

AMENDMENTS TO THE CDP CLEARING RULES

Note:

[Sample](#) Rule insertion

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PROPOSED RULE AMENDMENTS

Rule 8 – Default Rules

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8.2 Effect of Default on Novated Contracts other than in respect of Marginable Futures Contracts

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8.2.2

Immediately upon such breach under Rule 8.1.2:—

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(3) in respect of Novated Contracts between CDP and the Defaulting Clearing Member in relation to a House Account:

(a) CDP shall be entitled (but not obliged) to set-off any or all Novated Contracts for the sale of a security against any or all Novated Contracts for the purchase of that security, regardless of the Intended_Settlement Days for such Novated Contracts;

(b) CDP shall be entitled (but not obliged) to force-sell any or all securities that would have been due from CDP to the Defaulting Clearing Member but for its default at such time and price as CDP may determine, and use the resulting proceeds of any force-sale to satisfy any liabilities that the Defaulting Clearing Member owes to CDP. Where any of those securities are not force-sold by the seventh (7th) Settlement Day after an Event of Default is declared under Rule 8.1.2:

(i) CDP shall, on the next Settlement Day, take the purchase consideration for those securities as a loss suffered by CDP due to the Clearing Member's default;

(ii) CDP shall thereafter have absolute discretion to deal with those securities as it deems appropriate;

(iii) any amount recovered by CDP shall be applied to make good any loss that was suffered by CDP due to the Clearing Member's default and that was not met by the Clearing Fund; and

(iv) any amount that remains thereafter shall be credited to the Clearing Fund in accordance with Rule 7.12.

<p>CDP has no liability for any losses to the Defaulting Clearing Member arising from the force-sale <u>or attempted force-sale</u> of securities. The resulting proceeds of such force-sale shall be held by CDP as Collateral and applied in accordance with these Clearing Rules and the Security Deed; and</p>
<p>(c) any securities due from the Defaulting Clearing Member to CDP regardless of the Intended Settlement Days and if not set-off pursuant to Rule 8.2.2(3)(a) shall be settled in accordance with these Clearing Rules on such day as CDP may determine.</p>
<p>...</p>
<p>8.4 Delivery of Securities Under New Purchase Contract</p>
<p>...</p>
<p>8.4.2</p>
<p>In the event that the buying customer does not pay any part of the purchase consideration for any New Purchase Contract to CDP by such time as CDP may determine:</p>
<p>(1) CDP shall be entitled (but not obliged) to force-sell any or all securities <u>that would have been</u> due from CDP to such customer <u>but for its non-payment</u> at such time and price as CDP may determine, <u>and use the resulting proceeds of any force-sale to satisfy any liabilities that the buying customer owes to CDP. Where any of those securities are not force-sold by the seventh (7th) Settlement Day after an Event of Default is declared under Rule 8.1.2:</u></p>
<p><u>(a) CDP shall, on the next Settlement Day, take the purchase consideration for those securities as a loss suffered by CDP due to the Clearing Member's default;</u></p>
<p><u>(b) CDP shall thereafter have absolute discretion to deal with those securities as it deems appropriate;</u></p>
<p><u>(c) any amount recovered by CDP shall be applied to make good any loss suffered by CDP due to the Clearing Member's default and that was not met by the Clearing Fund; and</u></p>
<p><u>(d) any amount that remains thereafter shall be credited to the Clearing Fund in accordance with Rule 7.12.</u></p>
<p>CDP has no liability for any losses to the buying customer or the Defaulting Clearing Member arising from the force-sale <u>or attempted force-sale</u> of securities. The resulting proceeds of such force-sale shall be held by CDP towards satisfaction of any liabilities of the customer to CDP in accordance with Rule 8; and</p>
<p>(2) any securities due from the customer to CDP (if not set-off pursuant to Rule 8.4.2(1)) shall be settled in accordance with Rule 8.5.</p>
<p>8.4.3</p>
<p>Notwithstanding that the Clearing Fund may have been drawn upon, CDP may at any time thereafter claim all losses and expenses consequent upon such force-sale <u>or attempted force-sale,</u></p>

and all damages which CDP may sustain in this connection (regardless of whether such losses, expenses and damages have been insured against) shall be recoverable by CDP from:—

- (1) the buying customer and, failing him;
- (2) the Defaulting Clearing Member.

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Rule 13 — General

13.1 Amendment of the Clearing Rules

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13.1A General Disclosure of Information by CDP

13.1A.1

CDP will take all reasonable measures to protect information provided to it by or on behalf of a Clearing Member or a Chief Executive Officer under these Clearing Rules from unauthorised use or disclosure.

13.1A.2

Disclosure of information by CDP is authorised use or disclosure if it:

(1) is approved by the Authority and is to any governmental agency or regulatory authority (in or out of Singapore) that requests that CDP provide the information for the proper exercise of powers relating to:

(a) the governance of a Clearing Member or a Chief Executive Officer; or

(b) the clearing or settlement of trades (in or out of Singapore);

(2) is required under any law (in or out of Singapore) or any order of any court or regulatory authority (each in or out of Singapore);

(3) is publicly available at the time of disclosure to or by CDP;

(4) is in connection with the discharge of its regulatory obligations under the Securities and Futures Act or when compelled under applicable laws to do so or pursuant to any cross-border regulatory sharing arrangement subject to its obligation to maintain confidentiality under the Securities and Futures Act;

(5) is in relation to the enforcement of these Clearing Rules or adjudication of a matter;

(6) is to any of CDP's related corporations;

(7) is authorised by the Authority to be disclosed or furnished under the Securities and Futures Act;

(8) is specifically authorised under these Clearing Rules; or

(9) constitutes authorised use or disclosure of information at common law.