News Release

20 August 2015

SGX proposes segregation of collateral of derivatives clearing members' affiliates

Singapore Exchange (SGX) is consulting the public on the proposed introduction of Affiliate Segregation where collateral of an affiliate of an SGX Derivatives Clearing (SGX-DC) member is protected if the member defaults on its own contracts. The affiliate's positions may also be transferred to another SGX-DC member.

The proposed Affiliate Segregation arrangement is optional for SGX-DC members. If an SGX-DC member opts for the arrangement, its affiliates will benefit from a higher level of protection in the event the member defaults.

Affiliate Segregation will complement any arrangement that members may have in place to help their bank affiliates achieve greater capital efficiency under Basel III. Under Basel III, a bank must maintain adequate capital for its exposure to a central counterparty. The amount of capital required depends on the level of protection the bank has from a default or insolvency of its clearing member and the clearing member's other clients.

SGX seeks views and comments on:

- Proposed introduction of Affiliate Segregation
- Proposed amendments to the SGX-DC Clearing Rules and Futures Trading Rules.

The public consultation is open till 4 September 2015 and is available at www.sgx.com. Responses can be sent to:

Email	rules@sgx.com
Mail	Singapore Exchange 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589 Attention: Regulatory Development & Policy

About Singapore Exchange (SGX)

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most international exchange with more than 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world's biggest offshore market for Asian equity futures, centred on Asia's three largest economies – China, India and Japan.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a leading Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

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