.1, 5.1A and 5.1B, a Clearing Member may include one (1) or more qualifying letter(s) of credit deposited with CDP in its calculation of financial resources, subject to the total amount payable under the qualifying letter(s) of credit or 50% of its total risk requirement, whichever is lower. In the case of a Clearing Member</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>admitted as a clearing member of CDP and SGX-DC, and which has deposited such qualifying letter(s) of credit with SGX-DC, pursuant to the corresponding provision in the SGX-DC Clearing Rules, it need not deposit another qualifying letter(s) of credit with CDP.</u></p>
	<p><u>5.1C.2 For the purpose of Rule 5.1C.1, a qualifying letter of credit is a legally enforceable and irrevocable letter of credit that:-</u></p> <p>(1) <u>is made in favour of CDP;</u></p> <p>(2) <u>is issued by a bank approved by, and in a form acceptable to CDP; and</u></p> <p>(3) <u>does not include any letters of credit provided by the Clearing Member to satisfy any other requirement imposed by CDP.</u></p>
	<p><u>5.1C.3 CDP reserves the right to call on any of the qualifying letters of credit furnished pursuant to this Clearing Rules and apply the proceeds thereof in respect of the Clearing Member's default to CDP. In the case of a Clearing Member admitted as a clearing member of CDP and SGX-DC, CDP shall have the discretion to apportion in any manner, the use of the proceeds between CDP and SGX-DC. In deciding on the apportionment, CDP may, in consultation with SGX-DC, take into account factors, including but not limited to, the amount owed by the Clearing Member to CDP and SGX-DC respectively.</u></p>
	<p><u>5.1D MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>5.1D.1 Each General Clearing Member incorporated outside Singapore shall at all times:-</u></p> <p>(1) <u>Base Capital Requirement</u></p> <p>(a) <u>maintain net head office funds of not less than S\$5,000,000; or</u></p> <p>(b) <u>in the case of a General Clearing Member who is also a clearing member of SGX-DC, maintain net head office funds of not less than S\$8,000,000;</u></p> <p>(2) <u>Adjusted Net Head Office Funds Requirement</u></p> <p><u>not cause or permit its adjusted net head office funds to fall below its total risk requirement;</u></p> <p>(3) <u>Aggregate Indebtedness</u></p> <p><u>not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources; and</u></p> <p>(4) <u>Other Requirements</u></p> <p><u>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by CDP.</u></p>
	<p><u>5.1D.2 Each Bank Clearing Member incorporated outside Singapore shall at all times:-</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>(1) <u>where it has satisfied Rule 3.1.3(11)(a) or (b),</u></p> <p><u>Cash and/or Acceptable Government Securities Requirement</u></p> <p>(a) <u>deposit, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$5,000,000 with CDP; or</u></p> <p>(b) <u>in the case of a Bank Clearing Member who is also a clearing member of SGX-DC, deposit, as security for its obligations to CDP, cash and/or acceptable government securities of not less than S\$8,000,000 with CDP;</u></p> <p><u>PROVIDED ALWAYS THAT:</u></p> <p>(i) <u>if the Bank Clearing Member has deposited S\$8,000,000 with SGX-DC or such other amount as prescribed, pursuant to the corresponding provision in the SGX-DC Clearing Rules, it need not deposit a further S\$8,000,000 with CDP or such other amount as may be prescribed by CDP; and</u></p> <p>(ii) <u>CDP shall have the discretion to utilize or apportion in any manner, the S\$8,000,000 or such other amount as may be prescribed by CDP and/or SGX-DC, to satisfy the Bank Clearing Member's obligations to CDP and/or SGX-DC</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>under this Clearing Rules and the SGX-DC Clearing Rules respectively. In deciding on the apportionment, CDP may, in consultation with SGX-DC, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member to CDP and SGX-DC respectively.; and</u></p> <p><u>(c) not cause or permit its cash and/or acceptable government securities deposited with CDP to fall below its total risk requirement; or</u></p> <p><u>(2) where it has satisfied Rule 3.1.3(11)(c),</u></p> <p><u>Net Head Office Funds Requirement</u></p> <p><u>(a) maintain net head office funds of not less than S\$5,000,000 or in the case of a Bank Clearing Member who is also a clearing member of SGX-DC, maintain net head office funds of not less than S\$8,000,000; and</u></p> <p><u>Adjusted Net Head Office Funds Requirement</u></p> <p><u>(b) not cause or permit its adjusted net head office funds to fall below its total risk requirement; and</u></p> <p><u>(3) Other Requirements</u></p> <p><u>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by CDP in relation to the Bank Clearing Member's business governed by this Clearing Rules.</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>5.1D.3 A Clearing Member shall immediately notify CDP if it fails to meet the minimum capital and financial requirements prescribed in the preceding paragraphs or becomes aware that it will fail to comply with such requirements.</u></p>
	<p><u>5.1D.4 If CDP is notified by a Clearing Member under Rule 5.1D.3 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.1D.3) that such Clearing Member has failed to comply with the minimum capital and financial requirements prescribed in the preceding paragraphs, CDP may direct the Clearing Member to do one (1) or more of the following actions:-</u></p> <ul style="list-style-type: none"> <u>(1) liquidate or cease any increase in positions for any account carried by the Clearing Member;</u> <u>(2) liquidate or transfer all or part of any customer’s positions, securities margins, collateral, assets and accounts to one (1) or more other Clearing Members. For the avoidance of doubt, reference to “customer’s positions, securities margins, collateral, assets and accounts” in relation to a Bank Clearing Member, shall refer to customer’s positions, securities margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Clearing Rules;</u> <u>(3) operate its business or in the case of a Bank Clearing Member, its business governed by this Clearing Rules, in such manner and on such conditions as CDP may impose.</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.1.3 If a Clearing Member fails to comply or becomes aware that it will fail to comply with the base capital requirement prescribed under Rule 5.1, or such higher base capital requirement as CDP may have imposed under Rule 5.4, it shall immediately notify CDP.</p>	<p>To delete.</p>
<p>5.1.4 Regardless of whether or not there has been any notification by a Clearing Member under Rule 5.1.3, if the base capital or net head office funds of the Clearing Member, as the case may be, is/are below the base capital requirement prescribed under Rule 5.1, or such higher base capital requirement as CDP may have imposed under Rule 5.4, it shall be deemed a breach of a provision of the Clearing Rules by the Clearing Member.</p>	<p>To delete.</p>
<p>5.2 FINANCIAL RESOURCES REQUIREMENT</p>	
<p>5.2.1 A Clearing Member shall not cause or permit:-</p> <ul style="list-style-type: none"> (1) where it is incorporated in Singapore, its financial resources; or (2) where it is incorporated outside Singapore, its adjusted net head office funds, <p>to fall below its total risk requirement.</p>	<p>To delete.</p>
<p>5.2.2 Financial resources and adjusted net head office funds shall be calculated in the same manner as prescribed in paragraph 1 and paragraph 2 respectively of Second Schedule of the SFR (Financial and</p>	<p>To delete.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
Margin Requirements).	
<p>5.2.3 (1) Total risk requirement shall be calculated in the same manner as prescribed in the Third Schedule of the SFR (Financial and Margin Requirements).</p> <p>(2) For the purposes of calculating total risk requirement under rule 5.2.3 (1):</p> <p>(a) structured warrants must be treated according to their classification under the SFA;</p>	<p>To be renumbered as Rule 5.1I.</p>
<p>5.2.4 Secondary Requirement under Operational Risk Requirement</p> <p>For the purposes of calculating the operational risk requirement as prescribed in Third Schedule of the SFR (Financial and Margin Requirements), a Clearing Member shall include a secondary requirement computed in the following manner:-</p> <p>(1) \$250,000 x number of Trading Members qualified by the Clearing Member, if the Clearing Member clears its own trades executed on the Exchange; or</p> <p>(2) \$250,000 x (number of Trading Members qualified by the Clearing Member minus 1), if the Clearing Member does not clear its own trades executed on the Exchange.</p>	<p>To be renumbered as Rule 5.1H.</p>
<p>5.2.5 If a Clearing Member fails to comply or becomes aware that it will fail to comply with the financial resources requirement prescribed under Rule 5.2, or such higher financial resources requirement as CDP may</p>	<p>To delete.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>have imposed under Rule 5.4, it shall immediately notify CDP.</p>	
<p>5.2.6 Regardless of whether or not there has been any notification by a Clearing Member under Rule 5.2.5, if the financial resources or adjusted net head office funds of the Clearing Member, as the case may be, are below the total risk requirement prescribed under Rule 5.2 or such higher percentage of the total risk requirement as CDP may have imposed under Rule 5.4, it shall be deemed a breach of a provision of the Clearing Rules by the Clearing Member.</p>	<p>To delete.</p>
<p>5.2.7 Early Warning Requirement on Financial Resources</p> <p>A Clearing Member shall immediately notify CDP if:-</p> <p>(1) in the case where the Clearing Member is incorporated in Singapore, its financial resources; or</p> <p>(2) in the case where the Clearing Member is incorporated outside Singapore, its adjusted net head office funds,</p> <p>fall below 120% of its total risk requirement.</p>	<p>To delete.</p>
	<p><u>5.1E EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</u></p> <p><u>5.1E.1 Each Clearing Member incorporated outside Singapore shall immediately notify CDP:-</u></p> <p><u>(1) if its adjusted net head office funds or cash and/or acceptable</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>government securities deposited with CDP pursuant to Rule 5.1D.2 (whichever is applicable), fall below 120% of its total risk requirement; or</u></p> <p>(2) <u>in the case of a General Clearing Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.</u></p>
<p>5.2.8 If CDP is notified by a Clearing Member under Rule 5.2.7 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.2.7) that the Clearing Member’s financial resources or adjusted net head office funds, as the case may be, have fallen or will fall below 120% of its total risk requirement, or such higher percentage as CDP may have imposed under Rule 5.4, CDP shall be entitled to require the Clearing Member to comply with any or all of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements).</p>	<p>5.2.8 <u>5.1E.2</u> If CDP is notified by a Clearing Member under Rule 5.2.7 <u>5.1E.1(1)</u> or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.2.7 <u>5.1E.1(1)</u>) that such the Clearing Member’s financial resources or adjusted net head office funds as the case may be, or cash and/or acceptable government securities deposited with CDP pursuant to Rule 5.1D.2(1) (whichever is applicable), have fallen or will fall below 120% of its total risk requirement, or such higher percentage as CDP may have imposed under Rule 5.4, CDP shall be entitled to require the Clearing Member may direct:</p> <p>(1) <u>where such Clearing Member is a General Clearing Member, to comply with any or all one (1) or more of the directions prescribed under Regulation 7(3) of the SFR (Financial and Margin Requirements);</u></p> <p>(2) <u>where such Clearing Member is a Bank Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements). For the avoidance of doubt, reference in Regulation 7(3) of the SFR (Financial and Margin Requirements) to:-</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>(a) <u>“customer’s positions, margins, collateral, assets and accounts” shall be read to mean customer’s positions, margins, collateral, assets and accounts falling within the Bank Clearing Member’s business governed by this Clearing Rules; and</u></p> <p>(b) <u>“business” shall be read to mean the Bank Clearing Member’s business governed by this Clearing Rules.</u></p>
	<p><u>5.1E.3 If CDP is notified by a General Clearing Member under Rule 5.1E.1(2) or becomes aware (whether or not there has been any notification by such General Clearing Member under Rule 5.1E.1(2)) that such General Clearing Member’s aggregate indebtedness has exceeded 600% of its aggregate resources, CDP may direct such General Clearing Member to comply with one (1) or more of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements).</u></p>
<p>5.2.9 Notification Requirement on Financial Resources</p> <p>A Clearing Member shall immediately notify CDP if:-</p> <p>(1) in the case where the Clearing Member is incorporated in Singapore, its financial resources; or</p> <p>(2) in the case where the Clearing Member is incorporated outside Singapore, its adjusted net head office funds,</p> <p>fall below 150% of its total risk requirement.</p>	<p><u>To delete.</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>5.1F NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</u></p>
	<p><u>5.1F.1 Each Clearing Member incorporated outside Singapore shall immediately notify CDP if its adjusted net head office funds or cash and/or acceptable government securities deposited with CDP pursuant to Rule 5.1D.2 (whichever is applicable), fall below 150% of its total risk requirement.</u></p>
	<p><u>5.1F.2 CDP may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Clearing Members.</u></p>
<p>5.2.10 If CDP is notified by a Clearing Member under Rule 5.2.9 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.2.9) that the Clearing Member's financial resources or adjusted net head office funds, as the case may be, have fallen or will fall below 150% of its total risk requirement, or such higher percentage as CDP may have imposed under Rule 5.4, CDP shall be entitled to require the Clearing Member to:-</p> <p>(1) submit the statements of assets and liabilities, financial resources, total risk requirement, aggregate indebtedness, and such other statements as required by CDP at such interval and for such time frame as determined by CDP; and</p>	<p>5.2.10 <u>5.1F.3</u> If CDP is notified by a Clearing Member under Rule 5.2.9 <u>5.1F.1</u> or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.2.9 <u>5.1F.1</u>) that such the Clearing Member's financial resources or adjusted net head office funds, as the case may be, <u>or cash and/or acceptable government securities deposited with CDP pursuant to Rule 5.1D.2(1) (whichever is applicable)</u>, have fallen below 150% of its total risk requirement, or such higher percentage as CDP may have imposed under Rule 5.4, CDP shall be entitled to may direct such Clearing Member to <u>do one (1) or more of the following actions:-</u></p> <p>(1) submit <u>(where applicable)</u>, the statements of assets and liabilities, financial resources, <u>adjusted net head office funds, cash and/or acceptable government securities deposited with CDP,</u> aggregate indebtedness, total risk requirement, and such other statements as required by CDP at such interval and for</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(2) operate its business in such manner and on such conditions as CDP may impose.</p>	<p>such time frame as may be determined by CDP; and</p> <p>(2) operate its business, <u>or in the case of a Bank Clearing Member, its business governed by this Clearing Rules</u>, in such manner and on such conditions as CDP may impose.</p>
<p>5.2.11 Qualifying Letter of Credit</p>	<p>5.2.11 5.1G QUALIFYING LETTER OF CREDIT</p>
<p>(1) For the purpose of Rule 5.2, a Clearing Member may include 1 or more qualifying letter(s) of credit in its calculation of financial resources, or adjusted net head office funds, as the case may be, subject to the total amount payable under the qualifying letter(s) of credit or 50% of the Clearing Member's total risk requirement, whichever is lower.</p> <p>(2) For the purpose of Rule 5.2.11(1), a qualifying letter of credit is a legally enforceable and irrevocable letter of credit that is made:-</p> <p>(a) in favour of CDP;</p> <p>(b) issued by a bank approved by, and in a form acceptable to CDP; and</p> <p>(c) does not include any letters of credit provided by the Clearing Member to satisfy Rule 7 or any other requirement imposed by CDP.</p> <p>(3) CDP shall reserve the right to call on any of the letter(s) of credit made</p>	<p>(1) 5.1G.1 For the purpose of Rule 5.2 <u>Rules 5.1D, 5.1E and 5.1F</u>, a Clearing Member may include <u>one (1)</u> or more qualifying letter(s) of credit <u>deposited with CDP</u> in its calculation of financial resources, or adjusted net head office funds , as the case may be, subject to the total amount payable under the qualifying letter(s) of credit or 50% of the Clearing Member's its total risk requirement, whichever is lower. <u>In the case of a Clearing Member admitted as a clearing member of CDP and SGX-DC, and which has deposited such qualifying letter(s) of credit with SGX-DC, pursuant to the corresponding provision in the SGX-DC Clearing Rules, it need not deposit another qualifying letter(s) of credit with CDP.</u></p> <p>(2) 5.1G.2 For the purpose of Rule 5.2.11(1) <u>5.1G.1</u>, a qualifying letter of credit is a legally enforceable and irrevocable letter of credit that is made:-</p> <p>(a) <u>(1)</u> <u>is made</u> in favour of CDP;</p> <p>(b) <u>(2)</u> <u>is</u> issued by a bank approved by, and in a form acceptable to CDP; and</p> <p>(c) <u>(3)</u> does not include any letters of credit provided by the Clearing Member to satisfy any other requirement imposed by CDP.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>in favour of CDP pursuant to Rule 5.2.11 and apply the proceeds thereof in respect of the Clearing Member's default to CDP.</p>	<p>(3)5.1G.3 CDP shall reserves the right to call on any of the <u>qualifying letter (s) of credit made in favour of CDP pursuant to Rule 5.2.11 furnished pursuant to this Clearing Rules</u> and apply the proceeds thereof in respect of the Clearing Member's default to CDP. <u>In the case of a Clearing Member admitted as a clearing member of CDP and SGX-DC, CDP shall have the discretion to apportion in any manner, the use of the proceeds between CDP and SGX-DC. In deciding on the apportionment, CDP may, in consultation with SGX-DC, take into account factors, including but not limited to, the amount owed by the Clearing Member to CDP and SGX-DC respectively.</u></p>
	<p><u>5.1H SECONDARY REQUIREMENT UNDER OPERATIONAL RISK REQUIREMENT</u></p>
	<p><u>5.1H.1 For the purposes of calculating the operational risk requirement as prescribed in Third Schedule of the SFR (Financial and Margin Requirements), a Clearing Member shall include a secondary requirement computed in the following manner:-</u></p> <ul style="list-style-type: none"> <u>(1) S\$250,000 x number of Trading Members qualified by the Clearing Member, if the Clearing Member clears its own trades executed on the Exchange; or</u> <u>(2) S\$250,000 x (number of Trading Members qualified by the Clearing Member minus 1), if the Clearing Member does not clear its own trades executed on the Exchange.</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>5.1I TOTAL RISK REQUIREMENT</p> <p>5.1I.1 5.2.3 (1) Total risk requirement shall be calculated in the same manner as prescribed in the Third Schedule of the SFR (Financial and Margin Requirements).</p> <p>(2) For the purposes of calculating total risk requirement under rule 5.2.3 (1):</p> <p>(1)(a) structured warrants must be treated according to their classification under the SFA;</p>
<p>5.3 AGGREGATE INDEBTEDNESS REQUIREMENT</p>	<p><u>To delete</u></p>
<p>5.3.1 A Clearing Member shall not cause or permit its aggregate indebtedness to exceed 1,200% of its aggregate resources.</p>	<p><u>To delete.</u></p>
<p>5.3.2 If a Clearing Member fails to comply or becomes aware that it will fail to comply with the aggregate indebtedness requirement prescribed under Rule 5.3, or such lower percentage of aggregate indebtedness over aggregate resources as CDP may have imposed under Rule 5.4, it shall immediately notify CDP.</p>	<p><u>To delete.</u></p>
<p>5.3.3 Regardless of whether or not there has been any notification by a Clearing Member under Rule 5.3.2, if the aggregate indebtedness of the Clearing Member exceeds 1,200% of its aggregate resources prescribed under Rule 5.3, or such lower percentage of aggregate indebtedness over aggregate resources as CDP may have imposed under Rule 5.4, it shall be deemed a breach of a provision of the Clearing Rules by the Clearing Member.</p>	<p><u>To delete.</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.3.4 Early Warning for Aggregate Indebtedness Requirement</p> <p>A Clearing Member shall immediately notify CDP if its aggregate indebtedness exceeds 600% of its aggregate resources.</p>	<p>To delete.</p>
<p>5.3.5 If CDP is notified by a Clearing Member under Rule 5.3.4 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 5.3.4) that the Clearing Member's aggregate indebtedness has exceeded or will exceed 600% of its aggregate resources, or such lower percentage as CDP may have imposed under Rule 5.4, CDP shall be entitled to require the Clearing Member to comply with any or all of the directions prescribed under Regulation 17(2) of the SFR (Financial and Margin Requirements).</p>	<p>To delete.</p>
<p>5.5 RESERVE FUND REQUIREMENT</p>	<p>5.5 RESERVE FUND REQUIREMENT</p>
<p>5.5.1 A Clearing Member shall maintain a reserve fund to which a sum of not less than 30% of the audited net profits of each year shall be transferred out of the net profits after due provision has been made for taxation, so long as:-</p> <p>(1) where it is incorporated in Singapore, the base capital less inappropriate profits in the latest audited accounts of the Clearing Member; or</p> <p>(2) where it is incorporated outside Singapore, the net head office funds of the Clearing Member,</p> <p>is less than \$15 million.</p>	<p>5.5.1 A General Clearing Member shall maintain a reserve fund to which a sum of not less than 30% of the audited net profits of each year shall be transferred out of the its net profits after due provision has been made for taxation, so long as:-</p> <p>(1) where it is incorporated in Singapore, the base capital less inappropriate unappropriated profits in the its latest audited accounts of the Clearing Member; or</p> <p>(2) where it is incorporated outside Singapore, the its net head office funds of the Clearing Member,</p> <p>is less than S\$15,000,000 million.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.6 EXPOSURE TO SINGLE CUSTOMER</p>	<p>5.6 EXPOSURE TO SINGLE CUSTOMER</p>
<p>5.6.1 A Clearing Member shall immediately notify CDP if the Clearing Member's exposure to a single customer exceeds 20% of its average aggregate resources. To reduce the Clearing Member's risk exposure to a single customer, CDP shall have the right to impose on the Clearing Member such risk management measures as it deems necessary.</p>	<p>5.6.1 A <u>General</u> Clearing Member shall immediately notify CDP if the <u>General</u> Clearing Member's exposure to a single customer exceeds 20% of its average aggregate resources. To reduce the <u>General</u> Clearing Member's risk exposure to a single customer, CDP shall have the right to impose on the <u>General</u> Clearing Member such risk management measures as it deems necessary.</p>
<p>5.6.2 For the purpose of Rule 5.6.1, the full amount of the letter(s) of credit or any part thereof deposited pursuant to Rule 5.2.11 may be taken into account for the calculation of aggregate resources.</p>	<p>5.6.2 For the purpose of Rule 5.6.1, the full amount of the letter(s) of credit or any part thereof deposited pursuant to Rules 5.2.11 <u>5.1C</u> or <u>5.1G</u> may be taken into account for the calculation of aggregate resources.</p>
<p>5.6.3 In Rule 5.6.1, "exposure to a single customer" means:-</p> <p>(1) in the case of securities carried in a customer's account (other than a margin account):-</p> <p>(a) for purchase contracts that remain unpaid:-</p> <p>(i) where the securities purchased have not been delivered to the customer, the excess of the contracted price of the securities purchased by the single customer over the aggregate market value of the securities purchased and such other securities held by the Clearing Member as collateral less any amount due and payable by the Clearing Member to him; and</p>	<p>5.6.3 In Rule 5.6.1, "exposure to a single customer" means:-</p> <p>(1) in the case of securities carried in a customer's account (other than a margin account):-</p> <p>(a) for purchase contracts that remain unpaid:-</p> <p>(i) where the securities purchased have not been delivered to the customer, the excess of the contracted price of the securities purchased by the single customer over the aggregate market value of the securities purchased and such other securities held by the <u>General</u> Clearing Member as collateral less any amount due and payable by the <u>General</u> Clearing Member to him; and</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(ii) where the securities purchased have been delivered to the customer, the excess of the contracted price of the securities purchased over the aggregate market value of all his securities held by the Clearing Member as collateral less any amount due and payable by the Clearing Member to him;</p> <p>(b) for sale contracts for which delivery has not been made, the excess of the amount of the market value of the securities sold by the single customer over the aggregate of the market value of any of his securities held by the Clearing Member as collateral and the contracted sale price less any amount due and payable by the Clearing Member to him;</p> <p>(c) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a contra transaction on or before the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the contra loss, if any, on the date on which the contra transaction takes effect; and</p> <p>(d) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a force-sale or buying-in transaction after the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the loss, if any, arising from the force-sale or buying-in transaction, on the date on which the transaction takes effect;</p> <p>(1A) for the purposes of Rule 5.6.3(1) “securities” includes structured warrants listed on foreign exchanges;</p>	<p>(ii) where the securities purchased have been delivered to the customer, the excess of the contracted price of the securities purchased over the aggregate market value of all his securities held by the <u>General</u> Clearing Member as collateral less any amount due and payable by the <u>General</u> Clearing Member to him;</p> <p>(b) for sale contracts for which delivery has not been made, the excess of the amount of the market value of the securities sold by the single customer over the aggregate of the market value of any of his securities held by the <u>General</u> Clearing Member as collateral and the contracted sale price less any amount due and payable by the <u>General</u> Clearing Member to him;</p> <p>(c) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a contra transaction on or before the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the contra loss, if any, on the date on which the contra transaction takes effect; and</p> <p>(d) where the contracts referred to in Rule 5.6.3(1)(a) or (b) have been offset by a force-sale or buying-in transaction after the due date, the exposure shall not include those amounts specified in Rule 5.6.3(1)(a) or (b) in respect of such contracts but shall instead include the amount of the loss, if any, arising from the force-sale or buying-in transaction, on the date on which the transaction takes effect;</p> <p>(1A) for the purposes of Rule 5.6.3(1) “securities” includes structured</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(2) the amount of margin deficiency in the single customer’s margin account as determined in accordance with the margin requirements specified by SGX-ST;</p> <p>(3) the amount of margin deficiency in the single customer’s futures account as determined in accordance with the margin requirements specified by SGX-DC;</p> <p>(4) the excess of the amount owed by the single customer in his options trading account over the market value of options held;</p> <p>(5) the amount of any unsecured interest owed by the single customer;</p> <p>(6) the amount of any unsecured loan, advance and credit facility granted to the single customer;</p> <p>(7) where the Clearing Member has lent securities to the single customer or is acting as guarantor for the return of securities lent to the single customer, the excess of the amount of the market value of the securities lent to the single customer over the amount of the market value of collateral and cash deposited by the single customer; and</p> <p>(8) where the Clearing Member has deposited collateral with the single customer in respect of securities lent by the single customer or is acting as guarantor for the return of collateral deposited with the single customer in respect of any securities lent by him, the excess of the amount of the market value of collateral and cash deposited with the single customer over the amount of the market value of securities lent by him.</p>	<p>warrants listed on foreign exchanges;</p> <p>(2) the amount of margin deficiency in the single customer’s margin account as determined in accordance with the margin requirements specified by SGX-ST;</p> <p>(3) the amount of margin deficiency in the single customer’s futures account as determined in accordance with the margin requirements specified by SGX-DC;</p> <p>(4) the excess of the amount owed by the single customer in his options trading account over the market value of options held;</p> <p>(5) the amount of any unsecured interest owed by the single customer;</p> <p>(6) the amount of any unsecured loan, advance and credit facility granted to the single customer;</p> <p>(7) where the General Clearing Member has lent securities to the single customer or is acting as guarantor for the return of securities lent to the single customer, the excess of the amount of the market value of the securities lent to the single customer over the amount of the market value of collateral and cash deposited by the single customer; and</p> <p>(8) where the General Clearing Member has deposited collateral with the single customer in respect of securities lent by the single customer or is acting as guarantor for the return of collateral deposited with the single customer in respect of any securities lent by him, the excess of the amount of the market value of collateral and cash deposited with the single customer over the amount of the market value of securities lent by him.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.6.4 For the purposes of Rule 5.6.2, a security is deemed to be carried in a customer’s account (other than a margin account) on the contract date specified in the contract note in respect of the transaction in that security or on the exercise date specified in the exercise notice in respect of an option in that security which has been exercised.</p>	<p>5.6.4 For the purpose of Rule 5.6.23, a security is deemed to be carried in a customer’s account (other than a margin account) on the contract date specified in the contract note in respect of the transaction in that security or on the exercise date specified in the exercise notice in respect of an option in that security which has been exercised.</p>
<p>5.6.5 In Rule 5.6, “single customer” means, in relation to a customer who is:-</p> <ol style="list-style-type: none"> (1) a person, that person and such group of persons whom the first-mentioned person is able to control or influence; (2) a corporation, that corporation and any other corporation or group of corporations which is or are deemed to be related to the first-mentioned corporation pursuant to section 4(1) of the Companies Act; or (3) a person, that person <ol style="list-style-type: none"> (a) and any corporation whose issued share capital is 50% or more owned by those persons mentioned in Rule 5.6.5(1) or those corporations mentioned in Rule 5.6.5(2); or (b) and any corporation whose composition of board of directors is controlled by those persons mentioned in Rule 5.6.5(1); and for this purpose the composition of the board of directors shall be deemed to be controlled by those persons, if they, by the exercise of some power exercisable by them without the consent or concurrence or any other person, can appoint or remove all or a majority of the directors of that corporation, 	<p>5.6.5 In Rule 5.6, “single customer” means, in relation to a customer who is:-</p> <ol style="list-style-type: none"> (1) a person, that person and such group of persons whom the first-mentioned person is able to control or influence; (2) a corporation, that corporation and any other corporation or group of corporations which is or are deemed to be related to the first-mentioned corporation pursuant to section 4(1) of the Companies Act; or (3) a person, that person <ol style="list-style-type: none"> (a) and any corporation whose issued share capital is 50% or more owned by those persons mentioned in Rule 5.6.5(1) or those corporations mentioned in Rule 5.6.5(2); or (b) and any corporation whose composition of board of directors is controlled by those persons mentioned in Rule 5.6.5(1); and for this purpose the composition of the board of directors shall be deemed to be controlled by those persons, if they, by the exercise of some power exercisable by them without the consent or concurrence or any other person, can appoint or remove all or a majority of the directors of that corporation,

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>but shall not include the Clearing Member itself.</p> <p>Provided always that a single customer of a Clearing Member shall not include the end customers of any Trading Member who is qualified by the Clearing Member.</p>	<p>but shall not include the General Clearing Member itself.</p> <p>Provided always that a single customer of a General Clearing Member shall not include the end customers of any Trading Member who is qualified by the General Clearing Member.</p>
<p>5.7 EXPOSURE TO SINGLE SECURITY</p>	<p>5.7 EXPOSURE TO SINGLE SECURITY</p>
<p>5.7.1 A Clearing Member shall immediately notify CDP if the Clearing Member's exposure to a single security (including in respect of any Exchange Trade of any Trading Member qualified by the Clearing Member) exceeds:-</p> <ol style="list-style-type: none"> (1) in the case where the security is quoted on SGX-ST or any recognised group A securities exchange, 300% of its average aggregate resources; (2) in all where the security is quoted other than as specified in Rule 5.7.1(1), 100% of its average aggregate resources; (3) in the case where the security is approved for quotation on SGX-ST or any recognised group A securities exchange but has not, as yet, been so quoted:- <ol style="list-style-type: none"> (a) 100% of the average aggregate resources of the Clearing Member if its aggregate resources is less than \$75 million; or (b) 150% of the average aggregate resources of the Clearing 	<p>5.7.1 A General Clearing Member shall immediately notify CDP if the General Clearing Member's exposure to a single security (including in respect of any Exchange Trade of any Trading Member qualified by the General Clearing Member) exceeds:-</p> <ol style="list-style-type: none"> (1) in the case where the security is quoted on SGX-ST or any recognised group A securities exchange specified in the SFR (Financial and Margin Requirements), 300% of its average aggregate resources; (2) in all where the security is quoted other than as specified in Rule 5.7.1(1), 100% of its average aggregate resources; (3) in the case where the security is approved for quotation on SGX-ST or any recognised group A securities exchange but has not, as yet, been so quoted:- <ol style="list-style-type: none"> (a) 100% of the average aggregate resources of the General Clearing Member if its aggregate resources is less than \$75 million; or

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>Member if its aggregate resources is \$75 million or more, provided that the exposure under Rule 5.7.1(3) together with the exposure, if any, to securities already quoted, shall not exceed the limit specified in Rule 5.7.1(1); and</p> <p>(4) 10% of its average aggregate resources if the security is unquoted, but shall not include any security issued by:-</p> <p>(a) any subsidiary of the Clearing Member which is established solely for the purpose of providing research, nominee, custodian or trustee services; or</p> <p>(b) any other company which CDP may approve.</p>	<p>(b) 150% of the average aggregate resources of the General Clearing Member if its aggregate resources is \$75 million or more,</p> <p>provided that the exposure under Rule 5.7.1(3) together with the exposure, if any, to securities already quoted, shall not exceed the limit specified in Rule 5.7.1(1); and</p> <p>(4) 10% of its average aggregate resources if the security is unquoted, but shall not include any security issued by:-</p> <p>(a) any subsidiary of the General Clearing Member which is established solely for the purpose of providing research, nominee, custodian or trustee services; or</p> <p>(b) any other company which CDP may approve.</p>
<p>5.7.2 To reduce the Clearing Member’s risk exposure to a single security, CDP shall have the right to impose on the Clearing Member such risk management requirements as it thinks fit.</p>	<p>5.7.2 To reduce the General Clearing Member’s risk exposure to a single security, CDP shall have the right to impose on the General Clearing Member such risk management measures as it thinks fit deems necessary.</p>
<p>5.7.3 For the purpose of Rule 5.7.1, the full amount of the letter(s) of credit or any part thereof deposited pursuant to Rule 5.2.11 may be taken into account for the calculation of aggregate resources.</p>	<p>5.7.3 For the purpose of Rule 5.7.1, the full amount of the letter(s) of credit or any part thereof deposited pursuant to Rules 5.2.11 5.1C or 5.1G may be taken into account for the calculation of aggregate resources.</p>
<p>5.7.4 For the purpose of Rule 5.7.1, “exposure to a single security” means:-</p> <p>(1) the amount of the single security underwritten or sub-underwritten by or placed with the Clearing Member, after deducting the</p>	<p>5.7.4 For the purpose of Rule 5.7.1, “exposure to a single security” means:-</p> <p>(1) the amount of the single security underwritten or sub-underwritten by or placed with the General Clearing Member, after deducting</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>amount which the Clearing Member has sub-underwritten or placed with:-</p> <ul style="list-style-type: none"> (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); (d) a company or society registered under the Insurance Act (Cap. 142) to carry on insurance business as an insurer; (e) the holder of a Capital Markets Services Licence under the SFA to deal in securities, or trade in futures contracts or for fund management; (f) a financial institution outside Singapore which is licensed or regulated by a financial services regulatory authority in the country in which it is domiciled, and has a long-term credit rating of investment grade; and (g) any other person, provided that:- <ul style="list-style-type: none"> (i) full payment has been received by the Clearing Member for the sub-underwritten, placed, sold or allotted amount; or (ii) the sub-underwritten, placed, sold or allotted amount can be offset against collateral received by the Clearing Member under a netting agreement. <p>(2) the book value of the single security carried long or the market</p>	<p>the amount which the General Clearing Member has sub-underwritten or placed with:-</p> <ul style="list-style-type: none"> (a) a bank licensed under the Banking Act (Cap. Chapter 19); (b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. Chapter 186); (c) a finance company licensed under the Finance Companies Act (Cap. Chapter 108); (d) a company or society registered under the Insurance Act (Cap. Chapter 142) to carry on insurance business as an insurer; (e) the holder of a Capital Markets Services Licence under the SFA to deal in securities, or trade in futures contracts or for fund management; (f) a financial institution outside Singapore which is licensed or regulated by a financial services regulatory authority in the country in which it is domiciled, and has a long-term credit rating of investment grade; and (g) any other person, provided that:- <ul style="list-style-type: none"> (i) full payment has been received by the General Clearing Member for the sub-underwritten, placed, sold or allotted amount; or (ii) the sub-underwritten, placed, sold or allotted amount can be offset against collateral received by the General Clearing Member under a netting agreement.

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>value of the single security carried short in the Clearing Member's own account;</p> <p>(3) for outstanding options in the single security carried in the Clearing Member's own options trading account:-</p> <p>(a) the book value of options bought for the account;</p> <p>(b) the excess of the market value of the underlying security over the exercise price of uncovered call options written for the account; and</p> <p>(c) the excess of the exercise price of put options written for the account over the market value of the underlying security;</p> <p>(4) in relation to the single security carried in a customer's cash accounts, the contract value of the single security to the extent that such amounts have not been paid for, or the market value of the single security to the extent that such securities have not been delivered, whichever is the higher;</p> <p>(5) for outstanding options in the single security carried in the customer's options trading accounts:-</p> <p>(a) the contract value of the options bought by the customer to the extent that such amounts have not been paid for;</p> <p>(b) the excess of the market value of the underlying security over the exercise price of uncovered call options written by the customer; and</p> <p>(c) the excess of the exercise price of put options written by the customer over the market value of the underlying security;</p>	<p>(2) the book value of the single security carried long or the market value of the single security carried short in the General Clearing Member's own account;</p> <p>(3) for outstanding options in the single security carried in the General Clearing Member's own options trading account:-</p> <p>(a) the book value of options bought for the account;</p> <p>(b) the excess of the market value of the underlying security over the exercise price of uncovered call options written for the account; and</p> <p>(c) the excess of the exercise price of put options written for the account over the market value of the underlying security;</p> <p>(4) in relation to the single security carried in a customer's cash accounts, the contract value of the single security to the extent that such amounts have not been paid for, or the market value of the single security to the extent that such securities have not been delivered, whichever is the higher;</p> <p>(5) for outstanding options in the single security carried in the customer's options trading accounts:-</p> <p>(a) the contract value of the options bought by the customer to the extent that such amounts have not been paid for;</p> <p>(b) the excess of the market value of the underlying security over the exercise price of uncovered call options written by the customer; and</p> <p>(c) the excess of the exercise price of put options written by the</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(6) the net amount of the single security borrowed or lent, as the case may be, by the Clearing Member;</p> <p>(7) in relation to a single security bought or carried, or deposited as collateral in the margin accounts, the margin exposure of the Clearing Member to the single security as determined in accordance with the margin requirements prescribed by SGX-ST;</p> <p>(8) the amount of interest receivable secured by the single security;</p> <p>(9) the amount of loans and advances secured by the single security; and</p> <p>(10) the amount under subscription by the Clearing Member for its own account in relation to a single security which is approved for quotation on SGX-ST or any recognised group A securities exchange but has not, as yet, been so quoted.</p>	<p>customer over the market value of the underlying security;</p> <p>(6) the net amount of the single security borrowed or lent, as the case may be, by the General Clearing Member;</p> <p>(7) in relation to a single security bought or carried, or deposited as collateral in the margin accounts, the margin exposure of the General Clearing Member to the single security as determined in accordance with the margin requirements prescribed by SGX-ST;</p> <p>(8) the amount of interest receivable secured by the single security;</p> <p>(9) the amount of loans and advances secured by the single security; and</p> <p>(10) the amount under subscription by the General Clearing Member for its own account in relation to a single security which is approved for quotation on SGX-ST or any recognised group A securities exchange but has not, as yet, been so quoted.</p>
<p>5.7.5 For the purposes of Rule 5.7.4, a security is deemed to be carried in a customer's cash account or a Clearing Member's own account on the contract date specified in the contract note in respect of the transaction in that security or on the exercise date specified in the exercise notice in respect of an option in that security which has been exercised.</p>	<p>5.7.5 For the purpose of Rule 5.7.4, a security is deemed to be carried in a customer's cash account or a General Clearing Member's own account on the contract date specified in the contract note in respect of the transaction in that security or on the exercise date specified in the exercise notice in respect of an option in that security which has been exercised.</p>
<p>5.7.7 Rule 5.7 shall not apply to:-</p> <p>(1) securities issued by the Singapore Government or any public authority in Singapore and</p> <p>(2) the Clearing Member's arbitrage transactions.</p>	<p>5.7.7 Rule 5.7 shall not apply to:-</p> <p>(1) securities issued by the Singapore Government or any public authority in Singapore and</p> <p>(2) the General Clearing Member's arbitrage transactions.</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.7.8 For the purposes of Rule 5.7, where a security quoted on SGX-ST or any recognised group A securities exchange has been suspended for more than 30 consecutive days, a Clearing Member shall not permit its exposure to the security to increase in monetary value above the level subsisting on the 30th consecutive day of suspension until such time that the suspension has been lifted.</p>	<p>5.7.8 For the purpose of Rule 5.7, where a security quoted on SGX-ST or any recognised group A securities exchange has been suspended for more than <u>thirty (30)</u> consecutive days, a <u>General</u> Clearing Member shall not permit its exposure to the security to increase in monetary value above the level subsisting on the 30th consecutive day of suspension until such time that the suspension has been lifted.</p>
<p>5.8 MONTHLY RETURNS</p>	<p>5.8 MONTHLY RETURNS</p>
<p>5.8.1 The Clearing Member shall submit to CDP by the 14th calendar day of each month statements of assets and liabilities, base capital, financial resources, total risk requirement, aggregate indebtedness, and such other statements as CDP may from time to time require in the format specified by CDP.</p>	<p>5.8.1 The Each Clearing Member shall submit to CDP by the 14th calendar day of each month statements of assets and liabilities, base capital, financial resources, total risk requirement, aggregate indebtedness, and such other statements as CDP may from time to time require in the format specified by CDP <u>must make and keep as a record formal computations of its capital and financial requirements pursuant to:-</u></p> <p>(1) <u>in the case of a General Clearing Member, Rules 5.1, 5.1A, 5.1B, 5.1C, 5.1D, 5.1E, 5.1F, 5.1G, 5.1H, 5.4, 5.5, 5.6 and 5.7;</u> <u>or</u></p> <p>(2) <u>in the case of a Bank Clearing Member, Rules 5.1, 5.1A, 5.1B, 5.1C, 5.1D, 5.1E, 5.1F, 5.1G, 5.1H and 5.4.</u></p> <p><u>The computations must be in such form as CDP may prescribe and submitted to CDP within fourteen (14) calendar days after the end of each month.</u></p>
<p>5.9 ANNUAL FINANCIAL AUDIT</p>	<p>5.9 <u>APPOINTMENT OF AUDITORS AND ANNUAL FINANCIAL AUDIT REQUIREMENTS</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>5.9.1 The appointment of the Clearing Member’s auditors shall be subject to the prior approval of CDP.</p>	<p>5.9.1 The appointment of the Clearing Member’s auditors shall be subject to the prior approval of CDP. <u>A Clearing Member, except for a Bank Clearing Member, shall seek the approval of CDP prior to any appointment of new auditors.</u></p>
	<p>5.9.1A <u>A Bank Clearing Member shall inform CDP of the appointment of any new auditors within seven (7) days of such appointment.</u></p>
<p>5.9.2 The Clearing Member shall, within 5 months after the close of the financial year, furnish to CDP the relevant forms which a Clearing Member is required to lodge in the prescribed format under Regulation 27(9)¹ of the SFR (Financial and Margin Requirements), audited accounts of the Clearing Member and its subsidiaries and a Certificate, signed by the auditor appointed by the Clearing Member to carry out an annual financial audit, stating, at a minimum:-</p> <p style="text-align: right;"><i>(CDPCR004/2005)</i></p>	<p>5.9.2 <u>Statutory Audit Report For General Clearing Members</u> The Clearing Member shall, within 5 months after the close of the financial year, furnish to CDP the relevant forms which a Clearing Member is required to lodge in the prescribed format under Regulation 27(9)² of the SFR (Financial and Margin Requirements), audited accounts of the Clearing Member and its subsidiaries and a Certificate, signed by the auditor appointed by the Clearing Member to carry out an annual financial audit, stating, at a minimum:- <u>Without prejudice to such audit and/or reporting requirements as may be imposed by CDP from time to time, a General Clearing Member shall furnish to CDP, within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by CDP, the relevant forms which a General Clearing Member is required to lodge in the prescribed format under Regulation 27(9)³ of the SFR (Financial and Margin Requirements), the annual accounts duly audited by, and the certificate of, its auditor or auditors who shall be a public accountant or a firm of public accountants approved by CDP. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</u></p>

¹ Revised, effective 12 October 2005. Circular CDPMC/26/2005 (12 October 2005).

² Revised, effective 12 October 2005. Circular CDPMC/26/2005 (12 October 2005).

³ Revised, effective 12 October 2005. Circular CDPMC/26/2005 (12 October 2005).

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(1) whether, in the opinion of the auditor, the Clearing Member has complied with the financial requirements as set out in the Clearing Rules and SFR (Financial and Margin Requirements), and</p> <p>(2) whether, in the opinion of the auditor, the Clearing 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 the provisions of the Clearing Rules and the SFA, and</p> <p>(3) whether, in the opinion of the auditor, the financial position of the Clearing Member is such as to enable it to conduct its business on sound lines, 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</p> <p>(4) whether he has obtained all the necessary information and explanations for the proper conduct of the audit and to enable him to furnish his Certificate.</p>	<p style="text-align: right;"><i>(CDPCR004/2005)</i></p> <p>(1) whether, in the opinion of the auditor <u>or auditors</u>, the <u>General</u> Clearing Member has complied with the <u>capital and</u> financial requirements as set out in the this Clearing Rules and <u>the</u> SFR (Financial and Margin Requirements); and</p> <p>(2) whether, in the opinion of the auditor <u>or auditors</u>, the <u>General</u> Clearing 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 the provisions of the this Clearing Rules and the SFA;</p> <p>(3) whether, in the opinion of the auditor <u>or auditors</u>, the financial position of the <u>General</u> Clearing Member is such as to enable it to conduct its business on sound lines <u>grounds</u>, 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</p> <p>(4) whether he the auditor or auditors has <u>or have</u> obtained all the necessary information and explanations for the proper conduct of the audit and to enable him <u>or them</u> to furnish his <u>or their</u> Certificate.</p>
<p>5.9.3 Where, in the performance of his duties, the Clearing Member's auditor becomes aware:-</p> <p>(1) of any matter which in his opinion adversely affects or may</p>	<p>5.9.3 Where, in the performance of his <u>or their</u> duties, the <u>General</u> Clearing Member's auditor <u>or auditors</u> becomes <u>or become</u> aware:-</p> <p>(1) of any matter which in his <u>or their</u> opinion adversely affects or may adversely affect the financial position of the <u>General</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>adversely affect the financial position of the Clearing Member to a material extent,</p> <p>(2) of any matter which in his opinion constitutes or may constitute a contravention of any provision of the SFA or an offence involving fraud or dishonesty,</p> <p>(3) of any irregularity that has or may have a material effect upon the accounts, including irregularities that jeopardise the moneys or other assets of any customer of the Clearing Member, or</p> <p>(4) that the accounting system, internal accounting control and procedures for safeguarding moneys or other assets are inadequate and the inadequacies have a material effect on the accounts,</p> <p>the auditor shall immediately report the matter to CDP.</p>	<p>Clearing Member to a material extent,</p> <p>(2) of any matter which in his <u>or their</u> opinion constitutes or may constitute a contravention of any provision of the SFA <u>or this Clearing Rules</u>, or an offence involving fraud or dishonesty,</p> <p>(3) of any irregularity that has or may have a material effect upon the accounts, including irregularities that jeopardise the moneys or other assets of any <u>eCustomer</u> of the <u>General Clearing Member</u>; or</p> <p>(4) that the accounting system, internal accounting control and procedures for safeguarding moneys or other assets are inadequate and the inadequacies have a material effect on the accounts,</p> <p>the auditor <u>or auditors</u> shall immediately report the matter to CDP.</p>
	<p><u>5.9.5 Audit Report For Bank Clearing Members</u> <u>Without prejudice to such audit and/or reporting requirements as may be imposed by CDP from time to time, a Bank Clearing Member shall furnish to CDP within five (5) months of the end of its financial year or within such longer period as may be permitted in writing by CDP, the relevant forms which a Bank Clearing Member is required to lodge in the prescribed format under Rule 5.8.1, the annual accounts duly audited by, and the certificate of its auditor or auditors. The certificate shall pertain to the audit conducted by such auditor or auditors in respect of the financial year aforesaid and shall state, at a minimum:-</u></p>
	<p>(1) <u>whether, in the opinion of the auditor or auditors, the Bank</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>Clearing Member has complied with the capital and financial requirements set out in this Clearing Rules;</u></p> <p>(2) <u>whether, in the opinion of the auditor or auditors, the Bank Clearing 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 the provisions of this Clearing Rules;</u></p> <p>(3) <u>whether, in the opinion of the auditor or auditors, the financial position of the Bank Clearing Member is such as to enable it to conduct its business governed by this Clearing 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</u></p> <p>(4) <u>whether the auditor or auditors has or have obtained all the necessary information and explanations for the proper conduct of the audit and to enable him or them to furnish his or their certificate.</u></p> <p><u>5.9.6 Where, in the performance of his or their duties, the Bank Clearing Member's auditor or auditors becomes or become aware:-</u></p> <p>(1) <u>of any matter in relation to the Bank Clearing Member's business governed by this Clearing Rules, which in his or their opinion adversely affects or may adversely affect the financial position of the Bank Clearing Member to a material extent,</u></p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p>(2) <u>of any matter which in his or their opinion constitutes or may constitute a contravention of any applicable provision of the SFA or this Clearing Rules or an offence involving fraud or dishonesty in relation to the Bank Clearing Member's business governed by this Clearing Rules,</u></p> <p>(3) <u>of any irregularity in the Bank Clearing Member's business governed by this Clearing Rules, that has or may have a material effect upon the accounts, including irregularities that jeopardise the moneys or other assets of any customer of the Bank Clearing Member, or</u></p> <p>(4) <u>that the accounting system, internal accounting control and procedures for safeguarding moneys or other assets, in relation to the Bank Clearing Member's business governed by this Clearing Rules, are inadequate and the inadequacies have a material effect on the accounts,</u></p> <p><u>the auditor or auditors shall immediately report the matter to CDP.</u></p>
5.10 PROVISION IN ANNUAL ACCOUNTS	<u>To delete.</u>
5.10.1 A Clearing Member which is incorporated in Singapore shall make such provisions in their annual accounts as CDP may from time to time require.	<u>To delete.</u>
5.11 OTHER FINANCIAL REQUIREMENTS	5.11 OTHER FINANCIAL REQUIREMENTS
5.11.1 <u>Reduction in Paid-Up Ordinary Share Capital or Share Premium Account</u>	5.11.1 <u>Reduction in Paid-Up Ordinary Share Capital or Share Premium Account</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>A Clearing Member which is incorporated in Singapore shall not reduce its paid-up ordinary share capital or share premium account without the prior written approval of CDP.</p>	<p>Each <u>General</u> Clearing Member incorporated in Singapore shall not reduce its paid-up ordinary share capital or share premium account without the prior written approval of CDP.</p>
<p>5.11.2 Preference Shares</p> <p>(1) A Clearing Member which is incorporated in Singapore shall immediately notify CDP prior to the issue of any preference share.</p> <p>(2) A Clearing Member which is incorporated in Singapore shall not redeem any redeemable preference share:-</p> <p>(a) unless the Clearing Member notifies CDP at least 1 year before the proposed date of redemption;</p> <p>(b) if at the date of redemption:-</p> <p>(i) its financial resources (including qualifying letters of credit referred to in Rule 5.1F is less than 150% of its total risk requirement; or;</p> <p>(ii) its aggregate indebtedness exceeds 600% of its aggregate resources;</p> <p>(c) if such redemption will cause an event in Rule 5.11.2(2)(b) to</p>	<p>5.11.2 Preference Shares</p> <p>(1) <u>A Each General</u> Clearing Member incorporated in Singapore shall immediately notify CDP prior to the date of issue of any preference share.</p> <p>(2) A <u>General</u> Clearing Member incorporated in Singapore shall not redeem any redeemable preference share <u>that is computed as part of its financial resources:-</u></p> <p>(a) unless the <u>General</u> Clearing Member notifies CDP <u>at least 1 year within such time</u> before the proposed date of redemption <u>as prescribed by the SFR (Financial and Margin Requirements)</u>;</p> <p>(b) if at the date of redemption:-</p> <p>(i) its financial resources (including qualifying letters of credit referred to in Rule 5.1F-C) <u>is are</u> less than 150% of its total risk requirement; or</p> <p>(ii) its aggregate indebtedness exceeds 600% of its aggregate resources;</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>occur; or</p> <p>(d) if CDP has prohibited in writing such a redemption.</p>	<p>(c) if such redemption will cause an event in Rule 5.11.2(2)(b) to occur; or</p> <p>(d) if CDP has prohibited in writing such a redemption.</p>
<p>5.11.3 Qualifying Subordinated Loan</p> <p>(1) A Clearing Member shall obtain the prior approval of CDP if it enters a subordinated loan agreement in a format other than the format prescribed by CDP from time to time.</p> <p>(2) Where a Clearing Member draws down a qualifying subordinated loan, the Clearing Member shall notify CDP no later than the date of draw down of the qualifying subordinated loan.</p> <p>(3) A Clearing Member shall not repay, whether in part or in full, any subordinated loan principal before the maturity date without the prior approval of CDP.</p> <p>(4) A Clearing Member shall not repay, whether in part or in full, any subordinated loan principal that has matured:-</p> <p>(a) unless the Clearing Member notifies CDP at least 1 Market Day before the date of repayment;</p> <p>(b) if its financial resources (including qualifying letters of credit</p>	<p>5.11.3 Qualifying Subordinated Loan</p> <p>(1) A Clearing Member shall obtain the prior approval of CDP if it enters a subordinated loan agreement in a format other than the format prescribed by CDP from time to time.</p> <p>(2) Where a <u>Each</u> Clearing Member <u>incorporated in Singapore, shall immediately notify CDP when it</u> draws down a qualifying subordinated loan, the Clearing Member shall notify CDP no later than the date of draw down of the qualifying subordinated loan.</p> <p>(3) A Clearing Member <u>incorporated in Singapore:-</u></p> <p>(a) shall not repay, whether in part or in full, any subordinated loan principal before the maturity date without the prior approval of CDP;</p> <p>(4) — A Clearing Member</p> <p>(b) shall not repay, whether in part or in full, any subordinated loan principal that has matured:-</p> <p>(a) (i) <u>(i)</u> unless the Clearing Member notifies CDP at least <u>one (1)</u> Market Day before the date of</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>referred to in Rule 5.2.11) is less than 150% of its total risk requirement;</p> <p>(c) if its aggregate indebtedness exceeds 600% of its aggregate resources;</p> <p>(d) if such a repayment will cause an event in Rule 5.11.3(4)(b) or (c) to occur; or</p> <p>(e) if CDP has prohibited in writing such a repayment.</p>	<p>repayment;</p> <p>(b) <u>(ii)</u> if the financial resources (including qualifying letters of credit referred to in Rule 5.2.11 <u>5.1C</u>) is <u>are</u> less than 150% of its total risk requirement;</p> <p>(e) <u>(iii)</u> <u>in the case of a General Clearing Member</u>, if its aggregate indebtedness exceeds 600% of its aggregate resources;</p> <p>(d) <u>(iv)</u> if such a repayment will cause an event in Rules 5.11.3 (4)(b) or (e) (2)(b)(ii) or (iii) to occur; or</p> <p>(e) <u>(v)</u> if CDP has prohibited in writing such a repayment.</p>
<p>5.11.4 Making of Unsecured Loan or Advance, Payment of Dividend or Director’s Fees or Increase in Director’s Remuneration</p> <p>A Clearing Member shall not, without the prior written approval of CDP, make any unsecured loan or advance, pay any dividend or director’s fees or increase any director’s remuneration if:-</p> <p>(1) in the case where the Clearing Member is incorporated in Singapore:-</p>	<p>5.11.4 Making of Unsecured Loan or Advance, Payment of Dividend or Director’s Fees or Increase in Director’s Remuneration <u>by General Clearing Member</u></p> <p><u>A Each General</u> Clearing Member shall not, without the prior written approval of CDP, make any unsecured loan or advance, pay any dividend or director’s fees or increase any director’s remuneration if:-</p> <p>(1) in the case where the <u>General</u> Clearing Member is incorporated in Singapore:-</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>(a) its base capital is less than the base capital requirement as prescribed in Rules 5.1 and 5.4;</p> <p>(b) its financial resources (including qualifying letters of credit referred to in Rule 5.2.11) is less than 150% of its total risk requirement;</p> <p>(c) its aggregate indebtedness exceeds 600% of its aggregate resources;</p> <p>(d) such a loan, advance, payment or increase will cause an event in Rule 5.11.4(1)(a), (b) or (c) to occur; or</p> <p>(2) in the case where the Clearing Member is incorporated outside Singapore:-</p> <p>(a) its net head office funds is less than the base capital requirement as prescribed in Rules 5.1 and 5.4;</p> <p>(b) its adjusted net head office funds (including qualifying letters of credit referred to in Rule 5.2.11) is less than 150% of its total risk requirement;</p> <p>(c) its aggregate indebtedness exceeds 600% of its aggregate resources;</p>	<p>(a) its <u>the</u> base capital <u>of the General Clearing Member</u> is less than the base capital requirement as prescribed in Rules <u>5.1.1(1)</u> and 5.4;</p> <p>(b) its <u>the</u> financial resources (including qualifying letters of credit referred to in Rule 5.2.11 <u>5.1C</u>) <u>of the General Clearing Member</u> is-are less than 150% of its total risk requirement;</p> <p>(c) its <u>the</u> aggregate indebtedness <u>of the General Clearing Member</u> exceeds 600% of its aggregate resources; or</p> <p>(d) such a loan, advance, payment or increase will cause an event in Rules 5.11.4(1)(a), (b) or (c) to occur; or</p> <p>(2) in the case where the <u>General</u> Clearing Member is incorporated outside Singapore :-</p> <p>(a) its <u>the</u> net head office funds <u>of the General Clearing Member</u> is-are less than the base capital requirement <u>the net head office funds requirement as prescribed in Rules 5.1D.1(1)</u> and 5.4;</p> <p>(b) its <u>the</u> adjusted net head office funds (including qualifying letters of credit referred to in Rule 5.2.11 <u>5.1G</u>) <u>of the General Clearing Member</u> is-are less than 150% of its total risk requirement;</p> <p>(c) its <u>the</u> aggregate indebtedness <u>of the General Clearing Member</u> exceeds 600% of its aggregate resources; or</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
(d) such a loan, advance, payment or increase will cause an event in Rule 5.11.4(2)(a), (b) or (c) to occur.	(d) such a loan, advance, payment or increase will cause an event in <u>Rules</u> 5.11.4(2)(a), (b) or (c) to occur.
7.2 CONTRIBUTIONS BY CLEARING MEMBERS	7.2 CONTRIBUTIONS BY CLEARING MEMBERS
7.2.1 Except as otherwise provided in the Clearing Rules or as determined by CDP, each Clearing Member shall pay to CDP such amounts as may be determined under the Clearing Rules or as determined by CDP in its absolute discretion (the “Contribution”) in respect of every Exchange Trade cleared and/or settled by the Clearing Member herein. Each Clearing Member shall pay to CDP its Contribution to the Clearing Fund by such time or times as stipulated by CDP. The Contribution shall consist of the Base Deposit and the Variable Deposit.	7.2.1 Except as otherwise provided in this Clearing Rules or as determined by CDP, each Clearing Member shall pay to CDP such amounts as may be determined under the this Clearing Rules or as determined by CDP in its absolute discretion (the “Contribution”) in respect of every Exchange Trade cleared and/or settled by the Clearing Member herein. Each Clearing Member shall pay to CDP its Contribution to the Clearing Fund by such time or times as stipulated by CDP. The Contribution <u>of a Clearing Member</u> shall consist of the Base Deposit and the Variable Deposit.
7.3 FORM OF CONTRIBUTIONS	7.3 FORM OF CONTRIBUTIONS
7.3.1 Each Clearing Member shall provide its Contribution in cash or by way of bank guarantees from such bank as may be acceptable to CDP or in such other form as may be acceptable to CDP. Such Contribution shall form part of the assets of the Clearing Fund.	7.3.1 Each Clearing Member shall provide its Contribution in cash or by way of bank guarantees from such bank as may be acceptable to CDP or in such other forms <u>s</u> as may be acceptable to <u>prescribed by CDP from time to time</u> . Such Contribution shall form part of the assets of the Clearing Fund.
7.10 TOP-UP OF CONTRIBUTIONS IN AN EVENT OF DEFAULT	7.10 TOP-UP OF CONTRIBUTIONS IN AN EVENT OF DEFAULT
7.10.3 If any amount is paid out of a Clearing Member’s Contributions pursuant to the third Stage of the Order in Rule 7.9.1(3) the Clearing Member shall, upon demand by CDP, top-up the deficiency in his Contribution	7.10.3 If any amount is paid out of a Clearing Member’s Contributions pursuant to the third Stage of the Order in Rule 7.9.1(3) the Clearing Member shall, upon demand by CDP, top-up the deficiency in his <u>its</u>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>arising from the said payment. CDP shall notify each of the Clearing Members in writing of the amount payable by it to CDP under this Rule.</p>	<p>Contribution arising from the said payment. CDP shall notify each of the Clearing Members in writing of the amount payable by it to CDP under this Rule.</p>
<p>8.1 EVENTS OF DEFAULT</p>	<p>8.1 EVENTS OF DEFAULT</p>
<p>8.1.1 In the event that:- [...] (2) a Clearing Member, not being an Exempt Person, ceases to hold a valid Capital Markets Services Licence under the SFA; [...]</p>	<p>8.1.1 In the event that:- [...] (2) a Clearing Member, not being an Exempt Person, ceases to hold a valid Capital Markets Services Licence under the SFA or ceases to be authorised to conduct banking business in Singapore pursuant to section 4 of the Banking Act (Chapter 19); [...]</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	<p><u>8.8 APPLICATION OF CASH AND GOVERNMENT SECURITIES DEPOSITED BY BANK CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</u></p>
	<p><u>8.8.1 Where a Bank Clearing Member incorporated outside Singapore has failed promptly to discharge any of its obligations to CDP or where CDP has declared an Event of Default in respect of that Bank Clearing Member:</u></p> <p><u>(1) CDP shall apply the cash and/or acceptable government securities deposited by that Bank Clearing Member pursuant to Rule 5.1D.2(1),</u></p> <p><u>(2) thereafter, apply the Clearing Fund in the order specified in Rule 7.9.1.</u></p> <p><u>to satisfy the obligations of such Bank Clearing Member to CDP.</u></p>
<p>9.1 CDP MAY SUSPEND OR RESTRICT CLEARING AND SETTLEMENT</p>	<p>9.1 CDP MAY SUSPEND OR RESTRICT CLEARING AND SETTLEMENT</p>
<p>9.1.4 If any Clearing Member shall be ordered to wind up, or proceedings for the voluntary or involuntary liquidation of the affairs of the Clearing Member be commenced, or a composition with the creditors of the Clearing Member under the provisions of any law or regulation relating to bankruptcy or insolvency be entered into under the laws of any jurisdiction, or if the Clearing Member, not being an Exempt Person, ceases to hold a valid Capital Markets Services Licence under the SFA, the Clearing Member shall be deemed to have been automatically suspended.</p>	<p>9.1.4 If any Clearing Member shall be ordered to wind up, or proceedings for the voluntary or involuntary liquidation of the affairs of the Clearing Member be commenced, or a composition with the creditors of the Clearing Member under the provisions of any law or regulation relating to bankruptcy or insolvency be entered into under the laws of any jurisdiction, or if the Clearing Member, not being an Exempt Person, ceases to hold a valid Capital Markets Services Licence under the SFA, <u>or ceases to be authorized to conduct banking business in Singapore pursuant to section 4 of the Banking Act (Chapter 19),</u> the Clearing</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
	Member shall be deemed to have been automatically suspended.
11.2 CLEARING HOUSE INSPECTIONS	11.2 CLEARING HOUSE INSPECTIONS
11.2.3 A Clearing Member, director, officer, employee or agent shall give the Clearing House Inspector access to all information, books and records as requested.	11.2.3 A Clearing Member, director, officer, employee or agent shall give the Clearing House Inspector access to all information, books and records as requested. <u>For the avoidance of doubt, reference to “information, books and records” in relation to a Bank Clearing Member shall refer to information, books and records falling within the Bank Clearing Member’s business governed by this Clearing Rules.</u>
11.5 DISCIPLINARY COMMITTEE POWERS	11.5 DISCIPLINARY COMMITTEE POWERS
<p>11.5.4 The powers of the Disciplinary Committee include:-</p> <ol style="list-style-type: none"> (1) expelling a Clearing Member. The Disciplinary Committee may order a Clearing Member to be expelled notwithstanding that it has resigned; (2) suspending a Clearing Member; (3) imposing a fine not exceeding \$250,000 on a Clearing Member; (4) reprimanding (publicly or privately) a Clearing Member; (5) requiring an education program to be undertaken; (6) requiring a compliance program to be undertaken; (7) imposing any restrictions or conditions on activities that a 	<p>11.5.4 The powers of the Disciplinary Committee include:-</p> <ol style="list-style-type: none"> (1) expelling a Clearing Member. The Disciplinary Committee may order a Clearing Member to be expelled notwithstanding that it has resigned; (2) suspending a Clearing Member; (3) imposing a fine not exceeding \$250,000 on a Clearing Member; (4) reprimanding (publicly or privately) a Clearing Member; (5) requiring an education program to be undertaken; (6) requiring a compliance program to be undertaken; (7) imposing any restrictions or conditions on activities that a

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>Clearing Member undertakes;</p> <p>(8) requiring compensation to be paid;</p> <p>(9) ordering payment of fine by instalments;</p> <p>(10) ordering a stay of the penalty imposed, pending an appeal to the Appeals Committee;</p> <p>(11) requiring any director to step down from the day-to-day conduct of business affairs of the Clearing Member; and</p> <p>(12) confirming, changing or discharging the appointment of a Manager under Rule 11.12.2(4).</p>	<p>Clearing Member undertakes or in the case of a Bank Clearing Member, its business governed by this Clearing Rules;</p> <p>(8) requiring compensation to be paid;</p> <p>(9) ordering payment of fine by instalments;</p> <p>(10) ordering a stay of the penalty imposed, pending an appeal to the Appeals Committee;</p> <p>(11) requiring any director or in the case of a Bank Clearing Member, any director or person in a senior management position who is responsible for its business governed by this Clearing Rules, to step down from the day-to-day conduct of business affairs of the Clearing Member; and</p> <p>(12) confirming, changing or discharging the appointment of a Manager under Rule 11.12.2(4).</p>
11.12 INTERIM POWERS OF CDP	11.12 INTERIM POWERS OF CDP
<p>11.12.2 If CDP is of the opinion that:-</p> <p>(1) a Clearing member has, or may have, insufficient capital for the conduct of its business, or</p> <p>(2) a review should be carried out in respect of a Clearing Member's management policies or business conduct in the interests of the Clearing Member, CDP, other Clearing Members or the investing public,</p>	<p>11.12.2 If CDP is of the opinion that:-</p> <p>(1) a Clearing member has, or may have, insufficient capital for the conduct of its business, or</p> <p>(2) a review should be carried out in respect of a Clearing Member's management policies or business conduct in the interests of the Clearing Member, CDP, other Clearing Members or the investing public,</p>

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>CDP may do any or all of the following:-</p> <ol style="list-style-type: none"> (1) require the Clearing Member to operate its business subject to such restrictions or conditions as CDP decides. (2) suspend the Clearing Member for a period CDP decides. The suspension shall be announced to all Clearing Members. During the suspension, the Clearing Member:- <ol style="list-style-type: none"> (a) shall not clear new transactions without the approval of CDP. (b) remains liable to complete all contracts outstanding at the time of suspension. However, it shall not deliver any securities or settle any transaction without the approval of CDP. (3) require any director to step down from day-to-day conduct of the business affairs of the Clearing Member; and (4) appoint a Manager to manage the business of the Clearing Member. CDP shall fix the remuneration of the Manager, which shall be paid by the Clearing Member. The Clearing Member is solely responsible for the Manager's acts and defaults. The 	<p>CDP may do any or all of the following:-</p> <ol style="list-style-type: none"> (1) require the Clearing Member to operate its business <u>or in the case of a Bank Clearing Member, its business governed by this Clearing Rules</u>, subject to such restrictions or conditions as CDP decides. (2) suspend the Clearing Member for a period CDP decides. The suspension shall be announced to all Clearing Members. During the suspension, the Clearing Member:- <ol style="list-style-type: none"> (a) shall not clear new transactions without the approval of CDP. (b) remains liable to complete all contracts outstanding at the time of suspension. However, it shall not deliver any securities or settle any transaction without the approval of CDP. (3) require any director <u>or in the case of a Bank Clearing Member, any director or person in a senior management position who is responsible for its business governed by this Clearing Rules</u>, to step down from day-to-day conduct of the business affairs of the Clearing Member; and (4) appoint a Manager to manage the business of the Clearing Member <u>or in the case of a Bank Clearing Member, its business governed by this Clearing Rules</u>. CDP shall fix the remuneration of the Manager, which shall be paid by the

AMENDMENTS TO CDP CLEARING RULES

Old Rules	New Rules
<p>Manager shall carry out directions given by CDP in relation to the business of the Clearing Member, including carrying on the business of the Clearing Member in accordance with instructions.</p>	<p>Clearing Member. The Clearing Member is solely responsible for the Manager's acts and defaults. The Manager shall carry out directions given by CDP in relation to the business of the Clearing Member, including carrying on the business of the Clearing Member in accordance with instructions.</p>