

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 SGD 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 the Eligible Counterparty and the Authority via:
 - (a) the RTGS Account for Eligible Counterparties who are MEPS+ participants; or
 - (b) the Current Account for Eligible Counterparties who are non-MEPS+ participants.
- 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 (inclusive) and the Maturity Date (exclusive)), the Authority will transfer such coupon payment to the 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 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 Margins

- 2.1 The Specified Collateral transferred by an 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 Eligible Counterparty.

2.2 No interest shall be payable by the Authority on any additional cash, which is transferred by the Eligible Counterparty to the Authority, as a result of daily margining of the relevant Specified Collateral in a Transaction (“**Cash Margins**”).

2.3 Where the Authority receives from the Appointed Triparty Agent(s) interest arising from Cash Margins, the Authority will transfer such interest to the Eligible Counterparty. Where the Appointed Triparty Agent(s) charges the Authority interest on the Cash Margins, the Eligible Counterparty shall fully reimburse the Authority such interest.

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

3.1 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 submitting a Request during an Operating Window, an Eligible Counterparty agrees that it shall be responsible for any costs incurred during the Transaction.

4 Terms and Processes for Settlement via CBL

Valuation and Pricing

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

4.2 Unless otherwise stipulated by the Authority, the U.S. valuation method and the standard pricing selection process for collateral shall apply. Please refer to CBL CmaX Product Guide (published in July 2020) at page 55 or any revision for details³.

4.3 For the U.S. valuation method, the Margin (as seen in Figure 1) shall refer to the relevant Haircut for Specified Collateral as set out in a MASNET circular(s) or in notices transmitted via any other written communication modes stipulated in Clause 24 of the Agreement. The Market Price and the Accrued Interest for the

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>

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

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)

$$\text{Bonds Quantity} * \frac{[\text{Market Price} + \text{Accrued Interest}]}{100} * \frac{[100 - \text{Margin}]}{100} * \text{Valuation Factor}$$

4.4 The Exposure for each Transaction shall be computed as follows:

Exposure

(rounded to 2 decimal places)

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

Processes for settlement of Specified Collateral via CBL

4.5 For Transactions involving the settlement of Specified Collateral via the Appointed Triparty Agent(s), the Value Date falls on the Trade Date.

4.6 During the Operating Window –

(a) Where the Eligible Counterparty is a MEPS+ participant, the Eligible Counterparty shall send to FD a confirmation by SWIFT MT320 to MASGSGSG for the SGD Principal to be transferred to the Eligible Counterparty. While a Repo confirmation is not required for the transfer of the Specified Collateral, a triparty instruction shall be sent by the Eligible Counterparty to CBL (refer to Paragraph 4.6(d)) for settlement.

(b) Where the Eligible Counterparty is a non-MEPS+ participant, the Eligible Counterparty shall send to FD a confirmation by SWIFT MT320 to MASGSGSG (for a SWIFT member) or, by facsimile/email⁴ (for a non-SWIFT member), for the SGD Principal to be transferred to the Eligible Counterparty. While a Repo confirmation is not required for the transfer of the Specified Collateral, a triparty instruction shall be sent by the Eligible Counterparty to CBL (refer to Paragraph 4.6(d)) for settlement.

(c) The cut-off time for the Eligible Counterparty to send the confirmation referred to in sub-paragraphs (a) and (b) above to FD is 4.15pm on the Trade Date. Failure by the 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 Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 10.2 of the Agreement.

⁴ Refer to Clause 22.2 of the Agreement for the facsimile number and email address.

- (d) The 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 4.15pm on the Trade Date. Upon receiving matching instructions from the 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 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 Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 10.2 of the Agreement.
- (e) The Value Date of the Exposure in the MT527 SWIFT message sent to CBL should be the Trade Date under Field 98A:: EXRQ //YYYYMMDD of the MT527 SWIFT message.
- (f) It is mandatory for the 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//<<Eligible Counterparty's own reference>>
:20C::CLCI//<<Eligible Counterparty's own reference>>
:20C::SCTR//<<Eligible Counterparty's own reference>>
:23G:NEWM
:98A::EXRQ//YYYYMMDD << Value Date>>
:22H::CINT//INIT
:22H::COLA//SLOA
:22H::REPR//PROV
:22F::AUTA//AUTO
:13B::ELIG//MASSGDTERM
:16R:COLLPRTY
:95P::PTYA//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//SGDXXXXXX <<Principal Amount>>, :16S:DEALTRAN

- 4.7 On the Value Date, the Eligible Counterparty shall ensure the Specified Collateral is transferred to the TCMS Collateral Account by 6.00pm. Upon receiving confirmation from CBL on the successful transfer of the Specified Collateral, the Authority shall transfer the SGD Principal into the Eligible Counterparty's RTGS Account (if it is a MEPS+ participant) or Current Account (if it is a non-MEPS+ participant), in accordance with Clause 1.1 of Appendix C.
- 4.8 If the full amount of the Specified Collateral is not transferred to the Authority or the Authority only receives notification of the successful transfer after 6.00pm on the Value Date, the Transaction may be cancelled and any Specified Collateral that has been transferred will be returned to the Eligible Counterparty. In such an event where the Transaction is cancelled due to the Eligible Counterparty being unable to deliver the full amount of Specified Collateral to the Authority, the Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 10.2 of the Agreement.
- 4.9 On Maturity Date (M), the Eligible Counterparty shall have the Closing Leg Settlement Amount available in its RTGS Account (if it is a MEPS+ participant) or Current Account (if it is a non-MEPS+ participant) by 12.00pm for settlement of the closing leg of the Transaction.
- 4.10 The Closing Leg Settlement Amount will be automatically debited from the Eligible Counterparty's RTGS Account (if it is a MEPS+ participant) or Current Account (if it is a non-MEPS+ participant). In the event of a late repayment of the Closing Leg Settlement Amount, the Eligible Counterparty shall pay a fee to the Authority as stipulated in Clause 10.4 of the the Agreement.
- 4.11 On M, upon FD's verification that the Closing Leg Settlement Amount has been successfully debited from the Eligible Counterparty's RTGS Account (if it is a MEPS+ participant) or Current Account (if it is a non-MEPS+ participant), FD shall send the MT527 SWIFT message to CBL by 12.00pm and the 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 Authority's TCMS Collateral Account to the Eligible Counterparty's CBL Account.

4.12 The termination date of the Exposure in the MT527 SWIFT message sent to CBL should be the Maturity Date (M) under Field 98A::TERM//YYYYMMDD of the MT527 SWIFT message.