

CSDs: CDP (Singapore)

Date: 14 Nov 2008

SMI Markets: Singapore

CMIRR Markets: Singapore

## SGX Enhances Transparency and Deters Naked Short Selling - Update

Further to our previous newsflashes, the Singapore Exchange Limited has issued a consultation paper to seek feedback and suggestions for a permanent penalty framework for failed share delivery.

The main point of the SGX' consultation paper is the proposal to make permanent the interim penalty of SGD 1,000 or 5% of the value of the trade (whichever is higher) in case of a non-delivery of the securities on T+3. Furthermore, from T+4 to T+8, the penalty could go up to SGD 50,000 for persistent non-delivery of securities.

Members of the public are welcomed to give their feedback on the paper until 4 December 2008.

SGX' press release is available at:  
<http://info.sgx.com/webnewscentre.nsf/b9c790d0d5ba5d2548256dcf0049ce28/48256838002f07b148257500001a5750?OpenDocument>

### CSD Risk Impact

#### CDP (Singapore)

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = On Watch

The permanent penalty framework would help maintain the order in the settlement process and deter failed trades in the market. However, we have placed liquidity risk 'On Watch' pending the results of the consultation paper.

### Market Information Impact

#### Singapore

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

### Infrastructure Risk Ratings Impact

#### Singapore

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = On Watch

The permanent penalty framework would help maintain the order in the settlement process and deter failed trades in the market. However, we have placed liquidity risk 'On Watch' pending the results of the consultation paper.

Related Flash: [SGX Enhances Transparency and Deters Naked Short Selling - Update, 29/09/2008 \(click to view\)](#)

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