

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
Chapter 2: Administration		Chapter 2: Administration	
2.4	LIABILITY OF SGX-ST	2.4	LIABILITY OF SGX-ST
2.4.1	<p>SGX-ST, its Directors, Officers, employees and agents are under no obligation nor liable to a Trading Member, or any of its customers, including:-</p> <ol style="list-style-type: none"> (1) any loss or damage (including consequential loss or damage) which may be suffered or incurred or which may arise directly or indirectly in respect of the supply of goods or services; (2) a Trading Member’s use of or inability to use CLOB; (3) a failure, error or omission on the part of SGX-ST including any loss or damage in respect of:- <ol style="list-style-type: none"> (a) the result of trading on markets provided by SGX-ST, or the suspension, interruption, cancellation or closure of trading, on those markets, (b) any inoperability or malfunction of equipment, software or any other product supplied to a Trading Member, or in respect of its installation, maintenance or removal, and (c) the exercise by SGX-ST or any person or committee constituted by SGX-ST of a decision-making power; or (4) SGX-ST accepting a Trading Member’s resignation or any decision or ruling of the Disciplinary Committee or Appeals Committee exercising their powers. 	2.4.1	<p>SGX-ST, its Directors, Officers, employees and agents are under no obligation nor liable to a Trading Member, or any of its customers, including:-</p> <ol style="list-style-type: none"> (1) any loss or damage (including consequential loss or damage) which may be suffered or incurred or which may arise directly or indirectly in respect of the supply of goods or services; (2) a Trading Member’s use of or inability to use <u>the Trading System CLOB</u>; (3) a failure, error or omission on the part of SGX-ST including any loss or damage in respect of:- <ol style="list-style-type: none"> (a) the result of trading on markets provided by SGX-ST, or the suspension, interruption, cancellation or closure of trading, on those markets, (b) any inoperability or malfunction of equipment, software or any other product supplied to a Trading Member, or in respect of its installation, maintenance or removal, and (c) the exercise by SGX-ST or any person or committee constituted by SGX-ST of a decision-making power; or (4) SGX-ST accepting a Trading Member’s resignation or any decision or ruling of the Disciplinary Committee or Appeals Committee exercising their powers.
2.6	SUPPLY OF INFORMATION TO SGX-ST	2.6	SUPPLY OF INFORMATION TO SGX-ST
2.6.1	SGX-ST may request a Trading Member to provide information or records for the discharge of SGX-ST’s duties or the protection of	2.6.1	SGX-ST may request a Trading Member to provide information or records for the discharge of SGX-ST’s duties or the protection of

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
	investors and public interest. Such information or records include the terms and circumstances of, and parties to any dealings in securities by a Trading Member’s customers or former customers, and the terms of employment or contract and duties of a person acting for a Trading Member. The information or records must not contain untrue statements, be misleading or omit material statements.		investors and public interest. Such information or records include the terms and circumstances of, and parties to any dealings in securities <u>or trades in Futures Contracts</u> by a Trading Member’s customers or former customers, and the terms of employment or contract and duties of a person acting for a Trading Member. The information or records must not contain untrue statements, be misleading or omit material statements.
2.7	DISCLOSURE OF INFORMATION BY SGX-ST	2.7	DISCLOSURE OF INFORMATION BY SGX-ST
2.7.2	<p>Disclosure of information by SGX-ST is not unauthorised use or disclosure if it:-</p> <ol style="list-style-type: none"> (1) is approved by the Authority and is to any governmental agency or regulatory authority (in or out of Singapore) which requests that SGX-ST provide the information for the proper exercise of powers relating to:- <ol style="list-style-type: none"> (a) the governance of Trading Members; or (b) trading of securities (in or out of Singapore); (2) is required under any Singapore law or any order of any Singapore court or authority in Singapore; (3) is publicly available at the time of disclosure to or by SGX-ST; (4) is in relation to the enforcement of the Rules or adjudication of a matter; (5) is to SGX-ST’s holding company or a wholly-owned subsidiary of the holding company; or (6) is additionally authorised by the Authority to be disclosed or furnished under Section 315(2)(a) of the Securities and Futures Act. 	2.7.2	<p>Disclosure of information by SGX-ST is not unauthorised use or disclosure if it:-</p> <ol style="list-style-type: none"> (1) is approved by the Authority and is to any governmental agency or regulatory authority (in or out of Singapore) which requests that SGX-ST provide the information for the proper exercise of powers relating to:- <ol style="list-style-type: none"> (a) the governance of Trading Members; or (b) trading of securities <u>or futures contracts</u> (in or out of Singapore); (2) is required under any Singapore law or any order of any Singapore court or authority in Singapore; (3) is publicly available at the time of disclosure to or by SGX-ST; (4) is in relation to the enforcement of the Rules or adjudication of a matter; (5) is to SGX-ST’s holding company or a wholly-owned subsidiary of the holding company; or (6) is additionally authorised by the Authority to be disclosed or furnished under Section 315(2)(a) of the Securities and Futures Act.

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
Chapter 3: Listing and Quotation		Chapter 3: Listing and Quotation	
3.1	THE OFFICIAL LIST	3.1	THE OFFICIAL LIST
3.1.1	The Official List of SGX-ST consists of companies admitted to (and not removed from) the Official List of the SGX Mainboard and the Official List of the SGX-ST Dealing and Automated Quotation System (SGX Sesdaq).	3.1.1	The Official List of SGX-ST consists of companies admitted to (and not removed from) the Official List of the SGX Mainboard and the Official List of the SGX-ST Dealing and Automated Quotation System (SGX Sesdaq) SGX Catalyst .
3.1.3	SGX-ST's powers include:- (1) imposing sanctions prescribed in the SGX-ST Listing Manual on a listed company or any Director of such company in respect of any breach of the SGX-ST Listing Manual; (2) transferring any entity from the Official List of the SGX Sesdaq to the Official List of SGX Mainboard in accordance with the SGX-ST Listing Manual and vice versa; and (3) imposing conditions or restrictions prescribed in the SGX-ST Listing Manual, on the trading of securities listed on SGX Mainboard or SGX Sesdaq, including: (a) the classes of investors or persons who are allowed to trade in particular classes of securities; (b) moratoria on the trading of particular classes of securities for such periods of time as prescribed by SGX-ST; and (c) such other conditions or restrictions as SGX-ST prescribes for the maintenance of a fair, orderly and transparent market.	3.1.3	SGX-ST's powers include:- (1) imposing sanctions prescribed in the SGX-ST Listing Manual on a listed company or any Director of such company in respect of any breach of the SGX-ST Listing Manual; (2) transferring any entity from the Official List of the SGX Sesdaq SGX Catalyst to the Official List of SGX Mainboard in accordance with the SGX-ST Listing Manual and vice versa; and (3) imposing conditions or restrictions prescribed in these Rules or these Rules or Futures Contracts listed on SGX Mainboard or SGX Sesdaq SGX Catalyst , including: (a) the classes of investors or persons who are allowed to trade in particular classes of securities or Futures Contracts ; (b) moratoria on the trading of particular classes of securities or Futures Contracts for such periods of time as prescribed by SGX-ST; and (c) such other conditions or restrictions as SGX-ST prescribes for the maintenance of a fair, orderly and transparent market.
3.2	CLOB INTERNATIONAL	3.2	NON-LISTED SECURITIES CLOB INTERNATIONAL
3.2.1	A CLOB International security may be quoted for trading on the CLOB International market on such conditions as SGX-ST prescribes.	3.2.1	A Non-Listed sSecurity CLOB International Non-Listed Securities CLOB International may be quoted for trading on the CLOB International Non-Listed Securities CLOB International market on such

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
			conditions as SGX-ST prescribes.
3.2.2	All trades in CLOB International securities are subject to the Rules and any Directives.	3.2.2	All trades in <u>Non-Listed sSecurities</u> CLOB International are subject to the Rules and any Directives.
3.2.3	A CLOB International security is quoted in the currency SGX-ST prescribes.	3.2.3	A <u>Non-Listed sSecurity</u> CLOB International is quoted in the currency SGX-ST prescribes.
3.2.4	SGX-ST may, at its absolute discretion, approve, refuse, suspend or withdraw the quotation of a CLOB International security. The decision of SGX-ST is final. SGX-ST is not obliged to give any reasons.	3.2.4	SGX-ST may, at its absolute discretion, approve, refuse, suspend or withdraw the quotation of a <u>Non-Listed sSecurity</u> CLOB International . The decision of SGX-ST is final. SGX-ST is not obliged to give any reasons.
3.2.5	Without limiting Rule 3.2.4, if a CLOB International security is declared a designated security (or equivalent) or is declared to be cornered (or equivalent) in the foreign stock exchange on which it is listed, SGX-ST will suspend it (including on such terms that it deems necessary) as soon as SGX-ST is aware of the declaration.	3.2.5	Without limiting Rule 3.2.4, if a <u>Non-Listed sSecurity</u> CLOB International is declared a d Designated sSecurity (or equivalent) or is declared to be cornered (or equivalent) in the foreign stock exchange on which it is listed, SGX-ST will suspend it (including on such terms that it deems necessary) as soon as SGX-ST is aware of the declaration.
3.2.6	A contract note for a trade in a CLOB International security must state that the company:- (1) is not listed on SGX-ST, and (2) is not subject to SGX-ST's listing requirements.	3.2.6	A contract note for a trade in a <u>Non-Listed sSecurity</u> CLOB International must state that the company:- (1) is not listed on SGX-ST, and (2) is not subject to SGX-ST's listing requirements.
3.2.7	The delivery and settlement of trades in CLOB International securities are subject to the Settlement Rules in Chapter 9. SGX-ST may vary the delivery and settlement terms.	3.2.7	The delivery and settlement of trades in <u>Non-Listed sSecurities</u> CLOB International are subject to the Settlement Rules in Chapter 9. SGX-ST may vary the delivery and settlement terms.
	<u>[New Rule]</u>	<u>3.3</u>	<u>FUTURES CONTRACTS LISTED AND TRADED ON SGX-ST</u>

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
	[New Rule]	3.3.1	SGX-ST may operate a futures market and list Futures Contracts for trading on the Trading System.

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
Chapter 4: Trading Members		Chapter 4: Trading Members	
4.1	ADMISSION CRITERIA	4.1	ADMISSION CRITERIA
4.1.1	To be eligible for admission as a Trading Member, an applicant must:- (1) be a Corporation carrying on business in Singapore; (2) be qualified by a Clearing Member (unless it is admitted as a Clearing Member); (3) satisfy the capital and financial requirements SGX-ST prescribes; (4) hold a capital markets services licence unless exempt under the Securities and Futures Act or Securities and Futures Regulations; (5) upon admission, appoint at least 1 Approved Executive Director who has been approved by the Authority as an Executive Director in accordance with the Securities and Futures Act; and (6) have facilities and staff adequate for expeditious and orderly trading, operations and activities.	4.1.1	To be eligible for admission as a Trading Member, an applicant must:- (1) be a Corporation carrying on business in Singapore; (2) be qualified by a Clearing Member (unless it is admitted as a Clearing Member); (3) satisfy the capital and financial requirements SGX-ST prescribes; (4) <u>unless exempt under the Securities and Futures Act or the Securities and Futures Regulations</u> , hold a capital markets services licence <u>to engage in the relevant regulated activities, including where appropriate, trading in futures contracts</u> ; (5) upon admission, appoint at least 1 Approved Executive Director who has been approved by the Authority as an Executive Director in accordance with the Securities and Futures Act; and (6) have facilities and staff adequate for expeditious and orderly trading, operations and activities.
4.5	TRADING RIGHTS	4.5	TRADING RIGHTS
4.5.3	A Trading Member may deal in securities for 1 or more of the following:- (1) customers; (2) its proprietary accounts; and (3) proprietary accounts of its related corporations or Associated Corporations.	4.5.3	A Trading Member may deal in securities <u>or Futures Contracts</u> for 1 or more of the following:- (1) customers; (2) its proprietary accounts; and (3) proprietary accounts of its related corporations or Associated Corporations.
4.6	OBLIGATIONS OF A TRADING MEMBER	4.6	OBLIGATIONS OF A TRADING MEMBER
4.6.3	Contracts (1) A Trading Member enters contracts in accordance with the Rules, Clearing Rules and any Directives SGX-ST prescribes.	4.6.3	Contracts (1) A Trading Member enters contracts in accordance with the Rules, Clearing Rules and any Directives SGX-ST prescribes.

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
	(2) A Trading Member must honour all contracts:- (a) entered by or through it on CLOB; and (b) (b) via Direct Business.		(2) A Trading Member must honour all contracts:- (a) entered by or through it on the Trading System CLOB ; and (b) via Direct Business.
4.6.13	<p>Trading Representatives A Trading Member must:-</p> <ol style="list-style-type: none"> (1) register with SGX-ST persons who deal in securities as Trading Representatives (unless exempted by SGX-ST); (2) enter into a written agency agreement with a Remisier. The agreement must address the following:- <ol style="list-style-type: none"> (a) the amount of commission payable to the Remisier; (b) the amount of security deposit to be given by the Remisier to the Trading Member; (c) responsibility for any losses or liabilities as a result of any acts or omissions of the Remisier; and (d) charges that may be levied by the Trading Member on its Remisier; (3) inform SGX-ST in writing at least 7 days before a dealer converts to a Remisier or vice versa. SGX-ST may vary or waive the notice period; (4) inform SGX-ST in writing at least 7 days before it appoints as a Trading Representative a person who is a Trading Representative of another Trading Member; (5) inform SGX-ST in writing at least 7 days before it appoints as a Trading Representative a person who recently ceased to be registered as a Trading Representative. A person has recently ceased to be registered if:- <ol style="list-style-type: none"> (a) he or she ceased within 1 month from the new appointment; (b) the person's licence has not lapsed, expired, been revoked or suspended by the Authority; or (c) the person has not been expelled as a result of disciplinary 	4.6.13	<p>Trading Representatives A Trading Member must:-</p> <ol style="list-style-type: none"> (1) register with SGX-ST persons who deal in securities or trade in Futures Contracts as Trading Representatives (unless exempted by SGX-ST); (2) where it engages a Remisier, enter into a written agency agreement with that a Remisier. The agreement must address the following:- <ol style="list-style-type: none"> (a) the amount of commission payable to the Remisier; (b) the amount of security deposit to be given by the Remisier to the Trading Member; (c) responsibility for any losses or liabilities as a result of any acts or omissions of the Remisier; and (d) charges that may be levied by the Trading Member on its Remisier; (3) inform SGX-ST in writing at least 7 days before a dealer converts to a Remisier or vice versa. SGX-ST may vary or waive the notice period; (4) inform SGX-ST in writing at least 7 days before it appoints as a Trading Representative a person who is a Trading Representative of another Trading Member; (5) inform SGX-ST in writing at least 7 days before it appoints as a Trading Representative a person who recently ceased to be registered as a Trading Representative. A person has recently ceased to be registered if:- <ol style="list-style-type: none"> (a) he or she ceased within 1 month from the new appointment; (b) the person's licence has not lapsed, expired, been revoked

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
	<p>proceedings; and</p> <p>(6) inform SGX-ST in writing at least 7 days before a Trading Representative ceases to act. If the cessation is with immediate effect, the Trading Member must inform SGX-ST in writing the same day.</p>		<p>or suspended by the Authority; or</p> <p>(c) the person has not been expelled as a result of disciplinary proceedings; and</p> <p>(6) inform SGX-ST in writing at least 7 days before a Trading Representative ceases to act. If the cessation is with immediate effect, the Trading Member must inform SGX-ST in writing the same day.</p>
4.6.16	<p>Register of Securities</p> <p>(1) A Trading Member must maintain a Register of Securities in accordance with the Securities and Futures Act. The Register must include non-SGX-ST listed securities and single stock futures.</p> <p>(2) If asked by SGX-ST, a Trading Member must produce the Register for inspection.</p> <p>(3) A Trading Member must permit SGX-ST to take extracts of the Register.</p>	4.6.16	<p>Register of Securities</p> <p>(1) A Trading Member must maintain a Rregister of Scurities in accordance with the Securities and Futures Act. The Rregister must include Futures Contracts non-SGX-ST-listed securities and single stock futures.</p> <p>(2) If asked by SGX-ST, a Trading Member must produce the Rregister for inspection.</p> <p>(3) A Trading Member must permit SGX-ST to take extracts of the Rregister.</p>

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
Chapter 5: Designated Market Makers		Chapter 5: Designated Market Makers	
5.5	OBLIGATIONS OF A DESIGNATED MARKET-MAKER	5.5	OBLIGATIONS OF A DESIGNATED MARKET-MAKER
5.5.3	<p>Bid and Offer Quotations A Designated Market-Maker must publish on CLOB competitive bid and offer quotations:-</p> <ol style="list-style-type: none"> (1) on a continuous basis or in such manner as SGX-ST prescribes to provide for an adequately liquid market (with suitable disclosure to investors); (2) within the maximum spread; and (3) for not less than the minimum quantity that SGX-ST prescribes. 	5.5.3	<p>Bid and Offer Quotations A Designated Market-Maker must publish on the Trading System CLOB-competitive bid and offer quotations:-</p> <ol style="list-style-type: none"> (1) on a continuous basis or in such manner as SGX-ST prescribes to provide for an adequately liquid market (with suitable disclosure to investors); (2) within the maximum spread; and (3) for not less than the minimum quantity that SGX-ST prescribes.
5.6	SUSPENSION OR RESTRICTION OF TRADES IN SPECIFIED SECURITY	5.6	SUSPENSION OR RESTRICTION OF TRADES IN SPECIFIED SECURITY
5.6.2	Specified Securities which have been suspended from trading or subject to a trading halt cease to be traded on CLOB.	5.6.2	Specified Securities which have been suspended from trading or subject to a trading halt cease to be traded on CLOB the Trading System .
5.7	SUSPENSION AND RESTRICTION OF ACTIVITIES	5.7	SUSPENSION AND RESTRICTION OF ACTIVITIES
5.7.1	<p>SGX-ST may suspend or restrict the activities of a Designated Market-Maker for such period as SGX-ST specifies if the Designated Market-Maker:-</p> <ol style="list-style-type: none"> (1) fails to continue to satisfy the registration criteria; (2) fails to comply with Rules 5.5, 5.6.3, 5.6.4 or any Directives; (3) fails to comply with the Rules or any Directives in its capacity as a Trading Member (if applicable); (4) is suspended in its capacity as a Trading Member (if applicable); (5) defaults on any trade in Specified Securities or any other securities; (6) in SGX-ST's opinion, is in financial or operating difficulty; (7) is suspected of manipulating or distorting the market for a specified 	5.7.1	<p>SGX-ST may suspend or restrict the activities of a Designated Market-Maker for such period as SGX-ST specifies if the Designated Market-Maker:-</p> <ol style="list-style-type: none"> (1) fails to continue to satisfy the registration criteria; (2) fails to comply with Rules 5.5, 5.6.3, 5.6.4 or any Directives; (3) fails to comply with the Rules or any Directives in its capacity as a Trading Member (if applicable); (4) is suspended in its capacity as a Trading Member (if applicable); (5) defaults on any trade in Specified Securities or any other securities or Futures Contracts; (6) in SGX-ST's opinion, is in financial or operating difficulty;

AMENDMENTS TO SGX-ST RULES – WITH EFFECT FROM 3 APRIL 2008

Current Rules		New Rules	
	security or attempting to do so; (8) is the subject of a written complaint involving an allegation of fraud or dishonesty, whether in or out of Singapore; (9) is the subject of an investigation involving an allegation of fraud or dishonesty, whether in or out of Singapore; or (10) engages in conduct detrimental to the financial integrity, reputation or interests of SGX-ST, or markets established or operated by SGX-ST.		(7) is suspected of manipulating or distorting the market for a sSpecified sSecurity or attempting to do so; (8) is the subject of a written complaint involving an allegation of fraud or dishonesty, whether in or out of Singapore; (9) is the subject of an investigation involving an allegation of fraud or dishonesty, whether in or out of Singapore; or (10) engages in conduct detrimental to the financial integrity, reputation or interests of SGX-ST, or markets established or operated by SGX-ST.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 7: Trading Representative		Chapter 7: Trading Representative	
7.1	REGISTRATION CRITERIA	7.1	REGISTRATION CRITERIA
7.1.1	To be eligible for registration as a Trading Representative, an applicant must:- <ol style="list-style-type: none"> (1) be at least 21 years old; (2) be a person of integrity; (3) possess a good track record of business conduct (if applicable); (4) hold a valid capital markets services representative's licence unless exempt under the Securities and Futures Act or Securities and Futures Regulations; (5) not be a person whose registration or licence has previously been revoked by an exchange or a regulatory body, whether in or out of Singapore; and (6) not be an undischarged bankrupt, whether in or out of Singapore. 	7.1.1	To be eligible for registration as a Trading Representative, an applicant must:- <ol style="list-style-type: none"> (1) be at least 21 years old; (2) be a person of integrity; (3) possess a good track record of business conduct (if applicable); (4) <u>unless exempt under the Securities and Futures Act or the Securities and Futures Regulations, hold a valid capital markets services representative's licence to engage in the relevant activities, including where appropriate, trading in futures contracts unless exempt under the Securities and Futures Act or Securities and Futures Regulations;</u> (5) not be a person whose registration or licence has previously been revoked by an exchange or a regulatory body, whether in or out of Singapore; and (6) not be an undischarged bankrupt, whether in or out of Singapore.
7.5	OBLIGATIONS OF A TRADING REPRESENTATIVE	7.5	OBLIGATIONS OF A TRADING REPRESENTATIVE
7.5.5	Register of Securities <ol style="list-style-type: none"> (1) A Trading Representative must maintain a Register of Securities in accordance with the Securities and Futures Act. The Register must include non-SGX-ST listed securities and single stock futures. (2) If asked by SGX-ST, a Trading Representative must produce the Register for inspection. (3) A Trading Representative must permit SGX-ST to take extracts of the Register. <i>Please refer to Practice Note 7.5.5.</i>	7.5.5	Register of Securities <ol style="list-style-type: none"> (1) A Trading Representative must maintain a <u>R</u>register of <u>S</u>curities in accordance with the Securities and Futures Act. The <u>R</u>register must include <u>Futures Contracts non-SGX-ST listed securities and single stock futures.</u> (2) If asked by SGX-ST, a Trading Representative must produce the <u>R</u>register for inspection. (3) A Trading Representative must permit SGX-ST to take extracts of the <u>R</u>register. <i>Please refer to Practice Note 7.5.5.</i>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 8: CLOB Trading		Chapter 8: CLOB Trading	
8.1	TRADING	8.1	TRADING
8.1.1	A security listed or quoted on SGX-ST must be traded through CLOB or as otherwise allowed under this Chapter.	8.1.1	A security or Futures Contract listed or quoted on SGX-ST must be traded through CLOB the Trading System or as otherwise allowed under this Chapter.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules				New Rules					
8.3	ORDERS			8.3	ORDERS				
8.3.3	Unless otherwise determined by SGX-ST, the minimum bid size of the following products shall be as follows:			8.3.3	Unless otherwise determined by SGX-ST, the minimum bid size of the following products shall be as follows:				
	S/N	Product	Price Range	Minimum Bid Size (\$\$)		S/N	Product	Price Range	Minimum Bid Size (\$\$)
	1	Stocks (including preference shares), Real Estate Investment Trusts (REITS), business trusts, warrants and any other class of securities not specified in this Rule 8.3.3	Below \$1.00	\$0.005		1	Stocks (including preference shares), Real Estate Investment Trusts (REITS), business trusts, warrants and any other class of securities <u>or Futures Contracts</u> not specified in this Rule 8.3.3	Below \$1.00	\$0.005
			\$1.00 - \$9.99	\$0.01				\$1.00 - \$9.99	\$0.01
			\$10 and above	\$0.02				\$10 and above	\$0.02
	2	Exchange traded funds	All	\$0.01 or \$0.001 as determined by SGX-ST		2	Exchange traded funds	All	\$0.01 or \$0.001 as determined by SGX-ST
	3	Bonds, debentures and loan stocks	All	\$0.001		3	Bonds, debentures and loan stocks	All	\$0.001
	<p>For the avoidance of doubt, the minimum bid sizes above apply to securities denominated in all currencies, except the Hong Kong Dollar (“HKD”) or Japanese Yen (“JPY”). For securities traded in HKD and JPY, the minimum bid sizes shall as far as practicable be aligned to the minimum bid sizes applicable in Hong Kong and Japan respectively.</p>				<p>For the avoidance of doubt, the minimum bid sizes above apply to securities <u>and Futures Contracts</u> denominated in all currencies, except the Hong Kong Dollar (“HKD”) or Japanese Yen (“JPY”). For securities <u>and Futures Contracts</u> traded in HKD and JPY, the minimum bid sizes shall as far as practicable be aligned to the minimum bid sizes applicable in Hong Kong and Japan respectively.</p>				

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
8.3.4	Each order entered into CLOB must specify the customer account code, and the price and quantity of the security. A “zero” account code may be used if the Trading Member has not allocated an account code for a new customer. A “99999” account code may be used if the Trading Member has not allocated an account code to a new foreign customer. Amendment of trade from “zero” or “99999” account to a customer account must be made as soon as an account code is allocated to the customers and is in accordance with Rule 12.8.	8.3.4	Each order entered into CLOB the Trading System must specify the customer account code, and the price and quantity of the security or Futures Contract . A “zero” account code may be used if the Trading Member has not allocated an account code for a new customer. A “99999” account code may be used if the Trading Member has not allocated an account code to a new foreign customer. Amendment of trade from “zero” or “99999” account to a customer account must be made as soon as an account code is allocated to the customers and is in accordance with Rule 12.8.
8.3.5	Each entered order is given a unique order number by CLOB.	8.3.5	Each entered order is given a unique order number by the Trading System CLOB .
8.4	TRADING BASIS OF SECURITIES	8.4	TRADING BASIS OF SECURITIES
8.4.2	All Eligible Securities will be traded on an “ex” basis for 3 Market Days before and up to the book closing date for an entitlement. All other securities will be traded on an “ex” basis 5 Market Days (if there is a branch register in Singapore) or 7 Market Days before and up to the book closing date for an entitlement.	8.4.2	All Eligible Securities securities which are designated by CDP as eligible for clearance or settlement on a book entry basis will be traded on an “ex” basis for 3 Market Days before and up to the book closing date for an entitlement. All other securities will be traded on an “ex” basis 5 Market Days (if there is a branch register in Singapore) or 7 Market Days before and up to the book closing date for an entitlement.
8.6	ERRORS	8.6	ERRORS
8.6.1	An error trade refers to a transaction effected on CLOB as a result of an error in the entry of a bid or offer that was matched.	8.6.1	An error trade refers to a transaction effected on CLOB the Trading System as a result of an error in the entry of a bid or offer that was matched.
8.6.2	If an error trade occurs:- (1) the Trading Member who made the error must immediately contact the counterparty Trading Member and seek its agreement to cancel the trade; and (2) both Trading Members must inform SGX-ST of the error:-	8.6.2	If an error trade occurs:- (1) the Trading Member who made the error must immediately contact the counterparty Trading Member and seek its agreement to cancel the trade; and (2) both Trading Members must inform SGX-ST of the error:-

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>(a) by telephone immediately; and</p> <p>(b) in writing on the same day, with details of the security name, price, trade number and time of the error trade. The Trading Member making the error must also give reason(s) for it.</p>		<p>(a) by telephone immediately; and</p> <p>(b) in writing on the same day, with details of the security <u>or Futures Contract</u> name, price, trade number and time of the error trade. The Trading Member making the error must also give reason(s) for it.</p>
8.6.3	<p>A dispute arising from an error trade must be referred to SGX-ST promptly. SGX-ST will decide whether to cancel the error trade. It will try to do so on the day the error trade occurred. SGX-ST may consider the following factors when deciding whether to cancel an error trade:-</p> <p>(1) the difference between the price at which the error trade was done and the preceding traded price of the security;</p> <p>(2) the market liquidity in the security at the time the error trade occurred;</p> <p>(3) the monetary loss involved if the trade is or is not cancelled;</p> <p>(4) the difference between the time the erroneous order was entered and the time it was matched;</p> <p>(5) the number of counterparty customers involved;</p> <p>(6) whether the force key was used when entering the erroneous order into CLOB;</p> <p>(7) the reason(s) given for the error; and</p> <p>(8) any other factors which SGX-ST thinks relevant.</p>	8.6.3	<p>A dispute arising from an error trade must be referred to SGX-ST promptly. SGX-ST will decide whether to cancel the error trade. It will try to do so on the day the error trade occurred. SGX-ST may consider the following factors when deciding whether to cancel an error trade:-</p> <p>(1) the difference between the price at which the error trade was done and the preceding traded price of the security <u>or Futures Contract</u>;</p> <p>(2) the market liquidity in the security <u>or Futures Contract</u> at the time the error trade occurred;</p> <p>(3) the monetary loss involved if the trade is or is not cancelled;</p> <p>(4) the difference between the time the erroneous order was entered and the time it was matched;</p> <p>(5) the number of counterparty customers involved;</p> <p>(6) whether the force key was used when entering the erroneous order into <u>CLOB the Trading System</u>;</p> <p>(7) the reason(s) given for the error; and</p> <p>(8) any other factors which SGX-ST thinks relevant.</p>
8.7	DIRECT BUSINESS	8.7	DIRECT BUSINESS
8.7.1	<p>A Trading Member may only execute Direct Business that is:-</p> <p>(1) at least:-</p> <p style="padding-left: 20px;">(a) 50,000 units of securities; or</p> <p style="padding-left: 20px;">(b) \$150,000;</p> <p>(2) a book-out trade from an error account to remedy an error; or</p>	8.7.1	<p>A Trading Member may only execute Direct Business that is:-</p> <p>(1) at least:-</p> <p style="padding-left: 20px;">(a) 50,000 units of securities <u>or Futures Contracts</u>, or</p> <p style="padding-left: 20px;">(b) \$150,000;</p> <p>(2) a book-out trade from an error account to remedy an error; or</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	(3) to complete a customer's order that was partially filled in the market, provided the original order met the minimum size in Rule 8.7.1(1) above.		(3) to complete a customer's order that was partially filled in the market, provided the original order met the minimum size in Rule 8.7.1(1) above.
8.7.4	Direct Business must be reported through the married trade reporting system of CLOB under Rule 8.7.5. The price, quantity and counterparty must be reported.	8.7.4	Direct Business must be reported through the married trade reporting system of CLOB the Trading System under Rule 8.7.5. The price, quantity and counterparty must be reported.
8.7.6	SGX-ST may suspend Direct Business on any or all securities. SGX-ST may specify conditions under which Direct Business is permitted for securities.	8.7.6	SGX-ST may suspend Direct Business on any or all securities or Futures Contracts . SGX-ST may specify conditions under which Direct Business is permitted for securities or Futures Contracts .
8.8	DESIGNATED SECURITIES	8.8	DESIGNATED SECURITIES AND FUTURES CONTRACTS
8.8.1	The Board may declare publicly a listed or quoted security to be a "Designated Security" if, in its opinion, there has been manipulation of the security, excessive speculation in the security, or it is otherwise desirable in the interests of markets established or operated by SGX-ST.	8.8.1	The Board may declare publicly a listed or quoted security or Futures Contract to be a "Designated Security" or " Designated Futures Contract " if, in its opinion, there has been manipulation of the security or Futures Contract (or its underlying) , excessive speculation in the security or Futures Contract (or its underlying) , or it is otherwise desirable in the interests of markets established or operated by SGX-ST.
8.8.2	The Board may impose any conditions it thinks fit on dealing in a Designated Security. A condition applies from the date of declaration to all contracts of the Designated Security entered into on or after the date of declaration, or as indicated by the Board. For avoidance of doubt, the conditions may include:- (1) a requirement that Trading Members obtain margins from each customer in respect of the customer's dealing in the Designated Security; (2) a restriction on all dealings to Immediate Bargains; (3) a restriction on trading in a Designated Security by a Trading	8.8.2	The Board may impose any conditions it thinks fit on dealing in a Designated Security or trading in a Designated Futures Contract . A condition applies from the date of declaration to all contracts of the Designated Security or Designated Futures Contract entered into on or after the date of declaration, or as indicated by the Board. For avoidance of doubt, the conditions may include:- (1) a requirement that Trading Members obtain margins from each customer in respect of the customer's dealing in the Designated Security or trading in a Designated Futures Contract ; (2) a restriction on all dealings to Immediate Bargains;

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>Member if its outstanding contracts in that Designated Security exceed 5% of the paid-up capital of the company whose securities are designated, or any other percentage the Board prescribes; or</p> <p>(4) a prohibition on any sale unless the seller holds the Designated Security. A seller holds the security if, at the time of sale, he has the securities in an account maintained with CDP (if scripless), or delivers the share certificates and executed transfer forms to the Trading Member.</p>		<p>(3) a restriction on trading-dealing in a Designated Security <u>or trading in a Designated Futures Contract</u> by a Trading Member if its outstanding contracts in that Designated Security exceed 5% of the paid-up capital of the company whose securities are designated <u>or, in the case of a Designated Futures Contract, of the company whose securities comprise the underlying</u>, or any other percentage the Board prescribes; or</p> <p>(4) a prohibition on any sale unless the seller holds the Designated Security <u>or Designated Futures Contract, or in the case of a Designated Futures Contract, the underlying</u>. A seller holds the security, <u>Futures Contract or underlying</u> if, at the time of sale, he has the securities, <u>Futures Contracts or underlying</u> in an account maintained with CDP (if scripless), or delivers the share certificates and executed transfer forms to the Trading Member.</p>
8.8.3	If asked, a Trading Member must give SGX-ST particulars of all its dealings in Designated Securities and of the customers involved. The Trading Member must do so by the next business day after being asked or as required.	8.8.3	If asked, a Trading Member must give SGX-ST particulars of all its dealings in Designated Securities <u>or trades in Designated Futures Contracts</u> and of the customers involved. The Trading Member must do so by the next business day after being asked or as required.
8.9	CORNER	8.9	CORNER
8.9.2	<p>The Board may impose any conditions it thinks fit on existing contracts of a cornered security or on dealing in a cornered security. For avoidance of doubt, the conditions may include:-</p> <p>(1) from time to time extending (or further extending) the due date for delivery; or</p> <p>(2) declaring that contracts will be cash settled (not delivered). The Board may direct the terms of the cash settlement or apply the following terms (in whole or in part) as it thinks fit:-</p> <p>(a) in the case of a seller who contracted to sell for less than the fair settlement price, the seller must pay the buyer the</p>	8.9.2	<p>The Board may impose any conditions it thinks fit on existing contracts of ready market or Futures Contracts on a cornered security or on dealing in a cornered security. For avoidance of doubt, the conditions may include:-</p> <p>(1) from time to time extending (or further extending) the due date for delivery; or</p> <p>(2) declaring that contracts will be cash settled (not delivered). The Board may direct the terms of the cash settlement or apply the following terms (in whole or in part) as it thinks fit:-</p> <p>(a) in the case of a seller who contracted to sell for less than the</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>difference between the fair settlement price and the contract price;</p> <p>(b) in the case of a seller who contracted to sell for more than the fair settlement price, the buyer must pay the seller the difference between the contract price and the fair settlement price;</p> <p>(c) in the case of a buyer who contracted to buy for less than the fair settlement price, the seller must pay the buyer the difference between the fair settlement price and the contract price; and</p> <p>(d) in the case of a buyer who contracted to buy for more than the fair settlement price, the buyer must pay the seller the difference between the contract price and the fair settlement price.</p>		<p>fair settlement price, the seller must pay the buyer the difference between the fair settlement price and the contract price;</p> <p>(b) in the case of a seller who contracted to sell for more than the fair settlement price, the buyer must pay the seller the difference between the contract price and the fair settlement price;</p> <p>(c) in the case of a buyer who contracted to buy for less than the fair settlement price, the seller must pay the buyer the difference between the fair settlement price and the contract price; and</p> <p>(d) in the case of a buyer who contracted to buy for more than the fair settlement price, the buyer must pay the seller the difference between the contract price and the fair settlement price.</p>
8.9.8	The fair settlement price determined by the Board is final and binding on all parties to any outstanding contract of the cornered security.	8.9.8	The fair settlement price determined by the Board is final and binding on all parties to any outstanding contract of ready market or Futures Contract on the cornered security.
8.10	SUSPENSION OF CLOB TRADING	8.10	SUSPENSION OF CLOB TRADING
8.10.1	<p>SGX-ST may suspend or restrict trading in any or all listed or quoted securities. It may do so for 1 or more markets or 1 or more trading sessions or any part of a trading session. It may do so in any of the following circumstances:-</p> <p>(1) in SGX-ST's opinion, the market is not orderly, informed or fair or circumstances are about to occur that may result in there not being an orderly, informed or fair market;</p> <p>(2) SGX-ST releases an announcement in relation to an Issuer which, in SGX-ST's opinion, is market sensitive;</p> <p>(3) an Issuer requests, and SGX-ST agrees to, the suspension;</p>	8.10.1	<p>SGX-ST may suspend or restrict trading in any or all listed or quoted securities or Futures Contracts. It may do so for 1 or more markets or 1 or more trading sessions or any part of a trading session. It may do so in any of the following circumstances:-</p> <p>(1) in SGX-ST's opinion, the market is not orderly, informed or fair or circumstances are about to occur that may result in there not being an orderly, informed or fair market;</p> <p>(2) SGX-ST releases an announcement in relation to an Issuer which, in SGX-ST's opinion, is market sensitive;</p> <p>(3) an Issuer requests, and SGX-ST agrees to, the suspension;</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>(4) access to CLOB is generally restricted;</p> <p>(5) any of the circumstances in Rule 1303 of the SGX-ST Listing Manual apply;</p> <p>(6) functions of SGX-ST are, or are threatened to be, severely and adversely affected by a physical emergency such as fire, terrorist activities, power failures, communication or transportation breakdowns, or computer malfunctions; or</p> <p>(7) in SGX-ST's opinion, it is in the public interest.</p> <p><i>Please refer to Practice Note 8.10.1.</i></p>		<p>(4) access to CLOB the Trading System is generally restricted;</p> <p>(5) any of the circumstances in Rule 1303 of the SGX-ST Listing Manual apply;</p> <p>(6) functions of SGX-ST are, or are threatened to be, severely and adversely affected by a physical emergency such as fire, terrorist activities, power failures, communication or transportation breakdowns, or computer malfunctions; or</p> <p>(7) in SGX-ST's opinion, it is in the public interest.</p> <p><i>Please refer to Practice Note 8.10.1.</i></p>
8.10.3	<p>Securities which have been suspended from trading cease to be traded on CLOB. Except with SGX-ST's approval, a Trading Member must not execute any transactions in a suspended security.</p> <p><i>Please refer to Practice Note 8.10.3.</i></p>	8.10.3	<p>Securities or Futures Contracts which have been suspended from trading cease to be traded on CLOB the Trading System. Except with SGX-ST's approval, a Trading Member must not execute any transactions in a suspended security or Futures Contract.</p> <p><i>Please refer to Practice Note 8.10.3.</i></p>
8.10.4	<p>All unmatched orders in a security in CLOB lapse in the event of a suspension of that security.</p>	8.10.4	<p>All unmatched orders in a security or Futures Contract in CLOB the Trading System lapse in the event of a suspension of that security or Futures Contract.</p>
8.10.5	<p>SGX-ST may extend a trading session (generally, or for a particular security) if trading recommences after a suspension.</p>	8.10.5	<p>SGX-ST may extend a trading session (generally, or for a particular security or Futures Contract) if trading recommences after a suspension.</p>
8.10.6	<p>Securities subject to suspension will be placed in Adjust Phase for a minimum of 15 minutes before trading recommences.</p>	8.10.6	<p>Securities or Futures Contracts subject to suspension will be placed in Adjust Phase for a minimum of 15 minutes before trading recommences.</p>
8.11	TRADING HALTS	8.11	TRADING HALTS
8.11.7	<p>Securities which are subject to a trading halt cease to be traded on CLOB. Except with SGX-ST's approval, a Trading Member must not execute any</p>	8.11.7	<p>Securities or Futures Contracts which are subject to a trading halt cease to be traded on CLOB the Trading System. Except with SGX-</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	transactions in a security subject to a trading halt. <i>Please refer to Practice Note 8.10.3.</i>		ST's approval, a Trading Member must not execute any transactions in a security or Futures Contract subject to a trading halt. <i>Please refer to Practice Note 8.10.3.</i>
8.12	SUSPENSION OF TRADING MEMBER AND PROHIBITION OF DEALINGS	8.12	SUSPENSION OF TRADING MEMBER AND PROHIBITION OF DEALINGS
8.12.1	SGX-ST may prohibit or limit a Trading Member from entering orders on CLOB for a period not exceeding 14 days if the Trading Member:- (1) fails to continue to satisfy the admission criteria; (2) defaults on any transaction in securities on SGX-ST; or (3) is, in SGX-ST's opinion, in operating difficulty.	8.12.1	SGX-ST may prohibit or limit a Trading Member from entering orders on the Trading System CLOB for a period not exceeding 14 days if the Trading Member:- (1) fails to continue to satisfy the admission criteria; (2) defaults on any transaction in securities or Futures Contracts on SGX-ST; or (3) is, in SGX-ST's opinion, in operating difficulty.
8.13	OPEN INTERFACE APPLICATIONS	8.13	OPEN INTERFACE APPLICATIONS
8.13.1	A Trading Member who has access into CLOB via SGXAccess or such other open interface applications must comply with the requirements SGX-ST prescribes.	8.13.1	A Trading Member who has access into CLOB the Trading System via SGXAccess or such other open interface applications must comply with the requirements SGX-ST prescribes.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 9: Settlement		Chapter 9: Settlement	
9.1	MODE OF SETTLEMENT	9.1	MODE OF SETTLEMENT
9.1.1	Unless otherwise specified by SGX-ST, delivery and settlement for trades in Eligible Securities are by book entry at CDP.	9.1.1	Unless otherwise specified by SGX-ST, delivery and settlement for trades in Eligible Securities securities or Futures Contracts which are designated by CDP as eligible for clearance or settlement on a book entry basis , are by book entry at CDP.
9.1.2	Delivery of physical certificates is not accepted for trades in Eligible Securities.	9.1.2	Delivery of physical certificates is not accepted for trades in Eligible Securities securities or Futures Contracts which are designated by CDP as eligible for clearance or settlement on a book entry basis .
9.1.3	A securities account must be maintained with CDP by customers who trade in Eligible Securities and Trading Members who trade in Eligible Securities for their own account. The securities account may be maintained directly with CDP or with a depository agent.	9.1.3	A securities account must be maintained with CDP by customers who trade in Eligible Securities securities or Futures Contracts which are designated by CDP as eligible for clearance or settlement on a book entry basis and Trading Members who trade in Eligible Securities such securities or Futures Contracts for their own account. The securities account may be maintained directly with CDP or with a depository agent.
9.2	RELATIONSHIP BETWEEN TRADING MEMBER AND CUSTOMER	9.2	RELATIONSHIP BETWEEN TRADING MEMBER AND CUSTOMER
9.2.2	A buying customer must look only to the Trading Member, who executes the trade, for delivery of securities. A buying customer must pay the Trading Member who executes the trade.	9.2.2	A buying customer must look only to the Trading Member, who executes the trade, for delivery of securities or in the case of a deliverable Futures Contract, the relevant underlying . A buying customer must pay the Trading Member who executes the trade.
9.3	RELATIONSHIP BETWEEN TRADING MEMBER AND CLEARING MEMBER	9.3	RELATIONSHIP BETWEEN TRADING MEMBER AND CLEARING MEMBER
9.3.2	A buying Trading Member must look only to the Clearing Member who qualifies it for delivery of securities.	9.3.2	A buying Trading Member must look only to the Clearing Member who qualifies it for delivery of securities or in the case of a deliverable Futures Contract, the relevant underlying .

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
9.4	SETTLEMENT DATES	9.4	SETTLEMENT DATES
9.4.1	The normal timetable for settlement of trades is as follows:-	9.4.1	The normal timetable for settlement of trades is as follows:-

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Type of Trade	Delivery by selling customer	Payment to selling customer		Delivery to buying customer	Payment by buying customer		Force-sale against customer		Buying in against customer
	Other	DVP	Other	Other	DVP	Other	DVP	Other	
Immediate Bargains	5 pm on T	-	T+1 or against delivery, whichever is later	3 pm on T+1	-	T+1	-	T+2	T+1
Ready Market for securities deposited with and Futures Contracts cleared by CDP	T+3	T+3 or against delivery, whichever is later	T+4 or against delivery, whichever is later	T+3	T+3	T+3	T+4	T+4	T+4
Ready Market for other securities	12.30 pm on T+3	-	T+4 or against delivery, whichever is later	3 pm on T+4	-	T+4	-	T+5	T+4

where T is the trade date (and hence, T+3 is the third Market Day after trade date).

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
9.5	TRADES UNDER PHYSICAL DELIVERY	9.5	TRADES UNDER PHYSICAL DELIVERY
9.5.2	<p>A Trading Member may take the following actions if a selling customer fails to deliver securities that have been sold:-</p> <ol style="list-style-type: none"> (1) Recover from the customer the difference between the contract price and the market price at the time delivery should have been made, and all losses and consequent expenses; or (2) Repurchase the securities and recover from the customer the difference between the contract price and the repurchase price upon the repurchase. Repurchase may be made immediately after the failure or at any other time. A Trading Member need not give notice of the repurchase to the selling customer. 	9.5.2	<p>A Trading Member may take the following actions if a selling customer fails to deliver securities that have been sold in the ready market or through a Futures Contract:-</p> <ol style="list-style-type: none"> (1) Recover from the customer the difference between the contract price and the market price at the time delivery should have been made, and all losses and consequent expenses; or (2) Repurchase the securities and recover from the customer the difference between the contract price and the repurchase price upon the repurchase. Repurchase may be made immediately after the failure or at any other time. A Trading Member need not give notice of the repurchase to the selling customer.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST -
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 10: Foreign Market Linkages		Chapter 10: Foreign Market Linkages	
10.4	ROLE AND RESPONSIBILITIES OF SGX-SPV	10.4	ROLE AND RESPONSIBILITIES OF SGX-SPV
10.4.5	<p>For inbound Orders, SGX-SPV, in its capacity as agent for the Foreign Portal Dealer, must:-</p> <ol style="list-style-type: none"> (1) receive and route an Order from the Foreign Portal Dealer via the Exchange Link into CLOB; (2) provide electronic trade confirmation to the Foreign Portal Dealer as soon as practicable after the Order is matched on CLOB; (3) clear all trades resulting from the execution of the transactions as a Clearing Member of CDP; and (4) comply with the settlement procedures between CDP and a Clearing Member. 	10.4.5	<p>For inbound Orders, SGX-SPV, in its capacity as agent for the Foreign Portal Dealer, must:-</p> <ol style="list-style-type: none"> (1) receive and route an Order from the Foreign Portal Dealer via the Exchange Link into CLOB the Trading System; (2) provide electronic trade confirmation to the Foreign Portal Dealer as soon as practicable after the Order is matched on CLOB the Trading System; (3) clear all trades resulting from the execution of the transactions as a Clearing Member of CDP; and (4) comply with the settlement procedures between CDP and a Clearing Member.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 11: Capital and Financial Requirements		Chapter 11: Capital and Financial Requirements	
11.7	Exposure To Single Customer	11.7	Exposure To Single Customer
11.7.3	<p>In this Rule, “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 style="padding-left: 20px;">(a) for purchase contracts that remain unpaid:-</p> <p style="padding-left: 40px;">(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 Trading Member as collateral less any amount due and payable by the Trading Member to him; and</p> <p style="padding-left: 40px;">(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 Trading Member as collateral less any amount due and payable by the Trading Member to him;</p> <p style="padding-left: 20px;">(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 Trading Member as collateral and the contracted sale price less any amount due and payable by the Trading Member to him;</p>	11.7.3	<p>In this Rule, “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 style="padding-left: 20px;">(a) for purchase contracts that remain unpaid:-</p> <p style="padding-left: 40px;">(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 Trading Member as collateral less any amount due and payable by the Trading Member to him; and</p> <p style="padding-left: 40px;">(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 Trading Member as collateral less any amount due and payable by the Trading Member to him;</p> <p style="padding-left: 20px;">(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 Trading Member as collateral and the contracted sale price less any amount</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules	New Rules
<p>(c) where the contracts referred to in Rule 11.7.3(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 11.7.3(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 11.7.3(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 11.7.3(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>(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 options margin account as determined in accordance with the option margin requirements specified by SGX-ST;</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>due and payable by the Trading Member to him;</p> <p>(c) where the contracts referred to in Rule 11.7.3(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 11.7.3(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 11.7.3(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 11.7.3(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><u>(1A) for the purposes of Rule 11.7.3(1) “securities” includes structured warrants;</u></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 options margin account as determined in accordance with the option margin requirements specified by SGX-ST;</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>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>(7) where the Trading 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;</p> <p>(8) where the Trading 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; and</p> <p>(9) 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>(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 Trading 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;</p> <p>(8) where the Trading 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; and</p> <p>(9) 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>
11.8	Exposure to Single Security	11.8	Exposure to Single Security
11.8.6A	<i>[New Rule]</i>	11.8.6A	For the purposes of Rule 11.8.4(2) and Rule 11.8.4(4), in calculating exposure in any particular security, all futures contracts with that security as an underlying shall be included in such computation.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
11.8.9	In this Rule:- “single security” includes ordinary and preference shares, loan stocks, warrants, transferable subscription rights, bonds, debentures, depository receipts, options and any other debt instruments or equity securities issued by a Corporation, and single stock futures traded on SGX-DT.		In this Rule:- “single security” includes ordinary and preference shares, loan stocks, <u>company warrants, structured warrants</u> , transferable subscription rights, bonds, debentures, depository receipts, options and any other debt instruments or equity securities. issued by a Corporation, and single stock futures traded on SGX-DT.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 12: Operational Requirements		Chapter 12: Operational Requirements	
12.3	Customer Accounts	12.3	Customer Accounts
12.3.2	<p>Corporate Customer Account</p> <p>Before opening a corporate customer account, a Trading Member must:-</p> <p>(1) obtain particulars of the customer, including the full name, registered and mailing addresses, names and signatures of persons authorised to trade, and investment objectives (if applicable);</p> <p>(2) obtain a certified true copy of the certificate of incorporation of the customer; and</p> <p>(3) obtain either:-</p> <p style="padding-left: 20px;">(a) a copy of the directors’ resolution of the customer approving the opening of a trading account with the Trading Member and empowering specific directors and officers to:-</p> <p style="padding-left: 40px;">(i) trade in securities for the customer’s account; and</p> <p style="padding-left: 40px;">(ii) execute all documentation for trading and settlement in the account;</p> <p style="padding-left: 20px;">(b) a power of attorney (in English) certified by a notary public, authorising identified persons to open a trading account and trade on behalf of the customer; or</p> <p style="padding-left: 20px;">(c) note in writing the basis upon which it believes the customer</p>	12.3.2	<p>Corporate Customer Account</p> <p>Before opening a corporate customer account, a Trading Member must:-</p> <p>(1) obtain particulars of the customer, including the full name, registered and mailing addresses, names and signatures of persons authorised to trade, and investment objectives (if applicable);</p> <p>(2) obtain a certified true copy of the certificate of incorporation of the customer; and</p> <p>(3) obtain either:-</p> <p style="padding-left: 20px;">(a) a copy of the directors’ resolution of the customer approving the opening of a trading account with the Trading Member and empowering specific directors and officers to:-</p> <p style="padding-left: 40px;">(i) trade in securities <u>or Futures Contracts</u> for the customer’s account; and</p> <p style="padding-left: 40px;">(ii) execute all documentation for trading and settlement in the account;</p> <p style="padding-left: 20px;">(b) a power of attorney (in English) certified by a notary public, authorising identified persons to open a trading account and</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	may open the account and engage in transactions and that the persons acting for the customer have been duly authorised to trade on the customer's behalf.		trade on behalf of the customer; or (c) note in writing the basis upon which it believes the customer may open the account and engage in transactions and that the persons acting for the customer have been duly authorised to trade on the customer's behalf.
12.3.6	Risk Acknowledgement Statement A Trading Member must obtain a written acknowledgement from a customer that the customer is aware of the risk associated with holding and trading of equities and equity-linked products. This Rule does not apply to a customer who is an accredited investor.	12.3.6	Risk Acknowledgement Statement <u>Unless otherwise permitted by the Securities and Futures Act, a</u> A Trading Member must obtain a written acknowledgement from a customer that the customer is aware of the risk associated with holding and trading <u>of securities and Futures Contracts of equities and equity-linked products</u> . This Rule does not apply to a customer who is an accredited investor <u>trading only in securities</u> .
12.5	Brokerages and Charges	12.5	Brokerages and Charges
12.5.1	Unless SGX-ST decides otherwise, the commission rate chargeable for the purchase or sale of securities is negotiable.	12.5.1	Unless SGX-ST decides otherwise, the commission rate chargeable for the purchase or sale of securities <u>or Futures Contracts</u> is negotiable.
12.6	Contract Notes	12.6	Contract Notes
12.6.1	A Trading Member must send its customer a contract note for the purchase or sale of securities by the next Market Day	12.6.1	A Trading Member must send its customer a contract note for the purchase or sale of securities <u>or Futures Contracts</u> by the next Market Day.
12.6.2	The contract note must state that the contract is subject to the Rules and Directives of SGX-ST if the trade is:- (1) transacted on or through CLOB; or	12.6.2	The contract note must state that the contract is subject to the Rules and Directives of SGX-ST if the trade is:- (1) transacted on or through <u>the Trading System</u> CLOB; or

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	(2) reported to SGX-ST.		(2) reported to SGX-ST.
12.15	Stock Account	12.15	Stock Account
12.15.1	All purchases and sales of securities by a Trading Member for its proprietary account must be made under a separate stock account of the Trading Member.	12.15.1	All purchases and sales of securities or Futures Contracts by a Trading Member for its proprietary account must be made under a separate s Stock a Account of the Trading Member.
12.15.2	A stock account must be operated by a Director, or his designate, who is licensed to trade.	12.15.2	A s Stock a Account must be operated by a Director, or his designate, who is licensed to trade.
12.15.3	A Trading Member must not allow a Remisier to operate a stock account.	12.15.3	A Trading Member must not allow a Remisier to operate a s Stock a Account.
12.16	Suspense Account	12.16	Suspense Account
12.16.1	<p>(1) If a customer's order to purchase securities is unlikely to be completed during a Market Day, the purchases may be debited to:-</p> <p>(a) a customer's suspense account; or</p> <p>(b) a general suspense account,</p> <p>until completion.</p> <p>(2) Once the order is completed, the purchases must be booked to the customer's account.</p> <p>(3) Orders must not be warehoused in the suspense account for more than 2 Market Days, unless under exceptional circumstances. In such cases, the Trading Member must document the reasons for the extension of time.</p>	12.16.1	<p>(1) If a customer's order to purchase securities or Futures Contracts is unlikely to be completed during a Market Day, the purchases may be debited to:-</p> <p>(a) a customer's suspense account; or</p> <p>(b) a general suspense account,</p> <p>until completion.</p> <p>(2) Once the order is completed, the purchases must be booked to the customer's account.</p> <p>(3) Orders must not be warehoused in the suspense account for more than 2 Market Days, unless under exceptional circumstances. In</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
			such cases, the Trading Member must document the reasons for the extension of time.
12.17	Trading by Employees and Agents	12.17	Trading by Employees and Agents
12.17.1	A Trading Member must require a Director, Officer, Dealer and employee to obtain the prior written approval of a senior management staff independent of sales or dealing of a Trading Member, or a senior management staff of a related corporation of that Trading Member charged with the approval function, for each trade in his or her personal account or an account over which he or she has control or influence (other than a customer's discretionary account). <i>Please refer to Practice Note 12.17.1.</i>	12.17.1	A Trading Member must require a Director, Officer, Dealer and employee to obtain the prior written approval of a senior management staff independent of sales or dealing of a Trading Member, or a senior management staff of a related corporation of that Trading Member charged with the approval function, for each trade in his or her personal account or an account over which he or she has control or influence (other than a customer's d iscretionary a Account). <i>Please refer to Practice Note 12.17.1.</i>
12.17.4	A Trading Member must not knowingly buy or sell securities for a Director, Officer, Trading Representative or employee of another Trading Member, except with the prior written approval of the other Trading Member.	12.17.4	A Trading Member must not knowingly buy or sell securities <u>or Futures Contracts</u> for a Director, Officer, Trading Representative or employee of another Trading Member, except with the prior written approval of the other Trading Member.
12.17.5	A Trading Member must have in place procedures to ensure that agents who are privy to confidential information relating to in securities, do not use such information to trade for their own benefit.	12.17.5	A Trading Member must have in place procedures to ensure that agents who are privy to confidential information relating to dealing in securities <u>or trading in Futures Contracts</u> , do not use such information to trade for their own benefit.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 13: Trading Practices and Conduct		Chapter 13: Trading Practices and Conduct	
13.1	Acting As Principal	13.1	Acting As Principal
13.1.3	This Rule does not apply to trades that are matched on CLOB without the Trading Member's or Trading Representative's knowledge.	13.1.3	This Rule does not apply to trades that are matched on the Trading System CLOB without the Trading Member's or Trading Representative's knowledge.
13.2	Acting As Agent	13.2	Acting As Agent
13.2.1	When acting as agent, a Trading Member and its Trading Representative must:- (1) carry out the customer's instructions; (2) exercise skill, care and diligence; (3) act in good faith; (4) act in the best interests of customers; (5) if asked, disclose all circumstances and risks that could reasonably be expected to affect a customer's decision; (6) if asked, inform the customer of the current best bid and offer prices on CLOB; (7) disclose the commission and any benefit directly or indirectly receivable on the transaction; (8) not enter into a transaction which may conflict with a duty owed to the customer, unless the customer is informed of the conflict and	13.2.1	When acting as agent, a Trading Member and its Trading Representative must:- (1) carry out the customer's instructions; (2) exercise skill, care and diligence; (3) act in good faith; (4) act in the best interests of customers; (5) if asked, disclose all circumstances and risks that could reasonably be expected to affect a customer's decision; (6) if asked, inform the customer of the current best bid and offer prices on the Trading System CLOB ; (7) disclose the commission and any benefit directly or indirectly receivable on the transaction; (8) not enter into a transaction which may conflict with a duty owed to the customer, unless the customer is informed of the conflict and

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>consents to the transaction; and</p> <p>(9) not disclose a customer's order unless:-</p> <p>(a) the prior written consent of the customer for the disclosure of the information is obtained;</p> <p>(b) the disclosure is for the effective execution of the customer's order;</p> <p>(c) the disclosure is necessary for the operations and risk management of the Trading Member if these functions have been outsourced by the Trading Member; or</p> <p>(d) the disclosure is required under the law or under the Rules.</p>		<p>and consents to the transaction; and</p> <p>(9) not disclose a customer's order unless:-</p> <p>(a) the prior written consent of the customer for the disclosure of the information is obtained;</p> <p>(b) the disclosure is for the effective execution of the customer's order;</p> <p>(c) the disclosure is necessary for the operations and risk management of the Trading Member if these functions have been outsourced by the Trading Member; or</p> <p>(d) the disclosure is required under the law or under the Rules.</p>
13.4	Customers Order Precedence	13.4	Customers Order Precedence
13.4.1	<p>A Trading Member or a Trading Representative must not deal in securities for his or her own account or for a Prescribed Person's account if the Trading Representative has an unexecuted order on the same terms from a customer. However, this Rule does not apply if:-</p> <p>(1) the Trading Member or the Trading Representative does not have access to customer's order flow information while executing for his or her own account or for the Prescribed Person's account;</p> <p>(2) the customer has prescribed that the order be executed under specified conditions and the Trading Member or Trading Representative is unable to execute the customer's order by reason of those conditions; or</p>	13.4.1	<p>A Trading Member or a Trading Representative must not deal in securities or trade in Futures Contracts for his or her own account or for a Prescribed Person's account if the Trading Representative has an unexecuted order on the same terms from a customer. However, this Rule does not apply if:-</p> <p>(1) the Trading Member or the Trading Representative does not have access to customer's order flow information while executing for his or her own account or for the Prescribed Person's account;</p> <p>(2) the customer has prescribed that the order be executed under specified conditions and the Trading Member or Trading Representative is unable to execute the customer's order by reason of those conditions; or</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	(3) the transaction is entered into in prescribed circumstances. <i>Please refer to Practice Note 13.4.1.</i>		(3) the transaction is entered into in prescribed circumstances. <i>Please refer to Practice Note 13.4.1.</i>
13.8	Market Manipulation And False Market	13.8	Market Manipulation And False Market
13.8.1	<p>A Trading Member or a Trading Representative must not engage in, or knowingly act with any other person in, any act or practice that will or is likely to:-</p> <p>(1) create a false or misleading appearance of active trading in any securities; or</p> <p>(2) lead to a false market in respect of any securities. For avoidance of doubt, a false market includes a market in which:-</p> <p>(a) information is false, exaggerated or tendentious;</p> <p>(b) contrived factors are in evidence, such as buyers and sellers acting in collaboration to bring about artificial market prices; or</p> <p>(c) manipulative or fictitious orders, transactions or other devices have been employed.</p> <p><i>Please refer to Practice Note 13.8.1.</i></p>	13.8.1	<p>A Trading Member or a Trading Representative must not engage in, or knowingly act with any other person in, any act or practice that will or is likely to:-</p> <p>(1) create a false or misleading appearance of active trading in any securities <u>or Futures Contracts</u>; or</p> <p>(2) lead to a false market in respect of any securities <u>or Futures Contracts</u>. For avoidance of doubt, a false market includes a market in which:-</p> <p>(a) information is false, exaggerated or tendentious;</p> <p>(b) contrived factors are in evidence, such as buyers and sellers acting in collaboration to bring about artificial market prices; or</p> <p>(c) manipulative or fictitious orders, transactions or other devices have been employed.</p> <p><i>Please refer to Practice Note 13.8.1.</i></p>
13.8.2	<p>The following factors are relevant when considering whether an act or practice may breach Rule 13.8.1:-</p> <p>(1) whether the proposed transaction will be inconsistent with the history of, or recent trading in, the security;</p>	13.8.2	<p>The following factors are relevant when considering whether an act or practice may breach Rule 13.8.1:-</p> <p>(1) whether the proposed transaction will be inconsistent with the history of, or recent trading in, the security <u>or Futures Contract</u>;</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules	New Rules
<p>(2) whether the proposed transaction will or may cause or contribute to a material change in the market for or the price of the security, and whether the person involved or another person with whom the first person is collaborating may directly or indirectly benefit from alterations in the market or price;</p> <p>(3) whether the proposed transaction involves the placing of multiple buy and sell orders at various prices higher or lower than the market price, or the placing of buy and sell orders which give the appearance of increased volume;</p> <p>(4) whether the proposed transaction will coincide with or is likely to influence the calculation of reference prices, settlement prices and valuations;</p> <p>(5) whether parties involved in the proposed transaction are connected;</p> <p>(6) whether the buy and sell orders are to be entered at about the same time, for about the same price and quantity (excluding Direct Business);</p> <p>(7) whether the proposed transaction will or may cause the price of the security to increase or decrease, but following which the price is likely to immediately return to about its previous level;</p> <p>(8) whether a proposed bid (offer) is higher (lower) than the previous bid (offer) but is to be removed from the market before it is executed;</p> <p>(9) whether the volume or size of the proposed transaction is excessive</p>	<p>(2) whether the proposed transaction will or may cause or contribute to a material change in the market for or the price of the security or Futures Contract, and whether the person involved or another person with whom the first person is collaborating may directly or indirectly benefit from alterations in the market or price;</p> <p>(3) whether the proposed transaction involves the placing of multiple buy and sell orders at various prices higher or lower than the market price, or the placing of buy and sell orders which give the appearance of increased volume;</p> <p>(4) whether the proposed transaction will coincide with or is likely to influence the calculation of reference prices, settlement prices and valuations;</p> <p>(5) whether parties involved in the proposed transaction are connected;</p> <p>(6) whether the buy and sell orders are to be entered at about the same time, for about the same price and quantity (excluding Direct Business);</p> <p>(7) whether the proposed transaction will or may cause the price of the security or Futures Contract to increase or decrease, but following which the price is likely to immediately return to about its previous level;</p> <p>(8) whether a proposed bid (offer) is higher (lower) than the previous bid (offer) but is to be removed from the market before it is executed;</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>relative to reasonable expectations of the depth and liquidity of the market at the time;</p> <p>(10) whether the proposed buy (sell) order is likely to trade with the entire best offer (bid) volume and part of the offer (bid) at the next price level;</p> <p>(11) whether the proposed buy (sell) order forms part of a series of orders that successively and consistently increase (decrease) the price of the security; and</p> <p>(12) whether there appears to be a legitimate commercial reason for the proposed transaction. <i>Please refer to Practice Note 13.8.1.</i></p>		<p>(9) whether the volume or size of the proposed transaction is excessive relative to reasonable expectations of the depth and liquidity of the market at the time;</p> <p>(10) whether the proposed buy (sell) order is likely to trade with the entire best offer (bid) volume and part of the offer (bid) at the next price level;</p> <p>(11) whether the proposed buy (sell) order forms part of a series of orders that successively and consistently increase (decrease) the price of the security <u>or Futures Contract</u>; and</p> <p>(12) whether there appears to be a legitimate commercial reason for the proposed transaction. <i>Please refer to Practice Note 13.8.1.</i></p>
13.8.3	<p>A Trading Member or a Trading Representative must not enter a buy order or a sell order on CLOB if there is an existing opposite order from that same Trading Member or Trading Representative in the same security for the same price. This Rule does not apply if:-</p> <p>(1) the Trading Member or Trading Representative knows or ought reasonably knows that the orders are for different beneficial owners;</p> <p>(2) the order is a type expressly permitted in a practice note published from time to time by SGX-ST as having a legitimate commercial reason and which is unlikely to create a false market; or</p> <p>(3) the Trading Member or Trading Representative can otherwise establish that the purpose for which the order was made was not to</p>	13.8.3	<p>A Trading Member or a Trading Representative must not enter a buy order or a sell order on <u>the Trading System CLOB</u> if there is an existing opposite order from that same Trading Member or Trading Representative in the same security <u>or Futures Contract</u> for the same price. This Rule does not apply if:-</p> <p>(1) the Trading Member or Trading Representative knows or ought reasonably knows that the orders are for different beneficial owners;</p> <p>(2) the order is a type expressly permitted in a practice note published from time to time by SGX-ST as having a legitimate commercial reason and which is unlikely to create a false market; or</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>create a false market. <i>Please refer to Practice Note 13.8.1.</i></p>		<p>(3) the Trading Member or Trading Representative can otherwise establish that the purpose for which the order was made was not to create a false market. <i>Please refer to Practice Note 13.8.1.</i></p>
13.8.4	<p>A Trading Member or a Trading Representative must not directly or indirectly deal in securities, which involve no change of beneficial ownership as defined in Section 197(5) of the Securities and Futures Act. It is a defence if the Trading Member or Trading Representative can show that it, or he or she had no reason to suspect, or no reasonable Trading Member or Trading Representative ought to have suspected or known, that the transaction was a wash sale.</p>	13.8.4	<p>A Trading Member or a Trading Representative must not directly or indirectly deal in securities which involve no change of beneficial ownership as defined in Section 197(5) of the Securities and Futures Act, <u>or knowingly execute, or hold himself out as having executed, an order for the sale and purchase of Futures Contracts without having effected a bona fide purchase or sale of Futures Contracts as defined in Section 207(1) of the Securities and Futures Act.</u> It is a defence if the Trading Member or Trading Representative can show that it, or he or she had no reason to suspect, or no reasonable Trading Member or Trading Representative ought to have suspected or known, that the transaction was a wash sale.</p>
13.8.5	<p>A Trading Member or a Trading Representative must not deal in securities in a manner that will or may affect or maintain the price of the securities, with intent to induce other persons to subscribe for, buy or sell the securities. This Rule does not apply to stabilising action carried out in accordance with Regulation 3 of the Securities and Futures (Market Conduct) (Exemptions) Regulations 2002.</p>	13.8.5	<p>A Trading Member or a Trading Representative must not deal in securities <u>or trade in Futures Contracts</u> in a manner that will or may affect or maintain the price of the securities, <u>Futures Contracts, or their underlying,</u> with intent to induce other persons to subscribe for, buy or sell the securities <u>or Futures Contracts.</u> This Rule does not apply to stabilising action carried out in accordance with Regulation 3 of the Securities and Futures (Market Conduct) (Exemptions) Regulations 2002.</p>
13.8.7	<p>A Trading Member or a Trading Representative must not participate in any prohibited market conduct in securities or in any insider trading, or knowingly assist a person in such conduct.</p>	13.8.7	<p>A Trading Member or a Trading Representative must not participate in any prohibited market conduct in securities <u>or Futures Contracts</u> or in any insider trading, or knowingly assist a person in such conduct.</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
13.10	Order Entry Person	13.10	Order Entry Person
13.10.1	A Trading Member may appoint a person to enter orders on CLOB on instructions given by a Trading Representative or team of Trading Representatives. A Trading Member must ensure that a Trading Representative is supported by no more than 1 order entry person. For avoidance of doubt, an order entry person who supports a Remisier must be appointed by a Trading Member.	13.10.1	A Trading Member may appoint a person to enter orders on the Trading System CLOB on instructions given by a Trading Representative or team of Trading Representatives. A Trading Member must ensure that a Trading Representative is supported by no more than 1 order entry person. For avoidance of doubt, an order entry person who supports a Remisier must be appointed by a Trading Member.
13.10.2	A Trading Member must ensure that the order entry person does not:- (1) deal in securities; (2) exercise any discretion over the entry of orders; (3) give investment advice or make recommendations to customers; (4) accept instructions from customers; (5) communicate with customers regarding settlement; or (6) collect cash, cheques or share certificates on behalf of the Trading Member, designated Trading Representative(s) or customers.	13.10.2	A Trading Member must ensure that the order entry person does not:- (1) deal in securities or trade in Futures Contracts ; (2) exercise any discretion over the entry of orders; (3) give investment advice or make recommendations to customers; (4) accept instructions from customers; (5) communicate with customers regarding settlement; or (6) collect cash, cheques or share certificates on behalf of the Trading Member, designated Trading Representative(s) or customers.
13.11	Responsibility For Orders	13.11	Responsibility for Orders
13.11.1	A Trading Member is responsible for the accuracy of all orders entered into CLOB by its Trading Representatives and any order entry person.	13.11.1	A Trading Member is responsible for the accuracy of all orders entered into the Trading System CLOB by its Trading Representatives and any order entry person.
13.11.2	A Trading Representative is responsible for the accuracy of orders entered	13.11.2	A Trading Representative is responsible for the accuracy of orders

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	into CLOB by or on behalf of the Trading Representative.		entered into the Trading System CLOB by or on behalf of the Trading Representative.
13.12	Identification And Password	13.12	Identification And Password
13.12.1	A Trading Representative must have a unique identification number and password to enter orders into CLOB and must maintain confidentiality of the identification number and password.	13.12.1	A Trading Representative must have a unique identification number and password to enter orders into the Trading System CLOB and must maintain confidentiality of the identification number and password.
13.14	Miscellaneous	13.14	Miscellaneous
13.14.1	<p>A Trading Member and a Trading Representative must not knowingly take advantage of a situation arising from:-</p> <p>(1) a breakdown or malfunction in any of SGX-ST's procedures or systems; or</p> <p>(2) error entries made by SGX-ST or CDP on CLOB.</p>	13.14.1	<p>A Trading Member and a Trading Representative must not knowingly take advantage of a situation arising from:-</p> <p>(1) a breakdown or malfunction in any of SGX-ST's procedures or systems; or</p> <p>(2) error entries made by SGX-ST or CDP on the Trading System CLOB.</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 15: Research		Chapter 15: Research	
15.1	Permissible Activities	15.1	Permissible Activities
15.1.1	The research department of a Trading Member must engage only in the following activities:- (1) research or analysis of securities (including recommendations, if any); or (2) other activities SGX-ST approves.	15.1.1	The research department of a Trading Member must engage only in the following activities:- (1) research or analysis of securities <u>or Futures Contracts</u> (including recommendations, if any); or (2) other activities SGX-ST approves.
15.1.1A	<i>[New Rule]</i>	15.1.1A	<u>Unless exempt under the Securities and Futures Act or the Securities and Futures Regulations, prior to engaging in research activities, a Trading Member and its research staff must obtain the appropriate licence.</u>
15.7	Disclosure	15.7	Disclosure
15.7.1	A Trading Member and a research analyst must disclose:- (1) any interest at the date of the dissemination of the research report or investment recommendation in the subject of the report or recommendation. “Interest” includes direct or indirect ownership of securities (excluding the amount of securities owned), directorships, trustee positions, customer of the Trading Member or any other relationship that may be regarded as creating a potential conflict of interest with the Trading Member’s responsibility under Rule 15.5.1(2); and (2) any monetary compensation (excluding salary and bonuses) or other benefits receivable in respect of the research report or investment recommendation.	15.7.1	A Trading Member and a research analyst must disclose:- (1) any interest at the date of the dissemination of the research report or investment recommendation in the subject of the report or recommendation. “Interest” includes direct or indirect ownership of securities <u>or Futures Contracts</u> (excluding the amount of securities <u>or Futures Contracts</u> owned), directorships, trustee positions, customer of the Trading Member or any other relationship that may be regarded as creating a potential conflict of interest with the Trading Member’s responsibility under Rule 15.5.1(2); and (2) any monetary compensation (excluding salary and bonuses) or other benefits receivable in respect of the research report or investment recommendation.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
15.8	Trade Restrictions	15.8	Trade Restrictions
15.8.1	<p>A Trading Member and a research analyst must not:-</p> <ol style="list-style-type: none"> (1) knowingly buy or sell a security if the Trading Member or research analyst has material information not generally available to the public in relation to the security; (2) except on instructions from a customer, knowingly buy or sell a security if the transaction may create a conflict of interest in relation to the Trading Member's duty to its customers; (3) procure any person to buy or sell a security if the Trading Member or research analyst is prohibited under Rules 15.8.1(1) and (2) from doing so; and (4) buy or sell a security contrary to the most recent research report published by the Trading Member unless 3 Market Days have passed since the report was issued. This trading restriction does not apply if:- <ol style="list-style-type: none"> (a) the Trading Member is acting on a customer's express instructions; (b) significant news is announced that would change the research report or investment recommendation; or (c) the research analyst is in financial difficulty and must sell the security. The Trading Member must ensure that the research analyst obtains prior written approval of a senior management staff independent of research, dealing or corporate finance for 	15.8.1	<p>A Trading Member and a research analyst must not:-</p> <ol style="list-style-type: none"> (1) knowingly buy or sell a security <u>or Futures Contract</u> if the Trading Member or research analyst has material information not generally available to the public in relation to the security <u>or Futures Contract</u>; (2) except on instructions from a customer, knowingly buy or sell a security <u>or Futures Contract</u> if the transaction may create a conflict of interest in relation to the Trading Member's duty to its customers; (3) procure any person to buy or sell a security <u>or Futures Contract</u> if the Trading Member or research analyst is prohibited under Rules 15.8.1(1) and (2) from doing so; and (4) buy or sell a security <u>or Futures Contract</u> contrary to the most recent research report published by the Trading Member unless 3 Market Days have passed since the report was issued. This trading restriction does not apply if:- <ol style="list-style-type: none"> (a) the Trading Member is acting on a customer's express instructions; (b) significant news is announced that would change the research report or investment recommendation; or (c) the research analyst is in financial difficulty and must sell the security <u>or Futures Contract</u>. The Trading Member must

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	each trade. The Trading Member must also maintain documentation of the financial condition and the decision for 7 years.		ensure that the research analyst obtains prior written approval of a senior management staff independent of research, dealing or corporate finance for each trade. The Trading Member must also maintain documentation of the financial condition and the decision for 7 years.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 16: Corporate Finance		Chapter 16: Corporate Finance	
16.1.1	Prior to engaging in corporate finance activities, a Trading Member and its corporate finance staff must obtain the appropriate licence.	16.1.1	<u>Unless exempt under the Securities and Futures Act or the Securities and Futures Regulations, p</u> Prior to engaging in corporate finance activities, a Trading Member and its corporate finance staff must obtain the appropriate licence.
16.1.2	The corporate finance department of a Trading Member must engage only in the following types of activities:- (1) Management, underwriting and placement of initial public offering of securities; (2) Management, underwriting and placement of rights issues of securities; (3) Advising on acquisition and disposal of shares and assets; (4) Advising on corporate or debt restructuring; and (5) Take-over offers under the Singapore Code on Take-overs and Mergers, if the Trading Member has relevant expertise and experience.	16.1.2	The corporate finance department of a Trading Member must engage only in the following types of activities:- (1) Management, underwriting and placement of initial public offering of securities; (2) Management, underwriting and placement of rights issues of securities; (3) Advising on acquisition and disposal of shares <u>securities</u> and assets; (4) Advising on corporate or debt restructuring; and (5) Take-over offers under the Singapore Code on Take-overs and Mergers, if the Trading Member has relevant expertise and experience.
16.7	Trade Restrictions	16.7	Trade Restrictions
16.7.4	Staff who are privy to the Restricted List must not deal in securities listed therein either for the Trading Member's account, their own accounts or accounts over which they have control and influence.	16.7.4	Staff who are privy to the Restricted List must not deal in securities listed therein, <u>or in any derivative of such securities</u> , either for the Trading Member's account, their own accounts or accounts over which they have control and influence.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Chapter 18: Exchange Options Trading		Chapter 18: Exchange Options Trading	
18.1	Applicability And Definition	18.1	Applicability And Definition
18.1.2	Definitions	18.1.2	Definitions
	“Option” means an option contract which is either a Put Option or a Call Option traded or reported through CLOB.		“Option” means an option contract which is either a Put Option or a Call Option traded or reported through CLOB-the Trading System .
	“Option transaction” means a transaction traded on or reported through CLOB in relation to the purchase or writing of an Option.		“Option transaction” means a transaction traded on or reported through CLOB-the Trading System in relation to the purchase or writing of an Option.
18.6	Dealings	18.6	Dealings
18.6.2	Trading on CLOB	18.6.2	Trading on CLOB-the Trading System
	(1) When transacting with or on behalf of customers, Trading Members must indicate to the customers the current best bid and ask prices as reflected in CLOB.		(1) When transacting with or on behalf of customers, Trading Members must indicate to the customers the current best bid and ask prices as reflected in CLOB-the Trading System .
	(2) All Options transactions shall be cleared and settled through the OCC in accordance with its Regulations.		(2) All Options transactions shall be cleared and settled through the OCC in accordance with its Regulations.
18.6.4	Direct Business	18.6.4	Direct Business
	(1) All Direct Business in Options must be reported to SGX-ST within 10 minutes of execution through the married trade reporting system of CLOB.		(1) All Direct Business in Options must be reported to SGX-ST within 10 minutes of execution through the married trade reporting system of CLOB-the Trading System .
	(2) SGX-ST trading of Options of any Class shall be limited to the hours during which SGX-ST is open for trading.		(2) SGX-ST trading of Options of any Class shall be limited to the hours during which SGX-ST is open for trading.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	(3) No Trading Member shall effect any crossing or married transaction involving an aggregate of less than 100 Options of the same Class.		(3) No Trading Member shall effect any crossing or married transaction involving an aggregate of less than 100 Options of the same Class.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Definitions		Definitions	
	“CLOB”	Central Limit Order Book, any electronic trading system for the automatic matching of orders designated and approved by SGX-ST for transactions on SGX-ST;	To delete the definition of “CLOB” and replace with new definition for “Trading System”.
	“CLOB International market”	A place at which, or a facility by means which, offers or invitations to sell, purchase or exchange a CLOB International Security are regularly made;	To delete the definition of “CLOB International market” and replace with new definition for “Non-Listed Securities market”.
	“CLOB International Security”	A security listed on a overseas securities exchange and approved by SGX-ST for quotation and trading on the CLOB International market;	To delete the definition of “CLOB International Security” and replace with new definition for “Non-Listed Security”.
	“Dealer”	A Trading Representative who is employed by a Trading Member or its group of companies to deal in securities;	“Dealer” A Trading Representative who is employed by a Trading Member or its group of companies to deal in securities and/or trade in Futures Contracts ;
	[New definition]		“Designated Futures Contract” Shall have the meaning ascribed to it in Rule 8.8.1;
	[New definition]		“Designated Security” Shall have the meaning ascribed to it in Rule 8.8.1;
	“Direct Business”	A trade not executed on CLOB;	“Direct Business” A trade which is not executed on the Trading System in accordance with

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
			Rule 8.7 CLOB ;
“Discretionary Account”	An account in which the customer gives a Trading Representative discretion, which may be absolute or with limits, to purchase or sell securities. The discretion may extend to selection, timing terms and price;	“Discretionary Account”	An account in which the customer gives a Trading Representative discretion, which may be absolute or with limits, to purchase or sell securities or trade in Futures Contracts . The discretion may extend to selection, timing terms and price;
“Eligible Securities”	Securities designated by CDP as eligible for clearance or settlement on a book entry basis;		To delete the definition of “Eligible Securities”.
	[New definition]		“Futures Contract” Refers to a futures contract, as defined under the Securities and Futures Act, which is approved for listing on SGX-ST;
“Marginable Securities”	(a) Securities quoted on SGX-ST; (b) Securities quoted on CLOB International market; (c) Securities quoted on the main board of a securities exchange, of a company with shareholders’ funds of not less than \$200 million (or equivalent); and (d) Any other securities that SGX-ST approves;	“Marginable Securities”	(a) Securities quoted on SGX-ST; (b) Securities quoted on the Non-Listed Securities CLOB International market; (c) Securities quoted on the main board of a securities exchange, of a company with shareholders’ funds of not less than \$200 million (or equivalent); and

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
			(d) Any other securities that SGX-ST approves;
“Market Day”	A day on which SGX-ST is open for trading in securities;	“Market Day”	A day on which SGX-ST is open for trading in securities and/or Futures Contracts ;
“Marketable Securities”	<p>(a) Securities quoted on SGX-ST;</p> <p>(b) Securities quoted on CLOB International market;</p> <p>(c) Securities quoted on the main board of a securities exchange, of a company with shareholders’ funds of not less than \$200 million (or equivalent); and</p> <p>(d) Any other securities that SGX-ST approves;</p>	“Marketable Securities”	<p>(a) Securities quoted on SGX-ST;</p> <p>(b) Securities quoted on the Non-Listed Securities CLOB International market;</p> <p>(c) Securities quoted on the main board of a securities exchange, of a company with shareholders’ funds of not less than \$200 million (or equivalent); and</p> <p>(d) Any other securities that SGX-ST approves;</p>
“Market-Making Order”	An order in specified securities entered into CLOB by a Designated Market-Maker;		To delete the definition of “Market-Making Order”.
	[New definition]		“Non-Listed Security” A security listed on an overseas exchange and approved by SGX-ST for quotation and trading on the Non-Listed Securities market;
	[New definition]		“Non-Listed Securities market” A place at which, or a facility by

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
			means which, offers or invitations to sell, purchase or exchange a Non-Listed Security are regularly made;
“Official List”	The list of issuers maintained by SGX-ST in relation to the SGX Mainboard or SGX Sesdaq;	“Official List”	The list of issuers maintained by SGX-ST in relation to the SGX Mainboard or SGX Catalist Sesdaq ;
“Remisier”	A Trading Representative who has a business arrangement with a Trading Member for dealing in securities. A Remisier is not an employee of a Trading Member;	“Remisier”	A Trading Representative who has a business arrangement with a Trading Member for dealing in securities or trading in Futures Contracts . A Remisier is not an employee of a Trading Member;
“SESOPS”	The SGX-ST Order Processing System for processing orders into CLOB and for the dissemination of price and trading information;		To delete the definition of “SESOPS”.
“SESOPS Workstation”	A computer terminal to access SESOPS;		To delete the definition of “SESOPS Workstation”.
“Settlement Contracts”	Any transaction for delivery at a future date SGX-ST prescribes;		To delete the definition of “Settlement Contracts”.
“SGXAccess”	The facility for trading on SGX-ST which allows a Trading Member’s systems for order management and automated order routing to connect to CLOB, and to capture securities market data and news feeds from SGX-ST;	“SGXAccess”	The facility for trading on SGX-ST which allows a Trading Member’s systems for order management and automated order routing to connect to the Trading System CLOB , and to capture securities market data and news feeds from SGX-ST;
	[New definition]		“SGX Catalist” The Catalist Board operated by SGX-ST;

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	“SGX Sesdaq” SGX-ST Dealing and Automated Quotation System;		To delete the definition of “SGX Sesdaq”.
	“Specified Securities” Securities or classes of securities SGX-ST prescribes for trading by a Designated Market-Maker;		“Specified Securities” Securities, Futures Contracts or classes of securities or Futures Contracts that SGX-ST prescribes for trading by a Designated Market-Maker;
	“Stock Account” The securities account maintained by a Trading Member to house its proprietary securities;		“Stock Account” The securities account maintained by a Trading Member to house its proprietary securities or structured warrants ;
	“Trading Representative” A person who is employed by or acts for or by arrangement with a Trading Member to deal in securities.		“Trading Representative” A person who is employed by or acts for or by arrangement with a Trading Member to deal in securities or trade in Futures Contracts ;
	New definition		“ Trading System ” any electronic trading system for the automatic matching of orders designated and approved by SGX-ST for transactions on SGX-ST.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Directive No. 2 – Remisiers Working in Teams		Directive No. 2 – Remisiers Working in Teams	
2	Team arrangements increase the risk of a single customer or the team trading beyond the trading limit imposed. In this respect, Trading Members should closely monitor the team to ensure that customers' and Remisiers' trading limits are not exceeded, especially in the case of non-CLOB trades which are not captured real time in the trading system. Trading Members should also conduct frequent reviews of team operations to ensure that trading irregularities do not occur.	2	Team arrangements increase the risk of a single customer or the team trading beyond the trading limit imposed. In this respect, Trading Members should closely monitor the team to ensure that customers' and Remisiers' trading limits are not exceeded, especially in the case of non-CLOB trades which are not captured real time in the Trading <u>s</u> System. Trading Members should also conduct frequent reviews of team operations to ensure that trading irregularities do not occur.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Directive No. 3 – Obligations of a Designated Market-Maker		Directive No. 3 – Obligations of a Designated Market-Maker	
1	Bid and Offer Quotations	1	Bid and Offer Quotations
1.1	In accordance with Rule 5.5.3, a Designated Market-Maker must publish on CLOB competitive bid and offer quotations:- (a) on a continuous basis or in such manner as SGX-ST prescribes to provide for an adequately liquid market (with suitable disclosure to investors); (b) within the maximum spread; and (c) for not less than the minimum quantity that SGX-ST prescribes.	1.1	In accordance with Rule 5.5.3, a Designated Market-Maker must publish on CLOB the Trading System competitive bid and offer quotations:- (a) on a continuous basis or in such manner as SGX-ST prescribes to provide for an adequately liquid market (with suitable disclosure to investors); (b) within the maximum spread; and (c) for not less than the minimum quantity that SGX-ST prescribes.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 7.5.5 – Register Of Securities		Practice Note 7.5.5 – Register of Securities	
1	Introduction	1	Introduction
1.1	This Practice Note explains the rationale and application of Rule 7.5.5(1).	1.1	To delete.
1.2	Rule 7.5.5(1) requires a Trading Representative to maintain a Register of Securities which includes non-SGX-ST listed securities.	1.2	To delete.
2	Rationale For Rule	2	Rationale For Rule
2.1	The rationale for including non-SGX-ST listed securities in the Register is to provide an additional audit trail to help detect any front running activities.	2.1	To delete.
3	Application Of Rule 7.5.5 (1)	3	Application Of Rule 7.5.5 (1)
3.1	In this Rule, “non-SGX-ST listed securities” are confined to securities listed in markets to which the Trading Member provides its customers access. A Trading Representative is therefore not required to record his or her interest in securities of markets which are not accessed by the Trading Member for its customers.	3.1	To delete.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 8.2.1: Application of Market Phases and Algorithm		Practice Note 8.2.1: Application of Market Phases and Algorithm	
2	Application of Market Phases	2	Application of Market Phases
2.4	<p>Adjust Phases</p> <p>(1) The Adjust Phase during the lunch break allows order management. An Adjust Phase also operates upon the lifting of a suspension of a security or securities. A trading halt operates in the same way as an Adjust Phase.</p> <p>(2) <u>Lunch Break Hours (Not Applicable to Half-Day Trading)</u></p> <p>(a) <u>Between 12:30 and 13:59 hours:-</u></p> <p>(i) Orders can be entered, reduced in quantity or withdrawn in the ready and unit share markets.</p> <p>(ii) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity).</p> <p>(iii) The bid (offer) can be higher (lower) than the offer (bid).</p> <p>(iv) No matching of orders.</p> <p>(b) <u>Between 13:59 and 14:00 hours:-</u></p> <p>(i) No input, amendment and withdrawal of orders.</p> <p>(ii) Orders that can be matched will be matched at a single price computed based on an algorithm set by SGX-ST.</p>	2.4	<p>Adjust Phases</p> <p>(1) The Adjust Phase during the lunch break allows order management. An Adjust Phase also operates upon the lifting of a suspension of a security <u>or Futures Contract</u> or securities. A trading halt operates in the same way as an Adjust Phase.</p> <p>(2) <u>Lunch Break Hours (Not Applicable to Half-Day Trading)</u></p> <p>(a) <u>Between 12:30 and 13:59 hours:-</u></p> <p>(i) Orders can be entered, reduced in quantity or withdrawn in the ready and unit share markets.</p> <p>(ii) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity).</p> <p>(iii) The bid (offer) can be higher (lower) than the offer (bid).</p> <p>(iv) No matching of orders.</p> <p>(b) <u>Between 13:59 and 14:00 hours:-</u></p> <p>(i) No input, amendment and withdrawal of orders.</p> <p>(ii) Orders that can be matched will be matched at a single price computed based on an algorithm set by SGX-ST.</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules	New Rules
<p>(iii) Unmatched orders are carried forward into the afternoon trading session.</p> <p>(3) <u>Upon Lifting of a Suspension</u></p> <p>(a) The Adjust Phase sets in for 15 minutes. A longer time can be specified.</p> <p>(b) Orders can be entered, reduced in quantity or withdrawn for the ready and unit share markets.</p> <p>(c) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity).</p> <p>(d) The bid (offer) can be higher (lower) than the offer (bid).</p> <p>(e) Orders that can be matched will be matched at the end of the Adjust Phase at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Adjust Phase are carried forward into the phase of the market applicable when the Adjust Phase ends.</p> <p>(f) However, this behaviour does not apply when the end of Adjust Phase coincides with the Opening Routine, lunch break Adjust Phase or Closing Routine. In these circumstances, orders entered are carried forward into and matched accordingly in the respective Opening Routine, lunch break Adjust Phase or Closing Routine.</p> <p>(4) <u>During a Trading Halt</u></p>	<p>(iii) Unmatched orders are carried forward into the afternoon trading session.</p> <p>(3) <u>Upon Lifting of a Suspension</u></p> <p>(a) The Adjust Phase sets in for 15 minutes. A longer time can be specified.</p> <p>(b) Orders can be entered, reduced in quantity or withdrawn for the ready and unit share markets.</p> <p>(c) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity).</p> <p>(d) The bid (offer) can be higher (lower) than the offer (bid).</p> <p>(e) Orders that can be matched will be matched at the end of the Adjust Phase at a single price computed based on an algorithm set by SGX-ST before normal trading resumes. Unmatched orders at the end of the Adjust Phase are carried forward into the phase of the market applicable when the Adjust Phase ends.</p> <p>(f) However, this behaviour does not apply when the end of Adjust Phase coincides with the Opening Routine, lunch break Adjust Phase or Closing Routine. In these circumstances, orders entered are carried forward into and matched accordingly in the respective Opening Routine, lunch break Adjust Phase or Closing Routine.</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<ul style="list-style-type: none"> (a) Existing orders remain valid. (b) Orders can be entered, reduced in quantity or withdrawn in the ready and unit share markets. (c) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity). (d) The bid (offer) can be higher (lower) than the offer (bid). (e) Orders that can be matched will be matched at the end of the trading halt at a single price computed based on an algorithm set by SGX-ST. (f) Unmatched orders are carried forward into the phase applicable to the market at the time of lifting of trading halt. (g) If the trading halt is not lifted by the end of a Market Day, all unmatched orders lapse. 		<p>(4) <u>During a Trading Halt</u></p> <ul style="list-style-type: none"> (a) Existing orders remain valid. (b) Orders can be entered, reduced in quantity or withdrawn in the ready and unit share markets. (c) Order quantity can be undisclosed in the ready market (subject to a minimum of 50,000 disclosed quantity). (d) The bid (offer) can be higher (lower) than the offer (bid). (e) Orders that can be matched will be matched at the end of the trading halt at a single price computed based on an algorithm set by SGX-ST. (f) Unmatched orders are carried forward into the phase applicable to the market at the time of lifting of trading halt. (g) If the trading halt is not lifted by the end of a Market Day, all unmatched orders lapse.
3	Algorithm Used By SGX-ST To Compute The Single Price At Which Orders At The End Of The Opening Routine, Closing Routine And Adjust Phase Are Matched	3	Algorithm Used By SGX-ST To Compute The Single Price At Which Orders At The End Of The Opening Routine, Closing Routine And Adjust Phase Are Matched
3.1	<p>The methodology for computing the single price is as follows:-</p> <ul style="list-style-type: none"> (1) A bid (offer) may be executed at a lower (higher) price. (2) The cumulative bid (offer) volume at any price is the bid (offer) quantity at that price plus the sum of bid (offer) quantities at all 	3.1	<p>The methodology for computing the single price is as follows:-</p> <ul style="list-style-type: none"> (1) A bid (offer) may be executed at a lower (higher) price. (2) The cumulative bid (offer) volume at any price is the bid (offer) quantity at that price plus the sum of bid (offer) quantities at all

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules	New Rules
<p>higher (lower) prices.</p> <p>(3) Sell (buy) pressure occurs when the cumulative offer (bid) volume is greater than the cumulative bid (offer) volume at a particular price. Zero pressure occurs when the cumulative offer volume is equal to the cumulative bid volume at a particular price.</p> <p>(4) The tradable volume at any price is the lower of the cumulative bid or offer volume.</p> <p>(5) The price overlap is the range of prices where tradable volumes are possible.</p> <p>(6) The equilibrium is the price range within the price overlap where buy pressure changes to sell pressure (see Example 1). The computed price is either one of the following:-</p> <p style="padding-left: 20px;">(a) The price within the equilibrium that has the largest trade volume, or</p> <p style="padding-left: 20px;">(b) If there is no unique price, the average of all prices within the equilibrium with the maximum trade volume, or</p> <p style="padding-left: 20px;">(c) The average is rounded to the next multiple of the minimum price multiple for this stock in the direction of the last traded price, or</p> <p style="padding-left: 20px;">(d) If there is no last traded price, the average price is rounded to the next lower price multiple.</p> <p>(7) If there is only buy or sell pressure within the price overlap (see</p>	<p>higher (lower) prices.</p> <p>(3) Sell (buy) pressure occurs when the cumulative offer (bid) volume is greater than the cumulative bid (offer) volume at a particular price. Zero pressure occurs when the cumulative offer volume is equal to the cumulative bid volume at a particular price.</p> <p>(4) The tradable volume at any price is the lower of the cumulative bid or offer volume.</p> <p>(5) The price overlap is the range of prices where tradable volumes are possible.</p> <p>(6) The equilibrium is the price range within the price overlap where buy pressure changes to sell pressure (see Example 1). The computed price is either one of the following:-</p> <p style="padding-left: 20px;">(a) The price within the equilibrium that has the largest trade volume, or</p> <p style="padding-left: 20px;">(b) If there is no unique price, the average of all prices within the equilibrium with the maximum trade volume, or</p> <p style="padding-left: 20px;">(c) The average is rounded to the next multiple of the minimum price multiple for this stock security or Futures Contract in the direction of the last traded price, or</p> <p style="padding-left: 20px;">(d) If there is no last traded price, the average price is rounded to the next lower price multiple.</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules	New Rules
<p>Example 2), the computed price will be one of the following:-</p> <p>(a) With only buy pressure within the price overlap, the highest price within the overlap with a non-zero trade volume, or</p> <p>(b) With only sell pressure within the price overlap, the lowest price within the overlap with a non-zero trade volume.</p> <p>(8) If there is zero buy and sell pressure within the price overlap (see Example 3), the computed price will be one of the following:-</p> <p>(a) The simple average of the highest and the lowest price within the overlap of zero pressure, or</p> <p>(b) If the price average is not the correct multiple, the average is rounded to the next multiple in the direction of the last traded price, or</p> <p>(c) If there is no last traded price, the average price is rounded to the next lower price multiple.</p> <p>(9) If the buy pressure and sell pressure are separated by a range of prices within the price overlap with zero pressure (see Example 4), the computed price will be one of the following:-</p> <p>(a) The simple average of the highest and the lowest prices within the overlap of zero pressure, or</p> <p>(b) If the price average is not the correct multiple, the average is rounded to the next multiple in the direction of the last traded price, or</p>	<p>(7) If there is only buy or sell pressure within the price overlap (see Example 2), the computed price will be one of the following:-</p> <p>(a) With only buy pressure within the price overlap, the highest price within the overlap with a non-zero trade volume, or</p> <p>(b) With only sell pressure within the price overlap, the lowest price within the overlap with a non-zero trade volume.</p> <p>(8) If there is zero buy and sell pressure within the price overlap (see Example 3), the computed price will be one of the following:-</p> <p>(a) The simple average of the highest and the lowest price within the overlap of zero pressure, or</p> <p>(b) If the price average is not the correct multiple, the average is rounded to the next multiple in the direction of the last traded price, or</p> <p>(c) If there is no last traded price, the average price is rounded to the next lower price multiple.</p> <p>(9) If the buy pressure and sell pressure are separated by a range of prices within the price overlap with zero pressure (see Example 4), the computed price will be one of the following:-</p> <p>(a) The simple average of the highest and the lowest prices within the overlap of zero pressure, or</p> <p>(b) If the price average is not the correct multiple, the average is rounded to the next multiple in the direction of the last</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	(c) If there is no last traded price, the average price is rounded to the next lower price multiple.		traded price, or (c) If there is no last traded price, the average price is rounded to the next lower price multiple.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 8.2.2: Procedures for Contingency Order Withdrawal		Practice Note 8.2.2: Procedures for Contingency Order Withdrawal	
2	Technical Fault And Withdrawal By SGX On Reasonable Efforts Basis	2	Technical Fault And Withdrawal By SGX On Reasonable Efforts Basis
2.1	In the event of Technical Faults, SGX-ST would assist in effecting order withdrawals at the request of the Members and subject to the terms and procedures set forth below. “Technical Faults” as used herein refers to any loss of connection to CLOB or any technical defects in any equipment, system, device or market facility which prevents a Member from effecting order withdrawals without SGX-ST’s assistance.	2.1	In the event of Technical Faults, SGX-ST would assist in effecting order withdrawals at the request of the Members and subject to the terms and procedures set forth below. “Technical Faults” as used herein refers to any loss of connection to the Trading System CLOB or any technical defects in any equipment, system, device or market facility which prevents a Member from effecting order withdrawals without SGX-ST’s assistance.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 8.10.1: Characteristics of Suspension and Trading Halt		Practice Note 8.10.1 - Characteristics of Suspension and Trading Halt	
2	Suspension	2	Suspension
	All unmatched orders in a suspended security in CLOB lapse.		All unmatched orders in a suspended security or Futures Contract in the Trading System CLOB -lapse.
4	Suspension	4	Suspension
	Upon lifting of a suspension, the suspended security will enter into an Adjust Phase for at least 15 minutes. During this Adjust Phase, orders can be entered, reduced in quantity or withdrawn for the ready and unit share markets. At the end of this Adjust Phase, orders that can be matched will be matched at a single price computed based on the algorithm set by SGX-ST. Unmatched orders are carried forward into the respective phase the market is in when the Adjust Phase ends.		Upon lifting of a suspension, the suspended security or Futures Contract will enter into an Adjust Phase for at least 15 minutes. During this Adjust Phase, orders can be entered, reduced in quantity or withdrawn for the ready and unit share markets. At the end of this Adjust Phase, orders that can be matched will be matched at a single price computed based on the algorithm set by SGX-ST. Unmatched orders are carried forward into the respective phase the market is in when the Adjust Phase ends.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 8.10.3: Approval of Off-Market Trades in a Security subject to Suspension or Trading Halt		Practice Note 8.10.3: Approval of Off-Market Trades in a Security <u>or Futures Contract</u> subject to Suspension or Trading Halt	
1	Introduction	1	Introduction
1.1	This Practice Note explains the rationale and the circumstances under which SGX-ST may approve the trading of a security that is the subject of a suspension or trading halt.	1.1	This Practice Note explains the rationale and the circumstances under which SGX-ST may approve the trading of a security <u>or Futures Contract</u> that is the subject of a suspension or trading halt.
1.2	Rule 8.10.3 says securities which have been suspended from trading cease to be traded on CLOB. Except with SGX-ST's approval, a Trading Member must not execute any transactions in a suspended security.	1.2	Rule 8.10.3 says securities <u>or Futures Contracts</u> which have been suspended from trading cease to be traded on <u>the Trading System CLOB</u> . Except with SGX-ST's approval, a Trading Member must not execute any transactions in a suspended security <u>or Futures Contract</u> .
1.3	Rule 8.11.6 says securities which are subject to a trading halt cease to be traded on CLOB. Except with SGX-ST's approval, a Trading Member must not execute any transactions in a security subject to a trading halt.	1.3	Rule 8.11. 6 7 says securities <u>or Futures Contracts</u> which are subject to a trading halt cease to be traded on <u>the Trading System CLOB</u> . Except with SGX-ST's approval, a Trading Member must not execute any transactions in a security <u>or Futures Contract</u> subject to a trading halt.
2	Rationale for Rules	2	Rationale for Rules
2.1	All market participants should have equal opportunity. The objective of a suspension and trading halt is usually to facilitate proper dissemination of material information to the market place to ensure the operation of a fair market. Hence, SGX-ST Rules 8.10.3 and 8.11.6 stop all trading of a security by a Trading Member if the security is under suspension or trading halt. However, SGX-ST recognises that there may be circumstances under which off-market trading of the security is appropriate.	2.1	All market participants should have equal opportunity. The objective of a suspension and trading halt is usually to facilitate proper dissemination of material information to the market place to ensure the operation of a fair market. Hence, SGX-ST Rules 8.10.3 and 8.11.6 stop all trading of a security <u>or Futures Contract</u> by a Trading Member if the security <u>or Futures Contract</u> is under suspension or trading halt. However, SGX-ST recognises that there may be circumstances under which off-market trading of the security <u>or Futures Contract</u> is appropriate.
3	Circumstances Under Which SGX-ST May Approve Off-Market	3	Circumstances Under Which SGX-ST May Approve Off-Market

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	Trades In A Security Subject To Suspension Or Trading Halt		Trades In A Security <u>Or Futures Contract</u> Subject To Suspension Or Trading Halt
3.1	<p>SGX-ST may, on a case-by-case basis, approve off-market trades in a security that is subject to suspension or trading halt, if the buying customer and selling customer are informed of the reasons for suspension or trading halt and there is a reason for the trade beyond simply wanting to trade. Circumstances under which SGX-ST may approve off-market trades include:-</p> <ol style="list-style-type: none"> (1) A seller, being in financial difficulty, needs to sell a security that may be suspended for an indefinite period. (2) A seller who short-sold a security that is subsequently subject to suspension or trading halt, and the clearing house requires the seller to cover the short position within a prescribed period. (3) A security is suspended prior to delisting on SGX-ST. The minority shareholders may wish to sell the shares to the majority shareholders. (4) The trustee of the estate of a deceased investor needs to liquidate a security that may be suspended for an indefinite period. 	3.1	<p>SGX-ST may, on a case-by-case basis, approve off-market trades in a security <u>or Futures Contract</u> that is subject to suspension or trading halt, if the buying customer and selling customer are informed of the reasons for suspension or trading halt and there is a reason for the trade beyond simply wanting to trade. Circumstances under which SGX-ST may approve off-market trades include:-</p> <ol style="list-style-type: none"> (1) A seller, being in financial difficulty, needs to sell a security <u>or liquidate a Futures Contract in relation to a security</u> that may be suspended for an indefinite period. (2) A seller who short-sold a security <u>or Futures Contract</u> that is subsequently subject to suspension or trading halt, and the clearing house requires the seller to cover the short position within a prescribed period. (3) A security <u>or Futures Contract</u> is suspended prior to delisting on SGX-ST. The minority shareholders may wish to sell the <u>shares security or Futures Contract</u> to the majority shareholders. (4) The trustee of the estate of a deceased investor needs to liquidate a security <u>or Futures Contract</u> that may be suspended for an indefinite period.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 12.3.1, 12.3.2 - Customer Account		Practice Note 12.3.1, 12.3.2 - Customer Account	
2	Customer Account	2	Customer Account
2.2	<p>Investment objectives of a customer would include :-</p> <ul style="list-style-type: none"> (a) the risk appetite of the customer; (b) the types of securities that the customer may want to invest in, such as – <ul style="list-style-type: none"> (i) securities or contracts listed or quoted on SGX-ST, and (ii) securities offered in reliance on the exemptions under Sections 274 or 275 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), where the requirement to lodge a prospectus or profile statement with the Authority before making an offer of the securities does not apply. 	2.2	<p>Investment objectives of a customer would include :-</p> <ul style="list-style-type: none"> (a) the risk appetite of the customer; (b) the types of securities or Futures Contract that the customer may want to invest trade in, such as – <ul style="list-style-type: none"> (i) securities or Futures Contracts listed or quoted on SGX-ST, and (ii) securities offered in reliance on the exemptions under Sections 274 or 275 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), where the requirement to lodge a prospectus or profile statement with the Authority before making an offer of the securities does not apply.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice Note 13.4.1: Customer Orders – Precedence		Practice Note 13.4.1: Customer Orders – Precedence	
1	Introduction	1	Introduction
1.2	Rule 13.4 states that a Trading Member or a Trading Representative must not deal in securities for his or her own account or for a Prescribed Person’s account if the Trading Representative has an unexecuted order on the same terms from a customer. However, this Rule does not apply if the Trading Representative does not have access to customer’s order flow information while executing for his own account or for the Prescribed Person’s account.	1.2	Rule 13.4 states that a Trading Member or a Trading Representative must not deal in securities or trade in Futures Contracts for his or her own account or for a Prescribed Person’s account if the Trading Representative has an unexecuted order on the same terms from a customer. However, this Rule does not apply if the Trading Representative does not have access to customer’s order flow information while executing for his own account or for the Prescribed Person’s account.
2	Application of Rule 13.4.1	2	Application of Rule 13.4.1
2.1	An order includes an order for a single stock futures contract.	2.1	An order includes an order for a single stock futures contract or Futures Contracts .
2.2	An unexecuted order from a customer includes an order that has been received but not entered into CLOB.	2.2	An unexecuted order from a customer includes an order that has been received but not entered into the Trading System CLOB .

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
Practice 13.8.1 - Market Manipulation And False Market		Practice 13.8.1 - Market Manipulation And False Market	
2	Market Manipulation And False Market	2	Market Manipulation And False Market
2.1	<p>Rule 13.8.1 says,</p> <p>A Trading Member or a Trading Representative must not engage in, or knowingly act with any other person in, any act or practice that will or is likely to:-</p> <p>(1) create a false or misleading appearance of active trading in any securities; or</p> <p>(2) lead to a false market in respect of any securities. For avoidance of doubt, a false market includes a market in which:-</p> <p>(a) information is false, exaggerated or tendentious;</p> <p>(b) contrived factors are in evidence, such as buyers and sellers acting in collaboration to bring about artificial market prices; or</p> <p>(c) manipulative or fictitious orders, transactions or other devices have been employed.</p>	2.1	<p>Rule 13.8.1 says,</p> <p>A Trading Member or a Trading Representative must not engage in, or knowingly act with any other person in, any act or practice that will or is likely to:-</p> <p>(1) create a false or misleading appearance of active trading in any securities <u>or Futures Contracts</u>; or</p> <p>(2) lead to a false market in respect of any securities <u>or Futures Contracts</u>. For avoidance of doubt, a false market includes a market in which:-</p> <p>(a) information is false, exaggerated or tendentious;</p> <p>(b) contrived factors are in evidence, such as buyers and sellers acting in collaboration to bring about artificial market prices; or</p> <p>(c) manipulative or fictitious orders, transactions or other devices have been employed.</p>
3	Guidance on Rule 13.8.2	3	Guidance on Rule 13.8.2
	The following examples are not exhaustive and the factors should not be considered in isolation from each other.		The following examples are not exhaustive and the factors should not be considered in isolation from each other.

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
3.1.1	<p><u>Rule 13.8.2(1): Whether the proposed transaction will be inconsistent with the history of, or recent trading, in the security.</u></p> <p>Trading Members and Trading Representatives would generally be familiar with the patterns of trading in each stock. They are therefore expected to exercise judgment, based on their experience and knowledge of trading in the stock, in assessing the likely impact of a proposed transaction on the market for a security.</p> <p>The Rule does not prevent a Trading Member or Trading Representative from executing an order simply because it will have an impact on the market for, or price of, a security.</p>	3.1.1	<p><u>Rule 13.8.2(1): Whether the proposed transaction will be inconsistent with the history of, or recent trading, in the security or Futures Contract.</u></p> <p>Trading Members and Trading Representatives would generally be familiar with the patterns of trading in each stock security or Futures Contract. They are therefore expected to exercise judgment, based on their experience and knowledge of trading in the stock security or Futures Contract, in assessing the likely impact of a proposed transaction on the market for a security or Futures Contract.</p> <p>The Rule does not prevent a Trading Member or Trading Representative from executing an order simply because it will have an impact on the market for, or price of, a security or Futures Contract.</p>
3.1.2	<p><u>Rule 13.8.2(2): Whether the proposed transaction will or may cause or contribute to a material change in the market for or the price of the security, and whether the person involved or another person with whom the first person is collaborating may directly or indirectly benefit from alterations in the market or price.</u></p> <p>In the absence of a good reason to buy or sell quickly, customers generally want to obtain the best price. A Trading Member or Trading Representative who receives an order that would materially alter the market for, or price of, the security, should consider whether it is genuine or manipulative.</p> <p>Trading Members and Trading Representatives must also know their customers. Orders placed by a customer or a related party of that customer, who may have an interest in creating a material change in the market for, or price of, a particular security, should be closely examined.</p>	3.1.2	<p><u>Rule 13.8.2(2): Whether the proposed transaction will or may cause or contribute to a material change in the market for or the price of the security or Futures Contract, and whether the person involved or another person with whom the first person is collaborating may directly or indirectly benefit from alterations in the market or price.</u></p> <p>In the absence of a good reason to buy or sell quickly, customers generally want to obtain the best price. A Trading Member or Trading Representative who receives an order that would materially alter the market for, or price of, the security or Futures Contract, should consider whether it is genuine or manipulative.</p> <p>Trading Members and Trading Representatives must also know their customers. Orders placed by a customer or a related party of that customer, who may have an interest in creating a material change in</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>Examples</p> <p>(1) Orders placed by a large holder of a particular security who may have an interest in inflating the value of that holding (e.g. window dressing for investment performance purposes), or decreasing the price of the security (e.g. as a precursor to a takeover bid or for purposes which include lowering a conversion price).</p> <p>(2) Buying during the period of a rights issue by an underwriter, sub-underwriter or any other party which increases or maintains the price of the underlying security may include, as a purpose, inducing others to take up their rights entitlement under the issue.</p>		<p>the market for, or price of, a particular security or Futures Contract, should be closely examined.</p> <p>(1) Orders placed by a large holder of a particular security or Futures Contract who may have an interest in inflating the value of that holding (e.g. window dressing for investment performance purposes), or decreasing the price of the security or Futures Contract (e.g. as a precursor to a takeover bid or for purposes which include lowering a conversion price).</p> <p>(2) Buying during the period of a rights issue by an underwriter, sub-underwriter or any other party which increases or maintains the price of the underlying security may include, as a purpose, inducing others to take up their rights entitlement under the issue.</p>
3.1.4	<p><u>Rule 13.8.2(4): Whether the proposed transaction will coincide with or is likely to influence the calculation of reference prices, settlement prices and valuations.</u></p> <p>A Trading Member or Trading Representative should consider carefully any orders placed with instructions to execute them at or near the close of trading, particularly if a price target is set. A Trading Member or Trading Representative should also be alert to orders placed near the close on the last trading day of the month, quarter or year, or on option and warrant expiry dates, which will move the price when executed.</p> <p>A customer who, to the knowledge of the Trading Member or Trading Representative, declines the opportunity to obtain a better price during the day and prefers to pay a higher (lower) price near the close should be queried as to the strategy. This is important if the order is to buy or sell a</p>	3.1.4	<p><u>Rule 13.8.2(4): Whether the proposed transaction will coincide with or is likely to influence the calculation of reference prices, settlement prices and valuations.</u></p> <p>A Trading Member or Trading Representative should consider carefully any orders placed with instructions to execute them at or near the close of trading, particularly if a price target is set. A Trading Member or Trading Representative should also be alert to orders placed near the close on the last trading day of the month, quarter or year, or on the expiry dates of options, and warrants or Futures Contracts expiry dates, which will move the price when executed.</p> <p>A customer who, to the knowledge of the Trading Member or Trading Representative, declines the opportunity to obtain a better price during the day and prefers to pay a higher (lower) price near the close should</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>small volume of the security, which is likely to move the price and possibly fix the closing price. Further, if the Trading Member or Trading Representative received a series of similar orders over a number of days, each of which generates a price movement near the close of trading, the Trading Member or Trading Representative should be satisfied that the customer is not attempting to create a false or misleading appearance with respect to the price of the security.</p> <p>Examples</p> <p>(1) A fund manager’s quarterly performance will improve if the valuation of his portfolio at the end of the quarter in question is higher. By placing a large order to buy relatively illiquid shares, which are also components of his portfolio, to be executed at or just before the close, his purpose might be to distort the price in his favour.</p> <p>(2) The expiry of futures contracts may require a timed unwinding of the countervailing stock position. In these circumstances, price impact in some stocks may be inevitable, particularly in less liquid stocks. However, a Trading Member or Trading Representative should be alert to a customer seeking to cause unnecessary price impact to improperly generate a profit or move the index.</p>		<p>be queried as to the strategy. This is important if the order is to buy or sell a small volume of the security or Futures Contract, which is likely to move the price and possibly fix the closing price. Further, if the Trading Member or Trading Representative received a series of similar orders over a number of days, each of which generates a price movement near the close of trading, the Trading Member or Trading Representative should be satisfied that the customer is not attempting to create a false or misleading appearance with respect to the price of the security or Futures Contract.</p> <p>Examples</p> <p>(1) A fund manager’s quarterly performance will improve if the valuation of his portfolio at the end of the quarter in question is higher. By placing a large order to buy relatively illiquid shares securities and/or Futures Contracts, which are also components of his portfolio, to be executed at or just before the close, his purpose might be to distort the price in his favour.</p> <p>(2) The expiry of futures contracts may require a timed unwinding of the countervailing stock security position. In these circumstances, price impact in some stocks securities may be inevitable, particularly in less liquid stocks securities. However, a Trading Member or Trading Representative should be alert to a customer seeking to cause unnecessary price impact to improperly generate a profit or move the index.</p>
3.1.5	<p><u>Rule 13.8.2(5): Whether parties involved in the proposed transaction are connected.</u></p> <p>A concern here might arise if the security is held in the name of a</p>	3.1.5	<p><u>Rule 13.8.2(5): Whether parties involved in the proposed transaction are connected.</u></p> <p>A concern here might arise if the security or Futures Contract is held</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	colluding party but the market risk actually remains with the seller. There may effectively be no change in beneficial interest.		in the name of a colluding party but the market risk actually remains with the seller. There may effectively be no change in beneficial interest.
3.1.7	<p><u>Rule 13.8.2(7): Whether the proposed transaction will or may cause the price of the security to increase or decrease, but following which the price is likely to immediately return to about its previous level.</u></p> <p>The key question in this area is whether there appears to be any logical trading pattern to the security’s price and volume, or whether it seems erratic. Trading is manipulative if it is intended to move the price of the security.</p>	3.1.7	<p><u>Rule 13.8.2(7): Whether the proposed transaction will or may cause the price of the security or Futures Contract to increase or decrease, but following which the price is likely to immediately return to about its previous level.</u></p> <p>The key question in this area is whether there appears to be any logical trading pattern to the security’s price and volume of the security or Futures Contract, or whether it seems erratic. Trading is manipulative if it is intended to move the price of the security or Futures Contract.</p>
3.1.9	<p><u>Rule 13.8.2(9): Whether the volume or size of the proposed transaction is excessive relative to reasonable expectations of the depth and liquidity of the market at the time.</u></p> <p>This Rule does not restrict Trading Members and Trading Representatives trading significant volumes where there is a legitimate purpose for the transaction and where the transaction is executed in a proper manner. However, trading significant volumes with the purpose of controlling the price of a security will amount to manipulative trading.</p> <p>Examples</p> <p>A Trading Representative purchased substantial volume in a thinly traded counter, which accounted for a large proportion of the market volume, to establish a predetermined price. Sometimes, this may be followed by up-ticking the bid despite the absence of bona fide investor demand for the stock.</p>	3.1.9	<p><u>Rule 13.8.2(9): Whether the volume or size of the proposed transaction is excessive relative to reasonable expectations of the depth and liquidity of the market at the time.</u></p> <p>This Rule does not restrict Trading Members and Trading Representatives trading significant volumes where there is a legitimate purpose for the transaction and where the transaction is executed in a proper manner. However, trading significant volumes with the purpose of controlling the price of a security or Futures Contract will amount to manipulative trading.</p> <p>Examples</p> <p>A Trading Representative purchased substantial volume in a thinly traded counter, which accounted for a large proportion of the market volume, to establish a predetermined price. Sometimes, this may be followed by up-ticking the bid despite the absence of bona fide</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
			investor demand for the stock security or Futures Contract .
3.1.11	<p><u>Rule 13.8.2(11): Whether the proposed buy (sell) order forms part of a series of orders that successively and consistently increase (decrease) the price of the security.</u></p> <p>If a customer places a sell order well above the best ask and one or more buy orders which would increase the price towards the customer’s ask price, a Trading Member or Trading Representative should query the customer as to the strategy. It may be that the buy orders are intended to get the price running and facilitate the sale at the higher price. Illiquid stocks, in particular, are susceptible to this type of improper trading.</p>	3.1.11	<p><u>Rule 13.8.2(11): Whether the proposed buy (sell) order forms part of a series of orders that successively and consistently increase (decrease) the price of the security or Futures Contract.</u></p> <p>If a customer places a sell order well above the best ask and one or more buy orders which would increase the price towards the customer’s ask price, a Trading Member or Trading Representative should query the customer as to the strategy. It may be that the buy orders are intended to get the price running and facilitate the sale at the higher price. Illiquid stocks securities or Futures Contracts, in particular, are susceptible to this type of improper trading.</p>
3.1.12	<p><u>Rule 13.8.2(12): Whether there appears to be a legitimate commercial reason for the proposed transaction.</u></p> <p>Many orders for legitimate commercial reasons can change the market for, or price of, a security when executed. Such orders are acceptable despite the price impact, but the Trading Member or Trading Representative must execute the order in an appropriate manner, bearing in mind its or his obligations.</p> <p>Examples</p> <p>(1) A Trading Member conducting index arbitrage as principal and entering orders in an illiquid stock may have a material impact on the price of some stocks, even with small orders. Index arbitrage orders are a legitimate commercial reason for trading, but the Trading Member must exercise sufficient care to ensure that the order did not result in a false or misleading appearance with respect</p>	3.1.12	<p><u>Rule 13.8.2(12): Whether there appears to be a legitimate commercial reason for the proposed transaction.</u></p> <p>Many orders for legitimate commercial reasons can change the market for, or price of, a security or Futures Contract when executed. Such orders are acceptable despite the price impact, but the Trading Member or Trading Representative must execute the order in an appropriate manner, bearing in mind its or his obligations.</p> <p>Examples</p> <p>(1) A Trading Member conducting index arbitrage as principal and entering orders in an illiquid stock security or Futures Contract may have a material impact on the price of some stocks securities or Futures Contracts, even with small orders. Index arbitrage orders are a legitimate commercial reason for trading, but the Trading Member must exercise sufficient care to ensure</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>to the price of a security.</p> <p>(2) A Trading Representative accepting orders from a customer seeking to replicate an index at a time when one or more of the stocks are being included or excluded from the relevant index, or when the size of the portfolio is being increased or decreased, should consider the impact the orders may have. If the Trading Representative attempts to execute a large proportion of the order during the Pre-Close phase, having ignored opportunities earlier in the day, and the order has a material impact on the closing price, it may result in allegations that the Trading Representative created a false or misleading appearance with respect to the price of that security.</p> <p>(3) A Trading Member or Trading Representative trading as principal to hedge an exposure should be alert to the impact its trading may have on the market for, or price of, a security.</p>		<p>that the order did not result in a false or misleading appearance with respect to the price of a security or Futures Contract.</p> <p>(2) A Trading Representative accepting orders from a customer seeking to replicate an index at a time when one or more of the stock security or Futures Contract are being included or excluded from the relevant index, or when the size of the portfolio is being increased or decreased, should consider the impact the orders may have. If the Trading Representative attempts to execute a large proportion of the order during the Pre-Close phase, having ignored opportunities earlier in the day, and the order has a material impact on the closing price, it may result in allegations that the Trading Representative created a false or misleading appearance with respect to the price of that security or Futures Contract.</p> <p>(3) A Trading Member or Trading Representative trading as principal to hedge an exposure should be alert to the impact its trading may have on the market for, or price of, a security or Futures Contract.</p>
4	Guide on SGX-ST Rule 13.8.3	4	Guide on SGX-ST Rule 13.8.3
4.1	<p>Rule 13.8.3 says,</p> <p>A Trading Member or a Trading Representative must not enter a buy order or a sell order on CLOB if there is an existing opposite order from that same Trading Member or Trading Representative in the same security for the same price. This Rule does not apply if:</p> <p>(1) the Trading Member or Trading Representative knows or ought reasonably knows that the orders are for different beneficial owners;</p>	4.1	<p>Rule 13.8.3 says,</p> <p>A Trading Member or a Trading Representative must not enter a buy order or a sell order on CLOB the Trading System if there is an existing opposite order from that same Trading Member or Trading Representative in the same security or Futures Contract for the same price. This Rule does not apply if:</p> <p>(1) the Trading Member or Trading Representative knows or ought</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	<p>(2) the order is a type expressly permitted in a practice note published from time to time by SGX-ST as having a legitimate commercial reason and which is unlikely to create a false market; or</p> <p>(3) the Trading Member or Trading Representative can otherwise establish that the purpose for which the order was made was not to create a false market.</p>		<p>reasonably knows that the orders are for different beneficial owners;</p> <p>(2) the order is a type expressly permitted in a practice note published from time to time by SGX-ST as having a legitimate commercial reason and which is unlikely to create a false market; or</p> <p>(3) the Trading Member or Trading Representative can otherwise establish that the purpose for which the order was made was not to create a false market.</p>
4.2	<p>Pursuant to Rule 13.8.3(2), orders entered under the following circumstances will be permitted:-</p> <p>(1) orders from a fund manager whose instructions are intended to switch the security from one sub-account to another for legitimate commercial reasons.</p> <p>(2) orders from an affiliate overseas, acting on behalf of different beneficial owners, and the trades will be booked out eventually to these beneficial owners.</p>	4.2	<p>Pursuant to Rule 13.8.3(2), orders entered under the following circumstances will be permitted:-</p> <p>(1) orders from a fund manager whose instructions are intended to switch the security or Futures Contract from one sub-account to another for legitimate commercial reasons.</p> <p>(2) orders from an affiliate overseas, acting on behalf of different beneficial owners, and the trades will be booked out eventually to these beneficial owners.</p>
5	Conclusion	5	Conclusion
5.1	<p>Manipulative trading may be inferred from circumstantial evidence, such as an unusual pattern of trading, coupled with a person's interest in affecting trading in the security. Trading Members and Trading Representatives may not always know if a customer has a particular interest in a security or what it may be. However, a Trading Member or Trading Representative needs to be able to show that, taking into account the circumstances of the order, it should not have reasonably suspected that the purpose of the trading was to create a false or misleading</p>	5.1	<p>Manipulative trading may be inferred from circumstantial evidence, such as an unusual pattern of trading, coupled with a person's interest in affecting trading in the security or Futures Contract. Trading Members and Trading Representatives may not always know if a customer has a particular interest in a security or Futures Contract or what it may be. However, a Trading Member or Trading Representative needs to be able to show that, taking into account the circumstances of the order, it should not have reasonably suspected</p>

**INTRODUCTION OF FUTURES CONTRACTS FOR TRADING ON SGX-ST:
AMENDMENTS TO SGX-ST RULES**

Current Rules		New Rules	
	appearance, or false market. It is important that a Trading Member or Trading Representative who receives an unusual order is able to establish that it or he has made due enquiries and is satisfied as to the reason for the trading.		that the purpose of the trading was to create a false or misleading appearance, or false market. It is important that a Trading Member or Trading Representative who receives an unusual order is able to establish that it or he has made due enquiries and is satisfied as to the reason for the trading.