



Circulars

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Members' Circular on General Matters

Circular No. GM/133/2005

Subject : Amendments to the Rule on Customer Order Priority of the Singapore Exchange Securities Trading Limited Rules
From : Joyce Fong
Senior Vice President & Head
Legal & Company Secretary
Date : 13/06/2005

This Circular supersedes GM/132/2005 of 10 June 2005.

The Exchange is pleased to announce changes to Rule 13.4 and Practice Note 13.4.1 which will take effect from 1 July 2005. The rule changes are pursuant to the market consultation conducted in February 2005. The attached appendix sets out in detail the amendments to Rule 13.4 and Practice Note 13.4.1.

With the proposed amendments, it will no longer be a requirement for a Trading Member or a Trading Representative to withdraw an unexecuted order from the trading system if a subsequent customer's order on the same terms is received. In substitution, a list of factors which the Exchange will look at for compliance with Rule 13.4 will be set out in Practice Note 13.4.1. This is in line with practices of other global exchanges.

Other minor amendments which we have taken the opportunity to amend are:

- (a) Clarification on definition of "Prescribed Person"
As the definition at present is very wide, this will be clarified in Practice Note 13.4.1 that it will not extend to persons which the Trading Member or Trading Representative has no control or influence over.
- (b) Clarification on house error positions and allocation of orders
Instead of prescribing the exact circumstances under which this must be done, Practice Note 13.4.1 will be amended to allow for the Trading Member or Trading Representative to have the flexibility to carry this out, provided customers' orders are not compromised.

Although it was proposed during the market consultation to insert the element of "knowledge" as an alternative to the withdrawal requirement, the final wording had to be subsequently amended to satisfy the Monetary Authority of Singapore's drafting requirements.

If you require clarification on the changes to Rule 13.4 and Practice Note 13.4.1, please contact Ms Esther Fong at 6236 8911 or Ms Ng Geoy Hua at 6236 8855 of Legal & Corporate Secretarial Office.



Changes to SGX-ST Rule 13.4 & Practice Note 13.4.1 effective 050701.pdf

SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Company Reg No.197300970D

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