



Circular Derivatives

12 October 2018

Circular No. DC/AM – 54 of 2018

Contracts on Position Accountability

Pursuant to SGX-DC Clearing Rule 2.20 – Limits of Positions, Clearing Members are required to comply, at all times, with the respective position limits that are applicable to them individually or collectively, as may be prescribed by the Clearing House from time to time.

We are pleased to announce that position accountability will be imposed in lieu of position limits for the following contracts, with effect from 12 November 2018:

- i) SGX FTSE China A50 Index Futures (“CN”);
- ii) SGX MSCI Singapore Free (SiMSCI) Index Futures (“SGP”);
- iii) SGX Options on MSCI Singapore Free (SiMSCI) Index Futures (“SGPO”);
- iv) SGX Nikkei Stock Average Futures (“NK”);
- v) SGX Options on Nikkei Stock Average Futures (“NKO”);
- vi) SGX Mini Nikkei Stock Average Futures (“NS”);
- vii) USD Nikkei Stock Average Futures (“NU”);
- viii) SGX MSCI Taiwan Index Futures (“TW”);
- ix) SGX Options on SGX MSCI Taiwan Index Futures (“TWO”);
- x) SGX TSI Iron Ore CFR China (62% FE Fines) Index Futures (“FEF”);
- xi) SGX Options on TSI Iron Ore CFR China (62% FE Fines) Index Futures (“FEFO”);
- xii) SGX Iron Ore CFR China (62% Fe Fines) Swap (“FE”); and
- xiii) SGX Options on Iron Ore CFR China (62% FE Fines) Swap (“FEO”) (collectively, the “**Contracts**”).

Position accountability thresholds for the Contracts are set at their respective initial position limits for ease of implementation. Thresholds will be reviewed at least annually, and Members will be notified of any changes. Upon the Exchange’s direction, Members are obliged to provide specified information, including but not limited to the nature of the position, trading strategy, and hedging information.

With position accountability, requests for an increase in position limit for the Contracts will no longer be necessary.

The amended contract specifications of the Contracts are attached in Appendix 1.

Currently, SGX Eurodollar Futures (“ED”), SGX Three Month Euroyen Futures (“EY”), SGX Options on Three Month Euroyen Futures (“EYO”) and the SGX India Single Stock Futures have position accountability imposed. The full list of contracts on position accountability and their respective thresholds can be found in Appendix 2.

If you have any queries on this subject, please email us at rmd@sgx.com.

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Appendix 1

Changes are marked out in *blue*.

SGX FTSE CHINA A50 INDEX FUTURES FUTURES CONTRACT SPECIFICATIONS

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1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹ as amended from time to time, these contract specifications for the SGX FTSE China A50 Index Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the SGX FTSE China A50 Index Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

China Business Day	means a day on which both the Shanghai Stock Exchange and the Shenzhen Stock Exchange are open for trading;
Contract	Refers to means the SGX FTSE China A50 Index Futures Contract traded on the SGX-DT Market;
Cooling Off Period	Refers to means a period of 10 minutes or such other period as the Exchange may from time to time prescribe during which each Contract may only continue to be traded at or within its Price Limits for the time being in force;
Final Lower Limit	Refers to means a price of 15 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Final Upper Limit	Refers to means a price of 15 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Contract;
FTSE China A50 Index	means a free float-adjusted, market capitalisation-weighted index representing the largest 50 ‘A’ Share² companies listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange, compiled by FTSE China Index Limited;
Initial Lower Limit	Refers to means a price of 10 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Upper Limit	Refers to means a price of 10 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily

	Settlement Price for a Contract;
Interim Final Lower Limit	Refers to means a price equivalent to the previous Trading Day's Final Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Final Upper Limit	Refers to means a price equivalent to the previous Trading Day's Final Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Lower Limit	Refers to means a price equivalent to the previous Trading Day's Initial Lower Limit or a Contract, or such other amount as the Exchange may prescribe from time to time; <u>and</u>
Interim Initial Upper Limit	Refers to means a price equivalent to the previous Trading Day's Initial Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time.;
FTSE China A50 Index	Refers to a free float adjusted, market capitalisation weighted index representing the largest 50 'A' Share² companies listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange, compiled by FTSE China Index Limited;
China Business Day	Refers to a day on which both the Shanghai Stock Exchange and the Shenzhen Stock Exchange are open for trading.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Contract Value and Trading Unit

Each Contract shall be valued at one ~~U.S.~~ United States dollar times the Contract price. The trading unit shall be one ~~U.S.~~ United States dollar times the Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Contract shall be 2.5 index points, equivalent to 2.50 ~~U.S.~~ United States dollars per Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling Futures Contracts on the FTSE China A50 Index that exceeds such position as the Exchange may prescribe from time to time with prior

notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control Futures Contracts on the FTSE China A50 Index that exceed 15,000 contracts net on the same side of the Market, and in all Contract Months combined.

2.5 Price Limits and Cooling-Off Period

2.5.1 Subject to clause 2.5.2, where the previous Trading Day's Daily Settlement Price for a Contract is not yet available, the following shall apply:

- (a) there shall be no trading in such Contract at a price above its Interim Initial Upper Limit or below its Interim Initial Lower Limit except as provided for in this clause 2.5.1. If the price for any Contract reaches either its Interim Initial Upper Limit or Interim Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period, the respective Interim Final Upper Limit and Interim Final Lower Limit for each Contract shall come into effect; and
- (b) if, after the Cooling Off Period signaled pursuant to clause 2.5.1(a), the price for any such Contract reaches either its Interim Final Upper Limit or Interim Final Lower Limit, the Exchange will signal a further Cooling Off Period. After such Cooling Off Period, there will be no Price Limits for the remainder of the Trading Day.

2.5.2 Where the previous Trading Day's Daily Settlement Price for a Contract is made available by the Exchange, the procedures in clause 2.5.1 shall cease and the following will apply:

- (a) there shall be no trading in such Contract at a price above its Initial Upper Limit or below its Initial Lower Limit except as provided for in this clause 2.5.2. If the price for any Contract reaches either its Initial Upper Limit or Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period, the respective Final Upper Limit and Final Lower Limit for each Contract shall come into effect; and
- (b) if, after the Cooling Off Period signaled pursuant to clause 2.5.2(a), the price for any such Contract reaches either its Final Upper Limit or Final Lower Limit, the Exchange will signal a further Cooling Off Period. After such Cooling Off Period, there will be no Price Limits for the remainder of the Trading Day.

2.6 Price Limits on Last Trading Day

Notwithstanding clause 2.5, there shall be no Price Limits on the Last Trading Day for an expiring Contract.

2.7 Trigger for Price Limits

In relation to the Price Limits referred to in clause 2.5, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of the first unsatisfied bid or offer, respectively, at such Price Limit, in part or in whole.

2.8 Termination of Trading

2.8.1 Trading shall terminate on the second last China Business Day of the Contract Month. If the second last China Business Day of the Contract Month is a Saturday, the immediately preceding China Business Day shall be the Last Trading Day of the Contract Month.

2.8.2 If, at any time in the course of or after the close of trading on the day preceding what should in the normal course of business be the penultimate trading day (the “**NPTD**”) with respect to a Contract Month, or anytime thereafter, it comes to the knowledge of the Exchange that either of the two days in that Contract Month which was expected in the ordinary course of business to have been respectively the last and penultimate China Business Days for that Contract Month will not in fact be a China Business Day, then the Last Trading Day shall be the non-Saturday Business Day that follows the NPTD which is also a China Business Day.

2.8.3 If, at any time in the course of or after the close of trading on the day preceding the NPTD, or anytime thereafter, it becomes known to the Exchange that both of the days erstwhile expected in the ordinary course of business to have been respectively the penultimate and the last China Business Days will not be China Business Days of the Contract Month, then the Last Trading Day shall be the non-Saturday Business Day following the NPTD which is also a China Business Day.

3. CLEARING AND SETTLEMENT

3.1 Cash Settlement

Settlement under these Specifications shall be by cash settlement.

3.2 Final Settlement Price

The Final Settlement Price shall be the official closing price for the FTSE China A50 Index rounded to two decimal places on the Last Trading Day.

3.3 Alternative Resolution of Final Settlement Price

Notwithstanding clause 3.1, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in clause 3.1 is not available, resolve that the Final

Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

3.4 Final Settlement

Clearing Members holding Open Positions in the Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures, based on a settlement price equal to the Final Settlement Price.

3.5 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a licensing agreement with FTSE China Index Limited (“**FCI**”) to use the FTSE China A50 Index. FCI owns rights in FTSE China A50 Index and the proprietary data contained therein. “**FTSE**” is a trademark jointly owned by the London Stock Exchange Plc and the Financial Times Limited, and is used by FTSE International Limited (“**FTSE**”) under licence.
- 4.2 Neither FCI nor its licensors in any way sponsor, endorse or are otherwise involved in the issuance and offering of the SGX FTSE China A50 Index Futures. The Exchange, FCI and its licensors disclaim any liability to any party for any inaccuracy in the data on which the FTSE China A50 Index is based, for any mistakes, errors or omissions in the calculation and/or dissemination of the FTSE China A50 Index or for the manner in which it is applied in connection with the issuance and offering of derivatives instruments derived from the FTSE China A50 Index or the trading of the FTSE China A50 Index.
- 4.3 The Exchange makes no warranty, express or implied, as to the accuracy or completeness of, or the results to be obtained by any person or any entity from the use of, the FTSE China A50 Index, any intra-day proxy related thereto or any data included therein in connection with the trading of any contracts, or for any other use. The Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose with respect to the FTSE China A50 Index or any intra-day proxy related thereto or any data included therein.
- 4.4 No Member may open or continue to operate an account for a Customer for trading in Contracts based on the FTSE China A50 Index unless the Member receives from such Customer a signed and dated acknowledgement (which may be part of an account opening form) that such Customer understood and

accepted the disclaimer statements provided for in the two immediately preceding paragraphs.

- 4.5 A Member shall hold the Exchange, and their respective directors, officers, employees and agents (collectively the “**Beneficiaries**” and each a “**Beneficiary**”) harmless from and against any loss, liability, judgment, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which, on a solicitor and client basis) arising from or in connection with any action, proceeding, or claim made or brought by any Customer of a Member where such Member had failed to secure the Customer’s acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have knock-on consequences for the Exchange, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement of any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

¹ These Rules may be found on the Exchange’s website at <http://www.sgx.com>.

² **‘A’ Shares** are securities of companies incorporated in Mainland China, that trade on the Shanghai or Shenzhen stock exchanges, quoted in Chinese Renminbi (RMB). These shares are traded by Chinese or international investors (under the China Qualified Foreign Institutional Investors – QFII regulations).

**SGX MSCI SINGAPORE INDEX
FUTURES CONTRACT SPECIFICATIONS**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITION

2. TRADING

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- 2.2 Contract Value and Trading Unit**
- 2.3 Minimum Fluctuations**
- 2.4 Position Limits [and Position Accountability](#)**
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3. CLEARING AND SETTLEMENT

- 3.1 Final Settlement Price**
- 3.2 Alternative Resolution of Final Settlement Price**
- 3.3 Final Settlement**
- 3.4 Other Rules and Procedures for Clearing and Settlement**

4. REQUIREMENTS FOR TRADING

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹ as amended from time to time, these contract specifications for the MSCI Singapore Index Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the MSCI Singapore Index Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Contract	means the SGX MSCI Singapore Index Futures Contract traded on the SGX-DT Market;
Cooling Off Period	means a period of 10 minutes or such other period as the Exchange may from time to time prescribe during which each Contract may only continue to be traded at or within its Price Limits for the time being in force;
Expected Last Trading Day	means the day that is scheduled in the ordinary course of business as the Last Trading Day pursuant to Clause 2.9;
Interim Lower Limit	means a price equivalent to the previous Trading Day’s Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Upper Limit	means a price equivalent to the previous Trading Day’s Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Last Business Day	means the day that is expected in the ordinary course of business to be the last Business Day of the Contract Month;
Lower Limit	means a price of 15 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
MSCI	means MSCI, Inc.;

MSCI Singapore Free IndexSM	means a free float-adjusted, market capitalisation-weighted index representing a sampling of large, medium and small capitalisation stocks of the Singapore stock market, compiled by MSCI or its affiliates;
Option Contract	means the SGX options on the Contract traded on the SGX- DT Market; and
Upper Limit	means a price of 15 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day's Daily Settlement Price for a Contract.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Contract Value and Trading Unit

Each Contract shall be valued at 100 Singapore dollars multiplied by the Contract price. The trading unit shall be 100 Singapore dollars multiplied by the Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Contract shall be one-twentieth (0.05) of an index point, equivalent to five Singapore dollars per Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Contracts and Option Contracts that exceeds an equivalent of 20,000 Contracts net, on the same side of the Market, and in all Contract Months combined.

2.5 Computation of Positions

For the purpose of computing positions for compliance with Clause 2.4:

- (a) the futures-equivalent of an Option Contract is the relevant option delta computed by the Clearing House for the options series; and
- (b) a long call Option Contract, a short put Option Contract, and a long Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Contract are on the same side of the Market.

2.6 Price Limits and Cooling Off Period

- 2.6.1 Subject to Clause 2.6.2 and where the previous Trading Day's Daily Settlement Price is not yet available, this Clause 2.6.1 shall apply. There shall be no trading in any Contract at a price above its Interim Upper Limit or below its Interim Lower Limit except as provided for in this Clause 2.6. If the price for any Contract reaches either its Interim Upper Limit or its Interim Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, there will be no Price Limits for the remainder of the Trading Day.
- 2.6.2 Where the previous Trading Day's Daily Settlement Price is made available by the Exchange, the procedures in Clause 2.6.1 shall cease and this Clause 2.6.2 shall apply. There shall be no trading in any Contract at a price above its Upper Limit or below its Lower Limit except as provided for in this Clause 2.6.2. If the price for any Contract reaches either its Upper Limit or its Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, there will be no Price Limits for the remainder of the Trading Day.

2.7 Price Limits on Last Trading Day

Notwithstanding Clause 2.6, there shall be no Price Limits on the Last Trading Day for an expiring Contract.

2.8 Trigger for Price Limits

In relation to the Price Limits referred to in Clause 2.6, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of the first unsatisfied bid or offer, at such Price Limit, in part or in whole.

2.9 Termination of Trading

The Last Trading Day shall be the second last Business Day of the Contract Month. If the Exchange knows, on or after the second Business Day preceding the Expected Last Trading Day:

- (a) that the Last Business Day is not a Business Day, then the Last Trading Day shall still fall on the Expected Last Trading Day, provided that the Expected Last Trading Day is a Business Day; and

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- (b) that the Expected Last Trading Day is not a Business Day, then the Last Trading Day shall be re-scheduled to fall on the Business Day that follows the Expected Last Trading Day.

3. CLEARING AND SETTLEMENT

Settlement under these Specifications shall be by cash settlement.

3.1 Final Settlement Price

Subject to the provisions herein, the Final Settlement Price shall be the value of the MSCI Singapore Free IndexSM computed based on the special quotation methodology applied on each component stock of the MSCI Singapore Free IndexSM on the day following the Last Trading Day ("**FSP Day**"). In the event that the FSP Day is not or will not be, a Business Day, the FSP Day shall be deemed to be the next immediately available Business Day following the Last Trading Day.

3.2 Alternative Resolution of Final Settlement Price

Notwithstanding Clause 3.1, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in the foregoing is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

3.3 Final Settlement

Clearing Members holding open positions in the Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the Final Settlement Price.

3.4 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

4.1 The Exchange has entered into a license agreement with MSCI to be permitted to use certain stock indexes to which MSCI or its affiliates owns rights in and to (the "**MSCI Indexes**") and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indexes.

4.2 The Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates and any other party involved in, or related to, making or compiling any of the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of such MSCI Index or any data included therein. Futures contracts and options contracts on any MSCI index ("**Index Contracts**") are not sponsored, guaranteed or endorsed by

MSCI, MSCI's affiliates or any other party involved in, or related to, making or compiling such MSCI index.

- 4.3 Neither the Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index or any data included therein. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making 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 MSCI Index or any data included therein. Without limiting any of the foregoing, in no event shall the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates or any other party involved in, or related to, making or compiling any MSCI 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, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index.
- 4.4 No Member may open or continue to operate an account for a Customer for trading in Contracts based on the MSCI Indexes unless the Member receives from such Customer a signed and dated acknowledgement (which may be part of an account opening form) that such Customer understood and accepted the disclaimer statements provided for in the two immediately preceding paragraphs.
- 4.5 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgement, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with the MSCI Indexes or any contracts based on such MSCI Indexes and any action, proceeding or, claim made or brought by any Customer of a Member where such Member had failed to secure the Customer's acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock-on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

¹These Rules may be found on the Exchange's website at <http://www.sgx.com>.

**SGX OPTIONS ON SGX MSCI SINGAPORE INDEX FUTURES
CONTRACT SPECIFICATIONS**

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1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement of put and call options on the SGX MSCI Singapore Index futures contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

At-the-money Strike / ATM Strike	means the exercise price that is a multiple of the Exercise Price Interval and nearest to the last available Index level when the Exchange lists such exercise price, save that where there are two such exercise prices, the “ATM Strike” means the exercise price at the lower multiple;
Exercise Price Interval	means 5 index points of the Index;
Futures Contract	means the SGX MSCI Singapore Index futures contract traded on the SGX-DT Market which is deliverable upon the exercise of an Option Contract. Unless otherwise determined and announced by the Exchange, Option Contracts for a Contract Month shall be deliverable by a corresponding Futures Contract’s Contract Month;
Index	means a free float-adjusted, market capitalisation-weighted index representing a sampling of large, medium and small capitalization stocks of the Singapore stock market, compiled by MSCI Inc. or its affiliates; and
Option Contract	means this option contract on the Futures Contract traded on the SGX-DT Market. and

¹ These Rules may be found on the Exchange’s website at <http://www.sgx.com>.

2. TRADING

2.1 Trading Months and Hours

The Option Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Trading Unit

The trading unit shall be an Option Contract to buy, in the case of a call option, or to sell, in the case of a put option, one Futures Contract.

2.3 Minimum Fluctuation

The price of an Option Contract shall be quoted in index points. The minimum fluctuation of the Option Contract shall be one-twentieth (0.05) of an index point, equivalent to five Singapore dollars per Option Contract.

2.4 Exercise Prices

2.4.1 Exercise prices shall be stated as index points in multiples of the Exercise Price Interval, e.g. 370, 375, 380, 385 etc.

2.4.2 Subject to clause 2.4.3, at the commencement of trading of an Option Contract for a Contract Month and on each subsequent day thereafter on which it is traded, the Exchange shall list the ATM Strike, and the series of exercise prices at the next eight Exercise Price Intervals above and below the ATM Strike. No new exercise prices shall be listed, however, if there are less than three calendar days remaining to the Expiration Day of the Option Contract for the Contract Month.

2.4.3 The Exchange may, at its sole discretion, choose to list additional exercise prices other than the those provided in clause 2.4.2 or decline to list those exercise prices described in clause 2.4.2.

2.4.4 The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of the Futures Contracts and the Option Contracts that exceeds an equivalent of 20,000 Futures Contracts net, on the same side of the Market, and in all Contract Months combined.~~

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) the futures-equivalent of an Option Contract is the relevant option delta computed by the Clearing House for the option series; and
- (b) a long call Option Contract, a short put Option Contract, and a long underlying Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short underlying Futures Contract are on the same side of the Market.

2.7 Trading Halt

Save for trading on the last trading day of an Option Contract, trading in an Option Contract shall be halted when any of the Price Limits applicable to the underlying Futures Contract are triggered, for the duration of the Cooling Off Period applicable to the underlying Futures Contract.

2.8 Termination of Trading

Trading in each Option Contract shall terminate on the same date and time as the underlying Futures Contract.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

This Option Contract is a European Style Option Contract that may be exercised by the Buyer only at expiry.

3.2 Exercise of Option Upon Termination of Trading

Where instructions to the contrary have not been delivered to the Clearing House by such cut-off timing on Expiration Day as prescribed by the Clearing House, an in-the-money Option Contract shall be exercised automatically. The instructions must be provided by the Clearing Member who represents the Buyer of the Option Contract.

An Option Contract is in-the-money if the Final Settlement Price lies above the exercise price in the case of a call Option Contract, or below the exercise price in the case of a put Option Contract.

Option Contracts that are exercised shall be assigned by the Clearing House on an arbitrary basis to Clearing Members holding short Open Positions in the same series. A Clearing Member to whom an exercised Option Contract is assigned shall be notified as soon as practicable after such Option Contract is assigned by the Clearing House. The Futures Contract is the deliverable contract on the exercise of an Option Contract.

The Clearing Member who represents the Seller of the Option Contract will be assigned a short Futures Contract position if a call is exercised or a long Futures Contract position if a put is exercised. The Clearing Member who represents the Buyer of the Option Contract will be assigned a long position in the underlying Futures Contract if a call is exercised and a short position if a put is exercised.

All Futures Contract positions shall be assigned at a price equal to the exercise price of the Option Contract.

3.3 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.²

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a license agreement with MSCI, Inc ("**MSCI**") to be permitted to use certain stock indexes to which MSCI or its affiliates owns rights in and to (the "**MSCI Indexes**") and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indexes.
- 4.2 The Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates and any other party involved in, or related to, making or compiling any of the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of such MSCI Index or any data included therein. Futures contracts and options contracts on any MSCI index ("**Index Contracts**") are not sponsored, guaranteed or endorsed by MSCI, MSCI's affiliates or any other party involved in, or related to, making or compiling such MSCI index.
- 4.3 Neither the Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index or any data included therein. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making 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 MSCI Index or any data included therein. Without limiting any of the foregoing, in no event shall the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates or any other party involved in, or related to, making or compiling any MSCI 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, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index.

- 4.4 No Member may open or continue to operate an account for a Customer for trading in Option Contracts based on the MSCI Indexes unless the Member receives from such Customer a signed and dated acknowledgement (which may be part of an account opening form) that such Customer understood and accepted the disclaimer statements provided for in the two immediately preceding paragraphs.
- 4.5 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgement, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with the MSCI Indexes or any contracts based on such MSCI Indexes and any action, proceeding or, claim made or brought by any Customer of a Member where such Member had failed to secure the Customer's acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock-on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

**SGX NIKKEI STOCK AVERAGE
FUTURES CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Contract Value and Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Position Limits [and Position Accountability](#)**
 - 2.5 Computation of Positions**
 - 2.6 Price Limits and Cooling Off Period**
 - 2.7 Price Limits on Last Trading Day**
 - 2.8 Trigger for Price Limits**
 - 2.9 Termination of Trading**
- 3. CLEARING AND SETTLEMENT**
 - 3.1 Final Settlement Price**
 - 3.2 Alternative Resolution of Final Settlement Price**
 - 3.3 Final Settlement**
 - 3.4 Other Rules and Procedures for Clearing and Settlement**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹ as amended from time to time, these contract specifications for the Nikkei Stock Average Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the Nikkei Stock Average Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Futures Contract	means the Nikkei Stock Average Futures Contract traded on the SGX-DT Market;
Cooling Off Period	means a period of 15 minutes or such other period as the Exchange may from time to time prescribe during which each Futures Contract may only continue to be traded at or within its Price Limits for the time being in force;
Final Lower Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Futures Contract;
Final Upper Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Futures Contract;
<u>Futures Contract</u>	<u>means the Nikkei Stock Average Futures Contract traded on the SGX-DT Market;</u>
Initial Lower Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Futures Contract;
Initial Upper Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Futures Contract;

Interim Final Lower Limit	means a price equivalent to the previous Trading Day's Final Lower Limit for a Futures Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Final Upper Limit	means a price equivalent to the previous Trading Day's Final Upper Limit for a Futures Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Lower Limit	means a price equivalent to the previous Trading Day's Initial Lower Limit for a Futures Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Upper Limit	means a price equivalent to the previous Trading Day's Initial Upper Limit for a Futures Contract, or such other amount as the Exchange may prescribe from time to time;
<u>Mini Nikkei Stock Average Futures</u>	<u>means the Mini Nikkei Stock Average futures contract traded on the SGX-DT Market;</u>
Nikkei Stock Average	means a price-weighted index of selected stocks listed in the first section of the Tokyo Stock Exchange, compiled by Nihon Keizai Shimbun, Inc or Nikkei Digital Media, Inc;
Option Contract	means the Option on Nikkei Stock Average Futures contract traded on the SGX-DT Market;
OSE	means the Osaka Securities Exchange; and
USD Nikkei Stock Average Futures	means the US dollar-denominated Nikkei Stock Average Futures contract traded on the SGX-DT Market.

2. TRADING

2.1 Trading Months and Hours

The Futures Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Contract Value and Trading Unit

Each Futures Contract shall be valued at 500 Japanese Yen times the Futures Contract price. The trading unit shall be 500 Japanese Yen times the Futures Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Futures Contract traded as outright trades shall be five index points, equivalent to 2,500 Japanese Yen per Futures Contract, while the minimum fluctuation of the Futures Contract traded as calendar spreads or as part of any other strategy trades shall be one index point, equivalent to 500 Japanese Yen per Futures Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Futures Contracts and Option Contracts on the Nikkei Stock Average futures that exceeds an equivalent of 10,000 contracts net in the Futures Contracts, on the same side of the Market, and in all Contract Months combined.~~

2.5 Computation of Positions

For the purpose of computing positions for compliance with Clause 2.4:

- (a) the USD Nikkei Stock Average Futures shall be adjusted to its equivalent of the Futures Contract by a conversion rate as determined by the Exchange from time to time;
- (b) the Mini Nikkei Stock Average Futures shall be deemed to be equal to one-fifth of a Futures Contract;
- (c) the futures-equivalent of an Option Contract is the relevant option delta computed by Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Futures Contract are on the same side of the Market.

2.6 Price Limits and Cooling Off Period

- 2.6.1 Subject to Clause 2.6.2, where the previous Trading Day's Daily Settlement Price is not yet available, the following shall apply. There shall be no trading in any Futures Contract at a price above its Interim Initial Upper Limit or below its Interim Initial Lower Limit except as provided for in this Clause 2.6.1. If the price for any Contract reaches either its Interim Initial Upper Limit or its Interim Initial

Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Interim Final Upper Limit and the Interim Final Lower Limit for each Futures Contract shall come into effect for the remainder of the Trading Day.

2.6.2 Where the previous Trading Day's Daily Settlement Price is made available by the Exchange, the procedures in Clause 2.6.1 shall cease and the following will apply. There shall be no trading in any Futures Contract at a price above its Initial Upper Limit or below its Initial Lower Limit except as provided for in this Clause 2.6.2. If the price for any Contract reaches either its Initial Upper Limit or its Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Final Upper Limit and the Final Lower Limit for each Futures Contract shall come into effect for the remainder of the Trading Day.

2.7 Price Limits on Last Trading Day

Notwithstanding Clause 2.6, there shall be no Price Limits on the Last Trading Day for an expiring Futures Contract after a Cooling Off Period signalled pursuant to Clause 2.6, and no Price Limits shall come into effect during the last 30 minutes before the close of trading on the Last Trading Day for the expiring Futures Contract. However, if the Cooling Off Period signalled pursuant to Clause 2.6 should overlap into the last 30 minutes of the trading session, the portion of the Cooling Off Period which overlaps into the last 30 minutes of the trading session shall continue to remain in force.

2.8 Trigger for Price Limits

In relation to the Price Limits referred to in Clause 2.6, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of the first unsatisfied bid or offer, respectively, at such Price Limit, in part or in whole.

2.9 Termination of Trading

Trading in each Futures Contract shall terminate on the last trading day of the Nikkei Stock Average futures contract traded on the OSE.² However, if such day is not a day when the Exchange is open for trading in the Futures Contract, the Last Trading Day shall instead be the immediate preceding day when the Exchange is open for trading in the Futures Contract.

3. CLEARING AND SETTLEMENT

Settlement under these Specifications shall be by cash settlement.

3.1 Final Settlement Price

The Final Settlement Price shall be the final settlement price (or other analogous concept employed in the OSE) which is used to settle the Nikkei Stock Average futures

contract at OSE and determined according to such methods utilised by OSE as approved by the Exchange. This value will usually be based on the opening quotation of the Nikkei Stock Average on the second Friday of the Contract Month.

3.2 Alternative Resolution of Final Settlement Price

Notwithstanding Clause 3.1, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in Clause 3.1 is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Futures Contract.

3.3 Final Settlement

Clearing Members holding Open Positions in a Futures Contract at the time of termination of trading in that Futures Contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures, based on a settlement price equal to the Final Settlement Price.

3.4 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

¹These Rules may be found on the Exchange's website at <http://www.sgx.com>.

²The last trading day on OSE is usually the day before the second Friday of the contract month.

**SGX OPTIONS ON NIKKEI STOCK AVERAGE FUTURES
CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Exercise Prices**
 - 2.5 Position Limits [and Position Accountability](#)**
 - 2.6 Computation of Positions**
 - 2.7 Trading Halt**
 - 2.8 Termination of Trading**
- 3. EXERCISE OF OPTION**
 - 3.1 Exercise of Option by Buyer**
 - 3.2 Exercise of Option Upon Termination of Trading**
 - 3.3 Other Rules and Procedures**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹, as amended from time to time, these contract specifications (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement of put and call options on the SGX Nikkei Stock Average futures contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

At-the-money Strike / ATM Strike	means the exercise price that is a multiple of the Exercise Price Interval and nearest to the last available Index level when the Exchange lists such exercise price, save that where there are two such exercise prices, the “ATM Strike” means the exercise price at the lower multiple;
Exercise Price Interval	means 125 index points of the Index;
<u>Futures Contract</u>	<u>means the Yen-denominated Nikkei Stock Average futures contract traded on the SGX-DT Market which is deliverable upon the exercise of an Option Contract. Unless otherwise determined and announced by the Exchange, Option Contracts for a Contract Month shall be deliverable by a corresponding Futures Contract’s Contract Month;</u>
<u>Index</u>	<u>means a price-weighted index of selected stocks listed in the first section of the Tokyo Stock Exchange, compiled by Nihon Keizai Shimbun, Inc or Nikkei Digital Media, Inc;</u>
Mini Nikkei Stock Average Futures	means the Mini Nikkei Stock Average futures contract traded on the SGX-DT Market;
<u>Index</u>	<u>means a price-weighted index of selected stocks listed in the first section of the Tokyo Stock Exchange, compiled by Nihon Keizai Shimbun, Inc or Nikkei Digital Media, Inc;</u>

Futures Contract	means the Yen-denominated Nikkei Stock Average futures contract traded on the SGX-DT Market which is deliverable upon the exercise of an Option Contract. Unless otherwise determined and announced by the Exchange, Option Contracts for a Contract Month shall be deliverable by a corresponding Futures Contract's Contract Month;
Option Contract	means this option contract on the Futures Contract traded on the SGX-DT Market; <u>and</u>
USD Nikkei Stock Average Futures	means the US <u>United States</u> dollar-denominated Nikkei Stock Average futures contract traded on the SGX-DT Market. ;

2. TRADING

2.1 Trading Months and Hours

The Option Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Trading Unit

The trading unit shall be an Option Contract to buy, in the case of a call Option, or to sell, in the case of a put option, one Futures Contract.

2.3 Minimum Fluctuation

The price of an Option Contract shall be quoted in index points. The minimum fluctuation of the Option Contract shall be one index point, equivalent to 500 Japanese Yen per Option Contract, except that trades may occur at a price of 300 Japanese Yen per Option Contract.

2.4 Exercise Prices

2.4.1 Exercise prices shall be stated as index points in multiples of the Exercise Price Interval, e.g., 16,000, 16,125, 16,250, 16,375, etc.

2.4.2 Subject to clause 2.4.3, ~~in~~ At the commencement of trading of an Option Contract for ~~in~~ a Contract Month and on each subsequent day thereafter on which it is traded, the Exchange shall list the ATM Strike, and the series of exercise prices at the next 32 Exercise Price Intervals above and below the ATM Strike. No new exercise prices shall be listed, however, if there are less than three calendar days remaining to the Expiration Day of the Option Contract for the Contract Month.

- 2.4.3 The Exchange may, at its sole discretion, choose to list additional exercise prices other than those provided in clause 2.4.2 or decline to list those exercise prices described in clause 2.4.2.
- 2.4.4 The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. ~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Futures Contracts and Option Contracts that exceeds an equivalent of 10,000 contracts net in the Futures Contract, on the same side of the Market, and in all Contract Months combined.~~

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) the USD Nikkei Stock Average Futures shall be adjusted to its equivalent of the Futures Contract by a conversion rate as determined by the Exchange from time to time;
- (b) the Mini Nikkei Stock Average futures shall be deemed to be equal to one-fifth of a Futures Contract;
- (c) the futures-equivalent of an Option Contract is the relevant option delta computed by the Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Futures Contract are on the same side of the Market.

2.7 Trading Halt

Save for trading on the last trading day of an Option Contract, trading in an Option Contract shall be halted when any of the Price Limits applicable to the underlying Futures Contract are triggered, for the duration of the Cooling Off Period applicable to the underlying Futures Contract.

2.8 Termination of Trading

Trading in each Option Contract shall terminate on the same date and time as the underlying Futures Contract.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

This Option Contract is a European Style Option Contract that may be exercised by the Buyer only at expiry.

3.2 Exercise of Option Upon Termination of Trading

Where instructions to the contrary have not been delivered to the Clearing House by such cut-off timing on Expiration Day as prescribed by the Clearing House, an in-the-money Option Contract shall be exercised automatically. The instructions must be provided by the Clearing Member who represents the Buyer of the Option Contract.

An Option Contract is in-the-money if the Final Settlement Price lies above the exercise price in the case of a call Option Contract, or below the exercise price in the case of a put Option Contract.

Option Contracts that are exercised shall be assigned by the Clearing House on an arbitrary basis to Clearing Members holding short open positions in the same series. A Clearing Member to whom an exercised Option Contract is assigned shall be notified as soon as practicable after such option is assigned by the Clearing House. The Futures Contract is the deliverable contract on the exercise of an Option Contract.

The Clearing Member who represents the Seller of the Option Contract will be assigned a short Futures Contract position if a call Option Contract is exercised or a long Futures Contract position if a put Option Contract is exercised. The Clearing Member who represents the Buyer of the Option Contract will be assigned a long position in the underlying Futures Contract if a call Option Contract is exercised and a short position in the underlying Futures Contract if a put Option Contract is exercised.

All Futures Contract positions shall be assigned at a price equal to the exercise price of the Option Contract.

3.3 Other Rules and Procedures

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

¹These Rules may be found on the Exchange's website at <http://www.sgx.com>.

**SGX MINI NIKKEI STOCK AVERAGE
FUTURES CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Contract Value and Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Position Limits [and Position Accountability](#)**
 - 2.5 Computation of Positions**
 - 2.6 Price Limits and Cooling Off Period**
 - 2.7 Price Limits on Last Trading Day**
 - 2.8 Trigger for Price Limits**
 - 2.9 Termination of Trading**
- 3. CLEARING AND SETTLEMENT**
 - 3.1 Final Settlement Price**
 - 3.2 Alternative Resolution of Final Settlement Price**
 - 3.3 Final Settlement**
 - 3.4 Other Rules and Procedures for Clearing and Settlement**
- 4. REQUIREMENTS FOR TRADING**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹ as amended from time to time, these contract specifications for the Mini Nikkei Stock Average Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the Mini Nikkei Stock Average Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Contract	means this Mini Nikkei Stock Average Futures Contract;
Cooling Off Period	means a period of 15 minutes or such other period as the Exchange may from time to time prescribe during which each Contract may only continue to be traded at or within its Price Limits for the time being in force;
Final Lower Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Final Upper Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Lower Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Upper Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Contract;
Interim Final Lower Limit	means a price equivalent to the previous Trading Day’s Final Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;

Interim Final Upper Limit	means a price equivalent to the previous Trading Day's Final Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Lower Limit	means a price equivalent to the previous Trading Day's Initial Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Upper Limit	means a price equivalent to the previous Trading Day's Initial Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Nikkei	means Nihon Keizai Shimbun, Inc;
Nikkei Digital	means Nikkei Digital Media, Inc, part of the Nikkei group of companies;
Nikkei Stock Average	means a price-weighted index of selected stocks listed in the first section of the Tokyo Stock Exchange, compiled by Nihon Keizai Shimbun, Inc or Nikkei Digital Media, Inc;
Nikkei Stock Average Futures	means the Yen-denominated Nikkei Stock Average futures contract traded on the SGX-DT Market; and
OSE	means the Osaka Securities Exchange; and
<u>USD Nikkei Stock Average Futures</u>	<u>means the US dollar-denominated Nikkei Stock Average Futures contract traded on the SGX-DT Market.</u>

2. TRADING

2.1. Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2. Contract Value and Trading Unit

Each Contract shall be valued at 100 Japanese Yen times the Contract price. The trading unit shall be 100 Japanese Yen times the Contract price.

2.3. Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Contract shall be one index point, equivalent to 100 Japanese Yen per Contract.

2.4. Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts on the Nikkei Stock Average and Option Contracts on the Nikkei Stock Average Futures that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Futures Contracts on the Nikkei Stock Average and Option Contracts on the Nikkei Stock Average Futures that exceeds an equivalent of 10,000 contracts net in the Nikkei Stock Average Futures, on the same side of the Market, and in all Contract Months combined.

2.5. Computation of Positions

For the purpose of computing positions for compliance with clause 2.4:

- (a) this Contract shall be deemed to be equal to one-fifth of a Nikkei Stock Average futures contract;
- (b) the USD Nikkei Stock Average futures shall be adjusted to its equivalent of the Nikkei Stock Average Futures by a conversion rate as determined by the Exchange from time to time;
- (c) the futures-equivalent of an Option Contract on the Nikkei Stock Average Futures is the relevant option delta computed by Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Futures Contract are on the same side of the Market.

2.6. Price Limits and Cooling Off Period

- 2.6.1. Subject to clause 2.6.2, where the previous Trading Day's Daily Settlement Price is not yet available, the following shall apply. There shall be no trading in any Contract at a price above its Interim Initial Upper Limit or below its Interim Initial Lower Limit except as provided for in this clause 2.6.1. If the price for any Contract reaches either its Interim Initial Upper Limit or its Interim Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Interim Final Upper Limit and the Interim Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.

2.6.2. Where the previous Trading Day's Daily Settlement Price is made available by the Exchange, the procedures in clause 2.6.1 shall cease and the following will apply. There shall be no trading in any Contract at a price above its Initial Upper Limit or below its Initial Lower Limit except as provided for in this clause 2.6.2. If the price for any Contract reaches either its Initial Upper Limit or its Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Final Upper Limit and the Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.

2.7. Price Limits on Last Trading Day

Notwithstanding clause 2.6, there shall be no Price Limits on the Last Trading Day for an expiring Contract after a Cooling Off Period signalled pursuant to clause 2.6, and no Price Limits shall come into effect during the last 30 minutes before the close of trading on the Last Trading Day for the expiring Contract. However, if the Cooling Off Period signalled pursuant to clause 2.6 should overlap into the last 30 minutes of the trading session, the portion of the Cooling Off Period which overlaps into the last 30 minutes of the trading session shall continue to remain in force.

2.8. Trigger for Price Limits

In relation to the Price Limits referred to in Clause 2.6, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of the first unsatisfied bid or offer, respectively, at such Price Limit, in part or in whole.

2.9. Termination of Trading

Trading in each Contract shall terminate on the last trading day of the Nikkei Stock Average futures contract traded on the OSE.² However, if such day is not a day when the Exchange is open for trading in the Contract, the Last Trading Day shall instead be the immediate preceding day when the Exchange is open for trading in the Contract.

3. CLEARING AND SETTLEMENT

Settlement under these Specifications shall be by cash settlement.

3.1. Final Settlement Price

The Final Settlement Price shall be the final settlement price (or other analogous concept employed in the OSE) which is used to settle the Nikkei Stock Average futures at OSE and determined according to such methods utilised by OSE as approved by the Exchange. This value will usually be based on the opening quotation of the Nikkei Stock Average on the second Friday of the Contract Month.

3.2. Alternative Resolution of Final Settlement Price

Notwithstanding clause 3.1, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in clause 3.1 is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

3.3. Final Settlement

Clearing Members holding Open Positions in a Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures, based on a settlement price equal to the Final Settlement Price.

3.4. Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 Nikkei shall own copyrights, intellectual property rights or any other rights with respect to the term “Nikkei Average” and the contents thereof.
- 4.2 Either Nikkei Digital or Nikkei shall in no way warrant or recommend SGX Mini Nikkei Stock Average Futures.
- 4.3 Nikkei shall have the right to change, or to have Nikkei Digital change, the contents of “Nikkei Average” and to discontinue, or have Nikkei Digital discontinue, announcing “Nikkei Average”.
- 4.4 Either Nikkei Digital or Nikkei shall not have any obligation or liability to publish continuously “Nikkei Average” and Nikkei Digital calculates “Nikkei Average” on the assumption that either Nikkei Digital or Nikkei shall not be liable for any error, delay or suspension with respect to the publication of “Nikkei Average.”

¹These Rules may be found on the Exchange’s website at <http://www.sgx.com>.

²The last trading day on OSE is usually the day before the second Friday of the contract month.

**USD NIKKEI STOCK AVERAGE
FUTURES CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Contract Value and Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Position Limits [and Position Accountability](#)**
 - 2.5 Computation of Positions**
 - 2.6 Price Limits and Cooling Off Period**
 - 2.7 Price Limits on Last Trading Day**
 - 2.8 Trigger for Initial Price Limits**
 - 2.9 Termination of Trading**
- 3. CLEARING AND SETTLEMENT**
 - 3.1 Final Settlement Price**
 - 3.2 Alternative Resolution of Final Settlement Price**
 - 3.3 Final Settlement**
 - 3.4 Other Rules and Procedures for Clearing and Settlement**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications for the USD Nikkei Stock Average Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the USD Nikkei Stock Average Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Contract	means this USD Nikkei Stock Average Futures Contract;
Cooling Off Period	means a period of 15 minutes or such other period as the Exchange may from time to time prescribe during which each Contract may only continue to be traded at or within its Price Limits for the time being in force;
Final Lower Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Final Upper Limit	means a price of 12.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Lower Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, below the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Upper Limit	means a price of 7.5 percent, or such other amount as the Exchange may prescribe from time to time, above the previous Trading Day’s Daily Settlement Price for a Contract;
Interim Final Lower Limit	means a price equivalent to the previous Trading Day’s Final Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;

Interim Final Upper Limit	means a price equivalent to the previous Trading Day's Final Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Lower Limit	means a price equivalent to the previous Trading Day's Initial Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Upper Limit	means a price equivalent to the previous Trading Day's Initial Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
<u>Mini Nikkei Stock Average Futures</u>	<u>means the Mini Nikkei Stock Average futures contract traded on the SGX-DT Market;</u>
Nikkei Stock Average	means a price-weighted index of selected stocks listed in the first section of the Tokyo Stock Exchange;
OSE	means the Osaka Securities Exchange; and
Yen Nikkei Futures	means the Yen-denominated Nikkei Stock Average futures contract traded on the SGX-DT Market.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Contract Value and Trading Unit

Each Contract shall be valued at five United States dollars times the Contract price. The trading unit shall be five United States dollars times the Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Contract shall be five index points, equivalent to 25 United States dollars per Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts on the Nikkei Stock Average and Option Contracts on Yen Nikkei Futures that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on

the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Futures Contracts on the Nikkei Stock Average and Option Contracts on Yen Nikkei Futures that exceeds an equivalent of 10,000 contracts net in the Yen Nikkei Futures, on the same side of the Market, and in all Contract Months combined.

2.5 Computation of Positions

For the purpose of computing positions for compliance with clause 2.4:

- (a) this Contract shall be adjusted to its equivalent of the Yen Nikkei Futures by a conversion rate as determined by the Exchange from time to time;
- (b) the Mini Nikkei Stock Average futures shall be deemed to be equal to one-fifth of a Yen Nikkei Futures;
- (c) the futures-equivalent of an Option Contract on Yen Nikkei Futures is the relevant option delta computed by the Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Futures Contract are on the same side of the Market.

2.6 Price Limits and Cooling Off Period

- 2.6.1 Subject to clause 2.6.2, where the previous Trading Day's Daily Settlement Price is not yet available, the following shall apply. There shall be no trading in any Contract at a price above its Interim Initial Upper Limit or below its Interim Initial Lower Limit except as provided for in this clause 2.6.1. If the price for any Contract reaches either its Interim Initial Upper Limit or its Interim Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Interim Final Upper Limit and the Interim Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.
- 2.6.2 Where the previous Trading Day's Daily Settlement Price is made available by the Exchange, the procedures in clause 2.6.1 shall cease and the following will apply. There shall be no trading in any Contract at a price above its Initial Upper Limit or below its Initial Lower Limit except as provided for in this clause 2.6.2. If the price for any Contract reaches either its Initial Upper Limit or its Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Final Upper Limit and the Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.

2.7 Price Limits on Last Trading Day

Notwithstanding clause 2.6, there shall be no Price Limits on the Last Trading Day for an expiring Contract after a Cooling Off Period signalled pursuant to clause 2.6, and no Price Limits shall come into effect during the last 30 minutes before the close of trading on the Last Trading Day for the expiring Contract. However, if the Cooling Off Period signalled pursuant to clause 2.6 should overlap into the last 30 minutes of the trading session, the portion of the Cooling Off Period which overlaps into the last 30 minutes of the trading session shall continue to remain in force.

2.8 Trigger for Initial Price Limits

In relation to the Price Limits referred to in Clause 2.6, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of the first unsatisfied bid or offer, respectively, at such Price Limit, in part or in whole.

2.9 Termination of Trading

Trading in each Contract shall terminate on the last trading day of the Nikkei Stock Average futures contract traded on the OSE.² However, if such day is not a day when the Exchange is open for trading in the Contract, the Last Trading Day shall instead be the immediate preceding day when the Exchange is open for trading in the Contract.

3. CLEARING AND SETTLEMENT

Settlement under these Specifications shall be by cash settlement.

3.1 Final Settlement Price

The Final Settlement Price shall be the final settlement price (or other analogous concept employed in the OSE) which is used to settle the Nikkei Stock Average futures traded on the OSE and determined according to such methods utilised by OSE as approved by the Exchange. This value will usually be based on the opening quotation of the Nikkei Stock Average on the second Friday of the Contract Month.

3.2 Alternative Resolution of Final Settlement Price

Notwithstanding clause 3.1, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in clause 3.1 is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

3.3 Final Settlement

Clearing Members holding Open Positions in the Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing

House in accordance with normal variation margin procedures, based on a settlement price equal to the Final Settlement Price.

3.4 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

¹These Rules may be found on the Exchange's website at <http://www.sgx.com>.

²The last trading day on OSE is usually the day before the second Friday of the contract month.

**SGX MSCI TAIWAN INDEX FUTURES
FUTURES CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Contract Value and Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Position Limits [and Position Accountability](#)**
 - 2.5 Computation of Positions**
 - 2.6 Price Limits and Cooling Off Period**
 - 2.7 Price Limits on Last Trading Day**
 - 2.8 Trigger for Price Limits**
 - 2.9 Termination of Trading**
- 3. CLEARING AND SETTLEMENT**
 - 3.1 Cash Settlement**
 - 3.2 Final Settlement Price**
 - 3.3 Alternative Resolution of Final Settlement Price**
 - 3.4 Final Settlement**
 - 3.5 Other Rules and Procedures for Clearing and Settlement**
- 4. REQUIREMENTS FOR TRADING**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”),¹ as amended from time to time, these contract specifications for the MSCI Taiwan Index Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the MSCI Taiwan Index Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Contract	means the MSCI Taiwan Index Futures Contract traded on the SGX-DT Market;
Cooling Off Period	means a period of 10 minutes or such other period as the Exchange may from time to time prescribe during which each Contract may only continue to be traded at or within its Price Limits for the time being in force;
Final Lower Limit	means a price of 15 percent or such other amount as the Exchange may prescribe from time to time below the previous Trading Day’s Daily Settlement Price for a Contract;
Final Upper Limit	means a price of 15 percent or such other amount as the Exchange may prescribe from time to time above the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Lower Limit	means a price of 10 percent or such other amount as the Exchange may prescribe from time to time below the previous Trading Day’s Daily Settlement Price for a Contract;
Initial Upper Limit	means a price of 10 percent or such other amount as the Exchange may prescribe from time to time above the previous Trading Day’s Daily Settlement Price for a Contract;
Interim Final Lower Limit	means a price equivalent to the previous Trading Day’s Final Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;

Interim Final Upper Limit	means a price equivalent to the previous Trading Day's Final Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Lower Limit	means a price equivalent to the previous Trading Day's Initial Lower Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
Interim Initial Upper Limit	means a price equivalent to the previous Trading Day's Initial Upper Limit for a Contract, or such other amount as the Exchange may prescribe from time to time;
MSCI Taiwan IndexSM	means a free float-adjusted, market capitalisation-weighted index representing a sampling of large, medium and small capitalization stocks of the Taiwan stock market, compiled by MSCI, Inc. ("MSCI") or its affiliates; and
Taiwan Business Day	M means a day on which the Taiwan Stock Exchange is open for trading.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Contract Value and Trading Unit

Each Contract shall be valued at 100 United States dollars times the Contract price. The trading unit shall be 100 United States dollars times the Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in index points. The minimum fluctuation of the Contract shall be 0.1 of an index point, equivalent to 10 United States dollars per Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of

~~Futures Contracts on the MSCI Taiwan Index and Option Contracts on MSCI Taiwan Index futures that exceeds an equivalent of 10,000 contracts net in the MSCI Taiwan Index futures, on the same side of the Market, and in all Contract Months combined.~~

2.5 Computation of Positions

For the purpose of computing positions for compliance with Clause 2.4:

- (a) the futures-equivalent of an Option Contract on the MSCI Taiwan Index futures is the relevant option delta computed by the Clearing House for the options series; and
- (b) a long call Option Contract, a short put Option Contract, and a long Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short Futures Contract are on the same side of the Market.

2.6 Price Limits and Cooling Off Period

2.6.1 Subject to Clause 2.6.2, where the previous Trading Day's Daily Settlement Price is not yet available, the following shall apply. There shall be no trading in any Contract at a price above its Interim Initial Upper Limit or below its Interim Initial Lower Limit except as provided for in this Clause 2.6.1. If the price for any Contract reaches either its Interim Initial Upper Limit or its Interim Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Interim Final Upper Limit and the Interim Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.

2.6.2 Where the previous Trading Day's Daily Settlement Price is made available by the Exchange, the procedures in Clause 2.6.1 shall cease and the following will apply. There shall be no trading in any Contract at a price above its Initial Upper Limit or below its Initial Lower Limit except as provided for in this Clause 2.6.2. If the price for any Contract reaches either its Initial Upper Limit or its Initial Lower Limit, the Exchange will signal a Cooling Off Period. After such Cooling Off Period has elapsed, the Final Upper Limit and the Final Lower Limit for each Contract shall come into effect for the remainder of the Trading Day.

2.7 Price Limits on Last Trading Day

Notwithstanding Clause 2.6, there shall be no Price Limits on the Last Trading Day for an expiring Contract.

2.8 Trigger for Price Limits

In relation to the Price Limits referred to in Clause 2.6, each upper Price Limit or lower Price Limit shall be deemed to have been reached upon the making of either the first unsatisfied bid or offer, respectively, at such Price Limit, in part or in whole.

2.9 Termination of Trading

- 2.9.1 Trading shall terminate on the second last Taiwan Business Day of the Contract Month. If the second last Taiwan Business Day of the Contract Month is a Saturday, the immediately preceding Taiwan Business Day shall be the Last Trading Day of the Contract Month.
- 2.9.2 If, at any time in the course of or after the close of trading on the day preceding what should in the normal course of business be the penultimate trading day (the “**NPTD**”) with respect to a Contract Month, or anytime thereafter, it comes to the knowledge of the Exchange that either of the 2 days in that Contract Month which was expected in the ordinary course of business to have been respectively the last and penultimate Taiwan Business Days for that Contract Month will not in fact be a Taiwan Business Day, then the Last Trading Day shall be the non-Saturday Business Day that follows the NPTD which is also a Taiwan Business Day.
- 2.9.3 If, at any time in the course of or after the close of trading on the day preceding the NPTD, or anytime thereafter, it becomes known to the Exchange that both of the days erstwhile expected in the ordinary course of business to have been respectively the penultimate and the last Taiwan Business Days will not be Taiwan Business Days of the Contract Month, then the Last Trading Day shall be the non-Saturday Business Day following the NPTD which is also a Taiwan Business Day.

3. CLEARING AND SETTLEMENT

3.1 Cash Settlement

Settlement under these Specifications shall be by cash settlement.

3.2 Final Settlement Price

The Final Settlement Price shall be the average of the MSCI Taiwan IndexSM values on the Last Trading Day taken at 1-minute intervals during the last 25 minutes of trading on the MSCI Taiwan IndexSM preceding the commencement of the closing auction session, and the closing index value. The Final Settlement Price shall be rounded to two decimal places.

3.3 Alternative Resolution of Final Settlement Price

Notwithstanding clause 3.2, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in the foregoing is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

3.4 Final Settlement

Clearing Members holding Open Positions in the Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing

House in accordance with normal variation margin procedures, based on a settlement price equal to the Final Settlement Price.

3.5 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a license agreement with MSCI to be permitted to use certain stock indexes to which MSCI or its affiliates owns rights in and to (the "**MSCI Indexes**") and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indexes.
- 4.2 The Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates and any other party involved in, or related to, making or compiling any of the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of such MSCI Index or any data included therein. Futures contracts and options contracts on any MSCI index ("**Index Contracts**") are not sponsored, guaranteed or endorsed by MSCI, MSCI's affiliates or any other party involved in, or related to, making or compiling such MSCI index.
- 4.3 Neither the Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index or any data included therein. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making 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 MSCI Index or any data included therein. Without limiting any of the foregoing, in no event shall the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates or any other party involved in, or related to, making or compiling any MSCI 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, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index.
- 4.4 No Member may open or continue to operate an account for a Customer for trading in Contracts based on the MSCI Indexes unless the Member receives from such Customer a signed and dated acknowledgement (which may be part

of an account opening form) that such Customer understood and accepted the disclaimer statements provided for in the two immediately preceding paragraphs.

- 4.5 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgement, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with the MSCI Indexes or any contracts based on such MSCI Indexes and any action, proceeding or, claim made or brought by any Customer of a Member where such Member had failed to secure the Customer's acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock-on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

¹These Rules may be found on the Exchange's website at <http://www.sgx.com>.

**SGX OPTIONS ON SGX MSCI TAIWAN INDEX FUTURES
CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Trading Unit**
 - 2.3 Minimum Fluctuations**
 - 2.4 Exercise Prices**
 - 2.5 Position Limits [and Position Accountability](#)**
 - 2.6 Computation of Positions**
 - 2.7 Trading Halt**
 - 2.8 Termination of Trading**
- 3. EXERCISE OF OPTION**
 - 3.1 Exercise of Option by Buyer**
 - 3.2 Exercise of Option Upon Termination of Trading**
 - 3.3 Other Rules and Procedures**
- 4. REQUIREMENTS FOR TRADING**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange

Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement of put and call options on the MSCI Taiwan Index Futures contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

At-the-money Strike / ATM Strike	means the exercise price that is a multiple of the Exercise Price Interval and nearest to the last available index level of the MSCI Taiwan Index SM when the Exchange lists such exercise price, save that where there are two such exercise prices, the “ATM Strike” means the exercise price at the lower multiple;
Exercise Price Interval	means 5 index points of the Index;
Futures Contract	means the MSCI Taiwan Index Futures Contract traded on the SGX-DT Market which is deliverable upon the exercise of an Option Contract. Unless otherwise determined and announced by the Exchange, Option Contracts for a Contract Month shall be deliverable by a corresponding Futures Contract’s Contract Month; and
Option Contract	means this option contract on the Futures Contract traded on the SGX-DT Market. ;

2. TRADING

2.1 Trading Months and Hours

The Option Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Trading Unit

The trading unit shall be an Option Contract to buy, in the case of a call option, or to sell, in the case of a put option, one Futures Contract.

2.3 Minimum Fluctuation

The price of an Option Contract shall be quoted in index points. The minimum fluctuation of the Option Contract shall be one hundredth (1/100) of an index point, equivalent to one United States dollar per contract.

2.4 Exercise Prices

2.4.1 Exercise prices shall be stated as index points in multiples of the Exercise Price Interval, e.g., 295, 300, 305, etc.

2.4.2 Subject to clause 2.4.3, at the commencement of trading of an Option Contract for a Contract Month and on each subsequent day thereafter on which it is traded, the Exchange shall list the ATM Strike, and the series of exercise prices at the next eight Exercise Price Intervals above and below the ATM Strike. No new Option Contracts shall be listed, however, if there are less than three calendar days remaining to the Expiration Day of the Option Contract for the Contract Month.

2.4.3 The Exchange may, at its sole discretion, choose to list additional exercise prices other than those provided in clause 2.4.2 or decline to list those exercise prices described in clause

2.4.4 The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts and Option Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of Futures Contracts and Option Contracts that exceeds an equivalent of 10,000 contracts net in the Futures Contract on the same side of the Market, and in all Contract Months combined.~~

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) the futures-equivalent of an Option Contract is the relevant option delta computed by the Clearing House for the option series; and

- (b) a long call Option Contract, a short put Option Contract, and a long underlying Futures Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, and a short underlying Futures Contract are on the same side of the Market.

2.7 Trading Halt

Save for trading on the Expiration Day of an Option Contract, trading in an Option Contract shall be halted when the Initial Price Limits applicable to the Futures Contract (as defined in the contract specifications of the Futures Contracts) are triggered, for the duration of the Cooling Off Period applicable to the Futures Contract.

2.8 Termination of Trading

Trading in each Option Contract shall terminate on the same date and time as the Futures Contract.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

This Option Contract is a European Style Option Contract that may be exercised by the Buyer only at expiry.

3.2 Exercise of Option Upon Termination of Trading

Where instructions to the contrary have not been delivered to the Clearing House by ~~21:30~~ such cut-off time on Expiration Day as prescribed by the Clearing House, an in-the-money Option Contract shall be exercised automatically. The instructions must be provided by the Clearing Member who represents the Buyer of the Option Contract.

An Option Contract is in-the-money if the Final Settlement Price lies above the exercise price in the case of a call Option Contract, or below the exercise price in the case of a put Option Contract.

Option Contracts that are exercised shall be assigned by the Clearing House on an arbitrary basis to Clearing Members holding short open positions in the same series. A Clearing Member to whom an exercised Option Contract is assigned shall be notified as soon as practicable after such option is assigned by the Clearing House. The Futures Contract is the deliverable contract on the exercise of an Option Contract.

The Clearing Member who represents the Seller of the Option Contract will be assigned a short Futures Contract position if a call Option Contract is exercised or a long Futures Contract position if a put Option Contract is exercised. The Clearing Member who represents the Buyer of the Option Contract will be assigned a long position in the Futures Contract if a call Option Contract is exercised and a short position in the Futures Contract if a put Option Contract is exercised.

All Futures Contract positions shall be assigned at a price equal to the exercise price of the Option Contract.

3.3 Other Rules and Procedures

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a license agreement with MSCI, Inc. ("**MSCI**") to be permitted to use certain stock indexes to which MSCI or its affiliates owns rights in and to (the "**MSCI Indexes**") and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indexes.
- 4.2 The Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates and any other party involved in, or related to, making or compiling any of the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of such MSCI Index or any data included therein. Futures contracts and options contracts on any MSCI index ("**Index Contracts**") are not sponsored, guaranteed or endorsed by MSCI, MSCI's affiliates or any other party involved in, or related to, making or compiling such MSCI index.
- 4.3 Neither the Exchange, the Exchange's affiliates, MSCI, MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index or any data included therein. Neither the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making 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 MSCI Index or any data included therein. Without limiting any of the foregoing, in no event shall the Exchange, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates or any other party involved in, or related to, making or compiling any MSCI 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, any of the Exchange's affiliates, MSCI, any of MSCI's affiliates nor any other party involved in, or related to, making or compiling any MSCI 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 MSCI Index.

- 4.4 No Member may open or continue to operate an account for a Customer for trading in Contracts based on the MSCI Indexes unless the Member receives from such Customer a signed and dated acknowledgement (which may be part of an account opening form) that such Customer understood and accepted the disclaimer statements provided for in the two immediately preceding paragraphs.
- 4.5 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgement, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with the MSCI Indexes or any contracts based on such MSCI Indexes and any action, proceeding or, claim made or brought by any Customer of a Member where such Member had failed to secure the Customer's acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock-on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

¹ These Rules may be found on the Exchange's website at <http://www.sgx.com>.

**SGX TSI IRON ORE CFR CHINA (62% FE FINES) INDEX
FUTURES CONTRACT SPECIFICATIONS**

- 1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITION**
- 2. TRADING**
 - 2.1 Trading Months and Hours**
 - 2.2 Contract Value and Trading Unit**
 - 2.3 Minimum Fluctuations**
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 - 2.7 Termination of Trading**
- 3. CLEARING AND SETTLEMENT**
 - 3.1 Cash Settlement**
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 - 3.3 Alternative Resolution of Final Settlement Price**
 - 3.4 Final Settlement**
 - 3.5 Other Rules and Procedures for Clearing and Settlement**
- 4. REQUIREMENTS FOR TRADING**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications for the SGX The Steel Index (“**TSI**”) Iron Ore CFR China (62% FE Fines) Index futures (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement in the SGX TSI Iron Ore CFR China (62% FE Fines) Index Futures Contract traded on the Exchange.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

Contract	Refers to <u>means</u> the SGX TSI Iron Ore CFR China (62% FE Fines) Index Futures Contract traded on the Exchange;
Option Contract	Refers to <u>means</u> the <u>SGX TSI Iron Ore CFR China (62% FE Fines) Index Option Contract on the Swap Contract accepted by the Clearing House for clearing</u> traded on the SGX-DT Market;
<u>Option-on-Swap Contract</u>	<u>means the option on the Swap Contract accepted by the Clearing House for clearing;</u>
Swap Contract	Refers to <u>means</u> the SGX TSI Iron Ore CFR China (62% FE Fines) Index Swap Contract accepted by the Clearing House for clearing; <u>and</u>
<u>TSI</u>	<u>means The Steel Index; and</u>
TSI Iron Ore Index	Refers to <u>means</u> the TSI Iron Ore Fines 62% FE CFR China reference prices published by TSI.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and made available for trading during those hours determined by the Exchange in its sole discretion.

¹ These Rules may be found on the Exchange’s website at <http://www.sgx.com>

2.2 Contract Value and Trading Unit

Each Contract shall be valued at ~~one hundred (100)~~100 metric tonnes multiplied by the Contract price.

The trading unit shall be ~~one hundred (100)~~100 metric tonnes multiplied by the Contract price.

2.3 Minimum Fluctuations

Bids and offers shall be quoted in United States ~~D~~dollars per metric tonne. The minimum fluctuation of the Contract shall be 0.01 United States ~~D~~dollars, equivalent to one ~~(1)~~United States ~~d~~dollar per Contract.

2.4 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts, Swap Contracts, Option Contracts and Option-on-Swap Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person must not own or control any combination of Futures Contracts, Swap Contracts and Option Contracts that exceeds an equivalent of three thousand (3,000) Swap Contracts on the same side of the Market in all Contract Months combined.~~

2.5 Computation of Positions

For the purpose of computing positions for compliance with Clause 2.4:

- (a) the Contract shall be deemed to be equal to one-fifth ~~(1/5)~~ of a Swap Contract;
- (b) the swap-equivalent of an Option Contract shall be deemed to be equal to one-fifth of the relevant option delta computed by the Clearing House for the option series;
- (c) the swap-equivalent of an Option-on-Swap Contract is the relevant option delta computed by Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, a long Swap Contract, ~~and a long Futures Contract,~~ a long call Option-on-Swap Contract, and a short put Option-on-Swap Contract are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, a short Swap Contract, ~~and a short Futures Contract,~~ a short call Option-on-Swap Contract, and a long put Option-on-Swap Contract are on the same side of the Market.

2.6 Price Limits and Cooling Off Period

Unless otherwise prescribed by the Exchange, there shall be no Price Limits or Cooling Off Period. Any Price Limits or Cooling Off Period prescribed by the Exchange pursuant to this Clause 2.6 are subject to change or removal by the Exchange at its discretion, imposed for trading in the Contract.

2.7 Termination of Trading

2.7.1 Subject to Clause 2.7.2, the Last Trading Day shall be the last publication day of the TSI Iron Ore Index in the Contract Month.

2.7.2 The Exchange may, pursuant to an announcement to the market, determine that the Last Trading Day shall be some other day, having regard to the prevailing circumstances of the market at that time.

3. CLEARING AND SETTLEMENT

3.1 Cash Settlement

Settlement under these Specifications shall be in cash.

3.2 Final Settlement Price

Subject to Clause 3.3, the Final Settlement Price shall be the arithmetic average of all TSI Iron Ore Indexes in the expiring Contract Month, rounded to two ~~(2)~~ decimal places.

3.3 Alternative Resolution of Final Settlement Price

Where the Final Settlement Price prescribed is otherwise not available pursuant to Clause 3.2, the Exchange and the Clearing House may decide that the Final Settlement Price shall be determined by an alternative means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House with respect to the determination of the Final Settlement Price by this alternate means shall be binding on all parties holding an open position in the Contract at termination of trading.

3.4 Final Settlement

Members holding open positions in the Contract at termination of trading must make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the Final Settlement Price.

3.5 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a licensing agreement with TSI to use the TSI Iron Ore Index. TSI owns rights in TSI Iron Ore Index and the proprietary data contained therein.
- 4.2 Neither TSI nor its licensors in any way sponsor, endorse or are otherwise involved in the issuance and offering of the Contract. The Exchange, TSI and its licensors disclaim any liability to any party for any inaccuracy in the data on which the TSI Iron Ore Index is based, for any mistakes, errors or omissions in the calculation and/or dissemination of the TSI Iron Ore Index or for the manner in which it is applied in connection with the issuance and offering of derivatives instruments derived from the TSI Iron Ore Index or the trading of the Contract.
- 4.3 The Exchange makes no warranty, express or implied, as to the accuracy or completeness of, or the results to be obtained by any person or any entity from the use of, the TSI Iron Ore Index, any intra-day proxy related thereto or any data included therein in connection with the trading of any contracts, or for any other use. The Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose with respect to the TSI Iron Ore Index or any intra-day proxy related thereto or any data included therein.
- 4.4 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgment, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with any action, proceeding or, claim made or brought by any Customer of a Member where such Member had failed to secure the Customer's acknowledgement of the disclaimer document as required above. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock-on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

**SGX OPTIONS ON TSI IRON ORE CFR CHINA (62% FE FINES)
INDEX FUTURES CONTRACT SPECIFICATIONS**

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

2. TRADING

2.1 Trading Months and Hours

2.2 Trading Unit

2.3 Minimum Fluctuations

2.4 Exercise Prices

2.5 Position Limits [and Position Accountability](#)

2.6 Computation of Positions

2.7 Termination of Trading

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

3.2 Exercise of Option Upon Termination of Trading

3.3 Other Rules and Procedures for Clearing and Settlement

4. REQUIREMENTS FOR TRADING

1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

In conjunction with the Futures Trading Rules (the “**Trading Rules**”) and the Singapore Exchange Derivatives Clearing Limited Clearing Rules (the “**Clearing Rules**”, and together with the Trading Rules, the “**Rules**”)¹, as amended from time to time, these contract specifications for SGX Options on TSI Iron Ore CFR China (62% FE Fines) Index Futures Contract (these “**Specifications**”) set out the terms and procedures for the trading, clearing and settlement of the put and call options based on the SGX TSI Iron Ore CFR China (62% FE Fines) Index Futures Contract traded on the SGX-DT Market.

These Specifications shall be read together with the Rules, and in the event of a conflict or inconsistency between the Rules and these Specifications, the Rules shall prevail.

Capitalised terms employed herein and not otherwise defined shall have the meanings ascribed to them under the Rules.

In these Specifications, unless the context otherwise requires, the following capitalised expressions shall have the meanings hereafter assigned to them:

ATM Strike	means the exercise price nearest to the previous day’s Daily Settlement Price of the underlying Futures Contract which is deliverable upon the exercise of an Option Contract;
Futures Contract	means the SGX TSI Iron Ore CFR China (62% FE Fines) Index Futures Contract traded on the SGX-DT Market which is deliverable upon the exercise of an Option Contract. Unless otherwise determined and announced by the Exchange, Option Contracts for a Contract Month shall be deliverable by a corresponding Futures Contract’s Contract Month;
Option Contract	means this option on Futures Contract traded on the SGX-DT Market;
Option-on-Swap Contract	means the option on the Swap Contract accepted by the Clearing House for clearing;
Relevant Contract	means a contract traded on the SGX-DT Market and/or accepted by the Clearing House for clearing with an identical Underlying as the Swap Contract;
Swap Contract	means the Iron Ore CFR China (62% FE Fines) Swap Contract accepted by the Clearing House for clearing;
Tonne	means a metric tonne of one thousand (1,000) kilogrammes;
TSI	means The Steel Index; and

¹ These Rules may be found on the Exchange’s website at <http://www.sgx.com>

TSI Iron Ore Index	means the TSI Iron Ore Fines 62% FE CFR China reference prices published by TSI.
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2. TRADING

2.1 Trading Months and Hours

The Option Contract shall be listed for such Contract Months and made available for trading during those hours determined by the Exchange.

2.2 Trading Unit

The trading unit shall be an Option Contract to buy, in the case of a call option, or to sell, in the case of a put option, one ~~(1)~~ lot of the Futures Contract, which is equivalent to ~~one hundred (100)~~ Tonnes of iron ore.

2.3 Minimum Fluctuations

The price of an Option Contract shall be quoted in one-hundredth of a ~~U.S.~~ United States ~~D~~ollar (0.01 ~~U.S.~~ United States ~~D~~ollar) per lot of the Option Contract.

2.4 Exercise Prices

2.4.1 Exercise prices shall be stated as a price that is a multiple of one-hundredth of a ~~U.S.~~ United States dollar (0.01 ~~U.S.~~ United States dollar) per Tonne.

2.4.2 At the commencement of trading of an Option Contract of a specific Contract Month, the Exchange shall list an exercise price of the Option Contract that is equivalent to the ATM Strike rounded off to the nearest ~~U.S.~~ United States dollar.

2.4.3 Thereafter, on each subsequent trading day of an Option Contract of a specific Contract Month, the Exchange may, in its sole discretion, list additional exercise prices for the Option Contract (i) as determined by the Exchange or (ii) upon the request of Members.

2.4.4 Additional exercise prices shall not be listed for an Option Contract that has less than one ~~(1)~~ Trading Day (on which the Option Contract is available for trading on the SGX-DT Market) remaining to the Expiration Day of the Option Contract.

2.4.5 The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits and Position Accountability

Unless otherwise prescribed by the Exchange, there shall be no Position Limits. However, a person owning or controlling any combination of Futures Contracts, Swap Contracts, Option Contracts and Option-on-Swap Contracts that exceeds such position as the Exchange may prescribe from time to time with prior notification, net on the same side of the market, and in all Contract Months combined, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.~~Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of the Option Contracts, the Futures Contracts, the Swap Contracts, the Option-on-Swap Contracts and the Relevant Contracts that exceeds an equivalent of three thousand (3,000) contracts net in the Swap Contracts on the same side of the Market, and in all Contract Months combined.~~

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) one ~~(1)~~ Futures Contract shall be deemed to be equal to one-fifth ~~(1/5)~~ of a Swap Contract;
- (b) the swap-equivalent of an Option Contract shall be deemed to be equal to one-fifth ~~(1/5)~~ of the relevant option delta computed by the Clearing House for the option series;
- (c) the swap-equivalent of an Option-on-Swap Contract is the relevant option delta computed by the Clearing House for the option series; and
- (d) a long call Option Contract, a short put Option Contract, a long Swap Contract, a long Futures Contract, a long call Option-on-Swap Contract, and a short put Option-on-Swap Contract ~~and a long Relevant Contract~~ are on the same side of the Market. Conversely, a short call Option Contract, a long put Option Contract, a short Swap Contract, a short Futures Contract, a short call Option-on-Swap Contract, and a long put Option-on-Swap Contract ~~and a short Relevant Contract~~ are on the same side of the Market.

2.7 Termination of Trading

Trading in each Option Contract shall terminate on the same date and time as the underlying Futures Contract.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

This Option Contract is a European Style Option Contract that may be exercised by the Buyer only at expiry.

3.2 Exercise of Option Upon Termination of Trading

Where instructions to the contrary have not been delivered to the Clearing House by ~~such cut-off timing 21:30~~ on Expiration Day as prescribed by the Clearing House, an in-the-money Option Contract shall be exercised automatically. The instructions must be provided by the Clearing Member who represents the Buyer of the Option Contract.

An Option Contract is in-the-money if the Final Settlement Price lies above the exercise price in the case of a call Option Contract, or below the exercise price in the case of a put Option Contract.

Option Contracts that are exercised shall be assigned by the Clearing House on an arbitrary basis to Clearing Members holding short open positions in the same series. A Clearing Member to whom an exercised Option Contract is assigned shall be notified as soon as practicable after such option is assigned by the Clearing House. ~~Upon exercise of an Option Contract of a specified Contract Month, the deliverable contract is the Futures Contract of the same Contract Month.~~ The Futures Contract is the deliverable contract on the exercise of an Option Contract.

The Clearing Member who represents the Seller of the Option Contract will be assigned a short Futures Contract position if a call ~~Option Contract~~ is exercised or a long Futures Contract position if a put ~~Option Contract~~ is exercised. The Clearing Member who represents the Buyer of the Option Contract will be assigned a long position in the underlying Futures Contract if a call ~~Option Contract~~ is exercised and a short position ~~in the underlying Futures Contract~~ if a put ~~Option Contract~~ is exercised.

All Futures Contract positions shall be assigned at a price equal to the exercise price of the Option Contract.

3.3 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in these Specifications shall be governed by the Clearing Rules.

4. REQUIREMENTS FOR TRADING

- 4.1 The Exchange has entered into a licensing agreement with TSI to use the TSI Iron Ore Index. TSI owns rights in TSI Iron Ore Index and the proprietary data contained therein.
- 4.2 Neither TSI nor its licensors in any way sponsor, endorse or are otherwise involved in the issuance and offering of the Option Contract. The Exchange, TSI and its licensors disclaim any liability to any party for any inaccuracy in the data on which the TSI Iron Ore Index is based, for any mistakes, errors or omissions in the calculation and/or dissemination of the TSI Iron Ore Index or for the manner in which it is applied in connection with the issuance and offering of derivatives

instruments derived from the TSI Iron Ore Index or the trading of the Option Contract.

- 4.3 The Exchange makes no warranty, express or implied, as to the accuracy or completeness of, or the results to be obtained by any person or any entity from the use of, the TSI Iron Ore Index, any intra-day proxy related thereto or any data included therein in connection with the trading of any contracts, or for any other use. The Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose with respect to the TSI Iron Ore Index or any intra-day proxy related thereto or any data included therein.
- 4.4 A Member shall hold the Exchange and its directors, officers, employees and agents (collectively the "**Beneficiaries**" and each a "**Beneficiary**") harmless from and against any loss, liability, judgment, claim, damage, cost or expense (including legal costs on an indemnity basis, failing which on a solicitor and client basis) arising from or in connection with any action, proceeding or, claim made or brought by any Customer of a Member. Members shall also recognise that notwithstanding the preceding indemnity and in recognition that any response to such claim, action or proceeding may have been knock- on consequences for the Exchange or the exchange it maintains, the Beneficiaries (or any Beneficiary) shall have full control over the defence and/or settlement any such claim, action or proceeding without the need for prior clearance with the indemnifying Member.

Appendix 2 – List of contracts on position accountability

Please refer to the below table for the list of contracts on position accountability. The thresholds will be reviewed at least annually, and Clearing Members will be notified of any changes. This list may also be refreshed from time to time as and when position accountability is implemented for more contracts.

Contract(s)	Ticker Symbol(s)	Position Accountability Threshold (lots)	Effective Date
SGX Eurodollar Futures	ED	10,000	07/09/1984
SGX Euroyen Futures / Options	EY/EYO	10,000	27/10/1989
SGX India Single Stock Futures (SSFs)	-	1,000 (per contract)	05/02/2018
SGX FTSE China A50 Index Futures	CN	15,000	12/11/2018
SGX MSCI Taiwan Index Futures / Options	TW/TWO	10,000	12/11/2018
SGX Nikkei Stock Average Futures / Options	NK/NKO/ NU/NS	10,000	12/11/2018
SGX MSCI Singapore Index (SiMSCI) Futures / Options	SGP/SGPO	20,000	12/11/2018
SGX TSI Iron Ore CFR China (62% Fe Fines) Index Futures / Options	FE/FEO/FEF /FEFO	3,000	12/11/2018