

Disclosures Required to be Provided to Disclosed Singapore Market Participants

To

Chief Executive Officers; Chief Compliance Officers; Chief Financial Officers;
Chief Operations Officers; Legal Counsel

From

Financial and Regulatory Surveillance Department, Clearing House Division

#16-03

Notice Date

23 September 2016

Effective Date

23 September 2016

FINANCIAL AND REGULATORY BULLETIN

#16-03

TO: Chief Executive Officers; Chief Compliance Officers; Chief Financial Officers;
Chief Operations Officers; Legal Counsel

DATE: September 23, 2016

SUBJECT: Disclosures Required to be Provided to Disclosed Singapore Market
Participants

On May 18, 2016, the Monetary Authority of Singapore issued an order authorizing Chicago Mercantile Exchange Inc. ("CME") as a recognized clearing house in Singapore. Pursuant to the terms of its recognition, the clearing house division of CME ("CME Clearing") is required to make certain disclosures available to new Singapore-based participants at CME Clearing. Accordingly, CME Clearing is providing this notification to be included among the risk disclosures provided to new Singapore-based customers or affiliates for whom the clearing member will provide clearing services at CME. A clearing member's obligation to provide this notice to a new participant applies only to the extent such participant is disclosed to the firm as Singapore-based. Clearing members must also make this disclosure accessible to any existing[1] Singapore-based participant upon request.

- CME Clearing's operations are subject to the laws of the United States and regulations promulgated by the U.S. Commodity Futures Trading Commission ("CFTC");
- The rights and remedies available to Singapore-based participants as stated in CME's rules, policies and procedures may be governed by U.S. law. Such rights and remedies under U.S. law may differ from those available to Singapore-based participants when accessing Singapore-based clearing houses which are primarily regulated by Singapore laws;
- Funds and collateral posted to a clearing intermediary registered as a U.S. futures commission merchant ("FCM") are subject to customer protection provisions of U.S. law;
- U.S. law and regulation mandate segregation of customer positions and collateral from the positions and collateral of FCM clearing members and prescribe the customer segregation model for futures and swaps, respectively, at both the FCM- and clearing house-levels. The structure and insolvency law impacts of the U.S. customer protection regime may differ from those of Singapore;
- Trades cleared at CME will be subject to U.S. business hours and settlement timelines as set forth in Exchange or Clearing House rules;
- Trades cleared at CME may be subject to U.S. tax law and applicable provisions of the U.S. Internal Revenue Code, which may have a different impact than Singapore tax law; and
- Costs associated with clearing should be discussed with the clearing member offering clearing services.

Nothing included in this bulletin should be regarded as legal advice. Tax advisors, legal counsel and Exchange or Clearing House rules, as applicable, should be consulted in all cases where a Singapore-based participant has questions concerning the conduct of their business or the impact of U.S. law or regulation thereon.

Please direct questions regarding this bulletin to the following email addresses: InternationalLegalRegulatoryTeam@cmegroup.com Timothy.Maher@cmegroup.com and Jane.Moon@cmegroup.com.

[1] As of the date of this notice.