

Amendments to SGX-DC Clearing Rules

Note: Amendments are made in **red**.

Rule Amendments

Chapter 7 Clearing and Margins

7.22 Margins of Third Parties

7.22.1A **[Deleted]**

~~A Clearing Member, except in the case of a Bank Clearing Member, shall collect margins for over-the-counter spot trades in Loco-London and foreign currency contracts from Third Parties (including Customers) for whom the Clearing Members procure the over-the-counter spot trades and from the direct buying or selling counterparties. No margins need to be collected from a Third Party (including a Customer) or a counterparty if it is a Clearing Member or a corporate Trading Member, a bank in Singapore or any of its overseas branches or a merchant bank in Singapore. The margins required to be collected shall not be less than:~~

~~7.22.1A.1 the minimum margins prescribed by the Clearing House for a Contract equivalent to the over-the-counter spot trade concerned;~~

~~7.22.1A.2 the minimum margins prescribed by those exchanges or clearing houses where the equivalent futures contracts are being traded, if the over-the-counter spot trade has no equivalent Contract; or~~

~~7.22.1A.3 4% for initial margins and 3% for maintenance margins of the underlying contract value, if the over-the-counter spot trade has no equivalent contracts being traded on the Exchange and any other exchange.~~

7.22.3

Except for trades which reduce a Third Party's maintenance margins requirements, a Clearing Member shall not accept orders or new trades for clearing from any Third Party (including any Customer) unless:

7.22.3.2 the Third Party's total net equity complies with the maintenance margins for its existing open positions, ~~unsettled over the counter spot trades~~ and in relation to potential Flat Rate adjustment applicable to freight forward contracts for tanker voyage routes or additional margins to be posted pursuant to Rule 7.22.4 are forthcoming within a reasonable period from the trade date.

For settlement currency denominated in Japanese Yen, "reasonable period" in Rule 7.22.3.1 or 7.22.3.2 means a period which shall not exceed three (3) Trading Days from the trade date (T+3). For all other settlement currencies it means a period which shall not exceed two (2) Trading Days from the trade date (T+2).

7.22.3.3 Credits in excess of required initial margins on all open positions, ~~unsettled over the counter spot trades~~, and in relation to any potential Flat Rate adjustment applicable to freight forward contracts for tanker voyage routes of a Third Party (including a Customer), may be utilised by a Clearing Member as initial margins on a new position of the same Third Party (including a Customer).

Chapter 9 Definitions and Interpretation

9.01.1

Term	Meaning
I	
"initial margin"	means the minimum amount required to be deposited by Third Parties (including Customers) with a Clearing Member: <ul style="list-style-type: none">a. for each open Contract as prescribed by the Clearing House;b. for each open contract traded on an exchange other than the Exchange, as prescribed by the relevant exchange or clearing house; orc. for each new over-the-counter spot trade as prescribed under Rule 7.22.1A; or [Deleted]d. in relation to any potential Flat Rate adjustment applicable to freight forward contracts for tanker voyage routes, as prescribed by the Clearing House.
M	
"maintenance margin"	shall: <ul style="list-style-type: none">a. for the purpose of Rule 7.22, refer to the minimum balance which shall be maintained in a Third Party's (including a Customer's) account subsequent to the deposit of the initial margins:<ul style="list-style-type: none">i. for that Third Party's open positions in Contracts as prescribed by the Clearing House;ii. for that Third Party's open positions in contracts traded on exchanges other than the Exchange, as prescribed by the relevant exchanges or clearing houses; andiii. for that Third Party's unsettled over-the-counter spot trades, as prescribed under Rule 7.22.1A; and [Deleted]iv. in relation to any potential Flat Rate adjustment applicable to freight forward contracts for tanker voyage routes, as prescribed by the Clearing House for that Third Party.b. for the purpose of the rest of this Rules, mean the minimum balance prescribed by the Clearing House which shall be maintained in a Clearing Member's account for that Clearing Member's open position in respect of each Contract.

Practice Note 7.22 Margins of Third Parties

2.2 Margin Rates and Requirements (Rules 7.22.1 and 7.22.1A)

2.2.3 ~~For over-the-counter ("OTC") spot trades, Clearing Members shall ensure that their Customers comply with the minimum margin requirements prescribed under Rule 7.22.1A. [Deleted]~~