

Amendments to SGX-DC Clearing Rules – Chapter 6: Delivery and Related Matters

Current Rule	Proposed Rule
<p>6.02A CLEARING HOUSE MERELY FACILITATES DELIVERY</p>	
<p>6.02A.7 <u>Matching and Re-novation</u></p> <p>The contract between a Selling Member or Buying Member and the Clearing House shall be novated and a new contract shall arise between such persons as are matched in accordance with the relevant Contract Specifications (such process being described as “re-novation”) upon the later of the following events:</p> <p>a. the Clearing House effecting matching of any of the following for the performance of delivery obligations:</p> <ul style="list-style-type: none"> (i) the relevant parties in accordance with the relevant Contract Specifications; or (ii) the Seller or Buyer for whom an insolvent clearing member acts and the counterparty clearing member. <p>Matching shall take place at such time as provided in the relevant Contract Specifications; or</p> <p>b.</p> <ul style="list-style-type: none"> (i) the posting of Performance Deposits and, where applicable, payment of the contract value, as prescribed in Rule 6.02A.7B; and (ii) where the counterparty clearing member is a member of any other Relevant Market (or its clearing house), confirmation from such Relevant Market (or its clearing house) that its 	<p>6.02A.7 <u>Matching and Re-novation</u></p> <p><u>a.</u> The contract between a Selling Member or Buying Member and the Clearing House shall be novated and a new contract shall arise between such persons as are matched in accordance with the relevant Contract Specifications (such process being described as “re-novation”) <u>upon the later of the following events: at such time, and upon such conditions being met, in accordance with the relevant Contract Specifications for:</u></p> <ul style="list-style-type: none"> <u>(i) such re-novation to be effective; or</u> <u>(ii) the cessation of the Clearing House as a central counterparty.</u> <p>a. the Clearing House effecting matching of any of the following for the performance of delivery obligations:</p> <ul style="list-style-type: none"> (i) the relevant parties in accordance with the relevant Contract Specifications; or (ii) the Seller or Buyer for whom an insolvent clearing member acts and the counterparty clearing member. <p>Matching shall take place at such time as provided in the relevant Contract Specifications; or</p> <p>b.—</p> <ul style="list-style-type: none"> (i) the posting of Performance Deposits and, where applicable,

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<p>requirements for re-novation have been met.</p> <p>The new contract arising from the re-novation shall simultaneously discharge and replace pro tanto the Contract between the Selling Member or Buying Member and the Clearing House, and the Clearing House shall be released from its obligations as a central counterparty. For the avoidance of doubt, re-novation only applies to matched positions relating to lot sizes equal to or more than the minimum size prescribed under the relevant Contract Specifications for physical delivery.</p>	<p>payment of the contract value, as prescribed in Rule 6.02A.7B; and</p> <p>(ii) where the counterparty clearing member is a member of any other Relevant Market (or its clearing house), confirmation from such Relevant Market (or its clearing house) that its requirements for re-novation have been met.</p> <p>b. The new contract arising from the re-novation shall simultaneously discharge and replace pro tanto the Contract between the Selling Member or Buying Member and the Clearing House, and the Clearing House shall be released from its obligations as a central counterparty. For the avoidance of doubt, re-novation only applies to matched positions relating to lot sizes equal to or more than the minimum size prescribed under the relevant Contract Specifications for physical delivery.</p>
<p>6.02A.7A <u>Cash Settlement</u></p> <p>Without prejudice to Rule 6.09, unless otherwise provided in the relevant Contract Specifications, matched positions of lot sizes less than the minimum size prescribed under the relevant Contract Specifications for physical delivery existing after the matching process in Rule 6.02A.7 has been effected, shall be cash-settled in accordance with the relevant Contract Specifications.</p>	<p>No change.</p>
<p>6.02A.7B <u>Posting of Performance Deposits and Payment of Contract Value</u></p> <p>Unless otherwise provided in the relevant Contract Specifications, Performance Deposits and contract value shall, for the purposes of Rule 6.02A.7 and Rule 7.04.3A.2, be deemed to have been posted or paid as follows:</p>	<p>No change.</p>

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<p>a. where posting or payment is in cash, upon confirmation by the appropriate settlement bank of such Clearing Member as is undertaking Delivery Obligations in a delivery contract; and</p> <p>b. where posting or payment is in the form of an irrevocable letter of credit or any other security, upon receipt of the irrevocable letter of credit or other security by the Clearing House, provided that the said irrevocable letter of credit or other security is in a form and issued by a bank acceptable to the Clearing House.</p>	
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Amendments to SGX-DC Clearing Rules – Appendix 2

Current Rule	Proposed Rule
<p>Appendix 2 CONTRACTS OF OTHER RELEVANT MARKETS ACCEPTED BY THE CLEARING HOUSE</p>	
<p>Subject to any conditions or limitations set forth in this Rules, the Clearing House shall clear the following Contracts:</p> <ol style="list-style-type: none"> 1. Contracts listed for trading on the Singapore Commodity Exchange: <ol style="list-style-type: none"> a. RSS3 Rubber futures contract b. TSR20 Rubber futures contract 2. Designated Futures Contracts pursuant to the Mutual Offset System with the Chicago Mercantile Exchange: <ol style="list-style-type: none"> a. SGX Three (3) Month Eurodollar Futures Contract b. SGX Three (3) Month Euroyen Futures Contract c. SGX Nikkei Average Stock Index Futures Contract d. USD SGX Nikkei Average Stock Index Futures Contract 	<p>Subject to any conditions or limitations set forth in this Rules, the Clearing House shall clear the following Contracts:</p> <ol style="list-style-type: none"> 1. Contracts listed for trading on the Singapore Commodity Exchange: <ol style="list-style-type: none"> a. RSS3 Rubber futures contract b. TSR20 Rubber futures contract <u>c. Robusta coffee contract</u> 2. Designated Futures Contracts pursuant to the Mutual Offset System with the Chicago Mercantile Exchange: <ol style="list-style-type: none"> a. SGX Three (3) Month Eurodollar Futures Contract b. SGX Three (3) Month Euroyen Futures Contract c. SGX Nikkei Average Stock Index Futures Contract d. USD SGX Nikkei Average Stock Index Futures Contract

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