



Circular Derivatives

25 Aug 2017

Circular No. DC/CCM - 18 of 2017

Acceptance of MAS Bills as Collateral

We are pleased to inform that with effect from 11 September 2017, SGX-DC will accept MAS Bills (“Bills”) as government securities collateral for SGX-DC margin and clearing fund contributions requirements.

Please see below for the operational requirements and haircut rates for Bills as collateral with SGX-DC.

1. Cut-off Times for Submission of Bills

Please refer to the Appendix for the Cut-off Times for Submission of Collateral Deposit, Withdrawal and Transfer Requests to SGX-DC. In addition, Clearing Members have to instruct their custodians or customer’s custodians to send corresponding instructions to match SGX-DC’s instructions.

2. Settlement of Bills

Clearing Members are advised to send free of payment settlement instructions for deposit/withdrawal of Bills to the following destinations:

Custodian Bank	Account Name	Origin	Account Number	Sub Custodian	Sub Custodian Account Number
State Street Bank and Trust Company (SBOSUS3CXXX)	SGXDC CUSTOMER TRUST AC (NON US)	Customer	UBDV	United Overseas Bank Limited (UOVBSGSGXXX)	9017159069
	SGXDC HOUSE TRUST AC (NON US)	House	UBDW		9017159409

To ensure successful settlement through proper matching of trade details, Clearing Members are reminded to instruct their customers and custodian banks of the details promptly and accurately.

3. Haircut and Valuation of Bills

In order to cushion against adverse price movement of the Bills, the securities will be valued with a haircut. The existing valuation haircut rate of 0.5% for Singapore Government Securities with a maturity period of up to 1 year will apply for Bills. Valuation of Bills held with SGX-DC will be done daily.

If the Bills are used to cover non-SGD exposures, cross-currency haircut will be applied on top of the valuation haircut. The existing cross-currency haircut rates of 6% for SGD will apply for Bills.

The haircut rates are subject to quarterly, and if necessary, ad-hoc reviews.

4. Fee Schedule for Bills

Clearing Members will be charged for custody of the Bills, transaction fee for each withdrawal/deposit of securities as well as cash transfer for principal payments. The existing charges for Singapore Government Securities will apply for Bills.

Description	Fee Schedule
Custody Fee*	2 basis points per annum
Transaction Fee	SGD 40
Cash Transfer for Principal Payment	SGD 90

* Based on the market value of portfolio at month end

Should you require clarification, please call SGX-DC's hotline at (65) 6236 5319 for any clarifications. Alternatively, you may email your query to dcc@sgx.com.

Attachment(s):

1. DCCCM 18 of 2017 Acceptance of MAS Bills as Collateral (Appendix).pdf

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Appendix

SGX-DC Cut-Off Times for Submission of Collateral Deposit, Withdrawal and Transfer Requests

Cut-Off Times for Cash Collateral

Currency	Deposit		Withdrawal		Transfer	
USD	VD	1500h	VD	1015h	VD	1000h
SGD	VD	1500h	VD	1015h	VD	1000h
JPY	VD	1500h	VD-1	1015h	VD-1	1000h
EUR	VD	1500h	VD-1	1015h	VD-1	1000h
RMB	VD	1500h	VD-1	1015h	VD-1	1000h

Cut-Off Times for Government Securities Collateral

Type	Deposit		Withdrawal		Transfer	
UST	VD	1500h	VD	1000h	VD	1000h
SGS	VD	1500h	VD	1000h	VD	1000h
JGB	VD-1	1000h	VD-1	1000h	VD-1	1000h
EGB	VD-1	1000h	VD-1	1000h	VD-1	1000h
MAS Bills*	VD-1	1000h	VD-1	1000h	VD-1	1000h

*Effective from 11 September 2017