

UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

---

**In the Matter of the Application of  
Singapore Exchange Derivatives Clearing Limited  
For Registration as a Derivatives Clearing Organization**

---

**ORDER OF REGISTRATION**

Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) has submitted to the Commodity Futures Trading Commission (the “Commission”), pursuant to Section 5b of the Commodity Exchange Act (the “Act”), 7 U.S.C. § 7a-1, an application for registration as a derivatives clearing organization (“DCO”).

The Commission has reviewed the application and finds that SGX-DC has demonstrated compliance with the requirements of the Act and applicable Commission regulations thereunder.

In light of the foregoing, **IT IS ORDERED**, pursuant to Section 5b of the Act, 7 U.S.C. § 7a-1, that SGX-DC is granted registration as a DCO subject to the terms and conditions specified herein:

(1) Cleared Products. SGX-DC is permitted to clear, in its capacity as a registered DCO, swaps, subject to the requirements of Regulation 39.5(a)(2) and the limitations set forth in paragraph 5 herein (“Cleared Products”).

(2) Compliance with the Act and Commission Regulations.

(a) SGX-DC shall comply, and shall demonstrate compliance as requested by the Commission, with applicable provisions of the Act, including the core principles set forth in Section 5b of the Act (“Core Principles”), and Commission regulations, as may be amended or

adopted from time to time. SGX-DC shall fulfill each of the representations it has made relating to compliance with the Core Principles and Commission regulations.

(b) SGX-DC shall ensure compliance with all reporting and recordkeeping requirements under the Act and applicable regulations including, among others, Regulations 1.31, 39.19, and 39.20. In furtherance of this, at all times, SGX-DC shall make all documents, books, records, reports, and other information related to SGX-DC's operation as a DCO ("Books and Records") open to inspection and copying by any representative of the Commission; and in response to a request by any representative of the Commission, SGX-DC will, promptly and in the form specified, make the requested Books and Records available and supply them directly to Commission representatives.

(3) New Regulations. Should the Commission promulgate or amend a regulation addressing or otherwise affecting any aspect of this Order, then such regulation will apply and supersede the applicable term(s) in this Order.

(4) Financial Reporting. SGX-DC shall submit to the Commission all required financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") or International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB IFRS"); except that any financial statements that are required to be submitted to the Commission less than 90 days after the date of this Order may be prepared in accordance with Singapore Financial Reporting Standards, U.S. GAAP or IASB IFRS. All financial statements that are required to be submitted to the Commission shall include U.S. dollar equivalents for all non-U.S. dollar amounts reported.

(5) Restrictions on Operations and Activities.

(a) Ring-Fencing. (i) SGX-DC shall restrict its operations and activities to comport with the representations and rules contained in documents provided by SGX-DC and which are referenced in the memorandum entitled “Advice on the Ring-Fencing Arrangement under Singapore Law in relation to Cleared Swaps Customer Collateral,” dated May 29, 2013, which was prepared by the Singapore counsel of SGX-DC (the “Ring-Fencing Memorandum”).

(ii) SGX-DC shall promptly notify the Commission if any of the representations or rules referenced in the Ring Fencing Memorandum change. As part of any future request for relief from the restriction set forth in paragraph 5(a)(i), SGX-DC shall submit a reasoned memorandum prepared by counsel describing the effect that such relief would have on the conclusions of the Ring-Fencing Memorandum.

(b) Straight-Through Processing. Pursuant to Regulation 39.12(b)(7), SGX-DC shall accept or reject each trade submitted to it for clearing by or for a clearing member or a customer of a clearing member as quickly as would be technologically practicable if fully automated systems were used. To the extent that SGX-DC is not able to comply with Regulation 39.12(b)(7) with respect to transactions in particular Cleared Products as of the effective date of this Order, SGX-DC shall not commence clearing or settling such transactions for any U.S. or futures commission merchant (“FCM”) clearing member, prior to demonstrating compliance with Regulation 39.12(b)(7). Such demonstration shall be made to the Division of Clearing and Risk or any successor division of the Commission.

(6) Self-Regulatory Function. SGX-DC shall ensure the performance of all self-regulatory functions required of it as a registered DCO under the Act and Commission regulations, including, without limitation: (a) monitoring and enforcing clearing member

compliance with SGX-DC admission and continuing eligibility standards, such as capital requirements; (b) conducting examinations of the risk management procedures of each clearing member on a periodic basis; and (c) enforcing clearing member compliance with the terms of all SGX-DC rules, regulations, and procedures not specifically referenced in clauses (a) and (b) of this section.

(7) Changes in Applicable Law. SGX-DC shall promptly inform the Commission of any change in Singapore law that materially affects SGX-DC's operation as a central counterparty, including, without limitation: (a) any law related to insolvency that materially impacts SGX-DC or its clearing members; (b) any material change in SGX-DC's registration or licensure status with any regulatory authority in Singapore; and (c) any change that affects the conclusions of the Ring-Fencing Memorandum.

(8) Agent for Service of Process. SGX-DC shall maintain a valid, effective, and binding agreement appointing an agent in the United States for purposes of communications, including acceptance, on behalf of SGX-DC, of any summons, complaints, orders, subpoenas, requests for information, notices, or any other written documents or correspondence issued by or on behalf of the Commission, the United States Department of Justice, or any U.S. clearing member clearing proprietary or customer positions at or through SGX-DC, and SGX-DC shall promptly inform the Commission of any change in such agent or such agreement.

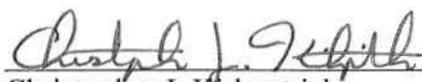
(9) Reservation of Rights. This Order is based upon the representations made and supporting material provided to the Commission by SGX-DC. In the event of any changes to or omissions in the material facts or circumstances pursuant to which this Order is issued, or for any reason in its own discretion, the Commission may condition, modify, suspend, terminate, or

otherwise restrict the terms of this Order, as appropriate and as permitted by law, on its own motion.

(10) Effective Date. This Order will become effective on December 31, 2013.

Issued in Washington, D.C., this 27<sup>th</sup> day of December 2013.

By the Commission



Christopher J. Kirkpatrick  
Deputy Secretary of the Commission