

CHAPTER 1: GENERAL MATTERS

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1 MARKET OVERVIEW

The Exchange operates a fully electronic regulated Market in accordance with applicable laws of Singapore. As an Approved Exchange we are committed to promoting a fair, orderly and transparent Market in a manner consistent with the public interest. The Rules are designed to facilitate the operation of efficient markets for the allocation of capital, transfer of risks as well as the reduction of systemic risks. To the extent that the Market is functioning in an efficient manner, the Exchange would not intervene or impose unnecessary regulatory requirements that would inflate compliance or regulatory costs for its participants. The Rules prescribed herein seek to achieve the above regulatory objectives while promoting a robust and liquid market.

1.1 Market Title

1.1.1 SGX-DT & JADE.

The Markets operated by the Exchange comprise “SGX-DT,” “JADE” and such other markets as operated by the Exchange from time to time.

1.2 Scope of Rules and Products on the Market

1.2.1 Rules Govern Market.

The Rules govern the operation of the Market as contemplated under the Act.

1.2.2 Products Available for Trading on the Market.

The Contracts listed and traded on the Market comprise Futures Contracts, Option Contracts and Commodities as more fully described in Chapter 4.¹

1.3 Exchange’s Regulatory Responsibilities

1.3.1 Operation of Fair and Orderly Market.

The Exchange is obligated under the Act to ensure the operation of a fair, orderly and transparent market. In connection with this statutory obligation the Exchange undertakes surveillance, supervision and enforcement actions to ensure compliance with the Rules. In discharging its obligations under the Act, the Exchange cannot act contrary to the interests of the investing public and is required to have particular regard to the interests of the investing public.

1.3.2 Regulatory Arrangements.

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 any applicable law or regulation with any Person (including, without limitation, MAS, any other exchange, market, clearing house or partner market) or any Person which, in the opinion of the Exchange, exercises a legal or regulatory function under any law or regulation.

¹ Chapter 4 would be the subject matter of the Phase 2 consultation.

1.4 Confidentiality of Members' Information

1.4.1 Confidentiality Undertaking.

The Exchange shall not use, distribute, supply, provide, make available, sell or otherwise deal with Confidential Information to or for the benefit of any third party, including any third party who or which by himself or itself or by any director, officer, employee or representative that has, or at any time has had, any trading interests upon the Exchange. "**Confidential Information**" relates to information which is not in the public domain and includes information pertaining to a Member's Open Positions, Financial Resources, Members' Affairs and User Information.

1.4.2 Members' Affairs.

All confidential information concerning a Member's affairs obtained or received by officials:

- (a) of the Member Supervision Division, and Risk Management as a result of inspections of accounting and other records and from financial statements, declarations or reports on financial condition or daily monitoring or stress testing activities shall be confidential to the officials of that department; or
- (b) pursuant to or in connection with any disciplinary proceedings or surveillance or enforcement action taken by the Market Surveillance or Enforcement Division (collectively "**Members' Affairs**") shall be confidential to such officials in the respective departments. For the avoidance of doubt, nothing in this Rule prohibits the disclosure by the Exchange of the outcome of any disciplinary proceedings or the grounds for the decision of the relevant disciplinary committee.

1.4.3 Consensual Disclosure.

Where the Exchange considers it necessary or desirable to use or disseminate any Confidential Information, the Exchange shall seek the prior consent of that Member to such use or dissemination and shall provide to such Member:

- (a) particulars sufficient to identify the nature of the information;
- (b) the name and address of each person to whom it is proposed to disseminate that information;
- (c) a description of the manner in which and the purposes for which it proposes to disseminate that information; and
- (d) a description of the circumstances in which and the conditions upon which it is proposed that the use or dissemination will take place. Any Member approached by the Exchange under this Rule may give or withhold its consent to any use or dissemination of its information in its absolute discretion. In the event the Member fails to notify the Exchange of its consent or refusal within seven (7) days of the Exchange requesting the same the Member shall be deemed to have consented to such use or dissemination of the information.

1.4.4 Permitted Disclosure.

Notwithstanding anything to the contrary as set forth above, the Exchange may disclose any information, including Confidential Information, concerning or associated with a Member, an Approved Trader or Registered Representative (including, without limitation, information concerning any aspect of transactions made on the Market), in connection with the discharge of its regulatory obligations under the Act or when compelled under applicable laws to do so or pursuant to any cross-border regulatory sharing arrangements subject to its secrecy obligations under the Act and applicable exemptions granted by MAS. To the extent practicable, the Exchange shall use its best endeavors to notify the affected party of such disclosure(s) prior to disclosing the same.

1.5 Compensation for Investors – Fidelity Fund

1.5.1 Fidelity Fund Maintained by Exchange.

The Exchange is required under the Act to establish and maintain a fidelity fund consisting of such amount as prescribed by MAS to compensate any Person (other than an Accredited Investor) who suffers pecuniary loss through the defalcation of a Member, or any of its directors, officers, employees or representatives, in respect of any money or other property that was entrusted to or received by a Member or any of its directors, officers, employees or representatives, for or on behalf of any Person, or by reason that the Member was a trustee of the money or other property.

1.5.2 Compensation Claims.

Every Person, other than an Accredited Investor, who suffers a pecuniary loss arising from a defalcation committed under the circumstances contemplated under the Act is entitled to claim compensation from the fidelity fund and in accordance with the procedures set forth on the Exchange's website.

1.6 Exclusion of Liability, Disclaimer of Warranties & Statutory Immunity

1.6.1 No Liability for Loss.

Unless otherwise expressly provided in the 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:

- (a) any action taken by the Exchange in connection with the discharge of its regulatory responsibilities including the suspension, interruption or closure of the Market; or
- (b) any failure or malfunction of Exchange Systems.

1.6.2 Statutory Immunity.

As provided under the Act, the Exchange or any Person acting on its behalf including any director or any Committee Member 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 Act or the Rules.

1.6.3 Disclaimer of Warranties.

All warranties and conditions, both express and implied as to condition, description, quality, performance, durability, or fitness for the purpose or otherwise of any of the Exchange Systems or any component thereof are excluded except as required by law; and the Exchange does not warrant or forecast 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. “**Exchange Systems**” refers collectively to QUEST, trading terminals, communications, equipment, market facilities and any other front end, middle or back-end systems, software or accessories provided by the Exchange in connection with trading on the Market.

1.6.4 Index Related Disclaimers.

The Exchange, Index Provider and any other party involved in, or related to, making or compiling any of indices do not guarantee the originality, accuracy and/or completeness of such Indices or any data included therein. Contracts on any Index (“**Index Contracts**”) are not sponsored, guaranteed or endorsed by the Index Provider or any other party involved in, or related to, marking or compiling such indices. Neither the Index Provider nor any other party involved in, or related to, making or compiling any index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Index Provider nor any other party involved in, or related to, making or compiling any index makes any warranty, express or implied, as to the results to be obtained by any person or any entity from the use of such index or any data included therein. Neither the Index Provider nor any other party involved in, or related to, marking or compiling any MSCI Index makes any express or implied warranties, and expressly disclaims all warranties of merchantability and fitness for a particular purpose or use with respect to such index or any data included therein.

Without limiting any of the foregoing, in no event shall an Index Provider or any other party involved in, or related to, making or compiling any index have any liability for any direct, special punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages. In addition, neither the Exchange, an Index Provider nor any other party involved in, or related to, making or compiling any index shall have any liability for any damages, claims, losses or expenses relating to any futures or options contracts that may be caused by any errors or delays in calculating or disseminating such index. “**Index Provider**” as used herein refers to MSCI, FTSE, IISL, NKS or such other index provider and their respective affiliates with whom the Exchange has or shall enter into agreements with for the creation and exploitation of indices and index-linked products.

1.6.5 Notification to Customers.

Members shall be required to notify Customers of the above exclusion of liability and disclaimer of warranty by the Exchange either by way of inclusion in the contracts granting access to QUEST or such other manner as approved by the Exchange.

1.7 Rules as Binding Contract and Deemed Consent of Members

1.7.1 Binding Contract.

The Rules shall operate as a binding statutory contract between:

- (a) the Exchange and each Member; and
- (b) between each Member and any other Member as contemplated under the Act.

1.7.2 Deemed Consent.

Each Member shall be deemed to have agreed to observe and perform the provisions of the Rules in force for the time being, so far as these provisions are applicable to the Exchange or the Member, as the case may be.

1.7.3 No Third Party Rights.

A Person who is not a Member has no rights under the Contract (Rights of Third Parties) Act to enforce any provisions under the Rules.

1.8 Waiver by Exchange

1.8.1 Waiver and Notification.

Unless otherwise indicated, the Exchange may waive compliance with any Rules or portion thereof or grant waivers subject to such terms and conditions as it deems fit. All waivers shall be notified to Members via Circulars as soon as practicable.

1.9 Amendment of Rules

1.9.1 Rule Amendment Process.

The Exchange is prohibited from making any amendments to the Rules unless it complies with such requirements as contemplated under the Act. In addition to these requirements Board approval is required to effect any Rule amendments. These safeguards are designed to promote regulatory transparency and accountability on the part of the Exchange with respect to its rulemaking process and thereby promote investor confidence in the Market.

1.9.2 New Rule – Effective Date.

Any amendment to the Rules shall not come into force unless the prescribed time periods as contemplated under the Act are met.

1.9.3 Mandatory Rule Amendments.

Notwithstanding anything to the contrary as set forth above the Exchange may effect Rule amendments in such manner as directed by MAS or pursuant to the Act or other applicable laws.

1.10 Circulars, Practice Notes and Directives

1.10.1 Issuance of supplementary instruments.

The Exchange may from time to time issue Circulars, Practice Notes or Directives to supplement the Rules or to provide guidance on the interpretation or application of the Rules.

1.10.2 Authorized use of Circulars, Practice Notes & Directives.

Circulars, Practice Notes and Directives may only be used in the manner and for such purposes as expressly contemplated under the Rules. “**Circulars**” are binding notices issued by the Exchange regarding regulatory and non-regulatory matters pertaining to the Market. “**Practice Notes**” are non-binding guidelines that seek to explain the application and interpretation of a Rule. “**Directives**” are binding notices directing Members to take corrective or other actions in the interests of a fair and orderly market or to address investor protection concerns.

1.10.3 Precedence.

The order of precedence in the construction and interpretation of the various legislative and quasi-legislative instruments governing the Market and its participants shall be, in descending order of precedence, as follows:

- (a) Act
- (b) Rules
- (c) Directives
- (d) Practice Notes
- (e) Regulatory Circulars

1.10.4 Supremacy.

In the event of a conflict between any provisions in the aforesaid instruments the provisions contained in the instrument at a higher precedence level shall prevail.

1.11 Governing Law & Jurisdiction

1.11.1 Singapore Laws and Courts.

The Rules are governed by the laws of Singapore. The courts of Singapore shall have exclusive jurisdiction to determine any dispute arising from or in connection with the Rules.

1.12 Effective Date for New Rules & Transitional Arrangements

1.12.1 Effective Date.

The Rules shall be effective from the date determined by the Board and shall apply to all Contracts whether entered into before or after the decision to make the Rules effective (“**Effective Date**”).

1.12.2 Transitional Arrangements.

The Exchange may, from time to time, publish transitional arrangements in relation to the Rules.

1.12.3 Floor Rules.

The floor trading rules in the Old Rules shall continue to apply to the extent that floor-trading is still available for discrete Contracts on the Effective Date. With respect to generic, non-floor specific rules, in the event of a conflict between the Rules and the Old Rules, the Rules shall prevail. “**Old Rules**” refers to the collection of rules applicable to the Market and commonly referred to as the “DT Rules” that were in force before the Rules come into effect.

1.12.4 Survival of Accrued Rights and Obligations.

The rescission of the Old Rules shall not impair, modify or discontinue the status, operation or effect of any act or omission under the Old Rules.

