

Appendix C – Settlement Details and Processes for Specified Collateral Settled via Appointed Triparty Agent(s)

1 Appointed Triparty Agent(s) Settlement Process

- 1.1 The USD Principal (for the opening leg of a Transaction) and the Closing Leg Settlement Amount (for the closing leg of a Transaction) shall be settled bilaterally between a successful Eligible Counterparty and the Authority, in accordance with the pre-established USD cash SSI(s).
- 1.2 No interest shall be payable by the Authority on any Specified Collateral which have been transferred to the Authority's collateral account with the Appointed Triparty Agent(s) (and where the Appointed Triparty Agent is CBL, the Authority's TCMS Collateral Account) in the opening leg of a Transaction.
- 1.3 In the case of a Transaction involving Specified Collateral (excluding cash) that pays coupon during the Transaction period (i.e. between the Value Date and the Maturity Date, both dates inclusive), the Authority will transfer such coupon payment to the successful Eligible Counterparty after receiving the coupon payment from the Appointed Triparty Agent(s). In the case of a Transaction involving Specified Collateral that charges a negative interest rate, where such interest is charged by the Appointed Triparty Agent(s) to the Authority, the successful Eligible Counterparty shall fully reimburse the Authority such interest.
- 1.4 The Authority may refuse to deal with an Eligible Counterparty if the Eligible Counterparty does not comply with the relevant procedures stipulated by the Authority for the use of the Facility as stated in the Agreement and the instructions stipulated by the Appointed Triparty Agent(s).

2 USD Interest payable on the USD Principal in a Transaction

- 2.1 On Maturity Date of a Transaction, the successful Eligible Counterparty shall pay to the Authority the Closing Leg Settlement Amount arising from the Transaction. The amount of USD Interest payable shall be computed as set out below:

- *USD Interest for a Collateralised Loan OR Repo*
$$= \text{USD Principal} \times \frac{\text{Accepted Bid Rate (in bps)}}{10,000} \times \frac{\text{Actual}}{360}$$

where

Actual means the number of calendar days between the Value Date (inclusive) and the Maturity Date (exclusive).

3 Margins

- 3.1 The Specified Collateral transferred by a successful Eligible Counterparty shall be marked-to-market and margined on a daily basis. During the tenor of each Transaction, the valuation of all Specified Collateral transferred to the Authority in the opening leg of the Transaction shall be at least equal to the Authority's Exposure (as defined below) to the successful Eligible Counterparty.
- 3.2 No interest shall be payable by the Authority on any additional cash, which is transferred by the successful Eligible Counterparty to the Authority, as a result of daily margining of the relevant Specified Collateral in a Transaction ("**Cash Margins**").
- 3.3 Where the Authority receives from the Appointed Triparty Agent(s) interest arising from Cash Margins, the Authority will transfer such interest to the successful Eligible Counterparty. Where the Appointed Triparty Agent(s) charges the Authority interest on the Cash Margins, the successful Eligible Counterparty shall fully reimburse the Authority such interest.

4 Other Fees and Interest Amounts Imposed by Appointed Triparty Agent(s)

- 4.1 The Authority shall not be liable for any collateral management fees, and custody administration, corporate event, safekeeping and external sourcing fees, interest amounts or any other costs which the Appointed Triparty Agent(s) may impose on Eligible Counterparties. By participating in an Auction, an Eligible Counterparty agrees that it shall be responsible for any costs incurred during the Transaction.

5 Terms and Processes for Settlement via CBL

Valuation and Pricing

- 5.1 This section shall be read in conjunction with the [CmaX Product Guide](#)¹ and [any relevant documents](#)² published by CBL. Please contact CBL (cssingapore@clearstream.com) for any clarifications.

¹ Link to download CmaX Product Guide:

<https://www.clearstream.com/resource/blob/1318456/367d5c691e426ff6a8c6e7174d6f44ce/cmax-product-guide-data.pdf>

² Link to download other relevant documents: <https://www.clearstream.com/clearstream-en/products-and-services/global-securities-financing/global-liquidity-hub-icsd-services/triparty-collateral-services-cmax-/cmax-product-description-1289380>

- 5.2 Unless otherwise stipulated by the Authority, the U.S. valuation methodology and the standard pricing selection process for collateral shall apply. Please refer to CBL CmaX Product Guide (published on July 2020) at page 55 or any revision for details³.
- 5.3 For the U.S. valuation method, the Margin (as seen in Figure 1) shall refer to the relevant Haircut for the Specified Collateral as set out in a MASNET circular(s) or in notices transmitted via any other written communication modes stipulated in Clause 27 of the Agreement. The Market Price and the Accrued Interest for the Specified Collateral shall be determined by CBL in accordance with the standard pricing selection process.

Figure 1: U.S. Valuation (extracted from CBL CmaX Product Guide published on July 2020 at page 55)

$$\text{Bonds} \quad \text{Quantity} * \frac{(\text{Market Price} + \text{Accrued Interest})}{100} * \frac{(100 - \text{Margin})}{100} * \text{Valuation Factor}$$

- 5.4 The Exposure for each Transaction shall be computed as follows:

Exposure

(rounded to 2 decimal places)

= ***USD Principal*** ≤ total valuation of all Specified Collateral for the Transaction

Processes for settlement of Specified Collateral via CBL

- 5.5 By the Trade Date + one (1) Business Day –
- (a) Where the successful Eligible Counterparty is a MEPS+ participant, the successful Eligible Counterparty shall send to FD a confirmation by SWIFT MT320 to MASGSGSG for the USD Principal to be transferred to the successful Eligible Counterparty by FRBNY as instructed by the Authority. While a Repo confirmation is not required for the transfer of the Specified Collateral, a triparty instruction shall be sent by the successful Eligible Counterparty to CBL (refer to Paragraph 5.5(d)) for settlement.
- (b) Where the successful Eligible Counterparty is a non-MEPS+ participant, the successful Eligible Counterparty shall send to FD a confirmation by SWIFT MT320 to MASGSGSG (for a SWIFT member) or facsimile/email⁴

³ Any revised CBL document may supercede the details documented in the Agreement. In the event there are any discrepancies between any CBL document and the Agreement, please contact the Authority.

⁴ Refer to Clause 25.2 of the Agreement for the facsimile number and email address.

(for a non-SWIFT member), for the USD Principal to be transferred to the successful Eligible Counterparty by FRBNY as instructed by the Authority. While a Repo confirmation is not required for the transfer of the Specified Collateral, a triparty instruction shall be sent by the successful Eligible Counterparty to CBL (refer to Paragraph 5.5(d)) for settlement.

- (c) The cut-off time for the successful Eligible Counterparty to send the confirmation referred to in sub-paragraphs (a) and (b) above to FD is 10.00am (Singapore Time) on the Trade Date + one (1) Business Day. Failure by the successful Eligible Counterparty to send the correct confirmation prior to the cut-off time may result in cancellation of the Transaction by the Authority and the successful Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 13.2 of the Agreement.
- (d) The successful Eligible Counterparty shall send a triparty instruction (MT527 SWIFT message) to CBL for the matching of the initiation of a new Exposure with the Authority by 1.00pm on the Trade Date + one (1) Business Day. Upon receiving matching instructions from the successful Eligible Counterparty and the Authority, CBL will transfer the Specified Collateral from the CBL Account to the TCMS Collateral Account on the Value Date. Failure by the successful Eligible Counterparty to send the correct triparty instruction prior to the cut-off time may result in cancellation of the Transaction by the Authority and the successful Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 13.2 of the Agreement.
- (e) It is mandatory for the successful Eligible Counterparty to leave the Exposure termination date in the MT527 SWIFT message as "OPEN" i.e. Field 98B::TERM//OPEN.

MT527 New Exposure Initiation: :16R:GENL :28E:1/ONLY :20C::SEME//<<Successful Eligible Counterparty's own reference>> :20C::CLCI//<<Successful Eligible Counterparty's own reference>> :20C::SCTR//<<Successful Eligible Counterparty's own reference>> :23G:NEWM :98A::EXRQ//YYYYMMDD << Value Date>> :22H::CINT//INIT :22H::COLA//SLOA :22H::REPR//PROV :22F::AUTA//AUTO

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:13B::ELIG//MASUSDFAC
:16R:COLLPRTY
:95P::PTYA//Successful Eligible Counterparty's SWIFT BIC
:16S:COLLPRTY
:16R:COLLPRTY
:95P::PTYB//MASGSGSG
:16S:COLLPRTY
:16R:COLLPRTY
:95R::TRAG/CEDE/;<<MAS' Collateral Account with CBL>>
:16S:COLLPRTY
:16S:GENL
:16R:DEALTRAN
:98B::TERM//OPEN
:19A::TRAA//USDXXXXXX <<Principal Amount>>,
:16S:DEALTRAN

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- 5.6 On the Value Date, the successful Eligible Counterparty shall ensure the Specified Collateral is transferred to the TCMS Collateral Account by 10.00am (Singapore Time). Upon receiving confirmation from CBL on the successful transfer of the Specified Collateral, the Authority will instruct the FRBNY to transfer the USD Principal into the successful Eligible Counterparty's USD account, in accordance with the USD SSIs submitted by the successful Eligible Counterparty to the Authority.
- 5.7 If the full amount of the Specified Collateral is not transferred to the Authority or the Authority only receives confirmation of the successful transfer after 10.00am (Singapore Time) on the Value Date, the Transaction may be cancelled and any Specified Collateral that has been transferred will be returned to the successful Eligible Counterparty. In such an event where the Transaction is cancelled due to the successful Eligible Counterparty being unable to deliver the full amount of the Specified Collateral to the Authority, the successful Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 13.2 of the the Agreement.
- 5.8 On Maturity Date (M), the successful Eligible Counterparty shall transfer the Closing Leg Settlement Amount to the Authority's USD account with the FRBNY by 11.00am (New York Time) for settlement of the closing leg of the Transaction. In the event of a late repayment of the Closing Leg Settlement Amount, the successful Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 13.4 of the the Agreement.

- 5.9 One (1) Business Day after the Maturity Date (M+1), and provided that the Authority has received prior confirmation from the FRBNY that the Closing Leg Settlement Amount have been credited into the Authority's USD account with the FRBNY, FD shall send the MT527 SWIFT message to CBL by 12.00pm (Singapore Time) and the successful Eligible Counterparty shall send a separate MT527 SWIFT message to CBL for the termination of the Exposure initiated on the Value Date in order for the Specified Collateral to be transferred from the TCMS Collateral Account to the CBL Account.
- 5.10 The termination date of the Exposure in the MT527 SWIFT message sent to CBL should be the Maturity Date + one (1) Business Day (M+1) under Field 98A::TERM//YYYYMMDD of the MT527 SWIFT message.