



Asia Pacific Exchange Pte. Ltd. Trading Rulebook

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Asia Pacific Exchange Pte. Ltd.
Company Registration No. 201614123C

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Chapter 1 Definitions and Rules of Construction

Rule 101 Definitions

In these Rules, the following terms shall have the respective meanings as follows:

Acceptable Government Securities	means securities issued by a government with a Moody's Investors Service sovereign rating of at least Aaa, Standard & Poor's Corporation sovereign rating of at least AAA, Fitch, Inc sovereign rating of at least AAA or such other rating or such other government security as may otherwise be prescribed by and acceptable to the Exchange from time to time.
Accountability Levels	means a threshold for positions held set by the Exchange which if exceeded may trigger enhanced reporting requirements pursuant to Rule 906.
Adjusted Net Head Office Funds	has the meaning ascribed to the term "adjusted net head office funds" under the Financial and Margin Regulations and shall be calculated in accordance with the Financial and Margin Regulations. In respect of a Bank Member which is a Bank incorporated outside Singapore, references to a holder of a CMS Licence in the Financial and Margin Regulations shall be construed as references to such a Bank Member, and the Adjusted Net Head Office Funds shall be calculated without reference to any capital held by such Bank pursuant to applicable capital requirements under Applicable Laws for any of its business as a Bank.
Annual Fee	means the dues set by the Exchange from time to time to be paid on an annual basis by all Members.
API	means the open application program interface used by the Exchange.
Applicable Law	means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of a Governmental Authority applicable to access to and use of the Market, and, for the avoidance of doubt, includes the MAS Requirements.

Bank	has the meaning ascribed to the term “bank” in section 2 of the Banking Act.
Bank Member	means a Member that is a bank licenced under the Banking Act.
Banking Act	means the Banking Act (Chapter 19 of Singapore).
Base Capital	has the meaning given to such term in Regulation 2 of the Financial and Margin Regulations.
Block Trade	means a Contract at or above the Minimum Volume Threshold that may be executed off of the Market pursuant to Rule 810.
Board	means the board of directors of the Exchange.
Business Conduct Committee or BCC	means the committee constituted pursuant to Rule 208.
Business Day	means the twenty-four hour calendar day, on all calendar days except Saturdays, Sundays, and public holidays (within the meaning of the Holidays Act (Chapter 126 of Singapore)) in Singapore.
Buyer	means: (i) the direct buying counterparty in a cash-settled Futures Contract; (ii) the direct buying counterparty in a Futures Option Contract; or (iii) the direct counterparty responsible for taking delivery of the underlying commodity in a deliverable Futures Contract.
Capital	means: (i) for Members that hold a licence (or are otherwise exempted from the requirement to hold a licence) to engage in a Regulated Activity, Base Capital or Net Head Office Funds (as applicable); (ii) for Foreign Members, net capital, or a similar term referring to capital requirements, under the capital standards imposed on such Members under the laws applicable to it in its local jurisdiction; and (iii) for Trade Members, such measurement of capital and/or financial resources as determined by the Exchange from time to time.

Chief Regulatory Officer	means an officer of the Exchange who is principally responsible for, among other duties, overseeing the regulatory matters and functions of the Exchange, and who puts in place processes to manage any perceived or actual conflicts of interest that may arise from the regulatory and commercial functions of the Exchange.
Circular	means an informational notification issued by the Exchange.
Clearing House	means Asia Pacific Clear Pte. Ltd. and its successors (if any).
Clearing House Rules	means the collection of rules governing the organisation and operation of the Clearing House as adopted by the Clearing House, and as applied, interpreted and implemented by advisory notices, circulars, practice notes, directives, or other forms of public notices and interpretations issued by the Clearing House.
Clearing Member	means a Member that has been authorised as a clearing member by the Clearing House under the Clearing House Rules.
Client	unless otherwise indicated in a particular Rule, means a Person (including an affiliate) whose account is carried on the books of a Member except where such Person is the Member itself with respect to the Member's House Account.
Client Account	means an account carried on the books of a Member for a Client.
CMS Licence	means a capital markets services licence held by a party for the conduct of such business as contemplated under the SFA.
Commodity	means <ul style="list-style-type: none">(i) any "commodity" as defined in the SFA from time to time;(ii) any index;(iii) any "financial instrument" as defined in the SFA from time to time;(iv) gold, freight, any class of oil or any other physical commodity; and(v) any commodity as may be specified by the Exchange from time to time.
Conduct of Business Regulations	means the Securities and Futures (Licensing and Conduct of Business) Regulations.

Confidential Information	means information which is not in the public domain pertaining to a Client's or a Member's business transactions, market positions, trade secrets, financial resources, and User Information.
Contract	means an instrument, contract or transaction, or class of instruments, contracts or transactions listed by the Exchange for trading on the Market through the Trading Facilities.
Contract Terms	with regard to a Contract, means the contract terms and any related procedures for the time being applicable under the Rules to that Contract. Unless otherwise stated, Contract Terms are distinct and separate documents which are not part of these Rules.
Daily Settlement Price	means the daily price at which a Contract is settled at the end of each Trading Day or at such other time as may be provided in the relevant Contract Terms.
Direct Market Access	means direct access to the Market via an Exchange-provided or Exchange-approved order management system.
Directive	means a binding notice directing a Member or Members to take corrective or other actions in the interests of a fair, orderly and transparent market or to address investor protection concerns.
Director	means a member of the board of directors of a given company.
Disciplinary Panel	means a committee established pursuant to the Rules to hear and adjudicate on Violations.
DMA Client	means a Client accessing the Market through Direct Market Access and who is authorised by a Member to access the Market through Direct Market Access.
Electronic User Agreement	means an agreement between a Member and the Exchange in a form prescribed by the Exchange from time to time for the use of the Market.
EFRP	means a privately negotiated off-Market execution of a Contract and, on the opposite side of the market, the simultaneous execution of an equivalent quantity of the cash product, by-product, related product, or over-the-counter derivative instrument corresponding to the asset underlying the Contract.
Emergency	means any event or circumstances which in the opinion of the Exchange calls for an emergency action, including without limitation any actual, attempted, or threatened market manipulation; or any actual, attempted, or threatened corner, squeeze, congestion; or any undue or excessive trading position;

or any unwarranted speculation in the Market; or a state of war or threatened hostilities; or the introduction of official controls affecting the Market or the performance of any Contract; or a breakdown or failure of the Market or any other communication, equipment or market facilities operated by the Exchange; or any other undesirable situation or practice that adversely affects market integrity or investor rights.

Exchange	means Asia Pacific Exchange Pte. Ltd. (a company incorporated in the Republic of Singapore) and the approved exchange (as defined in the SFA) known as and operated by APEX.
Exchange Dispute	has the meaning set forth in Rule 601(a).
Exchange Systems	means the Trading Facilities and any pre-trade, trade or post-trade systems operated by the Exchange in connection with the Market.
Exchange Trading Platform	means the electronic trading system for the trading of such Contracts as determined by the Exchange from time to time.
Financial Resources	has the meaning given to the term “financial resources” in Regulation 2A of the Financial and Margin Regulations and shall be calculated in accordance with the Financial and Margin Regulations. In respect of a Bank Member, references to a holder of a CMS Licence in the Financial and Margin Regulations shall be construed as references to such a Bank Member, and Financial Resources shall be calculated without reference to any capital held by such Bank Member pursuant to applicable capital requirements under Applicable Laws for any of its business as a Bank.
Final Settlement Price	means the price at which a Contract is settled at maturity pursuant to any procedure prescribed by the Clearing House or the relevant Contract Terms, as the case may be.
Financial and Margin Regulations	means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.
Foreign Member	means a Member as defined in Regulation 2(4) of the Securities and Futures (Exemption from the Requirement to Hold a Capital Markets Services Licence) Regulations.
Front End Application	means a Graphical User Interface developed by a Member, or provided by an ISV to a Member, or the Graphical User Interface provided to a Member by the Exchange. A Front End Application must at all times meet the criteria set forth by the Exchange from time to time.

Futures Contract	means a contract that is a “futures contract” as defined under Section 2(1) of the SFA from time to time (including, for the avoidance of doubt, short-dated instruments on the same terms as futures that are entered into during the last week of trading), and including Futures Option Transactions, and any similar contract treated as such under any Applicable Law, offered for trading by the Exchange.
Futures Option Transaction	means an option on a specified Futures Contract which is transacted in accordance with the business rules or practices of the Exchange.
General Member	means a Member of the category mentioned in Rule 302(a)(1).
Governmental Authority	means any Regulatory Authority and any national, federal, supranational, state, regional, provincial, local or other government, government department, ministry, governmental or administrative authority, regulator, agency, commission, secretary of state, minister, court, tribunal, judicial body or arbitral body or any other person exercising judicial, executive, interpretative, enforcement, regulatory, investigative, fiscal, taxing or legislative powers or authority anywhere in the world with competent jurisdiction (including, without limitation, the MAS).
Graphical User Interface	means the software which interfaces with the Exchange’s API and which both determines the requirement for sending, and sends, order handling messages to the Market.
House Account	unless otherwise indicated in a particular Rule, means an account in which only the Member is the legal and beneficial owner.
ISV	means an independent software vendor which is a provider of Graphical User Interface software which interfaces with the Exchange’s API. Such ISV must at all times meet the criteria set forth by the Exchange from time to time.
Large Positions Report	means a report required to be filed with the Exchange pursuant to Rule 907 as a result of a Person exceeding the Reportable Level.
Market	means a market as defined under the SFA that is operated by the Exchange.
MAS	means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Chapter 186 of Singapore).
MAS Requirements	means all requirements, laws, regulations, notices, directions, guidelines, codes, practice notes, circulars, policy statements, guidance, examples, waivers, and other similar materials

administered, published or otherwise made by the MAS from time to time.

Member	means an entity or person who has been admitted to a category of membership referred to under Rule 302.
Member's Representative	means any Director, employee, executive, officer, staff, partner, agent or representative of a Member (whether a natural person or corporation, including any employee, Director, officer, partner, agent or representative of such a corporation), including, for the avoidance of doubt, a Member's Trader.
Member's Trader	means an individual registered by a Member with the Exchange to conduct business with the Exchange on the Market for that Member.
Minimum Volume Threshold	means the size thresholds determined by the Exchange from time to time as being the minimum number of lots in respect of each Contract that can be traded as Block Trades, as determined by the Exchange and published from time to time.
Net Head Office Funds	has the meaning given to such term in Regulation 2 of the Financial and Margin Regulations.
Notice of Investigation	means a notice provided by the Exchange or BCC to any Person subject to an investigation that such investigation has commenced.
Omnibus Account	means a single account with one (1) or more sub-accounts, each held by persons beneficially entitled to positions established under such account.
Open Position	means a contract held by a party that has not been closed out or where the obligations under a contract are yet to be performed.
Own Business	in relation to a Member, means business for such Member's own account or for the account of a related corporation, as defined in Section 4(1) of the Companies Act (Chapter 50 of Singapore). Own Business will not include transactions concluded for the benefit of a Client of such related corporation unless such Client is itself a related corporation of the Member.
Person	means any individual, corporation, partnership, statutory body, government ministry, association, trust or entity as the context admits or requires.

Position Limit	means the maximum permitted holding in a designated Contract or Contract Month either by a single account or across multiple accounts aggregated pursuant to Rule 901.
Personal Data	has the meaning given to such term in the Personal Data Protection Act 2012 (Act 26 of 2012 of Singapore).
Processed	for purposes of Rule 203(g), has the meaning given to such term in the Personal Data Protection Act 2012 (Act 26 of 2012 of Singapore).
Regulated Activity	means any activity that requires a CMS Licence for trading in Futures Contracts or such other licence or registration or exemption as required under the SFA.
Regulatory Authority	means any Governmental Authority which exercises a regulatory or supervisory function under the laws of any jurisdiction in relation to financial services, the financial markets, exchanges or clearing houses (including, without limitation, the MAS).
Regulatory Department	means the Chief Regulatory Officer and the individuals under the supervision of the Chief Regulatory Officer who are responsible for enforcing these Rules.
Regulatory Notice	means a publication issued by the Exchange for the attention of all Members and posted on the Exchange's website in accordance with Rule 102(j), including: (i) notices directing Members to take corrective or other actions in the interests of a fair, orderly and transparent market or to address investor protection concerns and (ii) notices issued by the Exchange regarding regulatory matters pertaining to the Market.
Relevant Regulatory Authority	means: (i) the authority(ies) or regulatory body(ies) that regulate(s) the activities of a Member, a Member's Representatives, or a Member's Traders in the country where it is carrying on such activities; and (ii) where the Member, Member's Representatives, or Member's Traders are carrying on regulated activities in Singapore, the MAS.
Reportable Level	means the number of Contracts a Member or Person subject to the Rules can trade for which the Member will be required to report to the Exchange.

Repository	means a licensed trade repository and licensed foreign trade repository (as defined in the SFA) used for the reporting of Contracts.
Rules	means the collection of rules and accompanying annexes set forth in this rulebook and the Trading Procedures, as applied, interpreted or implemented by Regulatory Notices.
Seller	means: (i) the direct selling counterparty in a cash-settled Futures Contract; (ii) the direct selling counterparty in a Futures Option Contract; or (iii) the direct counterparty responsible for making delivery of the underlying commodity in a deliverable Futures Contract.
SIAC	means the Singapore International Arbitration Centre.
SFA	means the Securities and Futures Act (Chapter 289 of Singapore).
Total Risk Requirement	has the meaning given to that term in the Financial and Margin Regulations; provided that in the case of a Bank Member, references to a holder of a CMS Licence in the Financial and Margin Regulations shall be construed as references to such a Member, except that such Member shall only compute the total risk requirement for all Clients' and proprietary positions in derivatives and securities contracts traded on any exchange and OTC contracts novated to any clearing facility.
Trade Member	means a Member of the category mentioned in Rule 302(a)(2).
Trading Day	means, in respect of a given Contract, a day on which the Contract is available for trading on the Market, as specified in the Contract Terms for that Contract or otherwise as may be determined by the Exchange from time to time, or, in relation to deliveries of the Commodity in respect of a particular Contract, has the meaning given in the Contract Terms.
Trading Facilities	means any facilities for the trading of Contracts as the Exchange may determine from time to time.
Trading Hours	means, in respect of a given Contract, the specific hours on a given Trading Day during which the Contract is available for trading on the Market, as specified in the Contract Terms for that Contract or

otherwise as may be determined by the Exchange from time to time.

Trading Procedures means the trading procedures published by the Exchange from time to time pursuant to Rule 804.

User Information shall have the meaning ascribed to it under section 2 of the SFA, as amended, and any interpretations thereunder.

Rule 102 Rules of Construction

- (a) Any words importing the singular number only shall include the plural number and vice versa. Words importing persons (except the word “individual”) shall include corporations and firms. The masculine shall include the feminine and the neuter, and the singular shall include the plural and vice-versa as the context shall admit or require.
- (b) All references to timings or times of day are to Singapore times, unless indicated otherwise.
- (c) Any reference to a statute, statutory provision or rule shall include any notice, order, guidance, regulation or subsidiary legislation made from time to time under that statute, statutory provision or rule which is in force. Any reference to a statute or statutory provision shall include such statute or provision as from time to time amended, modified, re-enacted or consolidated and, so far as liability thereunder may exist or can arise, shall also include any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which was applicable at the time of any relevant action or omission.
- (d) References to any rules or any agreement are references to such rules or agreement as amended or restated from time to time, provided that such amendments or restatements are made in accordance with these Rules.
- (e) References to Singapore legislation shall be interpreted as references to such legislation as implemented in Singapore, including by the relevant Governmental Authorities of Singapore. The Interpretation Act (Chapter 1 of Singapore) shall apply to these Rules in the same way as it applies to an enactment implemented in Singapore.
- (f) Reference to “\$” are to Singapore dollars unless otherwise specified.
- (g) Unless otherwise indicated, when a reference is made in these Rules to a rule, section, part, paragraph or procedure, such reference is to a Rule, section, part, paragraph or procedure of, or made under, these Rules.
- (h) The headings in these Rules are for reference purposes only and do not affect in any way the meaning or interpretation of these Rules.

- (i) To the extent there is any conflict between these Rules and the other documents listed below, the documents specified below shall prevail, control, govern and be binding upon the parties in the following order:
- (1) the SFA and its subsidiary legislation;
 - (2) other Applicable Laws issued in Singapore;
 - (3) other Applicable Laws issued in a jurisdiction other than in Singapore;
 - (4) these Rules (excluding the Trading Procedures);
 - (5) the Trading Procedures;
 - (6) the Electronic User Agreement;
 - (7) the Clearing House Rules;
 - (8) the Contract Terms; and
 - (9) any Regulatory Notice or Directive (except for a Regulatory Notice communicating an amendment to any of the above documents in accordance with these Rules, in which case the amendments communicated in such Regulatory Notice shall be binding on the effective date specified in the Regulatory Notice as if such amendments were one of those documents),

provided that this Rule 102(i) is without prejudice to any other order of construction or interpretation as between the Clearing House and Clearing Members set out in the Clearing House Rules.

- (j) To the extent permissible under Applicable Law, the Exchange may issue Regulatory Notices or Directives in connection with the Market, the Rules and/or any action taken by the Exchange under the Rules, or amend or revoke the contents of Regulatory Notices and/or Directives, at any time at its discretion and without prior consultation. Any such publication of a Regulatory Notice or Directive on the Exchange website shall constitute good and sufficient delivery thereof to each Member.

Rule 103 Spirit of the Rules

- (a) The Rules shall be interpreted and given effect in the manner most conducive to the promotion and maintenance of:
- (1) the status of the Exchange as an approved exchange under the SFA and any other legal or regulatory status it has from time to time;
 - (2) the good reputation of the Exchange (and its Members);
 - (3) an orderly, fair and transparent market, free of undesirable situations or practices;

- (4) high standards of integrity and fair dealing in accordance with MAS Requirements;
 - (5) proper protection for all persons interested in the execution and performance of transactions entered on or pursuant to the Rules of the Exchange; and
 - (6) the safe and efficient functioning of the Market and the protection of the interests of the investing public.
- (b) Each of the Rules shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of the Rules.
- (c) Any matter or right stated to be in, of or at the Exchange's discretion shall be subject to the Exchange's sole, unfettered and absolute discretion, and such discretion may be exercised at any time. Where a Rule states that the Exchange (or its Directors, officers, employees, committees or panels or any individual committee or panel member) may make further directions upon or in relation to the operation of a Rule or may make or authorise any arrangement, direction or procedure thereunder, the Exchange may make such direction or make or authorise such arrangement or procedure in relation to or under the whole or any part of the Rule, subject to such conditions as it may see fit. Any action taken at the discretion of the Exchange may not be challenged by any person except as provided for in these Rules.
- (d) The Rules shall, unless the context otherwise requires, be construed in such a way as to impose responsibility on Members for all acts, omissions, conduct or behaviour of the Member's Traders and Member's Representatives.
- (e) To the extent that these Rules, on their face, permit the Exchange or any Member, Member's Trader or Member's Representative to take any action that goes beyond that which is permitted by Applicable Law, that action may only be taken to the extent permitted under Applicable Law. For the avoidance of doubt, no reference in these Rules to Applicable Law (including the expressions "without prejudice to Applicable Laws", "subject to Applicable Laws" or similar), shall be construed as restricting or negating the applicability of any provision of the SFA or any MAS Requirements thereunder or any obligation or liability of the Exchange, a Member, a client or a Governmental Authority under the SFA or any MAS Requirements.

Rule 104 Chief Regulatory Officer

- (a) It shall be the duty of the Chief Regulatory Officer of the Exchange to enforce the Rules, and he or she shall have available the resources of the Regulatory Department and such other Exchange resources as may be necessary to conduct investigations of potential or alleged Rule Violations and market conditions.
- (b) The Chief Regulatory Officer shall have the authority to inspect the books and records of all Persons subject to the Exchange's jurisdiction pursuant to Rule 301(c) and the

authority to require any such party to appear before him or her, produce books and records and answer questions regarding potential Violations of Exchange Rules, at the time, place and in the manner designated by the Chief Regulatory Officer.

- (c) The Chief Regulatory Officer may delegate his or her authority to the staff of the Regulatory Department.

Chapter 2 General

Rule 201 Clearing Required

- (a) All trades executed on the Market shall be cleared exclusively by the Clearing House through a Clearing Member pursuant to the Clearing House Rules. A Member shall be required to be a Clearing Member or have the requisite clearing arrangement with a Clearing Member.
- (b) When the Exchange is notified by a Clearing Member that it has suspended or revoked its clearing arrangement with a Member, such Member shall be denied trading access to the Market until its clearing arrangement is reinstated with a Clearing Member.

Rule 202 Authority of the Exchange

- (a) The Exchange may take any action or enter into any agreement or arrangement it considers necessary or desirable in furtherance of its regulatory responsibilities under Applicable Law or regulation, subject to the MAS Requirements. For the avoidance of doubt, this may include cooperating generally with any relevant Governmental Authority, and making arrangements for the sharing of information with such Governmental Authority.
- (b) Where there is no express provision made in the Rules, the Exchange may from time to time implement such procedures as it sees fit in relation to any aspect of the management of the Exchange and the conduct of business on the Exchange.
- (c) The Exchange may agree with a Member or a concerned person to waive or vary particular requirements of these Rules in such circumstances and subject to such conditions as the Exchange thinks fit provided that the Exchange is satisfied that compliance with the relevant requirements would be unduly burdensome to the Member or person concerned or that compliance with the relevant requirement would not be in the interests of the Exchange, and waiver or variation of the requirements does not disadvantage other Members or create unacceptable risks for the Exchange. Waivers or variations of requirements may be publicised at the discretion of the Exchange.
- (d) The Exchange may require a Member to furnish to the Exchange (periodically or on a particular occasion) information concerning the Member's activities on the Exchange.
- (e) The Exchange may examine (periodically or on a particular occasion) the books and records of any Member or any Client of a Member that relate to a Member's or Client's activities on the Exchange. Members must enter into an agreement with each Client that, among other things, obligates the Client to provide authorised representatives of the Exchange with access to all books and records, staff and other information necessary for monitoring and enforcement of the Rules.

- (f) The Exchange may at any time require a Member to submit to the Exchange financial statements or other information in such form and pertaining to such matters and within such time as stipulated by the Exchange.
- (g) The Exchange shall have the right with such prior reasonable advance notice as is practicable under the circumstances, to:
 - (1) inspect systems, equipment and software operated by a Member in connection with its activities on the Exchange, wherever located;
 - (2) access a Member's records, systems, equipment, software, and the premises on which such records, systems, equipment, and software are located, and any data related to a Member's activities on the Exchange stored in any such system or equipment; and/or
 - (3) access, inspect, copy or reproduce any data to which the Exchange has access under this Rule 202(g), as well as any documents the Member is required to maintain pursuant to Rule 401.
- (h) The Exchange may impose minimum margin requirements for any or all Contracts.

Rule 203 Use of Data; Confidentiality

- (a) Subject to the remainder of this Rule 203, the Exchange shall maintain, and aid in maintaining, the confidentiality of all Confidential Information that comes to the knowledge of the Exchange or any of its officers or employees, or is in the possession of the Exchange or any of its officers or employees.
- (b) The requirements set forth in Rule 203(a) shall not apply to the disclosure of Confidential Information for the following purposes or in the following circumstances:
 - (1) the disclosure of Confidential Information is necessary for the making of a complaint or report under any Applicable Law for an offence alleged or suspected to have been committed under such Applicable Law;
 - (2) the Client or Member to which the Confidential Information relates consents to such disclosure in writing;
 - (3) the disclosure of Confidential Information is necessary for the execution by the Exchange of a transaction in any Futures Contracts or clearing or settlement of a transaction and such disclosure is made only to another Member which is —
 - (i) a party to the transaction; or
 - (ii) a member of the Exchange or Clearing House;
 - (4) the disclosure of Confidential Information is necessary —

- (i) in any disciplinary proceedings of the Exchange, provided that reasonable steps are taken to ensure that Confidential Information disclosed to any third person is used strictly for the purpose for which the Confidential Information is disclosed; or
 - (ii) for the publication, in any form or manner, of the disciplinary proceedings and the outcome thereof;
- (5) the Confidential Information disclosed is already in the public domain;
- (6) the disclosure of Confidential Information is made in connection with —
- (i) the outsourcing or proposed outsourcing of any function of the Exchange to a third party;
 - (ii) the engagement or potential engagement of a third party by the Exchange to create, install or maintain systems of the Exchange; or
 - (iii) the appointment or engagement of an auditor, a lawyer, a consultant or other professional by the Exchange under a contract for service;
- (7) the disclosure of Confidential Information is necessary in —
- (i) an application for a grant of probate or letters of administration or the resealing thereof in relation to the estate of a deceased Client or Member; or
 - (ii) the administration of the estate of a deceased Client or Member,
- including such disclosure as may be required by the Public Trustee or the Commissioner of Estate Duties;
- (8) the disclosure of Confidential Information is made in connection with —
- (i) in the case where the Client or Member is an individual, the bankruptcy of such Client or Member; or
 - (ii) in the case where the Client or Member is a body corporate, the winding up or receivership of such Client or Member;
- (9) the disclosure of Confidential Information is authorised to be disclosed or furnished by the MAS; or
- (10) the disclosure of Confidential Information is made pursuant to any requirement imposed under any written law or order of court in Singapore.
- (c) Where Confidential Information is disclosed under Rule 203(b)(6), the Exchange shall:

- (1) maintain a record of the circumstances relating to the disclosure of Confidential Information, and make that record available for inspection by MAS;
 - (2) disclose the Confidential Information only insofar as is necessary for the relevant purpose; and
 - (3) take reasonable steps to ensure that the Confidential Information disclosed is used by the Person to whom the disclosure is made strictly for the relevant purpose, and that the Confidential Information is not disclosed by that Person to any other Person except with the consent of the Exchange.
- (d) Where disclosure of Confidential Information is permitted to be made for any purpose or in any circumstance under Rule 203(b) to a body corporate, the Confidential Information may be disclosed only to those officers of the body corporate to whom the disclosure is necessary for the relevant purpose.
- (e) Each Member and the Exchange:
- (1) consents to the recording of telephone conversations between the trading, clearing and other relevant personnel of the Member and its affiliates and the Exchange and its affiliates in connection with the Rules and any Contract, potential Contract, or transaction executed on or pursuant to the rules of the Exchange;
 - (2) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its and its affiliates' Member's Representatives and other relevant personnel;
 - (3) agrees, to the extent permitted by Applicable Law, that recordings may be submitted as evidence in any dispute; and
 - (4) agrees that the other provisions of this Rule 203 shall apply to any such recordings made by the Exchange.
- (f) For the avoidance of doubt, nothing in this Rule 203 shall be construed, or deemed to be construed, as an express or implied agreement by the Exchange to a higher degree of confidentiality than that prescribed under Section 21 of the SFA and Regulation 11 of the Securities and Futures (Markets) Regulations 2005 of Singapore.
- (g) The Exchange may collect and use such Personal Data for the purposes of operating an approved exchange in accordance with these Rules. Each Member shall ensure that:
- (1) any and all of its Member's Representatives and Clients in relation to whom Personal Data are provided to the Exchange ("**Data Subjects**") have consented in advance to such data being collected, used, disclosed and Processed by the Exchange, or, if not a natural person, have agreed to procure such consent to the extent necessary;

- (2) the disclosure of Personal Data by the Member or its Member's Representatives is in all respects and in each case lawful; and
 - (3) the information set out in Rule 203(h) has been provided to each Data Subject prior to disclosure of Personal Data relating to such Data Subject to the Exchange.
- (h) The Exchange shall have the right to disclose Personal Data to such Persons and for such purposes as are set out in Rule 203(b) (which shall apply to Personal Data in the same way as it applies to Confidential Information). The Exchange and other persons referred to in Rule 203(b) may transfer Personal Data outside Singapore subject to Applicable Law.
- (i) Data Subjects have the right (subject to Applicable Law): (i) on payment of a small fee to the Exchange, to receive a copy of Personal Data held by the Exchange; (ii) to have any errors or inaccuracies in such Personal Data rectified; and (iii) to submit questions to the Exchange in relation to collection, use or disclosure by the Exchange of Personal Data in relation to such Data Subject. Any request should be addressed to the Exchange's registered office.

Rule 204 Exchange Committees and Delegation

- (a) The Board has created committees to which it has delegated responsibility for the investigation, hearing and imposition of penalties for Violations.
- (b) The Board has also delegated responsibility for the investigation and imposition of penalties for Violations to Exchange staff as set forth in the Rules. The delegation of such responsibility and authority shall in no way limit the authority of the Board with respect to all Violations.
- (c) Members are deemed to know, consent to and be bound by all Exchange Rules. Former Members shall be subject to the continuing jurisdiction of the Exchange, including, without limitation, the application of Rule 405(d), with respect to any conduct that occurred while a Member.

Rule 205 Maintenance of Fidelity Fund

- (a) For the purposes of this Rule 205, "Member" shall mean a Member who is a CMS Licence holder for trading in Futures Contracts.
- (b) The Exchange shall, in accordance with Applicable Law (including but not limited to Part XI of the SFA), maintain and manage a fidelity fund to:
 - (1) compensate any Person (other than an accredited investor as defined in the SFA) who suffers pecuniary loss through the Defalcation committed, by a Member or Member's Representatives, in respect of any money or other assets that were entrusted or received by the Member or Member's Representatives for or on behalf of such person or by reason that the Member was a trustee of the money or other assets; or

- (2) pay to a liquidator, official assignee or trustee in bankruptcy of a Member that is being wound up or the subject of bankruptcy proceedings, respectively, to make up or reduce the total deficiency arising because the available assets of the Member are insufficient to satisfy any debts arising from such Member's trading on the Exchange that have been proved in the liquidation or bankruptcy of the Member.
- (c) "Defalcation" for the purposes of this Rule 205 refers to the misapplication, including any misappropriation, of any assets as contemplated under the SFA.

Rule 206 Indemnification and Limitation on Liability

- (a) Unless otherwise expressly provided in these Rules or in any other agreements to which the Exchange is a party, the Exchange shall not be liable to any Person for any loss (consequential or otherwise, including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from:
 - (1) any action taken by the Exchange reasonably necessary in connection with discharging its legal or regulatory powers or responsibilities (including the suspension, interruption or closure of the Market) or any action taken to ensure the orderly operation and evolution of the Market. For the avoidance of doubt, such actions shall include but not be limited to any actions taken by the Exchange under Rules 705, 712 and 713;
 - (2) any failure, malfunction, fault in delivery, delay, omission, suspension, inaccuracy, interruption, termination, or any other event, in connection with the furnishing, performance, operation, maintenance, use of or inability to use all or any part of any of the systems and services of the Exchange Systems, or services, equipment or facilities used to support such systems and services, including without limitation electronic order entry/delivery, trading through any electronic means, electronic communication of market data or information, workstations used by participants, price reporting systems and any and all terminals, communications networks, central computers, software, hardware, and firmware relating thereto;
 - (3) any failure or malfunction, fault in delivery, delay, omission, suspension, inaccuracy, interruption or termination, or any other event, of any system or service of the Exchange, or services, equipment or facilities used to support such systems or services, caused by any third parties including, but not limited to, independent software vendors and network providers;
 - (4) any errors or inaccuracies in information provided by the Exchange or any of the Exchange Systems, services or facilities; or
 - (5) any unauthorized access to or unauthorized use of any of the Exchange Systems, services, equipment or facilities by any person.

- (b) Each Member agrees to indemnify the Exchange and its Directors, officers, employees, representatives and agents (“**Indemnified Persons**”) against any losses, liabilities, judgments, suits, actions, proceedings, claims, damages, costs and expenses (including reasonable attorney’s fees) (“**Losses**”) incurred or suffered by the Indemnified Persons where such Losses arose out of or in connection with:—
- (1) any breach by the Member of its obligations under the Rules; or
 - (2) any willful, unlawful, reckless or negligent act or omission by the Member other than through the negligence of the Exchange.
- (c) Without limiting the generality of Rule 206(b), in the event that any legal, arbitration or other proceedings are brought to impose any liability on the Indemnified Persons for an alleged failure on the part of any Indemnified Person to prevent or to require action by a Member or any of its Member’s Representatives, employees, representatives or agents, the Member shall reimburse the Exchange for:
- (1) all expenses and legal fees incurred by the Exchange in connection with such proceedings;
 - (2) any payment made by the Exchange with the approval of the Member in connection with any settlement of such proceedings; and
 - (3) any payment made by the Exchange as a result of any order, award or judgment made in such proceedings.

The Member shall render such cooperation as the Exchange reasonably requires in respect of such proceedings including without limitation the production of any document or records.

- (d) The Exchange or any Person acting on its behalf, including any Director or any member of any committee established by the Exchange, shall be immune from any criminal or civil liability for anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of, or in connection with, the discharge or purported discharge of its obligations under the SFA or these Rules.
- (e) The Exchange does not make any express or implied warranties or representations as to the condition, description, quality, performance, durability, or fitness for the purpose or otherwise of any of the Exchange Systems or any component thereof except as required by Applicable Law. The Exchange does not make any express or implied warranties or forecasts that the Exchange Systems, any component thereof or any services performed in respect thereof will meet the requirements of any user, or that operation of the Exchange Systems will be uninterrupted or error-free, or that any services performed in respect of the Exchange Systems will be uninterrupted or error-free.
- (f) Members shall notify Clients in writing of the limitations on liability, indemnifications and disclaimer of warranty provided for under this Rule 206.

Rule 207 Rules as Binding Contract and Deemed Consent

- (a) The Rules, together with the applicable Electronic User Agreement and other documents listed in Rule 102(i) that are given contractual force pursuant to these Rules, form a binding contract between Exchange and each Member and between each Member and every other Member as contemplated under the SFA. All obligations of the Exchange hereunder are solely to Members.
- (b) A Person who is not a Member has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce or enjoy the benefit of any provisions under the Rules.
- (c) Notwithstanding Rule 207(b), nothing in these Rules shall preclude a client or any other person from agreeing to the application of these Rules or any provision of these Rules in their agreements with any Member, Clearing Member or third party, in which case the Exchange shall, in accordance with the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore), be entitled to enforce or enjoy the benefit of any provision of these Rules as a third party to the extent any rights arise under such legislation.

Rule 208 Business Conduct Committee

- (a) There shall be a Business Conduct Committee (“**BCC**”), the members of which shall be appointed by the Board.
- (b) The BCC shall be responsible for promoting good regulatory practices, and shall have such powers as the Rules may from time to time provide including, without limitation, those powers mentioned in Chapter 5.
- (c) For the avoidance of doubt, the BCC is a committee of the Exchange and has no executive powers independent of the Exchange. Accordingly, any reference in these Rules or the Contract Terms to an action of the BCC shall be construed as being a reference to the Exchange acting by the BCC, and any reference to a power of the BCC shall be construed as being a power of the Exchange.
- (d) The BCC shall have:
 - (1) jurisdiction over any Person subject to the Exchange’s jurisdiction pursuant to Rule 301(c) with respect to matters relating to business conducted on or through the Market and trading and sales practices that threaten the integrity of the Market;
 - (2) the authority to refer matters to a Disciplinary Panel; and
 - (3) the authority to make findings on Violations against any party subject to the jurisdiction of the Exchange pursuant to Rule 301(c).

Rule 209 Amendment of Rules

- (a) These Rules may be modified or amended by the Exchange to the extent not restricted under the SFA and pursuant to the procedures established thereunder, including in any regulation promulgated under the SFA.
- (b) The Exchange shall announce any amendment to the Rules through a Regulatory Notice to Members, and such amendment shall take effect at such time and in such manner as the Exchange may determine, subject to Applicable Law.
- (c) The Exchange shall consult Members in such manner as it sees fit on any proposed amendments to the Rules, but (subject to Applicable Law) is not obliged to consult Members where the proposed Rule amendments would have a limited impact on Members. When considering the impact a proposed Rule amendment would have on Members, the Exchange shall consider the likely effect that the amendment would have on the rights, obligations, operations and systems of Members and other affected Persons.

Rule 210 Severability

- (a) If any provision of these Rules (or part of any provision) is found by any court or other Governmental Authority to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or partial provision of the Rules, or invalidate or render unenforceable such provision or partial provision in any other jurisdiction.

Rule 211 Governing Law and Jurisdiction

- (a) All issues and questions concerning the application, construction, validity, interpretation and enforcement of these Rules shall be governed by and construed in accordance with the laws of the Republic of Singapore.

Chapter 3 Membership and Access

Rule 301 General Provisions

- (a) Members may access the Market via the Exchange Trading Platform. Clients may access the Market either through a Member that is a General Member, or via Direct Market Access, in which case they must be authorised by a Member that is a General Member.
- (b) A Member shall at all times satisfy the criteria for admission to a category of membership set out in or under the Rules from time to time, and shall comply with the Rules and any arrangement, provision or direction made, authorised or given thereunder.
- (c) Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, or clearing a transaction executed on or subject to the Rules of the Exchange, and any Person for whose account such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.
- (d) The Exchange may take steps, including disciplinary actions described in Chapter 5, for any failure by a Member or any Person subject to the Rules to observe or comply with the Rules or any arrangement, provision or direction issued by the Exchange.
- (e) Admission to membership of the Exchange shall not confer any right or obligation of membership in or right to attend or vote at meetings of, or any right to any share in, or any liability in respect of, the Exchange or any affiliate of the Exchange.
- (f) Membership is not transferable.
- (g) References in the Rules to a Member being prohibited from engaging in a course of action shall, in the case of activities in respect of the Market, infer a like prohibition upon any Person accessing the Market by or on behalf of the Member.

Rule 302 Categories of Members

- (a) Any Persons seeking access to trading on the Market as a Member must elect and apply for one of the following categories of membership:
 - (1) General Member – a Member that is permitted to transact its Own Business and business for Clients;
 - (2) Trade Member – a Member that is permitted to transact its Own Business only.
- (b) A Member may apply to the Clearing House to be admitted as a Clearing Member, subject to Clearing House Rules.

Rule 303 Membership Criteria

- (a) General Requirements. To be eligible for admission as a Member, an applicant shall demonstrate to the satisfaction of the Exchange that it meets the following requirements, where relevant, both at the time of admission as well as on a continuing basis until the termination of membership:
- (1) the applicant is a party to an Electronic User Agreement, which is in full force and effect;
 - (2) the applicant consents to the Exchange's jurisdiction;
 - (3) the applicant and all Member's Traders hold all necessary authorisations necessary to carry on business as a Member or a Member's Trader, as the case may be, on the Market in accordance with all Applicable Law;
 - (4) the applicant is a Clearing Member or is a party to a clearing agreement with a Clearing Member, in either case in respect of all types of Contracts that it intends to trade and/or clear;
 - (5) the applicant, its Member's Representatives and substantial shareholders are fit and proper in order to be a Member, in accordance with the criteria set out in the Guidelines on Fit and Proper Criteria issued by the MAS;
 - (6) the applicant has policies, procedures and controls in place to ensure that all of its Member's Representatives are fit and proper, suitable, adequately trained and properly supervised to perform such functions in accordance with the criteria set out in the Guidelines on Fit and Proper Criteria issued by MAS;
 - (7) the applicant satisfies the minimum financial requirements set forth in Rule 304;
 - (8) the applicant complies with the technical requirements and risk management control requirements set forth in Rule 306;
 - (9) the applicant is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Contracts;
 - (10) if it is not incorporated in Singapore, the applicant has appointed and maintains an agent to act as its agent to accept service of process issued out of the courts of Singapore in relation to any arbitration or other dispute resolution process commenced pursuant to the Rules or the Electronic User Agreement; and
 - (11) the applicant satisfies any other requirements prescribed by the MAS, or under the SFA, these Rules or Applicable Law.

- (b) Requirements Specific to General Members. A General Member must:
- (1) have and maintain a CMS Licence or be licensed as a bank under the Banking Act (Chapter 19 of Singapore), or be a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Chapter 186 of Singapore) in order to carry any account for a Client that is located in or a resident of Singapore, or otherwise engage in Regulated Activity.
- (c) Requirements Specific to Direct Market Access.
- (1) A General Member that has authorised Direct Market Access to a DMA Client must have measures in place for each DMA Client to:
 - (i) meet minimum standards regarding, without limitation, financial standing, credit history and criminal records, adverse records or pending court proceedings relating to prohibited market conduct;
 - (ii) have appropriate procedures in place to ensure that all relevant persons:—
 - (1) are familiar with and comply with the Rules; and
 - (2) have knowledge and proficiency regarding trading through Direct Market Access;
 - (iii) be provided information concerning its access to the Market and Applicable Law;
 - (iv) be subject to a legally binding agreement governing the terms and conditions for such Direct Market Access;
 - (v) have security arrangements in place to ensure that unauthorised persons are not permitted to trade via Direct Market Access; and
 - (vi) assist the Exchange in any investigation into potential Violations. Such assistance shall be timely and shall include, but not be limited to, the provision of information to the Exchange relating to the identity and address of any person who may be responsible for the execution of an order or trade.
 - (2) A General Member that has authorised a DMA Client to access the Market through Direct Market Access must include in the legally binding agreement referred to in Rule 303(c)(1)(iv) the requirement for such DMA Client to ensure that all persons with Direct Market Access are subject to the requirements set out in Rules 303(c)(1)(i)-(vi).
 - (3) The Exchange may require a Member that has authorised a DMA Client to access the Market through Direct Market Access to provide to the Exchange a report by an independent reviewer on the Member's compliance with Rule 303(c).

- (d) Requirements for Foreign Members that apply for admission as a General Member. A Foreign Member must:
- (1) carry on business in a jurisdiction the relevant regulator of which has an arrangement with the MAS for information exchange and co-operation in respect of Futures Contracts;
 - (2) be registered, licensed, approved or otherwise regulated in respect of trading in Futures Contracts by the relevant regulator referred to in Rule 303(d)(1); and
 - (3) not solicit business from persons in Singapore.
- (e) Requirements Specific to Bank Members. A Bank Member must:
- (1) furnish proof to the Exchange that it is authorised to conduct banking business in Singapore pursuant to section 4 of the Banking Act; and
 - (2) satisfy the Exchange that it or its parent bank has a long-term issuer rating of at least B3 from Moody's Investors Service, at least B- from Standard & Poor's Corporation, at least B- from Fitch, Inc or an equivalent rating from any other international rating agency deemed acceptable by the Exchange.

Rule 304 Financial Requirements for Members

- (a) Members must comply with all applicable financial requirements set forth in the Financial and Margin Regulations to the extent applicable to them.
- (1) A General Member must maintain Capital equal to or greater than the higher of:
(i) \$1 million, or (ii) if the Member is a Foreign Member, the regulatory capital requirements imposed on such Members under the laws applicable to them in their local jurisdiction; provided, however, that a General Member that holds a CMS Licence only for trading Contracts that fulfill the definition of "specified commodity futures contracts" as set out in the First Schedule of the Financial and Margin Requirements must maintain Capital equal to or greater than \$500,000.
 - (2) For Trade Members, the higher of: (i) \$500,000, or (ii) if the Member is incorporated outside Singapore, the regulatory capital requirements imposed on such Members under the laws applicable to it in its local jurisdiction.
- (b) A Bank Member shall:
- (1) if it is a Bank incorporated in Singapore, not cause or permit its Financial Resources to fall below its Total Risk Requirement; or
 - (2) if it is a Bank incorporated outside Singapore, not cause or permit its Adjusted Net Head Office Funds to fall below its Total Risk Requirement.

- (c) The Exchange may, subject to MAS Requirements, at any time, and at its sole and absolute discretion, add or vary any such financial and capital requirements for any Member or category or group of Members, provided always that, unless otherwise permitted by the Authority, the financial and capital requirements on a Member resulting from any such addition or variation shall not be lower than those prescribed under Rules 304(a) and 304(b). Without limiting the foregoing, the Exchange may prescribe with respect to any Member or category or group of Members, capital, financial and other requirements in excess of the requirements prescribed under the SFA and other Applicable Law, or these Rules with respect to volume, risk exposure of positions carried, risk concentration, margin policies, location of collateral, nature of business conducted or to be conducted, their memberships in any exchange or market, and such other matters as deemed fit by the Exchange.

Rule 305 Notification of Material Changes to Financial Resources

- (a) A Member is required to immediately notify the Exchange in the event of any material changes to its Capital, including:
- (1) a notification if its Capital falls below 150% of the requirements set forth in Rule 304(a) or (b) ;
 - (2) a notification if its Capital is reduced by more than 20% from the amount in previously submitted financial statement, if applicable;
 - (3) a warning notification if its Capital falls below 120% of the requirements set forth in Rule 304 (a) or (b) ;
 - (4) in the case of a Member other than a Bank Member, by obtaining prior approval from the Exchange before reducing its paid up ordinary share capital or paid-up irredeemable and non-cumulative preference share capital; and
 - (5) in the case of a Bank Member, by notifying the Exchange before reducing its paid up ordinary share capital or paid-up irredeemable and non-cumulative preference share capital.
- (b) If the Exchange is notified by a Member under this Rule 305 or otherwise becomes aware that a Member's Capital has fallen or will fall below the thresholds identified in this Rule 305 or such higher thresholds as the Exchange may have imposed under Rule 304(b), the Exchange may direct that Member to comply with any or all of the requirements described under Regulation 7(3) of the Financial and Margin Regulations.
- (c) If the Exchange is notified by a Member under this Rule 305 or otherwise becomes aware that a Member's Capital has fallen or will fall below the thresholds identified in this Rule 305, the Exchange shall be entitled to require that Member to:
- (1) submit its statements of assets and liabilities, financial resources, cash and/or Acceptable Government Securities deposited with the Clearing House and such

other statements as required by the Exchange at such interval and for such time frame as determined by the Exchange;

- (2) operate its business in such manner and on such conditions as the Exchange may impose; and
 - (3) take any other actions authorized under the Rules.
- (d) A Member is required to notify the Exchange immediately of any action taken that has or may have a financial or capital impact on the Member and that is required to be reported to the Relevant Regulatory Authority.

Rule 306 Technical Matters, Systems and Controls

- (a) A Member shall:
- (1) comply with any requirements, restrictions or specifications issued by the Exchange from time to time regarding technical, operational, information technology, security, or risk management issues;
 - (2) have adequate security arrangements, systems and controls in place to ensure that unauthorised persons are denied access to the Market; and
 - (3) ensure that its systems and connections to the Market operate properly, and have adequate and scalable capacity to accommodate trading volume levels.
- (b) A Member shall have and enforce written policies and procedures regarding risk management controls covering the following areas, and shall demonstrate compliance with such written policies and procedures:
- (i) monitoring credit risks;
 - (ii) monitoring account activity;
 - (iii) implementing pre-execution risk management controls;
 - (iv) having error-prevention alerts;
 - (v) defining and managing the Member's sources of liquidity;
 - (vi) limiting the impact of significant market movements; and
 - (vii) maintaining separation between internal departments to the extent appropriate to minimise conflicts of interest.
- (c) Without limiting any of the foregoing, a Member shall have adequate systems and controls to ensure that:
- (1) it has an adequate internal record-keeping system;

- (2) a Member's Trader does not conduct business (including by entering orders into or making trades) on the Market in or from a jurisdiction where the Exchange does not have the relevant regulatory status (if such regulatory status is required) if doing so would bring the Exchange into disrepute with the Relevant Regulatory Authority within such jurisdiction or put the Exchange in breach of any regulatory obligations to which it might be subject;
 - (3) any hardware, information technology or any online services provided to it, or any of its Member's Representatives, or made available to it, or any of its Member's Representatives, pursuant to its membership of the Exchange shall only be used for the purposes of conducting its business and activities as a Member of the Exchange in accordance with these Rules; and
 - (4) any person order-routing through it for access to the Market is fit and proper, has appropriate systems and controls in relation to trading on the Market, is properly supervised and registered with the Member.
- (d) A Member must have automated systems in place to monitor its compliance with capital and financial requirements set forth in these Rules at the firm level, and automated systems in place to monitor prudential limits on exposures to a single Client and a single Contract, so as to restrict trading activity or inject additional capital if necessary.

Rule 307 Financial Powers; Fees

- (a) The Exchange may, from time to time, impose fees, levies and charges to be paid by Members on such terms as the Exchange may prescribe, including but not limited to the Annual Fee. The Exchange shall give notice of any changes to fees, levies and charges by means of a Circular or by posting a schedule of fees, levies and charges on the Exchange's website.
- (b) A Member that fails to pay any fees, levies or charges within thirty (30) calendar days of the applicable due date shall be notified in writing by the Exchange of such arrears (an "Arrears Notice"). The Exchange may impose late interest charges at the prevailing interest rate on late payments by Members.
- (c) If the arrears are not paid by the Member within ten (10) Business Days of the date of dispatch of an Arrears Notice, the Exchange may suspend such Member's trading privileges until all monies for the time being owed by it to the Exchange, together with any other sums that shall accrue due and payable by it and remain unpaid during the period of suspension, have been paid.

Rule 308 Member Application Process

- (a) An application for Membership shall be made to the Exchange in writing and the applicant shall pay any applicable fees prior to admission as a Member. The Exchange may require any information it deems appropriate from the applicant, and may institute such investigation to verify information submitted by the applicant, as it deems fit. The

Exchange may require the applicant, or one (1) or more representatives of the applicant, to attend an interview by the Exchange.

- (b) The Exchange shall have absolute discretion to approve or deny an application for membership, subject to the applicant's rights in respect of reconsideration and appeal under the Rules. If the Exchange refuses an application, it shall give the applicant a written statement of its reasons. In granting an approval for a membership application, the Exchange may, at its absolute discretion, impose such additional condition(s) as it deems necessary, and the applicant shall accept and ensure compliance with the condition(s), provided that such additional condition(s) are proportional to the risk brought by the applicant.
- (c) If an application for membership is approved, the applicant shall be notified in writing by the Exchange and the membership shall become effective at the point in time that the Exchange delivers such notice to the applicant.
- (d) A Member may, at any time, apply to vary its category of membership.
- (e) The Exchange shall publish the names of successful applicants for Membership from time to time by Circular or such other means as the Exchange may determine.

Rule 309 Ongoing Notification Requirements

- (a) Every Member shall notify the Exchange forthwith in writing of:
 - (1) any change or anticipated change in circumstances applicable to the Member, of which the Member is aware, which will, or are likely to, cause the Member to be unable to satisfy any one or more of the membership criteria applicable to it;
 - (2) any alteration in other business information which the Member may be required to furnish to the Exchange;
 - (3) any information required by the Exchange from time to time with respect to trading on, or access to the Market, including, without limitation, location of screens used, details and location of user interfaces employed and order-routing arrangements put, or to be put, in place by or on behalf of the Member;
 - (4) any changes or proposed changes regarding the Member's Representatives, or any other Persons as the Exchange may from time to time prescribe. In the case of a Bank Member, any changes or proposed changes regarding the Member's Representatives shall refer only to Member's Representatives who are responsible for the Bank's business governed by these Rules;
 - (5) any of the occurrences described in Rule 313(b);
 - (6) any material change to the information required to be provided in the membership application; and

- (7) any other information required by the Exchange from time to time, which requirement shall be communicated by means of a Regulatory Notice.
- (b) Without prejudice to the generality of Rule 309(a), Members shall provide the Exchange with any information necessary to enable it to meet its regulatory obligations to any Governmental Authority.
- (c) Every Member shall seek the consent of the Exchange in relation to:
 - (1) any proposed change in the nature of business or legal status of the Member (which in the case of a Bank Member shall be limited to a change in the nature of business or legal status of the Bank Member governed by these Rules), any proposed change in legal or beneficial ownership of 20% or more of the equity or partnership capital of the Member or any other circumstance that to the Directors' or partners' belief would or might have the effect of changing the control of the Member;
 - (2) any proposed change regarding the Member's Traders registered on behalf of the Member, including any proposed change in the jurisdiction from which such Member's Traders will access the Market;
 - (3) any other material change in the way in which the Member accesses and uses the Market; and
 - (4) any other item specified in the membership application.
- (d) Notwithstanding any of the foregoing, where the Member is a Bank, the Exchange may, upon the request of that Bank Member, decide (in its sole and absolute discretion) that all or some of the obligations of that Bank Member pursuant to this Rule 309 be deemed to apply to that Bank Member with respect only to any specific branch or division of the Bank Member, with the intent that such obligations should only relate to the activities, operations and business of the Bank Member governed by these Rules; provided always that any such decision of the Exchange may be amended or cancelled at any time by the Exchange with immediate effect.
- (e) If the Exchange determines that a Member failed to notify it fully in accordance with this Rule 309 or if a Member has failed to obtain the Exchange's consent to the change in its circumstances or arrangements as required by the Rules, the Exchange may suspend the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable), until the Exchange is willing, by agreement with the Member on such terms as it thinks fit, to lift the suspension. Suspension under this paragraph shall not prejudice the power of the Exchange or the Disciplinary Panel to commence disciplinary proceedings in respect of the failure.

Rule 310 Deposits and Margin

- (a) Members shall charge (by cash or such other collateral as may from time to time be approved by both the Exchange and the Clearing House) to Clients who are not Members in respect of each Contract:
- (1) at least such initial margin prescribed by the Exchange or Clearing House (whichever is greater) in respect of Contracts of that kind; and
 - (2) at least such variation margin prescribed by the Clearing House in respect of Contracts of that kind;
- subject always to such conditions and exceptions as may be specified by the Exchange and/or the Clearing House.
- (b) Members shall review their internal margin requirements on a continual basis to ensure compliance with the required minimum initial margins and variation margins prescribed by the Exchange or Clearing House, as applicable. For the avoidance of doubt, a Member may collect margin from its Clients which is higher than that prescribed by the Exchange or Clearing House.

Rule 311 Registration of Member's Traders

- (a) A Member shall ensure that any Person entering orders into or making trades on the Market on its behalf is registered with the Exchange as a Member's Trader pursuant to the Trading Procedures, and that each registration is current and accurate at all times. A Member shall register at least one individual as a Member's Trader. Each Member's Trader must use a unique user ID to access the Exchange Trading Platform. In no event may a person enter an order or permit the entry of an order by an individual using a user ID other than the individual's own unique user ID.
- (b) Member's Traders must comply with all relevant requirements, provisions and other safeguards prescribed in the SFA, the Rules and Applicable Law.
- (c) A Member shall immediately notify the Exchange if:
- (1) any Member's Trader's licence from or registration with the Relevant Regulatory Authority, or exemption therefrom, for the conduct of relevant regulated activities has been revoked, expired or withdrawn;
 - (2) the Relevant Regulatory Authority imposes conditions or restrictions on the Member's Trader in respect of the relevant regulated activities;
 - (3) any of its Member's Traders is of unsound mind;
 - (4) any of its Member's Traders becomes or is bankrupt;

- (5) any of its Member's Traders is subject to a composition or scheme of arrangement with his creditors, whether in or out of Singapore;
 - (6) a judgment debt entered against any of its Member's Traders remains unsatisfied in whole or in part; or
 - (7) the Member's Trader ceases to transact business through the Member or ceases to be sponsored by the Member.
- (d) The Exchange may terminate a Member's Trader's registration upon notification under Rule 311(c)(2)-(6). A Member's Trader's registration shall automatically lapse upon the cessation of his sponsoring Member's Membership.
- (e) A Member's Trader whose registration is suspended by the Exchange or otherwise has ceased or lapsed shall remain subject to the Rules and to the jurisdiction of the Exchange in respect of acts and omissions while he was registered as a Member's Trader, and in respect of any investigation or disciplinary proceedings relating thereto, whether commenced before or after his suspension, cessation or lapsing (including the payment of any fine or application of any other sanction imposed) as if he were still registered.
- (f) Disciplinary proceedings commenced following suspension of a Member's Trader's registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which his registration was suspended.
- (g) If a Disciplinary Panel concludes that there are, or may be, additional matters that should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Rule 311(f) may be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).
- (h) A Member may terminate the registration of a Member's Trader by giving written notice to the Exchange of its intention to de-register the Member's Trader with effect from the date specified in the notice.
- (i) A Member's Trader who is de-registered shall remain subject to the Rules and to the jurisdiction of the Exchange in respect of acts and omissions of the individual while he was registered as a Member's Trader, and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other sanction imposed) as if he were still registered.
- (j) Disciplinary proceedings commenced following a Member's Trader's de-registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which the de-registration became effective.
- (k) If a Disciplinary Panel concludes that there are, or may be, additional matters that should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Rule 311(j) shall be extended until such time as such additional disciplinary

proceedings are completed (including the payment of any fine or application of any other sanction imposed).

Rule 312 Resignation of a Member

- (a) A Member may request the Exchange to temporarily suspend its Membership, provided that such Member shall provide reasons for its request for voluntary suspension. The Exchange may grant to the requesting Member a temporary suspension of up to twenty-four (24) months, subject to such terms and conditions as the Exchange deems fit.
- (b) A Member may resign from being a Member by giving the Exchange written notice of its wish to resign from Membership (a “**Resignation Notice**”).
- (c) A Member which gives a Resignation Notice must provide the Exchange with such information concerning the circumstances of the resignation as, in the opinion of the Exchange, is necessary for the Exchange to determine whether:
 - (1) to accept the resignation;
 - (2) to delay the effective date of the resignation; or
 - (3) without prejudice to the courses of action available to the Exchange under subparagraphs (1) and (2) above, to take any other measures before or after the resignation takes effect; and
- (d) Notwithstanding anything to the contrary herein, the Exchange may, in its absolute discretion, refuse to accept a Resignation Notice given by a Member or postpone the effective date if it considers it necessary for the protection of Clients, or otherwise in the interests of the Market. If the Exchange does so, the Exchange may waive the Member’s liability for some or all Exchange fees, levies and charges arising in respect of the period following the date on which its Resignation Notice would otherwise have taken effect.

Rule 313 Suspension and Termination of Membership

- (a) Notwithstanding and without prejudice to the powers of the Disciplinary Panel, the Exchange may suspend in whole or in part a Member’s trading privileges for up to a period of one (1) year upon the occurrence of any of the following events:
 - (1) a Member fails to pay any fees, levies or charges as contemplated under Rule 307;
 - (2) a Member’s application for Membership contains material errors or omissions or is misleading in a material respect;
 - (3) a Member fails to satisfy the Exchange that it meets any material obligations required under the Rules or by the Exchange, including financial requirements, licensing or risk management or other material obligations; or

- (4) it is necessary or desirable, in the Exchange's opinion, to protect the financial integrity, reputation or interest of the Market or to promote the operation of a fair, orderly and transparent market.
- (b) The Exchange shall have the power to terminate any Membership upon the occurrence of any of the following events:
 - (1) a Member becomes bankrupt or files a bankruptcy petition;
 - (2) a Member becomes insolvent or calls a meeting of its creditors, or enters into an arrangement or composition under insolvency laws or suffers winding up, dissolution or other similar event; or
 - (3) a Member's licence with respect to the Member's engagement in any Regulated Activity is revoked by the Relevant Regulatory Authority.
- (c) In the event the Exchange suspends or terminates a Member's trading privileges, the Exchange may direct the affected Member to close out any Open Positions or take such other steps that the Exchange deems fit for the protection of Clients or the maintenance of a fair, orderly and transparent market. The affected Member shall cooperate fully with the Exchange with respect to such directions. A suspension or termination of trading privileges does not in any way affect the liabilities of the Member to the Exchange and other Members and all such liabilities shall subsist until satisfied or discharged.
- (d) A Member which ceases to be a Member shall remain subject to the Rules and to the jurisdiction of the Exchange in respect of acts and omissions while it was a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the application of any sanction imposed) as if it was a Member.
- (e) The Exchange shall promptly inform the Clearing House of the resignation, termination or suspension, as well as of the lifting of such suspension, of the Membership of any Member.

Chapter 4 Compliance

Rule 401 Duties Applicable to All Members, Member's Traders and Member's Representatives

- (a) General Duties of Integrity, Fair Dealing and Care. When trading on the Market, Members, Member's Traders and Member's Representatives are required to:
- (1) observe high standards of integrity, market conduct and fair dealing;
 - (2) act with due skill, care and diligence;
 - (3) comply with these Rules, the Trading Procedures, the Directives, the Regulatory Notices, MAS Requirements or applicable rules and regulations issued by any other statutory body in Singapore, and in relation to Bank Members, also comply with the Banking Act, in relation to maintenance of accounts, records and audits; and
 - (4) refrain from any act or course of conduct which is likely to harm the reputation of the Market or any Members.
- (b) Monitoring. A Member must have in place systems and/or processes to review orders and trades for the purpose of detecting suspicious trading behavior.
- (1) A Member, Member's Trader or Member's Representative shall immediately inform the Exchange if it reasonably suspects, or knows of, any commission or attempted commission of the acts prohibited under the Rules.
- (c) Audit Trail. A Member shall be required to maintain a complete audit trail of transactions in Contracts, from the receipt of an order to its settlement, and produce such records to the Exchange upon request.
- (d) Record-keeping. A Member shall ensure that data and records required to be maintained by the Rules are:
- (1) made and kept in a way that is easily retrievable by authorised personnel;
 - (2) kept for at least the minimum period required by the SFA or, in the case of a Foreign Member, the greater of five (5) years or the period required under any relevant Applicable Law and regulatory requirements relating to the regulation of markets and licenced entities; and
 - (3) made available to the Exchange in a timely manner when requested.
- (e) Computation of Financial Resources. A Member shall make and keep as a record formal computations of its financial and capital requirements. The computations shall be in such form as the Exchange may prescribe and be submitted to the Exchange within such time as stipulated by the Exchange.

- (f) Submission of Financial Statements and Other Information. The Exchange may at any time require a Member to submit financial statements or other information to the Exchange in such form and pertaining to such matters and within such time as stipulated by the Exchange. The Member shall thereafter comply with such directions as the Exchange may in its sole discretion issue.

Rule 402 Transaction Reporting

Each Member acknowledges and agrees that the Exchange shall be authorised to submit the terms of a Contract to any Repository, save where the relevant Member notifies the Exchange in writing that it does not require the Exchange to act as such (whether generally or in respect of particular clients or kinds of Contract).

Rule 403 Transaction Records

- (a) All Members shall keep proper and complete accounting and other records relating to all Contracts made on the Market, and Contracts entered into otherwise in accordance with the Rules, whether for a Member's own or a Client's account, and containing such details as the Exchange may from time to time prescribe. Separate accounts shall be kept in relation to each Client and all orders and accounts shall be given a unique and clearly identifiable reference.
- (b) All orders executed on the Market or otherwise in accordance with the Rules shall be promptly recorded in writing (or such other permanent form as may from time to time be permitted) by the Member in its own records and reported to the Exchange in such manner and together with such particulars as the Exchange may from time to time require. The Exchange shall (and is hereby authorised to) present and confirm particulars of all Contracts to the Clearing House on behalf of Members.
- (c) Members shall keep daily records of such Open Positions and shall comply with such reporting requirements as the Exchange may from time to time prescribe. The Exchange may request the Clearing House to disclose to the Exchange details of Contracts and Open Positions of Members for transactions executed on the Market.
- (d) Members shall maintain such records for a reasonable period of time (which shall be not less than five years) and shall be open to inspection by the Exchange.
- (e) The requirements set forth in this Rule 403 shall be without prejudice to any other record-keeping provisions in these Rules, the Trading Procedures, the Electronic User Agreement or Applicable Law.

Rule 404 Duties Applicable to Members, Member's Traders and Member's Representatives Undertaking Agency Trades

- (a) Identification and Know-Your-Counterparty. Members shall identify and designate Client Accounts by the full name of the Client and an account code, and must maintain

separate accounts for each Person whose account is carried on its books. Prior to opening a Client Account, a Member shall satisfy itself that it has:

- (1) obtained key particulars relating to the Client (and any person authorised to trade for the Client);
 - (2) verified the identity of the Client and that the Client has requisite authority to open the account;
 - (3) understood the Client's risk appetite and investment objectives; and
 - (4) obtained approval from at least one (1) member of the Member's management staff to open such Client Account. The member of the management staff that approves the opening of such Client Account shall be independent of the Member's sales and dealing functions. The management staff's approval shall be in writing and shall include the name of the management staff that approved the opening of the Client Account, and shall be maintained as a permanent record and obtained prior to the execution of the first trade of the Client in that account.
- (b) Client Agreement and Risk Disclosure Statement. A Member shall provide in the agreement with its Client that the Client agrees to be bound by and to be subject to these Rules. A Member shall additionally obtain a written acknowledgment from its Client that the Client is aware of the risks associated with trading in Contracts.
- (1) The written acknowledgment referred to in this Rule 404(b) shall contain:
 - (i) in the case of a Member that holds a licence to engage in a Regulated Activity, such requirements as contemplated under the SFA; and
 - (ii) in the case of a Foreign Member, such requirements as may be prescribed by the Relevant Regulatory Authority.
 - (2) Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.
 - (3) The written acknowledgment referred to in this Rule 404(b) shall be approved by the Regulatory Department before being sent to any Clients, and shall be re-submitted to the Regulatory Department before any amendments may be made to such written acknowledgment.
- (c) Client Instructions and Power of Attorney. A Member, Member's Trader or Member's Representative shall execute orders only upon receipt of a Client's instructions. Unless otherwise authorised by a Client, the Member, Member's Trader or Member's Representative shall communicate solely with that Client in respect of statements, contract notes, or any other information relating to the activities of that Client. The Member, Member's Trader or Member's Representative shall obtain a power of attorney or proper written authorisation from its Client before:

- (1) accepting orders from a third party to trade in that Client Account; or
 - (2) allowing a third party to collect monies, assets, contract notes, cheques or statements on that Client's behalf.
- (d) Account Statements. A Member shall issue statements of account and contract notes to its Clients in electronic format. The issuance of statements of account and contract notes shall:
- (1) in the case of a Member that holds a licence to engage in a Regulated Activity, comply with the applicable provisions of the Conduct of Business Regulations. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.
 - (2) in the case of a Foreign Member, comply with such requirements as prescribed by the Relevant Regulatory Authority, including requirements relating to a client's statement of account or contract note in electronic form. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements.
- (e) Transfer of Error Trades to House Account. The following requirements apply in relation to the transfer of error trades:
- (1) if a Member commits an execution error (other than an error in price), the Member shall duly transfer the error trade out from the Client Account to the Member's House Account, or such other account as the Exchange may permit.
- (f) Transfer of Unsuccessful Give-Up Trades. A Member may enter into a give-up arrangement with a Client and an accepting Clearing Member. If an executed trade in respect of a given Contract is not successfully given up to and accepted by the accepting Clearing Member by the end of the Trading Day for such Contract, the Member may transfer the give-up trade to a designated account meant for unsuccessful give-up trades and the Member shall conduct regular reviews and take action to clear the designated account.
- (g) Reporting of Open Positions. A Member shall:
- (1) submit a daily report of Open Positions to the Exchange. Such report shall be in such form as the Exchange may prescribe from time to time; and
 - (2) upon request by the Exchange, obtain the information required by this Rule regarding the ownership and control of Open Positions within any Omnibus Account and any sub-account of any Omnibus Account. However, if the Omnibus Account holder does not want the identity of any sub-account holder to be disclosed to its carrying Member, the Omnibus Account holder may apply to the Exchange for a special identification for the sub-account thereof, for reporting Open Positions covered within this Rule through its carrying Member; provided, however, that an authorization to use a special identification for a sub-account of

an Omnibus Account shall not relieve any Member of its large position reporting requirements under Rule 907.

(h) Omnibus Accounts.

- (1) A Member may carry Omnibus Accounts subject to such requirements and procedures as the Exchange may prescribe from time to time.
- (2) The Exchange may place limitations on a Member carrying Omnibus Accounts depending on:
 - (i) the number of Omnibus Accounts carried and volume of business of the Member; and
 - (ii) the financial condition of the Member and the Omnibus Account holders in light of requirements or standards determined by the Exchange. A Member that carries Omnibus Accounts shall ensure that the Omnibus Accounts are operated at all times in accordance with these Rules including the relevant rules on position limits and shall, without prejudice to any other liability it may incur, indemnify the Exchange in relation to any claim referable to such violation.

Rule 405 Prohibited Conduct

- (a) No Member, Member's Trader, Member's Representative or other Person subject to the Rules shall knowingly or recklessly permit the use of his, her or its services, facilities or membership by any Person in a manner which is in the opinion of the Exchange liable to bring the Exchange or its Members into disrepute, impair the dignity or degrade the good name of the Exchange. No Member, Member's Trader, Member's Representative or other Person subject to the Rules shall knowingly or recklessly create or maintain or exacerbate manipulations (or attempted manipulations), corners (or attempted corners) or Violations (or arrangements, provisions or directions made or given thereunder), or otherwise be substantially detrimental to the interests or welfare of the Exchange.
- (b) No Member, Member's Trader, Member's Representative or other Person subject to the Rules, in relation to Contracts entered into, or orders placed, on the Market or otherwise in accordance with the Rules, shall:
 - (1) commit any act of fraud or bad faith;
 - (2) act dishonestly;
 - (3) engage or attempt to engage in extortion;
 - (4) continue (otherwise than to liquidate existing positions) to trade or enter into such Contracts or provide margin to or accept margin from the Exchange when not in compliance with the minimum financial requirement currently in force in relation to the category of membership to which it belongs;

- (5) knowingly or recklessly disseminate false, misleading or inaccurate reports concerning any Contract, product or market information or conditions that affect or tend to affect prices on the Market;
 - (6) manipulate or attempt to manipulate the Market, or create or attempt to create a disorderly Market, or assist its clients, or any other person to do so;
 - (7) make or report a false or fictitious trade;
 - (8) knowingly front-run a Client's order, unless the Client has prescribed that the order be executed under specified conditions and the order cannot be executed by reason of those conditions;
 - (9) enter into any Contract or fail to close out the same either intending to default in performance of the same or having no reasonable grounds for thinking that it would be able to avoid such default; or
 - (10) use or reveal any information, records, materials or documents provided to or obtained by another Person by reason of participating in any investigation or disciplinary proceedings.
- (c) No Member, Member's Trader, Member's Representative or other Person subject to the Rules shall engage in any of the following acts of misconduct:
- (1) any conduct contrary to Rule 103;
 - (2) participating in conduct by a third party which would be a violation or attempted violation of these Rules if that third party were subject to these Rules;
 - (3) failing to pay a fine or order for costs imposed by a Disciplinary Panel that has not been overturned by an Appeals Panel;
 - (4) any other event or practice which has developed or is developing on the Exchange and is thought to be capable of impairing the orderly conduct of business on the Exchange or affecting the due performance of Contracts;
 - (5) provision to the Exchange of information (including information for the purpose of obtaining membership) which is false, misleading or inaccurate;
 - (6) ceasing to meet eligibility criteria for membership as set out in the Rules without notifying the Exchange in a timely manner; or
 - (7) any other matter of which the Exchange may, from time to time, notify Members through Regulatory Notices issued to Members.
- (d) After receiving a notice, pursuant to Rule 502(c), that the Regulatory Department is conducting an investigation, it shall be considered a violation of the Rules for the Person

who is the subject of the notice (and, if the subject of the notice is an individual employed by a Member, such Member) to:

- (1) fail to appear before the Regulatory Department, other Exchange staff, the BCC or Disciplinary Panel at a duly convened hearing, scheduled interview or in connection with any investigation;
 - (2) fail to fully answer all questions and produce all books and records at such hearing or in connection with any investigation;
 - (3) fail to produce any books or records requested by duly authorised Exchange staff, in the format and medium specified in the request, within ten (10) Business Days after such request is made or such shorter period of time as determined by the Regulatory Department in exigent circumstances (unless such Person is granted an extension of time to produce such books and records by duly authorised Exchange staff);
 - (4) make any false or misleading statements to the Board, Regulatory Department, Exchange staff, the BCC, Disciplinary Panel or Appeals Panel; or
 - (5) fail, after a hearing, to comply with an order of the Board, Regulatory Department, Exchange staff, the BCC, Disciplinary Panel or Appeals Panel.
- (e) A Member, Member's Trader, Member's Representative and other Person subject to the Rules whose behavior amounts to any behavior prohibited under Part XII of the SFA shall be in breach of these Rules.
- (f) The making of a Contract by a Member with a client (whether or not a Member) otherwise than on the Market and not properly qualifying as a Block Trade or an EFRP shall constitute a violation of these Rules. Any Contract so made will be deemed not made by the Member subject to the Rules, save that the Member will be subject to disciplinary Rules and procedures.

Rule 406 Priority of Orders

- (a) A Member or Member's Trader undertaking Own Business or business on account of any persons associated or connected with the Member, Member's Trader or Member's Representatives, shall always give priority to the orders of the Member's Clients if it has orders from Clients in hand to trade the same Contracts at the prevailing market price or at the same price.
- (b) This Rule 406 does not require Members with house or other proprietary orders already entered in the Market when a Client order is received at the same price, to give precedence to that Client order.
- (c) Client orders must be dealt with fairly and, subject to paragraph (b) above, in their due turn.

Rule 407 Pre-arranged Trades Prohibited

- (a) A Member or Member's Trader shall not make any purchase or sale which has been pre-arranged, or for which such Member or Member's trader engaged in pre-execution communications, except for:
 - (1) an EFRP as contemplated in these Rules; or
 - (2) a Block Trade as contemplated in these Rules.
- (b) For purposes of this Rule 407, pre-execution communications means communications for the purpose of discerning interest in the execution of a transaction in a Contract prior to the terms of an order being submitted to the Market.

Rule 408 Trading Against Clients' Orders Prohibited

- (a) Except as provided in Rule 408(b), no Member or Member's Trader in possession of a Client order shall knowingly take, directly or indirectly, the opposite side of such order for his own account, an account in which he has a direct or indirect financial interest, or an account over which he has discretionary trading authority.
- (b) The foregoing restriction shall not apply to the following:
 - (1) an EFRP as contemplated in these Rules;
 - (2) a Block Trade as contemplated in these Rules; or
 - (3) a Member knowingly trading against a Client order for his own account, an account in which he has a direct or indirect financial interest, or an account over which he has discretionary trading authority, if the Client order has been entered immediately upon receipt and has first been exposed on the Market for a minimum of 10 seconds.

Rule 409 Disclosing Orders Prohibited

With the exception of transactions executed in accordance with the requirements of Rules 810 or 811, no Member, Member's Trader or Person subject to the Rules shall disclose another Person's order to buy or sell except to an Exchange official or a Relevant Regulatory Authority, and no Person shall solicit or induce another Person to disclose order information.

Rule 410 Wash Trades Prohibited

- (a) No Person shall place or accept buy and sell orders in the same Contract and expiration month, and, for a put or call option, the same strike price, where the Person knows or reasonably should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales).

- (b) Buy and sell orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash trades.
- (c) No Person shall knowingly execute or accommodate the execution of such orders by direct or indirect means.

Rule 411 Disruptive Trading Practices Prohibited

- (a) All orders must be entered for the purpose of executing bona fide transactions.
- (b) All non-actionable messages must be entered in good faith for legitimate purposes.
- (c) No Person shall:
 - (1) enter or cause to be entered an order with the intent, at the time of order entry, to cancel the order before execution or to modify the order to avoid execution;
 - (2) enter or cause to be entered an actionable or non-actionable message or messages with intent to mislead other market participants;
 - (3) enter or cause to be entered an actionable or non-actionable message or messages with intent to overload, delay, or disrupt the systems of the Exchange or other market participants;
 - (4) engage in, or knowingly act with any other Person in, any act or practice that will or is likely to create a false or misleading appearance of active trading in any Contract or a false or misleading appearance with respect to the price of any Contract;
 - (5) knowingly execute, or hold out as having executed, an order for the purchase or sale of a Contract, without having effected a bona fide purchase or sale of the Contract in accordance with these Rules;
 - (6) induce or attempt to induce another person to trade in a Contract:
 - (i) by making or publishing any statement, promise or forecast that it knows or ought reasonably to know to be false, misleading or deceptive;
 - (ii) by any dishonest concealment of material facts;
 - (iii) by the reckless making or publishing of any statement, promise or forecast that is false, misleading or deceptive; or
 - (iv) by recording or storing in any mechanical, electronic or other device information that is knowingly false or materially misleading;

or

- (7) directly or indirectly in connection with any trading in a Contract:
- (i) employ any device, scheme or artifice to defraud;
 - (ii) engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception upon any Person;
 - (iii) make any false statement of a material fact; or
 - (iv) omit to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Rule 412 Reporting of Compliance Issues

A Member shall inform the Exchange in writing immediately if the Member, or any of its Member's Traders or Member's Representatives, as the case may be:

- (a) breaches any provisions of the SFA, the Rules or any Applicable Law (foreign or local) governing the Member's activities;
- (b) breaches any rules of any other exchange or market (foreign or local) which has jurisdiction over the activities of the Member, its Member's Traders or Member's Representatives;
- (c) breaches any provision involving fraud or dishonesty, whether in or out of Singapore;
- (d) breaches any Director's duties as contemplated under common law or otherwise;
- (e) is the subject of a written complaint or investigation involving an allegation of fraud or dishonesty, whether in or out of Singapore;
- (f) is the subject of any disciplinary action (including any action taken by the Member against its Member's Traders or Member's Representatives) involving suspension, termination, withholding of commissions, fines or any other significant limitation of activities;
- (g) engages in conduct that has the effect of circumventing the SFA, other Applicable Law or regulatory requirements relating to the regulation of markets and licenced entities or these Rules;
- (h) engages in conduct detrimental to the financial integrity, reputation or interests of the Exchange or the Market; or
- (i) is insolvent, or is the subject of bankruptcy or winding up proceedings.

The reporting obligations under this Rule 412 apply whenever any of the abovementioned events occurs, or threatens to occur.

Rule 413 Accuracy of Information

- (a) All Members, Member's Traders and Member's Representatives shall ensure that to the best of their ability, all information and documents given to the Exchange or to the Clearing House from time to time are complete, fair and accurate.
- (b) All advertising, market letters or similar information that a Member issues, in the form and context in which such advertisements, market letters or similar information appear or are used, shall:
 - (1) be true to the best of their knowledge and belief;
 - (2) make no promise with respect to profits, always indicating the possibility of losses if profits are mentioned;
 - (3) not misrepresent their membership, registration, or the privileges which they enjoy under the Rules, in relation to the Exchange; and
 - (4) not misrepresent any authorisation, licence or permission which they possess from, or any registration with, the appropriate Regulatory Authority.

Rule 414 Dealings with Clients

- (a) A Member shall not open an account for the trading of Contracts on behalf of a Client or accept an order to enter into a Contract for the account of a Client unless the Member has entered into a written agreement with the Client containing such terms as the Exchange may from time to time prescribe in the Rules, or in directions given pursuant to this Rule by the Exchange. Without prejudice to any terms which may from time to time be so prescribed, a Member shall ensure that its written agreement with each Client:
 - (1) imports all the terms of the Rules insofar as they are applicable to the Client; and
 - (2) with regard to business done with the Client, enables the Member to perform all Contracts to which the Member is party from time to time and to comply with all requirements of the Rules (and arrangements, provisions and directions given thereunder) including, without limitation, requirements relating to disclosure and emergencies.

Chapter 5 Disciplinary

Rule 501 Notification of Breach

All Members shall immediately notify the Regulatory Department of any infringement of the Rules, the SFA or any other Applicable Law (including any such infringement by a Member's Representative, Member's Trader or a Client) or of any financial or commercial difficulty on the part of themselves or any Member or Person subject to the Rules and, as soon as practicable thereafter, give the Exchange full particulars of the infringement or difficulty.

Rule 502 Investigations

- (a) The Regulatory Department may conduct an investigation upon:
- (1) a request from a Board committee or a committee of the Exchange such as BCC;
 - (2) a request from the President (by whatever name described) of the Exchange (or his designated staff);
 - (3) having reason to suspect that any Rule violation or violation of any Applicable Law relating to the regulation of markets and licenced entities (a “**Violation**”) has been, or may have been committed;
 - (4) having reason to suspect that the Market is not fair, orderly or transparent, or the interests of investors could be compromised;
 - (5) the discovery or receipt of information by the Exchange that indicates a reasonable basis for finding that a Violation may have occurred or will occur;
 - (6) the receipt of a tip or complaint (whether written or oral) alleging that a Violation has been made;
 - (7) the receipt of a complaint by any Person alleging injury, loss, or damage made or suffered as a result of a Violation or potential Violation, with reasonable specified detail and facts constituting the alleged Violation;
 - (8) a request from a Relevant Regulatory Authority, including the MAS;
 - (9) the detection of a possible Violation by the Exchange's surveillance systems or processes; or
 - (10) a Member or an employee of a Member reporting a Violation or potential Violation by a Member itself.
- (b) In the course of conducting an investigation, the Regulatory Department may call for the assistance of such professional, legal or accounting advisers, the Clearing House, Regulatory Authorities and advisers or other Persons as it thinks fit (the “**Exchange Examiners**”). Subject to Rule 512, any Exchange Examiner appointed by the Exchange

shall be required to treat all information obtained in the course of the investigation as confidential and to disclose it only to the Exchange, save where compelled to disclose such documents to a third party under any Applicable Law. The Regulatory Department may delegate all or any of its powers under these Rules to the Exchange Examiner. The Exchange Examiner must report the results of the investigation to the Regulatory Department.

- (c) If the Regulatory Department determines that there is sufficient basis to bring charges against a Member or Person subject to the Rules for a Violation or potential Violation, the Regulatory Department must submit a written report (an “**Investigation Report**”) to the BCC, which shall include: all relevant facts and evidence gathered; a summary of the reason the investigation was initiated; a summary of the complaint, if any; a description of the disciplinary history of the Person(s) subject to the investigation; the Regulatory Department’s analysis and conclusions; and a recommendation as to whether a disciplinary action should be pursued.
 - (1) If the Regulatory Department determines that no reasonable basis exists for finding a Violation, the Regulatory Department must nonetheless submit a written report to the Chief Regulatory Officer, which shall include: the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; and Regulatory Department’s analysis and conclusions.
- (d) Prior to or simultaneously with the submission of an Investigation Report, the Regulatory Department shall notify each Person who is the subject of the Investigation Report (the “**Respondent**”), through a Notice of Investigation, of the general nature of the allegations and of the specific provisions of the Applicable Law, and the Rules of the Exchange regulating the conduct of business on the Exchange that were potentially violated. Except where summary action is pursued pursuant to Rules 520 or 521, a Respondent shall have the right, within fifteen (15) Business Days from the date of the Investigation Report, to submit a written statement to the Regulatory Department and the BCC explaining why no disciplinary action should be taken.
- (e) Members and other Persons subject to the Rules shall cooperate fully with all investigations (whether or not such Member or Person is the direct subject of such investigation). Without limitation, each Member (and, so far as applicable, each Person subject to the Rules) shall:
 - (1) promptly furnish to the Regulatory Department such information and documentary material, or any other materials, as may reasonably be requested in writing (including, without limitation, in the case of Members, details of the Member’s own and clients’ accounts);
 - (2) answer any question asked by a duly authorised representative of the Regulatory Department (including any Exchange Examiner) truthfully and fully, and make available for interview such of its employees (including Member’s Representatives and Member’s Traders) as may reasonably be requested, and

procure that such employees answer any question asked by or on behalf of the Regulatory Department truthfully and fully;

- (3) permit those persons appointed to carry out or assist in carrying out the investigation on reasonable notice, such notice being commensurate with the seriousness of the potential or alleged Violation of these Rules, to enter any premises in any part of the world where the Member carries on its business or maintains its records during normal business hours for the purpose of carrying out such investigation;
 - (4) make available for inspection such documents, records or other material in its possession, power or control as may reasonably be required and, upon request, provide copies of the same; and/or
 - (5) use its best endeavours to ensure that so far as possible its agents give similar cooperation.
- (f) Failure by a Member or Person subject to the Rules to co-operate with an investigation by the Exchange, or failure by a Member or Person subject to the Rules to provide information requested on a timely basis and concealment or destruction of evidence are each, for the avoidance of doubt, a Violation of these Rules.
- (g) Each Member and Person subject to the Rules authorises the Exchange to request any clearing house, exchange or regulatory body or Person, including other Members, to furnish to the Exchange such information and documents as the Exchange may request in writing in connection with an investigation. This Rule 502 shall constitute written authorization to the aforementioned parties to furnish to the Exchange such information and documents as the Exchange may request in writing in connection with an investigation.
- (h) Each Respondent is entitled to be represented during all stages of any proceeding pursuant to this Rule by an advocate and solicitor of the Supreme Court of Singapore.

Rule 503 Commencement of Disciplinary Proceedings

- (a) The BCC shall review an Investigation Report within thirty (30) calendar days of receipt or by notice in writing to the Member or Person subject to these Rules, extend the period of review beyond thirty (30) calendar days. The BCC shall, by majority vote, take one of the following actions:
- (1) If the BCC determines that a reasonable basis exists for finding that a Violation may have occurred which warrants disciplinary action, it shall issue formal charges to the Respondent and notify the Disciplinary Panel of such charges.
 - (2) If the BCC determines that a reasonable basis exists for finding that a Violation may have occurred, but that the issuance of charges is unwarranted, it shall direct that a warning letter be issued.

- (3) If the BCC determines that no reasonable basis exists for finding that a Violation may have occurred, it shall direct that no further action be taken.
 - (4) Direct that the Regulatory Department investigate the matter further.
- (b) If the BCC issues formal charges against a Respondent pursuant to Rule 503(a)(1), it shall direct that a written notice (“**Disciplinary Notice**”) be sent to the Member or Person subject to the Rules that is the subject of the Disciplinary Notice, which shall set out the general nature of the allegations and of the specific provisions of the Applicable Law, and/or the Rules of the Exchange regulating the conduct of business on the Exchange that were potentially violated. Further, the Disciplinary Notice shall advise the Respondent that the matter will be heard by a Disciplinary Panel and of the time and place for the hearing, if known, which shall not be earlier than thirty (30) calendar days from the date the Disciplinary Notice was sent.
- (1) The Respondent shall, if it wishes, file a written answer to a Disciplinary Notice provided to it pursuant to Rule 503(b) within fifteen (15) Business Days from the date of service of such statement. The answer shall specifically admit or deny each allegation contained in the statement, and the Respondent shall be deemed to have admitted any allegation not specifically denied.
 - (2) The answer may also contain any defence which the Respondent wishes to raise, and may be accompanied by documents in support of such answer or defence. In the event that a Respondent fails to file an answer, all charges contained in the statement of charges provided to it shall be deemed to be admitted.
- (c) Having seen and considered the answer, the BCC may, if it deems appropriate, continue to proceed with the disciplinary proceedings by referring the matter to the Disciplinary Panel, or may choose to discontinue disciplinary proceedings.
- (d) A Respondent may waive his right to a hearing within twenty one (21) calendar days of the date of the Disciplinary Notice. A Respondent who elects to waive his right to a hearing on the charges will be notified of the date on which the Disciplinary Panel will render its decision. Upon a finding of guilt on any charge, the Disciplinary Panel will promptly determine what penalties, if any, are to be imposed and their effective date. A Respondent who has waived his right to a hearing and/or admitted the charges against him will be advised of his right to participate in the hearing solely with respect to the penalty.

Rule 504 Composition of Disciplinary Panel

- (a) The Disciplinary Panel shall consist of a Disciplinary Panel Chair, two representatives, officers or employees of Member firms and two individuals who are not representatives, officers or employees of Member firms.
- (b) A quorum of a Disciplinary Panel shall consist of a majority of the panel, but must include at least the Disciplinary Panel Chair, one representative, officer or employee of a Member

firm and one individual who is not a representative, officer or employee of a Member firm.

- (c) Any Disciplinary Panel that conducts a hearing or proceeding shall consist of panelists who possess sufficiently diverse interests so as to ensure fairness.
- (d) No person shall serve on the Disciplinary Panel unless he or she has agreed in writing that he or she will not publish, divulge, or make known in any manner, any facts or information regarding the business of any Person or any other information which may come to his or her attention in his or her official capacity as a member of the Disciplinary Panel, except when reporting to the Board or to a committee concerned with such information or to the Regulatory Department, when requested by the MAS or other Governmental Authority or when compelled to testify in any judicial or administrative proceeding.
- (e) Subject to Rule 512, all information, records, materials and documents provided to the Disciplinary Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

Rule 505 Disciplinary Panel Proceedings

- (a) All disciplinary proceedings conducted before a Disciplinary Panel shall be conducted in accordance with the following procedures:
 - (1) The Respondent shall have the right to appear personally at the hearing and to be represented by an advocate and solicitor of the Supreme Court of Singapore. The Disciplinary Panel or the Disciplinary Panel Chair shall have the power to compel any party subject to its jurisdiction pursuant to Rule 301(c) to attend, testify and/or produce evidence in connection with the hearing, but shall in all instances provide at least fifteen (15) calendar days' notice prior to requiring any person to attend, testify and/or produce evidence in connection with such hearing.
 - (2) The Disciplinary Panel Chair shall have the authority to decide all procedural and evidentiary matters, which decision shall be final.
 - (3) Prior to the hearing, the Respondent may examine all evidence (including, but not limited to, the Investigation Report) which is to be relied upon by Regulatory Department during the hearing other than attorney work product, attorney-client communications or investigative work product.
 - (4) The Regulatory Department reserves the right to modify the Investigation Report, and the BCC reserves the right to modify the charges, notwithstanding the fact that formal charges have already been issued pursuant to Rule 503(a)(1).
 - (5) At least ten (10) Business Days in advance of the hearing, each party shall submit to the other party copies of all books, documents, records and other tangible evidence, upon which the party plans to rely at the hearing, and provide a list of

the names of witnesses that the party plans to call at the hearing, if any. The Disciplinary Panel may refuse to consider any books, records, documents or other tangible evidence which were not made available to, or witnesses whose names were not submitted to, the other party pursuant to this Rule.

- (6) Any Respondent shall be required to answer truly and completely any question put to it by the Disciplinary Panel, or produce to the Disciplinary Panel any and all such information or documents as the Disciplinary Panel deems relevant (which shall include anything in which information of any description is recorded). The Disciplinary Panel may require a Respondent to procure any officer, employee, representative, agent, contractor or Client of the Respondent to attend and provide evidence before it at the hearing and produce any books, written material, records, and any information, whether electronic or not, that are in possession, control or custody of the Person relating to any matter of any disciplinary action.
- (b) The Regulatory Department shall be a party to a Disciplinary Panel hearing and shall present evidence in support of the charged Violation(s). The Regulatory Department and the members of the Disciplinary Panel may question any witness and examine all the evidence stipulated to or presented at the hearing. The Respondent shall be entitled to appear personally, testify, produce evidence, call witnesses on his behalf and cross-examine any witness. The Regulatory Department bears the burden of establishing the basis for a finding of guilt on any charge on a balance of probabilities. Formal rules of evidence shall not apply.
- (c) Subject to Rule 512, all testimony and documents produced in connection with a Disciplinary Panel hearing shall be deemed non-public and confidential and shall not be disclosed except in connection with proceedings resulting from that hearing or as required by Applicable Law. A recording or other substantially verbatim record of the hearing shall be made and become part of the record of the proceeding. If a Respondent requests a transcript, he or she shall be solely responsible for the cost of producing the transcript.

Rule 506 Offers of Settlement

- (a) After receiving a Disciplinary Notice, a Respondent may submit a written offer of settlement (including proposals for financial and non-financial penalties) to the Disciplinary Panel.
- (b) Subject to Rule 506(c), an offer of settlement shall be construed as an admission that the Violation upon which the penalty is based did occur. A Respondent may withdraw an offer of settlement at any time prior to final acceptance by the Disciplinary Panel. If the Disciplinary Panel accepts the offer, a written decision setting forth the Disciplinary Panel's findings and sanction shall be issued, and written notice of the decision shall be given to the Respondent.
- (c) If the Disciplinary Panel rejects an offer of settlement, the Respondent will be notified of the rejection and the offer of settlement shall be deemed withdrawn by the Respondent.

If an offer is withdrawn (or deemed withdrawn) by the Respondent, the Respondent shall not be deemed to have made any admissions by reason of the offer and shall not otherwise be prejudiced by having submitted the offer.

- (d) The assigned Disciplinary Panel Chair may decline to convene the Disciplinary Panel to consider an offer of settlement.
- (e) If an offer of settlement is rejected or declined, any subsequent offers of settlement not opposed by the Regulatory Department shall be heard by the same Disciplinary Panel; however, alternate panelists may be appointed in the event of scheduling conflicts. Any contested hearing following an offer of settlement not accepted by the Disciplinary Panel will be heard by a new Disciplinary Panel.
- (f) In submitting an offer of settlement, the Respondent waives his right to a contested hearing and to appeal the Disciplinary Panel's decision if the offer is accepted; the Respondent also waives any claim of bias or prejudice on the part of the Disciplinary Panel.
- (g) If the offer of settlement is accepted, the Disciplinary Panel's decision shall be final on the date it is signed and ratified by the Disciplinary Panel Chair. Upon payment of the specified sum and fulfillment of the accompanying terms of the offer of settlement by the Respondent, no further proceedings shall be taken against that the Respondent for that Rule Violation.

Rule 507 Recusal Requirements

- (a) A member of the BCC, Disciplinary Panel or Appeals Panel must be recused from participating in any matter where such Person:
 - (1) Is a witness, potential witness, or a party in any stage of the proceeding;
 - (2) Is an employer, employee, co-worker or Director of a witness, potential witness, or a party;
 - (3) Has any significant personal or business relationship with a witness, potential witness, or a party;
 - (4) Has a familial relationship to a witness, potential witness, or a party; or
 - (5) Has, or may potentially have any financial, personal or other interest in the matter.
- (b) Prior to the consideration of any matter involving a subject, each member of the BCC, Disciplinary Panel or Appeals Panel must disclose to the appropriate Exchange staff whether he or she has one of the relationships listed in Rule 507(a) with any witness, potential witness, or a party.
- (c) In its sole discretion, Exchange staff shall upon review of the disclosure made in accordance with Rule 507(b), determine whether any member of the BCC, Disciplinary

Panel or Appeals Panel is required to be recused in any matter, and shall notify the BCC, Disciplinary Panel or Appeals Panel (as the case may be).

Rule 508 Prohibited Communications

- (a) Ex Parte Communications. Unless on notice and opportunity for all parties to participate:
- (1) No Respondent (or any counsel to or representative of a Respondent) or the Regulatory Department (or any counsel to or representative of the Regulatory Department) shall knowingly make or cause to be made an ex parte communication relevant to the merits of an investigation or a proceeding (which shall not include scheduling and procedural matters) to a member of the BCC, Disciplinary Panel or Appeals Panel with respect to that matter or proceeding.
 - (2) No member of the BCC, Disciplinary Panel or Appeals Panel that is participating in a decision with respect to an investigation or a proceeding shall knowingly make or cause to be made to a Respondent (or any counsel to or representative of the Respondent) or the Regulatory Department (or any counsel to or representative of the Regulatory Department) an ex parte communication relevant to the merits of that matter or proceeding (which shall not include scheduling and procedural matters).
- (b) Communications with Panelists. No Person shall attempt to influence disciplinary matters pending before the BCC, Disciplinary Panel or Appeals Panel by discussing, or attempting to discuss, such pending matters with a member of such committee or any member of the Board.
- (c) Disclosure. Any Person who receives, makes or learns of any communication which is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Regulatory Department and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this Rule 508 if the person refuses an attempted communication concerning the merits of an investigation or proceeding as soon as it becomes apparent that the communication concerns the merits.

Rule 509 Disciplinary Panel's Deliberation

Unless expressly permitted by the Disciplinary Panel Chair, the Regulatory Department and the Person charged shall not be present during the deliberation of a charge by the Disciplinary Panel. Failure to observe this Rule 509 does not vitiate the Disciplinary Panel's decision.

Rule 510 Decision of Disciplinary Panel

- (a) A majority vote of the Disciplinary Panel is required for a finding of guilt. A Respondent that is found not guilty shall not again be charged with or tried for the same underlying conduct. In the event of a finding of guilt, the Disciplinary Panel, in a separate sanctioning phase, must allow both parties to present arguments and information regarding the

appropriate nature and amount of a sanction prior to determining such sanction. In the absence of exceptional circumstances, as determined by the Disciplinary Panel Chair, the sanctioning phase shall proceed immediately upon the conclusion of the evidence and determination of the committee.

- (b) Promptly after the Disciplinary Panel comes to a decision with regard to a matter, the BCC shall issue a written notice (“**Decision Notice**”) to the Respondent explaining the Disciplinary Panel’s findings, which shall include: the notice of charges (or a summary thereof); the answer to the charges, if any (or a summary thereof); a brief summary of the evidence produced at the hearing; a statement of findings and reasoned conclusions with respect to each charge, including the specific Rules or provisions of any Applicable Law which the Respondent is found to have violated; a declaration of any penalty imposed and the effective date of such penalty.
- (c) The Disciplinary Panel’s decision shall be final on the date the Decision Notice is signed by the Disciplinary Panel Chair. The Disciplinary Panel’s decision shall become the final decision of the Exchange after the appeal period has lapsed.
- (d) No proceeding or determination in respect of a Violation shall be annulled, avoided, called into question or set aside by reason of the fact that the matter under consideration may or should have been dealt with by another committee under the business rules of any other exchange or the Clearing House, or that the Person concerned was absent from the hearing after having been given notice thereof.

Rule 511 Sanctions and Powers of the Disciplinary Panel

- (a) If the Disciplinary Panel is satisfied that the Regulatory Department has proved on a balance of probabilities that the Respondent has committed the conduct described in the charge, the Disciplinary Panel may take one or more of the following actions after hearing arguments from both parties regarding appropriate sanctions:
 - (1) Issue a public or private warning;
 - (2) Order the Respondent to cease and desist from the conduct found to be in violation of the Rules or the SFA or any Applicable Law or from conduct which would violate the Rules or the SFA or any Applicable Law;
 - (3) Order the Respondent (or the relevant Member) to liquidate such portion of the open contracts in the Respondent’s (or the relevant Member’s) proprietary or clients’ accounts, or both, as the Disciplinary Panel deems appropriate to ensure the integrity of Exchange contracts or to ensure an orderly and liquid market;
 - (4) Order the Respondent (or the relevant Member) to deposit such additional margin with the Clearing House as the Disciplinary Panel deems appropriate to protect the integrity of open Contracts;
 - (5) Prescribe such additional capital or other financial requirements as it deems appropriate;

- (6) Restrict the ability of the Respondent to have a business affiliation with, be employed by or have a financial or beneficial interest in a Member;
 - (7) Restrict, suspend or terminate the Respondent's (or the relevant Member's) access to the Market or to supervise the entry of any orders into such platforms by others;
 - (8) Restrict the Respondent's (or the relevant Member's) ability to trade, place, enter, accept or solicit orders in any or all products of the Exchange;
 - (9) Suspend any or all of the relevant Member's privileges of membership;
 - (10) Expel the relevant Member from membership in the Exchange;
 - (11) Impose a fine upon the Respondent not to exceed the maximum prescribed and published by the Exchange per Violation plus the amount of any benefit received as a result of the Violation;
 - (12) Issue a reprimand;
 - (13) Prescribe limitations on positions of the Respondent (or the relevant Member) as may be appropriate, including issuing an order or notification to relevant Clearing Members indicating that they should not accept new positions on behalf of any such party;
 - (14) Impose advertising restrictions upon the Member pursuant to the Rules;
 - (15) Direct the party to make restitution, in such amount as is warranted by the evidence, to the account of any party damaged by the conduct, or to the Clearing Member who has previously made restitution to the account of such party;
 - (16) In the case of an individual, disqualify (either indefinitely or for a fixed term) such person from being a Director or member of a committee or any panel of the Exchange;
 - (17) In the case of a Member, disqualify (either indefinitely or for a fixed term) any of its Member's Representatives or Member's Traders from being a Director or member of a committee or any panel of the Exchange;
 - (18) Order such action as is necessary to protect the integrity of the Contract or prevent a Violation; and/or
 - (19) With the approval of the Regulatory Department, order any other sanction or undertaking to address or deter the underlying violative conduct pursuant to a supported offer of settlement.
- (b) The contravention of any sanction imposed or direction made under or pursuant to Rule 511(a) may be treated for all purposes as an infringement of the Rules. The lack of

enforcement or action by the Exchange or Disciplinary Panel to impose any sanction shall not constitute a breach of the Rules by the Exchange.

Rule 512 Publication of Findings

- (a) The Disciplinary Panel shall give such publicity as it considers appropriate to any finding of, or any sanction imposed or other order made by a Disciplinary Panel or by an Appeals Panel, or any ratified settlement, including notifying MAS or any other relevant Regulatory Authority, provided that if the Disciplinary Panel shall determine that no publicity shall be given as aforesaid, they shall record in the minutes of their meeting the reasons for the said determination. These Rules shall operate as the irrevocable consent of each Member and Person subject to the Rules for the Disciplinary Panel to disclose the finding of, or any sanction imposed or other order made by a Disciplinary Panel or by an Appeals Panel, or any ratified settlement. The consent remains valid and effective notwithstanding that the person ceases to be a Member or Person subject to the Rules. The Exchange (including members of the Disciplinary Panel and Appeals Panel) shall not be liable in any way for anything referable to such disclosure.
- (b) Save as provided above or in these Rules, no person shall disclose any information in connection with any matter or proceedings pending before or heard by the Disciplinary Panel or the Appeals Panel, except that the Respondent(s) involved in the proceeding may disclose such information to its attorney(s). The provisions of this Rule are without prejudice to the right of the Exchange under Rule 203 or otherwise to disclose confidential information to other regulatory or law-enforcement bodies.

Rule 513 Right to Appeal and Initiating an Appeal

- (a) A Person found guilty of a Violation or otherwise aggrieved by a final decision of the Disciplinary Panel may request an appeal to an Appeals Panel provided that the decision assesses a monetary sanction greater than \$10,000 and/or an access denial or suspension of any membership privileges for greater than five (5) Business Days against the Person.
- (b) The request shall be filed in writing with the Regulatory Department within ten (10) Business Days of the date that the Decision Notice is sent to the Respondent pursuant to Rule 510(b).
- (c) The Regulatory Department may request an appeal in connection with any decision where the Disciplinary Panel found that no Violation had occurred.
- (d) A written request for an appeal must specify the grounds for the appeal and the specific error or impropriety of the original decision.
- (e) If a Member or Person subject to the Rules files a request for an appeal, the Disciplinary Panel's decision (and any related sanctions) shall be stayed unless the Regulatory Department objects to such a stay and the Chairman of the Board or the Disciplinary Panel Chair from which the appeal is taken specifically direct that the decision is not stayed pending appeal.

- (f) Upon receiving the written request for an appeal, the BCC shall convene an Appeals Panel, which shall determine by majority vote whether sufficient grounds exist to hold a hearing on the appeal. The Appeals Panel may only determine that sufficient grounds exist if there is a reasonable basis to conclude that the appellant might be able to meet one of the three standards identified in Rule 515(d) that would permit the Appeals Panel to set aside, modify or amend the appealed decision or the refusal to issue charges. The Appeals Panel's determination shall be based solely upon the written request and, in the case of an appeal of a BCC decision, any written response by the opposing party. The Appeals Panel's determination of whether to hold a hearing on an appeal shall be final.
- (g) The powers of the Appeals Panel include:
 - (1) all the powers of the Disciplinary Panel,
 - (2) hearing appeals in accordance with these Rules,
 - (3) affirming, setting aside, modifying or amending any decision of the Disciplinary Panel in accordance with these Rules, including but not limited to removing, increasing, reducing or otherwise varying any penalties or sanctions decided on by the Disciplinary Panel, and
 - (4) dealing with such other matters as the BCC gives it power to so deal (either generally or in a particular case).

Rule 514 Composition of Appeals Panel

- (a) Subject to Rule 507, the Appeals Panel shall consist of a Chairperson (“the **Appeals Panel Chair**”) and two panelists, each independent of the Exchange and its Members.
- (b) Notwithstanding Rule 507, any party to the appeal may request the Exchange to recuse any panelist on the Appeals Panel (including the Appeals Panel Chair) for good cause shown. The Exchange may then recuse such panelist and shall then select an alternate panelist.
- (c) An Appeals Panel shall consist of panelists that possess sufficiently diverse interests so as to ensure fairness.
- (d) A quorum of an Appeals Panel shall consist of a majority of the panel.

Rule 515 Appeals Proceedings

- (a) If the Appeals Panel grants the appellant's request for a hearing, the appeal shall be heard between thirty (30) and sixty (60) calendar days of the filing of the request for an appeal, unless the Appeals Panel Chair determines that good cause for an extension has been shown.

- (b) The appellant and respondent shall have the right to appear personally at the appellate hearing and to be represented by an advocate and solicitor of the Supreme Court of Singapore.
- (c) The appellate hearing shall be limited to the record from the appealed proceeding. The Appeals Panel shall not entertain any new evidence or new legal theory not raised in the prior proceeding except upon a clear showing by the appellant that such new evidence or new legal theory did not exist or was not ascertainable by due diligence at the time of the proceeding. The Appeals Panel Chair shall allow the filing of written arguments in connection with the appeal of a decision of the Disciplinary Panel. The Appeals Panel may call, allow, or disallow any witness.
- (d) The Appeals Panel shall not set aside, modify or amend the appealed decision unless it determines, by a majority vote, that the decision or the refusal to issue charges was:
 - (1) Arbitrary, capricious, or an abuse of the Disciplinary Panel's discretion;
 - (2) In excess of the authority or jurisdiction of the Disciplinary Panel or the BCC; or
 - (3) Based on a clearly erroneous application or interpretation of Exchange Rules or Applicable Law.

Rule 516 Appeals Panel's Deliberation

Unless expressly permitted by the Appeals Panel Chair, the appellant and the respondent shall not be present during the deliberation of an appeal by the Appeals Panel. Failure to observe this Rule 516 does not vitiate the Appeals Panel's decision.

Rule 517 Decision of Appeals Panel

- (a) The appellant and the respondent are entitled to be present when the Appeals Panel announces its decision.
- (b) After coming to a conclusion with regard to the appealed proceeding, the Appeals Panel shall promptly issue a written decision which shall include a statement of findings with respect to the decision from which the appeal was taken and the Appeals Panel's determination that such initial decision is affirmed, set aside, modified or amended in whole or in part and, with respect to any initial decision that is not affirmed in whole, the Appeals Panel's determination of the order or penalty to be imposed, if any. The decision of the Appeals Panel shall be a final decision of the Exchange.

Rule 518 Payment of Costs

The Disciplinary Panel or Appeals Panel may order any party to the proceedings to pay costs as it thinks appropriate, including but not limited to all or part of the administrative costs, costs and disbursements of the investigation, inspection or hearing, which shall be paid within thirty (30) calendar days of notice of such requirement.

Rule 519 Penalty

- (a) A fine imposed by the Disciplinary Panel or the Appeals Panel shall be paid within thirty (30) calendar days from the date of notice, or such longer time as the Disciplinary Panel Chair or the Appeals Panel Chair (as applicable) permits.
- (b) If the fine remains unpaid seven (7) calendar days after the deadline, the Respondent's access to the Markets shall be suspended. The suspension resulting from non-payment of a fine ends upon full payment of the fine.
- (c) Any Respondent that fails to pay a fine imposed by the Disciplinary Panel or the Appeals Panel within the prescribed time period may also be subject to sanctions imposed pursuant to Rule 405(d)(5).
- (d) Any Respondent that fails to take any action mandated by the Disciplinary Panel or Appeals Panel within the time period set forth in the settlement agreement, Decision Notice, or otherwise, may also be subject to sanctions imposed pursuant to Rule 405(d)(5).
- (e) The BCC may determine to require a Respondent to pay any unpaid penalties imposed upon its employees.

Rule 520 Summary Suspension

- (a) Notwithstanding anything in these Rules to the contrary, the Chief Regulatory Officer or his delegate may summarily suspend, revoke, limit, condition, restrict or qualify the trading privileges of any Member or Person subject to the Rules, and/or such Person's ability to otherwise access the Market; provided, however, that the Chief Regulatory Officer or his or her delegate may only summarily suspend such Person's trading privileges and/or ability to access the Market if the Chief Regulatory Officer or his delegate reasonably believes in good faith that:
 - (1) such Person has failed to pay applicable dues, assessments, fees, costs, charges, fines or arbitration awards provided for under these Rules; or
 - (2) immediate action is necessary to protect the public or the best interests of the Exchange.
- (b) Whenever practicable, the Chief Regulatory Officer or his delegate shall provide prior written notice to the Person against whom any action in accordance with Rule 520(a) shall be taken. If prior notice is not practicable, the Chief Regulatory Officer or his delegate will give notice at the earliest possible opportunity to the Person against whom the action is brought.
- (c) Any Person subject to a summary suspension provided for under this Rule 520 may challenge such summary suspension by denying the charges and filing a request for a hearing pursuant to Rule 505.

- (d) If a Person challenges a summary suspension, the Disciplinary Panel shall conduct a *de novo* hearing solely on the issue of the suspension in accordance with the procedures in Rule 505. Such Person shall have the right to representation by an advocate and solicitor of the Supreme Court of Singapore in such hearing. Filing of a notice of intent to challenge a summary suspension pursuant to Rule 520 shall not stay the Chief Regulatory Officer's decision to suspend a Person.
- (e) Any summary suspension pursuant to Rule 520 shall not remain in effect for more than sixty (60) calendar days unless the Chief Regulatory Officer or his delegate, upon further consideration of the circumstances that resulted in a prior summary suspension, provides written notice to the Person that his or her summary suspension will be extended for an additional period of time not to exceed sixty (60) calendar days. Any further extension of the summary suspension may only be effected by the Exchange pursuant to Rule 313(a).
- (f) At any time, a Member may petition the Chief Regulatory Officer to reconsider a summary suspension pursuant to this Rule based upon materially changed circumstances.

Rule 521 Summary Fines

- (a) The Chief Regulatory Officer may summarily impose a fine for minor Violations of the Rules.
- (b) The Chief Regulatory Officer will give notice of any summary fine imposed pursuant to this Rule 521 to each Member or Person subject to the Rules subject to the summary fine. Such notice shall include:
 - (1) the violations of the Rules for which the fine is being imposed;
 - (2) the date of the violation for which the fine is being imposed; and
 - (3) the amount of the fine.
- (c) The Exchange will set the amount of any fines imposed pursuant to this Rule 521, with the maximum fine for each violation not to exceed \$3,000. Summary imposition of fines pursuant to this Rule 521 will not preclude the Exchange from bringing any other action against the Member or Person subject to the summary fine.
- (d) In lieu of a summary fine, the Chief Regulatory Officer may issue a warning letter.
- (e) Any Person subject to a summary fine may challenge such summary fine by denying the charges and filing a request for a hearing pursuant to Rule 505.
- (f) If a Person challenges a summary fine, the Disciplinary Panel shall conduct a *de novo* review of the facts and allegations in accordance with the procedures in Rule 505. A Person challenging a summary fine shall have the right to representation by an advocate and solicitor of the Supreme Court of Singapore in such hearing. Filing of a notice of intent to challenge a summary fine pursuant to Rule 521 shall stay the requirement to pay a summary fine.

Chapter 6 **Dispute Resolution**

Rule 601 Disputes and Arbitration

- (a) Where a dispute, difference, controversy or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arises out of, in relation to, or in connection with the Rules, the Contract Terms, the Electronic User Agreement, or any Contract, including any dispute as to the existence, construction, validity, interpretation, enforceability, termination or breach of the Rules, the Contract Terms, the Electronic User Agreement or any Contract, between one or more Members or Clients, on the one hand, and the Exchange, on the other (an “**Exchange Dispute**”), the parties to such Exchange Dispute shall first attempt to settle the dispute through good faith negotiations, failing which the Exchange Dispute shall be settled by arbitration before the Singapore International Arbitration Centre (“**SIAC**”) in accordance with the rules of the SIAC; provided, however, that the requirement to settle Exchange Disputes in this Rule 601(a) shall be without prejudice to the Exchange’s rights, or a Member’s or Client’s rights, to litigate an Exchange Dispute in court under the SFA.
- (1) Any arbitration commenced under or pursuant to Rule 601(a) shall be conducted in Singapore before a panel of three arbitrators, and the language of the arbitration proceedings shall be English. The seat of the arbitration shall be Singapore.
- (b) The award of the SIAC arbitrator or panel of arbitrators shall be binding on the Members, Clients of the respective Members and the Exchange to the extent permitted under Applicable Law
- (c) The fact of a Member being suspended or expelled shall not affect the requirement for such Member or its Clients to arbitrate any Exchange Dispute.

Chapter 7 Contracts

Rule 701 Contracts Traded on the Exchange and Terms

- (a) The Exchange shall list for trading Futures Contracts (including Futures Option Transactions) on various Commodities. Each Futures Contract shall be governed by these Rules and subject to such Contract Terms as may from time to time be adopted by the Exchange. In the event of a conflict between these Rules and the Contract Terms, these Rules shall prevail.
- (b) An order executed or matched on the Market by, for or following any submission by or on behalf of a Member shall give rise to Contract(s) in accordance with Chapter 8 and the Clearing House Rules.

Rule 702 Futures Contract Months and Contract Dates

- (a) Trading in Futures Contracts (other than Futures Option Transactions) shall be permitted in respect of such months (“Contract Months”) or dates (“Contract Dates”) as the Exchange shall determine from time to time, including such groups of Contract Months and groups of Contracts Dates as determined by the Exchange from time to time.
- (b) Trading in Futures Option Transactions shall be permitted in respect of such Contract Months or Contract Dates as the Exchange shall determine from time to time, and in respect of such strike prices as the Exchange shall determine from time to time, including such groups of Contract Months and groups of Contracts Dates as determined by the Exchange from time to time.

Rule 703 De-listing of Contracts

- (a) Subject to the SFA, the Exchange may, from time to time and in its absolute discretion, de-list or make dormant any Contract. If there are no Open Positions in the relevant Contract which the Exchange wishes to de-list or make dormant, the de-listing or dormancy shall become effective at such time as the Exchange shall determine. If there are Open Positions in the relevant Contract which the Exchange wishes to de-list or make dormant, the Exchange may require that such Open Positions be cash settled immediately or restrict trading of the relevant Contract or notify any other method to enable the closing out of those Open Positions, except to the extent that the Exchange deems such trading to be necessary for the maintenance of a fair, orderly and transparent market. Where reasonably practicable or possible, the Exchange shall give reasonable prior notice of its intention to de-list or make dormant any Contract.

Rule 704 Business Days and Trading Hours

- (a) Trades in respect of any Contract may only be executed during the hours in which the Market is open for trading for such Contract. The Market’s normal Trading Hours for each Contract are set forth in the relevant Contract Terms.

- (b) Notwithstanding the above, trading will be permitted on any calendar day, including Saturdays, Sundays and public holidays in Singapore, as decided by the Exchange and published by Regulatory Notice from time to time.
- (c) The Exchange shall have the power to declare any calendar day a non-Trading Day in respect of one or more Contracts on giving notice thereof to Members.

Rule 705 New Legislation

- (a) If the Exchange, after consultation with the Clearing House, in its absolute discretion, determines that a change of legislative or regulatory provisions of Singapore, any other country or any international organisation, or of institutions or market organisations in any country or group of countries, (including without prejudice to the generality of the foregoing, a change in respect of duties or taxes) has affected, is affecting or is likely to affect the normal course of business, the Exchange shall have the power (without prejudice to their powers under any other provision of the Rules) to vary the provisions of this Chapter 7 in any way it deems necessary or desirable for the preservation of the orderly course of business, subject to Applicable Law.
- (b) Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Exchange). Without limiting its powers hereunder, the Exchange will use its best endeavours to keep any such variation to the minimum that it considers reasonably necessary to deal with the situation.
- (c) The Exchange's powers under this Rule 705 shall be exercisable by Regulatory Notice. Any variation made under this provision shall take effect at such time and for such period as the Exchange shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the publishing of the relevant Regulatory Notice.
- (d) Each Contract affected by a variation under this Rule 705 shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed in the Exchange's Regulatory Notice.
- (e) Any Regulatory Notice issued by the Exchange under this Rule 705 may be varied or revoked by a subsequent Regulatory Notice.

Rule 706 Law and Jurisdiction

This Chapter 7 and every Contract and all non-contractual obligations arising out of or in connection therewith, are governed by and shall be governed by and construed in accordance with the laws of the Republic of Singapore and, subject to Rule 601, any matter arising therefrom shall be subject to the jurisdiction of the courts of Singapore.

Rule 707 Exchange Monitoring

In order to assist the Exchange in monitoring the performance of Contracts (but without obliging it to do so and without prejudice to any other power which it might have), the Exchange may, at any time and from time to time, require any Member and/or the Clearing House to supply to it such information as it thinks fit. The Exchange may require such information to be supplied to it through the Clearing House.

Rule 708 Exchange's Powers

The provisions of this Chapter 7 shall be without prejudice to any powers given to the Exchange by other provisions of the Rules.

Rule 709 Settlement to Market

At the request of the Exchange or otherwise, the Clearing House may apply a system of settlement or marking to market or revaluation to Contracts in accordance with the Clearing House Rules. Accordingly, references in this Chapter 7 to:

- (a) a Futures Contract shall be construed as including settlement obligations arising in accordance with the Clearing House's system; and
- (b) the price at which the Buyer or Seller contracted to buy or sell shall be construed as the price for the time being registered on behalf of the Buyer or Seller by the Clearing House under such system,

and all terms of Contracts shall be construed to allow the application of such a system.

Rule 710 Final Settlement Price For Cash-Settled Contracts

- (a) If, for any reason, the relevant index or other value on which final settlement of any Contract is based is not published at the end of the relevant Trading Day for such Contract, or the Exchange believes there is an error in the calculation of the index or other value, or the Exchange is otherwise unable to issue a final settlement price on such Trading Day and alternative settlement procedures are not otherwise specified in the relevant Contract Terms, then the Exchange may:
 - (1) determine a final settlement price that reflects the true market value at the time of final settlement based upon another pricing source or otherwise at its discretion; or
 - (2) postpone the determination of the final settlement price until such time as the relevant pricing data (as set out in the applicable Contract Terms) is available.

Rule 711 Application of General Rules

- (a) Each Contract shall be subject to the Rules and the Clearing House Rules. The Clearing House Rules shall prevail in the event of any inconsistency between the Clearing House Rules and the relevant Contract Terms. The Clearing House Rules provide that the Clearing House is a party as principal to each Contract, whether as Buyer or Seller and that its counterparty is the relevant Clearing Member. This Chapter 7 shall be construed accordingly and, in particular, references to “Buyer” and “Seller” shall include the Clearing House unless the context otherwise requires.
- (b) The application of the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, and the United Nations Convention on Contracts for the International Sale of Goods, of 1980, is hereby excluded and the provisions of these conventions shall not apply to the Contracts.

Rule 712 Further Amendment of Contract Terms

- (a) The Contract Terms of any Contract may from time to time be amended pursuant to this Rule without prejudice to any right contained elsewhere in the Rules to amend the Contract Terms. Such an amendment may, according to its terms, have effect on existing as well as new Contracts, and in such case, all Contracts declared to be affected shall forthwith (or at such time as the terms of the amendment shall indicate) automatically be modified in conformity to the amendment.
- (b) The Exchange shall not propose an amendment under this Rule 712 on terms affecting existing Contracts if the amendment is in their opinion likely to affect the market price of the existing Contracts.

In this Rule 712, references to the amendment of the Contract Terms include additions to and the partial revocation of the Contract Terms.

Rule 713 Regulatory Functions

- (a) Where the Exchange considers that circumstances have arisen, or are reasonably likely to arise, in which it would be desirable for any of the Contract Terms to be varied in the interests of ensuring the orderly operation and evolution of the Market or pursuant to any of the Exchange's other regulatory functions, the Exchange shall have the power (without prejudice to its powers under any other provision of the Rules) to vary any of the Contract Terms in any way it deems appropriate to respond to such circumstances in accordance with the Exchange's regulatory functions. Such circumstances may include, without limitation:
 - (1) where the provisions for the specification, pricing, settlement or other aspects of a Contract are no longer representative of practices in the underlying market to which a Contract relates;

- (2) where, without changes to the provisions for the specification, pricing, settlement or other aspects of a Contract, there is a risk of material detriment being caused to the Market for that Contract, whether in terms of liquidity, reputation or otherwise;
 - (3) where a Contract may, without variation, cease to be a viable hedging or risk management tool; or
 - (4) where any aspect of the current business on the Market in respect of any Contract is, in light of any other current or anticipated circumstances, at risk of being conducted otherwise than in an orderly manner and/or so as to afford proper protection to participants in the Market, and such risk may be addressed by changes to the Contract Terms.
- (b) Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Exchange). Without limiting their powers hereunder, the Exchange will use its reasonable endeavors to keep any such variation to the minimum that they consider reasonably necessary to respond to the circumstances in question.
 - (c) The Exchange's powers under this Rule 713 shall be exercisable by Regulatory Notice. Any variation made under this provision shall take effect at such time and for such period as the Exchange shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the publication of the relevant Regulatory Notice. The Exchange shall seek to give Members prior notice but, where deemed necessary, changes may take effect immediately upon the posting of such Regulatory Notice on the Exchange's website or at such other time as the Exchange prescribes.
 - (d) Every Contract affected by a variation under this Rule 713 shall remain in full force and effect subject to such variation and shall not be treated as terminated or frustrated or repudiated except so far as may be allowed in the relevant Regulatory Notice.
 - (e) Any Regulatory Notice issued by the Exchange under this Rule 713 may be varied or revoked by a subsequent Regulatory Notice.

Rule 714 Trade Emergency Panel

- (a) In the event the Exchange identifies or suspects the development or possible development of a situation or practice described in Rule 714(b), it shall forthwith refer the matter to a panel (the "**Trade Emergency Panel**") being a minimum of three (3) people comprising: (i) the Chief Executive Officer of the Exchange, or his designee, (ii) the Chief Regulatory Officer of the Exchange, or his designee and (iii) the Chief Executive Officer of the Clearing House, or his designee. The Trade Emergency Panel may take such professional advice as it sees fit in coming to any decision.
- (b) If the Trade Emergency Panel determines, in the good faith exercise of its sole discretion, that an Emergency exists and action is warranted in the interests of the markets operated

by the Exchange, it is authorised to take any actions whatsoever to respond to the Emergency and may give directions to Members accordingly. Such actions may include, without limitation: (i) the suspension, curtailment, or termination of trading in any or all Contracts, (ii) the revocation or suspension of access to the Market, (iii) the limitation of trading to liquidation of Contracts, (iv) the modification of the conditions of delivery under any deliverable Contract including the deferment of delivery or the designation of alternate delivery points, (v) the confinement of trading to a specific price range, (vi) the modification of Trading Days or Trading Hours, (vii) the modification of price limits, (viii) the establishment of the settlement price at which Contracts are to be liquidated, (ix) the modification of Contract Specifications, and/or (x) ordering any other action or undertaking to address or relieve the Emergency. Such actions may (without prejudice to the generality of this Rule 714), if the Trade Emergency Panel thinks fit, extend to trading which occurred before or on the date that such step is instigated.

- (c) The Trade Emergency Panel will use reasonable efforts to notify the Board prior to implementing, modifying or terminating any action provided for under Rule 714(b). If such prior notification is not possible or practicable, the Trade Emergency Panel will notify the Board at the earliest possible time after implementation, modification or termination, but in no event more than twenty-four (24) hours after implementation, modification or termination.
- (d) Whenever the Trade Emergency Panel takes actions necessary or appropriate to respond to an Emergency, the Exchange, where possible, will post an announcement in a Regulatory Notice. When the Trade Emergency Panel determines that the Emergency has been reduced sufficiently to allow the Exchange to resume normal functioning, any such actions responding to an Emergency will be terminated, and Members will be notified that such actions have been terminated in a Regulatory Notice.
- (e) A Member contravening a direction of the Trade Emergency Panel under this Rule 714 shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Rules were committed.

Chapter 8 Trading

Rule 801 Scope and Interpretation

- (a) This chapter sets forth: (1) general rules regarding trading, (2) rules regarding the types of trades that will be permitted on the Market and (3) rules establishing certain powers of the Exchange with regard to trading.
- (b) For purposes of this Chapter 8 only, references to “Member” shall also be interpreted to include DMA Clients of a Member.

General Provisions

Rule 802 Order Entry

- (a) Members shall enter orders into the Market using the Exchange Trading Platform.
- (b) When entering orders on the Exchange Trading Platform:
 - (1) Members and Member’s Traders shall accurately input for each order all information the Exchange requires for an order entry.
 - (2) Members authorized to connect a Front End Application to the Exchange Trading Platform shall create an audit trail of each message entered into the Exchange Trading Platform.
 - (i) This electronic audit trail must be maintained for a minimum of 5 years.
 - (ii) Each such electronic audit trail must be complete and accurate and account for every electronic communication such system receives or generates and any other data required under Rule 401(c), including any electronic communication such system receives from and generates to the Exchange Trading Platform and an indication of whether a transaction is initiated by a buy or sell order.
 - (iii) The electronic audit trail must record the times for all messages to or from the Exchange Trading Platform, including all confirmations, to the highest level of precision achievable by the operating system, but at least to the millisecond.
 - (3) All connections to the Exchange Trading Platform, including direct connections of non-clearing members or Clients, must be guaranteed by a Clearing Member that assumes financial responsibility for all activity through the connection. With respect to transactions given up to other Clearing Members, such guarantee is effective only until such time that the other Clearing Member accepts the trade.

Rule 803 Contract Execution and Formation

- (a) Contracts shall be executed on the Market in accordance with this Chapter 8, the Trading Procedures, and such procedures as are set forth in the Rules and/or Regulatory Notices.
- (b) While outstanding, all or any part of any bid or offer is subject to immediate acceptance by any trader. Members are required to honour all bids or offers that have not been withdrawn from the Market.
- (c) The Member placing a bid or offer may modify or withdraw the offer until it is accepted, subject to Rule 411.
- (d) The price at which a trade is executed shall be binding, unless such trade is cancelled by the Exchange in accordance with Exchange rules.
- (e) Acceptance of a bid or offer gives rise to a Contract between the two parties in accordance with the Clearing House Rules, subject to each of: (i) any power exercisable by the Exchange pursuant to these Rules authorizing the Exchange to cancel or amend a Contract, and (ii) any power exercisable by the Clearing House treating a Contract as void.
- (f) The Clearing House may declare a Contract void to the extent permitted by the Clearing House Rules, in which case no Contract shall have been deemed to arise.

Rule 804 Trading Procedures

The Exchange may from time to time, by Regulatory Notice, Circular or other written notice to Members and Persons subject to the Rules, prescribe Trading Procedures governing trading on the Market and the execution of Contracts on the Market and/or pursuant to these Rules, and other aspects of business conducted on the Market.

Rule 805 Withholding Orders Prohibited

- (a) A Member shall not withhold or withdraw from the market any order, or any part of an order, for the benefit of any Person other than the Person placing the order.
- (b) All Client orders, amendments or cancellations must be entered into the Market in full immediately upon receipt.
- (c) Where Client orders, amendments or cancellations are received by a Member but, for any reason, not immediately submitted to the Market, all such orders must be recorded immediately when they reach the Member either on an order slip (which must be time-stamped on a time-stamping machine unique to each Member), or entered into an electronic order system (which must record the time of such entry).
- (d) In the case of an order for a Block Trade or EFRP, the time that the verbal agreement of the terms of the relevant transaction is reached must also be included in the records described in Rule 805(c).

Rule 806 Cross-Trades Prohibited

- (a) A Member shall not, and shall ensure that its Member's Traders shall not, knowingly fill or execute a Client's order for the purchase or sale of any Contract by off-setting against the order or orders of any other person at the same price, for the same Contract Month or Contract Date of the same Contract, without effecting such purchase or sale in the Trading Facilities.
- (b) Where the Exchange suspects that a cross-trade was pre-arranged, the onus is on the Member to show otherwise.

Rule 807 Daily Settlement Price

The Clearing House shall determine the Daily Settlement Price for each Contract in accordance with the relevant formulae and procedures set out in the relevant Contract Terms.

Rule 808 Final Settlement Price

The Clearing House shall determine the Final Settlement Price for each Contract in accordance with the relevant formulae and procedures set out in the relevant Contract Terms. Subject to Rule 710, the Final Settlement Price so determined by the Clearing House shall be final.

Rule 809 Error Trades

- (a) Members shall take all necessary steps and exercise due diligence in monitoring trades done for any errors.
- (b) If a Member commits an execution error (other than an error in price) in respect of a Contract on a Trading Day for the account of any Client, the Member shall duly transfer the error trade from the Client Account to the Member's House Account before the start of the next Trading Day for such Contract.
- (c) If a Member commits an execution error in price such that the price at which the trade was executed is not in accordance with a Client's instructions, the Member may resolve the Error Trade by compensating that Client through cash or credit adjustments to the Client Account.
- (d) A Member shall maintain proper records to document the details of any error trade and the Member's process for reviewing and approving the steps taken in response to the error trade.

Types of Trades

Rule 810 Block Trades

(a) In General:

- (1) The Exchange will designate from time to time the Contracts that may be traded as Block Trades pursuant to the Rules.
- (2) Block Trades must be reported to the Exchange and Clearing House in accordance with an approved reporting method.
- (3) Clearing Members and Members involved in the execution of Block Trades must maintain a record of the transaction in accordance with Rule 403.
- (4) The Minimum Volume Threshold in respect of each Contract shall be determined by the Exchange and published from time to time.
- (5) A Member must not disclose the identity of the party to a Block Trade order to potential counterparties unless the Member has previously received that party's permission to do so, which permission shall be documented and subject to the recordkeeping requirements set forth in Rule 401(d).
- (6) Trading volume and other data from Block Trades will not be included in the calculation of any Exchange index or settlement price.
- (7) The Exchange may publish from time to time requirements applicable to Block Trades, and the Minimum Volume Thresholds that apply to Block Trades. A breach of any guidance, policy or procedures published under this Rule 810 relating to Block Trades by a Member or Person subject to the Rules may constitute a breach of the Rules by such Member or person.

(b) Aggregation of Lots:

- (1) Members must not aggregate separate orders for the same Contract in order to meet the Minimum Volume Thresholds, provided that Members may aggregate orders if:
 - (i) each order individually meets or exceeds the Minimum Volume Threshold for the relevant Contract;
 - (ii) multiple orders are received from the same Client; or
 - (iii) multiple orders are received from funds which are operated by the same fund manager and traded by the same fund manager, pursuant to the same strategy;

- (2) Members may not combine separate orders in respect of different Contracts to generate an inter-contract spread trade, unless each such separate order is for the same Client or meets or exceeds the Minimum Volume Threshold for the relevant Contract.
- (c) Price:
- (1) Members shall ensure that, when arranging or organising Block Trades, the price of any Block Trade being quoted is fair and reasonable in light of (i) the size of the Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the Block Trade.
 - (2) On each occasion of quoting a Block Trade price (whether to another Member or a Client or other Person), the Member must, at the time, make it clear that the price being quoted is a Block Trade price and not the prevailing market price.
 - (3) Prices of Block Trades will not be included in the determination or calculation of any Exchange index or settlement price.
- (d) Submission of Details of Block Trades:
- (1) Once a Block Trade has been organized, the Members must submit the Block Trade details to the Exchange as soon as possible (and in any event within such time periods as the Exchange may designate from time to time).
 - (2) A decision by the Exchange not to record or accept a Block Trade or not to present details of the Block Trade to the Clearing House is final.

Rule 811 Exchange of Futures for Related Positions

- (a) An EFRP shall be permitted upon the satisfaction of the following conditions:
- (1) the transaction is between two parties where one party is the buyer of the Commodity and the Seller of the Futures Contract and the other party is the seller of the Commodity and the Buyer of the Futures Contract;
 - (2) the seller of the Commodity has in its possession the Commodity to be delivered;
 - (3) the purchase and sale of the Futures Contract shall be simultaneous with the sale and purchase of an equal quantity of the Commodity;
 - (4) the transaction is at a price mutually agreed by the transacting parties; and
 - (5) the transaction is reported to the Exchange, and the Members maintain a complete record of such transactions together with the relevant memoranda.

- (b) EFRPs are available in respect of those Contracts and Contract Months as determined by the Exchange from time to time.
- (c) Upon demand by the Exchange, EFRP-executing Members must provide satisfactory evidence that the EFRP has been executed in accordance with these Rules and the Trading Procedures.
- (d) Record-keeping, submission and reporting for EFRPs:
 - (1) Parties to an EFRP transaction must maintain all records relevant to the Contract, and the related position transaction, including order tickets, records customarily generated in accordance with relevant market practices, records reflecting payments between the parties and, where appropriate, transfer of title, as well as any other records required to be kept pursuant to Applicable Laws;
 - (2) Members who facilitate EFRP transactions must maintain all records corresponding to their facilitation of the transactions;
 - (3) Records related to EFRP transactions must be provided to the Exchange upon request, and it shall be the responsibility of the carrying Member to obtain and submit the requested records of their Clients to the Exchange on a timely basis;
 - (4) Each EFRP transaction shall be submitted to the Clearing House within the time period and in the manner specified by the Exchange and the Clearing House;
 - (5) Each Member, Person, Omnibus Account responsible for submitting daily Large Positions Report in accordance with Rule 907 must submit for each reportable account the EFRP volume bought and sold in the reportable instrument; and
 - (6) A decision by the Exchange not to record or accept an EFRP or not to present any EFRP to the Clearing House is final.

Exchange Powers Regarding Trading

Rule 812 Price Limits

- (a) The Exchange may establish the maximum price fluctuations limitations on the Market in respect of each Contract, and may provide for any consequential restriction or suspension of business.
- (b) The absence of such limitations shall not prevent the exercise of any other power under the Rules to curtail or suspend trading on the Market.

Rule 813 Emergency Closures

- (a) The Exchange may temporarily suspend trading on the Market in the event that:
 - (1) trading in the underlying market to which a Contract relates is halted;

- (2) there has been a major market movement without any apparent economic or fundamental basis for the movement to have occurred;
 - (3) a fire alert, bomb scare or other event has occurred which, in the opinion of the Exchange, makes suspension of trading necessary in the interests of the Exchange, or its Members; or
 - (4) an event occurs which, in the opinion of the Exchange, makes suspension of trading necessary in order to maintain a fair and orderly market.
- (b) In the event of an emergency closure, trading will be resumed as soon as reasonably practicable following any such interruption.
- (c) The Exchange may declare that trading on the Market has been suspended and will remain so until all the consequences of such trading suspension have been remedied to the Exchange's satisfaction. If, as a result of action under paragraph (a) above, trading in respect of any Contract may not be resumed before the end of the Trading Day for such Contract, or at a time which, in the opinion of the Exchange, would leave sufficient time before the end of the Trading Day as would allow the determination of a representative settlement price, the Exchange will either:
- (1) declare the trading session suspended and determine the settlement prices; or
 - (2) declare that trading continue pursuant to alternative trading arrangements, as appropriate. Notification of alternative trading arrangements will be made by way of Regulatory Notice or such other means of communication as the Exchange sees fit.
- (d) The Exchange shall have the authority to temporarily suspend trading under this Rule 813 irrespective of whether trading in a Contract or Contracts has reached the price limits described in Rule 812.

Chapter 9 Position Limits and Accountability Levels

Rule 901 Position Limits and Exemptions

- (a) A Member shall not carry a position, net long or net short, in Futures Contracts or, on a futures-equivalent basis, options thereon, on behalf of a Person that exceeds the applicable Position Limits, as prescribed by the Exchange from time to time, unless the Member has confirmed that such Person has received an exemption from the Exchange under Rules 902, 903 and/or 904.
 - (1) For purposes of Rule 901(a), futures-equivalent basis means an option contract which has been adjusted by the previous day's risk factor, or delta coefficient, for that option which has been calculated at the close of trading on such day.
- (b) A Person seeking an exemption from Position Limits under Rules 902, 903 and/or 904 shall file a written request with the Exchange in the form required by the Exchange.
- (c) Within fifteen (15) Trading Days of the submission of a complete written request and any supplemental information requested, the Exchange shall notify the Person seeking an exemption from Position Limits whether the exemption has been granted and any limitations placed thereon (if applicable).
- (d) The Exchange may impose such limitations on any exemptions from applicable Position Limits provided for under Rules 902, 903 and/or 904 as are commensurate with the Person's business needs, financial ability as well as the liquidity, depth and volume of the market for which the exemption is sought. An exemption will remain in full force and effect for the period of time requested by the Person and approved by the Exchange.
- (e) A Person approved to exceed Position Limits pursuant to Rules 902, 903 and/or 904 must initiate and liquidate such positions in an orderly manner consistent with sound commercial practices, and must not initiate or liquidate such positions in a manner calculated to cause unreasonable or unwarranted price changes or fluctuations, breach or circumvent Exchange rules and/or the SFA, or otherwise impair the good name of the Exchange.
- (f) In the event a Person exceeds its Position Limit specifically due to sudden unforeseen increases in its bona fide hedging needs, such Person shall not be considered in breach of the Rules provided that the Person requests a new or increased exemption from Position Limits under Rule 902 to carry such increased position within two (2) Trading Days following the day on which the Person's Position Limit was exceeded; provided however that no such request shall be granted during the last ten (10) days of trading in an expiring Futures Contract. For the avoidance of doubt, a Person who makes a request under this Rule 901(f) shall not increase its positions until such time when the approval of the new or increased exemption has been granted by the Exchange.

Rule 902 Bona Fide Hedging Positions

- (a) The Exchange may grant exemptions from the Position Limits for positions qualifying as bona fide hedge positions.
- (b) Bona fide hedging transactions and positions shall mean transactions or positions in an Contract where such transactions or positions normally represent a substitute for transactions to be made or positions to be taken at a later time in a physical market, and where they are economically appropriate to the reduction of risk in the conduct and management of a commercial enterprise, and where they arise from:
 - (1) the potential change in the value of assets which a Person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising;
 - (2) the potential change in the value of liabilities which a Person owes or anticipates incurring; or
 - (3) the potential change in the value of services which a Person provides, purchases or anticipates providing or purchasing.
- (c) Notwithstanding the foregoing, no transactions or positions shall be classified as bona fide hedging for purposes of these Rules unless their purpose is to offset price risks incidental to commercial cash or spot operations and such positions are established and liquidated in an orderly manner in accordance with sound commercial practices.

Rule 903 Risk Management Positions

The Exchange may grant exemptions from the Position Limits for risk management positions. Risk management positions are positions in Futures Contracts which are held by or on behalf of a commercial entity or an affiliate of a commercial entity, which typically buys, sells or holds positions in the Commodity or forward market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between the futures market and the underlying market in question.

Rule 904 Arbitrage and Spread Positions

The Exchange may grant exemptions from the Position Limits for arbitrage, intra-commodity spread, or inter-commodity spread positions.

Rule 905 Aggregation of Positions

- (a) In determining whether a Person has exceeded the Position Limits published by the Exchange, the following aggregation rules shall apply:

- (1) all positions in accounts for which such Person by power of attorney or otherwise directly or indirectly holds positions or controls trading, shall be included with the positions held by such Person;
- (2) the Position Limits shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if all the positions were held, or the trading of the positions was conducted, by a single Person; and
- (3) if a Person can demonstrate to the satisfaction of the Exchange that a position is independently controlled, then that position will not be considered as contributing to any Position Limit applicable to such Person.

Rule 906 Position Accountability

- (a) A Member who holds or controls, or carries for another person, aggregate positions in excess of those Accountability Levels specified by the Exchange from time to time (or is suspected of holding, controlling or carrying for another person, aggregate position in excess of such Accountability Levels):
 - (1) shall provide, in a timely manner upon request by the Exchange, information regarding the nature of the Person's related cash, futures positions, trading strategy, and hedging information, if applicable (including all relevant documentation, from about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements, and any related assets or liabilities in the underlying market) and any information required of the Exchange by a Relevant Regulatory Authority;
 - (2) if so directed by the Exchange, shall not further increase positions which exceed the levels published by the Exchange; and
 - (3) if so directed by the Exchange, shall reduce its positions by liquidation, termination or offsetting trades in an orderly manner on a temporary or permanent basis as the specific case may require.
- (b) For purposes of this Rule 906, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Person.

Rule 907 Large Positions Reports

- (a) Members and Omnibus Accounts shall submit to the Exchange a daily Large Positions Report of all positions required to be reported as set forth in the Position Limit, Position Accountability and Reportable Level, as specified by the Exchange from time to time.

- (b) Positions at or above the Reportable Level in a particular expiration month of a Futures Contract or in all options contracts of a particular option contract expiration month trigger reportable status. For a person in reportable status in a particular contract, all positions, regardless of size, in any Futures Contract month and in any option contract on that Futures Contract must be reported.
- (c) The daily Large Position Report submission to the Exchange must include for each reportable account the EFRP volume bought and sold in the reportable instrument by contract month, and the number of delivery notices issued and the number of deliveries stopped in the reportable instrument.
- (d) Failure by an Omnibus Account to submit required information may result in a hearing by the BCC and result in limitations, conditions or denial of access of such Omnibus Account to the Market. Notwithstanding the above, Members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an Omnibus Account has failed to provide the information to the Exchange.
- (e) Members and Omnibus Accounts must accurately identify the owners, controllers, controlled accounts and any additional information required for each reportable account within three (3) Business Days of the first day that the account in question becomes reportable. Notwithstanding the three (3) Business Day requirement, on the first day that an account becomes reportable, Members and Omnibus Accounts must, at the direction of the Exchange, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.
- (f) Any material changes to the information previously provided to the Exchange require the submission of a revised form within three (3) Business Days of such changes becoming effective.

Rule 908 Enforcement of Position Limits

- (a) No Member may for itself or any other Person maintain a combination of Futures Contracts which is, or which when aggregated in accordance with Rule 905 is, in excess of the Position Limits established by the Exchange.
- (b) Members are responsible for maintaining their position and their Clients' positions within the Position Limits established or specified by the Exchange pursuant to these Rules.
- (c) In the event the Exchange learns that a Member or Client maintains positions in accounts with more than one Member such that the aggregate position in all such accounts exceeds the Position Limits established by the Exchange (after taking into account any relevant exemptions), the Exchange may notify all Members maintaining or carrying such accounts that the aggregate position held across all Members is in excess of the Position Limits. The Exchange may then instruct such Member to reduce the positions in such accounts twenty-four (24) hours after receipt of the notice, proportionately or otherwise so that the aggregate positions of such accounts at all such Members does not exceed the

Position Limits established by the Exchange, unless as provided by Rule 901(f), a request for an exemption is made and granted by the Exchange pursuant to these Rules. Any Member receiving such notice shall immediately take such steps as may be necessary to liquidate such number of Contracts as shall be determined by the Exchange in order to cause the aggregate positions of such accounts at such Members to comply with the Position Limits established by the Exchange. Notwithstanding the foregoing, the Members may reduce the positions of such accounts by a different number of Futures Contracts so long as after all reductions have been accomplished at all Members carrying such accounts, the aggregate positions at all such Members complies with the Position Limits established by the Exchange.

- (d) If a Member fails to liquidate Contracts within the time prescribed by the Exchange, then, in addition to any other actions the Exchange may take, the Exchange may take such steps as it may deem necessary or appropriate to liquidate such Contracts on behalf and at the expense of such Member to the extent necessary to eliminate such excess.
- (e) A Member contravening a direction of the Exchange under this Rule shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Rules were committed.
- (f) The Exchange may report any breach of Position Limits to the Clearing House in order for the Clearing House to impose further margin requirements under the Clearing House Rules.