

General

1. About Multi-Currency Share Financing

Apart from offering the Share Financing (SF) facilities in SGD, OSPL is now offering the Share Financing facility in 3 other major foreign currencies, namely Hong Kong Dollar (HKD), United States Dollar (USD) and Australian Dollar (AUD) ("Multi Currencies").

OSPL hopes to offer its customers the ability to manage foreign exchange (FX) conversion costs by allowing you to settle your trades in the traded currency as opposed to solely in Singapore Dollar (SGD). Take notice that FX exposure will still be present during daily portfolio valuation as valuations are still undertaken in SGD-equivalent.

2. Benefits of Multi-Currency Share Financing

You will enjoy:

- (a) An extended list of marginable securities, which now extends to securities listed on the following stock exchange(s):

Singapore Exchange Limited (SGX), Hong Kong Exchanges and Clearing Limited (HKEX), KL Stock Exchange (KLSE), New York Stock Exchange (NYSE), NASDAQ, American Stock Exchange (AMEX) and Australian Securities Exchange (ASX).

- (b) better control of your FX exposure through depositing cash in any of the Multi Currencies; and
- (c) the option of utilizing the SF facilities in either the traded currency or SGD (i.e you can choose to incur interest on your debit balances in either the traded currency or SGD)

Account Opening

3. Opening a Multi-Currency Share Financing Account

For existing customers who have opened a SF account with us, the new multi-currency feature will be available automatically.

For new customers, you may go to our webpage to download, print, sign and forward the Account Opening form to us.

Note: For an Individual/Joint SF account, the applicant(s) must be at least 21 years old.

Making a Transaction

4. Trade Commencement

You can start trading when you have put up the initial collateral with us, which is a minimum cash deposit of \$5,000 (in SGD or SGD equivalent) or deposit \$5,000 (in SGD or SGD equivalent) worth of marginable securities. If the initial collateral is in the form of marginable securities, you have to wait until your securities are transferred to your SF sub-account maintained by OCBC Securities Pte Ltd with Central Depository (Pte) Limited ("CDP"). This usually takes about 2 to 3 days.

5. Trade Settlement Modes

For foreign currency denominated contracts, you can choose to settle your trades either in the traded currency or SGD.

6. Financing Quantum

Type of Collateral	Collateral Value (S\$ equivalent *)	Available Fund for Purchasing (S\$ equivalent *)	Number of times of Collateral
Cash (in any of the Multi Currencies)	5,000	17,500	Up to 3.5
Marginable Securities (traded in any of the Multi Currencies)	5,000	12,500	Up to 2.5

* Please note that margin valuations of non-SGD denominated types of Collateral will be subject to daily FX rate fluctuations.

Cash as Collateral

Scenario 1

A customer who provides cash deposit of US\$5,000 will be able to buy up to US\$17,500 worth of securities.

Assume FX rate : USD|SGD = 1.40

Loan Amount (SGD-equivalent) = Cost of securities purchased - Cash collateral
 = (US\$17,500 x 1.40) – (US\$5,000 x 1.40)

Collateral Value (SGD-equivalent) = US\$17,500 x 1.40

Margin % = Collateral Value / Loan Amount
 = (US\$17,500 x 1.4) / (US\$17,500 x 1.4 - US\$5,000 x 1.4) = 140%

Note: Loan Amount is set off by the amount of cash held by OSPL as Collateral.

Marginable Securities as Collateral

Scenario 2

A customer who deposits marginable securities valued at HK\$20,000 will be able to buy up to HK\$50,000 worth of securities.

Assume FX rate : HKD|SGD = 0.20.

Loan Amount (SGD-equivalent) = HK\$50,000 x 0.2

Collateral Value (SGD-equivalent) = HK\$20,000 x 0.2 + HK\$50,000 x 0.2

Margin % = Collateral Value / Loan Amount
 = (HK\$20,000 x 0.2 + HK\$50,000 x 0.2) / (HK\$50,000 x 0.2) = 140%

7. Marginable Securities

You can buy almost all counters listed on the Singapore Exchange and selected counters listed on the stock exchange(s) of Malaysia, Hong Kong, United States of America and Australia. In all, you can choose from the widest list of more than 2,500 listed securities.

8. Single-Counter Limit (“SCL”)

SF is available for the purchase all securities on our list of marginable securities. However, we do set a limit on the number of securities per counter that we accept for financing purposes. This is known as the Single Counter Limit (“SCL”) and the SCL is reviewed from time to time. For example, if the SCL for ABC securities is 100,000 securities and you have bought or deposited 200,000 securities, only the quantity of 100,000 securities will be taken into account when computing the total marginable value of securities in your SF portfolio. This will affect both the quantum of financing available to you as well as margin valuations.

9. Price Cap Factor (“PCF”)

Price Cap Factor (PCF) refers to the factor that we apply to ascertain the value of a marginable security. For example, a PCF of 0.7 means that if the last done price of that security is S\$1.00, we will value this stock at only S\$0.70 when we compute the marginable value of that particular marginable security.

10. Margin Valuation

Outstanding Loans and collaterals will be valued in SGD-equivalent for margin valuation purposes.

- i. $\text{Margin \%} = \frac{\text{Collateral Value (SGD-equiv)}}{\text{Loan Amount (SGD-equiv)}}$
- ii. Concepts of Single Counter Limit and Price Cap Factor apply.

Scenario 3

Mr ABC deposits S\$100,000 in his SF account.
He purchases 10,000 Citi shares with contract amount US\$50,000 (USD|SGD = 1.4)
Customer chose USD as his settlement currency.

Note: Settlement currency determines the loan taken by customer to finance the trade

Ledger

SGD Ledger:	\$100,000	CR
USD Ledger:	\$50,000	DR

Loan Amount = $-\text{S}\$100,000 + (\text{US}\$50,000 \times 1.4) = -\text{S}\$30,000$ (**Net Credit Balance**)

Customer will be charged interest on the debit balance accrued in the USD-ledger unless customer gives instruction to his Trading Representative to order a currency conversion from his SGD credit balance for an equivalent of US\$50,000.

Scenario 4 (A continuation from Scenario 3)

Assuming Mr ABC did not order any currency conversion to offset his USD loan, and on the same day he further purchases 15,000 HSBC shares at HK\$1,425,000 (SGD|HKD = 0.191). Customer chose HKD as his settlement currency

Ledger

SGD Ledger:	\$100,000	CR
USD Ledger:	\$50,000	DR
HKD Ledger:	\$1,425,000	DR

$$\text{Loan Amount} = -\text{S\$}100,000 + (\text{US\$}50,000 \times 1.4) + (\text{HK\$}1,425,000 \times 0.191) = \text{S\$}242,175$$

$$\text{Collateral Value} = (\text{US\$}50,000 \times 1.4) + (\text{HK\$}1,425,000 \times 0.191) = \text{S\$}342,175$$

$$\text{Margin \%} = \frac{\text{Collateral Value (SGD-equiv)}}{\text{Loan (SGD-equiv)}}$$

$$= \text{S\$}342,175 / \text{S\$}242,175 = 141.3\%$$

Note: Foreign currency exposure is present due to valuation in SGD-equivalent. In reality, the price of the Citi shares and the USD|SGD rate may vary, and they affect valuations as well.

11. Margin Call

Scenario 5 (A continuation from Scenario 4)

Assume both USD and HKD strengthen against SGD and the value of the Citi and HSBC shares remain unchanged on Day 2:

- USD|SGD = 1.5
- HKD|SGD = 0.2

Ledger (No change)

SGD Ledger:	\$100,000	CR
USD Ledger:	\$50,000	DR
HKD Ledger:	\$1,425,000	DR

$$\text{Loan Amount} = -\text{S\$}100,000 + (\text{US\$}50,000 \times 1.5) + (\text{HK\$}1,425,000 \times 0.2) = \text{S\$}260,000$$

$$\text{Collateral Value} = (\text{US\$}50,000 \times 1.5) + (\text{HK\$}1,425,000 \times 0.2) = \text{S\$}360,000$$

$$\text{Margin \%} = \frac{\text{Collateral Value (SGD-equiv)}}{\text{Loan (SGD-equiv)}} = 138.5\% \text{ (MARGIN CALL)}$$

$$\text{Cash Top Up} = \text{Loan} - (\text{Collateral Value} / 1.4) = 260,000 - (360,000 / 1.4)$$

=> Cash Top Up requirement of \$2,858 (SGD-equivalent)

Note: Customer is exposed to FX movements on a daily basis. In reality, the price of the Citi shares and the USD|SGD rate may vary, and they affect valuations as well.

Scenario 6 (A continuation from Scenario 5)

Mr ABC elects to fulfill his Margin Call and credit his USD ledger by depositing US\$70,000 within 2 days from the issuance of the Margin Call.

Assume no change to the value of the Citi and HSBC shares and

$$\text{USD|SGD} = 1.5$$

$$\text{HKD|SGD} = 0.2$$

Ledger

SGD Ledger:	\$100,000	CR
USD Ledger:	\$20,000	CR
HKD Ledger:	\$1,425,000	DR

$$\text{Loan Amount} = -\text{S\$}100,000 - (\text{US\$}20,000 \times 1.5) + (\text{HK\$}1,425,000 \times 0.2) = \text{S\$}155,000$$

$$\text{Collateral Value} = (\text{US\$}50,000 \times 1.5) + (\text{HK\$}1,425,000 \times 0.2) = \text{S\$} 360,000$$

$$\text{Margin \%} = \frac{\text{Collateral Value (SGD-equiv)}}{\text{Loan (SGD-equiv)}} = 232.3\% \text{ (CALL FULFILLED)}$$

NOTES:

1. Cash deposits in the same currency of the loan will be used to offset the debit balance in that currency ledger automatically.
2. Excess cash balance is retained and reflected as a credit balance in USD ledger.
3. Debit balance interest on HKD loan continues to accrue unless customer orders a currency conversion of the credit balance in the USD Ledger through his Trading Representative to offset HKD loan.

12. Margin Call Fulfillment

Margin Call can be fulfilled in the following manner:

(a) cash top-up in either the currency in which there is a debit balance in the currency ledger or any of the other Multi Currencies; or

(b) by depositing additional marginable securities equivalent to the Margin Call amount

If you choose option (a) as seen in Scenario 6, please note cash top-ups in a particular currency will be automatically credited to the currency ledger of that particular currency to either reduce the debit balance or increase the credit balance in that currency ledger. If you provide cash top-up in a currency other than the currency in which there is a debit balance in the currency ledger, interest on the debit balance will continue to accrue but the Margin Call will be taken to have been satisfied if the cash top-up meets margin valuations in SGD equivalent (as in Scenario 6). If you wish for your cash top-up to be credited into a currency ledger different from the currency of your cash top-up, you will have to give instructions to your Trading Representative to order a currency conversion.

Summary table of currencies available for margin top-up

	SGD	USD	HKD	AUD
Margin Top-up via TT	√	√	√	√
Margin Top-up via Cheques*	√	√		
Margin Top-up via Cash	√			
Security Top-Up	√	√	√	√
Amount to liquidate	√	√	√	√
Offset loan in different currency**	√	√	√	√

* For USD-denominated cheques, only those drawn on Singapore-based banks are acceptable; USD cheques above USD30,000 are not acceptable on 3rd margin call and immediate call.

** Customers to give instructions to OSPL to offset loans denominated in a different currency. The applicable exchange rate will be the prevailing FX rate at time of instruction.

13. Payment Modes

For cash payment mode

Cash payment may be made at our customer service counter. We are located at 18 Church Street #01-00 OCBC Centre South Singapore 049479.

Take notice that only **SGD cash is acceptable**.

For cheque payment mode

Cheques must be crossed and made payable to “OCBC Securities Private Limited”. Your SF account number and contact details are to be indicated at the back of the cheque.

The cheque may be mailed to us, or, presented at our customer service counter.

Take notice that only **SGD and USD cheques which are drawn on Singapore-based banks are acceptable**.

OSPL accepts USD cheque of up to only USD 30,000 and SGD cheque of up to only SGD 50,000 for immediate calls and from 3rd margin call onwards.

For telegraphic transfer (TT) payment mode

Payment may be made by TT. Please contact your Trading Representative or our hotline at 1800 338 8688 for the bank accounts details.

For Electronic Payment for Shares (“EPS”)

Alternatively, you may prefer to link your designated bank account to the SF account. EPS facilitates the direct debiting of payment (in SGD) from your bank account. You may also choose to make payment for your transactions via the ATMs or internet banking facility of your designated bank.

14. Unutilized Funds

Interest (if any) will be computed on a daily rest basis and credited at the end of the month. Where applicable, we will pay interest at our prevailing interest rate calculated on daily balances. For avoidance of doubt, the prevailing interest rate is determined by us, and subject to change from time to time at our sole and absolute discretion.

15. Contra Trading

Contra is not allowed for transactions via Share Financing Account. You will have to settle your outstanding buy and sell contracts by their respective settlement dates.

16. Utilization of CPF or SRS Funds

SF account cannot be used to buy and sell any securities under the CPFIS and SRS schemes.

17. Custodian Accounts

Your SF account is linked to a designated sub-account maintained by OSPL with CDP. When you deposit or purchase securities listed in Singapore Exchange under your SF account, it will be held in custody in this sub-account. For securities listed in other foreign stock exchanges, it will be held in custody with an established global custody service provider.

18. Corporate Actions

The proceeds resulting from corporate actions will be paid in the traded currency (SGD, USD, HKD and AUD).

However, if you would like to convert the proceeds into another currency after the payment, you can do so subsequently by informing your Trading Representative.

19. Automatic Currency Conversion

Your securities or credit balances in the various currency ledgers may liquidate or convert to offset your debit balance in a different currency denomination without your instructions or consent when you are not able to meet your Margin Call obligations and OSPL initiates force-selling of your Collaterals on your behalf.

20. Account Withdrawals

You can withdraw securities or cash from your SF account when:

- Margin % is greater than 140% or such percentage as OSPL may prescribe;
- There is net cash inflow; and
- If withdrawal is in currency other than SGD, then withdrawals may only be permitted if there is a credit balance in that particular currency ledger.

Securities withdrawal

Scenario 7 (A continuation from Scenario 6)

Assume, no change in the value of the Citi and HSBC shares and

- USD|SGD = 1.5
- HKD|SGD = 0.2

$$\begin{aligned}\text{Value of securities withdrawal allowed} &= \text{Collateral Value} - 140\% \times (\text{Loan Amount}) \\ &= \text{S\$}360,000 - 140\% \times (\text{S\$}155,000) \\ &= \text{S\$}143,000\end{aligned}$$

Hence, Mr ABC can withdraw his securities worth of S\$143,000 equivalent.

Cash withdrawal

Scenario 8 (A continuation from Scenario 6)

Assume, no change in the value of the Citi and HSBC shares and

- USD|SGD = 1.5
- HKD|SGD = 0.2

$$\begin{aligned}\text{Cash withdrawal allowed} &= (\text{Collateral Value} / 140\%) - \text{Loan Amount} \\ &= (\text{S\$}360,000 / 140\%) - \text{S\$}155,000 \\ &= \text{S\$}102,142.86\end{aligned}$$

If Mr ABC wants the withdrawal to be in USD, (assuming USD|SGD = 1.45),

$$\text{Withdrawal Amount} = \text{S\$}102,142.86 / 1.45 = \text{US\$ } 70,443.35$$

Mr ABC's SF account must reflect a credit balance of at least US\$ 70,443.35 before withdrawal is approved and disbursed. In the above scenario, Mr ABC can only withdraw up to US\$20,000 in USD since the USD ledger only has a credit balance of US\$20,000.

Charges & Fees

21. Charges and Fees¹

Description	Charges and Fees	Remarks
Share Financing Lending Rate (charged on a daily rest basis)	SGD - 6% per annum HKD – 7% per annum USD – 6.25% per annum AUD- 8.5% per annum	Rates are subject to periodic adjustments
Deposit of SGX securities as collateral into OSPL	S\$10* per counter	Transfer fee is levied by CDP (Note: It is currently borne by OSPL).
Withdrawal of securities listed in SGX from OSPL into your direct CDP securities account	S\$10* per counter	Transfer fee is levied by CDP.
Withdrawal of securities listed in SGX from OSPL to other DA sub-account	S\$10* per 1,000 shares per counter	Capped at a maximum of S\$100* per counter
Withdrawal of securities listed in foreign markets from OSPL to other financial institutions	S\$50* per counter	
Cash Dividend Processing Fee	Waived	All markets
CDP Maintenance Fee	S\$15* (With Shareholdings) S\$2* (Without Shareholdings)	Maintenance fee is levied by CDP quarterly
Foreign Share Custody Fees	S\$2* per counter per month	Invoiced quarterly in arrears subject to a maximum of S\$200* per quarter (or a maximum of S\$67* per month)
	Fees exemption	a) If clients make at least two (2) transactions per month for that particular month. b) If clients make at least six (6) transactions per quarter for the entire quarter.
Rights Issue Processing Fee	Handling Fees: S\$10* Cashier's Order: S\$5	

Description	Charges and Fees	Remarks
Telegraphic Transfer SGD i. to OCBC Bank ii. to 3 rd party banks USD/HKD/AUD iii. to OCBC Bank iv. to 3 rd party banks	i. No charge ii. S\$20 iii. No charge iv. USD – US\$30 HKD – HK\$240 AUD – A\$35	

*Fees and Charges are exclusive of prevailing GST and subject to changes.

22. Brokerage Rates¹

Singapore SGX²

Securities Trading in SGD	Broker Assisted	Internet	Other Transaction Charges
Minimum Commission	SGD 40	SGD 25	Clearing Fee (CDP imposed): 0.0325%*
Transaction Value			SGX Access Fee: 0.0075%
≤ SGD 50,000	0.275%	0.275%	
SGD 50,001 – SGD 100,000	0.275%	0.22%	
>SGD 100,000	0.20%	0.18%	

* Except for trading in:

- Clearing fees for structured warrants is 0.004% of contract value, from 5 January 2015
- ADRs

(Refer to our webpage for more information)

Other markets²

Charges applicable to OSPL Securities Trading Account shall apply.

¹ We reserve our rights to vary the commissions, fees, costs and charges at any time or from time to time.

² Charges are exclusive of prevailing Goods & Services Tax ("GST"). The current GST is at 7%.

Account Maintenance

23. Statements

You will receive a monthly statement of account detailing your securities transactions, your balance and interest earned (if any) or due from you in the respective Multi Currencies. In addition, you will receive a margin valuation report setting out the number of securities held under your Share Financing account and your margin position for that day.

Important Notes

Trading in securities can be very risky, and you may lose all or more than the amount invested or deposited. You should therefore consider carefully and exercise caution in making any trading decision whether or not you have received advice from any financial adviser.

Borrowing to finance the trading of securities (leveraging/gearing) carries a high degree of risk. If the value of the collaterals declines substantially, falling below the maintenance margin requirement, you may be called upon to deposit substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the specified time, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

All other services and products offered by OCBC Securities are subject to relevant terms and conditions.