

AMENDMENTS TO THE SGX-DC CLEARING RULES – CHAPTER 2: CLEARING MEMBERSHIP

Current Rule	New Rule
<p>2.08 MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</p>	<p>2.08 MINIMUM CAPITAL AND FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</p>
<p>2.08.1B Each Bank Clearing Member incorporated outside Singapore shall at all times:-</p> <p>2.08.1B.1 where it has satisfied Rule 2.02B.1.11. a or b,</p> <p><u>Cash and/or Acceptable Government Securities Requirement</u></p> <p>a. deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$5,000,000 with the Clearing House; or</p> <p>b. in the case of a Bank Clearing Member who is also a clearing member of CDP, deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$8,000,000 with the Clearing House;</p> <p>PROVIDED ALWAYS THAT:-</p> <p>i. if the Bank Clearing Member has deposited S\$8,000,000 with CDP or such other amount as prescribed, pursuant to the corresponding provision in the CDP Clearing Rules, it need not deposit a further S\$8,000,000 with the Clearing House or such other amount as may be prescribed by the Clearing House; and</p> <p>ii. the Clearing House 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 the Clearing House and/or CDP, to satisfy the Bank Clearing Member's obligations to the Clearing House and/or CDP under this Rules and the CDP Clearing Rules respectively. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member</p>	<p>2.08.1B Each Bank Clearing Member incorporated outside Singapore shall at all times:-</p> <p>2.08.1B.1 where it has satisfied Rule 2.02B.1.11. a or b,</p> <p><u>Cash and/or Acceptable Government Securities Requirement</u></p> <p>a. deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$5,000,000 with the Clearing House; or</p> <p>b. in the case of a Bank Clearing Member who is also a clearing member of CDP, deposit, as security for its obligations to the Clearing House, cash and/or acceptable government securities of not less than S\$8,000,000 with the Clearing House;</p> <p>PROVIDED ALWAYS THAT:-</p> <p>i. if the Bank Clearing Member has deposited S\$8,000,000 with CDP or such other amount as prescribed, pursuant to the corresponding provision in the CDP Clearing Rules, it need not deposit a further S\$8,000,000 with the Clearing House or such other amount as may be prescribed by the Clearing House; and</p> <p>ii. the Clearing House 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 the Clearing House and/or CDP, to satisfy the Bank Clearing Member's obligations to the Clearing House and/or CDP under this Rules and the CDP Clearing Rules respectively. In deciding on the apportionment, the Clearing House may, in consultation with CDP, take into account factors, including but not limited to, the amount owed by the Bank Clearing Member</p>

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Current Rule	New Rule
<p>to the Clearing House and CDP respectively; and</p> <p>c. not cause or permit its cash and/or acceptable government securities deposited with the Clearing House to fall below its total risk requirement; or</p> <p>2.08.1B.2 where it has satisfied Rule 2.02B.1.11. c,</p> <p><u>Net Head Office Funds Requirement</u></p> <p>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 CDP, maintain net head office funds of not less than S\$8,000,000; and</p> <p><u>Adjusted Net Head Office Funds Requirement</u></p> <p>b. not cause or permit its adjusted net head office funds to fall below its total risk requirement; and</p> <p>2.08.1B.3 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House in relation to the Bank Clearing Member's business governed by this Rules.</p>	<p>to the Clearing House and CDP respectively; and</p> <p>c. not cause or permit its cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> to fall below its total risk requirement; or</p> <p>2.08.1B.2 where it has satisfied Rule 2.02B.1.11. c,</p> <p><u>Net Head Office Funds Requirement</u></p> <p>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 CDP, maintain net head office funds of not less than S\$8,000,000; and</p> <p><u>Adjusted Net Head Office Funds Requirement</u></p> <p>b. not cause or permit its adjusted net head office funds to fall below its total risk requirement; and</p> <p>2.08.1B.3 <u>Other Requirements</u></p> <p>comply with the accounting, reporting, book-keeping and any other financial and operational requirements prescribed by the Clearing House in relation to the Bank Clearing Member's business governed by this Rules.</p>
<p>2.08A EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</p>	<p>2.08A EARLY WARNING FINANCIAL REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE</p>
<p>2.08A.1 Each Clearing Member incorporated outside Singapore shall immediately notify the Clearing House:-</p> <p>2.08A.1.1 if its adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 120% of its total risk requirement; or</p> <p>2.08A.1.2 in the case of a General Clearing Member or Direct Clearing</p>	<p>2.08A.1 Each Clearing Member incorporated outside Singapore shall immediately notify the Clearing House:-</p> <p>2.08A.1.1 if its adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 120% of its total risk requirement; or</p> <p>2.08A.1.2 in the case of a General Clearing Member or Direct Clearing</p>

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Current Rule	New Rule
Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.	Member, if its aggregate indebtedness exceeds 600% of its aggregate resources.
<p>2.08A.2 If the Clearing House is notified by a Clearing Member under Rule 2.08A.1.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08A.1.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 120% of its total risk requirement, the Clearing House may direct:-</p> <p>2.08A.2.1 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);</p> <p>2.08A.2.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p> <p>2.08A.2.3 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:-</p> <p>(a) "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 Rules; and</p> <p>(b) "business" shall be read to mean the Bank Clearing Member's business governed by this Rules.</p>	<p>2.08A.2 If the Clearing House is notified by a Clearing Member under Rule 2.08A.1.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08A.1.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 120% of its total risk requirement, the Clearing House may direct:-</p> <p>2.08A.2.1 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);</p> <p>2.08A.2.2 where such Clearing Member is a Direct Clearing Member, to comply with one (1) or more of the directions described under Regulation 7(3) of the SFR (Financial and Margin Requirements);</p> <p>2.08A.2.3 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:-</p> <p>(a) "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 Rules; and</p> <p>(b) "business" shall be read to mean the Bank Clearing Member's business governed by this Rules.</p>
2.08B NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE	2.08B NOTIFICATION REQUIREMENTS OF CLEARING MEMBERS INCORPORATED OUTSIDE SINGAPORE
2.08B.1 Each Clearing Member incorporated outside Singapore shall immediately	2.08B.1 Each Clearing Member incorporated outside Singapore shall immediately

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Current Rule	New Rule
notify the Clearing House if its adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 150% of its total risk requirement.	notify the Clearing House if its adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> pursuant to Rule 2.08.1B.1 (whichever is applicable), fall below 150% of its total risk requirement.
2.08B.2 The Clearing House may from time to time prescribe other notification requirements and conditions for exemptions or exceptions therefrom on all or any of the Clearing Members.	No change.
<p>2.08B.3 If the Clearing House is notified by a Clearing Member under Rule 2.08B.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08B.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 150% of its total risk requirement, the Clearing House may direct such Clearing Member to do one (1) or more of the following actions:-</p> <p>2.08B.3.1 submit (where applicable), the statements of assets and liabilities, adjusted net head office funds, cash and/or acceptable government securities deposited with the Clearing House, aggregate indebtedness, total risk requirement and such other statements as required by the Clearing House at such interval and for such time frame as may be determined by the Clearing House;</p> <p>2.08B.3.2 operate its business, or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the Clearing House may impose.</p>	<p>2.08B.3 If the Clearing House is notified by a Clearing Member under Rule 2.08B.1 or becomes aware (whether or not there has been any notification by the Clearing Member under Rule 2.08B.1) that such Clearing Member's adjusted net head office funds or cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> pursuant to Rule 2.08.1B.1 (whichever is applicable), have fallen below 150% of its total risk requirement, the Clearing House may direct such Clearing Member to do one (1) or more of the following actions:-</p> <p>2.08B.3.1 submit (where applicable), the statements of assets and liabilities, adjusted net head office funds, cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u>, aggregate indebtedness, total risk requirement and such other statements as required by the Clearing House at such interval and for such time frame as may be determined by the Clearing House;</p> <p>2.08B.3.2 operate its business, or in the case of a Bank Clearing Member, its business governed by this Rules, in such manner and on such conditions as the Clearing House may impose.</p>
<p>2.22 CHANGE OR INTENDED CHANGE</p>	<p>2.22 CHANGE OR INTENDED CHANGE</p>
<p>2.22.1 Without prejudice to any other provisions of this Rules, every Clearing Member shall forthwith notify the Clearing House upon, or where practicable, pre-notify the Clearing House of, the happening of all or any of the following events:-</p>	<p>2.22.1 Without prejudice to any other provisions of this Rules, every Clearing Member shall forthwith notify the Clearing House upon, or where practicable, pre-notify the Clearing House of, the happening of all or any of the following events:-</p>

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Current Rule		New Rule	
2.22.1.1	any change in the legal or beneficial ownership of 20% or more of such Clearing Member's share capital and any subsequent increase of 5% or more of such Clearing Member's share capital;	No change.	
2.22.1.2	any change in any circumstances which will have or may have the effect of altering the control of itself;	No change.	
2.22.1.3	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 Rules, due to the appointment, removal or resignation of any of its directors. For the purpose of this Rule 2.22.1.3, a change of director includes a change in the director's appointment from a non-executive director to an executive director;	No change.	
2.22.1.4	any change in its name;	No change.	
2.22.1.5	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 the Clearing House by such times that a Bank Clearing Member has to notify MAS under the Banking Act, or any regulation or directive issued thereunder;	2.22.1.5	any change or amendment to its Memorandum or Articles of Association or constitutive documents, <u>notice of which should be given at least seven (7) days prior to the change or amendment being effected</u> , except in the case of a Bank Clearing Member, notification will be furnished to the Clearing House by such times that a Bank Clearing Member has to notify MAS under the Banking Act, or any regulation or directive issued thereunder;
2.22.1.6	any death or bankruptcy of any of its directors or in the case of a Bank Clearing Member, its directors who are resident in Singapore and/or responsible for its business governed by this Rules;	No change.	
2.22.1.7	the engagement or involvement or proposed engagement or involvement in any new business or any change in any of its	No change.	

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Current Rule	New Rule
business(es) or in the case of a Bank Clearing Member, its business governed by this Rules. For the purpose of this Rule 2.22.1.7, examples of such new business or change in business include, without limitation, market making and securities financing activities; and	
2.22.1.8 any change in its 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 Rules.	No change.
2.22.2 Such notice or pre-notification shall be in writing and shall be supplied with full particulars of the relevant event together with such further information as the Clearing House may require.	No change.
2.22.3 The Clearing House may upon the happening of any of the events described in the preceding Rules 2.22.1.1 to 2.22.1.3 require such Clearing Member to submit itself within five (5) days of the date of its notice (or within such longer period as may be permitted in writing by the Exchange) for re-election as though applying for Clearing Membership for the first time.	No change.
2.24 APPOINTMENT OF CHIEF EXECUTIVE OFFICER, DEPUTY CHIEF EXECUTIVE OFFICER	2.24 APPOINTMENT OF CHIEF EXECUTIVE OFFICER, DEPUTY CHIEF EXECUTIVE OFFICER
2.24.1 No General Clearing Member or Direct Clearing Member may appoint a chief executive officer or deputy chief executive officer unless prior written approval of the Clearing House is obtained.	No change.
2.24.2 <i>[Rule has been deleted.]</i>	No change.
2.24.2A A Bank Clearing Member must notify the Clearing House in writing prior to the appointment of any chief executive officer or deputy chief executive officer.	2.24.2A A Bank Clearing Member must notify the Clearing House in writing <u>at least seven (7) days</u> prior to the appointment of any chief executive officer or deputy chief executive officer.
2.24.3 <i>[Rule has been deleted.]</i>	No change.

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AMENDMENTS TO THE SGX-DC CLEARING RULES – CHAPTER 9: DEFINITIONS AND INTERPRETATION

Current Rule	New Rule
9.01 DEFINITIONS	9.01 DEFINITIONS
<p>“aggregate resources” –when used in reference to:-</p> <p>a. a Clearing Member incorporated in Singapore, means its financial resources (including qualifying letters of credit referred to in Rule 2.07C) less its total risk requirement;</p> <p>b. a General Clearing Member or Direct Clearing Member incorporated outside Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, means its adjusted net head office funds (including qualifying letters of credit referred to in Rule 2.08C) less its total risk requirement; and</p> <p>c. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, means its cash and/or acceptable government securities deposited with the Clearing House pursuant to Rule 2.08.1B.1 less its total risk requirement.</p>	<p>“aggregate resources” –when used in reference to:-</p> <p>a. a Clearing Member incorporated in Singapore, means its financial resources (including qualifying letters of credit referred to in Rule 2.07C) less its total risk requirement;</p> <p>b. a General Clearing Member or Direct Clearing Member incorporated outside Singapore or a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.c, means its adjusted net head office funds (including qualifying letters of credit referred to in Rule 2.08C) less its total risk requirement; and</p> <p>c. a Bank Clearing Member incorporated outside Singapore which has satisfied Rule 2.02B.1.11.a or b, means its cash and/or acceptable government securities deposited with the Clearing House <u>or CDP</u> pursuant to Rule 2.08.1B.1 less its total risk requirement.</p>

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