



For : All Clearing Members
Date : 25 July 2018
Subject : Return of Contributions to the Clearing and Trade Guaranty Fund

Please be advised that during its meeting held on 13 March 2018, the Securities and Exchange Commission ("Commission") resolved to approve the SCCP's proposed amendments to SCCP Rule 5.2 and Operating Procedure 4.3.1.3, making the Clearing Members' contributions to the Clearing and Trade Guaranty Fund ("CTGF" or "Clearing Fund") refundable to Clearing Members upon cessation of their business and/or termination of their membership with SCCP, under certain conditions. The amended SCCP Rule 5.2 and Operating Procedure 4.3.1.3 were previously published for public comment through Memo for Brokers No. 02-0417 dated 19 April 2017.

We state below the original Rule 5.2 and the revised Rule 5.2 as approved by the Commission. Kindly take note of the conditions for the refundability of the Clearing Fund.

ORIGINAL RULE 5.2:

Rule 5.2 Return of Required Contributions

There shall be no return of cash contributions made by the Clearing Members to the Clearing Fund. The exception to this is the return of any excess collected as Initial Contribution required of new Trading Participants applying with the PSE or upon resumption of trading operations as stated in Rule 5.1.4.

REVISED RULE 5.2:

Rule 5.2 Return of Required Contributions

Contributions to the Clearing Fund shall be refunded as trade-related assets to a Clearing Member in the following cases:

1. Any excess of the Initial Contribution required of new Trading Participants applying with the PSE or upon resumption of trading operations as stated in Rule 5.1.4, and
2. Upon cessation of business of the Clearing Member and/or upon termination of its membership with SCCP, provided that all liabilities of such Clearing Member owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full, and shall take into account any pending and previous applications of the Clearing Fund at the time of such termination.

We state below the original Operating Procedure 4.3.1.3 and the revised Operating Procedure 4.3.1.3 as approved by the Commission.

ORIGINAL OPERATING PROCEDURE 4.3.1.3:

4.3.1.3 SSCP Directive on the Non-Refundability of the Clearing Members' Contributions

As part of the build-up plan of SSCP on the Clearing Fund, the SSCP Board approved the non-refundability of the monthly contributions by the Clearing Members, retroactively. Said contributions shall form part of the Clearing Fund, administered and accounted separately by the SSCP.

REVISED OPERATING PROCEDURE 4.3.1.3:

4.3.1.3 Return of the Clearing Members' Contributions

Contributions to the Clearing Fund shall be refunded as trade-related assets to a Clearing Member upon cessation of business of the Clearing Member and/or upon termination of its membership with the SSCP, provided that all liabilities of such Clearing Member owing to the SSCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. The return of contributions shall be made after a reasonable processing time and shall take into account any pending and previous applications of the Clearing Fund at the time of such termination. Such contributions are administered and accounted separately by the SSCP.

Please be advised that the revised Rule 5.2 and Operating Procedure 4.3.1.3 shall take effect on Wednesday, 01 August 2018, and shall apply only to all current and actively operating PSE Trading Participants/Clearing Members of the SSCP.

We have posted the complete SSCP Clearinghouse Rules and Operating Procedures in the SSCP website, as amended, for your reference.

For your information and guidance.



Renee D. Rubio
Chief Operating Officer