



**CLEARING / EXCHANGE**

**MEMBERSHIP APPLICATION FORM**

**Explanatory Notes**

1. All questions in the application form must be answered. Do note that any incomplete/missing information may result in delays in processing the application.
2. Please provide all information and documents requested in the checklist. All information is required unless explicitly stated as optional.
3. Do also note that any document submitted with this Form is to be in English and all currencies quoted should be in Singapore dollar equivalent (unless otherwise specified).
4. The Exchange and Clearing House may request for additional information or documents to assist in the assessment of the applicant's eligibility.
5. The completed application form and the relevant supporting documents should be mailed to the Exchange and/or the Clearing House at:  
1 Phillip Street  
Royal One, Phillip  
#06-00  
Singapore 048692
6. Should you have any queries, please do not hesitate to contact the Member Supervision team via email at [membersupervision@asiapacificex.com](mailto:membersupervision@asiapacificex.com).

## Checklist

<b>Section A: Completion of Application Form</b>	
<input type="checkbox"/>	Authorized person has signed and dated the Membership Application Form.
<input type="checkbox"/>	Authorized person has signed and dated the Undertaking for Admission as a Clearing Member and/or Exchange Member Form.
<input type="checkbox"/>	All questions in Part B of the Application Form are answered and the relevant supporting documents are attached.
<b>Section B: Financial Statements</b>	
<input type="checkbox"/>	Please submit certified true copies of the latest audited financial statements of the Applicant.
<input type="checkbox"/>	For Foreign Members, please provide the latest certified true copy of financial returns submitted to home regulators and state the frequency of such returns.
<b>Section C: Group and Organisation Structure</b>	
<input type="checkbox"/>	Please submit information on the Applicant's management oversight and corporate governance.
<input type="checkbox"/>	Please submit the most updated group corporate structure of the Applicant's group of companies both globally and in Singapore. Do include the principal activities and country of incorporation for each of these companies.
<input type="checkbox"/>	Please submit the organisation chart showing the designations and names of the management staff. This should also include key officers who are responsible for the proposed business operations in relation to APEX as well as the respective reporting lines. The organisation chart should contain information on the staff strength for each department.
<input type="checkbox"/>	Please submit information on the roles and responsibilities of the various key functions (such as Operations and Settlement, Compliance, Margins & Collateral Management and Risk Management) for the proposed business activities in relation to APEX. Please indicate clearly if any of the key functions are performed outside Singapore.
<b>Section D: Board of Directors</b>	
<input type="checkbox"/>	If the Applicant is incorporated in Singapore, please provide the latest certified true copy of the ACRA Bizfile. Otherwise, please complete Part B Section 9 and include certified true copies of each director's identity document issued by a government agency or passport.
<b>Section E: Key Officers</b>	
<input type="checkbox"/>	Please complete the table in Part B Section 10 in the application form for key officers.

<b>Section F: Risk Management and Controls</b>	
<input type="checkbox"/>	For an Applicant engaging in retail activity, please provide the policy (including any code of conduct) on sales practices and customer account review, including how the frontline staff would conduct their marketing and solicitation activities.
<input type="checkbox"/>	Please submit a copy of the customer account opening application form, risk disclosure statement and the account opening procedures (this should show how the know-your-customers principle is satisfied).
<input type="checkbox"/>	Please provide information (including policies and procedures etc.) on the risk management and monitoring systems of the Applicant in relation to the proposed business operations.
<input type="checkbox"/>	Please provide information on the procedures and controls in relation to the management of margin calls, collaterals and deposits and margin requirements of the Applicant and if the Applicant provides any form of financing to its customers and if there are any stress testing and collection of intra-day margins involved etc.
<b>Section G: For Exchange Membership</b>	
<input type="checkbox"/>	Please provide a qualifying letter from an APEX Clearing Member to qualify the Applicant's trades on APEX.
<input type="checkbox"/>	Please submit a certified true copy of the Capital Market Services License and/or relevant licenses to carry out the proposed activities. Please indicate if the license is pending approval by the relevant Authority. (For Foreign Members, please provide a link to the official website of the relevant regulators, indicating the Applicant's licensing details)
<b>Section H: For Clearing Membership</b>	
<input type="checkbox"/>	For a bank clearing Applicant that is incorporated outside Singapore, please complete the questionnaire in Appendix A (Page 20) regarding the insolvency regime.
<input type="checkbox"/>	Please submit a certified true copy of the banking licence or a letter from the Monetary Authority of Singapore approving your bank licence application.

## Section I: Other General Documents

- Please attach a bank transfer advice for the respective membership stating the name of the Applicant. The fees applicable for the different membership types are shown in page 6.
- ☐ Please note that the fees are non-refundable. Goods and Services Tax (GST) is applicable to Singapore-based Applicants only.
- Note: All bank charges to be borne by Payer (Applicant).**
- Please submit certified true copies of the Applicant's Certificate of Incorporation/ Formation (or equivalent document(s)) including any certified true copies of amendments lodged with ACRA or any other relevant company registration authorities.
- ☐ Please submit certified true copies of an extract of the Memorandum and Articles of Association (or equivalent constitutional documents) of the Applicant. The extracts should cover these areas:
1. Quorum to pass board resolution or to conduct board meetings
  2. The types of businesses in which the Applicant is allowed to perform
  3. Persons who can act on behalf of the Company
- ☐ Please submit certified true copies of the Board of Directors' Resolution authorising the application for Clearing and/or Exchange Memberships with APEX.
- ☐ Please submit certified true copies of (i) a list of authorised signatories to act on behalf of the Applicant and (ii) the Board of Directors' Meeting Minutes or Resolution or Power of Attorney showing that the signatories are valid and duly approved by the Board of Directors.
- ☐ For an Applicant incorporated outside Singapore, please submit a written confirmation from the Applicant's home supervisory authority to indicate that they are aware of and have no objection to the Applicant applying to be a Clearing/Exchange Member of APEX.

## **Application Fees**

Clearing Membership	Types of fees	Amount in USD	Amount in USD (inclusive of 8% GST)
General Clearing Member	Registration fee	10,000	10,800
	Annual Fee	3,000	3,240
Special Clearing Member	Registration fee	10,000	10,800
	Annual Fee	3,000	3,240

Exchange Membership	Types of fees	Amount in USD	Amount in USD (inclusive of 8% GST)
General Member	Registration fee	1,000	1,080
	Annual Fee	1,000	1,080
Trade Member	Registration fee	10,000	10,800
	Annual Fee	10,000	10,800

## **Bank Transfer Advice**

Payee Name	Asia Pacific Exchange Pte. Ltd.
Bank Name	DBS Bank
Bank Address	12 Marina Boulevard DBS Asia Central, Marina Bay Financial Centre Tower 3
Bank Code	7171
Bank Account No	0039385307
Branch Name	DBS Asia Central
Branch Code	003
Swift Code	DBSSSGSG

To: Asia Pacific Exchange Pte. Ltd.

## **APPLICATION FOR MEMBERSHIP**

We, \_\_\_\_\_, (the "Applicant")  
(the name of the company)

hereby apply for:

Clearing Membership: ☐ General Clearing Member

☐ Special Clearing Member

Exchange Membership: ☐ General Member

☐ Trade Member

and declare that all the information given in or attached to this application, and any other information given or to be given, in connection with this application are true and complete.

We acknowledge that if admitted, we can be expelled, suspended or dealt with in such manner deemed appropriate under the APEX Clearing Rules and/or the APEX Trading Rules\* (as applicable) in the event that any information or document given in respect of this application is not true or complete.

We confirm that we have obtained the necessary consent to disclose the information contained in this application to the Exchange and/or Clearing House\* (including any personal data as defined in the Personal Data Protection Act), and authorize the Exchange and/or Clearing House\* to collect, use and disclose this information for the purpose of assessing our admission and managing our ongoing status as a Member, if admitted, and for the Exchange and/or Clearing House\* to discharge its obligations as a market and clearing facility operator.

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Name & Designation of Authorized Person

\_\_\_\_\_  
Date

*\* Please delete accordingly.*

Updated Jan 2023

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**PART A**

**MEMBERSHIP AGREEMENT & UNDERTAKING**  
**FOR ADMISSION AS A CLEARING / EXCHANGE MEMBER\***

We, \_\_\_\_\_, (the "Applicant")  
(the name of the company)

undertake to APEX that upon admission as an Exchange Member and/or Clearing Member\*, we will:

1. Abide by the APEX Clearing Rules and/or APEX Trading Rules\*, the accompanying Procedures, and all applicable Regulatory Notices, Directives, Circulars and other requirements as may be amended from time to time; and
2. Accept as final, binding and conclusive any decision made by APEX.

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Name & Designation of Authorized Person

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Stamp

*\* Please delete accordingly*

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## **PART B**

<b>1. Incorporation/Registration</b>			
a. Please submit certified true copies of the Applicant's Certificate of Incorporation/Formation (or equivalent document(s)) including any certified true copies of amendments lodged with ACRA or any other relevant company registration authorities. Please do the same for the Applicant's Singapore branch (if applicable).			
<b>2. Credit Ratings for Bank Applicants</b>			
a. Please provide the latest ratings of the Applicant, its Singapore Branch (if applicable) and Parent Company from Moody's or Standard & Poor or Fitch or other rating agencies registered with an appropriate authority.			
Rating	Parent	Applicant	Singapore Branch (if applicable)
Moody's Long Term Issuer Rating	_____	_____	_____
Date of Rating	_____	_____	_____
S&P's Long Term Issuer Rating	_____	_____	_____
Date of Rating	_____	_____	_____
Fitch's Long Term Issuer Rating	_____	_____	_____
Date of Rating	_____	_____	_____
<b><u>Other Credit Rating Agency</u></b>  Name  Type of Rating  Rating  Date of Rating	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>		

### 3a. Financials for All Applicants (Other than Foreign Members)

a. Please provide details of the financials of the Applicant and its Singapore branch (if applicable) based on the latest audited financial statements.

Applicant	Details
Group Shareholder's funds (if applicable)	Amount in S\$ _____ (million)
Base Capital (if applicable)	Amount in S\$ _____ (million)
Total Capital Ratio (if applicable)	_____
Tier 1 Capital Ratio (if applicable)	_____
	As at: _____ (day/month/year)
Singapore Branch (if applicable)	Details
Net head office funds <sup>1</sup>	Amount in S\$ _____ (million)
	As at: _____ (day/month/year)
b. Please advise the Settlement Bank(s) that will be appointed upon admission as Clearing Member.  _____  _____  _____	
c. Please provide details if any assets of the Applicant have been charged, mortgaged, pledged or encumbered.  _____  _____  _____	
d. Please submit a certified true copy of the latest audited financial statements of the Applicant.	

<sup>1</sup> "Net head office funds" means with respect to a corporation incorporated or established outside Singapore, the net liability of the Singapore branch to its head office and any other branches outside of Singapore. In the case of a Clearing Member that is a bank, its net liability shall include, without limitation, the liability of its Asian Currency Unit.

### 3b. Financials for Foreign Members

a. Please provide the latest certified true copy of financial returns submitted to home regulators and state the frequency of such returns.

\_\_\_\_\_

b. Please provide details of the financial requirements if the Applicant is subject to any ongoing financial obligations by its home regulators.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Please indicate if the Applicant is subject to any obligations or triggers of any notification thresholds in respect of the requirements under its capital adequacy framework?

Do note that the Applicant must notify APEX if it fails to meet any obligations.

☐ Yes ☐ No

d. Please provide the name of the service provider if the Applicant has entered into any arrangement to outsource its financial and regulatory reporting. Do also indicate if the service provider is a related company.

\_\_\_\_\_

e. Please state the Net Capital based on the latest audited financial statements. Do refer to Appendix B for the calculation of the net capital.

Amount in S\$ \_\_\_\_\_ (million)

As at \_\_\_\_\_ (day/month/year)

#### 4. Shareholders

a. Please provide information on all shareholders (including immediate corporate and individual shareholder; ultimate corporate shareholder and head office).

Full Name	Country of Incorporation / Nationality	UEN/ Identification Number	Date of Incorporation / Date of Birth	Percentage Holdings (%)	Immediate Shareholder/ Ultimate Shareholder/ Head Office

b. Please state the nature of the relationship if individual shareholders are related.

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#### 5. Group And Organisation Structure

a. Please submit information on the Applicant's management oversight and corporate governance.

b. Please submit the most updated group corporate structure of the Applicant's group of companies both globally and in Singapore. Do include the principal activities and country of incorporation for each of these companies.

c. Please submit the organisation chart and its Singapore Branch (if applicable) showing the designations and names of the management staff. This should include key officers<sup>2</sup> who are responsible for the proposed business operations in relation to APEX as well as the reporting lines. The organisation chart should entail information on the staff strength for each department.

d. Please submit information on the roles and responsibilities of the various key functions (such as Operation and Settlement, Compliance, Margins & Collateral Management and Risk Management) for the proposed business activities in relation to APEX. Please indicate clearly if any of the key functions are performed outside the Applicant's country of incorporation.

<sup>2</sup> Key officers include Chief Executive Officer/Country Manager (or equivalent), the Heads of Operation & Settlement, Compliance, Margins & Collateral Management and Risk Management (including credit, market and liquidity).

## 6. Information On Compliance Department

- a. Does the Applicant have a dedicated Compliance department which performs reviews to ensure the Applicant is compliant with relevant rules and regulation and has a direct reporting line to the board of directors?

If yes, please state the type and frequency of reviews.

If no, please advise how does the Applicant ensure compliance with relevant rules?

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## 7. Activities Of The Applicant

- b. Please describe the Applicant's proposed business plan in relation to APEX for the next 3 years, including targeted clientele and products range as well as the Applicant's principal activities.

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- a. Please list all exchange/clearing house memberships and registrations/licences with regulatory bodies that the Applicant has within the past 10 years.

Name of exchange/clearing house/regulatory body	Types of membership/ registration/licence	Date of commencement (DD/MM/YYYY)	Date of cessation (DD/MM/YYYY) (If applicable)

- b. Please list any other exchange/clearing house memberships or registrations with regulatory bodies which Applicant is currently applying for or intends to apply in the next 12 months.

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### 8a. Risk Management Systems

a. For an Applicant engaging in retail activity, please provide the policy (including any code of conduct) on sales practices and customer account review, including how the frontline staff would conduct their marketing and solicitation activities.

b. Please submit a copy of the customer account opening application form, risk disclosure statement and the account opening procedures (this should show how the know-your-customers principle is satisfied).

c. Please provide information (including policies and procedures etc) on the risk management and monitoring systems of the Applicant in relation to the proposed business operations, such as the types of limits set or the controls and procedures in place etc.

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d. Please provide information on the procedures and controls in relation to the management of margin calls, collaterals and deposits and margin requirements of the Applicant and if the Applicant provides any form of financing to its customers and if there are any stress testing and collection of intra-day margins involved etc.

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e. Please provide information on any key plans and initiatives relating to the risk management activities for the proposed business operations in relation to APEX.

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f. Does the Applicant perform any functions for other branches or related corporations? Please provide details of these functions, the entities outsourcing these functions and the controls in place to manage these activities.

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g. Please provide detailed information on any key functions of the proposed business operations in relation to APEX which are outsourced, and the controls in place to manage these activities.

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- h. For foreign banks applying for Clearing Memberships, please refer to **Appendix A** for the list of questions on insolvency regime.

#### **8b. Risk Management and Controls for Foreign Members**

- a. Please provide details of the procedures in place to ensure that the Applicant shall not direct any advertising, marketing letters or similar information to deal in futures contracts to persons domiciled in Singapore or to the extent that it may be acted upon by persons in Singapore.

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- b. Please provide details of the policies, procedures, and controls in place to identify, reject any application to open an account, or execute agency trades in futures contracts from persons domiciled in Singapore.

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#### **8c. Direct Market Access and Adequacy of Systems for Exchange Members**

- a. Does the Applicant grant Direct Market Access to its customers:
- i. By granting the customer with access to the Applicant's own order management systems? ☐ Yes ☐ No
  - ii. Through other systems not controlled by the Applicant, for example, where the customer connects its own systems directly to the trading engine? ☐ Yes ☐ No

- b. In case of a(ii), does the Applicant allow customers to sub-delegate such access to any other persons? ☐ Yes ☐ No

- c. Does the Applicant have comprehensive planning and assessment programs to test system operations, capacity and security of its trading system? ☐ Yes ☐ No

- d. Does the Applicant periodically conduct capacity stress tests to assess the behaviour of the automated systems under a variety of simulated conditions? ☐ Yes ☐ No

If yes, please indicate the frequency \_\_\_\_\_

- e. Please provide the name of the service provider if the Applicant has entered into any arrangement to outsource its IT systems and support. Do also indicate if the service provider is a related company.

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## 9. BOARD OF DIRECTORS

- a. If the Applicant is incorporated in Singapore, please provide the latest certified true copy of the ACRA Bizfile. Otherwise, please complete the table below and include certified true copies of each director's identity document issued by a government agency or passport.

Name	Identity Number	Executive / Non – Executive	Date of Appointment

## 10. KEY OFFICERS

- a. All key officers need to be listed in the form below. All key officers mentioned below must have the relevant experience to fulfil their responsibilities.

Full Name	Designation	Office Phone	Email Address



## 11. FIT AND PROPER DECLARATION

If the answer to any of the following questions is in the affirmative, please elaborate and attach annexes and supporting documents, where appropriate, to provide all relevant particulars. If there is any doubt with respect to any part of this section, please provide all relevant information to demonstrate that the Applicant, all its Members of the Board, and its Key Officers (collectively known as “relevant parties”) are fit and proper.

### Honesty, Integrity and Reputation

1. Within the past 10 years, has any of the relevant parties

- |     |  |                              |                             |
|-----|--|------------------------------|-----------------------------|
| (a) | been a substantial shareholder of any corporation which holds membership of any class or description of any operator of a market or clearing facility in any jurisdiction?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) | carried on business under any name other than the name stated in this application in any jurisdiction?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) | been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or other authorization is required by law in any jurisdiction?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) | been issued a prohibition order under any Act administered by the Monetary Authority of Singapore (“MAS”) or been prohibited from operating in any jurisdiction by any financial services regulatory authority?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) | been censured, disciplined, suspended or refused membership or registration by the MAS, any other regulatory authority, an Exchange or operator of a market or clearing facility, whether in Singapore or elsewhere?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) | the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by MAS or under any law in any jurisdiction?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (g) | been the subject of any proceedings of a disciplinary or criminal nature or has been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any law in jurisdiction?                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (h) | been convicted of any offence, served any term of imprisonment or is being subject to any pending proceedings which may lead to a conviction of any offence, under any law in any jurisdiction? (excluding juvenile delinquency, motor and traffic offences)?? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (i) | had any civil penalty enforcement action taken against it or him by the MAS or any other regulatory authority under any law in any jurisdiction associated with a finding of fraud, misrepresentation or dishonesty?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (j) | contravened or abetted another person in breach of any laws or regulations, business rules or codes of conduct, whether in Singapore or elsewhere?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

(k)	been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by the MAS, any other regulatory authority, an Exchange or operator of a market or clearing facility, or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(l)	been refused a fidelity or surety bond, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(m)	been or is a director, partner, substantial shareholder or concerned in the management of a business that has been censured, disciplined, prosecuted or convicted of a criminal offence, or been the subject of any disciplinary or criminal investigation or proceeding, whether in Singapore or elsewhere, in relation to any matter that took place while he was a director, partner, substantial shareholder or concerned in the management of the business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(n)	been or is a director, partner, substantial shareholder or concerned in the management of a business that has been suspended or refused membership or registration by the MAS, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(o)	been a director, partner, substantial shareholder or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, the relevant person was a director, partner, substantial shareholder or concerned in the management of the business, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(p)	been dismissed or asked to resign from office, employment, a position of trust, or a fiduciary appointment or similar position, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(q)	been or is subject to disciplinary proceedings by his current or former employer(s), whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(r)	been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(s)	been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Singapore or elsewhere?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(t)	had any judgment (in particular, that associated with a finding of fraud, misrepresentation or dishonesty) entered against it or him in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(u)	accepted civil liability for fraud, misrepresentation or dishonesty under any law in any jurisdiction?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If the answer to any of the following questions is in the affirmative, please elaborate and attach annexes and supporting documents, where appropriate, to provide all relevant particulars. If there is any doubt with respect to any part of this section, please provide all relevant information to demonstrate that the Applicant is Fit & Proper.

**Financial Soundness**

2. Within the past 10 years, has any of the relevant parties

(a) been or is unable to fulfil any of its or his financial obligations, whether in Singapore or elsewhere? ☐ Yes ☐ No

(b) entered into a compromise or scheme of arrangement (including a debt repayment scheme) with its or his creditors, or made an assignment for the benefit of its or his creditors, being a compromise, scheme of arrangement or assignment that is still in operation, whether in Singapore or elsewhere? ☐ Yes ☐ No

(c) been or is subject to a judgment debt which is unsatisfied, either in whole or in part, whether in Singapore or elsewhere? ☐ Yes ☐ No

(d) been or is the subject of a bankruptcy petition, adjudicated a bankrupt and the bankruptcy is undischarged, whether in Singapore or elsewhere? ☐ Yes ☐ No

(e) been or is the subject of a winding up petition, whether in Singapore or elsewhere? ☐ Yes ☐ No

(f) been dissolved or is in the course of being wound-up, whether in Singapore or elsewhere? ☐ Yes ☐ No

(g) been or is a corporation where a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver, receiver and manager, or judicial manager, has been appointed in relation to, or in respect of any property of, the corporation, whether in Singapore or elsewhere? ☐ Yes ☐ No

## Appendix A: Questionnaire on Insolvency Regime (Applicable to Bank Clearing Members Incorporated Outside Singapore)

1. What are the insolvency<sup>3</sup> laws applicable to you as a bank?
  
2. Who are the regulators/regulatory authority who have oversight of you as a bank?
  
3. In the event of your being subject to insolvency proceedings:
  - a. are there any creditors who will be granted a super priority status or preference by law or statute as against other secured creditors?
  
  - b. will you, your trustee, receiver, liquidator etc. be able to recover any payments or transfer of securities made to a clearing house during a certain period ("Preference Period") preceding the date of bankruptcy, reorganization or other insolvency proceedings governed by the law of your jurisdiction? If so, what is the Preference Period?
  
  - c. would re-organization or other insolvency proceedings under the law of your jurisdiction purport to extend to all your assets, wherever located?
  
  - d. what is the impact of Singapore law, as the governing law of the security agreement over the collateral, in your insolvency proceedings? (For example, how likely will Singapore law be recognised as the governing law and how will the priority of a clearing house's rights, title and/or interests in the collateral be determined.)
  
  - e. what are the procedures that a clearing house needs to follow in your jurisdiction in order to exercise its rights under the security agreement (including the right to liquidate the collateral and to apply the proceeds of liquidated collateral (whether the collateral is located in or outside your jurisdiction)? Would there be any provisions of the law in your jurisdiction that would delay or prevent a clearing house from promptly liquidating the collateral (whether the collateral is located in or outside your jurisdiction) if you were to become subject to bankruptcy, re-organization or other insolvency proceedings governed by the law of your jurisdiction?
  
  - f. what other impact would there be on the collateral you have furnished to the clearing house?

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<sup>3</sup> Includes any re-organization, receivership type of regulations which would be applicable to the bank which has an impact on the bank's activities as a clearing member.

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4. If there are different types of insolvency proceedings under the law of your jurisdiction (that is, liquidation proceedings where the entity does not emerge as a going concern, on the one hand, and reorganization or administration proceedings, where the entity is restructured and does continue as a going concern, on the other hand), would the answers to questions 3a to 3f above change depending on the type of insolvency proceedings to which you are subject to?
  
5. How are unsecured debts ranked in the event of your insolvency? (In the event that the collateral you have furnished is insufficient to satisfy your obligations to the clearing house.)

Name of Applicant:

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Jurisdiction of Incorporation  
of Applicant:

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Name of Person Completing  
Survey:

---

(Designation)

---

Email Address:

---

Office Telephone Number:

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Date Completed:

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## Appendix B: Net Liquid Capital COMPUTATION OF NET LIQUID CAPITAL (Applicable to Foreign Members)

### COMPUTATION OF NET CAPITAL

#### Shareholders' Funds<sup>1</sup>

Less:

(a) Illiquid assets<sup>2</sup>

(b) Pre-paid expenses<sup>3</sup>

(c) Deposits<sup>4</sup>

(d) Deferred tax assets

(e) Investments in unquoted securities

(f) Deficits in clients' accounts less any provisions for bad and doubtful debts<sup>5</sup>

(g) Charged assets<sup>6</sup>

(h) Excess of book value of securities carried in own account over market value

(i) Current assets doubtful of collection less any provisions already made

(j) Diminution in the value of securities underwritten

(k) Unsecured loans and unsecured advances included as current assets

(l) Unsecured amounts due from each director and his connected person

(m) Unsecured amounts due from related companies

#### NET CAPITAL

1 Shareholders' funds mean the sum of the ordinary paid-up capital, non-redeemable preference share capital and reserves after deduction of any debit balance appearing in the profit and loss account of the Trading Member.

2 These are assets considered not readily convertible into cash within 30 days which includes intangible assets (goodwill); fixed assets (furniture, fixtures, and building etc).

3 These include items such as rent and insurance.

4 Deposits exclude items such as:

- i. a current account balance, saving account deposit or fixed deposit, including accrued interest, with: a bank licensed under the Banking Act (Cap. 19); a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186); a finance company licensed under the Finance Companies Act (Cap.108); or a bank outside Singapore which is subject is approved, licensed, registered or otherwise regulated by a banking regulatory authority in a foreign jurisdiction to carry on banking business; or
- ii. a deposit with any of the following: an approved exchange; a recognised exchange; a designated clearing house; a clearing facility appointed by a recognized exchange; or an entity which is a member of any preceding entity referred to above;

5 Deficits in clients' accounts means —

- i. For a purchase contract which remains fully or partially unpaid, the excess of the amount owed by the client over the market value of the underlying securities of which the client had failed to take delivery after the due date and of any additional securities lodged by the client with the Trading Member as collateral;
- ii. For a sale contract where the securities is yet to be delivered, the excess of the current market value of the underlying securities sold and any additional securities lodged by the client with the Trading Member as collateral, over the contract value of the sale contract;
- iii. Where any purchase or sale contract has been offset by a contra transaction on or before the due date, the amount of loss, if any, on the date on which the contra transaction takes effect;
- iv. Where any purchase or sale contract has been offset by a forced-sale or buying-in transaction after the due date, the amount of loss, if any, arising from the forced-sale or buying-in transaction on the date on which the transaction takes effect;
- v. In relation to each client's margin account, the amount of margin deficiency determined in accordance with the maintenance margin requirement provided in the Trading Member's agreement with the client; and
- vi. In relation to interest and other receivables arising from securities transactions, the amount which is not secured and which is outstanding for more than 14 calendar days.

6 Charged assets refer to assets which are subject to a charge under which a third party has a right of retention or sale of the assets upon default of the Trading Member.